

**OPENING REMARKS OF THE HONORABLE RUBEN HINOJOSA  
COMMITTEE ON FINANCIAL SERVICES  
“STRENGTHENING AMERICA’S COMMUNITIES: A REVIEW OF THE  
PRESIDENT’S FY2006 BUDGET INITIATIVE”  
APRIL 6, 2005**

Chairman Oxley and Ranking Member Frank, I want to express my sincere appreciation for you holding this extremely important and very timely hearing today. I want to welcome back to the Committee Secretary Jackson and greet Secretary Gutierrez for the first time.

I look forward to their testimony and to that of Clay Johnson III, Deputy Director for Management, Office of Management and Budget (OMB).

Proposed by President Bush on February 3, 2005, the “Strengthening America’s Communities Initiative” (SAC) is, at best, a misguided attempt to reorganize and consolidate our nation’s community and economic development initiatives into a new program under the direction of the Department of Commerce. A more appropriate name for it might be the “Weakening America’s Communities Initiative.” This initiative is being opposed by both bodies of Congress on a bipartisan basis, and I believe that our witnesses need to explain the rationale behind this proposal and why they continue to support it.

Each and every issue our nation faces needs to be pursued with diligence and care, and must remain consistent with the values we cherish. However, the Administration’s Fiscal Year 2006 budget and this initiative fail to do that and are completely out of step with our country’s needs.

As a businessman, I know that this budget is not the way to solve our financial woes. As passed by the House, the proposed budget threatens our economy and fails to take the necessary steps toward fiscal responsibility.

As we are all more than aware, the budget mistakenly recommends cutting the Community Development Block Grant Program by \$3.7 billion, or about 35 percent, and transferring jurisdiction over the program to the Department of Commerce. The CDBG program provides funds for more than 1,000 communities throughout the country for housing and community development. In my district alone, the proposed cuts could result in a net loss of funding of almost \$15 million.

CDBG is the source of funding for important technical assistance dollars accessed by tribes through the National American Indian Housing Council, the National Council of La Raza, the Enterprise Foundation, the Local Initiatives Support Corporation, Hispanic Serving Institutions, Historically Black Colleges and Universities and the Housing Assistance Council. Reducing the funding levels for the CDBG program will devastate all of these organizations.

I understand that our nation has a record deficit and an ever-increasing national debt. Several representatives from this Administration have testified that this situation justifies reducing funding for the CDBG program, eliminating the Rural Housing Economic Development program, and reducing rural housing program funding and other such cuts. If they truly believe this, then they need to reevaluate their priorities. Our communities come first. My constituents come first, and they have expressed their opposition to this initiative loud and clear. What they and many others, both the man on the street and analysts, is that now is not the time to transfer the jurisdiction over the CDBG fund and other HUD programs to the Department of Commerce.

We must maintain the current \$4.7 billion CDBG program funding level and prevent jurisdiction over the program from being transferred to the Commerce Department where staff has little to no familiarity with the program and where the CDBG program will be forced to compete with other programs, resulting in even less funding for such an important program.

To ensure that the CDBG program is not transferred to Commerce, I have cosponsored H.Con.Res 108 sponsored by Congresswoman Carolyn C. Kilpatrick. The bill expresses the sense of the Congress that the Community Development Block Grant program should remain under the administration of the Secretary of Housing and Urban Development. I encourage all of my colleagues to cosponsor this important legislation.

The Administration's proposed budget and this misnamed initiative will do more harm than good. It will potentially devastate the people of the 15<sup>th</sup> Congressional District.

At this point, Chairman Oxley, I would ask unanimous consent that letters that I have received from officials in my district opposing this initiative, specifically changes to the CDBG program, be included in today's hearing record.

I would also like to note that I received letters from over 30 Boy Scouts in my district and 4 Girl Scouts Council members in opposition to this initiative.

Having said that, Chairman Oxley, I yield back the remainder of my time.

The State of Texas  
House of Representatives



**CAPITOL OFFICE:**  
P.O. BOX 2910  
AUSTIN, TEXAS 78768-2910  
VOICE: (512) 463-0578  
FAX: (512) 463-1482  
E-MAIL: veronica.gonzales@house.state.tx.us

**DISTRICT OFFICE:**  
4900 N. 10th STREET, SUITE C-2  
MCALLEN, TEXAS 78504  
VOICE: (956) 686-5501  
FAX: (956) 686-7131

**Veronica Gonzales**  
STATE REPRESENTATIVE  
DISTRICT 41

March 2, 2005

**The Honorable Rubén Hinojosa**  
United States House of Representatives  
2463 Rayburn House Office Building  
Washington, DC 20515

Dear Representative Hinojosa:

It has come to my attention that President Bush has recommended no federal funds to be allocated to the Community Development Block Grant Program. While I am aware of the financial state of the United States Government, reducing funds on this particular program would be very inequitable and detrimental in the progress that not only my district has made because of these funds, but for the entire international border region.

I ask that you encourage your legislature to support the Community Development Block Grant as well as the funds that it currently receives. Thank you for your attention to this matter and if there is anything that I can do, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Veronica Gonzales".

Veronica Gonzales

**MARI LOPEZ**  
ADMINISTRATIVE ASSISTANT

**NORA SALINAS**  
OFFICE MANAGER



P. O. BOX 515  
FALFURRIAS, TEXAS 78355  
PHONE: OFFICE (361) 325-5604  
EXTENSIONS: 234, 235  
FAX: (361) 325-9065

**JOE B. GARCIA**  
BROOKS COUNTY JUDGE

January 24, 2005

Congressman Ruben Hinojosa  
311 North 15<sup>th</sup> Street  
McAllen, Texas 78501

Dear Congressman Hinojosa,

We have been informed that the President is seriously considering reducing the Community Development Block Grant program and it could be cut as much as 50%. Especially since the community development program has existed for over 30 years, cities and counties use this program to help meet their basic needs of water, sewer, housing and other essential programs that are vital to a strong, local economy.

Thank you for lobbying against this effort that could drastically effect the strength of America's cities and counties.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe B. Garcia", is written over a large, stylized, circular scribble.

Joe B. Garcia  
Brooks County Judge

Cc: Jim Wells County Judge Arnold Saenz  
Duval County Judge E.B. Garcia  
Kleberg County Judge Pete De La Garza



## RESOLUTION

STATE OF TEXAS

COUNTY OF HIDALGO

### OPPOSING ELIMINATION OF THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG)

**Whereas**, President Bush has proposed the elimination of the Community Development Block Grant program in his fiscal year 2006 budget, which funds a myriad of social service, economic development, infrastructure projects, and housing programs in this community, and

**Whereas**, in Hidalgo County and in communities throughout the nation, thirty years of Community Development Block Grant funding has developed a strong network of relationships between this local government, residents and the many non-profit agencies that provide services and help make possible our commitment to our neighborhoods, and

**Whereas**, Hidalgo County recognizes that the Community Development Block Grant program is a partnership of Federal, state, and local government, business, non-profit and community efforts, and that the services funded by the CDBG program, administered by the local government and often delivered by local non-profit organizations, relies heavily on the dedication of and good will of our combined efforts,

**Whereas**, this community recognizes all the participants whose hard work and devotion to the neighborhood and their low- and moderate-income residents help insure the quality and effectiveness of the Community Development Block Grant program, and

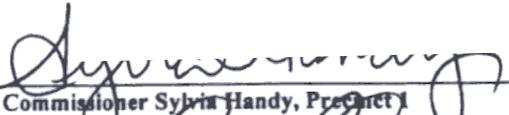
**Therefore Be It Resolved**, that as the County Judge and County Commissioner's of the County of Hidalgo be it known that the County of Hidalgo opposes the proposed elimination of the Community Development Block Grant Program.

**Be It Further Resolved**, that Hidalgo County hereby petitions the U.S. Congress and Administration to recognize the outstanding work being done locally and nationally by the Community Development Block Grant program, and of its vital importance to the community and to the people who live in its lower income neighborhoods, to strongly oppose any proposal to eliminate the Community Development Block Grant Program, and

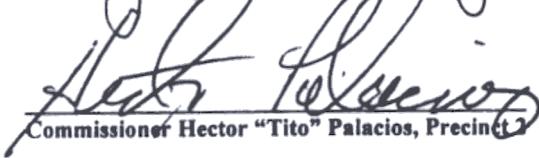
**Be It Further Resolved**, that copies of this resolution be conveyed to the appropriate elected and appointed officials of the Federal government and that Hidalgo County's name be added to the roll of those committed to the preservation and full funding of the Community Development Block Grant program and maintenance of its essential features over the course of this, and the next session of Congress.

**CONSIDERED AND ADOPTED** this 1st day of March, 2005 at a regular meeting of the Hidalgo County Commissioner's Court at which a quorum was present and which was held in accordance with TEXAS GOVERNMENT CODE, TITLE 5, SUBTITLE A., CHAPTER 551, enacted by Acts 1993, 73rd Leg., ch. 268, S 1, effective September 1, 1993.



  
Commissioner Sylvia Handy, Precinct 1

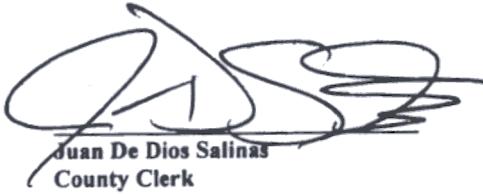
  
Commissioner Joe Flores, Precinct 3

  
Commissioner Hector "Tito" Palacios, Precinct 2

  
Commissioner Oscar Garza, Precinct 4

  
Honorable Ramon Garcia, County Judge

**ATTEST:**

  
Juan De Dios Salinas  
County Clerk



APPROVED BY  
COMMISSIONERS' COURT  
ON:   MAR - 1   2005

RESOLUTION 06-03-05

**A RESOLUTION OF THE CITY OF ALAMO, TEXAS, OPPOSING ELIMINATION OF THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG).**

**WHEREAS,** President Bush has proposed the elimination of the community Development Block Grant program in his fiscal year 2006 budget, which funds a myriad of social service, economic development, infrastructure projects, and housing programs in this community; and

**WHEREAS,** in the City of Alamo, Texas and in communities throughout the nation, thirty years of Community Development block Grant funding has developed a strong network of relationships between this local government, residents and the many non-profit agencies that provide services and help make possible our commitment to our neighborhoods; and

**WHEREAS,** the City of Alamo recognizes that the Community Development Block Grant program is a partnership of Federal, state, and local government, business, non-profit and community efforts, and that the services funded by the CDBG program, administered by the local government and often delivered by local non-profit organizations, relies heavily on the dedication and good will of our combined efforts; and

**WHEREAS,** this community recognizes all the participants whose hard work and devotion to the neighborhood and their low and moderate income residents help insure the quality and effectiveness of the Community Development block Grant program; and

**THEREFORE BE IT RESOLVED,** that as the Mayor and Board of Commissioners of the City of Alamo, Texas be it known that the City of Alamo opposes the proposed elimination of the Community Development Block Grant Program (CDBG).

**BE IT FURTHER RESOLVED,** that the City of Alamo hereby petitions the U.S. Congress and Administration to recognize the outstanding work being done locally and nationally by the Community Development Block Grant program, and of its vital importance to the community and to the people who live in its lower income neighborhoods, to strongly oppose any proposal to eliminate the Community Development Block Grant Program; and

**BE IT FURTHER RESOLVED,** that copies of this resolution be conveyed to the appropriate elected and appointed officials of the Federal government and that the City of Alamo's name be added to the roll of those committed to the preservation and full funding of the Community Development block Grant program and maintenance of its essential features over the course of this, and the next session of Congress.

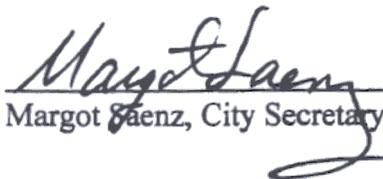
**CONSIDERED AND ADOPTED** this the 15<sup>th</sup> day of March 2005 at a regular meeting of the Board of Commissioners of the City of Alamo, Texas at which a quorum was present and which was held in accordance with TEXAS GOVERNMENT CODE, TITLE 5, SUBTITLE A, CHAPTER 551, enacted by acts 1993, 73<sup>rd</sup> Leg. Ch.268, S 1, effective September 1, 1993.

CITY OF ALAMO



Rudy Villarreal, Mayor

ATTEST:

  
Margot Saenz, City Secretary



RESOLUTION 2005-03-03

WHEREAS, President Bush has proposed the elimination of the Community Development Block Grant program in his fiscal year 2006 budget, which funds a myriad of social service, economic development, infrastructure projects, and housing programs in this community; and

WHEREAS, in Hidalgo County and in communities throughout the nation, thirty years of Community Development Block Grant funding has developed a strong network of relationships between this local government, residents and the many non-profit agencies that provide services and help make possible our commitment to our neighborhoods; and

WHEREAS, Hidalgo County recognizes that the Community Development Block Grant program is a partnership of Federal, State, and Local Government, business, non-profit and community efforts, and that the services funded by the CDBG program, administered by the local government and often delivered by local non-profit organizations, relies heavily on the dedication of and good will of our combined efforts; and

WHEREAS, this community recognizes all the participants whose hard work and devotion to the neighborhood and their low - and moderate - income residents help insure the quality and effectiveness of the Community Development Block Grant program; and

THEREFORE, BE IT RESOLVED, that as Mayor and City Council of the City of Donna, be it known that the City of Donna opposes the proposed elimination of the Community Development Block Grant.

BE IT FURTHER RESOLVED, that the City of Donna hereby petitions the U.S. Congress and Administration to recognize the outstanding work being done locally and nationally by the Community Development Block Grant program, and of its vital importance to the community and to the people who live in its lower income neighborhoods, to strongly oppose any proposal to eliminate the Community Development Block Grant Program; and

BE IT FURTHER RESOLVED, that copies of this resolution be conveyed to the appropriate elected and appointed officials of the Federal government and that the City of Donna's name be added to the roll of those committed to the preservation and full funding of the Community Development Block Grant program and maintenance of its essential features over the course of this, and the next session of Congress.

Passed, Approved and Adopted on this the 15<sup>th</sup> day of March 2005 at a Regular Council Meeting of the Donna City Council at which a quorum was present.



*Ricardo L. Morales*  
\_\_\_\_\_  
Ricardo L. Morales  
Mayor

Attest:

*Martha Alvarado*  
\_\_\_\_\_  
Martha Alvarado  
City Secretary

**RESOLUTION #2005-17**  
**OPPOSING ELIMINATION OF THE COMMUNITY DEVELOPMENT BLOCK**  
**GRANT PROGRAM**  
**(CDBG)**

**WHEREAS**, President Bush has proposed the elimination of the Community Development Block Grant Program in his fiscal year 2006 budget, which funds a myriad of social service, economic development, infrastructure projects, and housing programs in this community, and

**WHEREAS**, in the City of Mercedes and in communities throughout the nation, thirty years of Community Development Block Grant funding has developed a strong network of relationships between this local government, residents and the many non-profit agencies that provide services and help make possible our commitment to our neighborhoods, and

**WHEREAS**, in the City of Mercedes recognizes that the Community Development Block Grant program is a partnership of Federal, state, and local government, business, non-profit and community efforts, and that the services funded by the CDBG program, administered by the local government and often delivered by local non-profit organizations, relies heavily on the dedication of and good will of our combined efforts, and

**WHEREAS**, this community recognizes all the participants whose hard work and devotion to the neighborhood and their low-and moderate-income residents help insure the quality and effectiveness of the Community Development Block Grant program, and

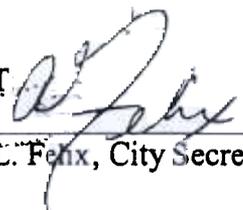
**THEREFORE, BE IT RESOLVED**, that as the Mayor and City Commissioners of the City of Mercedes, Texas be it known that the City of Mercedes opposes the proposed elimination of the Community Development Block Grant Program; and

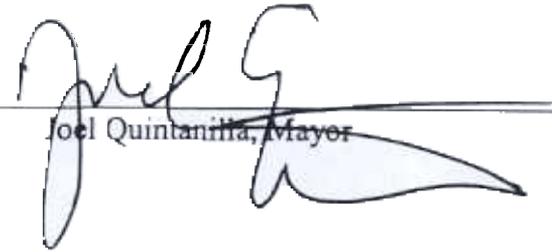
**BE IT FURTHER RESOLVED**, that the City of Mercedes hereby petitions the U.S. Congress and Administration to recognize the outstanding work being done locally and nationally by the Community Development Block Grant program, and all of its vital importance to the community and to the people who live in its lower income neighborhoods, to strongly oppose any proposal to eliminate the Community Development Block Grant Program; and

**BE IT FURTHER RESOLVED**, that copies of this resolution be conveyed to the appropriate elected and appointed officials of the Federal government and that the City of Mercedes' name be added to the roll of those committed to the preservation and full funding of the Community Development Block Grant program and maintenance of its essential features over the course of this, and the next session of Congress.

**PASSED, APPROVED AND ADOPTED THIS THE 15<sup>th</sup> DAY OF MARCH, 2005.**

ATTEST

  
\_\_\_\_\_  
Arcelia L. Felix, City Secretary

  
\_\_\_\_\_  
Joel Quintanilla, Mayor