

**TESTIMONY BY
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**FIELD HEARING OF
THE HOUSE COMMITTEE ON FINANCIAL SERVICES,
SUBCOMMITTEE ON HOUSING AND COMMUNITY OPPORTUNITY**

**LOS ANGELES, CA
WEDNESDAY, APRIL 12, 2006**

Good morning, Chairman Ney and Member Waters.

It is my pleasure to welcome you this morning to Los Angeles and Exposition Park, which is located in my Supervisorial District.

My remarks will discuss the importance of the Community Development Block Grant (CDBG) Program to the County of Los Angeles. Also appearing before your Subcommittee today is Carlos Jackson, the Executive Director of the County's Community Development Commission which administers the CDBG Program on behalf of the Los Angeles Urban County. Although you're receiving testimony on several aspects of CDBG, I will be commenting specifically on the CDBG Formula Program.

The CDBG Program plays a key role in improving the quality of life for low- and moderate-income residents of Los Angeles County. I am deeply concerned about the proposed cut for Federal Fiscal Year (FFY) 2007. The proposed 25 percent reduction in funding will be a loss of over \$7.7 million dollars to the Los Angeles Urban County Program. As you know, the Program has been reduced annually since FFY 2001. In FFY 2001 our entitlement was \$39 million dollars, and with the proposed 25 percent cut for next year, our entitlement would be reduced to \$23.1 million. That's a total loss of \$16 million in a six-year period. It is vital that Congress maintain formula funding for the CDBG Program at \$4.3 billion to improve the quality of life for our residents.

I would like to acknowledge Congress' past support – and in particular your support, Congresswoman Waters -- for Los Angeles County's CDBG Program, which is the largest Urban County program in the nation. In its 32 years, the Program has been used constructively to provide housing, community and economic development, and public service projects. Our funds are normally leveraged with funding from other sources to collectively develop affordable housing, revitalize neighborhoods, and support businesses.

For instance, the Los Angeles Eye Institute, which I have been personally involved with, is an estimated \$21 million dollar multi-disciplinary health care facility that will be adjacent to Martin Luther King Hospital. The County will be using a combination of \$18 million in Section 108 Loan Guarantee and Economic Development Initiative

funds and \$3 million in private funding to construct the facility that will provide health services to low- and moderate-income residents.

In addition, CDBG funds are allocated for important “public service” activities. Our residents have benefited from public service activities such as meals for seniors, after school programs for youth, drug intervention, homeless assistance, and domestic violence counseling. The Los Angeles County Board of Supervisors values the CDBG Program in that it provides the flexibility for us to prioritize the allocation of funds to address our local needs.

Thank you for conducting this field hearing on the CDBG Program. To restate, the CDBG Program is a very vital program to Los Angeles County. It has been successful and effective in developing programs and providing services in low-income communities. I am confident that through the course of these hearings you’ll see how important the CDBG Program is to Los Angeles County.

However, Los Angeles County cannot afford to suffer further drastic cuts without seriously affecting our abilities to service the most in need.

I join all members of the Board of Supervisors in looking forward to continuing working with members of the Subcommittee and the rest of Congress to support the CDBG Program.