



The United States Conference of Mayors

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Mayors Unite Behind CDBG Legislation Designed to Provide Local Assistance During Housing Crisis

Washington, DC – The United States Conference of Mayors along with four other national organizations representing cities and local elected officials, and housing and community development practitioners are acting in support of the Community Foreclosure Assistance Act of 2007, introduced by U.S. Senator Norm Coleman. The legislation would provide \$1 billion through the Community Development Block Grant (CDBG) program to local governments and states to address the impact of foreclosures. Foreclosure – based rental assistance would also be provided to renters through the legislation.

“We highly commend Senator Norm Coleman for pushing his legislative initiative which not only provides additional funding for CDBG, but allows more flexibility in the program by increasing the public services cap and lowering the current low- and moderate income requirement from 70% to 50%,” said Conference President Douglas H. Palmer, Mayor of Trenton. “We look forward to working with the Senator in any way possible to help pass this important legislation.”

Local governments are experiencing the growth in sub- prime mortgage foreclosures with dire predictions for citizens, neighborhoods, and local economies. With the mortgage crisis predicted to get worse over the next year, local governments are poised to tackle the issue on multiple fronts including: working to gain support of strong federal anti-predatory and bankruptcy legislation, support of reform and modernization of the Federal Housing Administration (FHA), and through legislation such as the Community Foreclosure Assistance Act, assistance to citizens who have lost or are losing their homes.

In addition, the bill allows local governments and states to request a general waiver to further provide foreclosure assistance. The Conference and other partnering organizations are also requesting that the legislation permit 10 % of the funds to be used for administrative costs.

The four other participating organizations joined with the U.S. Conference of Mayors in support of U.S. Senator Coleman's CDBG legislation include: the National Association of Counties; the National Community Development Association; the National Association for County Community and Economic Development; and the National Association of Local Housing Finance Agencies.

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