

STATEMENT BY DEPUTY MAYOR BUD OVROM

**Subcommittee on Housing and Community Opportunity
Community Development Block Grants (CDBG) Field Hearing
April 12, 2006**

**California Science Center, Loker Conference Center
Exposition Park, 700 State Drive
Los Angeles, CA**

Good morning, Honorable Members.

I am pleased to present testimony today on behalf of Mayor Antonio Villaraigosa.

Although the Mayor is very distressed by the President's FY 2007 budget proposal to consolidate and reformulate funding for the Community Development Block Grant (CDBG) program, we are certainly encouraged by the commitment of Congress to understand the impact of this proposal on the nation's low and moderate-income population. Thus, on behalf of the Mayor and everyone here, allow me to say how pleased we all are that you are in Los Angeles.

As you may know, the Mayor was recently appointed to be the Chair of the U.S. Conference of Mayors Task Force on Poverty, Work and

Opportunity. We are very excited to work with Mayors around the country to address the important issue of poverty by developing strategies that will make our federal, state, and local dollars stretch further while enhancing the positive impact we can make on the lives of the poor. At the same time, the Mayor looks forward to working with Congress to ensure that the critical programs and services funded by CDBG are preserved for the people that rely on them.

As you will hear in other testimony this morning, CDBG funding is vital to the City of Los Angeles. For over 30 years, CDBG has been one of the most effective tools available to the government to strengthen local communities. CDBG provides the flexibility and the funding to address the needs of poor and working families who continue to face tremendous quality of life and opportunity challenges.

Here, in Los Angeles—in the undisputed commercial and cultural capital of the richest state in the wealthiest nation in the world—you see close to 10,000 homeless children. Thousands of kids arrive in public schools every day who don't have a bed for the night.

Poverty, however, is not just confined to Los Angeles.

It has been fifty years since Brown versus the Board of Education, but one third of African American children still live in poverty.

Across the country, six million school children are on the verge of failing out of school.

Eleven million Americans can't read a bus schedule or fill out a job application.

Three and a half million people sleep in shelters and doorways, and underpasses.

These statistics are constant reminders of what level of work remains to be done in this City and across the Country.

That is why the Mayor remains deeply concerned that the city again continues to face substantial reductions in federal funding for programs funded under our Housing and Community Development Consolidated Plan, particularly the CDBG program. Last year, that reduction amounted to approximately \$9 million, or 11% of our allocation for the previous year.

While our federal allocation shrinks, the need for services and the number of requests for funding continues to grow. For the 2006-2007 Program Year, the City received a total of 215 applications requesting in excess of \$254 million in CDBG support. It is my hope that policy leaders in Washington do not to confuse the disappearance of this program with the disappearance of the problem of poverty.

I will now turn it over to our General Manager of the Community Development Department, Clifford Graves, and others to share with you some of the great program efforts funded in the city with CDBG dollars. Cliff will provide you with an outline of how the city historically uses these funds and how any additional reductions will impact the city and its residents.

Again, thank you for the opportunity to address you this morning and thank you for your interest in Los Angeles.