



COSCD A Federal Funding Priorities For Fiscal Year 2018

The Council of State Community Development Agencies (COSCD A) has a forty-three year history as an advocacy organization that represents state community development and housing agencies responsible for administering Department of Housing and Urban Development (HUD) programs, including the Community Development Block Grant (CDBG) program, the HOME Investment Partnerships (HOME) program and the McKinney-Vento Homeless Assistance Programs along with the National Housing Trust Fund. These programs that meet critical housing and community development needs have played a major role in the successful transformation of both urban and rural neighborhoods in all fifty states since their inception, and provide vital support to the nation's economic infrastructure.

COSCD A is committed to advocating for consistent and sufficient resources available for communities to design and implement local community development projects and programs to improve neighborhoods. Achieving increased predictability in the availability of adequate resources will ensure that these funds, which are essential for job creation, assisting small business, providing much needed housing and economic development infrastructure, including producing affordable rental housing units, rehabilitating owner-occupied housing, providing affordable homeownership opportunities and supporting homeless services, will continue to both sustain and develop growing and thriving communities in every state throughout the country. These programs also allow jurisdictions to partner with non-profit organizations, local contractors and for-profit entities to deliver activities that meet the unmet needs faced by their citizens in cities and towns – real people who have real needs.

COSCD A also affirms its view that state and federal government should remain strong partners in the administration of community development programs. It is our foundational premise that a collaborative approach between states, local and the federal government is vital to the effective administration of these core programs and ultimately to the vitality of communities across this nation. COSCD A members are united in support of a necessary balance that protects traditional state authority, allowing states to continue focusing on state-driven priorities and maintaining maximum flexibility to meet the needs of cities and towns large and small in every state. Over the years, this threefold partnership (state, local and federal) has resulted in stronger communities.

Continued federal investment to states through HUD's community development, housing and homeless prevention programs will compound already powerful impacts in our struggling, largely rural communities. With proven substantial leveraging, these programs will continue to support quality planning, economic growth, employment opportunities, job creation, community health and safety, and education to sustain and improve individual and community well-being.

After more than 40 years of achieving measurable positive results for people and communities, COSCD A supports the growth and evolution of effective federal programs administered by HUD. COSCD A will continue to engage Congressional and Administration officials and our coalition partners to implement a long term comprehensive strategy to develop consensus and seek to move the conversation forward. These combined efforts should result in collectively supplying adequate resources to meet the nation's affordability and redevelopment challenges, while taking the initiative to recommend the elimination of unduly burdensome programmatic requirements which have increased exponentially over the years. To that end, if the Administration is interested in convening a national discussion to identify ways to advance a national housing and community development addenda, COSCD A welcomes the opportunity to be actively involved in such a working group.

COSCD A vigorously supports working together with all aforementioned persons in order to enhance the future success of these fundamental infrastructure building blocks.

COMMUNITY DEVELOPMENT PRIORITY

CDBG FUNDING LEVEL

COSCDA supports **\$3.3 billion in funding for the Community Development Block Grant (CDBG) program**. COSCD

A opposes any mandated set-asides of CDBG funding that would reduce the formula allocation to states.

CDBG PROGRAM OVERVIEW

The Community Development Block Grant Program is the cornerstone of states' efforts to address the economic and community development needs of towns and rural areas. The federal appropriation is split between large entitlement communities, which receive 70 percent of the appropriation and states, which receive only 30 percent. Governors and state policy makers use CDBG as a flexible source of federal assistance to address a wide array of rural community development needs that stabilize and grow communities. States spend slightly more than half their CDBG funds on public infrastructure, projects that repair and replace public water and sewer systems, repair and upgrade roads, and provide public facilities that supply vital services in neglected communities across the nation. States also use CDBG for economic development activities that create and retain jobs that ultimately improve the quality of life for low- and moderate-income persons. Housing rehabilitation is also among the many additional activities undertaken through the CDBG program, as are public improvements such as senior centers, construction and support of rural health care facilities, support for food banks and making buildings accessible for persons with physical disabilities, and through public services such as employment and training, fair housing and mental health services. Created under the Reagan Administration, the State CDBG program continues to be a successful model for federalism at its best.

CDBG ADVOCACY PRIORITY

- **Restore Adequate Funding to the CDBG Program**

COSCDA urges Congress to increase funding for the CDBG program to **\$3.3 billion**. For 36 years, states have successfully used CDBG funds to meet locally prioritized needs. However, due to budget cuts and sequestration, CDBG was funded in FY2016 at \$3 billion, a significant decrease from the FY2010 level of \$4.4 billion. Any further reduction in CDBG funding would severely slow down or eliminate thousands of local and state projects and programs that are directly contributing to local and regional recovery. COSCD

A urges Congress to increase CDBG funding to \$3.3 billion to create jobs and help meet the needs of low- and moderate-income communities.

One essential community need is infrastructure. Our nation is beset with crumbling and aging infrastructure. Every community needs infrastructure in order to flourish. The CDBG program is an infrastructure program. It is an effective conduit to funnel resources to help rebuild and invest in our Nation's communities. States and local governments use CDBG for a variety of traditional infrastructure activities, including roads and bridges, drinking water systems, sanitary sewer systems, safe streets and sidewalks (curb, gutter, and street pavement), installation of utilities, improved drainage systems to prevent flooding and installation or reconstruction of public improvements to support affordable housing developments.

Because of the massive cuts to the program since FY2010 - a 25% reduction - local and state agencies and their non-profit partners have had to lay-off staff; infrastructure projects were stopped in their tracks; services have been reduced or eliminated; job-creating economic development projects were cancelled; and affordable housing was curtailed. But most importantly, the low- and moderate-income families served by the program saw huge reductions in program benefits at the community level. Some families take advantage of CDBG for funds to rehabilitate their homes, or as start-up funds for creating small businesses. Other families utilize the program for food assistance through local food banks, utility assistance, day care assistance, and even health care assistance through locally-funded health clinics. Cuts to CDBG can therefore significantly affect their daily lives. These continue to be the faces of America struggling even as this economy slowly recovers.

HOUSING PRIORITY

HOME FUNDING LEVEL

COSCD A strongly supports an increase in the funding level of this successful program to \$1.3 billion. COSCDA also opposes legislatively mandated set-asides in the HOME Program for special initiatives or projects.

HOME PROGRAM OVERVIEW

The HOME Investment Partnerships Program is the largest Federal block grant to state and local governments designed exclusively to expand the supply of affordable housing for low-income households.

Since 1992, HOME produced or rehabilitated over 1.2 million units of affordable housing and assisted more than 300,000 low-income families with rental assistance. The program provides much flexibility to states and localities in determining how HOME funds can be spent to meet communities' needs and priorities, allowing them to serve the whole spectrum of need, from homeless to ownership to disaster recovery, from urban to rural areas, and all low-income populations, including families with children, the elderly, and persons with special needs.

HOME PROGRAM ADVOCACY PRIORITIES

▪ **Restore Adequate Funding to the HOME Program**

In FY2016, the HOME program received \$950 million, nearly the lowest appropriation level that the program has ever received. This funding represents almost a 50% decrease from FY2010 when the program received \$1.8 billion, a few short years ago. **COSCD A urges Congress to recognize the Program's strong track record of success in creating more than one million housing units and in assisting more than 300,000 low-income families with rental assistance.** \$26 billion in HOME funds have attracted more than \$130 billion in additional public and private resources. Congress has addressed previously identified programmatic deficiencies legislatively and HUD has, in addition, attempted to address these issues by issuing new regulations to improve its oversight of the program, accountability of grantees and efficiency.

According to housing experts, there continues to be a need for the production and rehabilitation of affordable rental housing units, particularly for extremely low-income persons. A shortage of 7.2 million affordable and available rental units exists for the nation's 10.4 million extremely low income renter households. Rising demand for rentals because of the housing crisis in recent years contributed to the scarcity of affordable units. States and communities responded to their changing markets by directing a greater percentage of HOME dollars to the construction and preservation of affordable rental housing. In future years, states and communities may decide to strike a different balance between homeownership and rental housing opportunities and can easily use HOME to address these changing needs.

▪ **Maintain the Integrity of the National Housing Trust Fund and the HOME Program**

COSCD A fully supports the National Housing Trust Fund (NHTF) as a separate source of funding for housing for extremely low-income persons. The NHTF was passed as part of the Housing and Economic Recovery Act of 2008 with strong bipartisan support and signed into law by President Bush. Although HOME and the NHTF both provide affordable housing, they serve different populations. HOME provides housing for a range of low-income households, while the NHTF seeks to expand the supply of housing for extremely low-income households. Funding from NHTF should not be used to supplement funding for the HOME Program.

HOMELESSNESS PRIORITIES

FUNDING LEVEL

COSCD A supports an appropriation of \$2.5 billion for the McKinney-Vento homeless assistance programs, which should include at least \$500 million for the Emergency Solutions Grants.

PROGRAM OVERVIEW

The McKinney-Vento Homeless Assistance programs were established more than twenty-nine years ago to help provide shelter and services to homeless families and individuals. These programs were reauthorized and revised under the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009, including the Emergency Solutions Grant (ESG), which is distributed by formula, and the Continuum of Care programs (Supportive Housing, Shelter Plus Care and Section 8 SRO), which are distributed competitively. Together, these programs support a wide range of community efforts to assist homeless individuals and families, prevent homelessness, and provide permanent housing options to end it.

ADVOCACY PRIORITIES

- **Continue to Support the McKinney-Vento Homeless Assistance Programs**

COSCD A calls on Congress to appropriate sufficient funds to fully implement the HEARTH Act, which would fully fund renewals of expiring rental housing projects (Shelter Plus Care and Supportive Housing) as well as provide states and communities with funding for new projects in FY 2018. The appropriation should fund the ESG at \$500 million, to allow a greater use of ESG funds for rapid re-housing. This funding level should allow HUD to reach the federal government's "Opening Doors" goals to end chronic homelessness by 2017.

- **Support Vouchers for Homeless Assistance**

While funding for the HEARTH Act is very important, part of the reason that demand for the McKinney-Vento Homeless Assistance Programs is growing is because Congress has not funded any new increment of Section 8 vouchers for years, outside of tenant protection vouchers and vouchers for homeless veterans. The voucher program is a vital piece to our solution to end homelessness. According to the National Alliance to End Homelessness, rigorous research has shown that housing vouchers are effective at reducing homelessness, even for the poorest families. Housing vouchers are used to provide permanent supportive housing, which has been demonstrated to prevent homelessness and improve employment and other outcomes for chronically homeless individuals while reducing public costs. **COSCD A asks Congress to increase its appropriation for Section 8 vouchers.**



1900 M Street, N.W., Suite 200
Washington, D.C. 20036
www.coscda.org