



April 8, 2020

The Honorable Mitch McConnell  
Majority Leader  
S-230, U.S. Capitol  
Washington, DC 20510

The Honorable Chuck Schumer  
Minority Leader  
S-221, U.S. Capitol  
Washington, DC 20510

The Honorable Nancy Pelosi  
Speaker of the House  
H-232, U.S. Capitol  
Washington, DC 20515

The Honorable Kevin McCarthy  
Minority Leader  
H-204, U.S. Capitol  
Washington, DC 20515

Dear Leader McConnell, Leader Schumer, Speaker Pelosi, and Leader McCarthy,

As the COVID-19 pandemic impacts lives and livelihoods, Congress delivered crucial assistance in the form of recent relief packages. While the aid will address immediate needs, further support will be required for our country to rebound from devastating economic loss. COSCDA asks that support for housing, community development, and homelessness is included as a part of any potential stimulus bill.

COVID-19 is crippling the economy and hitting state and local budgets. Over the last two weeks, [a record-setting 10 million unemployment claims](#) were filed. Economic output has [dropped 29% since the first week of March](#) and U.S. GDP could experience a loss of 75% if the current lockdown persists for two more months. As a result, states are facing [revenue shortages in the next fiscal year](#). In New York, a \$10 to \$15 billion shortfall is expected in the current fiscal year which started April 1. Both Oklahoma and Missouri project losses of several hundred million. Washington's governor recently vetoed \$445 million of budget items over the next two years. Overall, [states are anticipated to experience a budget loss of 10%](#) in the year ahead. The cuts will shed jobs in the public sector impacting some of the 20 million U.S. workers on state and local payrolls.

Housing and community development activities are among the host of public programs which will be affected by fewer state and local funds. Additionally, these programs fund activities essential to economic development. If solutions exist in recovery, state and local governments will need resources to assist job and business expansion. Considerable support is warranted for the following programs:

- The Community Development Block Grant (CDBG) program promotes jobs and businesses. Flexible to the needs of states and localities, CDBG funds economic development activities including microenterprise assistance, workforce training, and small business loans. From FY05-19, CDBG helped to create and retain nearly 440,000

jobs. The program also supports infrastructure development such as affordable housing, water and wastewater systems, and community facilities. From FY05-19, CDBG invested in public improvements benefitting 49 million low-to-moderate income (LMI) Americans and supported various housing activities for 1.5 million LMI households. Every dollar of CDBG leverages another four dollars in other public and private funds.

While CDBG and other federal assistance have contributed, resources have not been able to keep pace as the infrastructure gap has steadily grown recent decades. The American Society of Civil Engineers gave a D+ in their [2017 national infrastructure report](#) citing \$4 trillion in needs over a ten-year period (2016-2025). Additional [analysis](#) shows losses of \$3.9 trillion in economic activity over ten years due to insufficient infrastructure. The Brookings Institute also found that [not only infrastructure but infrastructure workers](#) will be crucial in responding to our current economic decline; targeted workforce training will need to be ensured to rebuild and expand national infrastructure.

- The HOME Investment Partnerships (HOME) program supports affordable housing for low-income populations. The block grant program funds rental housing construction and rehabilitation, homeownership, and rental assistance. To date, HOME has contributed to the development and preservation of 1.31 million units. Every dollar of HOME leverages another \$4.44 in other public and private funds.
- The Housing Trust Fund (HTF) invests in housing preservation and development for very low income persons and families. The majority of funds (at least 80 percent) are dedicated to rental housing. HTF is not supported by appropriations but through a percent of new business obtained by government-sponsored entities (GSEs) Fannie Mae and Freddie Mac.

According to the National Low Income Housing Coalition, [a gap exists of seven million affordable units](#) for extremely low-income renters, and fewer than four affordable homes are available for every ten extremely low-income renters. Additional [research](#) estimates further needs due to a coronavirus-initiated recession with 11.5 million extremely and very low-income renters projected to experience unmet needs in rental assistance.

- Homelessness Assistance Grants (HAGs) fund services for homeless and at-risk populations experiencing unstable housing conditions. Resources are provided through Continuum of Care (CoC) and Emergency Solutions Grant (ESG) programs. The programs apply targeted assistance including permanent supportive housing, rapid re-housing, and street outreach. Due in part to this vital aid, homelessness has declined by 12% since 2007.

Based on [research](#) highlighted by the National Alliance to End Homelessness, an estimated \$11.5 billion is needed to provide 400,000 beds for unsheltered persons, maintain social distancing among homeless populations, and quarantine ill persons.

As Congress assesses further actions on COVID-19, housing and community development should be prioritized in the next aid package. State and local budgets will be stressed in moving out of this economic downturn with many jurisdictions unable to fund these activities. At the same time, housing and community development directly contribute to economic

development. An economic recovery falls short without essential assets to economic growth including infrastructure and affordable housing. Based on the extensive challenges our nation faces ahead, **COSDA urges Congress to consider wide-ranging community development, housing, and homelessness needs in any further supplemental package. We recommend ample investment in CDBG, HOME, HTF, and Homeless Assistance programs to facilitate state and local recovery efforts.**

Thank you for your continued dedication to the American people during this unprecedented crisis. If we can provide further information, please reach out.

Sincerely,

A handwritten signature in black ink, appearing to read "Dianne E. Taylor". The signature is fluid and cursive, with a large initial "D" and "T".

Dianne E. Taylor  
Executive Director