

May 5, 2021

Arthur Jemison
Principal Deputy Assistant Secretary
Office of Community Planning and Development
U.S. Department of Housing and Urban Development
451 7th Street, SW
Washington, DC 20410

Dear Mr. Jemison,

The Council of State Community Development Agencies (COSCD A) welcomes your leadership with the Office of Community Planning and Development, and extends our appreciation of your willingness to lead this key division at Housing and Urban Development. Our network of state agencies administer programs under CPD and have overwhelming interest in advancing these resources to meet community and housing needs across the country.

With a renewed focus to address the affordable housing crisis, eliminate homelessness, and rebuild our national infrastructure, HUD is well-positioned to direct federal support in serving vulnerable populations and distressed communities. However, significant and long-term issues exist which limit the agency's effectiveness and ability to coordinate with stakeholders. It is clear CPD resources have not been sufficient in reinforcing state and local efforts on housing and community needs especially in recent years. Looking ahead, COSCD A and national partners will continue to work together to advocate for increased funding to program and administrative needs at HUD. However, at the same time, HUD's support and technical assistance has not accommodated grantees in program development and implementation. Departmental policies have also proven inefficient and cumbersome in many areas of program implementation. COSCD A members recognize the steep challenges facing HUD in resolving these issues. We offer our partnership in determining steps ahead to improve agency performance and enhance the impact of HUD investments.

The following list details our awareness on many of specific areas of need in HUD administration of CPD programs. Additionally, suggestions to resolve these issues are listed as well.

Enhance CPD support and technical assistance

Overall, current staffing levels are insufficient in providing direct and meaningful assistance to grantees. Further, agency personnel varies in expertise on program issues and management in the field. In reviewing common challenges in program implementation across COSCD A membership, it is evident inconsistencies exist in guidance at regional and field levels.

- HUD's personnel can be increased to better support grantees and improve administration. Staff capacity is critical to provide appropriate grant oversight and response. Additional personnel would expand HUD's ability to manage resources and support grantees from HQ to field offices. Alongside increased personnel, sufficient time and resources on training new hires would yield better-prepared staff in handling administrative duties. In turn, grantees could expect increased response and better direction on administrative issues.
- Moving forward, it would be increasingly beneficial to both HUD and grantees if a) clear directive is reinforced from HUD HQ to regional offices in program implementation and b) increased collaboration is promoted between regional offices. On the former, flexibilities in program oversight are not only welcomed but necessary in some aspects of program administration. However, once a policy has been established or renewed, clear directive is encouraged in a manner which can be accepted and applied from D.C. across HUD CPD administration. Regarding collaboration, regular communications among regional staff can bring about better understanding of policies, common challenges and solutions to program issues, and guidance to grantees. An advancement of routine discussions and information-sharing would promote alignment of oversight measures at the field level.

Ensure policies are responsive to project and service needs

HUD administrative policies serve critical purposes which include protecting federal investments and upholding the health and safety of program beneficiaries. States recognize the importance and necessity of oversight in this manner. Grantees also prioritize ways to promote efficiency and expediency in resource delivery. Many processes required in program administration though prove ineffective in some areas while burdensome in others. While grantees find it difficult and cumbersome to navigate policies, it is not an isolated experience. Stakeholders - primarily sub-grantees and contractors - face similar difficulties in meeting administrative requirements. As a result, potential applicants for funding can be reluctant and even dissuaded from pursuing HUD resources. Fewer applications mean less opportunities to direct investments towards project and service needs.

- A thorough review is warranted across administrative policies. An in-depth look could include: how policies have been adopted in program administration, their effect on program implementation and outcomes, and possible updates to promote improved oversight with priority on increasing efficiency and availability of funds for projects and services.
- Policies which present the most challenging aspects of program administration are labor and environmental standards as well as Section 3.

Align programs in coordination with federal and state resources

Varying federal and state programs are available which overlap in mission and support with CPD programs. A determination of how best to utilize each source of funding is primarily handled at the project management level i.e. city or county addressing water systems or non-profit identifying funds to build new units of affordable housing. While goals are similar, program rules often diverge with separate requirements involved for each funding source. Different sets of rules present an administrative challenge for stakeholders at varying levels of program management.

- Alongside the aforementioned policy review, an examination of similar federal sources would reveal how CPD programs are administered both in tandem with and separately from available federal sources. Key federal programs to investigate could include Department of Agriculture-Rural Development programs, Environmental Protection Agency State Revolving Fund, Treasury Department Low-Income Housing Tax Credit, and Health and Human Services supportive service programs. As state and local governments are utilizing Treasury funds in pandemic response and recovery, it would also be worthwhile to compare CPD programs with emergency relief activities.

- Once a review has been completed, alignment of CPD program administration with other federal and state programs can be considered. The activity would aid grantees and other stakeholders through greater streamlining of program administration and increased ability to combine other resources in CPD-funded projects and services.

The aforementioned issues and recommendations convey responses in general throughout CPD programs. Further assessment will be key to identifying more specific gaps to program administration. This information may be best captured at the field level from both HUD staff and state program managers. Further, additional stakeholders such as local sub-grantees, non-profits, and contractors would provide beneficial perspective to this inquiry as well.

COSCONDA appreciates your time and commitment in building the foundation for HUD's future success. We ask feedback on our shared priorities and engagement on CPD goals moving forward.

Sincerely,

A handwritten signature in black ink, appearing to read "Dianne E. Taylor". The signature is written in a cursive, flowing style.

Dianne E. Taylor
Executive Director