



July 29, 2021

The Honorable Sherrod Brown
Chair
Senate Banking, Housing and Urban Affairs
Committee
534 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Patrick Toomey
Ranking Member
Senate Banking, Housing and Urban Affairs
Committee
534 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Maxine Waters
Chair
Housing Financial Services Committee
2129 Rayburn House Office Building
Washington, District of Columbia 20515

The Honorable Patrick McHenry
Ranking Member
House Financial Services Committee
4340 O'Neill House Office Building
Washington, District of Columbia 20024

The Honorable Patrick Leahy
Chair
Senate Appropriations Committee
S-128 Capitol Building
Washington, District of Columbia 20510

The Honorable Richard Shelby
Vice Chairman
Senate Appropriations Committee
S-128 Capitol Building
Washington, District of Columbia 20510

The Honorable Rosa DeLauro
Chair
House Appropriations Committee
H-307 Capitol Building
Washington, District of Columbia 20515

The Honorable Kay Granger
Ranking Member
House Appropriations Committee
H-307 Capitol Building
Washington, District of Columbia 20515

Dear Chairman Brown, Ranking Member Toomey, Chairwoman Waters, Ranking Member McHenry, Chairman Leahy, Vice Chairman Shelby, Chairwoman DeLauro, and Ranking Member Granger:

The Council of State Community Development Agencies and the National Council of State Housing Agencies appreciate the attention Congress has paid to affordable housing during its deliberations on a comprehensive infrastructure package. As you know, the President has proposed substantial investments to expand housing opportunities for low-income households, including \$45 billion for the Housing Trust Fund (HTF) program. Increased HTF funding is also included in House Financial Services Committee Chair Maxine Waters' Housing is Infrastructure Act. We strongly support this one-time federal investment in this

critical housing program, which is essential to the production of rental housing for those most in need.

To maximize the efficacy of any HTF resources Congress might provide in infrastructure legislation, on behalf of our members, which administer the HTF program on the ground in every state, we urge Congress to also authorize certain program flexibilities. The remainder of this letter details this request.

Waive the 24-Month Commitment Deadline: The statute (Sec. 1338 (c)(10)(B) of P.L. 110-289) requires grantees to commit HTF funding towards projects within two years of receiving grant funds. HUD must recapture any uncommitted amounts after the two-year period. Even under normal circumstances, this deadline is problematic, as it does not provide states sufficient time for proper oversight and vetting of properties. This deadline would be even more problematic with a significant increase in HTF resources, as states would be unable to commit that level of funding in that short period of time. Further, HUD's five-year expenditure deadline ensures funds are being directed to projects within a reasonable timeframe. Therefore, we urge you to waive the 24-month commitment deadline.

Environmental Review Process: HTF environmental requirements severely limit the geographies where HTF funds may be deployed. This has been a longstanding challenge in administering HTF, especially for states where much of their land is designated as farmland or wetlands, and thus is ineligible for developments receiving HTF capital. Many other HUD programs, including the HOME Investment Partnerships program, are subject to different environmental rules under HUD environmental regulations Parts 50 and 58, which allow for greater flexibility for project siting. We urge Congress to apply a similar environmental process for HTF as it does for HOME in regards to project siting requirements.

Administrative Cap: The HTF statute (Sec. 1338 (c)(10)(D)(iii) of P.L. 110-289) limits administrative expenses to ten percent of total grant amounts. Unfortunately, this cap has proven to be insufficient to cover administrative activities for states and their partners, including local governments and nonprofits. We urge Congress to instead provide a 15 percent administrative cap.

We understand that programmatic changes such as these may not fit easily into legislation moving through the reconciliation process. However, we still feel it is imperative to bring these to your attention as there may be other opportunities to address our recommendations in legislation, including the FY 2022 THUD appropriations bill, that would move under regular order.

Please reach out if you have questions regarding HTF or these recommendations. Thank you for your time and consideration.

Sincerely,



Dianne Taylor
Executive Director
Council of State Community
Development Agencies



Stockton Williams
Executive Director
National Council of State Housing Agencies

CC:

The Honorable Tina Smith, Chair, Senate Banking Subcommittee on Housing, Transportation, and Community Development

The Honorable Mike Rounds, Ranking Member, Senate Banking Subcommittee on Housing, Transportation, and Community Development

The Honorable Emanuel Cleaver, Chair, House Financial Services Subcommittee on Housing, Community Development, and Insurance

The Honorable French Hill, Ranking Member, House Financial Services Subcommittee on Housing, Community Development, and Insurance

The Honorable Brian Schatz, Chair, Senate Appropriations Subcommittee on Transportation, Housing and Urban Development, and Related Agencies

The Honorable Susan Collins, Ranking Member, Senate Appropriations Subcommittee on Transportation, Housing and Urban Development, and Related Agencies

The Honorable David Price, Chair, House Appropriations Subcommittee on Transportation, Housing and Urban Development, and Related Agencies

The Honorable Mario Diaz-Balart, Ranking Member, House Appropriations Subcommittee on Transportation, Housing and Urban Development, and Related Agencies