COSCDA
Council of State Community Development Agencies

Striving to Build Better Communities
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May 4, 2022

The Honorable Patrick Leahy
Chairman
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
Chairwoman
House Appropriations Committee
H-307, The Capitol
Washington, DC 20515

The Honorable Kay Granger
Ranking Member
House Appropriations Committee
1036 Longworth House Office Building
Washington, DC 20515

The Honorable Brian Schatz
Chairman
Senate Appropriations Transportation-Housing and Urban Development Subcommittee
S-146A, The Capitol
Washington, District of Columbia 20510

The Honorable Susan Collins
Ranking Member
Senate Appropriations Transportation-Housing and Urban Development Subcommittee
186 Dirksen Senate Office Building
Washington, District of Columbia 20510

The Honorable David Price
Chairman
House Appropriations Transportation-Housing and Urban Development Subcommittee
2358-A Rayburn House Office Building
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The Honorable Mario Diaz-Balart
Ranking Member
House Appropriations Transportation-Housing and Urban Development Subcommittee
1036 Longworth House Office Building
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Dear Chairman Leahy, Vice Chairman Shelby, Chairwoman DeLauro, Ranking Member Granger, Chairman Schatz, Ranking Member Collins, Chairman Price, and Ranking Member Diaz-Balart:

Thank you for your tremendous efforts in completing the fiscal year (FY) 2022 appropriations legislation. COSCDA appreciates the annual spending bill maintaining resources for affordable housing development, community-based infrastructure and services, homelessness assistance, and related activities through the U.S. Department Housing and Urban Development – Office of Community Planning and Development (HUD-CPD). In turning to the FY2023 appropriations process, we recognize the immense challenge of funding several critical programs with limited resources in the Transportation-Housing and Urban Development (THUD) spending bill. Though FY22 levels represented an overall increase, annual funding for HUD-CPD programs continues to remain well-below where it was in previous decades. At the same time, costs associated with projects and services has accelerated, and states and localities are trying to respond with fewer available HUD-CPD resources. COSCDA respectfully asks consideration of the following funding and related program recommendations detailed in our FY2023 advocacy priorities.

HUD-CPD Salaries and Expenses

The FY2022 appropriations law included $147 million for HUD-CPD salaries and expenses (S&Es) representing a $16 million increase over the FY21 level.[1] The additional spending will promote HUD's capacity and assistance to state and local program administrators.

As outlined in HUD's FY2023 budget request, the agency has experienced a significant loss of staff; between 2012 and 2019 the agency lost 20% of its full-time equivalent (FTE) employees (8,576 to 6,837).[2] The current staffing level supported by FY2021 appropriations – 7,372 – is 30% less than HUD's staff total in 2000 (10,417).[3] Meanwhile, the country grew by 15% in the two decades since (281.4 in 2000, 331.4 in 2020).[4] According to budget estimates, 775 staff under HUD-CPD were to be supported through $131 million provided in FY2021.

HUD's requested $154 million for HUD-CPD S&Es in FY2023 would support an estimated 835 FTEs.[5] COSCDA urges at least this level of funding to ensure that the office can reverse previous staffing shortages and strengthen HUD's ability to support CPD programs.

Community Development Fund

The Community Development Fund was approved for $4.8 billion in FY2022; Congress provided $3.3 billion for Community Development Block Grants (CDBG), the Recovery Housing Program (RHP) under the SUPPORT Act received $25 million, and Economic Development Initiative grants (EDI) was funded at $1.5 billion, new to appropriations in FY2022. While the total amount of $4.8 billion represents a $1.3 billion increase to the CD Fund from FY2021, CDBG received a $150 million cut in the latest annual spending. This represents a 4% loss to the program which continues to be significantly underfunded and unable to adequately accommodate funding requests for public improvements, housing, public services, and related activities.

Community Development Block Grants

CDBG remains the leading annual federal investment for local-led activities benefitting low- and moderate-income persons. The program's flexibility and eligible uses allows it to accommodate projects and services

[1] P.L. 117-103, Consolidated Appropriations Act of 2022. Enacted March 15, 2022. https://www.congress.gov/bill/117th-congress/house-bill/2471.
[2] U.S. Housing and Urban Development. FY2023 Budget in Brief. March 28, 2022. Page 8. https://www.hud.gov/sites/dfiles/CFO/documents/2023_BudgetInBriefFINAL.pdf.
[3] Ibid. FY2021 Budget Congressional Justifications for 2001 Estimates – Full-Time Equivalent Employment. Content Archived January 9, 2009. https://archives.hud.gov/budget/fy01/justif/tables/ftesumm.cfm.
[4] U.S. Census Bureau. Historical Population Change Data (1910 – 2020). April 26, 2021. https://www.census.gov/data/tables/time-series/dec/popchange-data-text.html.
[5] U.S. Housing and Urban Development. FY2023 Budget in Brief. March 28, 2022. Page 8. https://www.hud.gov/sites/dfiles/CFO/documents/2023_BudgetInBriefFINAL.pdf.

responsive to specific local needs. Between 2005 and 2021, CDBG contributed to 475,269 jobs, assisted 574 million people through public improvements and 943 million people through public services, and supported housing activities for 1.6 million households. The program has a great return-on-investment as every dollar of CDBG leverages another $3.64 from other public and private sources. For states, program funds to small and rural communities are largely targeted to public infrastructure projects. In 2021, states used 63% of CDBG for public improvements which include water, sewer, community facilities, pedestrian access, and related projects. Though their impact may be on a smaller scale, these improvements matter significantly more for rural communities compared to their larger urban and suburban counterparts.

It is not only the numerical outcomes but depth of activities supported by CDBG that makes a difference. The CDBG Coalition's latest report, *Improving Lives and Strengthening Communities*, demonstrates the program's dynamic ability to promote people and places. The report's highlighted projects reveal CDBG's engagement across different activities and its ability to adapt to meet community-based needs.

Despite its proven results and meaningful effect for communities nationwide, CDBG remains historically underfunded. In its first year in 1975, the program was funded at $2.4 billion which accounting for inflation would be nearly $13 billion in 2022.[6] CDBG was last authorized in FY1994 at $4.168 billion.[7] Though subsequent funding exceeded this amount in FY1995 ($4.48 billion), annual funding has fallen from this mark ever since. The latest level in FY22 is $1 billion - or 25% - less than twenty years earlier in FY2002 ($4.34B).[8] At the same time, the number of grantees has more than doubled in the program's history reducing the amount of funding going to each state and local recipient. Further funding declines will erode state and local ability to accommodate needed improvements.

COSCDA is recommending $4.2 billion for CDBG formula grants in FY2023. The increase will restore funding to the program's last authorized level and advance community-led activities which were cut due to declining resources in previous years.

Additionally, COSCDA asks for an increase to the state CDBG administrative cap from three percent (3%) to six percent (6%) to better promote capacity and technical assistance. A total administrative and planning cap is established at twenty percent (20%) however states may only access up to three percent (3%) for administrative and technical assistance activities; entitlements on the other hand have access to the entire 20% cap.

- The program's statutory cap on state administration and technical assistance is too restrictive in facilitating state oversight and accountability of program funds. Limited staffing proves insufficient to go beyond current program management functions and support respective needs of sub-grantees including long-term planning and project development. HUD acknowledges this dilemma in its FY2023 budget request and advocates for an increase from three to six percent on the state administrative cap.[9] COSCDA agrees with this revised level responsive to state staffing and related administrative support, and asks for this accommodation in the FY23 bill.

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[6] U.S. Bureau of Labor Statistics. Consumer Price Index Inflation Calculator. "$2,400 in July 1975 has the same buying power as $12,700 in March 2022." https://www.bls.gov/data/inflation_calculator.htm.
[7] P.L. 102-550. Housing and Community Development Act of 1992. Enacted on October 28, 1992. https://www.congress.gov/bill/102nd-congress/house-bill/5334.
[8] Congressional Research Service. Community Development Block Grants: Funding and Allocation Processes. March 24, 2021. https://crsreports.congress.gov/product/pdf/R/R46733.
[9] U.S. Housing and Urban Development. FY2023 Budget – Congressional Justification. Community Development Fund. March 28, 2022. https://www.hud.gov/sites/dfiles/CFO/documents/2023_CJ_Program_-_Community_Development_Fund_updated.pdf.

Alongside the administrative cap update, COSCDA requests altering the administrative match requirement. Currently, states must match every dollar for administrative expenses beyond the first $100,000 in CDBG funds used for administrative purposes. Funding variances in annual state budget cycles are often unpredictable. Smaller states and their related CDBG-administrating agencies are particularly susceptible to smaller budgets which prove difficult to accommodate this match requirement. Therefore, COSCDA requests that the administrative match threshold be increased from $100,000 to $500,000. The updated level allows grantees additional budgetary flexibility in their respective states. While states must match administrative expenses, entitlement grantees do not have this same requirement.

COSCDA also requests enhanced flexibility for use of CDBG funds on fair housing activities, a modest increase to the public services cap, and extended use of CDBG for new construction of housing.

1) Fair housing activities are currently eligible to be accommodated by CDBG however may only be accomplished under the administrative or public services categories which both have respective caps. As HUD's emphasis on fair housing varies between administrations, state and local grantees seek additional flexibility to use CDBG - at their discretion - for fair housing activities. The ability to apply funding for this purpose beyond the caps would better facilitate CDBG for other priorities falling under administration and public services. To accommodate this, we ask consideration to exempt fair housing activities from the public services cap.

2) Public services can be facilitated through CDBG however are capped at 15% of grantee's total grant amount. As grantees were provided with the ability to exceed this cap for CDBG CARES Act (CDBG-CV) and annual funds for FY19 and FY20, many states took advantage of the eliminated cap and funded public services well beyond 15% of grant funds. In FY21, for instance, states directed over 55% of CDBG-CV funds to public services compared to approximately 3% in annual formula funds in FY20 and 21.[10] Considering current conditions and resource demands, an extended ability for CDBG to accommodate public services may be appropriate in some jurisdictions. Therefore, we urge adoption of an increase to the public services cap from 15% to 20%.

3) Housing demands especially for low and moderate income households are at a critical level. CDBG promotes affordable housing development primarily through rehabilitation of rental and homeowner units. Program funds are eligible to be used for construction of housing however must be directed through a Community-Based Development Organization (CBDO) and supported by a neighborhood revitalization strategy. The availability of CBDOs varies between states and communities. The groups are especially limited or non-existent in rural areas. This restriction means CDBG cannot be fully accessed and applied to meet housing demands. As housing needs grow throughout the country especially for low-income households, programs like CDBG are especially important to facilitate housing opportunity. COSCDA therefore recommends extended waiver authority for HUD to remove restrictions on CDBG and allow expanded use for new construction of housing.

Economic Development Initiative (EDI) Grants

EDI funding was new to the appropriations process in FY2022. COSCDA acknowledges Congress' decision to designate funding to individual community development projects. The funding is certainly important to advance specific local initiatives and creates new opportunities in jurisdictions which received awards. EDI while

[10] U.S. Department of Housing and Urban Development. CDBG Activity Expenditure Reports - State Disbursements. https://www.hudexchange.info/onecpd/assets/File/CDBG_Expend_NatlState.xlsx.

providing community development-related investment remains separate from CDBG in many ways, from program requirements to administrative processes. Further, CDBG is available to 1,235 grantees with funding accessible to a wide span of cities and counties in each state and congressional district. EDI absolutely plays a role in advancing community-based initiatives however funding for this program category should not diminish resources with the other. Due to EDI's entry in the annual appropriations last year and CDBG's $150 million cut, COSCDA is concerned further reductions may occur to CDBG due to EDI's entrance in the CD Fund. We request further consideration of CDBG in the annual appropriations process and avoid further cuts to the program jeopardizing its effectiveness and use moving forward.

HOME Investment Partnerships

HOME Formula Grants

HOME has a near thirty-year record of dedicating federal funds to affordable housing development. The program engages across a number of housing development activities including production and preservation of rental units, homeowner rehabilitation, and tenant-based rental assistance (TBRA). HOME is the largest federal block grant program designed exclusively to create affordable housing for low-income households. As our country continues to emerge from the global pandemic and faces historically-low housing supply, substantial response is needed to promote safe and quality housing at affordable rates. HOME provides this appropriate and necessary federal resource in addressing the housing crisis.

HOME's results show its impact and success in creating housing opportunities for low-income households. Since 1992, the program has supported over 1.34 million units to date and provided rental assistance to 403,000 households. Recipients have the ability to determine its use providing a responsive funding source to meet specific community-based housing needs. Every dollar of HOME leverages another $4.63 from other public and private sources.[11] The program often serves as gap financing for the Low-Income Housing Tax Credit program (LIHTC) contributing to 100,000 LIHTC units since 2010. HOME helps vulnerable populations frequently assisting seniors, people with disabilities, veterans, and people experiencing homelessness.[12]

Current housing supply challenges both renters and homebuyers alike. As of the end quarter of 2020, the U.S. had a housing supply deficit of 3.8 million units compared to 2.5 million units in 2018.[13] The low vacancy for rental units (5.8% in the first quarter of 2022[14]) has increased costs for households; in 2020, 46% of American renters paid more than 30% of their income on housing with 23% spending more than 50%. Additionally, rental costs have exceeded inflation rates over the last five years as rents increased by 18% and costs associated with other goods and services rising to 16%.[15] For homebuyers, the dwindling supply of units means staggering home prices out of reach for low-income households. The homeownership rate has increased over the last few years and currently sits at 65%.[16] The higher share of homes now occupied - combined with lacking units

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[11] Ibid. HOME National Production Report. March 31, 2022. https://files.hudexchange.info/reports/published/HOME_Prod_Natl_20220331.pdf.

[12] National Council of State Housing Agencies. HOME Coalition FY23 Fact Sheet. https://www.ncsha.org/wp-content/uploads/HOME-FY-23-National-Factsheet.pdf.

[13] Freddie Mac. Housing Supply: A Growing Deficit. May 7, 2021. https://www.freddiemac.com/research/insight/20210507-housing-supply.

[14] Federal Reserve of St. Louis. Economic Data. April 27, 2022. https://fred.stlouisfed.org/series/RRVRUSQ156N.

[15] Pew Research Center. Key facts about housing affordability in the U.S. March 23, 2022. https://www.pewresearch.org/fact-tank/2022/03/23/key-facts-about-housing-affordability-in-the-u-s/#:~:text=The%20homeownership%20rate%20in%20the,quarter%20of%202021%20(65.4%25).

[16] Federal Reserve of St. Louis. Economic Data. April 27, 2022. https://fred.stlouisfed.org/series/RHORUSQ156N.

available for sale - means higher prices for potential buyers. Additional factors make it difficult for low-income and minority households to access homeownership - challenges in accessing credit, few available homes with smaller mortgages, down payment and associated home purchasing costs, and an uptick in interest rates.[17]

HOME proves to be a meaningful use of federal funds but resources have proven inadequate. The program's recent annual funding remains significantly lower than in years prior. HOME's FY22 amount of $1.5 billion – while an increase from $1.35 billion in the previous year – is 25% less than what the program received nearly twenty years ago ($2 billion in FY2004). Further, though the program was last authorized for FY1994 at $2.17 billion, appropriations has yet to meet this level. Due to inflation, increasing costs associated with housing development, and a historically-low supply of homes, HOME at similar funding levels as recent will yield fewer projects and units moving forward.

<u>COSCDA recommends $2.5 billion for HOME formula grants in FY2023</u>. The additional funding will support housing development desperately needed now and in years ahead. Access to quality and stable housing remains elusive for low-income households across the country. Due to this, individuals and families have less ability to build wealth and pursue better employment, education, and related social and economic opportunities. HOME bridges the gap on affordable housing development and expands housing access in communities of all populations and geographies.

In addition to the funding request, COSCDA asks for consideration of the following programmatic changes.

1) Removal of the 24-month commitment deadline (included in the FY22 appropriations law)

2) Provision allowing grantees to recapture unspent funds designated to CHDOs (included in the FY22 appropriations law)

3) Increase the administrative cap for HOME funds from 10% to 15%

   As grantees remain challenged to carry out administration, planning, and related tasks of HOME grant oversight and management, COSCDA requests an increase on the HOME administrative cap. The change will provide additional resources for capacity and technical assistance critical to successful management of federal funds. Rising costs for staffing poses additional challenges to secure and retain personnel at the state and local levels. In 2020, HUD agreed to the need for further grantee capacity and accommodated a 25% administrative cap on FY19 and FY20 funding.[18] Congress also provided an increased administrative cap of 15% on supplemental funding for HOME in the American Rescue Plan Act.[19] The pandemic certainly strained personnel however greater staff capacity has been a prior need and is likely to grow in the coming years.

4) Increase the cap on CHDO operating assistance from 5% to 10% & expand to include other non-profits

   Communities with vast social and economic challenges oftentimes have fewer available non-profit organizations with lesser capacity to lead local-based activities. As a result - even with program funds being made available - entities in a position to facilitate housing development

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[17] Joint Center for Housing Studies at Harvard University. The State of the Nation's Housing 2021. https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_State_Nations_Housing_2021.pdf.

[18] U.S. Housing and Urban Development. Availability of Waivers and Suspensions of the HOME Program Requirements in Response to COVID -19 Pandemic. April 10, 2020. https://www.hud.gov/sites/dfiles/CPD/documents/Availability-of-Waivers-and-Suspensions-of-the-HOME-Program-Requirements-COVID-19.pdf.

[19] P.L. 117-2. American Rescue Plan Act. Enacted March 11, 2021. https://www.congress.gov/bill/117th-congress/house-bill/1319/text.

cannot do so because of limited staffing. Private capital lags in underperforming communities due to smaller profit margins from developments. Therefore, mission-driven organizations need additional support to be positioned to manage federal funds including HOME. The program's host of regulations also means it is necessary to have available staff to complete program requirements. The current cap on CHDO operating assistance is 5% of HOME grant funds. During the pandemic, HUD recognized the need to provide more support to CHDOs and increased the operating assistance cap to 10% for FY19 and FY20.[20] COSCDA recommends this increase be extended to FY23 funding and broadened to include non-profits generally; this will strengthen their ability to adequately manage HOME projects among other related developments.

Homeless Assistance Grants

The number of persons experiencing homelessness remains high throughout the country. In its 2020 Annual Homeless Assessment Report (AHAR), HUD stated 580,000 persons are experiencing homelessness on a given night, representing a two-percent increase between 2019 and 2020; this is also the fourth consecutive annual increase.[21] Challenges due to the pandemic limited the count for 2021 though results showed more sheltered homeless individuals than previously made possible in large part because of recent emergency federal assistance measures.[22] Overall, obstacles facing persons without stable housing continue and further assistance will be necessary for expanded access to permanent housing and supportive services.

Funding provided to Homeless Assistance Grants (HAGs) supports comprehensive response to aid persons experiencing homelessness. Assistance funds many projects and activities including permanent supportive housing, data systems, emergency shelters, rapid rehousing, and transitional housing. As homelessness and housing instability rises, resources are critical to facilitating state and local response.

<u>COSCDA recommends $3.5 billion for Homeless Assistance Grants in FY2023</u>. Of this amount, <u>we encourage 20% ($700m) directed to Emergency Solutions Grants (ESG) as allowed by statute.</u>[23] Demands for ESG have only grown since the pandemic. Congressional approval in supplemental funds under the CARES Act, notably ESG-CV, has provided crucial support and accommodate persons especially affected by the pandemic. As funding will expire next year, annual ESG funding will again be relied upon to support housing and related services. Costs involved with housing, operations, and other goods and services are expected to continually rise in the coming years. Additional resources will be necessary to maintain and if possible expand assistance for families and individuals without stable housing.

Along with the programmatic funding request, <u>COSCDA asks for an update to the ESG administrative cap from 7.5% to 10%</u>. Capacity constraints within the ESG network have slowed implementation efforts especially during pandemic response and recovery. Further limitations are expected as ESG-CV funds expire. A marginal increase in the administrative cap allows grantees to reinforce staff and related support within the homelessness

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[20] U.S. Housing and Urban Development. Availability of Waivers and Suspensions of the HOME Program Requirements in Response to COVID -19 Pandemic. April 10, 2020. https://www.hud.gov/sites/dfiles/CPD/documents/Availability-of-Waivers-and-Suspensions-of-the-HOME-Program-Requirements-COVID-19.pdf.

[21] U.S. Department of Housing and Urban Development, 2020 Annual Homeless Assessment Report to Congress (AHAR), January 2021: https://www.huduser.gov/portal/sites/default/files/pdf/2020-AHAR-Part-1.pdf.

[22] Ibid. 2021 Annual Homeless Assessment Report to Congress – Part 1. February 2022. https://www.huduser.gov/portal/datasets/ahar/2021-ahar-part-1-pit-estimates-of-homelessness-in-the-us.html.

[23] Congressional Research Service. The HUD Homeless Assistance Grants: Programs Authorized by the HEARTH Act. August 30, 2017. https://sgp.fas.org/crs/misc/RL33764.pdf.

provider network. An administrative cap of 10% also aligns with other HUD-CPD programs - HOME and the Housing Trust Fund (HTF).

We also request broad waiver authority from HUD to continue with flexibilities afforded to administrators since the emergency declaration. Since April 2020, a list of approximately 16 waivers were issued by HUD for ESG in response to the pandemic.[24] The combination of waivers have been important to carrying out program activities and ensuring funds could accommodate the changing needs associated with homeless response. State ESG recipients and sub-grantees have applied these waivers in varying ways and found greater efficiencies as a result. The critical outcome here is that these waivers allowed more persons to be served within a shorter period of time.

Disaster Recovery

COSCDA is grateful to both House and Senate committees for their interest in recent years on improving outcomes with HUD's disaster recovery and mitigation programs. There is an evident need to make changes which includes installing a permanent regulatory framework. Directive was incorporated in the FY22 appropriations report on expediting disaster aid through the CDBG-Disaster Recovery (CDBG-DR) program. While we welcome such an effort, legislative actions beyond appropriations will be required to address long-standing issues with CDBG-DR. For the first time, HUD proposed permanent authorization of the program in its FY23 budget request. COSCDA agrees and supports codification of the CDBG-DR program along with associated reforms through the *Reforming Disaster Recovery Act*.[25]

Any additional efforts to improve CDBG-DR would be encouraged including coordinating with authorizing committees on program codification.

Further Recommendations

Technology improvements

Information management at CPD relies on separate systems, Integrated Disbursement and Information System (IDIS) and Disaster Recovery Grant Reporting (DRGR). Reporting through IDIS and DRGR promotes transparency and accountability of CPD resources. Issues have lingered with these systems though preventing grantees from interfacing their respective systems with HUD-supported software of IDIS and DRGR. Other challenges exist in risk analysis, geocoding, and urban county qualifications in CDBG. Minor improvements have been completed in recent years through HUD's information technology (IT) maintenance budget. The minimal upgrades have proven insufficient however and significant improvements are necessary to ensure technology is responsive to CPD and stakeholders. We urge dedicated resources to CPD's IT budget within the Development and Enhancement Fund to adequately update IDIS and DRGR.

[24] Summary of ESG Waivers since April 2020. https://coscda.org/wp-content/uploads/2022/04/Summary-of-ESG-Waivers-Since-April-2020.docx.

[25] H.R. 4707, S. 2471. Reforming Disaster Recovery Act. Introduced July 2021. https://www.congress.gov/bill/117th-congress/senate-bill/2471.

Regulatory assessment

Compliance with HUD regulations proves burdensome in many aspects of CPD program administration. Regulations in fair housing, discrimination, labor, and environment are necessary and important in project development. Program stakeholders – sub-grantees, contractors, and related entities – report challenges in meeting regulatory compliance, particularly in regards to labor standards. Activities and reporting requirements under Davis Bacon and Section 3 can be challenging to complete especially for communities and contractors with limited capacity and resources. Grantees have experienced fewer bids to CPD-supported projects; contractor feedback points to challenges in meeting labor standards. The situation has been very difficult to overcome with some communities even receiving no bids on HUD-sponsored developments.

Further, projects must meet environmental review standards through the National Environmental Policy Act (NEPA). CPD investments often work alongside other federal resources, primarily U.S. Department of Agriculture – Rural Development (USDA-RD) and Environmental Protection Agency's State Revolving Loan Fund (EPA - SRLF). For projects receiving both USDA-RD and EPA-SRLF, one environmental review can be completed to meet NEPA compliance however projects funded through HUD have to complete a separate environmental review. As a result, for projects supported by both HUD and other federal programs, project managers must address NEPA through multiple reviews. The process is duplicative and takes additional administrative time and resources away from other project oversight responsibilities.

We request support from the committee to review current regulations involved in HUD programs related to labor and environmental standards. Recommendations would be welcomed as well on reducing time and resources involved in regulatory compliance. Grantees and additional stakeholders to HUD programs can be better supported through renewed approaches which promote more efficient processes.

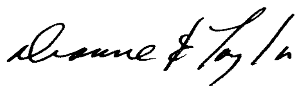
Coordination of federal resources

While HUD-CPD programs provide specific resources to states and localities, other programs exist in federal government with similar investment priorities. Affordable housing development, utility upgrades, and business assistance are examples of supported activities funded by multiple agencies. Even with overlapping missions, requirements are frequently different for each program. Varying rules of each program pose challenges to project stakeholders and make it more difficult than it should be to secure and apply federal resources.

We ask for an examination of CPD programs compared to other federal sources to address infrastructure, housing, disaster response and recovery, and other related needs. Primary agencies and programs for consideration include USDA-RD, FEMA, EPA SLRF, Treasury Low-Income Housing Tax Credit, and Health and Human Services supportive services programs. A review of recent Treasury CARES and ARPA resources would also be meaningful to better understand how resources are being directed. Ultimately, this review would help to assess how CPD programs can better adapt policies and procedures aligned with other federal programs, facilitating streamlined administration and combining resources in a more effective way to support project development.

Thank you for your work and leadership on the annual spending bill. COSCDA is especially appreciative of continued investment in programs to meet tomorrow's community development and housing needs. Please reach out if we can provide further information on the abovementioned recommendations.

Sincerely,



Dianne E. Taylor
Executive Director