



May 23, 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
Washington, DC 20515

The Honorable Mario Diaz-Balart
Ranking Member
House Appropriations Transportation-Housing
and Urban Development Subcommittee
1036 Longworth House Office Building
Washington, DC 20515

Dear Chairman Leahy, Vice Chairman Shelby, Chairwoman DeLauro, Ranking Member Granger, Chairman Schatz, Ranking Member Collins, Chairman Price, and Ranking Member Diaz-Balart:

The Council of State Community Development Agencies (COSCDA) extends our appreciation for your dedication in completing the fiscal year (FY) 2022 appropriations process. Renewed investments to these programs will promote additional response to affordable housing and related needs. As your respective committees turn their attention to FY2023, we ask for further consideration on resources and policies for improved CPD program outcomes.

COSCDA previously submitted its [request](#) for the FY2023 appropriations bill on May 4; these recommendations align with our association's [FY2023 advocacy priorities](#). Alongside this recent letter, we

provide the following draft legislative text accompanying each individual recommendation per program. Proposed text is *italicized*.

HUD-CPD Salaries and Expenses

COSCD A recommends no less than \$154 million for HUD - Office of Community Planning and Development (HUD-CPD) salaries and expenses (S&Es).

PROGRAM OFFICES

For necessary salaries and expenses for Program Offices, _____, to remain available until September 30, 2024: Provided, That of the sums appropriated under this heading—

\$154,000,000 shall be available for the Office of Community Planning and Development; et al.

Community Development Fund

COSCD A urges at least \$4.2 billion for CDBG formula grants in FY2023. Further, we recommend the following programmatic updates:

1. An increase to the state CDBG administrative cap from three percent (3%) to six percent (6%) to better promote capacity and technical assistance
2. Raising the administrative match threshold from \$100,000 to \$500,000 (specific to states – entitlements are not required to match administrative costs)
3. An increase to the public services cap from 15 to 20% and exempting the cap on fair housing activities
4. Remove the requirement to facilitate housing construction through a development organization and as a part of a specific plan or project; additionally, waiver authority is suggested for HUD to accommodate new construction of housing through CDBG.

COMMUNITY DEVELOPMENT FUND

For assistance to States and units of general local government, and other entities, for economic and community development activities, and other purposes, \$_____, to remain available until *September 30, 2026*, unless otherwise specified: Provided, That of the total amount provided under this heading, *\$4,200,000,000 is for carrying out the community development block grant program under title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301 et seq.) (in this heading “the Act”)*: Provided further, That unless explicitly provided for under this heading, not to exceed 20 percent of any grant made with funds made available under this heading shall be expended for planning and management development and administration: *Provided further, up to 6 percent of funds shall be available to states for administrative and technical assistance activities per Section 106(d)(6) of the Act (42 U.S.C. 5306(d)(6)); Provided further, match requirements under Section 106(d)(3)(A) of the Act shall be required only for expenses above \$500,000 (42 U.S.C. 5306(d)(3)(A)); Provided further, for Section 105(a)(8) of the Act (42 U.S.C. 5305(a)(8)) not more than 20 percent of the amount of any assistance to a unit of general local government (or in the case of non-entitled communities not more than 20 percent Statewide) under this title including program income may be used for activities, excluding fair housing activities, under this paragraph; except that, for any unit of general local government previously provided a maximum limitation on use of grant funds for public services that exceeds 20*

percent, such limitation shall continue to apply, excluding fair housing activities: Provide further, for Section 105(a)(15) of the Act (42 U.S.C. 5305(a)(15)), requirements for facilitating this activity through development-based organizations, neighborhood revitalization, community economic development, or energy conservation project shall not apply: et al.

HOME Investment Partnerships

COSCD A recommends \$2.5 billion for HOME formula grants in FY2023. Additionally, we request the following waivers and flexibilities:

- 1) Removal of the 24-month commitment deadline (included in the FY22 appropriations law)
- 2) Following the deadline to use set-aside funds, grantees may recapture any unspent funds designated to CHDOs for use in the HOME Investment Trust Fund (included in the FY22 appropriations law)
- 3) An increase to the administrative cap from 10% to 15%
- 4) An increase to the operating assistance cap from 5% to 10% for Community Housing Development Organizations (CHDOs) & broadening to include other non-profits

HOME INVESTMENT PARTNERSHIPS PROGRAM

For the HOME Investment Partnerships program, as authorized under title II of the Cranston-Gonzalez National Affordable Housing Act, as amended (42 U.S.C. 12721 et seq.), \$2,500,000,000, to remain available until *September 30, 2026: Provided, up to 15 percent of funds shall be available to participating jurisdictions for administrative and planning costs per Section 212(c) of the Act (42 U.S.C. 12741(c)): Provided further, up to 10 percent of funds shall be available for operating assistance to Community Housing Development Organizations and other non-profit organizations; Provided further, That notwithstanding section 231(b) of such Act (42 U.S.C. 12771(b)), all unobligated balances remaining from amounts recaptured pursuant to such section that remain available until expended shall be combined with amounts made available under this heading and allocated in accordance with the formula under section 217(b)(1)(A) of such Act (42 U.S.C. 12747(b)(1)(A)): Provided further, That the Department shall notify grantees of their formula allocations within 60 days after enactment of this Act: Provided further, That section 218(g) of such Act (42 U.S.C. 12748(g)) shall not apply with respect to the right of a jurisdiction to draw funds from its HOME Investment Trust Fund that otherwise expired or would expire in any calendar year from 2017 through 2025 under that section: Provided further, That section 231(b) of such Act (42 U.S.C. 12771(b)) shall not apply to any uninvested funds that otherwise were deducted or would be deducted from the line of credit in the participating jurisdiction's HOME Investment Trust Fund in any calendar year from 2019 through 2025 under that section.*

Homeless Assistance Grants

COSCD A recommends \$3.5 billion for Homeless Assistance Grants in FY2023; of this amount, we encourage 20% (\$700m) be directed to Emergency Solutions Grants (ESG) as allowed by statute. Additional programmatic requests are as follows:

1. An increase to the administrative cap from 7.5% to 10%.

2. Extending to HUD broad waiver authority to continue with flexibilities afforded to administrators since the pandemic-related emergency declaration.

HOMELESS ASSISTANCE GRANTS

For assistance under title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11360 et seq.), \$3,500,000,000, to remain available until *September 30, 2025*: Provided, That of the amounts made available under this heading—

(1) \$700,000,000 shall be for the Emergency Solutions Grants program authorized under subtitle B of such title IV (42 U.S.C. 11371 et seq.): *Provided, a recipient may use up to 10 percent of funds under this subtitle for administrative purposes, and a recipient State shall share the amount available for administrative purposes pursuant to the preceding sentence with local governments funded by the State: Provided further, That in administering the amounts made available under this heading in this Act, the Secretary may waive, or specify alternative requirements for, any provision of any statute or regulation that the Secretary administers in connection with the obligation by the Secretary or the use by the recipient of these amounts (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment), if the Secretary finds that good cause exists for the waiver or alternative requirement and such waiver or alternative requirement, et al.*

COSCD A also asks for consideration to the following items:

Disaster Recovery

COSCD A is grateful to both House and Senate committees for their interest in recent years on enhancing outcomes with HUD's disaster recovery and mitigation programs.

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

Technology improvements

Additional resources are requested for HUD's information technology needs through the Integrated Disbursement and Information System (IDIS) and Disaster Recovery Grant Reporting (DRGR) system.

We urge dedicated resources to CPD's IT budget within the Development and Enhancement Fund to adequately update IDIS and DRGR.

Regulatory assessment

We request support from the committee to review current regulations involved in HUD programs related to labor and environmental standards; outcomes sought in this review include reducing time and resources dedicated to compliance. Grantees and additional stakeholders to HUD programs can be better supported through renewed approaches which promote more efficient processes.

Coordination of federal resources

COSCEA encourages a study of CPD programs and processes in comparison to other similar federal financing tools to address infrastructure, housing, disaster response and recovery, and other related needs.

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.

Again, thank you for your leadership and efforts on the annual appropriations process. COSCEA welcomes any feedback on the aforementioned proposals. Please reach out if we can provide further information regarding these requests.

Sincerely,

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

Dianne E. Taylor
Executive Director