



THE UNITED STATES
CONFERENCE OF MAYORS

September 10, 2021

The Honorable Maxine Waters
Chairwoman
House 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 Emmanuel Cleaver
Chairman
House Subcommittee on Housing,
Community Development, and Insurance
2129 Rayburn House Office Building
Washington, District of Columbia 20515

The Honorable French Hill
Ranking Member
House Subcommittee on Housing,
Community Development, and Insurance
4340 O’Neill House Office Building
Washington, District of Columbia 20024

Dear Chairwoman Waters, Ranking Member McHenry, Chairman Cleaver, and Ranking Member Hill:

Thank you for your dedication to housing and infrastructure in the 117th Congress. The Committee’s legislation under the reconciliation process will greatly assist state and local efforts to address affordable housing and related needs. As the Committee considers the bill further, we would suggest an update to the provision related to Community Development Block Grants (Section 40101).

We welcome renewed investment in the CDBG program which has directed federal support to local-based projects and services for over four decades. The program’s mission is sound in providing flexible resources to meet priorities responsive to unique needs of communities. CDBG’s national objectives ensure funds are targeted in a manner which overwhelming benefits distressed neighborhoods and vulnerable populations. At the same time, the host of eligible activities allows communities to effectively decide how best to apply funds and do it in a way which facilitates improvements relevant to the jurisdiction. CDBG has a proven history of working well for people and places because of the standards presently in place and met by cities, counties, states, and their respective partners.

Due to the structure of the program and use of funds for community development goals, we respectfully request elimination of the directive in the reconciliation bill under Section 40101 (c). The directive is well-intended to ensure proposed resources under CDBG are entirely targeted to benefit low-to-moderate income (LMI) populations. However, the directive would be

problematic for communities to implement and severely restrict their use of program funds. Currently, grantees must apply 70% of their total CDBG grant to benefit LMI populations (defined as populations up to 80% Area Median Income). The threshold is consistently reached by state and local grantees with many even exceeding the level consistently reaching 80 or 90%. Specific projects and services can meet 100% LMI but only in specific activities (ex. support to homeless facilities or food banks).

If the directive is upheld, communities will not be able to effectively use CDBG as they have successfully been able to do for decades. Frequent community-wide projects are facilitated by the program including utility upgrades, senior centers, economic development, and multi-modal access. All of these activities would be eliminated or severely restricted from receiving funds if 100% of funds must be used for LMI populations. Most CDBG funding promotes these type of developments which support the larger community and are often critical to or a top priority for the community's growth and development.

We appreciate the Committee's emphasis on local-based initiatives through new investment in CDBG. The program is well-positioned to distribute resources as a part of the supplemental legislation. However, the aforementioned restriction on funding would significantly limit how communities can support initiatives important to their success and progress. We urge further consideration and response by removing this directive from the legislation.

Sincerely,

Council of State Community Development Agencies
National Association of Counties
National Community Development Association
National League of Cities
U.S. Conference of Mayors