



2024 Advocacy Priorities

(as approved by COSCONDA Board of Directors, December 2022)

Funding

Cross-Cutting

Reinforce HUD capacity and technical assistance: COSCONDA urges no less than \$154 million for FY24 to hire and retain an estimated 835 FTEs at HUD's Office of Community Planning and Development

- HUD's ability to act and respond effectively to program oversight corresponds to their staffing
- The agency has experienced tremendous loss of personnel in the last decade; from 2008 to 2017, HUD lost 18.5 % of its staff while government-wide staffing grew by eleven percent¹
- Pending retirements may cause additional staffing challenges: as of 2018, HUD had the highest percent of workers eligible for retirement (24%) which was expected to grow to nearly half the agency's total workforce (45%) within five years²
- COSCONDA calls on Congress to reverse staff losses and renew additional full-time equivalents at HUD CPD; \$154 million would support 835 FTEs as estimated by HUD³

Enhance information collection and reporting through targeted resources to HUD CPD's IT development

- HUD utilizes technology platforms to support information collection and reporting – the Integrated Disbursement and Information System, Disaster Recovery Grant Reporting System, and Homeless Management Information System
- Constant issues with the platforms present unnecessary delays and inefficiencies to reporting
- Updates are needed to improve the user experience reducing time and administrative support required for information input and access
- COSCONDA urges targeted resources for these system upgrades through HUD's IT Development and Enhancement Fund

¹ Government Accountability Office. Top Management Challenges Facing the U.S. Department of Housing and Urban Development in 2019 and Beyond.

² Government Executive. The Federal Agencies Where the Most Employees are Eligible to Retire. June 18, 2018.

³ U.S. Department of Housing & Urban Development. FY23 Budget. March 2022.

Community Development

COSCDAs recommends \$4.2B for CDBG to promote community-led projects and services especially for vulnerable & disadvantaged populations

- The Community Development Block Grant (CDBG) program directs federal funds for local needs across public infrastructure, housing, economic development, & related areas critical to social and economic standing
- CDBG supports low- and moderate-income populations; from 2005 to 2021, the program CDBG aided 1.6 million households via housing development and assistance; supported public services for 934 million beneficiaries; assisted 574 million persons through infrastructure developments; and contributed to 475,269 created or retained jobs⁴
- CDBG is often combined with other funding to accommodate projects and services; it has a great return on investment with every dollar of CDBG leveraging on average \$3.64 from other public and private sources⁵
- Despite its successful impact, declining resources impair CDBG's effectiveness and availability; the program's annual funding has declined significantly since 2001⁶ with CDBG formula grants receiving \$3.3 billion in the final FY2022 appropriations legislation, a cut of \$150 million from FY21⁷
- A decline in annual funding means communities have less ability to accommodate projects and services. Combined with rising costs and increased administrative requirements, level funding is not adequate to sustain improvements essential to health, safety, and quality of life. Community reinvestment will be required to address accelerating needs in housing, homelessness, natural disasters, and infrastructure. Through specific local-led initiatives, CDBG offers direct investment to facilitate community-led improvements.⁸

Maximize outcomes and impact of congressionally-directed funding

- Wide-spanning issues exist in every community throughout the country ranging from infrastructure disrepairs to uninhabitable housing and inadequate or non-existent utilities
- The return of earmarks in annual spending allows Congress to identify and apply federal investment to meet the specific needs of individual communities
- Congressionally-directed spending through the Community Development Fund offers additional opportunities to address local infrastructure, housing, and related priorities while leveraging other public and private investment
- COSCDA encourages alignment between qualifying proposals and local or related planning initiatives; including this step as a pre-requisite to submission would help to ensure federal funds meet needs responsive to the public

⁴ U.S. Department of Housing and Urban Development. FY2023 Budget. Congressional Justification – Community Development Fund. March 28, 2022.

⁵ Ibid.

⁶ CDBG Coalition, CDBG Impact and Funding Need (July 2019).

⁷ P.L. 117-103. FY2022 Consolidated Appropriations Act (March 15, 2022).

⁸ CDBG Coalition. Improving Lives and Strengthening Communities (April 2022).

- HUD administrative capacity is crucial to project delivery; we also urge Congress to ensure HUD staff are capable of addressing compliance including environmental standards

Disaster Recovery

Annual funding is recommended to accommodate planning and capacity building in post-disaster recovery activities

- The U.S is challenged by both increased intensity and occurrence of severe weather; from 2011 to 2021, more than 90 percent of U.S. counties experienced a major weather-related event⁹
- Low-income populations are especially affected as households and communities rebuild following disaster
- HUD assistance is distinct from other resources, notably Federal Emergency Management Agency (FEMA) and Small Business Administration (SBA), targeting long-term recovery and resiliency needs
- Ongoing delays in federal assistance significantly impair recovery efforts – most significant is the lag time between emergency housing support from the Federal Emergency Management Agency (FEMA) and HUD’s assistance
- Annual funding would improve both effective and timely delivery of federal assistance to address housing needs sooner and avoid long-term displacement of residents

Housing

COSFDA urges \$2.5B for HOME to expand affordable housing

- HOME invests in housing production and preservation for low-income households
- Since 1992, HOME has constructed and rehabilitated more than 1.35 million units of affordable housing; the program has also supported over 372,000 low-income households with rental assistance¹⁰
- HOME has an excellent return-on-investment; every dollar leverages \$4.69 in other public and private investment¹¹
- Program resources continue to support tens of thousands of homes every year however level funding has diminished its impact. The program was last authorized at \$2.1 billion in FY1994. HOME has only secured \$2B in one annual funding cycle (FY2004) since and is currently 25% below its FY2010 amount (\$1.825 billion)¹²

⁹ The Guardian. Weather disasters hit 90% of US counties in last 11 years, report finds. November 16, 2022.

¹⁰ HUEXchange. HOME National Production Report. November 1, 2022.

¹¹ Ibid.

¹² Congressional Research Service, An Overview of the HOME Investment Partnerships Program, January 4, 2021.

Strengthen investment to the Housing Trust Fund and increase housing access for extremely low-income populations

- The National Housing Trust Fund (HTF) was established in the 2008 HERA to expand housing access for extremely low-income households; since its first allocation in 2016, HTF has facilitated development of nearly 3,200 units of housing¹³
- The program often matches related investments including HOME and Low Income Housing Tax Credit (LIHTC) and proves to be an excellent investment - every dollar of HTF leverages another \$9.80 from public and private sources
- The nation's continued housing crisis is especially challenging for extremely low-income families and individuals experiencing higher rates of housing instability than the general population
- COSCDA encourages renewed investment in HTF through a revised assessment of mortgage purchases backed by the Federal Housing Finance Agency (FHFA)

Homelessness

COSCD A urges robust resources for Homeless Assistance Grants to aid individuals experiencing homelessness through targeted outreach and assistance; as allowed in statute¹⁴, 20% of this amount should be directed to Emergency Solutions Grants (ESG)

- Homeless Assistance Grants (HAGs) provide critical resources for individuals experiencing housing instability; among the programs funded is Emergency Solutions Grants (ESGs) providing flexible funding to services and facilities¹⁵
- As of January 2020, 580,466 people were experiencing homelessness in the U.S. After a steady decline over a number of years, the unsheltered homeless population spiked by 30 percent between 2015 and 2020. The number of cost-burdened households which pay more than 50% of their income on housing is 6 million, 6% higher than 2007.¹⁶
- Homeless Assistance Grants have made a considerable difference in addressing homelessness throughout the country and across communities - urban, suburban, and rural; though considerable increases to the account has aided response, growing needs exist across housing and supportive services
- Further support to homelessness efforts is needed with resources applied adequately across various programs within HAGs; less than 10% of available funds were directed to ESG in FY2022 (\$290 million)¹⁷ and further reinvestment will advance assistance to individuals and families without stable housing

¹³ HUDExchange. HTF National Production Report. October 31, 2022.

¹⁴ Congressional Research Service, The HUD Homeless Assistance Grants: Programs Authorized by the HEARTH Act, August 30, 2017:

¹⁵ HUD Exchange, ESG Requirements:

¹⁶ National Alliance to End Homelessness. State of Homelessness: 2022 Edition.

¹⁷ P.L. 117-103. Enacted on March 15, 2022.

Expand housing vouchers to help more families and individuals secure stable housing

- Rental costs have increased substantially in recent years; from December 2017 to September 2022, rents have risen by 32%¹⁸
- Before the pandemic, only 1 in 4 households which qualified for assistance receive housing vouchers; as of 2018, 11.2 million households were severely cost-burdened with more than half of their budget going to housing costs¹⁹
- Vouchers provide necessary support for low-income households facing eviction, homelessness, or other housing instability
- Additional resources are needed to sustain the level of existing vouchers and promote additional assistance for households facing continued housing instability

Housing and Urban Development

Cross-Cutting

Promote streamlined administration of federal compliance standards

- Federally-financed projects are consistently supported by various funding including multiple federal sources
- HUD programs adhere to several compliance standards such as environmental, labor, and relocation; although addressing the same intent and goals, HUD's processes to meet compliance operate separately from other federal entities
- Considerable administrative costs are incurred and project timelines extended in completing review on federal standards; greater alignment between agencies would save time and costs associated with projects supported by multiple federal entities
- HUD-invested projects and programs would greatly benefit from alignment of federal standards specifically through allowance on adoption of other federal agency reviews on labor, procurement, and relocation; in 2021, HUD updated its guidance on environmental review processes allowing adoption of other agency reviews to meet requirements under the National Environmental Policy Act (NEPA)²⁰ and similar adjustments may promote streamlined compliance

¹⁸ Center for Budget and Policy Priorities. Addressing the Affordable Housing Crisis Requires Expanding Rental Assistance and Adding Housing Units. October 27, 2022.

¹⁹ Center for Budget and Policy Priorities. More Housing Vouchers: Most Important Step to Help More People Afford Stable Homes. May 13, 2021.

²⁰ U.S. Department of Housing and Urban Development – Office of Environment and Energy, NEPA Adoption FAQ, September 2021.

Implement Affirmatively Furthering Fair Housing (AFFH) responsive to state actions in small and rural communities

- AFFH was established as a part of the 1968 Civil Rights Act to address inequalities and segregated communities; HUD is underway in restoring the policy under an interim rule published in June 2021²¹
- States have been challenged in facilitating AFFH and determining how to apply HUD resources to meet the policy's goals
- A draft tool for states was released in 2016 however was insufficient to aid states in AFFH implementation²²
- Further attention is needed for states to carry out actions on AFFH including an updated tool informed through engagement from state programs

Examine Section 3's feasibility in advancing employment opportunities

- Section 3 directs HUD funding recipients to accommodate employment opportunities for HUD-sponsored projects; an updated rule was finalized in 2021²³
- To meet the Section 3 standard, efforts are made and activities recorded to connect residents to local projects supported by HUD programs including CDBG and HOME
- State and local program administrators engage contractors however obstacles exist especially for smaller firms in bringing on laborers from nearby to the HUD-supported project
- As the new rule takes effect, thorough assessment is encouraged detailing Section 3's impact on employment outcomes including implications for state program implementation

Standardize environmental reviews

- Separate requirements on environmental reviews across different programs, namely including CDBG-DR and HTF, pose considerable challenges for program administrators; for instance, mitigation actions allowed on project sites for HOME investment does not have the same option for prospective HTF-supported properties therefore eliminating the site for consideration - although similar program activities and goals, HOME follows 24 CFR Part 58 whereas HTF adheres to Part 50²⁴
- HUD has released draft guidance allowing for adoption of other agency environmental reviews²⁵; the new directive aligns HUD with the National Environmental Policy Act (NEPA) rule issued in July 2020²⁶
- COSCDA requests ongoing engagement on aligning environmental reviews both within HUD, especially between HOME and HTF, and projects supported by HUD and other federal agencies;

²¹ HUD Office of Fair Housing and Equal Opportunity, Restoring Affirmatively Furthering Fair Housing Definitions and Certifications Final Rule, June 2021.

²² U.S. Department of Housing and Urban Development, Assessment of Fair Housing Tool for States and Insular Areas, September 28, 2016.

²³ Ibid. Section 3 of the Housing and Development Act of 1968.

²⁴ U.S. Department of Housing and Urban Development, HTF Environmental Provisions.

²⁵ U.S. Department of Housing and Urban Development – Office of Environment and Energy, NEPA Adoption FAQ, September 2021.

²⁶ Council on Environmental Quality, Update to the Regulations Implementing the Procedural Provisions of the National Environmental Policy Act, July 16, 2020.

further guidance is encouraged as well in meeting the recent policy allowing for other agency reviews

Assess Davis Bacon effectiveness and impact on project development

- Federal labor standards through Davis Bacon ensure fair wages are met for laborers on federal-funded projects and services, including CDBG and HOME-supported activities
- Program administrators and stakeholders experience considerable time and effort in meeting labor standards which can prove burdensome to contractors in obtaining individual information on employees
- As a new Davis Bacon rule is forthcoming, additional focus is warranted on how to streamline procedures and promote efficiency determining fair wages on HUD-supported developments
- Monitoring is also valuable to inform HUD and Department of Labor stakeholders

Strengthen interagency partnerships and coordination of federal programs

- HUD CPD programs are often invested with other federal sources including Agriculture, Economic Development Administration, Treasury, and Health and Human Services
- The ability to align program eligibility and requirements assists targeted populations and communities in access and use of federal resources
- COSCDA encourages greater cross-agency exchange to advance mutual goals of individual agencies and programs; both headquarters and regional staff are suggested for this engagement

Community Development

Elevate CDBG's role as critical financing for community growth and outcomes

- CDBG often serves as critical gap financing for a wide array of projects and services
- The array of eligible program activities addresses housing, infrastructure, economic development, services, and related areas essential to community economic and social standing
- For program stakeholders, reinforced training and resources are needed to continue progress in these key community activities
- HUD's increased promotion of CDBG alongside other public and private capital will further opportunities to use the program for transformative developments

Disaster Recovery

Align environmental review standards for coastal and inland risk areas

- 22 CFR Part 55 directs HUD guidance on environmental review procedures in floodplain management²⁷
- While the policy typically doesn't allow development in many high-risk areas, exemptions do exist for developments in coastal areas; the same allowance is not permitted for inland, non-coastal floodways
- Projects cannot be accommodated in mountainous areas due to this prohibition and inability to invoke exemptions afforded to similar developments in coastal areas
- Exemptions allowed for inland floodways can be important to driving investment in rebuilding homes and infrastructure for non-coastal floodways; specifically, a request to remove §55.1(c)(1), eliminating the word "coastal" from the exceptions listed in §55.1(c), and modifying Table 1 in §55.11
- FEMA applies a reasonable standard to environmental reviews for floodplain management which may inform HUD's update

Ensure data is accessible for effective disaster response and recovery

- State and local administrators of HUD resources rely on data provided by FEMA, SBA, & HUD to support disaster recovery and mitigation by informing Unmet Needs Assessments and survivor outreach
- Access to client and community-specific data is made available through the computer matching agreement (CMA) and data sharing agreement (DSA)²⁸
- Data sharing between FEMA and HUD, as well as HUD and their grantees/prospective grantees, should facilitate timely transfer of data to grantees and prospective grantees
- COSCDA asks HUD and federal partners to assess gaps, remove burdensome requirements, and promote more efficient data access to improve timeliness in recovery activities

Extend waivers to initiate planning and housing-related activities in the immediate aftermath of disasters

- Waivers extended by HUD to states and localities extensively aid disaster recovery and mitigation
- Certain flexibilities could be provided which allow activities to begin much sooner in the aftermath of disaster events
- COSCDA requests HUD to enhance its waivers to better support grantees on planning and housing activities
- Similar to streamlined access of administrative funds, additional waivers aimed at more immediate housing reconstruction would reduce the time involved for homes to be restored

²⁷ U.S. Department of Housing and Urban Development, Code of Federal Regulations, 24 CFR Part 55: Floodplain Management and Protection of Wetlands, April 2014.

²⁸ U.S. Department of Housing and Urban Development. Overview of Computer Matching Agreements and Data Sharing Agreements for CDBG-DR and CDBG-MIT Grantees. Current as of June 16, 2022.

Housing

Promote resources and regulations to advance housing infrastructure through HOME & HTF

- HOME and HTF advance housing opportunities for low-income households; housing matters to community well-being, as well as economic and social outcomes, especially for vulnerable populations
 - Additional study and promotion of tools and project examples under HOME and HTF would further housing access for health, safety, and community stability
 - COSCDA encourages regulations responsive to ongoing program needs, training and technical assistance aimed at empowering stakeholders, and increased administrative caps for both HOME and HTF to properly facilitate capacity needed for program implementation; this includes waivers & flexibilities, training, and tools to adequately administer HOME American Rescue Plan Act funds (HOME-ARP)

Homelessness

Support additional funds for ESG to address critical gaps in homeless assistance

- ESG dedicates resources to state and local efforts to connect people experiencing homelessness to permanent supportive housing
- The HEARTH Act allows up to 20% of Homeless Assistance Grants for ESG however the program has fallen below this level in each year since the legislation was enacted²⁹
- Since Hearth's enactment, Congress has dedicated additional resources to Homeless Assistance Grants; the maximum amount eligible to be directed to ESG has not been fulfilled during this span and most recently, in FY2021, only \$290 million (9%) of HAGs total funding was targeted to ESG³⁰
- Additional funds for ESG ensures states and localities have critical capacity and resources needed to adequately support homeless populations

Increase available use of Emergency Solutions Grants for existing shelters

- In recent years, HUD has increased emphasis on rapid rehousing with no additional resources for existing shelters; at the same time, affordable housing for populations under 30% area median income (AMI) is severely limited
- Emergency shelters have been level-funded for several years as many states are capped at pre-2010 amounts for shelter activities; during this time, operating costs have grown with staffing, training, and related needs
- Challenges continue for shelters and their staff in assisting populations especially during the recent pandemic
- Removal of the cap on emergency shelters under ESG would allow grantees the ability to better assist front-line outreach, services, and associated support in the homeless assistance system

²⁹ HUD Homeless Assistance Grants. Programs Authorized by the HEARTH Act.

³⁰ P.L. 116-220, Consolidated Appropriations Act of 2021, enacted on December 27, 2020.

Clarify definition of Transitional Housing for enhanced assistance to targeted populations

- Transitional housing may accommodate a number of vulnerable populations with housing instability including individuals formerly incarcerated or recovering from substance abuse
- The interim ESG rule published in 2017 restricts funding for transitional housing providers³¹
- Transitional housing while eligible for funding under Continuum of Care (CoCs) is not adequately supported and the CoCs scoring criteria redirects applicants away from transitional housing
- States recognize the value of transitional housing and encourage HUD to clarify its policy with coordination alongside federal partners specifically the departments of Justice and Health and Human Services

Advance coordination between PHAs and CoCs

- Partnerships are vital to uplifting populations experiencing homelessness and HUD has encouraged relationship-building between CoCs and Public Housing Authorities to facilitate stronger network of housing and support services
- Though efforts continue, gaps remain for CoCs to engage with PHAs; challenges to further collaboration include PHA's limited resources and extensive wait lists
- A 2014 HUD study highlights PHA's activities in serving homeless populations and may serve as key guidance on future actions³²
- Incentives directed to PHA to engage with CoCs may lead to increased partnership and participation in serving homeless populations

Integrate homelessness data with related supportive services

- Client details on health, income, and other pertinent information provides key background to properly assist persons experiencing homelessness
- Information can be difficult to obtain and connect with Homeless Management Information Systems or other platforms used by ESG administrators
- Further challenges exist for homeless providers in accessing information on clients with previous history of domestic violence (Violence Against Women Act) as well as veterans (Veterans Administrative Supportive Housing)
- Enhanced data sharing between homeless providers and other supportive services is critical to improving outcomes with reducing homelessness; states have communicated goals with HUD on better data collection and access³³

³¹ U.S. Department of Housing and Urban Development, Emergency Solutions Grants Program, § 576.409, Protections for victims of domestic violence, dating violence, sexual assault, or stalking. April 1, 2018.

³² U.S. Department of Housing and Urban Development – Office of Policy Development and Research, Study of PHAs' Efforts to Serve People Experiencing Homelessness. February 2014.

³³ Council of State Community Development Agencies, Improving Access to Homelessness Data, October 2021.

Congress

Cross-Cutting

Examine Section 3's impact on project development

- Section 3 directs HUD funding recipients to facilitate employment opportunities for residents located near HUD-supported projects
- The policy has been updated with a new rule in 2021 and adjustments are underway for HUD grantees to meet renewed requirements
- Best efforts are made by states to accommodate Section 3's intent through CDBG, HOME, ESG, and HTF developments among other programs
- Considering the launch of the updated rule, now is the time to examine the policy's impact; states urge Congress to assess the policy's outcomes and include recommendations responsive to employment outcomes and program administration especially for states

Improve Davis Bacon labor standards responsive to modern construction practices and developments

- The Davis Bacon and Related Acts (DBRA) directs prevailing wages on construction projects assisted by federal funding³⁴
- HUD-funded projects must adhere to DBRA which involves compliance between federal, state, and local grantees as well as sub-recipients and contractors
- DBRA applies on projects of \$2,000 or more; the threshold was established in 1931 and proves irrelevant to modern construction costs
- Due to its administrative burden especially for small businesses, COSCDA encourages lawmakers to revise the project threshold to a level more responsive to modern construction costs; DBRA should be waived where state and local wage rates can supplant federal prevailing wages

Community Development

Modernize CDBG Responsive to Local Needs in the 21st Century

- Community Development Block Grants provide a significant resource for communities to address social and economic needs of residents especially vulnerable and disadvantaged populations; the program's wide range of uses allows communities to adapt funding to meet priorities specific to their locality
- While the program has facilitated numerous infrastructure projects, services, businesses, and related initiatives and entities over nearly fifty years, improvements are now needed to promote further use of resources to local-based challenges in the 21st Century
- States direct program funding to aid small and rural communities; program updates would be advantageous in directing more support to these important but continually neglected places in our country
 - Update the program's authorization level to at least \$12 billion annually

³⁴ Department of Labor. Davis Bacon and Related Acts. Wage and Hour Division. Fact Sheet #66. March 2022.

- Enhance administrative capacity and technical assistance for rural communities by raising the state’s admin/TA cap to 6%
- Ease state budget constraints by increasing the administrative match threshold to every dollar over the first \$500,000 matched by state funds
- Broaden CDBG’s impact by making eligible fair housing activities and construction of new housing
- Legislative action through program reauthorization is necessary to advance these reforms

Position CDBG to adequately support recovery housing needs

- Substance abuse has created immense issues in communities notably the opioid epidemic over the last decade
- As a part of the 2018 SUPPORT Act, a recovery housing program was established under CDBG to direct resources for projects and services assisting individuals in recovery from substance abuse³⁵
- Since initial funding was directed in 2020, states and the District of Columbia have proceeded to work with health and housing partners on enhancing recovery assistance
- State CDBG programs similar to other public and non-profit entities face ongoing capacity challenges and the dilemma has restricted programs in identifying gaps and applying funds accordingly
- COSCDA asks for increased flexibility to properly assess, review, and use recovery housing funds; removal of the one-year 30% expenditure deadline will greatly assist this process

Disaster Recovery

Improve federal response for communities recovering from disaster events

- Major disaster events continue to upend lives and cripple communities devastating homes, business, and essential facilities
- Federal response in disaster recovery is directed through the HUD Community Development Fund with the first supplemental appropriations provided 30 years ago; despite its lengthy history of facilitating activities with \$96 billion allocated to date,³⁶ the CDBG-Disaster Recovery (CDBG-DR) program has never been authorized and faces continued challenges due to the program’s temporary status
- Codification is necessary for resources to reach affected communities more expediently and effectively; additional changes will improve how recovery funding can be targeted to maximize assistance to communities in recovery and resiliency
- CDBG-DR grantees strongly urge congressional approval of the *Reforming Disaster Recovery Act* to improve federal assistance to post-disaster rebuilding efforts³⁷

³⁵ P.L. 115-271. Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act (SUPPORT Act). Enacted October 24, 2018.

³⁶ U.S. Department of Housing and Urban Development, CDBG-DR Grant History, 1992-2022.

³⁷ Council of State Community Development Agencies, *Reforming Disaster Recovery Act*.

- The following changes to the legislation would further respond to disaster recovery and expedite assistance for people and communities in need (further details [here](#)):
 - Maintain the Low-to-Moderate Income (LMI) beneficiary thresholds on individual benefit activities (housing and economic recovery) while providing flexibility on the LMI threshold for infrastructure projects that broadly serve and protect citizens in impacted areas
 - Allow adoption of other agency reviews for environment, labor, relocation, and procurement standards
 - Develop certification processes accordingly in regards to grantee experience and ability to manage federal disaster recovery resources

Streamline access to post-disaster aid for low- and moderate-income households

- Post-disaster recovery poses significant challenges for impacted people and communities including navigating available assistance
- Current duplication of benefits (DOB) standards under the Stafford Act present added burdens to residents especially those with minimum income or assets
- Between addressing the requirements of FEMA’s DOB calculations and meeting immediate needs for their families, LMI households face enormous pressure to access available aid
- Further consideration is requested to help streamline assistance to eligible households; COSCDA recommends updating Stafford Act requirements to remove DOB calculations for LMI households – further details are available in COSCDA’s FY2023 Priority – A Case for Change to Stafford Act DOB Requirements for LMI Households in Disaster Recovery³⁸

Housing

Promote HOME reforms to advance housing access and opportunity

- Affordable housing is increasingly limited or non-existent throughout the country; in 2021, new records were set with demand far outpacing available units especially for low-income households^{39,40}
- The HOME Investment Partnerships program (HOME) is the lead federal program dedicated to expanding the number of housing units for low-income persons; the program was created through the Cranston-Gonzalez Act of 1990⁴¹ and last reauthorized by the Housing and Community Development Act of 1992⁴²
- Though the program has proven successful in developing over 1.3 million housing units since 1992,⁴³ issues exist which inhibit its ability to facilitate further affordable housing opportunities

³⁸ COSCDA, A Case for Changes to Stafford Act DOB Requirements for LMI Households in Disaster Recovery.

³⁹ Globe St.com. There is a severe shortage of rental housing at every price point now. October 8, 2021.

⁴⁰ Forbes. Supply Of Affordable Homes Posts Record Gain As Mortgage Forbearance Ends. November 4, 2021.

⁴¹ P.L. 101-625, Cranston Gonzalez National Affordable Housing Act. Enacted on November 28, 1990.

⁴² P.L. 102-550, Housing and Community Development Act of 1992. Enacted on October 28, 1992.

⁴³ U.S. Department of Housing and Urban Development, HOME National Production Report. November 1, 2021.

- Congress should revamp the program and accommodate changes relevant to housing development in the 21st century
 - Update HOME's authorization level and dedicate more resources for affordable housing
 - Remove the commitment deadline which restricts use of program funds to accommodate development opportunities
 - Update the CHDO set-aside and broaden to include other non-profits
 - Increase the program's administrative cap to 15%
 - Invoke one national standard in HOME property inspections
 - Modernize the HOME qualification standard ensuring program funds can be adequately managed and targeted to maximize housing development
- Legislative action is required for improvements in program design and use; states strongly recommend reauthorization of the HOME program

Enhance the Housing Trust Fund to promote housing for vulnerable populations

- Stable and affordable housing remains out of reach for millions with housing insecurity especially affecting very low- and extremely low-income households
- The National Housing Trust Fund (HTF) established in 2008 directs funds to states for affordable housing development aimed at persons and families with ongoing and significant housing instability; the program is funded through an annual assessment from the Federal Housing Agency on mortgage receipts
- With resources only available since 2016, the program has a demonstrated effect in advancing housing production and access
- Program reforms will enhance use of HTF funding for housing needs
 - An updated administrative cap to support sufficient administrative capacity and technical assistance (increase the cap to 15%)
 - Increase resources for affordable housing development through a revised assessment on the sale volume of Fannie Mae and Freddie Mac's new mortgage purchases (increase the basis points from .042 to .1 – 4.2% to 10%)
 - Eliminate the commitment deadline which has proven burdensome and untenable to affordable housing investment (HTF grantees must currently commit funds to a development within two years; funding cannot be recaptured nor reassigned if a project fails or experiences changes to the scope of work)
 - Environmental reviews can be better accommodated by extending allowance of HTF to adopt Part 58 or similar review process – current implementation through Part 50 significantly limits project investment with sites ineligible for investment and no mitigation activities allowed
- Congress can further support housing production for low-income households through the above HTF reforms to modernize program implementation and response

Advance Low-Income Housing Tax Credits for affordable housing development

- Affordable housing development is significantly boosted by the Low-Income Housing Tax Credit (LIHTC); from 1986 to 2019, the housing credit has supported the preservation and construction of 3.6 million homes with 8 million low-income households served and \$643 billion in wages and earned income generated⁴⁴
- An expansion on the LIHTC would contribute to further housing development; without actions to sustain the program in future years, a 12.5 percent reduction is anticipated due to the expiration of a temporary increase provided through the 2018 Consolidated Appropriations⁴⁵
- The *Affordable Housing Credit Improvement Act*⁴⁶ would maintain the tax credit's effectiveness and expand its reach to serve hard-to-reach populations including youth and victims of human trafficking
- As widespread housing insecurity continues and our national housing crisis severely impacts extremely low-income households, Congress should immediately adopt legislation to maintain and improve LIHTC for future housing development

Homelessness

Enhance and streamline administration of homelessness programs

- CoC and ESG have served as a successful resources in state and local efforts on homelessness
- Administrative constraints such as staffing and training have significantly impeded response especially as persons experiencing homelessness recover from the global pandemic
- To address lingering gaps in staff and related administrative support, homelessness providers have relied increasingly on temporary positions; as a result, staffing has been inconsistent and less reliable than permanent, full-time staff
- Amid the growing demands in addressing homelessness, further budgetary flexibility is necessary to assemble and maintain adequate grantee capacity and technical support; new administrative expense caps set at ten percent are strongly recommended for ESG and Housing for Persons with AIDS (HOPWA) programs
- COSCDA also encourages updates to the CoC administrative cap allowing grantees to fully address administrative needs up to ten percent of award funds and simplify the administrative process

Extend recent waivers for streamlined program administration and improved outcomes

- In 2020, HUD issued a series of waivers for ESG in response to the COVID-19 pandemic⁴⁷
- The 18 individual waivers improved efficiency of program resources for more effective support to assisted populations
- HUD's waiver authority is limited and these flexibilities will soon elapse; HUD only has the ability to allow assistance beyond the Fair Market Rent cap

⁴⁴ The Action Campaign, Low-Income Housing Tax Credit – Impact in the United States. August 2021.

⁴⁵ P.L. 115-141, Consolidated Appropriations Act of 2018. Enacted on March 23, 2018.

⁴⁶ Action Campaign. The Affordable Housing Credit Improvement Act.

⁴⁷ HUD. Waivers and flexibilities provided to ESG in response to COVID-19. September 1, 2020.

- COSCDA encourages Congress to extend these waivers while further assessment is underway to streamline ESG policies and procedures; more information is detailed in COSCDA's 2022 [memorandum](#) to HUD