

March 6, 2023

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

The Honorable Tim Scott
Ranking Member
Senate Committee on Banking, Housing,
and Urban Affairs
534 Dirksen Senate Office Building
Washington, DC 20510

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

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

The Honorable Tina Smith
Chair
Senate Subcommittee on Housing,
Transportation, and Community Development
534 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Cynthia Lummis
Ranking Member
Senate Subcommittee on Housing,
Transportation, and Community Development
534 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Warren Davidson
Chair
House Subcommittee on Housing and
Insurance
4340 O'Neill House Office Building
Washington, District of Columbia 20024

The Honorable Emmanuel Cleaver
Ranking Member
House Subcommittee on Housing and
Insurance
2129 Rayburn House Office Building
Washington, District of Columbia 20515

Dear Chairman Brown, Ranking Member Scott, Chairman McHenry, Ranking Member Waters, Chairwoman Smith, Ranking Member Lummis, Chairman Davidson, and Ranking Member Cleaver:

The Council of State Community Development Agencies (COSCAR) extends our sincere gratitude for your service to the respective Senate Banking and House Financial Services committees in the 118th Congress. On behalf of our board of directors and members, COSCAR offers our support to identify and address key national issues across community development and housing. Our association recently released its [fiscal year \(FY\) 2024 advocacy priorities](#) detailing annual funding, regulatory, and legislative requests. As your respective committees examine federal engagement on housing and related issues, we offer the following recommendations specific to congressional oversight of U.S. Department of Housing and Urban Development (HUD) programs (detailed requests begin on page 11 of COSCAR's FY24 advocacy priorities [here](#)).

Recommendations include -

Revise compliance standards for enhanced program response

COSCONDA welcomes renewed assessment of the Section 3 program, its effectiveness, and how the policy may be improved moving forward. Section 3 directs recipients of HUD funding to promote employment opportunities for low and very-low income persons. HUD recently updated the program through a final rule in 2021. With the renewed rule, we encourage examination of the policy and corresponding outcomes.

We also urge efforts to update Davis Bacon and Related Acts (DBRA) policies responsive to project development and administrative oversight. Specifically, housing and infrastructure stakeholders recognize that the \$2,000 project threshold is outdated and unresponsive to modern construction activities; a higher threshold would improve administration and contractor response. Further, COSCONDA recommends DBRA flexibility allowing for aligned state and local wage rates to address federal prevailing rates.

Modernize program requirements to meet 21st Century needs in community development

HUD CPD programs dedicate federal resources to meet priority needs in communities throughout the nation; the core programs have demonstrated success in uplifting vulnerable populations and renewing communities: Community Development Block Grant (CDBG), CDBG – Disaster Recovery (CDBG-DR), HOME Investment Partnerships (HOME), Housing Trust Fund (HTF), and Homeless Assistance Grants (HAGs). Both annual and supplemental funding to CPD programs continue to make a difference by supporting projects and services responsive to specific needs of individual communities. Additionally, these programs consistently prove to be a great return-on-investment as federal funds leverage public and private sources to meet desired outcomes.

Though the programs regularly contribute to positive results, updates are necessary to maximize access and use of these key resources. Ongoing challenges are common in state and local use of CPD resources; these include increased administrative requirements, policies incompatible with project development, and certain activity restrictions. Therefore, reforms are strongly encouraged to enhance resources, promote greater flexibility of program funds, and streamline administration. Additionally, for HUD's disaster recovery initiatives, CDBG-DR remains inefficient and cumbersome to execute largely due to the program's lack of authorization. In our priorities, COSCONDA offers specific recommendations from state and local stakeholders to address these outstanding needs.

We welcome further attention to these issues and look forward to your partnership to advance community development. Thank you for your consideration.

Sincerely,



Dianne E. Taylor
Executive Director

Cc:

The Honorable Charles Schumer
The Honorable Mitch McConnell
The Honorable Kevin McCarthy
The Honorable Hakeem Jeffries
The Honorable Katie Britt
The Honorable Catherine Cortez Masto
The Honorable Kevin Cramer
The Honorable Mike Crapo
The Honorable Steve Daines
The Honorable John Fetterman
The Honorable Bill Hagerty
The Honorable John Kennedy
The Honorable Bob Menendez
The Honorable Jack Reed
The Honorable Mike Rounds
The Honorable Kyrsten Sinema
The Honorable Tina Smith
The Honorable Jon Tester
The Honorable Thom Tillis
The Honorable Chris Van Hollen
The Honorable JD Vance
The Honorable Mark Warner
The Honorable Raphael Warnock
The Honorable Elizabeth Warren
The Honorable Andy Barr
The Honorable Joyce Beatty
The Honorable Sean Casten
The Honorable Monica De La Cruz
The Honorable Byron Donalds
The Honorable Tom Emmer
The Honorable Scott Fitzgerald
The Honorable Mike Flood
The Honorable Bill Foster
The Honorable Andrew Garbarino
The Honorable Sylvia Garcia
The Honorable Vicente Gonzalez
The Honorable Josh Gottheimer
The Honorable Al Green
The Honorable French Hill
The Honorable Jim Himes
The Honorable Steven Horsford
The Honorable Erin Houchin
The Honorable Bill Huizenga
The Honorable Young Kim
The Honorable Mike Lawler
The Honorable Barry Loudermilk
The Honorable Frank Lucas
The Honorable Blaine Luetkemeyer
The Honorable Stephen Lynch
The Honorable Gregory Meeks
The Honorable Dan Meuser
The Honorable Alex Mooney
The Honorable Wiley Nickel
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The Honorable Bill Posey
The Honorable Ayanna Pressley
The Honorable John Rose
The Honorable David Scott
The Honorable Pete Sessions
The Honorable Brad Sherman
The Honorable Bryan Steil
The Honorable William Timmons
The Honorable Rashida Tlaib
The Honorable Ritchie Torres
The Honorable Juan Vargas
The Honorable Nydia Velazquez
The Honorable Ann Wagner
The Honorable Roger Williams
The Honorable Nikema Williams