



May 11, 2023

The Honorable Sherrod Brown
Chairman
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
Chairwoman
House Financial Services Committee
2129 Rayburn House Office Building
Washington, District of Columbia 20515

The Honorable Maxine Waters
Ranking Member
House Financial Services Committee
4340 O'Neill House Office Building
Washington, District of Columbia 20024

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

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

The Honorable Warren Davidson
Chairman
House Subcommittee on Housing and
Insurance
2129 Rayburn House Office Building
Washington, District of Columbia 20515

The Honorable Emanuel Cleaver
Ranking Member
House Subcommittee on Housing and
Insurance
4340 O'Neill House Office Building
Washington, District of Columbia 20024

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

Thank you for your renewed interest in addressing housing and related needs in the 118th Congress. The National Community Development Association (NCDCA) and Council of State Community Development Agencies (COSCDA) seek improved performance and outcomes responsive to modern needs in Housing and Urban Development – Community Planning and Development (HUD-CPD) programs. Our organizations have engaged with House and Senate Appropriations committees on program updates to strengthen administrative capacity and

technical assistance, improve flexibilities for housing production and public services, and streamline aid to individuals and families experiencing homelessness.

In addition to funding requests for individual HUD programs, we are strongly urging statutory updates be addressed in the forthcoming appropriations legislation. NCDA and COSCDA understand the respective jurisdictions of the authorizing and appropriations committees. Therefore, we ask for your consideration in accepting these revisions as would be applied to programs for FY24. Meanwhile, NCDA and COSCDA are actively engaged with members of the Senate Banking and Housing Financial Services committees on reauthorization legislation for both HOME and CDBG. The revisions we propose for the FY24 appropriations bill align with those sought in the reauthorization legislation.

NCDA and COSCDA have recently submitted detailed requests for the FY24 appropriations bill explaining the need for program enhancements:

NCDA

[FY24 appropriations request](#) (March 2023)

COSCDA

- 1) [FY24 Appropriations request](#) (April 2023)
 - a. [Bill & report language request](#) (April 2023)

NCDA and COSCDA are asking for inclusion of the following updates in the FY24 appropriations legislation to better modernize and enhance HUD-CPD programs – statutory references are *italicized*:

Community Development Block Grant (CDBG)

- 1) Improve flexibility and enhance CDBG for housing construction by removing the following requirements:
 - a. Direct funding through a Community-Based Development Organization (CBDO),
 - b. Project must be a part of either a neighborhood revitalization plan, economic development plan, or energy project - *42 U.S.C. 5305(a)(15)*
- 2) Strengthen state program administration & technical assistance by increasing the cap on administration from 3 to 6%; additionally, promote greater flexibility in state CDBG program budgets by increasing the administrative match threshold from \$100,000 to \$500,000 - *U.S.C. 5306(d)(3)(A)*
- 3) Allow grantees to use more available program funds for public services and fair housing activities: increase the public services cap from 15 to 20%, and exempt fair housing activities from the public services cap - *42 U.S.C. 5305(a)(8)*

- 4) Provide additional financing for local economic and community development by increasing the Section 108 loan program cap from \$300,000,000 to \$500,000,000 - *42 U.S.C. 5308*
- 5) Promote additional flexibility to use loan funds for housing by adding housing construction as an eligible Section 108 activity - *42 U.S.C. 5308*

HOME Investment Partnerships (HOME)

- 1) Ensure accountability and responsiveness of program funds by suspending the two-year commitment deadline (incl. recent annual appropriations) - *42 U.S.C. 12748(g)*
- 2) Allow jurisdictions to recapture unspent set-aside funds for Community Housing Development Organizations (CHDOs) and use along with other funds in HOME program (incl. recent appropriations) - *42 U.S.C. 12748(g)*
- 3) Strengthen program administration & technical assistance by increasing the administration and planning cap from 10 to 15% - *42 U.S.C. 12742(c)*
- 4) Better promote capacity of Community Housing Development Organizations (CHDOs) by increasing the cap on operating assistance from 5 to 10%, and expanding to include additional non-profit entities - *42 U.S.C. 12742(g)*

Homeless Assistance Grants – Continuum of Care (CoC) & Emergency Solutions Grants (ESG)

- 1) Strengthen program administration and technical assistance by increasing respective ESG & CoC caps to 10% - *42 U.S.C. 11378; 42 USC 11383 (a)(10) & (11)*
- 2) Streamline and maximize use of available resources by extending pandemic-era waivers - *Notice: CPD-20-08¹: [available waivers/flexibilities](#) provided by HUD during the emergency declaration*

NCDA and COSCDA welcome engagement on these recommendations and additional areas of improvement for CDBG, HOME, and Homeless Assistance Grants. Ultimately, further flexibilities as provided would promote greater accountability of funding and improved program delivery.

¹ <https://www.hud.gov/sites/dfiles/OCHCO/documents/20-08cpdn.pdf>.

Sincerely,



Vicki Watson
Executive Director
National Community Development Association



Dianne E. Taylor
Executive Director
Council of State Community Development Agencies

Cc:

The Honorable Patty Murray
The Honorable Susan Collins
The Honorable Kay Granger
The Honorable Rosa DeLauro
The Honorable Brian Schatz
The Honorable Cindy Hyde Smith
The Honorable Tom Cole
The Honorable Mike Quigley