



June 28, 2023

The Honorable Patty Murray  
Chair  
Senate Appropriations Committee  
S-128 Capitol Building  
Washington, District of Columbia 20510

The Honorable Susan Collins  
Vice Chair  
Senate Appropriations Committee  
S-128 Capitol Building  
Washington, District of Columbia 20510

The Honorable Kay Granger  
Chair  
House Appropriations Committee  
H-307, The Capitol  
Washington, DC 20515

The Honorable Rosa DeLauro  
Ranking Member  
House Appropriations Committee  
1036 Longworth House Office Building  
Washington, DC 20515

The Honorable Brian Schatz  
Chair  
Senate Appropriations Transportation-Housing  
and Urban Development Subcommittee  
125 Hart Senate Office Building  
Washington, District of Columbia 20510

The Honorable Cindy Hyde-Smith  
Ranking Member  
Senate Appropriations Transportation-Housing  
and Urban Development Subcommittee  
186 Dirksen Senate Office Building  
Washington, District of Columbia 20510

The Honorable Tom Cole  
Chair  
House Appropriations Transportation-Housing  
and Urban Development Subcommittee  
2358-A Rayburn House Office Building  
Washington, DC 20515

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

Dear Chairwoman Murray, Vice Chairwoman Collins, Chairwoman Granger, Ranking Member DeLauro, Chairman Schatz, Ranking Member Hyde-Smith, Chairman Cole, and Ranking Member Quigley:

As markups proceed in the fiscal year (FY) 2024 appropriations process, COSCDA extends our appreciation for your ongoing efforts in addressing funding and policy needs for U.S. Department of Housing and Urban Development (HUD) programs. Particularly, we request consideration for program updates to improve accountability and responsiveness of federal resources. While HUD Community Planning and Development (CPD) programs have been funded consistently in annual appropriations – due in large part to your leadership – grantees face considerable challenges in carrying out these investments. In recent communications, COSCDA has shared several issues and corresponding proposals to address these priorities.

- COSCDA FY24 appropriations request (April 2023)<sup>1</sup>
- COSCDA response to HUD budget hearings (April 2023)<sup>2</sup>
- State responses to COSCDA’s FY24 appropriations request (May 2023)<sup>3</sup>
- NCDA-COSCDA program requests for FY24 appropriations (May 2023)<sup>4</sup>

One growing need throughout each HUD-CPD program is administrative capacity. Across community development, housing, homelessness, and disaster recovery programs, state and local grantees continue to experience an increasing workload involved in program delivery with staff unable to accommodate expanding responsibilities. The dilemma stems from two primary factors: 1) the decline of annual funding to HUD CPD programs and 2) increasing rules and reporting requirements attached to each program. State recipients of HUD CPD funds are especially challenged in administration of their respective programs, largely because of the level of support required to oversee project delivery in small, more sparsely populated communities; these communities generally have less capacity for planning and development than larger urban and suburban jurisdictions. States therefore must provide additional engagement and support than other HUD funding recipients.

To display the extent of oversight involved in HUD-CPD programs, below is a list of grantee administrative responsibilities. It is important to note that the list does not include many additional requirements and activities specific to individual programs:

### Programs

- **Community Development Block Grant (CDBG)**
- **HOME Investment Partnerships (HOME)**
- **Housing Trust Fund (HTF)**
- **Homeless Assistance Grants (HAGs) via Continuum of Care - CoC & Emergency Solutions Grants - ESG**

### Oversight Requirements

1. **Citizen participation**
2. **Environmental review & monitoring**
3. **Fair Housing and Equal Opportunity, including Limited English Proficiency and Section 504 Non-discrimination policies**
4. **Labor standards administration**
5. **Lead-based paint compliance**
6. **Relocation and real property acquisition**
7. **Flood insurance protection**

<sup>1</sup> COSCDA. FY24 Appropriations Request. April 17, 2023. <https://coscda.org/wp-content/uploads/2023/06/COSCDA-FY24-Appropriations-Request-April2023w.summary-billreportlanguage.pdf>.

<sup>2</sup> COSCDA. Response to HUD budget hearings. April 25, 2023. <https://coscda.org/wp-content/uploads/2023/04/COSCDA-Response-HUD-Budget-Hearing-THUD-Approps-April2023.pdf>.

<sup>3</sup> COSCDA. State Responses to COSCDA FY24 Appropriations Requests. May 17, 2023. <https://coscda.org/wp-content/uploads/2023/05/COSCDA-FY24-Approps-Request-State-Responses-May2023FINAL.pdf>.

<sup>4</sup> NCDA & COSCDA. Program Requests for FY24 Appropriations. May 11, 2023. <https://coscda.org/wp-content/uploads/2023/05/NCDA-COSCDA-Program-Requests-for-FY24-Appropriations-May2023FINAL.pdf>.

- 8. 2 CFR Part 200, Uniform Administrative Requirements, cost principles, and audit requirements for federal awards**
- 9. Program and policy development**
- 10. Monitoring including internal audits**
- 11. Document retention**
- 12. Grant Closeout and record retention policies**
- 13. Financial management**
- 14. Internal controls**
- 15. Payment and financial reporting**
- 16. Improper payments**
- 17. Cost sharing or matching**
- 18. Program income**
- 19. Revision of budget and program plans**
- 20. Period of performance**
- 21. Competitive procurement policies, including sealed bids, competitive and noncompetitive proposals, micro- and small purchases**
- 22. Contract cost and price**
- 23. Contract provisions**
- 24. Section 3**
- 25. Buy America domestic procurement**

In addition to the existing administrative requirements, further rules and responsibilities are anticipated later this year:

- The Violence Against Women Act (VAWA) Reauthorization Act of 2022 enacts a new housing-related provision under the CDBG program. The new reporting requirement directs CDBG recipients to report on local ordinances which restrict a tenant’s ability to report domestic disturbances to law enforcement. For states, reporting extends to eligible cities and counties in the non-entitlement program which entails identifying this information on sub-grantees. The number of individual localities each state is responsible for reporting on varies, however could potentially range from dozens to hundreds of individual jurisdictions per state.
- HUD is also expected to finalize and install its latest fair housing rule. A proposed rule was introduced in February and includes new planning requirements in promoting the Affirmatively Furthering Fair Housing (AFFH) policy.<sup>5</sup> According to the proposed rule, state and local HUD funding recipients would be directed to establish plans promoting housing access among varying protected classes. The establishment of plans and activities thereafter will require significant staffing and resources from states and localities. For states, additional engagement and response will be needed to meet planning elements within their respective service areas – typically smaller population centers spread out over larger geographic areas. The proposal also directs states and localities to go beyond their own planning initiatives and coordinate fair housing activities with other jurisdictions.

Due to the decline in annual funding and growing program requirements, states and localities are increasingly constrained in administering HUD CPD programs. Congress and HUD both recognize the importance of accountability and management of resources to program outcomes. COSCDA agrees as well with the need for

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<sup>5</sup> U.S. Housing and Urban Development. Affirmatively Furthering Fair Housing Proposed Rule. Published February 9, 2023. <https://www.federalregister.gov/documents/2023/02/09/2023-00625/affirmatively-furthering-fair-housing>.

sufficient oversight in program delivery. Unless the abovementioned conditions change, the situation will only prove more difficult in accommodating HUD CPD resources moving forward.

To address this significant and ongoing challenge, COSCDA proposes an update to existing caps for administration and technical assistance. Specifically, we ask for the following cap adjustments to HUD-CPD programs: non-entitlement CDBG (state) (6%), HOME (15%), ESG and CoC (10%), and CDBG-DR (10%). This extended flexibility would provide HUD grantees with the ability to reinforce staffing and better support technical assistance for program sub-grantees and recipients.

We emphasize that adequate funding levels remain essential to helping communities and households through project development and services. Further, regulations and related policies should also be streamlined for improved program efficiencies. Aside from these items, which may not be facilitated in the current legislative and regulatory environments, an updated administrative cap would allow for additional resources direly needed to accommodate the full scope of federal program implementation. COSCDA recognizes that more available funds to administration could lessen amounts available for project development and service delivery. However, successful program performance relies on adequate staffing and other administrative support. Without this, programs cannot operate as intended by Congress for benefit to targeted populations.

Thank you for your continued attention and work towards a final annual spending measure. Please reach out if we can provide any further response or information.

Sincerely,



Dianne E. Taylor  
Executive Director

Cc:

The Honorable Sherrod Brown, Chair, Senate Committee on Banking, Housing, and Urban Affairs

The Honorable Tim Scott, Ranking Member, Senate Committee on Banking, Housing, and Urban Affairs

The Honorable Patrick McHenry, Chair, House Financial Services Committee

The Honorable Maxine Waters, Ranking Member, House Financial Services Committee

The Honorable Tina Smith, Chair, Senate Subcommittee on Housing, Transportation, and Community Development

The Honorable Cynthia Lummis, Ranking Member, Senate Subcommittee on Housing, Transportation, and Community Development

The Honorable Warren Davidson, Chair, House Subcommittee on Housing and Insurance

The Honorable Emanuel Cleaver, Ranking Member, House Subcommittee on Housing and Insurance