



August 18, 2023

The Honorable Marcia Fudge  
U.S. Department of Housing and Urban Development  
451 7th Street, SW  
Washington, DC 20410

Dear Secretary Fudge,

The [National Community Development Association](#) (NCD) and [Council of State Community Development Agencies](#) (COSCDA) extend our gratitude for your leadership on policy development at the U.S. Department of Housing and Urban Development (HUD). The agency's renewed emphasis on program updates is essential for improved outcomes serving low- and moderate-income populations. As our associations represent state and local program administrators of HUD Community Planning and Development (CPD) programs, we look forward to ongoing activities furthering opportunities through federal assistance.

Aligned with program modernization, Congress has directed HUD to produce a revised report on the Community Development Block Grant (CDBG) formula. The request – initially included in the FY23 House appropriations report<sup>1</sup> and subsequent FY23 joint committee explanatory statement<sup>2</sup> and FY24 Senate appropriations subcommittee report<sup>3</sup> – is prompted by an interest to determine how program funds can better meet community development needs nationwide. While CDBG demonstrates a strong record of serving people and places, further assessment informs policymakers on potential updates to aid program performance. The formula is critical to CDBG's support to communities and a current, thorough study allows Congress to consider it appropriately among other factors.

NCD and COSCDA continue to engage congressional partners and key stakeholders on statutory changes to CDBG. The program was last reauthorized almost thirty years ago for FY1994. Since then, funding has fallen significantly with the latest annual funding at \$3.3 billion (FY23)<sup>4</sup>, both well short of the program's last authorized funding level (\$4.168 billion)<sup>5</sup> and highest appropriated amount (\$4.48 billion in FY1995)<sup>6</sup>. Further, several statutory requirements restrict CDBG's use for key activities in community development. Along with CDBG rulemaking, legislative updates would elevate the program's impact benefitting populations in need.

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<sup>1</sup> H.R. 117-402. <https://www.congress.gov/117/crpt/hrpt402/CRPT-117hrpt402.pdf>.

<sup>2</sup> FY23 Joint Explanatory Statement. <https://www.appropriations.senate.gov/imo/media/doc/Division%20L%20-%20HUD%20Statement%20FY23.pdf>.

<sup>3</sup> Senate Report 118-70. [https://www.appropriations.senate.gov/imo/media/doc/fy24\\_thud\\_report.pdf](https://www.appropriations.senate.gov/imo/media/doc/fy24_thud_report.pdf).

<sup>4</sup> P.L. 117-328. <https://www.congress.gov/117/plaws/publ328/PLAW-117publ328.pdf>.

<sup>5</sup> P.L. 102-550. <https://www.congress.gov/102/statute/STATUTE-106/STATUTE-106-Pg3672.pdf>.

<sup>6</sup> Congressional Research Service. Community Development Block Grants: Recent Funding History. February 2014. <https://coscda.org/wp-content/uploads/2023/08/CDBG-annual-funding-history.pdf>.

We understand that HUD is processing the CDBG formula study through the appropriate clearances before its release. A reference to this was made as well in a recent publication on past reports related to CDBG formula fairness<sup>7</sup>. As a key resource to advance program reforms, the report will provide the necessary information for Congress to adequately review potential changes to the formula. NCDCA and COSCDA ask the agency's consideration to advance the document's release soon.

Thank you again for your dedication to meaningful actions on CDBG and other HUD programs.

Sincerely,



Vicki Watson  
Executive Director  
National Community Development Association



Dianne E. Taylor  
Executive Director

Cc:

Adrienne Todman, Deputy Secretary  
Joseph Carlile, Program Associate Director, General Government Programs, Office of Budget & Management  
Michelle Enger, Deputy Associate Director, General Government Programs, Office of Budget & Management  
Solomon Greene, Principal Deputy Assistant Secretary, Office of Policy Development and Research  
Todd Richardson, General Deputy Assistant Secretary, Office of Policy Development and Research  
Marion McFadden, Principal Deputy Assistant Secretary, Office of Community Planning & Development  
Claudette Fernandez, General Deputy Assistant Secretary, Office of Community Planning & Development  
Claudia Monterrosa, Deputy Assistant Secretary of Grant Programs, Office of Community Planning & Development  
Kera Package, Chief of Staff, Office of Community Planning and Development  
Jessie Handforth Kome, Director, Office of Block Grant Assistance  
Savin Ven Johnson, Deputy Director, Office of Block Grant Assistance

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<sup>7</sup> U.S. Housing and Urban Development. Office of Policy Development and Research. Fifty Years of Formula Fairness. <https://www.huduser.gov/portal/pdredge/pdr-edge-pdrat50-051623.html>.