

May 13, 2024

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 Tom Cole  
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 Steve Womack  
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, Chairman Cole, Ranking Member DeLauro, Chairman Schatz, Ranking Member Hyde-Smith, Chairman Womack, and Ranking Member Quigley:

The Council of State Community Development Agencies (COSCDA) is grateful for your continued leadership and dedication to the federal appropriations process. As Congress considers spending priorities for fiscal year (FY) 2025, we ask your assistance to sustain resources for community development and housing programs under the U.S. Department of Housing and Urban Development (HUD). COSCDA also requests program updates to improve use and outcomes of federal resources.

COSCDA represents state administrators of HUD Community Planning and Development programs (HUD-CPD). HUD-CPD resources serve needs across community development, disaster recovery, housing, and homelessness. States primarily designate grant funds to small and rural communities; these resources are

especially important as smaller jurisdictions typically have fewer options to finance public projects and services compared to larger localities.

COSCDAs previously detailed our asks in the FY24 appropriations cycle.<sup>1</sup> Individual letters outlined justifications for funding requests, recommended legislative text, and responses from state program administrators on program needs. We also engaged appropriations committees and individual offices directly to better share priority needs and how COSCDA's funding and policy requests would advance state and local programs.

Ahead of the FY25 appropriations process, COSCDA issued its latest advocacy priorities in late 2024.<sup>2</sup> The following are recommended funding requests for HUD-CPD programs.

## **HUD-CPD SALARIES & EXPENSES**

COSCDA's FY25 Request: no less than \$173 million to sustain staffing levels responsive to program oversight & technical assistance

COSCDA requests at least \$173 million for HUD-CPD salaries and expenses (S&Es). The amount aligns with the FY24 enacted level. (reference) Overall, HUD continues to experience significant loss of staff with a 30% decline in the workforce over the last decade.<sup>3</sup> The Government Accountability Office (GAO) also notes that from 2008 to 2017 HUD lost 18.5% of its staff while government-wide staffing grew by eleven percent.<sup>4</sup> Moving forward, more than half of agency staff will be eligible for retirement in the next few years.

Staff losses extend to HUD CPD programs and the consequences are stark. Delays and inefficiencies in program implementation are often cited by state and local administrators of CPD programs primarily due to limited HUD field staff. At headquarters, considerable wait times are commonplace for guidance and data availability.

**We encourage the committee to reverse these outcomes and continued loss of personnel by dedicating at least \$173 million for HUD-CPD S&Es in FY25.**

## **HUD CPD INFORMATION TECHNOLOGY**

COSCDA FY25 Request: Improved information collection and reporting through targeted resources to HUD-CPD IT

HUD CPD supports data collection and reporting through information technology platforms: Integrated Disbursement & Information System (IDIS), Disaster Recovery Grant Reporting System (DRGR), and Homeless Management Information System (HMIS). The systems serve both the agency and grantees facilitating CPD program management on planning activities and information submission for individual

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

<sup>2</sup> COSCDA. FY2025 Advocacy Priorities. November 2023. <https://coscda.org/wp-content/uploads/2024/02/FY25-COSCDAs-Advocacy-Priorities-FINAL.pdf>.

<sup>3</sup> U.S. Department of Housing and Urban Development – Office of the Inspector General. [Top Management Challenges Facing HUD in FY2023](#). November 8, 2022.

<sup>4</sup> Government Accountability Office. Top Management Challenges Facing the U.S. Department of Housing and Urban Development in 2019 and Beyond. October 15, 2018. <https://www.hudoig.gov/sites/default/files/2018-11/TMC%20-%20FY%202019.pdf>.

program activities. While necessary to monitor and report programs, the systems are unfortunately outdated and prove inefficient.<sup>5</sup> Grantees consistently share multiple concerns on user access and challenges with inserting information. Further, while each system has specific functions which allow HUD and grantees to access the same information, HUD and grantees have different systems communicating with one another. The misalignment impacts how grantees collect and share data while proving to be an extra cost for HUD and grantees to maintain their respective systems.

**COSCD A requests dedicated resources assigned to HUD-CPD for its IT Development and Enhancement Fund.** COSCDA and HUD are underway in identifying needs and corresponding improvements to each system.

## **COMMUNITY DEVELOPMENT FUND**

COSCD A FY25 Request: \$4.2 billion for Community Development Block Grant formula funds (+\$900 million FY24)

The Community Development Block Grant (CDBG) directs flexible funding to accommodate local-led activities for low- and moderate-income populations. CDBG is commonly used by states and localities for infrastructure, housing, economic development, and public services among other key program areas. From 2005 to 2023, CDBG contributed to economic development supporting 505,437 jobs, facilitated public improvements benefiting 56 million people, advanced public services assisting 176 million people, and aided housing activities for 1.9 million households.<sup>6</sup> The program has a strong return-on-investment with every dollar of CDBG leveraging another \$5.02 from other public and private sources.<sup>7</sup>

**COSCD A encourages Congress to restore funding to CDBG formula grants at no less than \$4.2 billion in FY24.** The requested amount aligns with the program’s last authorized level of \$4.168 billion in FY1994. If accounting for inflation, the same buying power of this amount in March 2023 would be \$8.8 billion.<sup>8</sup>

## **HOME INVESTMENT PARTNERSHIPS**

COSCD A FY25 Request: \$2.5 billion (+\$1.25B FY24)

Nationwide, housing affordability remains a top priority for communities largely due to the lack of housing. The HOME Investment Partnerships program (HOME) promotes housing opportunities for low-income households by investing in housing development and preservation. Since 1992, the program has supported 1.37 million homes and helped over 400,000 households through rental assistance.<sup>9</sup> HOME provides critical gap financing for affordable housing projects alongside sources such as Low-Income Housing Tax Credits (LIHTC), Housing

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<sup>5</sup> Council of State Community Development Agencies. IDIS-DRGR Improvements. May 31, 2022. <https://coscda.org/wp-content/uploads/2022/06/IDIS-DRGR-Improvements-May2022FINAL.pdf>.

<sup>6</sup> U.S. Housing and Urban Development. FY25 Budget – Congressional Justifications. Community Development Fund. [https://www.hud.gov/sites/dfiles/CFO/documents/FY\\_2025\\_Congressional\\_Justification\\_v3\\_E-File.pdf](https://www.hud.gov/sites/dfiles/CFO/documents/FY_2025_Congressional_Justification_v3_E-File.pdf).

<sup>7</sup> Ibid.

<sup>8</sup> U.S. Bureau of Labor Statistics. CPI Inflation Calculator. [https://www.bls.gov/data/inflation\\_calculator.htm](https://www.bls.gov/data/inflation_calculator.htm).

<sup>9</sup> U.S. Department of Housing and Urban Development. FY25 Budget – Congressional Justifications. [https://www.hud.gov/sites/dfiles/CFO/documents/FY\\_2025\\_Congressional\\_Justification\\_v3\\_E-File.pdf](https://www.hud.gov/sites/dfiles/CFO/documents/FY_2025_Congressional_Justification_v3_E-File.pdf).

Trust Fund (HTF), and private funds. Every dollar of HOME leverages another \$4.84 from other public and private sources.<sup>10</sup>

HOME faces immense challenges in affordable housing development. HOME received a funding cut of \$250 million in FY24 (funded at \$1.25 billion). Though program funds support tens of thousands of homes each year, the current funding level falls short to meet requests; in 2021, 39 states reported \$697 million in requests compared to \$480 million in available funds.<sup>11</sup> As costs increase on labor and materials involved in housing development, level funding means HOME means fewer units of affordable housing can be accommodated through state and local housing programs; continued cuts would diminish efforts even more on housing development for low-income households.

**COSCD A asks Congress to renew funding for HOME and direct \$2.5 billion to the program in FY25.**

## **HOMELESS ASSISTANCE GRANTS**

COSCD A FY25 Request: Robust resources to Homeless Assistance Grants (HAGs) with at least 20% of total funds for ESG

As of January 2022, 582,462 people were experiencing homelessness in the U.S. Homelessness has increased 6% since 2017 and 40% of individuals experiencing homelessness are unsheltered. The number of cost-burdened households which pay more than 50% of their income on housing is 7.1 million, 25% higher than 2007.<sup>12</sup>

Continuum of Care (CoC) and Emergency Solutions Grants program (ESG) provides federal support to state and local activities addressing homelessness. Flexible funds of both programs offer the ability to accommodate an array of activities such as rapid re-housing, street outreach, and support to emergency shelters. As demonstrated in response to COVID-19, ESG addresses funding gaps of homeless providers.

As the homelessness crisis has intensified across the country, the importance of federal assistance cannot be understated to solve this issue. States and localities continue to struggle in connecting populations to safe, secure housing while also helping clients to access supportive services. Along with the rise in homeless populations, costs associated with housing and services have accelerated as well. It is imperative resources meet this demand for communities to facilitate their respective homeless response.

Based on the unfolding homeless crisis and rising costs associated with serving populations in need, **we urge Congress to sustain funding to Homeless Assistance Grants (HAGs); within the HAG account, we recommend the statutory level be provided to ESGs (20%).**<sup>13</sup> ESG has remained level-funded (\$290m) for more than a decade despite increases to other programs in the HAGs account. Due to rising operation costs and expiration of federal emergency assistance, homeless providers are concerned the same funding amounts will be unable to continue a similar level of response.

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<sup>10</sup> HUD. HOME National Production Report. April 1, 2024.

[https://files.hudexchange.info/reports/published/HOME\\_Prod\\_Natl\\_20240331.pdf](https://files.hudexchange.info/reports/published/HOME_Prod_Natl_20240331.pdf).

<sup>11</sup> National Council of State Housing Agencies. 2022 State HFA Factbook. <https://coscda.org/wp-content/uploads/2023/10/HOME-Funds-Requested-Committed-2021.pdf>.

<sup>12</sup> National Alliance to End Homelessness. State of Homelessness 2023 Edition. <https://endhomelessness.org/homelessness-in-america/homelessness-statistics/state-of-homelessness/>.

<sup>13</sup> P.L. 111-22. Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009. 42 USC 11372a. Sec. 413. <https://www.congress.gov/111/plaws/publ22/PLAW-111publ22.pdf>.

## **COMMUNITY DEVELOPMENT FUND – DISASTER RECOVERY**

COSCONDA Request: Direct supplemental funds to address disaster recovery and resiliency needs

Major disasters continue to devastate communities throughout the nation. Between 2011 and 21, over 90% of U.S. counties experienced a major disaster.<sup>14</sup> In 2023, 70 declarations were issued on major disaster events, up from 47 in the previous year.<sup>15</sup> Resources from the Federal Emergency Management Agency (FEMA) and Small Business Administration (SBA) serve immediate emergency needs in the aftermath of disasters. Funds from these agencies only provide initial support to communities and households due to funding limitations as well as time permitted for agencies to serve disaster survivors and impacted communities. The next source of federal assistance comes through CDBG Disaster Recovery (CDBG-DR) which addresses unmet needs in long-term recovery. Funds also accommodate resiliency activities to strengthen infrastructure and housing against future severe weather.

Additional funding is crucial to ongoing disaster response efforts throughout the country. **COSCONDA urges resources under CDBG-DR to facilitate recovery and mitigation as well as supporting activities** - capacity-building, planning, and technical assistance. Additionally, we request **at least 10% for state and local grant administration**.

## **PROGRAM UPDATES TO ENHANCE GRANT DELIVERY**

In addition to requested funding levels, COSCONDA recognizes several critical needs in policy and program development. Program implementation continues to be hindered by insufficient resources for administration. COSCONDA recommends an increase in administrative caps for CDBG (6% for states), HOME (15%), CoC & ESG (10%), and CDBG-DR (10%). Further, regarding HOME, policy updates are needed to ensure funds can be directed responsively to housing projects. Bill language is recommended suspending the program's 24-month commitment deadline and allowing recapture of set-aside funds assigned to Community Housing Development Organizations (CHDOs) following a two-year period.

Documents are attached summarizing COSCONDA's appropriations request for FY25 and recommended legislative text. We welcome further engagement to provide additional details and perspective on these priorities.

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<sup>14</sup> The Guardian. Weather disasters hit 90% of US counties in last 11 years, report finds. November 16, 2022.

<https://www.theguardian.com/us-news/2022/nov/16/weather-disasters-us-counties-11-years-report>.

<sup>15</sup> Federal Emergency Management Agency. Disasters and Other Declarations. 2023.

[https://www.fema.gov/disaster/declarations?field\\_dv2\\_declaration\\_date\\_value%5Bmin%5D=2023&field\\_dv2\\_declaration\\_date\\_value%5Bmax%5D=2023&field\\_dv2\\_declaration\\_type\\_value=DR&field\\_dv2\\_incident\\_type\\_target\\_id\\_selective=All](https://www.fema.gov/disaster/declarations?field_dv2_declaration_date_value%5Bmin%5D=2023&field_dv2_declaration_date_value%5Bmax%5D=2023&field_dv2_declaration_type_value=DR&field_dv2_incident_type_target_id_selective=All).

Thank you for your consideration and COSCDA looks forward to our continued partnership.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tess Hembree', with a stylized flourish at the end.

Tess Hembree  
Executive Director

Attachments:

COSCDA FY24 Appropriations Request Summary

COSCDA FY24 Appropriations Bill & Report Language Request

Cc:

The Honorable Charles Schumer  
The Honorable Mitch McConnell  
The Honorable Mike Johnson  
The Honorable Hakeem Jeffries  
The Honorable Tammy Baldwin  
The Honorable John Boozman  
The Honorable Katie Britt  
The Honorable Laphonza Butler  
The Honorable Shelley Moore Capito  
The Honorable Chris Coons  
The Honorable Dick Durbin  
The Honorable Deb Fischer  
The Honorable Lindsey Graham  
The Honorable Bill Hagerty  
The Honorable Martin Heinrich  
The Honorable John Hoeven  
The Honorable John Kennedy  
The Honorable Joe Manchin  
The Honorable Jeff Merkley  
The Honorable Jerry Moran  
The Honorable Lisa Murkowski  
The Honorable Chris Murphy  
The Honorable Gary Peters  
The Honorable Jack Reed  
The Honorable Marco Rubio  
The Honorable Jeanne Shaheen  
The Honorable Jon Tester  
The Honorable Chris Van Hollen  
The Honorable Robert Aderholt  
The Honorable Pete Aguilar  
The Honorable Mark Amodei  
The Honorable Stephanie Bice  
The Honorable Sanford Bishop  
The Honorable Ken Calvert  
The Honorable Jerry Carl  
The Honorable John Carter  
The Honorable Matt Cartwright  
The Honorable Ed Case  
The Honorable Juan Ciscomani  
The Honorable Ben Cline  
The Honorable Michael Cloud  
The Honorable Andrew Clyde  
The Honorable Henry Cuellar

The Honorable Mario Diaz-Balart  
The Honorable Chuck Edwards  
The Honorable Jake Ellzey  
The Honorable Adriano Espaillat  
The Honorable Chuck Fleischmann  
The Honorable Lois Frankel  
The Honorable Scott Franklin  
The Honorable Mike Garcia  
The Honorable Tony Gonzales  
The Honorable Kay Granger  
The Honorable Michael Guest  
The Honorable Josh Harder  
The Honorable Andy Harris  
The Honorable Ashley Hinson  
The Honorable Steny Hoyer  
The Honorable Dave Joyce  
The Honorable Marcy Kaptur  
The Honorable Derek Kilmer  
The Honorable Jake LaTurner  
The Honorable Barbara Lee  
The Honorable Susie Lee  
The Honorable Julia Letlow  
The Honorable Betty McCollum  
The Honorable Grace Meng  
The Honorable John Moolenaar  
The Honorable Joe Morelle  
The Honorable Dan Newhouse  
The Honorable Chellie Pingree  
The Honorable Mark Pocan  
The Honorable Guy Reschenthaler  
The Honorable Hal Rogers  
The Honorable Dutch Ruppersberger  
The Honorable John Rutherford  
The Honorable Mike Simpson  
The Honorable Norma Torres  
The Honorable David Trone  
The Honorable Lauren Underwood  
The Honorable David Valadao  
The Honorable Debbie Wasserman Schultz  
The Honorable Bonnie Watson Coleman  
The Honorable Jennifer Wexton  
The Honorable Ryan Zinke



## FY2025 Appropriations Recommendations

[Details here](#)

### **HUD Office of Community Planning & Development Salaries & Expenses**

> Direct no less than \$173m to sustain HUD capacity & technical assistance

### **Modernize HUD & Improve Effectiveness of Federal Resources**

> Target resources to improve HUD-CPD IT

### **Community Development Block Grant (CDBG)**

> \$4.2B (+\$900 million FY24)

- Strengthen program administration & technical assistance (*increase state cap (6%) & state admin match threshold*)

### **CDBG – Disaster Recovery (CDBG-DR)**

> Direct federal assistance for major disasters in 2023 & 2024

- Improve program accountability & oversight (*allow up to 10% of grant for administration*)

### **HOME Investment Partnerships (HOME)**

> \$2.5B (+\$1.25B from FY24 level)

- Suspend commitment deadline (included in recent annual appropriations)
- Allow jurisdictions to retain CHDO set-aside funds (included in recent annual appropriations)
- Strengthen program administration & technical assistance (*increase cap to 15%*)

### **Homeless Assistance Grants (HAGs) & Emergency Solutions Grants (ESG)**

> Robust resources for HAGs w. 20% to ESG

- Strengthen program administration and technical assistance (*increase Continuum of Care & ESG administrative caps to 10%*)





**FY2024 Appropriations**  
**Bill Language Request**  
(proposed bill text **bolded & italicized**)

**COMMUNITY DEVELOPMENT FUND**

For assistance to States and units of general local government, and other entities, for economic and community development activities, and other purposes, \$\_\_\_\_\_, to remain available until September 30, 2027, unless otherwise specified: Provided, That of the total amount provided under this heading, ***\$4,200,000,000*** is for carrying out the community development block grant program under title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301 et seq.) (in this heading “the Act”): Provided further, That unless explicitly provided for under this heading, not to exceed 20 percent of any grant made with funds made available under this heading shall be expended for planning and management development and administration: Provided further, ***up to 6 percent of funds shall be available to states for administrative and technical assistance activities per Section 106(d)(6) of the Act (42 U.S.C. 5306(d)(6)); Provided further, match requirements under Section 106(d)(3)(A) of the Act shall be required only for expenses above \$500,000 (42 U.S.C. 5306(d)(3)(A)): et al.***

**COMMUNITY DEVELOPMENT FUND – DISASTER RECOVERY**

For an additional amount for “Community Development Fund”, \_\_\_\_\_, to remain available until expended, for necessary expenses for activities authorized under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) related to disaster relief, long-term recovery, restoration of infrastructure and housing, economic revitalization, and mitigation, in the most impacted and distressed areas resulting from a major disaster that occurred in 2022 pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), et al: ***Provided further, That a State, unit of general local government, or Indian tribe may use up to 10 percent of its allocation for administrative costs related to a major disaster under this heading in this Act and for the same purposes in prior and future Acts and such amounts shall be available for any eligible administrative costs without regard to a particular disaster: et al.***

**HOME INVESTMENT PARTNERSHIPS**

For the HOME Investment Partnerships program, as authorized under title II of the Cranston-Gonzalez National Affordable Housing Act, as amended (42 U.S.C. 12721 et seq.),

***\$2,500,000,000, to remain available until September 30, 2027: Provided, up to 15 percent of funds shall be available to participating jurisdictions for administrative and planning costs per Section 212(c) of the Act (42 U.S.C. 12741(c)): Provided further, That notwithstanding section 231(b) of such Act (42 U.S.C. 12771(b)), all unobligated balances remaining from amounts recaptured pursuant to such section that remain available until expended shall be combined with amounts made available under this heading and allocated in accordance with the formula under section 217(b)(1)(A) of such Act (42 U.S.C. 12747(b)(1)(A)): Provided further, That the Department shall notify grantees of their formula allocations within 60 days after enactment of this Act: Provided further, That section 218(g) of such Act (42 U.S.C. 12748(g)) shall not apply with respect to the right of a jurisdiction to draw funds from its HOME Investment Trust Fund that otherwise expired or would expire in any calendar year from 2019 through 2027 under that section: Provided further, That section 231(b) of such Act (42 U.S.C. 12771(b)) shall not apply to any uninvested funds that otherwise were deducted or would be deducted from the line of credit in the participating jurisdiction's HOME Investment Trust Fund in any calendar year from 2019 through 2027 under that section.***

## **HOMELESS ASSISTANCE GRANTS**

For assistance under title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11360 et seq.), \_\_\_\_\_ to remain available until September 30, 2027: Provided, That of the amounts made available under this heading—

***(1) Twenty percent shall be for the Emergency Solutions Grants program authorized under subtitle B of such title IV (42 U.S.C. 11371 et seq.): Provided, a recipient may use up to 10 percent of funds under this subtitle for administrative purposes, and a recipient State shall share the amount available for administrative purposes pursuant to the preceding sentence with local governments funded by the State: Provided further, That in administering the amounts made available under this heading in this Act, the Secretary may waive, or specify alternative requirements for, any provision of any statute or regulation that the Secretary administers in connection with the obligation by the Secretary or the use by the recipient of these amounts (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment), if the Secretary finds that good cause exists for the waiver or alternative requirement and such waiver or alternative requirement, et al.***

***(2) \_\_\_\_\_ shall be available for the Continuum of Care program authorized under subtitle C of such title IV (42 U.S.C. 11381 et seq.) and the Rural Housing Stability Assistance programs authorized under subtitle D of such title IV (42 U.S.C. 11408): Provided, a recipient may use up to 10 percent of funds under this subtitle for administrative purposes, et al.***