



COSCD A FY2026 Advocacy Priorities

As Approved by the Board of Directors (December 2024)

The Council of State Community Development Agencies ([COSCD A](http://www.COSCD A.org)) advocates for the common community development goals of state agencies. COSCD A acts as a liaison between Congress, the Department of Housing and Urban Development (HUD) and related federal agencies on a host of programmatic and regulatory issues. COSCD A’s advocacy priorities focus on improvements to:

Program Funding | Community Development | Housing | Disaster Recovery | Homelessness

COSCD A thanks HUD and Congress for continued investment in community development and recent program improvements. We stand ready to advance the priorities outlined below in partnership with the incoming Trump-Vance Administration and congressional leadership.

For more information about COSCD A, visit www.COSCD A.org. Questions can be directed to Jenna Hampton, Director of Advocacy and Federal Programs, at jhampton@coscda.org.



FUNDING PRIORITIES

Program (in millions)	FY24 Enacted	FY25 Enacted*	FY26 Request**
Community Development Block Grant	\$3,300	TBD	\$4,200
HOME Investment Partnerships Program	\$1,250	TBD	\$2,100
Homeless Assistance Grant	\$4,051	TBD	\$4,750
Emergency Solutions Grant	\$290	TBD	\$400
HUD Office of Community Planning & Development	\$168.5	TBD	\$180

*COSCD A will update this funding chart after Congress approves FY25 appropriations

**COSCD A may update FY26 funding requests early in 2025, in response to final FY25 funding and the Trump Administration's FY26 budget request.

Appropriate at least \$4.2 billion for the Community Development Block Grant (CDBG) program to promote flexible development at the state and local level.

- **BACKGROUND:** The CDBG program directs federal funds to local projects, including public infrastructure, housing, economic development and public services. CDBG has a great return on investment with every dollar of 2022 CDBG funding leveraging an average of \$5.02 in local investment¹. Despite its success, declining resources impair CDBG's effectiveness and availability. The program's annual funding has receded significantly in recent decades with CDBG formula grants receiving \$3.3 billion in FY24, a cut of \$150 million from FY21.
- **FUNDING REQUEST:** COSCD A recommends at least \$4.2 billion in FY26 for the CDBG program. State and local communities often receive more CDBG funding requests than they can accommodate. Further, when appropriations decline or remain flat, CDBG administrators cannot accomplish as many projects for their communities when faced with the reality of rising construction and labor costs. COSCD A believes a targeted increase to CDBG is justified and would result in locally led improvements to communities across the nation.

Provide at least \$2.1 billion for the HOME Investment Partnerships Program (HOME) to expand affordable housing, rental assistance, and homeownership.

- **BACKGROUND:** Since 1992, HOME has constructed and rehabilitated more than 1.38 million units of affordable housing². The program has also supported over 417,000 low-income households with rental assistance³. HOME has an excellent return on investment – HUD estimated that at the FY24 appropriated level of \$1.25 billion, HOME would leverage approximately \$6 billion in additional public and private investment⁴. Program resources continue to support tens of thousands of homes every year; however, available funds fall short. In 2021, 39 state-administered HOME programs reported \$697 million in requests compared to \$480 million committed through available funds⁵.
- **FUNDING REQUEST:** Congress should provide at least \$2.1 billion for the HOME program in FY26. The program saw a funding cut from \$1.5 billion to \$1.25 billion in FY24, resulting in \$250 million less in federal funding to support local housing priorities. Moving forward, HOME should receive robust funding investments to address the growing housing supply shortage.

COSCD A also reminds Congress that annual HOME funding is a separate funding stream from the \$5 billion in HOME-American Rescue Plan Program (HOME-ARP) funds, which has different eligible beneficiaries and activities. For example, HOME-ARP funds benefit homeless populations, individuals

¹ U.S. Department of Housing and Urban Development. FY2025 Budget. [Congressional Justification – Community Development Fund](#). March 11, 2024.

² HUD Exchange. [HOME National Production Report](#). September 30, 2024.

³ Ibid.

⁴ U.S. Department of Housing and Urban Development. FY2025 Budget. [Congressional Justification – HOME Investment Partnerships Program](#). March 11, 2024.

⁵ National Council of State Housing Agencies. [2022 State HFA Factbook](#). 2022.

fleeing from domestic violence, or veterans. In contrast, eligibility for the annual HOME program is primarily based on income. HOME-ARP funds are on track to be spent within a reasonable timeframe; however, funding can be reduced or recaptured if not fully expended by September 30, 2030⁶.

Provide at least \$4.75 billion for Homeless Assistance Grants (HAGs) with sufficient resources directed to Emergency Solutions Grants (ESG).

- **BACKGROUND:** HAGs provide critical resources for individuals experiencing housing instability. HAGs have made a considerable difference in addressing homelessness throughout the country and across communities; however, more assistance is needed. In 2023, a record high of 653,104 people were homeless – a startling 12.1 percent increase over the previous year⁷. Among the programs funded through HAG is ESG, which addresses critical gaps in homeless services by providing flexible funding to homeless services and facilities. The Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009 allows for 20% of HAG funding to be reserved for ESGs⁸. However, ESG funding has fallen below this level each year since the legislation was enacted. In FY24, ESGs only received about 7% of the \$4.051 billion appropriated for HAGs.
- **FUNDING REQUEST:** Congress should provide at least \$4.75 billion for HAGs in FY26 with \$400 million reserved for ESG. Any increase to ESG should come from an overall increase in HAG funding rather than deductions from Continuums of Care (CoCs) or other HAG accounts. Additional funding for both HAGs and ESGs ensures grantees have access to critical resources needed to support homeless populations.

Maintain HUD staffing and performance with no less than \$180 million for HUD’s Office of Community Planning and Development (HUD CPD).

- **BACKGROUND:** HUD’s ability to act and respond effectively to program oversight corresponds to its staff competence. The agency has experienced a tremendous loss of staff with a decline of 30% over the last decade⁹. Pending retirements will cause additional staffing challenges. The CPD office has faced an increased workload in recent years with the addition of several new grant programs ([PRO Housing](#); [PRICE](#); [Recovery Housing Program](#)) and the implementation of Build America, Buy America (BABA) and other regulatory changes.
- **FUNDING REQUEST:** COSCDA calls on Congress to reverse staff losses and renew additional full-time equivalents at HUD CPD. We request no less than \$180 million for CPD salaries and expenses, which aligns with HUD’s FY25 budget request and would allow CPD to maintain its current workforce¹⁰.

Enhance information collection and reporting through targeted resources to HUD CPD’s IT development.

⁶ U.S. Department of Housing and Urban Development. Guidance for Elected Officials. [Is Your Community Spending HOME-ARP Funds?](#) N.d.

⁷ National Alliance to End Homelessness. [State of Homelessness: 2024 Edition](#). 2024.

⁸ HUD Exchange. [Homeless Emergency Assistance and Rapid Transition to Housing Act](#). N.d.

⁹ U.S. Department of Housing and Urban Development – Office of the Inspector General. [Top Management Challenges Facing HUD in FY2023](#). November 8, 2022.

¹⁰ U.S. Department of Housing and Urban Development. FY2025 Budget. [Congressional Justification – Office of Community Planning and Development](#). March 11, 2024.

- **BACKGROUND:** HUD utilizes technology platforms to support information collection and reporting – the Integrated Disbursement and Information System (IDIS), Disaster Recovery Grant Reporting System (DRGR), and Homeless Management Information System (HMIS). Constant issues with IT platforms present unnecessary delays and inefficiencies as cited by HUD and HUD OIG¹¹.
- **FUNDING REQUEST:** Updates are needed to improve the functionality of HUD technology, reducing the time and administrative support required for information input and access. Reliable technology will help HUD track whether taxpayer dollars are used efficiently to meet housing needs. COSCDA urges targeted resources for these system upgrades through HUD’s IT Development and Enhancement Fund.

Provide annual funding for planning and initial disaster recovery activities.

- **BACKGROUND:** The U.S. is challenged by both increased intensity and occurrence of severe weather. From 2011 to 2023, 91 percent of congressional districts included a county that received a federal disaster declaration for an extreme weather event¹². Ongoing delays in federal assistance significantly impair recovery efforts – most significant is the lag time between emergency housing support from the Federal Emergency Management Agency (FEMA) and HUD assistance.
- **FUNDING REQUEST:** COSCDA urges Congress to establish annual “seed funding” provided to HUD to expedite planning and capacity building activities in the aftermath of natural disasters. Responsive funding provided in advance of Community Development Block Grant—Disaster Recovery (CDBG-DR) grant funding would facilitate a more rapid recovery. Annual disaster recovery funding would offer HUD the ability to deploy on-site technical assistance providers to jurisdictions impacted by major disasters. COSCDA recommends around \$500 million per grantee in seed funding that would not count against administrative funding caps and would allow grantees to develop action plans and initial disaster response activities.

Establish a 30% non-entitlement set aside under the Pathways to Removing Obstacles (PRO) Housing grant program.

- **BACKGROUND:** The Pathways to Removing Obstacles (PRO) to Housing program is a new HUD grant to support communities in their efforts to remove barriers to housing, including outdated zoning, inefficient procedures, and inadequate infrastructure. Congress appropriated \$85 million in FY23 and \$100 million in FY24. HUD announced FY23-funded grant awards in June 2024. Out of the \$85 million in FY23 PRO Housing grants, only \$10.5 million (12.32%) went to state grantees and only \$3.5 million (4.1%) went to small, rural communities¹³.
- **FUNDING REQUEST:** COSCDA requests a 30% PRO Housing set aside for non-entitlement program applicants. This set aside amount would align with the 30% of CDBG funds reserved for non-entitlement jurisdictions—namely, states and rural communities. Barriers to housing exist in all types of communities from small farming towns to large metropolitan cities. Guaranteed funding for state and rural communities would encourage more potential grantees to consider how they could use the

¹¹ U.S. Department of Housing and Urban Development – Office of the Inspector General. [Top Management Challenges Facing HUD in FY2023](#). November 8, 2022.

¹² Rebuild by Design. [Atlas of Accountability \(2011-2023\)](#). 2023.

¹³ U.S. Department of Housing and Urban Development. PRO Housing. [FY23 Award Announcement](#). June 26, 2024.

PRO Housing program to improve access to housing. HUD should work closely with state and rural applicants to prepare them to successfully apply for PRO Housing and other new grants programs.



CROSS-CUTTING PRIORITIES

Promote streamlined administration of federal compliance standards, including the National Environmental Policy Act (NEPA).

- **BACKGROUND:** HUD programs are consistently funded through multiple federal sources and are therefore required to adhere to several compliance standards – environmental, labor, relocation, etc. Although addressing the same intent and goals, HUD’s processes to meet compliance operate separately from other federal entities. For example, separate requirements on environmental reviews across different programs, namely CDBG-DR and HTF, pose considerable challenges for program administrators. Considerable administrative costs are incurred, and project timelines are often extended due to inefficiencies within federal compliance standards.
- **REQUEST FOR HUD:** HUD-funded projects and programs would greatly benefit from streamlined federal standards, specifically through the adoption of other federal agency reviews on labor, procurement, relocation, and environmental review. In 2021, HUD updated its guidance on environmental review processes to allow adoption of other agency reviews to meet requirements under NEPA¹⁴. COSCDA requests ongoing engagement on aligning environmental reviews both within HUD—especially between HOME and HTF—and projects co-funded by HUD and other federal agencies. Similar adjustments in other areas of compliance would save time and costs associated with projects managed by multiple federal entities.

Provide Build America, Buy America (BABA) exemptions and waivers to HUD programs to ensure continued progress on creating infrastructure and housing supply.

- **BACKGROUND:** Congress enacted BABA in the 2021 Infrastructure Investment and Jobs Act (IIJA). HUD is in the process of implementing BABA’s Buy American Preference (BAP), which requires federally funded infrastructure projects to apply a procurement preference for products made in the United States. Concerns have arisen regarding the BAP’s potential impact on affordable housing supply – a survey of over 300 housing and community development agencies in response to a HUD RFI found that 64% of respondents believed BABA would make it more difficult for their organization to construct, alter, maintain, or repair affordable housing¹⁵. Among the concerns about BABA implementation are increased costs, difficulties with proving compliance, and uncertainty about project-specific waivers.
- **REQUEST FOR CONGRESS AND HUD:** COSCDA urges HUD to make all BABA waivers easily accessible to projects that qualify for them and to expedite the waiver process to avoid further construction delays. COSCDA requests a full exemption of housing activities from the BAP to avoid a decrease in the

¹⁴ U.S. Department of Housing and Urban Development – Office of Environment and Energy. [NEPA Adoption FAQ](#). September 2021.

¹⁵ National Association of Housing and Redevelopment Officials. [Comment Letter](#) Re: Request for Information Regarding Iron, Steel, Construction Materials, and Manufactured Products Used in Housing Programs Pursuant to the Build America, Buy America Act. April 15, 2024.

preservation and creation of the nation’s housing supply. In the absence of a full exemption, HUD should further delay the implementation of BABA until better data exists on the potential impact to program costs. COSCDA also recommends an immediate, categorical exemption for heat pumps; BABA would make it more difficult to acquire and use efficient heat pump appliances.

Evaluate the effectiveness of Davis-Bacon and Section 3 requirements on labor outcomes and provide administrative relief where possible.

- **BACKGROUND:** Certain federal labor standards apply to most HUD programs. Davis-Bacon standards require “prevailing wages” for laborers on federally funded projects and services over \$2,000 in value—including CDBG and HOME-supported activities. Program administrators and stakeholders experience considerable challenges in Davis-Bacon documentation requirements, which can prove burdensome to contractors in obtaining individual information on employees. Similarly, Section 3 requires HUD projects receiving over \$200,000 in funding to provide economic and employment opportunities to low-income individuals. Section 3 requirements account for an enormous amount of administrative burden for an unclear amount of benefit to covered communities.
- **REQUEST FOR CONGRESS AND HUD:** The Department of Labor made some improvements to Davis Bacon in its 2023 final rule¹⁶. Still, additional focus is warranted on how to streamline procedures and promote government efficiency in determining fair wages on HUD-funded developments. COSCDA urges Congress to lift the \$2,000 Davis-Bacon threshold in response to rising project costs in recent years. HUD should also work to streamline Section 3 administrative requirements and evaluate the extent to which Section 3 requirements improve economic outcomes for low-income workers.

Clearly communicate what is required from state agencies regarding the implementation of Affirmatively Furthering Fair Housing (AFFH).

- **BACKGROUND:** Congress established AFFH as part of the 1968 Civil Rights Act to address inequalities and segregated communities. In recent years, HUD has implemented several updates to AFFH in response to leadership priorities the Obama, Trump, and Biden Administrations. Most recently, HUD published a 2023 Notice of Proposed Rulemaking¹⁷. HUD has not yet published a final rule, leaving many program administrators questioning how to comply with AFFH in the future. States have historically faced challenges with facilitating AFFH and determining how to apply HUD resources to meet the policy’s goals.
- **REQUEST FOR HUD:** Following the transition to the Trump-Vance Administration, HUD should clearly outline AFFH requirements for program administrators, including states and rural communities. Adequate support is needed for compliance with the AFFH policies, including training, tools, and technical assistance to ensure proper implementation.

¹⁶ United States Federal Register. Final Rule – [Updating the Davis-Bacon and Related Acts Regulations](#). August 23, 2023.

¹⁷ United States Federal Register. Proposed Rule by the Housing and Urban Development Department. [Affirmatively Furthering Fair Housing](#). February 9, 2023.



COMMUNITY DEVELOPMENT PRIORITIES

Covered Programs:

[Community Development Block Grant](#) (CDBG)

Improve the CDBG program to leverage federal investment in local communities.

- **BACKGROUND:** The CDBG program provides flexible, locally directed resources for communities to address infrastructure and the economic needs of low- to moderate-income residents. The program's wide range of uses allows grantees to adapt funding to meet priorities specific to their states and localities. There are over 26 eligible activities under CDBG which have improved communities nationwide over the past 50 years¹⁸. For example, since FY05, CDBG infrastructure projects have directly benefitted nearly 54 million people¹⁹. Improvements are needed to respond to changing needs and community structures since CDBG was first authorized in 1974.
- **REQUEST FOR CONGRESS:** COSCDA urges Congress to improve CDBG while supporting the role of state agencies. State CDBG grantees direct CDBG program funding to aid small and rural communities. Program updates would be advantageous in providing more support to these important but continually neglected places in our country. COSCDA recommends the following common-sense improvements to the CDBG program:
 - Provide funding that keeps pace with inflation and increased project costs.
 - Broaden CDBG's impact by making construction of new housing an eligible activity.
 - In response to increasing need and a variety of new regulations, enhance administrative resources and technical assistance for rural communities by raising the state's administrative and Technical Assistance cap to 6%.
 - Ease state budget constraints by increasing the administrative match threshold to every dollar over the first \$500,000 matched by state funds.

Preserve CDBG's role as a critical financing tool for community growth and economic outcomes.

- **BACKGROUND:** CDBG often serves as critical gap financing for a wide array of projects and services, including housing, infrastructure, economic development, public services, and related areas essential to local community economic and social standing. In FY23 alone, CDBG funding created or retained 14,512 jobs, benefitted more than 7.5 million people through public services, and provided public improvements and infrastructure projects for more than 2.5 million people²⁰.
- **REQUEST FOR CONGRESS AND HUD:** Policymakers should look to CDBG as the primary avenue for federal investment in state and local community development projects. Unlike newer or smaller scale initiatives, CDBG has a 50-year record of successful projects, and a broad infrastructure of state and local agencies trained to manage community development grants. COSCDA urges both Congress and HUD to focus on the success of the CDBG program rather than spending limited federal resources on

¹⁸ U.S. Department of Housing and Urban Development. [50th Anniversary Community Development Block Grant Program](#). 2024.

¹⁹ Ibid.

²⁰ U.S. Department of Housing and Urban Development. 50th Anniversary, CDBG. [By the Numbers Fiscal Year 2023](#). 2024.

smaller, boutique programs whose goals could be accomplished through CDBG. COSCDA also requests HUD's assistance with providing data on CDBG projects in each congressional district to better demonstrate the program's impact to federal policymakers.



HOUSING PRIORITIES

Covered Programs:

- [HOME Investment Partnerships Program](#) (HOME)
- [HOME American Rescue Plan Act Program](#) (HOME-ARP)
- [National Housing Trust Fund](#) (HTF)
- [Low-Income Housing Tax Credit](#) (LIHTC)

Improve the HOME program to enhance housing supply and improve program administration.

- **BACKGROUND:** Affordable housing—and housing supply in general—is increasingly scarce throughout the country. The HOME program is the lead HUD program dedicated to expanding the number of housing units for low-income households. Congress first authorized the program through the Cranston-Gonzalez Act of 1990. Though the program has proven successful in developing over 1.38 million housing units since then, updates are needed to improve HOME and facilitate further affordable housing opportunities²¹.
- **REQUEST FOR CONGRESS:** Congress should work to improve the HOME program through legislative action. COSCDA recommends including the following in any HOME legislation:
 - Update HOME funding to keep pace with inflation and rising construction costs.
 - Focus on completion deadline compliance rather than commitment deadlines when monitoring HOME program performance.
 - Update the Community Housing Development Organization (CHDO) set-aside and broaden it to include other non-profits.
 - Increase the program's administrative cap to 15%.
 - Invoke one national standard in HOME property inspections.
 - Modernize the HOME qualification standard ensuring program funds can be adequately managed and targeted to maximize housing development.

Preserve the HTF to help fill the affordable housing supply gap for the lowest income populations.

- **BACKGROUND:** Stable and affordable housing remains out of reach for millions with housing insecurity especially affecting very low- and extremely low-income households. The HTF, established in 2008, directs funds to states for affordable housing development aimed at households with ongoing and significant housing instability. The program is funded through an annual assessment from the Federal Housing Agency (FHA) on mortgage receipts. Since launching in 2016, the HTF has facilitated the development of more than 6,700 units of affordable housing²². The program often supports related

²¹ HUD Exchange. [HOME National Production Report](#). September 30, 2024.

²² HUD Exchange. [HTF National Production Report](#). September 30, 2024.

investments from the HOME program and LIHTC and proves to be an excellent investment – every dollar of HTF leverages another \$10.04 from public and private sources²³.

- **REQUEST FOR CONGRESS:** Congress can further support housing production for low-income households by preserving the HTF and reforming program implementation and response:
 - Update the administrative cap to 15% to support sufficient administrative oversight and technical assistance.
 - Focus on completion deadline compliance rather than commitment deadlines when monitoring HOME program performance.
 - Extend allowance of HTF to adopt Part 58 or similar environmental review processes. Current implementation through Part 50 significantly limits project investment with sites ineligible for investment with no mitigation activities allowed.

Advance improvements and expansions to LIHTC to spur affordable housing development.

- **BACKGROUND:** LIHTC is one of the most effective tools to develop new, affordable housing. From 1986 to 2021, LIHTC has supported the preservation and construction of 3.85 million homes with 9 million low-income households served²⁴. The program is also a good economic investment with about \$716.3 billion generated in cumulative wages and business income and \$257.1 billion in tax revenues generated since 2022²⁵. However, LIHTC needs updates and expansions to improve make the program more responsive to modern circumstances than the original 1986 structure.
- **REQUEST FOR CONGRESS:** COSCDA urges Congress to pass the bipartisan *Affordable Housing Credit Improvement Act (AHCIA)* to maintain LIHTC’s effectiveness and expand the program to serve hard-to-reach populations such as youth and victims of human trafficking. Congress should prioritize the inclusion of AHCIA provisions—including a restoration of the 12.5 percent cap which expired in 2021—in any comprehensive tax package that moves forward in 2025.



DISASTER RECOVERY PRIORITIES

Covered Programs

[Community Development Block Grant Disaster Recovery Funds](#) (CDBG-DR)

[Federal Emergency Management Agency Individual Assistance](#) (FEMA IA)

Permanently authorize and improve the CDBG-DR program to expedite effective disaster recovery.

- **BACKGROUND:** Major disaster events continue to upend lives and cripple communities, devastating homes, business, and essential facilities. Long-term federal disaster recovery is accomplished through the CDBG-DR program, which first received supplemental appropriations over 30 years ago. Congress has allocated more than \$100 billion in CDBG-DR to address housing recovery needs in communities across the country. However, the lack of authorization slows down the disaster recovery process with

²³ Ibid.

²⁴ The ACTION Campaign. [Low-Income Housing Tax Credit Talking Points](#). N.d.

²⁵ Ibid.

CDBG-DR allocations taking anywhere from 76 to 655 days to reach impacted communities²⁶. Codification of CDBG-DR is necessary for resources to reach affected communities more expediently and effectively.

- **REQUEST FOR CONGRESS:** Congress should permanently authorize CDBG-DR through legislation such as the *Reforming Disaster Recovery Act* to improve the delivery of federal assistance to post-disaster rebuilding efforts. The following changes to the proposed legislation would further improve disaster recovery and expedite assistance for people and communities in need²⁷:
 - *LMI Requirement:* Require grantees to meet or exceed the 70% LMI requirement for housing and economic development activities but allow infrastructure projects to serve the larger community.
 - *Federal Agency Reviews:* Rather than layering additional HUD requirements onto FEMA, USDA, Department of Commerce or other Federal requirements, pass on the single set of environmental, labor and other requirements already being adopted for the other primary federal agency.
 - *Certifications:* The certification process needs to run concurrently with the grant planning process and there should be very rare cases where a lack of certification holds up a CDBG-DR grant agreement.
 - *Seed Funding:* Establish annual “seed funding” provided to HUD to expedite planning and capacity building activities in the aftermath of natural disasters.
 - COSCDA members have a wealth of experience administering CDBG-DR programs and are prepared to partner with Congress to finalize authorizing legislation that would improve program implementation and expedite relief to communities.

Improve data accessibility and exchange for timely disaster response and recovery.

- **BACKGROUND:** State and local HUD disaster recovery administrators rely on data provided by FEMA, SBA, and HUD to inform Unmet Needs Assessments and survivor outreach. Access to client and community-specific data is currently made available through a Computer Matching Agreement (CMA) between DHS, FEMA, HUD, and CDBG-DR grantees²⁸. The 2024 CMA directs grantees to sign onto existing HUD/FEMA data sharing agreements rather than establishing their own agreements.
- **REQUEST FOR HUD:** Data sharing agreements should facilitate timely transfer of data to grantees and prospective grantees. COSCDA CDBG-DR grantees have experienced delays when attempting to access data through the current CMA and data sharing processes. To address these delays, HUD should permit CDBG-DR grantees to work directly with FEMA to obtain the data needed to quickly mobilize disaster recovery efforts. In the absence of a more direct data sharing agreement, HUD and FEMA should work to ensure all grantees and local staff understand the updated CMA and current streamlined procedures.

Expand flexibility for FEMA’s Individual Assistance to direct more meaningful, encompassing, and immediate support to disaster survivors.

²⁶ Bipartisan Policy Center. [CDBG-DR Program’s Lack of a Permanent Authorization Has Unintended Consequences for Recent Allocations](#). 2022.

²⁷ Council of State Community Development Agencies. [Reforming Disaster Recovery Act Recommendations](#). October 2021.

²⁸ U.S. Department of Housing and Urban Development and Federal Emergency Management Agency. [Computer Matching Agreement](#). March 11, 2024.

- **BACKGROUND:** Post-disaster recovery poses significant challenges for impacted people and communities including navigating available assistance. Current duplication of benefits (DOB) standards under the Stafford Act present added burdens to residents especially those with minimum income or assets. Between complying with the requirements of FEMA’s DOB calculations and meeting immediate needs for their families, LMI households face enormous pressure to access available aid.
- **REQUEST FOR CONGRESS AND HUD:** COSCDA is grateful for recent FEMA Individual Assistance (IA) updates that provided flexibility to improve disaster recovery. However, it is unclear whether the updates have been fully implemented; COSCDA requests that HUD work with FEMA on additional training and technical assistance. Congress should expand the flexibility of FEMA Individual Assistance (IA) to allow funding to meet more immediate recovery needs such as temporary housing solutions (home repairs) and vehicles for work/education/healthcare.

Expand administrative waivers to improve planning and address gaps in disaster response.

- **BACKGROUND:** Waivers extended by HUD to states and localities have extensively aided the administration of disaster recovery and mitigation programs. In 2022, HUD published a request for information to develop a CDBG-DR “Universal Notice” that would standardize certain rules, waivers, and alternative requirements for the program²⁹. The final Universal Notice is expected by the end of 2024. In the past, the *Disaster Recovery and Reform Act of 2018* (DRRA) offered state and local programs the ability to satisfy Small Business Administration (SBA) loan repayments using CDBG-DR as financing; however, this provision expired on October 5, 2023³⁰.
- **REQUEST FOR CONGRESS AND HUD:** In addition to the flexibilities outlined in HUD’s upcoming CDBG-DR Universal Notice, certain waivers should be provided to both allow activities to begin sooner in the aftermath of disaster events and to address current gaps in disaster response. For example, HUD should allow grantees to use planning funds to develop action plans to help grantees avoid depleting their 5% administration funding allocation. Congress should also extend or renew provisions in the DRRA that allowed grantees to use CDBG-DR funding to pay off SBA debt. State, local and other funds are often not available or are prohibited from being used for this purpose.



HOMELESSNESS PRIORITIES

Covered Programs

- [Homeless Assistance Grants](#) (HAGs)
- [Emergency Solutions Grants](#) (ESG)
- [Continuum of Care Program](#) (CoC) | [Balance of State](#) (BoS)
- [Housing Opportunities for Persons with AIDS](#) (HOPWA)

²⁹ United States Federal Register. [Request for Information for HUD’s Community Development Block Grant Disaster Recovery \(CDBG-DR\) Rules, Waivers, and Alternative Requirements](#). December 20, 2022.

³⁰ P.L. 115-254. [Disaster Recovery and Reform Act of 2018](#) (as part of the Federal Aviation Administration Act of 2018). Enacted October 5, 2018.

Increase flexibility for ESG funding to support emergency shelters and housing placements.

- **BACKGROUND:** In recent years, HUD has increased its emphasis on rapid rehousing without providing additional resources for existing shelters. At the same time, there is an estimated shortage of 7.3 million affordable homes for populations under 30% area median income (AMI)³¹. Emergency shelters have been level-funded for several years as many states are capped at pre-2010 amounts for shelter activities. Operating costs have grown with increased staffing, training, and related needs.
- **REQUEST FOR HUD:** COSCDA recommends a waiver to allow for the removal of the 60% cap on emergency shelters under ESG. Flexibility on the emergency shelter cap would allow states to respond better to local need and improve their front-line outreach, services, and associated support in the homeless assistance system. HUD should also use its authority to readily allow waivers for Fair Market Rent (FMR) flexibility in tight rental markets where it is more challenging to transition homeless individuals into permanent housing. Further, due to increased operating costs and the growing demands to address homelessness, new expense caps set at 10% are strongly recommended for ESG, CoC and HOPWA programs.

Integrate homelessness data with related supportive services information.

- **BACKGROUND:** Client details on health, income, and other pertinent information provide key background needed to properly assist homeless individuals. Information can be difficult to obtain from the Homeless Management Information Systems (HMIS) or other platforms used by ESG administrators. Further challenges exist for homeless providers in accessing information on Medicaid coverage, history of domestic violence (Violence Against Women Act), and veteran status (Veterans Administrative Supportive Housing).
- **REQUEST FOR HUD:** COSCDA recommends enhanced data sharing between homeless providers and other supportive services and federal agencies to improve homelessness outcomes. The recent HUD and FEMA Computer Matching Agreement (CMA) is an example of data integration between agencies that could serve as a model for homelessness data improvements³². COSCDA is prepared to work with HUD on the following data improvements:
 - Data integration between CoCs and statewide Medicaid offices
 - Updated guidance on HMIS data and availability and exchange with stakeholders
 - Expanded eligible activities under HMIS for state ESG administrators to enhance support to CoCs and related stakeholders

Incentivize and promote coordination between Public Housing Agencies (PHAs) and CoCs.

- **BACKGROUND:** Effective partnerships are critical to address complex homelessness across the nation. HUD has encouraged relationship-building between PHAs and CoCs to facilitate a stronger network of housing and support services. HUD has provided resources in the past to facilitate PHA / CoC

³¹ National Low Income Housing Coalition. [The Gap: A Shortage of Affordable Homes](#). 2024.

³² U.S. Department of Housing and Urban Development and Federal Emergency Management Agency. [Computer Matching Agreement](#). March 11, 2024.

partnerships, including a 2014 study that offers direction for future actions, but gaps often remain between the two entities which prevent effective engagement and exacerbate wait lists³³.

- **REQUEST FOR HUD:** Incentives directed to both PHAs and CoCs to establish partnerships may lead to increased partnership and participation in serving homeless populations. More technical assistance and toolkits should be readily available to help localities navigate these complex engagements. For example, HUD should highlight communities where PHAs and CoCs have established a cohesive system to refer homeless (or at-risk) individuals to receive housing through the Section 8 Housing Choice Voucher (HCV) program—therefore reducing homelessness and improving voucher usage rates.

Authorize proven ESG waivers and flexibilities to create a more efficient program.

- **BACKGROUND:** While CoC and ESG programs manage activities critical to homelessness response, many program requirements prove administratively burdensome and unresponsive to efficient program implementation. HUD’s waiver authority is limited beyond the ability to allow assistance beyond the Fair Market Rent (FMR) cap.
- **REQUEST FOR CONGRESS:** COSCDA encourages Congress to authorize proven waivers to streamline ESG policies and procedures. HUD issued a series of waivers in response to the COVID-19 pandemic that improved ESG administration and should serve as a guide for future program improvements³⁴. Among others, COSCDA recommends authorizing at least the following waivers and flexibilities³⁵:
 - Reduce or suspend the match requirement to enable states and localities to pivot funds for investment to meet homelessness needs responsive to their jurisdictions.
 - Allow states to use 100% of grant funds awarded to carry out activities directly. Further flexibility to pursue activities directly would allow more streamlined, multi-jurisdictional support in homelessness services.
 - Give states the ability to sub-award grants to PHAs and local redevelopment authorities. By allowing continued ESG investments in these entities, resources can be used to connect available housing to target populations.

³³ U.S. Department of Housing and Urban Development – Office of Policy Development and Research. [Study of PHAs’ Efforts to Serve People Experiencing Homelessness](#). February 2014.

³⁴ U.S. Department of Housing and Urban Development. CPD-20-08 – [Waivers and Alternative Requirements for the Emergency Solutions Grants \(ESG\) Program Under the CARES Act](#). September 1, 2020.

³⁵ Council of State Community Development Agencies. [Recommendations on Recent Waivers and Flexibilities](#). 2022.