

October 29, 2025

The Honorable French Hill
Chairman, House Committee on
Financial Services
U.S. House of Representatives
Washington, DC 20515

The Honorable Maxine Waters
Ranking Member
House Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

The Honorable Mike Flood
Chairman, Subcommittee on Housing
and Insurance
U.S. House of Representatives
Washington, DC 20515

The Honorable Emanuel Cleaver, II
Ranking Member
Subcommittee on Housing and Insurance
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Hill, Ranking Member Waters, Chairman Flood, and Ranking Member
Cleaver:

The undersigned organizations, representing state and local jurisdictions that administer the Community Development Block Grant (CDBG) program, write in opposition to attempts to change the CDBG allocation formula to impose a funding reduction on grantees whose housing production growth is below the median rate, as is proposed in Section 206 of the ROAD to Housing Act (S. 2651) passed by the Senate earlier this month as part of the National Defense Authorization Act. We ask you not to consider such a change in future House legislation.

While we recognize the urgent need to expand the nation's housing stock, especially the stock of housing affordable to low- and moderate-income households, we do not support amending the allocation formula to impose a punitive reduction in critical CDBG funds.

One of the hallmarks of the CDBG program is the flexibility to use the funds to carry out any of the eligible CDBG activities to address locally identified priority needs, including affordable housing development and preservation that increase local housing supply. Section 206 of the ROAD to Housing Act does not ensure the creation of affordable housing even if zoning laws are changed but it does ensure the loss of valuable CDBG funds to communities, if enacted.

Moreover, the CDBG program is underfunded and further erosion of CDBG allocations in some jurisdictions through enactment of Section 206 is unwarranted and indefensible. A better solution is providing additional funds directly to state and local governments to use in planning and implementing local zoning and code changes. Moreover, technical

assistance and best practice identification through HUD are needed to help local grantees in planning and implementing local zoning changes. Further, a no-cost action Congress could take to increase the affordable housing supply is to amend the CDBG program to explicitly allow new construction of housing as an eligible activity, as contained in the UNLOCK Act (H.R. 5105), introduced in the House. In addition, we urge Congress to fully fund both the CDBG and the HOME programs.

We further oppose the land-use reporting requirements proposed in the Identifying Regulatory Barriers to Housing Act (H.R. 4659) (formerly the YIMBY Act) and other legislation that would greatly increase the administrative burden of grantees in managing the CDBG program while not meaningfully removing barriers to housing development. A better and more effective alternative is included in section 203 of the ROAD to Housing Act which directs HUD to develop best practice frameworks for zoning and land-use policies, helping communities identify and overcome barriers to housing development. We also support financial incentives and technical assistance to local governments to examine and change local zoning laws, as mentioned previously.

We respectfully request a meeting to further discuss our concerns. Please contact Vicki Watson, vwatson@ncdaonline.org, Tess Hembree, thembree@coscda.org, Jenna (Hampton) Pomponi, jhampton@coscda.org, and Josh Brandwein, jbrandwein@naced.org with questions.

Sincerely,

National Community Development Association

Council of State Community Development Agencies

National Association for County Community and Economic Development