

The Honorable Tim Scott
Chair, U.S. Senate Committee on Banking, Housing,
and Urban Affairs
104 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Elizabeth Warren
Ranking Member, U.S. Senate Committee on
Banking, Housing, and Urban Affairs
311 Hart Senate Office Building
Washington, D.C. 20510

February 27, 2026

Dear Chair Scott and Ranking Member Warren,

The Council of State Community Development Agencies (COSCD A) writes to applaud your efforts to advance housing legislation in the 119th Congress. COSCD A is a national organization representing state agencies that administer the Department of Housing and Urban Development's (HUD) community development, housing, homelessness, and disaster recovery grants. Our members support both the *ROAD to Housing Act of 2025* and the *Housing for the 21st Century Act of 2025*. We believe these comprehensive packages would modernize the nation's housing and community development programs to meet today's development realities.

As the Senate considers how to reconcile the two packages, COSCD A writes to express our position on two *Housing for the 21st Century Act* sections.

Housing for the 21st Century Act: Sec. 201 HOME Reform

We understand that *ROAD to Housing* already includes the *HOME Investment Partnerships Reauthorization and Improvement Act*. **While we support the Senate's HOME legislation, we recommend adding certain provisions from the HOME Reform Act to align the HOME program with modern development realities.**

The provisions of the *HOME Reform Act* (Sec. 201) that would be most impactful for COSCD A members who administer the HOME Investment Partnerships Program (HOME) at the state level include:

- (i) Adjusted Recapture and Reuse of Set-Aside for Community Housing Developmental Organizations
- (k) Environmental Review Requirements
- (l) Application of Build America, Buy America Requirements for HOME Investment Partnerships Program
- (m) Application of Other Specified Statutory Requirements

In April 2025, COSCD A responded to a request for information from the House Subcommittee on Housing and Insurance regarding the HOME and Community Development Block Grant (CDBG) programs. COSCD A's written remarks¹ outline why the provisions listed above would improve HOME program administration.

¹ <https://coscda.org/wp-content/uploads/2025/04/CDBG-and-HOME-RFI-Council-of-State-Community-Development-Agencies-COSCD A.pdf>

Housing for the 21st Century Act: Sec. 202 Community Development Fund Amendments

Section 202 of the House package combines three legislative proposals related to the CDBG program.

(a) Identifying Regulatory Barriers to Housing Supply

COSCD A does not recommend including this provision in *ROAD to Housing*. While we recognize the positive intent of the provision, the reporting requirements proposed in the bill would further increase the burden of managing CDBG programs and would not meaningfully remove barriers to housing development. We support the Senate's *Housing Supply Frameworks Act* as a better alternative to eliminate zoning and land use barriers to affordable housing development.

(b) Addition of Affordable Housing Construction as an Eligible Activity

COSCD A recommends including this provision in *ROAD to Housing*, with revisions. We support Section 202's addition of affordable housing construction as a CDBG eligible activity, along with the proposed 20 percent cap. However, the requirements under section 215 of the *Cranston-Gonzalez National Affordable Housing Act* (42 U.S.C. 12745) do long align well with the CDBG program. *Cranston-Gonzalez* authorized the HOME program, which operates under a similar grant structure as CDBG but has a different statutory and regulatory framework.

For administrative simplicity and to better leverage larger federal housing funding sources, such as the Low-Income Housing Tax Credit, we recommend the following modified language to allow for new construction of housing funded by CDBG:

“(27) the new construction of **residential housing for low- and moderate-income persons** ~~affordable housing within the meaning given such term under section 215 of the *Cranston-Gonzalez National Affordable Housing Act* (42 U.S.C. 12745)~~, which shall not exceed 20-percent of the amounts allocated to the recipient.”

(c) Databases of Publicly Owned Land

COSCD A does not recommend including this provision in *ROAD to Housing*. We understand the potential value of a public database of publicly owned land. However, CDBG program administrators do not have the capacity to manage such a database without additional funding and training.

Thank you for your leadership on the most significant housing package in more than a decade. COSCD A looks forward to a continued partnership with the Senate Committee on Banking, Housing, and Urban Affairs. Please reach out with any questions or concerns this letter may raise. We look forward to further discussions.

Sincerely,



Tess Hembree

Executive Director, Council of State Community Development Agencies (COSCD A)