

April 24, 2026

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

Dear Chairman Hill and Ranking Member Waters:

Our undersigned organizations are writing regarding the Build Now Act provision included in the 21st Century ROAD to Housing Act. We urge that it is not included in a final housing measure. Our organizations support efforts to expand the nation's housing supply. At the same time, we are concerned that the Build Now Act's proposed changes to the Community Development Block Grant (CDBG) formula would reduce predictability and weaken the program's longstanding focus on community need.

CDBG is a core federal program that helps cities, counties, and states finance neighborhood improvements, affordable housing, and services benefiting low- and moderate-income residents. The Build Now Act, incorporated into the 21<sup>st</sup> Century ROAD to Housing Act, would change CDBG allocations. Under the Act, part of a community's CDBG funding would depend on how much its housing supply grows from one year to the next. Communities that do not meet a housing-growth target could have their grant cut, and that money would be shifted to communities that meet or beat the target (or show improvement). This would make CDBG funding less predictable and less tied to need, which is a concern because many local programs depend on stable, year-to-year funding. Tying a portion of a community's annual allocation to short-term housing unit growth would risk destabilizing locally adopted plans and could shift resources away from communities facing the greatest economic and housing challenges.

Specifically, the provision would:

- **Make CDBG funding harder to rely on for ongoing local work.** Even a small cut (for example, 10%) can force a community to redo its budget mid-year, slow down planned projects, and scale back work on roads and facilities, affordable housing, and public services. Because CDBG projects often take more than one year and are commonly combined with other funding sources (such as HOME, state funds, Low-Income Housing Tax Credits, New Markets Tax Credits, and local dollars), uncertainty can also make it harder to line up those other funds.
- **Could slow progress on affordable housing.** CDBG dollars are often the flexible "last piece" that helps a housing deal come together. When a community loses CDBG funding, it

may have less money to fill financing gaps and keep projects moving—such as buying property, fixing up older homes, building new units, making accessibility upgrades, reducing lead hazards, or helping with down payments.

- **It uses a housing-growth measure that can be slow and misleading.** Unit counts typically reflect choices made years earlier and are highly sensitive to market forces. New housing units often show up in the data only after permits, financing, and construction are finished—sometimes years after decisions are made. That means the measure can reward choices made long ago and penalize communities that are making changes now but have not yet completed new homes. Unit growth is also strongly affected by market forces (land prices, interest rates, job growth, and demand), which can matter more than local policy changes in the short term.
- **Shift resources away from places with the greatest needs.** CDBG was designed to respond to problems such as poverty, overcrowding, and poor housing conditions—not to reward short-term construction results. Under the Build Now Act, a high-need community could lose funding if housing growth is slow because of economic challenges, population decline, or weak market demand. That could shift flexible dollars away from places that rely on them for basic repairs, public facilities, and services.
- **Create significant planning and administration challenges.** Communities would need to anticipate potential allocation swings while preparing annual plans, contracting with partners, and staffing programs. Uncertainty can make it harder to sign contracts and plan staffing, especially for nonprofits that depend on stable CDBG support. It can also push communities toward quick unit-count tactics instead of longer-term investments (like infrastructure) that make steady housing production possible.

For these reasons, we respectfully urge the Committee to reconsider the Build Now Act provision as part of a final housing measure.

Thank you for your consideration.

Sincerely,

Council of State Community Development Agencies  
International Economic Development Council  
National Association for County Community and Economic Development  
National Association of Counties  
National Association of Development Organizations  
National Community Development Association