



April 25, 2025

The Honorable Mike Flood, Chairman, Subcommittee on Housing and Insurance
The Honorable Emanuel Cleaver, II, Ranking Member, Subcommittee on Housing and Insurance
United States House of Representatives
Washington, D.C. 20515

RE: Reauthorization of the Community Development Block Grant Program

Dear Chairman Flood and Representative Cleaver,

I am writing today in strong support of reauthorization of the Community Development Block Grant Program and to suggest some areas where I believe the program can be made more efficient and impactful. The New Hampshire Community Development Finance Authority (CDFA) deploys federal Community Development Block Grant resources from the U.S. Department of Housing and Urban Development [towards impactful projects across New Hampshire](#). These resources directly impact people in our communities and have a significant impact on economic development, housing and community-based initiatives which primarily benefit low- and moderate-income people in New Hampshire. CDFA has been committed to strengthening New Hampshire communities for more than forty years.

Dedicating resources to community economic development initiatives in New Hampshire is fundamental to the growth and prosperity of our communities and our state. Through these investments, we are building critical public infrastructure to support our communities to be strong, resilient, and vibrant places. We are honored to support these efforts with the deployment of Community Development Block Grants across the Granite State and are grateful for the community partners that ensure these resources fund important, community initiatives.

Currently, there are more than 100 projects underway in New Hampshire funded by the Community Development Block Grant Program being administered by CDFA. These critical community-based projects have been awarded approximately \$40.5 million in block grant resources and are leveraging tens of millions of dollars in matching capital to be successful, including other federal funding sources.

New Hampshire's Community Development Block Grant funds are used to finance projects that directly impact people in our communities and without these funds critical projects would not be completed as there are no other resources available. Examples of priority projects include:

- Creating safe, affordable housing for our aging population and working families ([Bluebird Project/North Conway](#), [Brown School Project/Berlin](#), [Twin Pines Housing/Upper Valley](#));
- Repairing critical infrastructure that is necessary to support housing needs;
- Increasing access to affordable, quality child care to enable more people to participate in the economy;
- Empowering small businesses through technical assistance and access to capital ([Microenterprise Program](#));
- Improving access to critical community services, and much more [Vaughn Community Services/North Conway](#), [Crisis Center of Central NH/Concord](#).

CDFA faces several key challenges in using CDBG funds effectively in projects including limitations on resources available for administration and technical assistance — capped at 4% — pose challenges. On the grantee side, this constraint impacts their capacity to effectively carry out the program and meet performance objectives. Administering CDBG funds presents ongoing challenges, particularly in maintaining adequate staffing levels, which directly affects our ability to stay current with evolving regulations and compliance requirements.

Our organization continues to face significant administrative and regulatory burdens that impact our ability to put time toward targeted technical assistance which would increase the impact of the Community Development Block

Grant (CDBG) funds. While we remain committed to compliance and program integrity, the following factors present ongoing challenges in maximizing program outcomes:

Challenges for Balance-of-State Programs

Our organization continues to face significant administrative and regulatory burdens that impact our ability to put time toward targeted technical assistance which would increase the impact of the Community Development Block Grant (CDBG) funds. While we remain committed to compliance and program integrity, the following factors present ongoing challenges in maximizing program outcomes.

- **Staffing Limitations:** The statutory cap (\$100,000 plus 3% of annual allocation) on State administrative costs limits our ability to attract and retain qualified staff with the expertise required to manage the complexity of CDBG regulations. This directly affects our capacity to oversee projects, ensure compliance, and adapt to evolving program requirements.
- **Regulatory Complexity and Training Needs:** Staying current with changes in HUD guidance, particularly in areas such as environmental reviews, Build America, Buy America, Davis-Bacon compliance, and duplication of benefits, requires continuous training and technical assistance. Limited resources constrain our ability to invest in these areas, which lengthens the time for new grantees and subrecipients to access the program.
- **Extensive Reporting Requirements:** The level of detail and frequency required in CDBG reporting—specifically Section 3—places a substantial burden on staff time. The manual nature of many of these processes, combined with varying system interfaces, further complicates timely and accurate submission. In addition to complicating reporting, these requirements often restrict the pool of eligible contractors, as the reporting standards are often unattainable for smaller firms with limited experience in the program.

Administrative Burden

There are several recommendations we are suggesting to reduce the administrative burden, specifically on more rural states and communities.

- **Impact on Rural Communities:** The complexity of managing a CDBG grant poses a significant barrier to participation for rural communities. Many municipalities lack dedicated staff to manage grant administration and compliance. Many must outsource to consultants or regional planning commissions, which adds cost and can reduce funds available for critical infrastructure.
- **Streamlining Requirements:** We request continued support in streamlining and reducing regulatory requirements, including the alignment of Environmental Review requirements across programs and the reduction of Section 3 and Davis Bacon requirements and reporting. Impactful Davis Bacon
- **Increase Access to Technical Assistance:** We seek expanded access to technical assistance resources provided by the Department of Housing and Urban Development or subcontractors tasked with supporting states and communities in administering and implementing CDBG resources. Greater flexibility and support in these areas would significantly enhance our ability to deliver timely and impactful programs to the communities most in need.

National Objectives

We fully support the three national objectives of the Community Development Block Grant (CDBG) program—benefiting low- and moderate-income persons, addressing urgent community needs, and eliminating slum and blight. These objectives remain relevant and impactful in guiding equitable community development.

However, we recommend that HUD **modernize and streamline the slum and blight criteria** to better enable small cities and towns to use CDBG funds for comprehensive revitalization efforts. Current requirements—particularly those tied to area-wide surveys, building condition assessments, and extensive documentation—can be **overly burdensome for communities with limited planning and administrative capacity**. As a result, smaller jurisdictions are often unable to fully leverage CDBG for strategic neighborhood renewal, despite clear needs.

Formula

The current funding structure for state-administered non-entitlement CDBG programs presents a significant challenge, especially for states receiving the **small state minimum** allocation. These states are tasked with managing the same complex federal requirements as larger states yet must do so with significantly fewer resources. This funding disparity limits the overall reach and effectiveness of the program, particularly in rural and underserved areas.

Key Proposed Improvements

In summary, we recommend the following areas of focus for improvements to the Community Development Block Grant program.

- **Simplified Documentation Requirements:** Reduce the complexity and frequency of area surveys and condition assessments. Allow for the use of recent, locally approved planning documents or visual documentation as acceptable alternatives.
- **Expanded Eligible Activities:** Broaden the definition of slum and blight to include not only physical deterioration but also indicators of economic disinvestment (e.g., high vacancy rates, underutilized infrastructure, persistent poverty) to reflect modern revitalization needs. CDFA developed [Community Progress Indicators and a Core Data Index](#) to track community level demographic change over time and would recommend consideration of similar factors.
- **Flexible Revitalization Thresholds:** Allow smaller communities to target smaller-scale revitalization areas, such as a single commercial block or historic downtown core, rather than requiring expansive geographic zones.
- **Incentives for Mixed-Use and Adaptive Reuse Projects:** Encourage innovative revitalization strategies—such as adaptive reuse of vacant buildings and mixed-use development—that can breathe life back into declining areas without extensive demolition or displacement.
- **Technical Assistance for Local Implementation:** Provide targeted technical assistance and model tools to help small communities navigate slum and blight documentation, identify qualifying areas, and integrate these projects into broader economic development strategies.

By modernizing the Community Development Block Grant program through the reauthorization, we can support smaller cities and rural towns to take full advantage of CDBG's potential as a catalyst for reinvestment, preservation, and long-term resilience.

We greatly appreciate any action you can continue to take to address these significant concerns for how organizations can continue to serve their communities. We are glad to be a partner in this process and would be honored to be able to continue to support this work.

Respectfully,



Katherine Easterly Martey
Executive Director