

117TH CONGRESS
2^D SESSION

H. R. 7868

To modernize the formulas for allocation of Community Development Block Grant Program grants for entitlement communities to more effectively target such amounts for community development needs, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 24, 2022

Mr. KUSTOFF (for himself and Mr. HILL) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To modernize the formulas for allocation of Community Development Block Grant Program grants for entitlement communities to more effectively target such amounts for community development needs, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “CDBG Modernization
5 Act of 2022”.

6 **SEC. 2. INITIAL STUDY AND REPORT.**

7 (a) STUDY.—Not later than the expiration of the 12-
8 month period beginning on the date of the enactment of

1 this Act, the Secretary of Housing and Urban Develop-
2 ment (in this Act referred to as the “Secretary”) shall con-
3 duct a study to—

4 (1) analyze and assess the effectiveness of the
5 formulas under paragraphs (1) through (3) of sec-
6 tion 106(b) of the Housing and Community Develop-
7 ment Act of 1974 (42 U.S.C. 5306(b)) Act, and the
8 factors used in such formulas, including the use of
9 the age of housing factor (as such term is defined
10 in section 102(a) of such Act (42 U.S.C. 5302(a))),
11 in effectively targeting funding under the Commu-
12 nity Development Block Grant Program (in this Act
13 referred to as the “Program”) for community devel-
14 opment needs and in carrying out the purposes of
15 such program under section 101 of such Act (42
16 U.S.C. 5301); and

17 (2) develop revised and updated formulas for
18 use under paragraphs (1) through (3) of such sec-
19 tion 106(b), or updated factors for use in such for-
20 mulas, that—

21 (A) more effectively target funding under
22 the Community Development Block Grant Pro-
23 gram for community development needs;

1 (B) eliminate any funding inequities that
2 use of such age of housing factor has contrib-
3 uted to under the Program;

4 (C) include an element that provides for
5 re-evaluation to maintain effective targeting for
6 community development needs of grantees over
7 time and adjusts funding in accordance with
8 such changing needs; and

9 (D) more effectively carry out the purposes
10 of the Program under section 101 of such Act.

11 (b) REPORT.—Not later than the expiration of the
12 period referred to in subsection (a) of this section, the Sec-
13 retary shall submit a report to the Congress that—

14 (1) describes the study conducted pursuant to
15 subsection (a) and sets forth any findings and con-
16 clusions of such study;

17 (2) sets forth the revised and updated formulas
18 or factors developed pursuant to subsection (a)(2)
19 and to be used under section 106(b) of such Act, as
20 amended by section 3 of this Act;

21 (3) specifies how such revised and updated for-
22 mulas or factors shall be counted for purposes of
23 section 106(b)(3) of the Housing and Community
24 Development Act of 1974;

1 (4) identifies how the use of the age of housing
2 factor has contributed to inequities in effectively tar-
3 geting funding under the Program to community de-
4 velopment needs of grantees; and

5 (5) compares the effects of using such revised
6 and updated formulas or factors to the effects of ap-
7 plying paragraphs (1)(B) and (2)(B) of section
8 106(b) of the Housing and Community Development
9 Act of 1974, as in effect on the date of the enact-
10 ment of this Act, to determine which grantees are
11 over-subsidized or under-subsidized with respect to
12 community development needs.

13 **SEC. 3. SUBSEQUENT STUDIES AND REPORTS.**

14 (a) SUBSEQUENT STUDIES.—Not later than the expi-
15 ration of each successive 10-year period after the expira-
16 tion of the period referred to in section 2(a), the Secretary
17 shall conduct a study to—

18 (1) analyze and assess the effectiveness of the
19 revised and updated formulas or factors set forth
20 pursuant to section 2(b)(2) of this Act in effectively
21 targeting funding under the Community Develop-
22 ment Block Grant Program (in this Act referred to
23 as the “Program”) for community development
24 needs and in carrying out the purposes of such pro-

1 gram under section 101 of such Act (42 U.S.C.
2 5301); and

3 (2) develop recommendations regarding revi-
4 sions and updates to such formulas and factors
5 that—

6 (A) more effectively target funding under
7 the Community Development Block Grant Pro-
8 gram for community development needs;

9 (B) include an element that provides for
10 re-evaluation to maintain effective targeting for
11 community development needs of grantees over
12 time and adjusts funding in accordance with
13 such changing needs; and

14 (C) more effectively carry out the purposes
15 of the Program under section 101 of such Act.

16 (b) REPORTS.—Not later than the expiration of each
17 applicable 10-year period referred to in subsection (a) of
18 this section, the Secretary shall submit a report to the
19 Congress that—

20 (1) describes the study conducted pursuant to
21 subsection (a) for such period and sets forth any
22 findings and conclusions of such study;

23 (2) sets forth the recommended revisions and
24 updates developed pursuant to subsection (a)(2);

1 (3) specifies how such recommended revisions
2 and updates should be counted for purposes of sec-
3 tion 106(b)(3) of the Housing and Community De-
4 velopment Act of 1974; and

5 (4) compares the effects of using such rec-
6 ommended revisions and updates to the effects of
7 applying paragraphs (1)(B) and (2)(B) of section
8 106(b) of the Housing and Community Development
9 Act of 1974, as then in effect, to determine which
10 grantees are over-subsidized or under-subsidized
11 with respect to community development needs.

12 **SEC. 4. APPLICABILITY OF NEW FORMULAS OR FACTORS.**

13 (a) AMENDMENT TO 1974 ACT.—Subsection (b) of
14 section 106 of the Housing and Community Development
15 Act of 1974 (42 U.S.C. 5306(b)) is amended by striking
16 the subsection designation and all that follows through the
17 end of paragraph (3) and inserting the following:

18 “(b)(1) The Secretary shall determine the amount to
19 be allocated to each metropolitan city in accordance with
20 the revised and updated formulas or factors set forth pur-
21 suant to section 2(b)(2) of the CDBG Modernization Act
22 of 2022 in the report pursuant to such section 2(b).

23 “(2) The Secretary shall determine the amount to be
24 allocated to each urban county in accordance with the re-
25 vised and updated formulas or factors set forth pursuant

1 to section 2(b)(2) of the CDBG Modernization Act of
2 2022 in the report pursuant to such section 2(b).

3 “(3) In determining the amount to be allocated each
4 metropolitan city and urban county, the Secretary shall
5 count each revised and updated formula or factor as pro-
6 vided in the report pursuant to section 2(b) of the CDBG
7 Modernization Act of 2022.”.

8 (b) PHASE-IN.—Notwithstanding any other provision
9 of law, the Secretary shall adjust any allocations for met-
10 ropolitan cities and urban counties made pursuant to sec-
11 tion 106 of the Housing and Community Development Act
12 of 1974 (42 U.S.C. 5306) for any of the first 5 fiscal years
13 commencing after the date of the enactment of this Act
14 to provide for phase-in of the effects from the amendments
15 made by this Act and to allow such entitlement entities
16 to adjust their budgets accordingly.

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