

DISABLED VETERANS HOUSING SUPPORT ACT

SEPTEMBER 9, 2024.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. MCHENRY, from the Committee on Financial Services, submitted the following

R E P O R T

together with

MINORITY VIEWS

[To accompany H.R. 7480]

[Including cost estimate of the Congressional Budget Office]

The Committee on Financial Services, to whom was referred the bill (H.R. 7480) to amend section 102(a)(20) of the Housing and Community Development Act of 1974 to require the exclusion of service-connected disability compensation when determining whether a person is a person of low and moderate income, a person of low income, or a person of moderate income, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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The amendment is as follows:

Strike all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE.**

This Act may be cited as the “Disabled Veterans Housing Support Act”.

**SEC. 2. SERVICE CONNECTED DISABILITY COMPENSATION.**

Section 102(a)(20) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(20)) is amended by adding at the end the following:

“(C) SERVICE-CONNECTED DISABILITY COMPENSATION.—When determining whether a person is a person of low and moderate income, a person of low income, or a person of moderate income under this paragraph, a State, unit of general local government, or Indian tribe shall exclude any service-connected disability compensation received by such person from the Department of Veterans Affairs.”.

**SEC. 3. REPORT.**

The Comptroller General of the United States shall, not later than 1 year after the date of the enactment of this Act, submit to the Congress a report that—

- (1) examines how service-connected disability compensation is treated for the purposes of determining eligibility for all programs administered by the Secretary of Housing and Urban Development;
- (2) identifies any instances where service-connected disability compensation is treated in a manner inconsistent with the amendment made by section 2; and
- (3) with respect to each program administered by the Secretary of Housing and Urban Development in which service-connected disability compensation is treated inconsistently, provides legislative recommendations relating to how such program could better serve veteran populations, and under-served communities.

PURPOSE AND SUMMARY

Introduced on February 29, 2024, by Representative Monica De La Cruz, H.R. 7480, *the Disabled Veterans Housing Support Act*, would require the Department of Housing and Urban Development (HUD) to exclude all service-connected disability compensation from the Community Development Block Grant (CDBG) program’s income eligibility calculations. This will ensure that low-income disabled veterans are not unfairly penalized in accessing CDBG programs and services.

BACKGROUND AND NEED FOR LEGISLATION

This bipartisan legislation rectifies an issue that HUD has failed to address, causing confusion and creating bureaucratic obstacles for veterans accessing housing assistance. Under HUD’s current rules, income eligibility calculation for CDBG grantees may include service-connected disability income, which places many low-income veterans above the low-income threshold necessary to qualify for CDBG assistance. In addition, HUD’s current policy provides three different options for CDBG grantees to follow when factoring in service-connected disability compensation, creating unnecessary confusion and complexity for CDBG grantees when determining which veterans would qualify for assistance. For more than two years, Chairman McHenry has requested that HUD provide clarity and simplify its income calculation rules, including most recently during former HUD Secretary Fudge’s appearance before the Financial Services Committee in January 2024. Unfortunately, Secretary Fudge and HUD have repeatedly failed to take responsibility for fixing the problem.

In response to HUD's failure, Rep. De La Cruz introduced H.R. 7480. This bill would instruct HUD to exclude service-connected disability compensation from its income calculation rules in determining eligibility for CDBG. Doing so will maximize the number of disabled veterans who are eligible to participate in services offered under the program. Furthermore, the bill requires the Government Accountability Office (GAO) to report to Congress on how service-connected disability compensation is treated across all programs administered by HUD, including providing recommendations on how to better serve veteran populations and underserved communities within HUD programs.

#### RELATED HEARING

Pursuant to clause 3(c)(6) of rule XIII, the following hearing was used to develop H.R. 7480: The Committee on Financial Services held a hearing on March 20, 2024, titled "The Characteristics and Challenges of Today's Homebuyers."

#### COMMITTEE CONSIDERATION

The Committee on Financial Services met in open session on May 16, 2024, and ordered H.R. 7480 to be reported favorably to the House by a recorded vote of 37 ayes to 12 nays (Record vote no. FC-157), a quorum being present.

#### COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the record votes on the order to report legislation and amendments thereto. H.R. 7480 was ordered reported favorably to the House by a recorded vote of 37 ayes to 12 nays (Record vote no. FC-157), a quorum being present.

An amendment offered by Ms. Garcia, no. 13, was not agreed to by a recorded vote of 22 ayes to 27 nays, a quorum being present (Recorded vote no. 156).

## Record vote no FC- 157

Representative	Yea	Nay	Present	Representative	Yea	Nay	Present
Mr. McHenry	X	—	—	Mr. Waters	—	X	—
Mr. Hill	X	—	—	Mr. Velázquez	—	X	—
Mr. Lucas	X	—	—	Mr. Sherman	X	—	—
Mr. Sessions	X	—	—	Mr. Meeks	X	—	—
Mr. Posey	X	—	—	Mr. Scott	—	X	—
Mr. Luetkemeyer	X	—	—	Mr. Lynch	X	—	—
Mr. Huelskamp	X	—	—	Mr. Green	X	—	—
Mrs. Wagner	X	—	—	Mr. Cleaver	—	—	—
Mr. Barr	X	—	—	Mr. Himes	—	X	—
Mr. Williams (TX)	X	—	—	Mr. Foster	X	—	—
Mr. Emmer	—	—	—	Mr. Beatty	—	X	—
Mr. Loudermilk	X	—	—	Mr. Vargas	—	X	—
Mr. Mooney	X	—	—	Mr. Gottheimer	X	—	—
Mr. Davidson	X	—	—	Mr. Gonzalez	X	—	—
Mr. Rose	X	—	—	Mr. Costen	—	X	—
Mr. Steil	X	—	—	Ms. Pressley	—	X	—
Mr. Timmons	X	—	—	Mr. Horsford	X	—	—
Mr. Norman	X	—	—	Ms. Tlaib	—	X	—
Mr. Meuser	X	—	—	Mr. Torres	—	X	—
Mr. Fitzgerald	X	—	—	Ms. Garcia	—	X	—
Mr. Garbarino	X	—	—	Mr. Williams (GA)	—	X	—
Mr. Kim	X	—	—	Mr. Nickel	X	—	—
Mr. Donalds	—	—	—	Ms. Pettersen	X	—	—
Mr. Flood	X	—	—				
Mr. Lawler	X	—	—				
Mr. Nunn	X	—	—				
Ms. De La Cruz	X	—	—				
Mrs. Houchin	X	—	—				
Mr. Ogle	X	—	—				

## Record vote no. FC- 156

Representative	Yea	Nay	Present	Representative	Yea	Nay	Present
Mr. McHenry	—	X	—	Mr. Waters	X	—	—
Mr. Hill	—	X	—	Mrs. Velázquez	X	—	—
Mr. Lucas	—	X	—	Mr. Sherman	X	—	—
Mr. Sessions	—	X	—	Mr. Meek	X	—	—
Mr. Posey	—	X	—	Mr. Scott	X	—	—
Mr. Luetkemeyer	—	X	—	Mr. Lynch	X	—	—
Mr. Huelskamp	—	X	—	Mr. Green	X	—	—
Mrs. Wagner	—	X	—	Mr. Cleaver	—	—	—
Mr. Barr	—	X	—	Mr. Himes	X	—	—
Mr. Williams (TX)	—	X	—	Mr. Foster	X	—	—
Mr. Emmer	—	—	—	Mrs. Beatty	X	—	—
Mr. Loudermilk	—	X	—	Mr. Vargas	X	—	—
Mr. Mooney	—	X	—	Mr. Gottheimer	X	—	—
Mr. Davidson	—	X	—	Mr. Gonzalez	X	—	—
Mr. Rose	—	X	—	Mr. Costen	X	—	—
Mr. Steel	—	X	—	Ms. Presley	X	—	—
Mr. Timmons	—	X	—	Mr. Horsford	X	—	—
Mr. Norman	—	X	—	Ms. Tlaib	X	—	—
Mr. Meuser	—	X	—	Mr. Torres	X	—	—
Mr. Fitzgerald	—	X	—	Ms. Garcia	X	—	—
Mr. Garbarino	—	X	—	Ms. Williams (GA)	X	—	—
Mrs. Kum	—	X	—	Mr. Nickel	X	—	—
Mr. Donalds	—	—	—	Mr. Pettersen	X	—	—
Mr. Flood	—	X	—				
Mr. Lawler	—	X	—				
Mr. Nunn	—	X	—				
Ms. De La Cruz	—	X	—				
Mrs. Houchin	—	X	—				
Mr. Ogle	—	X	—				

### COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c) of rule XIII of the Rules of the House of Representatives, the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Representatives, are incorporated in the descriptive portions of this report.

### PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the goal of H.R. 7480 is to amend the Housing and Community Development Act of 1974 to require the exclusion of service-connected disability compensation when determining if a veteran qualifies for assistance under the CDBG program as a person of low or moderate income.

### CONGRESSIONAL BUDGET OFFICE ESTIMATES

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

<b>H.R. 7480, Disabled Veterans Housing Support Act</b>			
As ordered reported by the House Committee on Financial Services on May 16, 2024			
By Fiscal Year, Millions of Dollars	2025	2025-2029	2025-2034
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	0	*	not estimated
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2035?	No	Statutory pay-as-you-go procedures apply?	No
		<b>Mandate Effects</b>	
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2035?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
* = between zero and \$500,000.			

H.R. 7480 would require the Department of Housing and Urban Development (HUD) to exclude all service-connected disability compensation from income when calculating eligibility for the Community Development Block Grant (CDBG) program. The bill also would require the Government Accountability Office (GAO) to report to the Congress on how service-connected disability compensation is treated when determining eligibility for programs administered by HUD and recommend how those programs could better serve veterans and under-served groups.

Using information from HUD, CBO expects that few veterans currently receive funding from the CDBG program. Furthermore, for some veterans, disability compensation is already excluded from income when determining eligibility. On that basis, CBO estimates that implementing that requirement would increase costs for HUD

by an insignificant amount. Additionally, and based on the cost of similar reports, CBO estimates that GAO 's report would cost less than \$500,000.

Any related spending for HUD and GAO would be subject to the availability of appropriated funds.

The CBO staff contact for this estimate is Zunara Naeem. The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

PHILLIP L. SWAGEL,  
*Director, Congressional Budget Office.*

#### NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

Pursuant to clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the estimate of new budget authority, entitlement authority, or tax expenditures or revenues contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1973.

#### FEDERAL MANDATES STATEMENT

Pursuant to section 423 of the Unfunded Mandates Reform Act, the Committee adopts as its own the estimate of the Federal mandates prepared by the Director of the Congressional Budget Office.

#### ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

#### APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

#### EARMARK IDENTIFICATION

With respect to clause 9 of rule XXI of the Rules of the House of Representatives, the Committee has carefully reviewed the provisions of the bill and states that the provisions of the bill do not contain any congressional earmarks, limited tax benefits, or limited tariff benefits within the meaning of the rule.

#### DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee states that no provision of the bill establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, including any program that was included in a report to Congress pursuant to section 21 of the Public Law 111-139 or the most recent Catalog of Federal Domestic Assistance.

## SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

*Section 1.* Sets the short title of the bill as the “Disabled Veterans Housing Support Act.”

*Section 2.* Amends the Housing and Community Development Act of 1974 to require a states, units of general local government, and Indian tribes that receive CDBG funds to exclude any service-connected disability compensation received by a veteran in determining if that veteran qualifies for assistance under the CDBG program as a person of low or moderate income.

*Section 3.* Requires GAO to submit to Congress within one year a report that examines how service-connected disability compensation is treated for the purposes of determining eligibility under all programs of HUD, identifies any cases where service-connected disability compensation is treated inconsistently across a HUD program, and provides legislative recommendations relating to how such programs could better serve veteran populations and underserved communities.

## CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italics and existing law in which no change is proposed is shown in roman):

**HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974**

## TITLE I—COMMUNITY DEVELOPMENT

\* \* \* \* \*

## DEFINITIONS

SEC. 102. (a) As used in this title—

(1) The term “unit of general local government” means any city, county, town, township, parish, village, or other general purpose political subdivision of a State; Guam, the Northern Mariana Islands, the Virgin Islands, and American Samoa, or a general purpose political subdivision thereof; a combination of such political subdivisions that, except as provided in section 106(d)(4), is recognized by the Secretary; and the District of Columbia. Such term also includes a State or a local public body or agency (as defined in section 711 of the Housing and Urban Development Act of 1970), community association, or other entity, which is approved by the Secretary for the purpose of providing public facilities or services to a new community as part of a program meeting the eligibility standards of section 712 of the Housing and Urban Development Act of 1970 or title IV of the Housing and Urban Development Act of 1968.

(2) The term “State” means any State of the United States, or any instrumentality thereof approved by the Governor; and the Commonwealth of Puerto Rico.



(3) The term “metropolitan area” means a standard metropolitan statistical area as established by the Office of Management and Budget.

(4) The term “metropolitan city” means (A) a city within a metropolitan area which is the central city of such area, as defined and used by the Office of Management and Budget, or (B) any other city, within a metropolitan area, which has a population of fifty thousand or more. Any city that was classified as a metropolitan city for at least 2 years pursuant to the first sentence of this paragraph shall remain classified as a metropolitan city. Any unit of general local government that becomes eligible to be classified as a metropolitan city, and was not classified as a metropolitan city in the immediately preceding fiscal year, may, upon submission of written notification to the Secretary, defer its classification as a metropolitan city for all purposes under this title, if it elects to have its population included in an urban county under subsection (d). Notwithstanding the second sentence of this paragraph, a city may elect not to retain its classification as a metropolitan city. Any city classified as a metropolitan city pursuant to this paragraph, and that no longer qualifies as a metropolitan city in a fiscal year beginning after fiscal year 1989, shall retain its classification as a metropolitan city for such fiscal year and the succeeding fiscal year, except that in such succeeding fiscal year (A) the amount of the grant to such city shall be 50 percent of the amount calculated under section 106(b); and (B) the remaining 50 percent shall be added to the amount allocated under section 106(d) to the State in which the city is located and the city shall be eligible in such succeeding fiscal year to receive a distribution from the State allocation under section 106(d) as increased by this sentence. Any unit of general local government that was classified as a metropolitan city in any fiscal year, may, upon submission of written notification to the Secretary, relinquish such classification for all purposes under this title if it elects to have its population included with the population of a county for purposes of qualifying for assistance (for such following fiscal year) under section 106 as an urban county under paragraph (6)(D). Any metropolitan city that elects to relinquish its classification under the preceding sentence and whose port authority shipped at least 35,000,000 tons of cargo in 1988, of which iron ore made up at least half, shall not receive, in any fiscal year, a total amount of assistance under section 106 from the urban county recipient that is less than the city would have received if it had not relinquished the classification under the preceding sentence. Notwithstanding any other provision of this paragraph, with respect to any fiscal year beginning after September 30, 2007, the cities of Alton and Granite City, Illinois, shall be considered metropolitan cities for purposes of this title.

(5) The term “city” means (A) any unit of general local government which is classified as a municipality by the United States Bureau of the Census or (B) any other unit of general local government which is a town or township and which, in the determination of the Secretary, (I) possesses powers and performs functions comparable to those associated with municipi-

palities, (ii) is closely settled, and (iii) contains within its boundaries no incorporated places as defined by the United States Bureau of the Census which have not entered into cooperation agreements with such town or township to undertake or to assist in the undertaking of essential community development and housing assistance activities.

(6)(A) The term “urban county” means any county within a metropolitan area which—

(I) is authorized under State law to undertake essential community development and housing assistance activities in its unincorporated areas, if any, which are not units of general local government; and

(ii) either—

(I) has a population of 200,000 or more (excluding the population of metropolitan cities therein) and has a combined population of 100,000 or more (excluding the population of metropolitan cities therein) in such unincorporated areas and in its included units of general local government (and in the case of counties having a combined population of less than 200,000, the areas and units of general local government must include the areas and units of general local government which in the aggregate have the preponderance of the persons of low and moderate income who reside in the county) (a) in which it has authority to undertake essential community development and housing assistance activities and which do not elect to have their population excluded, or (b) with which it has entered into cooperation agreements to undertake or to assist in the undertaking of essential community development and housing assistance activities; or

(II) has a population in excess of 100,000, a population density of at least 5,000 persons per square mile, and contains within its boundaries no incorporated places as defined by the United States Bureau of the Census.

(B) Any county that was classified as an urban county for at least 2 years pursuant to subparagraph (A), (C), or (D) shall remain classified as an urban county, unless it fails to qualify as an urban county pursuant to subparagraph (A) by reason of the election of any unit of general local government included in such county to have its population excluded under clause (ii)(I)(a) of subparagraph (A) or not to renew a cooperation agreement under clause (ii)(I)(b) of such subparagraph.

(C) Notwithstanding the combined population amount set forth in clause (ii) of subparagraph (A), a county shall also qualify as an urban county for purposes of assistance under section 106 if such county—

(I) complies with all other requirements set forth in the first sentence;

(ii) has, according to the most recent available decennial census data, a combined population between 190,000 and 199,999, inclusive (excluding the population of metropolitan cities therein) in all its unincorporated areas that are

not units of general local government and in all units of general local government located within such county;

(iii) had a population growth rate of not less than 15 percent during the most recent 10-year period measured by applicable censuses; and

(iv) has submitted data satisfactory to the Secretary that it has a combined population of not less than 200,000 (excluding the population of metropolitan cities therein) in all its unincorporated areas that are not units of general local government and in all units of general local government located within such county.

(D) Such term also includes a county that—

(I) has a combined population in excess of 175,000, has more than 50 percent of the housing units of the area unsewered, and has an aquifer that was designated before March 1, 1987, a sole source aquifer by the Environmental Protection Agency;

(ii) has taken steps, which include at least one public referendum, to consolidate substantial public services with an adjoining metropolitan city, and in the opinion of the Secretary, has consolidated these services with the city in an effort that is expected to result in the unification of the two governments within 6 years of the date of enactment of the Housing and Community Development Act of 1987;

(iii) had a population between 180,000 and 200,000 on October 1, 1987, was eligible for assistance under section 119 of the Housing and Community Development Act of 1974 in fiscal year 1986, and does not contain any metropolitan cities;

(iv) has entered into a local cooperation agreement with a metropolitan city that received assistance under section 106 because of such classification, and has elected under paragraph (4) to have its population included with the population of the county for purposes of qualifying as an urban county; except that to qualify as an urban county under this clause (I) the county must have a combined population of not less than 195,000, (II) more than 15 percent of the residents of the county shall be 60 years of age or older (according to the most recent decennial census data), (III) not less than 20 percent of the total personal income in the county shall be from pensions, social security, disability, and other transfer programs, and (IV) not less than 40 percent of the land within the county shall be publicly owned and not subject to property tax levies;

(v)(I) has a population of 175,000 or more (including the population of metropolitan cities therein), (II) before January 1, 1975, was designated by the Secretary of Defense pursuant to section 608 of the Military Construction Authorization Act, 1975 (Public Law 93-552; 88 Stat. 1763), as a Trident Defense Impact Area, and (III) has located therein not less than 1 unit of general local government that was classified as a metropolitan city and (a) for which county each such unit of general local government therein has relinquished its classification as a metropolitan city under the 6th sentence of paragraph (4), or (b) that has

entered into cooperative agreements with each metropolitan city therein to undertake or to assist in the undertaking of essential community development and housing assistance activities;

(vi) has entered into a local cooperation agreement with a metropolitan city that received assistance under section 106 because of such classification, and has elected under paragraph (4) to have its population included with the population of the county for the purposes of qualifying as an urban county, except that to qualify as an urban county under this clause, the county must—

(I) have a combined population of not less than 210,000, excluding any metropolitan city located in the county that is not relinquishing its metropolitan city classification, according to the 1990 decennial census of the Bureau of the Census of the Department of Commerce;

(II) including any metropolitan cities located in the county, have had a decrease in population of 10,061 from 1992 to 1994, according to the estimates of the Bureau of the Census of the Department of Commerce; and

(III) have had a Federal naval installation that was more than 100 years old closed by action of the Base Closure and Realignment Commission appointed for 1993 under the Base Closure and Realignment Act of 1990, directly resulting in a loss of employment by more than 7,000 Federal Government civilian employees and more than 15,000 active duty military personnel, which naval installation was located within one mile of an enterprise community designated by the Secretary pursuant to section 1391 of the Internal Revenue Code of 1986, which enterprise community has a population of not less than 20,000, according to the 1990 decennial census of the Bureau of the Census of the Department of Commerce

(vii)(I) has consolidated its government with one or more municipal governments, such that within the county boundaries there are no unincorporated areas; (II) has a population of not less than 650,000; (III) for more than 10 years, has been classified as a metropolitan city for purposes of allocating and distributing funds under section 106; and (IV) as of the date of enactment of this clause, has over 90 percent of the county's population within the jurisdiction of the consolidated government; or

(viii) notwithstanding any other provision of this section, any county that was classified as an urban county pursuant to subparagraph (A) for fiscal year 1999, at the option of the county, may hereafter remain classified as an urban county for purposes of this Act.

(E) Any county classified as an urban county pursuant to subparagraph (A), (B), or (C) of this paragraph, and that no longer qualifies as an urban county under such subparagraph in a fiscal year beginning after fiscal year 1989, shall retain its classification as an urban county for such fiscal year and the succeeding fiscal year, except that in such succeeding fiscal

year (i) the amount of the grant to such an urban county shall be 50 percent of the amount calculated under section 106(b); and (ii) the remaining 50 percent shall be added to the amount allocated under section 106(d) to the State in which the urban county is located and the urban county shall be eligible in such succeeding fiscal year to receive a distribution from the State allocation under section 106(d) as increased by this sentence.

(7) The term “nonentitlement area” means an area which is not a metropolitan city or part of an urban county and does not include Indian tribes.

(8) The term “population” means total resident population based on data compiled by the United States Bureau of the Census and referable to the same point or period in time.

(9) The term “extent of poverty” means the number of persons whose incomes are below the poverty level. Poverty levels shall be determined by the Secretary pursuant to criteria provided by the Office of Management and Budget, taking into account and making adjustments, if feasible and appropriate and in the sole discretion of the Secretary, for regional or area variations in income and cost of living, and shall be based on data referable to the same point or period in time.

(10) The term “extent of housing overcrowding” means the number of housing units with 1.01 or more persons per room based on data compiled by the United States Bureau of the Census and referable to the same point or period in time.

(11) The term “age of housing” means the number of existing housing units constructed in 1939 or earlier based on data compiled by the United States Bureau of the Census and referable to the same point or period in time.

(12) The term “extent of growth lag” means the number of persons who would have been residents in a metropolitan city or urban county, in excess of the current population of such metropolitan city or urban county, if such metropolitan city or urban county had had a population growth rate between 1960 and the date of the most recent population count referable to the same point or period in time equal to the population growth rate for such period of all metropolitan cities. Where the boundaries for a metropolitan city or urban county used for the 1980 census have changed as a result of annexation, the current population used to compute extent of growth lag shall be adjusted by multiplying the current population by the ratio of the population based on the 1980 census within the boundaries used for the 1980 census to the population based on the 1980 census within the current boundaries. Where the boundaries for a metropolitan city or urban county used for the 1980 census have changed as a result of annexation, the current population used to compute extent of growth lag shall be adjusted by multiplying the current population by the ratio of the population based on the 1980 census within the boundaries used for the 1980 census to the population based on the 1980 census within the current boundaries.

(13) The term “housing stock” means the number of existing housing units based on data compiled by the United States Bureau of the Census and referable to the same point or period in time.

(14) The term “adjustment factor” means the ratio between the age of housing in the metropolitan city or urban county and the predicted age of housing in such city or county.

(15) The term “predicted age of housing” means the arithmetic product of the housing stock in the metropolitan city or urban county multiplied times the ratio between the age of housing in all metropolitan areas and the housing stock in all metropolitan areas.

(16) The term “adjusted age of housing” means the arithmetic product of the age of housing in the metropolitan city or urban county multiplied times the adjustment factor.

(17) The term “Indian tribe” means any Indian tribe, band, group, and nation, including Alaska Indians, Aleuts, and Eskimos, and any Alaskan Native Village, of the United States, which is considered an eligible recipient under the Indian Self-Determination and Education Assistance Act (Public Law 93-638) or was considered an eligible recipient under chapter 67 of title 31, United States Code, prior to the repeal of such chapter.

(18) The term “Federal grant-in-aid program” means a program of Federal financial assistance other than loans and other than the assistance provided by this title.

(19) The term “Secretary” means the Secretary of Housing and Urban Development.

(20)(A) The terms “persons of low and moderate income” and “low- and moderate-income persons” mean families and individuals whose incomes do not exceed 80 percent of the median income of the area involved, as determined by the Secretary with adjustments for smaller and larger families. The term “persons of low income” means families and individuals whose incomes do not exceed 50 percent of the median income of the area involved, as determined by the Secretary with adjustments for smaller and larger families. The term “persons of moderate income” means families and individuals whose incomes exceed 50 percent, but do not exceed 80 percent, of the median income of the area involved, as determined by the Secretary with adjustments for smaller and larger families. For purposes of such terms, the area involved shall be determined in the same manner as such area is determined for purposes of assistance under section 8 of the United States Housing Act of 1937.

(B) The Secretary may establish percentages of median income for any area that are higher or lower than the percentages set forth in subparagraph (A), if the Secretary finds such variations to be necessary because of unusually high or low family incomes in such area.

(C) *SERVICE-CONNECTED DISABILITY COMPENSATION.—*  
*When determining whether a person is a person of low and moderate income, a person of low income, or a person of moderate income under this paragraph, a State, unit of general local government, or Indian tribe shall exclude any service-connected disability compensation received by such person from the Department of Veterans Affairs.*

(21) The term “buildings for the general conduct of government” means city halls, county administrative buildings, State

capitol or office buildings, or other facilities in which the legislative or general administrative affairs of the government are conducted. Such term does not include such facilities as neighborhood service centers or special purpose buildings located in low- and moderate-income areas that house various non-legislative functions or services provided by government at decentralized locations.

(22) The term "microenterprise" means a commercial enterprise that has 5 or fewer employees, 1 or more of whom owns the enterprise.

(23) The term "small business" means a business that meets the criteria set forth in section 3(a) of the Small Business Act.

(24) The term "insular area" means each of Guam, the Northern Mariana Islands, the Virgin Islands, and American Samoa.

(b) Where appropriate, the definitions in subsection (a) shall be based, with respect to any fiscal year, on the most recent data compiled by the United States Bureau of the Census and the latest published reports of the Office of Management and Budget available ninety days prior to the beginning of such fiscal year. The Secretary may by regulation change or otherwise modify the meaning of the terms defined in subsection (a) in order to reflect any technical change or modification thereof made subsequent to such date by the United States Bureau of the Census or the Office of Management and Budget.

(c) One or more public agencies, including existing local public agencies, may be designated by the chief executive officer of a State or a unit of general local government to undertake activities assisted under this title.

(d) With respect to program years beginning with the program year for which grants are made available from amounts appropriated for fiscal year 1982 under section 103, the population of any unit of general local government which is included in that of an urban county as provided in subparagraph (A)(ii) or (D) of subsection (a)(6) shall be included in the population of such urban county for three program years beginning with the program year in which its population was first so included and shall not otherwise be eligible for a grant under section 106 as a separate entity, unless the urban county does not receive a grant for any year during such three-year period.

(e) Any county seeking qualification as an urban county, including any urban county seeking to continue such qualification, shall notify, as provided in this subsection, each unit of general local government, which is included therein and is eligible to elect to have its population excluded from that of an urban county under subsection (a)(6)(A)(ii)(I)(a), of its opportunity to make such an election. Such notification shall, at a time and in a manner prescribed by the Secretary, be provided so as to provide a reasonable period for response prior to the period for which such qualification is sought. The population of any unit of general local government which is provided such notification and which does not inform, at a time and in a manner prescribed by the Secretary, the county of its election to exclude its population from that of the county shall,

if the county qualifies as an urban county, be included in the population of such urban county as provided in subsection (d).

\* \* \* \* \*



## MINORITY VIEWS

We oppose H.R. 7480, which diverts limited Community Development Block Grant (CDBG) program funding to higher income disabled veterans without authorizing new funding for the lowest income households, including lower income veterans that rely on these funds today. Specifically, this bill would exclude service-connected disability income for the purposes of determining a household's income eligibility under the CDBG program. This sets a concerning precedent that both shifts resources away from the low-income households and communities the program was created to assist and presents duplication of benefit issues as higher income veteran households tend to have greater access to credit and alternative federal funding programs compared to lower income households.

CDBG gives eligible grantees, which include states, cities, territories, and counties, the discretion to make locally informed and place-based decisions, and to use funds towards development projects and programs within specific activity categories. As a condition of receiving funding, CDBG's authorizing statute requires state and local governments to certify that the proposed CDBG activities meet one of the program's three national objectives.<sup>1</sup> Eligible activities must: 1) benefit low- and moderate-income (LMI) persons; 2) aid in the prevention or elimination of slums or blight; or 3) meet a need having a particular urgency.<sup>2</sup> The objective to deploy funds for the benefit of LMI persons is often considered the "primary" national objective because statute requires that recipients of CDBG funds expend 70% of their funds to meet this objective.<sup>3</sup>

It is also important to keep in mind that compared to civilians, veterans, especially higher income, credit-worthy veterans, have access to additional financing and grant options through other federal programs targeted exclusively for veterans that are described below. By trying to expand CDBG assistance for higher income veterans, the bill would effectively duplicate other federal grant and lending programs, including:

- VA Mortgage Loan Program: The VA offers low-interest, zero-downpayment mortgage loans to help veterans access affordable homeownership;
- VA Cash-Out Refinance Loans: The VA offers cash-out refinance loans to help with home improvements;
- VA disability housing grants: These grants help disabled veterans purchase or modify their home for independent living;

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<sup>1</sup>*Id.*

<sup>2</sup>HUD, *Guide to National Objectives and Eligible Activities for CDBG Entitlement Communities* (Feb. 2001).

<sup>3</sup>*Id.*

- VA Home Improvements and Structural Alterations (HISA) Grants: HISA grants help with disability-connected home modifications;

- HUD-VASH: In addition to other federal programs serving veterans experiencing homelessness, HUD and the VA jointly administer the HUD-VASH program to offer homeless veterans rental payment assistance through HUD vouchers paired with casework and supportive services through the VA;

- HUD Veterans Housing Rehabilitation and Modification Pilot Program: HUD also offers grants to help “modify or rehabilitate eligible veterans’ primary residences or to provide grantees’ affiliates with technical, administrative, and training support in connection with those services” through the Veterans Housing Rehabilitation and Modification Pilot Program.

While Republicans claim to support veterans’ housing needs, the bottom line is that the underlying affordable housing crisis is a major root cause of veterans experiencing homelessness or otherwise struggling to afford or maintain housing. If we made major investments to increase the overall supply of fair and affordable housing, this would help veterans and other households struggling to afford housing. We could even increase investments in housing programs and other solutions that are targeted to veterans. But of course, Republicans are ignoring the root causes of veteran housing challenges and passing this bill that would effectively rob Peter to pay Paul so that they can pretend like they are doing something to help.

Moreover, despite claiming to support our nation’s veterans, Republicans proposed deep budget cuts for FY24 that would have harmed veterans, including by slashing rental assistance for over 50,000 veterans through HUD-VASH.<sup>4</sup> For FY2024 House Republicans proposed funding bills that would have slashed HUD grant programs by nearly 30% and rural housing programs administered by USDA by 31%.<sup>5</sup> In fact, while Committee Republicans have offered several legislative packages that would hurt America’s small business owners, gut the CFPB that helps protect veterans from financial harms, and allow mega wealthy big banks to continue abusive practices against consumers, they have yet to offer a legislative package to help address our nation’s worsening affordable housing and homelessness crisis, which affects veterans’ stability and well-being. Lastly, Representative Garcia of Texas proposed an amendment requiring the GAO to study the funding, budgetary, and income targeting effects of the underlying bill. The amendment was not accepted.

For these reasons, we oppose H.R. 7480.

Sincerely,

MAXINE WATERS,  
*Ranking Member.*  
 NYDIA M. VELÁZQUEZ,  
 STEPHEN F. LYNCH,

<sup>4</sup>The White House, *Congressional Republicans’ Legislation: 22% Cuts That Would Harm American Families, Seniors and Veterans* (Apr. 20, 2023).

<sup>5</sup>House Appropriations Committee, *Committee Approves FY24 Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Bill* (Jun. 14, 2023); See also House Appropriations Committee, *Fiscal Year 2024 Transportation, Housing and Urban Development, and Related Agencies Appropriations Bill* (Jul. 12, 2023).

AL GREEN,  
EMANUEL CLEAVER II,  
JOYCE BEATTY,  
AYANNA PRESSLEY,  
RASHIDA TLAIB,  
SYLVIA R. GARCIA,  
NIKEMA WILLIAMS,  
*Members of Congress.*

