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House of Representatives
Committee on Appropriations
Washington, DC 20515-6015

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April 23, 2015

WILLIAM E. SMITH
CLERK AND STAFF DIRECTOR

TELEPHONE:
(202) 225-2771

The Honorable Gene L. Dodaro
Comptroller General
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Mr. Dodaro:

We are writing to request that the Government Accountability Office (GAO) examine the use of Census and other data sources that affect funding to communities for the Department of Housing and Urban Development's (HUD) Community Development Block Grant (CDBG) program.

HUD's CDBG program provides federal funding for housing, economic development, neighborhood revitalization, and other community development activities. The program provides funding to metropolitan cities and urban counties, known as entitlement communities, and to states for distribution to non-entitlement communities. The program relies heavily on data from the Census Bureau's American Community Survey (ACS) to establish funding levels for communities and for other purposes. For example, ACS data are used to determine whether non-entitlement communities meet an area requirement for the CDBG national objective to primarily benefit low- and moderate-income persons.

We are concerned that HUD's almost exclusive reliance on estimates using ACS data for determining each community's economic conditions often generates inaccurate results that can adversely affect some communities. While our concern extends to all communities that rely on CDBG funding, we are especially concerned about adverse impacts on smaller, non-entitlement communities that receive funding from the state portion of the CDBG program. Although HUD allows communities who disagree with the national data to submit their own data, HUD's requirements for doing such are especially stringent and can impose substantial costs on such communities.

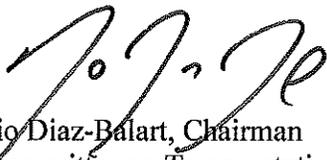
Based on our concerns, we request that GAO examine these issues. We would like your study to consider the following questions:

1. With respect to the CDBG program, what policies and procedures does HUD have in place to protect communities that could be adversely affected by inaccurate income data generated from the ACS?
2. What alternative sources of data could HUD potentially allow communities to use if the community disagrees with HUD's data, what are the relative merits for allowing

communities to submit such data, and what amount and type of cost would be borne by communities to collect and submit such data?

Thank you in advance for your work on this request. Should you have any questions or need additional information, please contact Jessica Wixson, Legislative Assistant for Representative Herrera Beutler at (202) 225-3536, or Carl Barrick of the Subcommittee on Transportation, Housing and Urban Development, and Related Agencies at (202) 226-7178.

Sincerely,



Mario Diaz-Balart, Chairman
Subcommittee on Transportation, Housing
and Urban Development, and Related Agencies



Jaime Herrera Beutler, Member of Congress
Committee on Appropriations