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Secretary Julián Castro
U.S. Department of Housing and Urban Development
451 7th St., S.W.
Washington, D.C. 20410

Dear Secretary Castro,

I am writing to express my strong concerns over small rural communities loss of access to the State administered portion of the Community Development Block Grant (CDBG) program because of flawed income data produced by the American Community Survey.

As you may know the Government Accountability Office (GAO) conducted a study examining this issue. The report, COMMUNITY DEVELOPMENT BLOCK GRANTS: Sources of Data on Community Income Are Limited (GAO-16-734: Published: Sep 6, 2016.), found “The Department of Housing and Urban Development’s (HUD) and states’ primary method for communities to demonstrate eligibility when they disagree with HUD’s eligibility determination is to allow communities to conduct their own local income surveys to show that they meet the Community Development Block Grant (CDBG) income threshold.” However, according to the report, “stakeholders cited costs and other challenges nonentitlement communities face in conducting local income surveys, including resource constraints, administrative burdens, and difficulty in obtaining a sufficient number of survey responses.”

Since some small, rural communities have lost access to this program legitimately through no fault of their own but because of inaccurate data used by HUD, I request HUD develop some options for how to make this program more equitable. I am particularly interested in how HUD can make it easier or more affordable for communities to conduct independent income surveys.

The GAO study also found that, “HUD does not collect data on the extent to which nonentitlement communities have conducted local income surveys instead of using the [low-and moderate-income] LMI summary data...” Knowing the scope of how many communities conduct an income survey is important to know for programming and policy purposes. Since conducting independent income surveys is the primary way communities can challenge the data used by HUD, (that has up to a 91% margin of error) it would be helpful to know how many communities conducted an income survey per year for the last three years, and how often an independent income survey determines that a community does in fact have a 51% or greater LMI population. Since it appears you don’t currently have this data, I urge you to begin collecting it immediately.

Sincerely,

Jaime Herrera Beutler
Member of Congress