

January 29, 2014

Andrew Mayock, Associate Director for General Government Programs
Office of Management and Budget
Executive Office of the President
725 17th Street, NW
Washington, DC 20503

Secretary Shaun Donovan
Department of Housing and Urban Development
451 7th Street, SW
Washington, DC 20410

Dear Associate Director Mayock and Secretary Donovan,

We are writing to urge the Administration to propose \$1.6 billion for the HOME Investment Partnerships program (HOME) in its FY 2015 Budget. The HOME Coalition, which includes the undersigned organizations, works to increase awareness about the uses of HOME, its importance to the development and provision of affordable housing, and the need for funding. Authorized in 1990, the HOME program has successfully produced more than 1.1 million affordable homes, in addition to making homes affordable for another 283,000 families through tenant-based rental assistance.

Severe need for affordable housing nationwide underscores the need for HOME. Over 18 million households (15.6 percent of households nationwide) spent more than half of their income on housing in 2012, according to research forthcoming from the Center for Housing Policy. Among working renters with moderate incomes or below, the problem is even more stark—as more than one in four working renter households has a severe housing cost burden. HOME is an essential part of the federal response to the affordable housing problem.

HOME provides grants to state and local governments to produce affordable housing for low-income families. HOME funds are a vital and unique source of financing for numerous affordable housing developments—many of which would not be possible without HOME assistance. HOME uniquely empowers states and localities to respond to the housing needs they judge most pressing, including affordable housing production and rehabilitation, preservation, rental and homeownership assistance, and disaster recovery response.

HOME flexibly works with and supports many critical federal housing programs and provides states and localities with an essential tool for responding to the whole spectrum of need, from homeless to ownership, from urban to rural areas, and all low-income populations, including families with children, the elderly, and persons with special needs.

Each dollar of HOME leverages an additional four dollars in other public and private resources, and enables for-profit and nonprofit developers to provide affordable housing in their communities. To date, HOME has leveraged more than \$109 billion.

Despite HOME's successful record and the growing need for affordable housing, the HOME program has been severely cut in the past few years. At \$1 billion in FY 2014, HOME's funding level is down 38

percent from its FY 2011 funding level of \$1.6 billion. HOME funding has been cut almost in half since FY 2010.

Members of the HOME Coalition and our member organizations continue to work to educate and remind congressional members and other stakeholders about HOME's value to states and localities through its flexibility, high leverage rate, strong track record, and importance to overall affordable housing production. While our efforts have stopped the downward funding trend, we are concerned that unless the Administration shows its support for increased HOME funding in FY 2015, our efforts to convince Congress to restore HOME funding will not be enough.

A request of \$1.6 billion for HOME in the FY 2015 Budget would only go partway towards restoring HOME program funding, but would send a strong message of support for HOME to Congress. We recognize the Administration and Congress are working to control federal spending and reduce the deficit, but we believe the HOME program is a wise investment that is necessary to making progress in addressing growing affordable housing needs. We therefore request that OMB, working with HUD, include no less than \$1.6 billion for HOME in the FY 2015 Budget.

Sincerely,

American Planning Association
Council for Affordable and Rural Housing
Council of State Community Development Agencies
CSH
Enterprise Community Partners
Habitat for Humanity International
Housing Assistance Council
Local Initiatives Support Corporation
Mercy Housing, Inc.
National Affordable Housing Management Association
National Alliance of Community Economic Development Associations
National Association of Home Builders
National Association of Housing and Redevelopment Officials
National Association of Housing Cooperatives
National Council of State Housing Agencies
National Housing Conference
National Leased Housing Association
National Low Income Housing Coalition
National Rural Housing Coalition
Practitioners Leveraging Assets for Community Development
Stewards of Affordable Housing for the Future
The Community Builders, Inc.

cc: Yolanda Chavez
Tyler Curtis
Michelle Enger
Laura Hogshead
Mark Johnston
Jessica Lee