



Campaign for Housing and Community Development Funding

Working to ensure maximum federal resources for housing and community development.

November 21, 2016

The Honorable Mitch McConnell
Majority Leader
Senate
Washington, DC 20510

The Honorable Harry Reid
Minority Leader
Senate
Washington, DC 20510

The Honorable Paul Ryan
Speaker of the House
House of Representatives
Washington, DC 20515

The Honorable Nancy Pelosi
Minority Leader
House of Representatives
Washington, DC 20515

Dear Majority Leader McConnell, Minority Leader Reid, Speaker Ryan, and Minority Leader Pelosi:

On behalf of the members of the Campaign for Housing and Community Development Funding (CHCDF), we write to urge you and your colleagues to approve full-year FY 2017 spending bills for the Departments of Housing and Urban Development (HUD) and Agriculture (USDA) as soon as possible. Enacting another continuing resolution (CR) at Fiscal Year (FY) 16 levels could cause these agencies to see a steep shortfall in funding, greatly impairing their ability to provide critical housing assistance to families with the lowest incomes.

CHCDF promotes strengthening existing affordable housing and community development programs in order to expand and preserve affordable and accessible housing options for low and moderate income families. As America is in the midst of a growing affordable housing crisis, these goals have never been more important.

Housing costs are rising faster than wages, while our nation's housing infrastructure is deteriorating and not keeping pace with rising demand. One in four renters in America is spending more than half of household income on rent, and family and young adult homelessness rates are rising in many communities across the country as growing numbers of people are unable to pay for a place to live. It is therefore crucial that our government invest more resources in affordable housing programs to help families struggling to make ends meet.

For FY17, HUD needs approximately \$1.5 billion more than FY16 spending levels and USDA needs \$18 million more to maintain current program levels and renew existing housing assistance contracts. This increase will help to keep all families using tenant and project-based rental assistance in their homes, including veterans who have recently received HUD-VASH vouchers.

A CR at FY16 levels could result in deep cuts to critical housing programs that could cause thousands of families and children to lose access to stable housing, putting them at increased risk of homelessness, as well as losing accessible housing for millions with disabilities. More than an estimated 130,000 vouchers could be lost in FY17 if Congress passes a full-year CR at FY16 levels.

Failing to pass full-year spending bills also puts vital investments in affordable housing and recent legislative improvements at risk. Both the House and Senate proposed bills for HUD would increase resources for affordable housing programs—\$200 million and \$500 million, respectively—to help provide stable and accessible affordable housing for more seniors, people with disabilities, families with children, and people experiencing homelessness. As a result, both bills propose significant increases for Housing Choice Vouchers, Project Based Rental Assistance, Section 202 Housing for the Elderly, Homeless Assistance Grants, Family Unification Vouchers and Lead-Based Paint Hazard Reduction. In addition, the House and Senate bills provide level funding or modest increases for the Public Housing

Operating Fund, Public Housing Capital Fund, Family Self Sufficiency Program, HOME Investment Partnerships (HOME) program, Community Development Block Grants (CDBG), and Housing Opportunities for Persons with AIDS (HOPWA) program.

This year through bipartisan efforts Congress passed the Housing Opportunity through Modernization Act of 2016, which focuses on simplifying and streamlining existing rental assistance programs, while also moderately reducing program costs. Without sufficient appropriations, the efficiencies and improvements made effective through HOTMA will not be fully realized.

Passing a CR would exacerbate previous cuts made to affordable housing programs. Since 2010, HUD's overall budget authority for programs has decreased slightly by \$54 million. But, at the same time, the costs to maintain rental assistance has gone up by \$3.51 billion. This means that all other HUD programs—outside of rental assistance—have been cut by \$3.56 billion to make up this shortfall. The programs hardest hit have been CDBG (-\$1.4 billion), HOME (-\$900 million), Public Housing Capital Fund (-\$600 million), and Housing for the Elderly (-\$392 million). The only program outside of rental assistance that has seen significant gains in funding is Homeless Assistance Grants, which saw a \$385 million increase between 2010 and 2016. A CR at FY16 levels will likely result in more funding cuts to these programs, further impairing their ability to serve Americans with the lowest incomes in communities across the country.

While decent housing remains unavailable or unaffordable for far too many today, the affordable housing crisis would be significantly worse without the federal assistance provided by HUD and USDA. We know these programs work. In 2012, federal housing assistance raised 4 million people out of poverty. Over the past several years HUD, the Department of Veterans Affairs and the United State Interagency Council on Homelessness have reduced veteran homelessness by nearly 50%. That achievement was largely made possible by increased funding directly targeted at those in need of assistance.

To address the affordability crisis and build upon achievements made in decreasing the number of people experiencing homelessness, Congress should increase the number of families who are able to afford homes due to HUD and USDA programs, not reduce it.

A CR will intensify the affordable housing crisis and only make it more difficult for America's most vulnerable families to access safe, decent, and accessible affordable housing. For these reasons, we urge you to pass full-year spending bills to ensure HUD and USDA have the resources they need to continue to serve those most in need. We thank you for considering our views as you work through the appropriations process for the remainder of the fiscal year.

Sincerely,

Steering Committee of the Campaign for Housing and Community Development Funding:

Corporation for Supportive Housing
Council of Large Public Housing Authorities
Enterprise Community Partners
LeadingAge
Local Initiatives Support Corporation
National Alliance to End Homelessness
National Association of Housing and Redevelopment Officials
National Council of State Housing Agencies
National Disability Rights Network
National Housing Conference
National Housing Trust
National Low Income Housing Coalition
Stewards of Affordable Housing for the Future