



October 7, 2011

The Honorable Patty Murray, Chair
Committee on Appropriations T-HUD
Subcommittee
United States Senate
Dirksen Senate Office Building, Room 133
Washington, DC 20510

The Honorable Susan Collins, Ranking Member
Committee on Appropriations T-HUD
Subcommittee
United States Senate
Dirksen Senate Office Building, Room 133
Washington, DC 20510

The Honorable Tom Latham, Chair
Committee on Appropriations T-HUD
Subcommittee
United States House of Representatives
Rayburn House Office Building, Room 2358A
Washington, DC 20515

The Honorable John Olver, Ranking Member
Committee on Appropriations T-HUD
Subcommittee
United States House of Representatives
Rayburn House Office Building, Room 2358A
Washington, DC 20515

Dear Chair Murray, Chair Latham, Ranking Member Collins and Ranking Member Olver:

The National Housing Conference (NHC) writes to urge you to increase HUD funding in the final FY12 Transportation, Housing and Urban Development, and Related Agencies (T-HUD) bill.

NHC is a member of the Campaign for Housing and Community Development Funding (CHCDF), a coalition of national affordable housing and community development groups. CHCDF members include faith-based, private and public sector, financial intermediary, civil rights, developer, and advocacy groups. These groups work to meet the needs of low and moderate income renters and homeowners in urban, suburban, rural, and tribal communities, including the elderly, people with disabilities, and people experiencing homelessness.

As a CHCDF member, NHC has significant concerns over the cuts proposed in the House and Senate 2012 funding for the Department of Housing and Urban Development (HUD) House and Senate appropriations bills. The historically deep cuts made in these bills could exacerbate the economic hardships of many in need of affordable housing and community development resources.

In addition, the challenge of affordable rental housing is acute and growing. This is not the time to curtail housing programs that serve as an essential protection for the most vulnerable households. Due to the weak economy, renters' incomes are not keeping pace with the cost of rental housing, nor is the supply of affordable apartments sufficient to meet the need. In a recent study, Harvard's Joint Center for Housing Studies documented an affordability crisis: 49 percent of renters in 2009 were at least moderately cost-burdened and 26 percent were severely cost-burdened. According to the Center for Housing Policy's report *Housing Landscape 2011*, nearly one in four working households had a severe housing cost burden in 2009, spending more than half of its income on housing costs. In the types of jobs currently hiring new workers,



four out of the five most prevalent jobs do not pay workers enough to afford to rent or buy housing at typical prices nationwide, according to the Center for Housing Policy's report, *Paycheck to Paycheck*.

As the needs of low and moderate income households grow, the House and Senate bills would unnecessarily reduce the affordable housing and community development resources available to these households. The Budget Control Act mandates cuts of approximately 5% in non-security programs but the House cuts to HUD are 7%¹ and the Senate's are 10%². Under the House bill, the HUD budget would reach its lowest level since 2003, while the Senate legislation would leave HUD programs funded at the lowest since 2001.³

Affordable housing and community development funding prevents homelessness, protects vulnerable populations, and leverages private capital to produce desperately-needed affordable housing, while creating local construction jobs. At a time when the economy is stagnant, incomes are falling for working households, private capital is scarce, and homelessness is rising, a failure to preserve funding for affordable housing and community development programs will be nothing short of devastating for the most vulnerable constituents and communities you represent.

To protect these families and communities, we strongly urge you to increase funding for HUD programs above the levels in the House and Senate bills. This could be achieved, for instance, by making sure rescissions from HUD programs identified in either the House or Senate versions are applied elsewhere within the HUD appropriations. This assumes that such rescissions do not otherwise interfere with HUD fulfilling its existing commitments to households, communities, or program partners.

Sincerely,

A handwritten signature in black ink that reads 'Jeanne K Engel'.

Jeanne Engel
Interim President and CEO
National Housing Conference

Cc: Hon. Daniel Inouye
Hon. Thad Cochran
Hon. Harold Rogers
Hon. Norm Dicks

¹ FY 2012 Transportation, Housing and Urban Development Bill - Full Committee Draft Report

² FY 2012 Transportation, Housing and Urban Development, and Related Agencies Appropriations Bill and analysis by Center on Budget and Policy Priorities. <http://www.cbpp.org/files/9-27-11-IPmemoHUDapprops.pdf>.

³ Both are adjusted for inflation.