



June 2, 2011

The Honorable Spencer Bachus
Chairman
House Financial Services Committee
Washington, DC 20515-6015

Dear Chairman Bachus,

Since 1931, the National Housing Conference (NHC) has been dedicated to ensuring safe, decent and affordable housing for all Americans. NHC has earned its strong reputation as the *United Voice for Housing* by actively engaging and convening its membership in nonpartisan advocacy for effective housing policy solutions at the local, state, and national levels. NHC brings together a diverse membership of housing stakeholders including tenant advocates, mortgage bankers, non-profit and for-profit home builders, property managers, policy practitioners, realtors, equity investors, and more, all of whom share a commitment to a balanced housing policy.

As America recovers from the worst housing downturn since the Great Depression, successful federal housing programs like the HOME Investment Partnerships Program are more important than ever. Unfortunately, recent coverage by the *Washington Post* did the low-income Americans who depend on this program a disservice. It largely ignored the strong track record of the **HOME program in creating more than one million affordable homes**, instead looking at a few anecdotes and simplistic statistics on project delays, when in fact only 2.5 percent out of 28,000 active developments are delayed, according to HUD's data analysis.

The economic downturn and severe dislocation in the capital markets over the past few years **stalled many projects across the country**—both affordable and market rate, subsidized and unsubsidized, and in all markets. To illustrate, a National Association of Home Builders (NAHB) survey from earlier this year found that more than half of builders reported stalled projects (Exhibit 1). When one compares HOME performance to the delays throughout the private sector, illustrated further by the charts in Exhibit 2 showing how housing completions and housing starts slowed dramatically during the crisis, it is clear that **HOME stands out for completions**, not delays.

Working families need affordable housing, but it is getting harder to find. According to a report from Harvard University's Joint Center for Housing Studies released in April, there is a substantial and growing scarcity of affordable rental housing for low- and moderate-income



Americans. NHC's research affiliate, the Center for Housing Policy finds that nearly one in four working households spends more than half of their income on housing costs. And despite falling home values, housing affordability worsened significantly for working owners and renters between 2008 and 2009.

Meanwhile, **we are losing affordable homes that it took years to create.** Since the mid 1990s, more than 700,000 apartments with federal subsidies tied to them were lost from the subsidized housing stock (either through demolition or owner decision to abandon subsidies and turn the units into market-rate rentals). Nearly 12 percent of low-cost rentals existing in 1999 were demolished or otherwise permanently lost from the housing stock by 2009.

For 80 years, the National Housing Conference has advocated for decent, safe, and affordable housing for all Americans. The HOME program has been an important element of our national commitment to creating housing opportunities for all Americans—we should measure its accomplishments fairly, recognize failures when they occur, and seek to do better. In the wake of the housing collapse, now more than ever we should look to expand affordable housing opportunities for Americans that build on proven solutions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Maureen A. Friar', is written in a cursive style.

Maureen Friar
President & CEO
National Housing Conference

Exhibit 1: National Association of Home Builders Survey---Share of Respondents who reported putting projects on hold until financing climate gets better- By Region
(Percent of Respondents)

	Total	Region			
		Northeast	Midwest	South	West
Land Acquisition	53%	53%	55%	57%	42%
Land Development	61	63	56	61	67
Single-family Construction	60	47	58	66	54
Multifamily Construction	45	36	48	43	55
Condo	37	27	38	35	47
Rental	32	20	27	32	45

Exhibit 2: Private Sector Real Estate Development Slowed Dramatically During the Crisis



