



April 14, 2011

Dear Senator:

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.

America is only just beginning to recover from the worst economic downturn since the Great Depression and is still grappling with the painful adjustments in the housing markets. Housing is less affordable for most Americans than it was in 2007, because the decline in housing prices has had a far smaller effect on housing affordability than falling incomes and unemployment, as our research affiliate the Center for Housing Policy noted most recently in *Housing Landscape 2011*. Nearly one in four working households¹ or 10.5 million households had a severe housing cost burden in 2009, spending more than half of their income on housing.² These challenges accentuate the need for federal housing programs, particularly those that assist the most vulnerable citizens.

NHC therefore objects to the cuts to essential housing programs that emerged in the continuing resolution (CR) released April 12 to avert a government shutdown. We understand the concern about deficit reduction and the difficulty of choosing where to make cuts. However, with housing markets weakened across the country and a wide income range of American struggling with housing costs, we should strengthen, rather than reduce, our commitment to housing.

The CR would cut more than \$2.2 billion from vital housing programs, even without factoring in the across-the-board cut in non-defense spending. The table below shows the range of housing programs cut:

¹ *Housing Landscape 2011* (page 1), defines working households as households in the United States that averaged at least 20 hours per week in the workplace and earned no more than 120 percent of the area median income. <http://www.nhc.org/media/files/Landscape2011brieffinal.pdf> .

² Wardrip, Keith. 2011. *Housing Landscape 2011: An Annual Look at the Housing Affordability Challenges of America's Working Households*. Washington, DC: Center for Housing Policy. Page 1. <http://www.nhc.org/media/files/Landscape2011brieffinal.pdf> .

Cuts to Essential Housing Programs in FY 2011 CR as of April 12

<i>Line item</i>	<i>Relative to (in millions): FY 10 Enacted</i>
Veterans Affairs Supportive Housing Vouchers	(\$25)
Public Housing Operation Fund	(\$149)
HOPE IV	(\$100)
Public Housing Capital Fund	(\$456)
Native American Housing Block Grants	(\$50)
Community Development Fund (CDF)	(\$942)
<i>Sustainable Communities Initiative (in CDF)</i>	(\$50)
HOME Investment Partnerships	(\$215)
Brownfield Redevelopment	(\$18)
Housing Counseling Assistance	(\$88)
Energy Innovation Fund	(\$50)
Lead Hazard Reduction	(\$20)
Rural Housing Insurance Fund Program - loan subsidies	(\$151)
Rural Rental Assistance Program	(\$24)
Total	(\$2,288)

Many of these programs are designed to leverage private capital and work with existing private housing market mechanisms to provide essential housing and create jobs. They preserve and expand rental housing for seniors, the homeless, veterans, and others. They help potentially vulnerable consumers make good decisions about home financing amidst new and complex choices. They deliver rental assistance through public-private partnerships that rely on market mechanisms. They revitalize rural, urban, and suburban communities by leveraging private debt and equity capital, often by many times the government investment. The goal, which cuts across partisan lines, should be one of making housing affordable by building on America's vibrant private sector.

We recognize that much has already gone into crafting the continuing resolution as it is. These issues, however, will be with us far beyond this budget cycle. The National Housing Conference therefore encourages you to support a deficit reduction approach that minimizes cuts to cost-effective housing programs that support a balance housing policy for all Americans, particularly the most vulnerable.



Sincerely,

A handwritten signature in black ink, appearing to read 'Maureen A. Friar'. The signature is fluid and cursive.

Maureen Friar
President & CEO
National Housing Conference