



Campaign for Housing and Community Development Funding

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

March 8, 2013

The Honorable Barbara Mikulski
Chair
Committee on Appropriations
U.S. Senate
Washington, D.C. 20510

The Honorable Harold Rogers
Chair
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Richard Shelby
Ranking Member
Committee on Appropriations
U.S. Senate
Washington, D.C. 20510

The Honorable Nita Lowey
Ranking Member
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Chair Mikulski, Chair Rogers, Ranking Member Shelby, and Ranking Member Lowey:

The undersigned members of the Campaign for Housing and Community Development Funding (CHCDF), a group of 74 national organizations representing all 50 states and territories, urge you to support a fiscal year 2013 (FY13) continuing resolution (CR) that includes the full title for the Department of Housing and Urban Development (HUD) that the House and Senate Appropriations Committees have negotiated.

The effects of the sequester will fall very hard on the most vulnerable, lowest-income Americans, even though Congress has exempted some critical safety net programs from these across-the-board spending cuts. One area where this is particularly true is the housing assistance and community development programs administered by HUD. These programs – such as the Section 8 rental assistance programs, public housing, homeless assistance, and Community Development Block Grants – overwhelmingly serve seniors, people with disabilities, families with children and other people and communities with the lowest incomes. Almost all HUD programs are subject to sequestration; unless sequestration is reversed, these programs will see deep cuts, on top of the reductions in HUD spending that have already occurred over the past two years.

Overall, critical HUD programs will lose more than \$2 billion via sequestration. As a result, more than 100,000 families will lose Section 8 rental assistance over the coming year, and, according to HUD, another 100,000 people who are homeless will lose access to shelters, temporary housing assistance, and other forms of assistance. The cuts will also accelerate the loss of public housing and other affordable housing, and deepen the cuts in resources that low-income communities use to rebuild sewers and other basic infrastructure, reduce the exposure of children to lead in their homes, and provide housing counseling to families at risk of foreclosure.

These spending reductions make it particularly important that funding decisions be made carefully, using up-to-date information, and with a mind toward directing spending to areas that will mitigate the harm to vulnerable people. This is exactly what the House and Senate Appropriations committees have done, on a bipartisan basis, in developing legislation to fund HUD in FY13. In fact, it is our understanding that the HUD

title of a draft FY13 Transportation, Housing and Urban Development, and Related Agencies (THUD) conference agreement has already been developed by the committees.

Under these circumstances, insisting on using FY12 spending levels in a “full-year continuing resolution” is neither a reasonable nor a prudent approach. In some important areas, it would exacerbate the effects of sequestration rather than mitigate them. For example, last year’s funding bill cut operating funds for public housing by \$750 million but targeted this cut on housing agencies with reserves that they could draw down to help cover their costs. This one-time savings cannot be repeated, yet the cut is carried forward to 2013 mechanically in the CR. If extended for the rest of the year, it would mean that, even before sequestration, housing agencies would receive only 77 cents for every \$1 they need to cover the gap between their operating costs and the rents that low-income residents can afford for the remainder of FY13. This would accelerate the loss of affordable housing due to deterioration as agencies are forced to forego maintenance and repairs. This would also mean that low income households would not have the opportunity to access this federal investment in the future.

The bill that the House passed on March 6 continued FY12 levels for virtually all HUD programs. To reduce losses of rental assistance, to better preserve public and other affordable housing, and to mitigate homelessness and other hardships that sequestration will bring, we urge the Senate to include a carefully thought-out full HUD funding title in the appropriations legislation it will consider next week. This approach would lessen the harmful consequences for vulnerable seniors, people with disabilities, and families, and do so as part of a Senate appropriations bill that would cost no more than extending the House CR. CHCDF members urge the Senate to use this approach which will prevent harm to the most vulnerable households in our country, those in need of HUD’s affordable housing and community development resources.

CHCDF members represent a full continuum of national affordable housing and community development organizations, including 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.

Sincerely,

Community Action Partnership
Consortium for Citizens With Disabilities Housing Task Force
Council of Large Public Housing Authorities
CSH
Enterprise Community Partners
Housing Assistance Council
LeadingAge
Local Initiatives Support Corporation
Lutheran Services in America
Mercy Housing
National AIDS Housing Coalition
National Alliance of Community Economic Development Agencies
National Alliance on Mental Illness
National Alliance to End Homelessness
National American Indian Housing Council

National Association of Housing and Redevelopment Officials
National Center for Housing and Child Welfare
National Center on Healthy Housing
National Coalition for Asian Pacific American Community Development
National Disability Rights Network
National Fair Housing Alliance
National Housing Conference
National Housing Trust
National Law Center on Homelessness & Poverty
National Leased Housing Association
National Low Income Housing Coalition
National Network to End Domestic Violence
Public Housing Authorities Directors Association
Stewards of Affordable Housing for the Future
The Community Builders, Inc.

cc: The Honorable Harry Reid
The Honorable Mitch McConnell
The Honorable John Boehner
The Honorable Nancy Pelosi
The Honorable Patty Murray
The Honorable Susan Collins
The Honorable Tom Latham
The Honorable Ed Pastor
