



## Campaign for Housing and Community Development Funding

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

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May 12, 2015

The Honorable Hal Rogers  
Chairman  
Committee on Appropriations  
U.S. House of Representatives  
2406 Rayburn HOB  
Washington, D.C. 20515

The Honorable Nita Lowey  
Ranking Member  
Committee on Appropriations  
U.S. House of Representatives  
2365 Rayburn HOB  
Washington, D.C. 20515

The Honorable Mario Diaz-Balart  
Chairman  
THUD Appropriations Subcommittee  
U.S. House of Representatives  
440 Cannon HOB  
Washington, D.C. 20515

The Honorable David Price  
Ranking Member  
THUD Appropriations Subcommittee  
U.S. House of Representatives  
2108 Rayburn HOB  
Washington, D.C. 20515

Dear Chairman Rogers, Ranking Member Lowey, Chairman Diaz-Balart, and Ranking Member Price,

The undersigned members of the Campaign for Housing and Community Development Funding (CHCDF), a coalition of national groups representing a broad spectrum of housing and community development organizations in all 50 states, the District of Columbia, and the territories, call on you to protect low income Americans by preserving and increasing funding for programs of the Department of Housing and Urban Development (HUD).

We are deeply concerned that funding allocated to the Department of Housing and Urban Development (HUD) in the Fiscal Year (FY) 2016 Transportation, Housing and Urban Development (THUD) Appropriations bill that was recently passed by the Subcommittee is inadequate to protect vulnerable Americans. While we appreciate the Subcommittee's constraints given the budget caps imposed by the Budget Control Act of 2011 (BCA), the funding levels and some authorizing language in the bill will cut critical programs needed to address the growing affordable housing crisis, will discourage private investment in affordable housing, and will halt progress being made to reduce homelessness.

In addition to our concerns about the total level of HUD funding, we want to call your attention to several specific problems in the bill.

- The HOME Investment Partnerships Program (HOME) funding is cut to \$767 million -- \$133 million less than its already record-low funding of \$900 million in FY 2015 and 52% less than its FY 2011 allocation. The Committee would offset this drastic cut by transferring all funds scheduled to go to the National Housing Trust Fund (HTF) in 2016. This action would result in a net reduction of affordable housing production and preservation resources, as well as the elimination of the HTF, a critical program targeted to the poorest families who have the most serious housing needs. It will also result in the loss of the private sector investment that both HOME and the HTF otherwise would have leveraged. Further, the bill would prohibit Congress from directing any other funding to the HTF, essentially eliminating the program.

- Section 8 Project-Based Rental Assistance funding falls at least \$106 million short of what is necessary to fund all contracts for 12 months. The bill counts on savings from project based contract administration to make up this shortfall, although those savings will not be delivered for at least two years because HUD has to design and implement a new procurement process. Even once implemented, there is no guarantee that the new procurement process will produce the estimated savings for this program. Failure to renew all contracts in FY 2016 risks displacing tenants, jeopardizes long-term investments in affordable housing, and would alienate private landlords who have longstanding partnership with HUD and rely on Congress to fully fund this account every year.
- The Public Housing Capital program is cut by almost \$200 million, notwithstanding an estimated maintenance backlog of well over \$26 billion. The budget also continues to underfund public housing operations at an estimated 82 percent proration. Together these reductions endanger long-standing federal investments in our public housing properties and threaten the long term health and safety of public housing residents.
- Cuts to the Choice Neighborhoods initiative undermine public-private partnerships working to restore communities.
- Housing Choice Voucher funding may be insufficient to renew all vouchers currently funded and does not adequately restore vouchers lost due to sequestration cuts in 2013. Additionally, Section 8 administrative fees are proposed at a prorated level estimated at 68 percent which undermines the effective administration of the voucher program and the ability to serve families, victims of domestic violence and homeless veterans.
- Although the bill may provide enough funding to continue existing homeless assistance programs, it does not increase the capacity of the program to serve the hundreds of thousands of Americans who remain homeless or provide resources to increase progress towards ending homelessness.
- Cuts to the Section 202 Supportive Housing for the Elderly shift the program entirely to an operating subsidy, eliminating all capital for creation of new supportive housing for older adults, despite the large and growing need.
- The bill contains no funding for additional Section 811 Project-Based Rental Assistance (PRA) units despite the enormous demand on behalf of states for integrated permanent supportive housing as an alternative to costly institutional settings for non-elderly people with significant disabilities.
- The Office of Lead Hazard Control and Healthy Housing is cut by \$35 million to \$75 million. These cuts would mean that thousands of housing units that have been identified as containing lead paint hazards will not be made lead safe for the children currently living there and children who live there in the future.

The failure to sufficiently fund HUD programs will hurt low-income seniors, people with disabilities, and families with children, who want to live in safe, stable, affordable housing and to revitalize their communities. Investment in safe, decent, and affordable housing and community development improves child health and well-being, enhances educational achievement, and prevents unnecessary use of hospitals, nursing homes, and other expensive institutional settings. It also lowers crime, and increases employment access and stability. HUD's programs address the basic needs of our nation's residents.

Therefore, we urge Congress to reverse the sequestration cuts put in place by the BCA and enact legislation similar to the FY 2014 and FY 2015 Murray-Ryan Bipartisan Budget Act. Further, we urge you

to start work on these efforts now, so that a healthy budget is in place by October 1. Without sequestration relief, non-defense discretionary programs, including important housing and community development initiatives, will experience the lowest spending<sup>1</sup> at a time when the need for these programs is at historically high levels.

We also urge the Committee to provide additional resources to HUD's programs in the FY 2016 THUD Appropriations bill and encourage the Committee to reconsider the funding provisions outlined above that are particularly harmful to vulnerable households in need of HUD's programs.

We stand ready to work with you to find responsible ways to continue to address our nation's housing and community development needs. CHCDF members represent a full continuum of national affordable housing and community development organizations, including faith-based, private and public sector, financial intermediaries, civil rights and advocacy groups. We 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, veterans and people experiencing homelessness.

Please let us know how we can be of additional assistance.

Sincerely,

Coalition on Human Needs  
Consortium for Citizens with Disabilities Housing Task Force  
Council of Large Public Housing Authorities  
Council of State Community Development Agencies  
CSH  
Enterprise Community Partners  
Friends Committee on National Legislation  
Housing Assistance Council  
LeadingAge  
Local Initiatives Support Corporation  
Low Income Investment Fund  
Lutheran Services in America  
National Alliance of Community Economic Development Associations  
National Alliance on Mental Illness  
National Alliance to End Homelessness  
National Association of Affordable Housing Lenders  
National Association of Housing and Redevelopment Officials  
National Center for Healthy Housing  
National Center for Housing & Child Welfare  
National Coalition for Asian Pacific American Community Development  
National Coalition for the Homeless  
National Community Land Trust Network  
National Council of State Housing Agencies  
National Disability Rights Network  
National Fair Housing Alliance

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<sup>1</sup> As a percentage of gross domestic product since 1962 (when records were first kept). Source: CBPP presentation at NDD United Town Hall Jan. 29 2015; uses OMB and CBO data.

National Housing Conference  
National Housing Trust  
National Leased Housing Association  
National Low Income Housing Coalition  
National NeighborWorks Association  
National Network to End Domestic Violence  
NETWORK, A National Catholic Social Justice Lobby  
Public Housing Authorities Directors Association (PHADA)  
Rebuilding Together  
Religious Action Center of Reform Judaism  
Stewards of Affordable Housing for the Future  
The Arc of the United States  
The Community Builders