

November 8, 2011

The Honorable Tom Latham
Subcommittee on Transportation, Housing and
Urban Development, and Related Agencies
2217 Rayburn HOB
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Patty Murray
Subcommittee on Transportation, Housing and
Urban Development, and Related Agencies
448 Russell Senate Office Building
U.S. Senate
Washington, D.C. 20510

The Honorable John Olver
Subcommittee on Transportation, Housing and
Urban Development, and Related Agencies
1111 Longworth HOB
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Susan Collins
Subcommittee on Transportation, Housing and
Urban Development, and Related Agencies
413 Dirksen Senate Office Building
U.S. Senate
Washington, D.C. 20510

Dear Chairmen and Ranking Members:

As you move into conference on H.R. 2112, we appeal to you to spare the HOME Investment Partnerships (HOME) program from the devastating cuts proposed by both the House and the Senate. In your conference negotiations, we implore you to fund the HOME program at an amount as close to its FY 2011 funding level of \$1.6 billion as possible and that, at a minimum, you fund the program at no less than the House-proposed level of \$1.2 billion. HOME funding is used exclusively to create affordable housing for low-income households.

HOME already received a 12 percent cut in FY 2011. Based on FY 2010's funding and production levels, even if HOME is funded in FY 2012 at the House-proposed level of \$1.2 billion, a 34 percent cut from FY 2010, we expect almost 23,500 fewer affordable homes will be produced in FY 2012 than were in FY 2010. If cut even deeper, to the Senate-proposed FY 2012 level of \$1 billion, a 45 percent cut from FY 2010, we expect 31,000 fewer homes will be produced in FY 2012 than were in FY 2010. This means fewer homebuyer and rental units, fewer homeowner rehabilitation projects, and fewer tenants assisted.

In addition to providing needed affordable housing, HOME funds contribute to job creation, especially in the hard-hit construction sector. According to FY 2011 estimates of jobs supported directly and indirectly by HOME, funding HOME at the Senate-proposed number of \$1 billion in FY 2012, a 38 percent cut from FY 2011, would result in a loss of 10,763 jobs. Further, states and localities leverage HOME funding by generating almost four dollars of other public and private funding for every HOME dollar. To date, the HOME program has leveraged over \$80 billion.

HOME funding is a vital piece in financing numerous affordable housing developments—many of which would not be possible without HOME assistance. HOME works with and supports many critical federal housing programs, including Section 202 housing for the elderly, Section 811 housing for persons with disabilities, rural housing programs, and the Low Income Housing Tax Credit, making developments financially feasible and achieving deeper income targeting than would otherwise be possible. It also enables for-profit and nonprofit developers to provide affordable housing in their communities.

HOME uniquely empowers states and localities to respond to the housing needs they judge most pressing, allowing them to serve the whole spectrum of need, from homeless to ownership to disaster recovery, from urban to rural areas, and all low-income populations, including families with children, the elderly, and persons with special needs. In its 20 years of existence, the HOME program has successfully produced more than 1 million affordable homes, in addition to making homes affordable for tens of thousands of families with rental assistance.

We ask that the conferees resist additional, disproportionate cuts to HOME and recognize both the successful track record of the program and the need for its continued funding at a time when our housing market, and broader economy, continues to struggle and the need for affordable housing continues to grow.

Sincerely,

Council for Affordable and Rural Housing
Council of State Community Development Agencies
Enterprise Community Partners
Habitat for Humanity International
Local Initiatives Support Corporation
Mercy Housing
National Affordable Housing Management Association
National Association for County Community and Economic Development
National Association of Home Builders
National Association of Housing and Redevelopment Officials
National Association of Local Housing Finance Agencies
National Community Development Association
National Council of State Housing Agencies
National Housing Conference
National Housing Trust
National Leased Housing Association
Stewards of Affordable Housing for the Future
YWCA USA

Cc: Senate Conferees
House Conferees