



## Campaign for Housing and Community Development Funding

December 7, 2005

Dear Member of Congress,

The undersigned national organizations write to ask you to oppose any across-the-board cut in discretionary appropriations for FY 2006. An across-the-board cut – even a cut of only one or two percent – would undermine important federal affordable housing and community development programs and harm thousands of the vulnerable families and communities that depend on them.

Affordable housing and community development programs produce stronger communities for everyone. Affordable housing promotes access to jobs and employment stability, better public health, and improved school performance for children. It reduces homelessness and its associated costs to taxpayers. It allows seniors, people with disabilities, and other vulnerable people to live with dignity in decent housing. In addition, federal investment in community and economic development helps localities meet infrastructure and other demands resulting from population growth and the changing global economy and catalyzes private-sector investment to increase jobs and other economic opportunities

At the same time, most communities are facing a severe shortage of affordable housing and dwindling resources to promote community development. As a result, strong federal investments are needed badly to help communities achieve their goals.

Although it may appear modest, a cut of one or two percent would have a sizeable impact on federal programs that assist some of our nation's most vulnerable citizens and communities. A two-percent cut, for example, would eliminate funding for more than 40,000 units of affordable housing in 2006 and cut \$200 million that is needed to maintain public housing and support community development projects across the country. More specifically, a two-percent cut would:

- Reduce **Community Development Block Grant (CDBG)** formula funding by an additional \$75 million for FY 2006. CDBG provides communities with critical resources to rebuild and revitalize neighborhoods by developing affordable housing, rebuilding public infrastructure, and providing essential social services. Because CDBG spending was already reduced by \$364 million in the final HUD FY 2006 Appropriations law, communities would lose a total of \$439 million (11 percent) in FY 2006 in comparison to FY 2005, or an average of \$8.8 million for each state (see the attached chart for funding cut estimates for each state).
- Eliminate funding for 35,000 **Housing Choice (“Section 8”) Vouchers** that could be used by families with children, seniors, and people with disabilities who cannot afford to rent housing in their communities. Such a cut would obliterate Congress' strong effort in

the HUD FY 2006 Appropriations law to restore funding to agencies that have been forced to cut tens of thousands of vouchers in 2004 and 2005 as a result of funding shortfalls. (A state-by-state summary of the impact of an across-the-board cut on vouchers is attached.)

- Cut an additional \$34 million from FY 2006 formula grants made through the **HOME** program, which would lead to a loss of nearly 2,000 units of affordable housing for renters and homebuyers. HOME formula grants have already been cut by \$162 million over the past two years, so a further cut would reduce the most flexible affordable housing resource for communities across the nation by a total of nearly \$200 million.
- Cut \$134 million from the capital and operating funds for **Public Housing**, thereby placing further strain on agencies that are already struggling to maintain 1.2 million units of affordable housing. Under the recently-passed HUD FY 2006 Appropriations law, federal funding for public housing in 2006 will already be nearly \$1 billion, or 13.5 percent, below 2001 funding levels. This further attrition of funding comes at a time when public housing agencies are confronting sharply rising utility costs and a \$20 billion backlog of capital repairs.
- Eliminate funding for 1,200 units of transitional and permanent housing for homeless persons by reducing **Homeless Assistance** funding by nearly \$27 million. Encouraged by the federal government, over 170 cities and nearly every state are developing and implementing new plans to prevent and end homelessness. Having pledged both public and private resources to the task, they are counting on the federal government to be a full partner in achieving these goals. A cutback in Homeless Assistance funding will hamper these efforts.
- Cut \$20 million from the **Section 202 and Section 811 Housing Programs**, leading to a loss of 135 units of housing that would be affordable for low-income seniors and people with disabilities.
- Eliminate **Housing for Persons with AIDS (HOPWA)** assistance for more than 1,400 families and individuals struggling to live with HIV/AIDS. Recent research demonstrates strong links between housing stability and HIV care and treatment, yet experts estimate that about half of the 1.1 million people living with HIV/AIDS in the U.S. will need some amount of housing assistance during the course of their illness. A reduction in HOPWA assistance would have a profound impact on the health of those who previously received assistance or are still awaiting help.
- Deprive nearly 1,000 families of the opportunity to become homeowners through the Section 502 single-family loan program. Although Congress has enacted a solid bill (HR 2744) to fund Section 502 and other **Rural Housing Programs** for FY 2006, funding levels for major rural housing programs are still at lower levels compared to recent years. An additional across-the-board cut would further damage these programs and harm the families that rely on them.

We urge you to oppose such cuts and to protect the investments that Congress has already approved in the FY 2006 Appropriations laws for HUD and USDA. These investments will strengthen thousands of families by providing critical resources to help communities to create affordable housing and revitalize their neighborhoods.

Sincerely,

Coalition of Community Development Financial Institutions  
Consortium for Citizens with Disabilities  
Corporation for Supportive Housing  
Council for Affordable and Rural Housing  
Enterprise Community Partners  
Housing Assistance Council  
Lawyers' Committee for Civil Rights Under Law  
National Advocacy Center of the Sisters of the Good Shepherd  
National Affordable Housing Management Association  
National AIDS Housing Coalition  
National Alliance to End Homelessness  
National Coalition Against Domestic Violence  
National Coalition for the Homeless  
National Community Capital Association  
National Community Development Association  
National Community Reinvestment Coalition  
National Council of State Housing Agencies  
National Fair Housing Alliance  
National Housing Conference  
National Law Center on Homelessness & Poverty  
National Leased Housing Association  
National Low Income Housing Coalition  
National Network to End Domestic Violence  
National Policy and Advocacy Council on Homelessness  
Public Housing Authorities Directors Association  
The Arc of the United States  
The Association of Community Organizations for Reform Now  
United Cerebral Palsy  
United Spinal Association  
US Jesuit Conference  
Volunteers of America