July 13, 2015

The Honorable Mitch McConnell
Majority Leader
U.S. Senate

The Honorable Harry Reid
Minority Leader
U.S. Senate

The Honorable John Boehner
Speaker of the House
U.S. House of Representatives

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives

Dear Majority Leader McConnell, Minority Leader Reid, Speaker Boehner and Minority Leader Pelosi,

The undersigned organizations representing a wide range of housing stakeholders call on you and your colleagues in Congress to protect low income Americans by pursuing a bipartisan budget agreement to replace Budget Control Act caps. Otherwise, the budget caps will undermine federal agencies’ ability to protect vulnerable households and invest in proven housing solutions that generate social and economic returns.

A prime example of the damaging consequences of the budget caps and any THUD spending bill created under those limitations is the HOME program, which the recently advanced Senate THUD bill would fund at $66 million, only 7% of last year’s level. **Such low funding would effectively terminate the HOME program.** This funding cut is especially egregious given the 9.6 million working households spending more than half of their income on housing.

**HOME is the oldest federal block grant program dedicated to housing production, and it has produced more than 1.1 million affordable homes over 20 years.** States and localities use HOME to serve the housing needs of their communities, both urban and rural. HOME can be used to address homelessness and assist with responsible homeownership and disaster recovery. HOME funds help house families with children, the elderly, veterans, and persons with special needs. The HOME program is cost-effective, leveraging on average four dollars of public and private funds for every dollar of HOME that is invested; communities also invest in the program, providing at least a 25 percent match for the federal funds received. Homeownership and rental opportunities provided by HOME help improve housing markets, which means stronger property values, increased local tax revenues, more job opportunities and healthier communities.

HOME’s flexibility allows states and localities to combine it with capital funding like the Low Income Housing Tax Credit or rental assistance programs to fill in property finance gaps and thereby create or

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preserve affordable housing. This is critically important as the cost of renting increases for people nationwide while the supply of new affordable homes does not keep pace.²

**We therefore urge you and your fellow members of Congress to undertake the political compromises necessary to draft a budget agreement that lifts the budget caps and ends sequestration.** The Budget Control Act’s spending caps make it impossible to fund existing recipients of HUD’s rental assistance programs without deep cuts to other vital and proven housing programs, like HOME, much less any expansion to meet the full housing need. Further, we urge you to start work on these efforts now, so that a sustainable budget is in place by October 1. With a budget agreement and a return to real investment in housing programs, including adequate funding for HOME, Congress has the opportunity to address the growing housing affordability challenges in this country. Without a budget agreement, vulnerable populations will continue to suffer and housing programs will fall drastically short of need, which weakens communities and restricts economic growth.

Sincerely,

Council for Affordable and Rural Housing  
Enterprise Community Partners  
Habitat for Humanity  
Housing Assistance Council  
Housing Partnership Network  
Local Initiatives Support Corporation  
Low Income Investment Fund  
National Alliance of Community Economic Development Associations  
National Association of Affordable Housing Lenders  
National Association of Housing and Redevelopment Officials  
National Association for County Community and Economic Development  
National Association for Local Housing Finance Agencies  
National Housing Conference  
National Housing Trust  
National Leased Housing Association  
National Low Income Housing Coalition  
National Neighborworks Association  
National Urban League  
New England Housing Network  
PLACE  
Rebuilding Together  
Stewards of Affordable Housing for the Future

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² *State of the Nation’s Housing 2015*, Joint Center for Housing Studies of Harvard University, 2015, available at [http://www.jchs.harvard.edu/research/state_nations_housing](http://www.jchs.harvard.edu/research/state_nations_housing)
Cc:
Hon. Thad Cochran
Hon. Barbara Mikulski
Hon. Kevin McCarthy
Hon. Hal Rogers
Hon. Nita Lowey
Hon. Susan Collins
Hon. Jack Reed
Hon. Mario Diaz-Balart
Hon. David Price