Dear Chairmen and Ranking Members:

Since 1931, the National Housing Conference (NHC) has been dedicated to ensuring safe, decent and affordable housing for all in America. NHC has earned its strong reputation as the United Voice for Housing by actively engaging and convening its membership in nonpartisan advocacy for effective housing policy solutions at the local, state, and national levels. NHC brings together a diverse membership of housing stakeholders including tenant advocates, mortgage bankers, non-profit and for-profit home builders, property managers, policy practitioners, realtors, equity investors, and more, all of whom share a commitment to balanced housing policy.

In response to the upcoming joint hearing of the Subcommittee on Insurance, Housing and Community Opportunity and the Subcommittee on Oversight and Investigations regarding fraud in the HOME program, we wish to express our strong support for the HOME program as an effective part of our national commitment to safe, decent, and affordable housing for all Americans.

HOME creates affordable housing. For 20 years, this federal block grant program has provided critical funding to state and local governments exclusively to provide affordable housing for low-income families. According to the U.S. Department of Housing and Urban Development (HUD), since 1992 the HOME program has resulted in over one million affordable housing units. Of these million units, 428,373 were for new homebuyers, 197,780 were for owner-occupied rehabilitations and 381,883 were rental housing units. Above and beyond the units created, an additional 242,768 tenants received direct rental assistance.

HOME leverages other resources. For every HOME dollar expended, $3.94 in other public and private investment has been leveraged, resulting in more than $80 billion in other funding for affordable housing since the program began. In particular, HOME is often the early money necessary to get
projects off the ground while private lenders, equity investors, Low Income Housing Tax Credit allocations, and other resources come together.

**HOME creates jobs.** HOME funds frequently provide essential gap financing for Low Income Housing Tax Credit properties. In the first year, construction of a typical 100-unit property results in 116 jobs, about half of which are in the construction sector. Other HOME program activities, such as renovations of homes, also produce employment. Now more than ever, such jobs are essential.

**HOME sustained projects during the downturn.** The recession and financial crisis disrupted real estate development across the country. Projects were put on hold and housing starts dropped precipitously, as illustrated in the attached exhibits. HOME-funded projects, however, outperformed the broader real estate market. In June, HUD reported that only 2.5% of 28,000 active projects were delayed. Against the backdrop of disrupted real estate markets, HOME projects stand out for completion.

**HOME reaches many communities.** The flexibility of the HOME program provides urban, rural and suburban communities across the country with the ability to both produce and rehabilitate single family homes, many for new homeowners, while also providing and rehabilitating rental housing for low to extremely low-income families. In addition, the HOME program provides critical resources for housing for persons with special needs including the homeless and persons with HIV-AIDS.

**HOME empowers state and local government.** Local communities can target HOME the particular needs of their communities and housing market. HUD provides the essential oversight function, making sure that communities follow program requirements, verifying project completion, and, when necessary, bringing enforcement action to recapture funds.

The HOME program is a proven solution that should continue to be an important element of our national commitment to creating housing opportunities for all Americans.

Sincerely,

[Signature]

Jeanne Engel
Interim President & CEO
National Housing Conference
Exhibit 1: National Association of Home Builders Survey---Share of Respondents who reported putting projects on hold until financing climate gets better- By Region

(Percent of Respondents)

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Northeast</th>
<th>Midwest</th>
<th>South</th>
<th>West</th>
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<tbody>
<tr>
<td>Land Acquisition</td>
<td>53%</td>
<td>53%</td>
<td>55%</td>
<td>57%</td>
<td>42%</td>
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<tr>
<td>Land Development</td>
<td>61%</td>
<td>63%</td>
<td>56%</td>
<td>61%</td>
<td>67%</td>
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<tr>
<td>Single-family Construction</td>
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<td>47%</td>
<td>58%</td>
<td>66%</td>
<td>54%</td>
</tr>
<tr>
<td>Multifamily Construction</td>
<td>60%</td>
<td>36%</td>
<td>48%</td>
<td>43%</td>
<td>55%</td>
</tr>
<tr>
<td>Condo</td>
<td>37%</td>
<td>27%</td>
<td>38%</td>
<td>35%</td>
<td>47%</td>
</tr>
<tr>
<td>Rental</td>
<td>32%</td>
<td>20%</td>
<td>27%</td>
<td>32%</td>
<td>45%</td>
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</tbody>
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Exhibit 2: Private Sector Real Estate Development Slowed Dramatically During the Crisis

Housing Starts Slowed Dramatically During the Crisis

Source: Privately-Owned Housing Unit Starts, U.S. Census Bureau, 2010.
Housing Completions Slowed Dramatically During the Crisis

Source: Privately-Owned Housing Unit Completions, U.S. Census Bureau, 2010.