



Campaign for Housing and Community Development Funding

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

Statement on Deficit Reduction and Housing and Community Development Funding

The Campaign for Housing and Community Development Funding (CHCDF) believes that further deficit reduction efforts should be balanced between a mix of revenues and spending cuts and should not include any further reductions in non-defense discretionary spending. The Budget Control Act (BCA), which relies almost entirely on cuts to discretionary spending, will already reduce funding for discretionary programs by about \$1.5 trillion through 2022. Roughly 60% of those cuts will come from nondefense discretionary programs, despite the fact that they currently make up just 18% of the federal budget. This approach will erode the federal commitment to affordable housing and community development. A responsible federal budget that maintains an adequate level of investment in affordable housing and community development programs is achievable. Therefore, CHCDF urges Congress and the Administration to support the following principles:

1. Low-income families and individuals should not be made worse off by deficit reduction actions; low-income households should not experience increased housing or other cost burdens from deficit reduction or tax reform efforts.
2. Sequestration should be cancelled and replaced with a balanced package to reduce projected deficits through responsible mandatory savings and significant revenue increases. Providing the Administration with flexibility to determine how across the board cuts are administered is not an acceptable alternative for replacing sequestration in a balanced manner.
3. Any additional deficit reduction must take into account the already enacted \$1.5 trillion in spending cuts. Funding for discretionary non-defense programs should not be cut below the levels adopted under the BCA. Federal housing and community development programs are efficient and have powerful impacts on individual and community well-being, not only directly by supporting stable housing for the vulnerable, but also through their effects on economic growth, education, employability, community health, and job creation, particularly for those at the bottom of the economic ladder who have been hardest hit by the recession.
4. Deficit reduction efforts that include inflexible spending mechanisms such as spending and/or revenue caps should be opposed because they are likely to result in additional deep cuts to housing and community development programs. Any deficit reduction targets should be designed to avoid harmful effects on low income families who rely on housing and community development programs.
5. Tax provisions that facilitate community development investments and expand the availability of affordable housing for low income households should be protected in any future deficit reduction or tax reform package.

The Campaign for Housing and Community Development Funding (CHCDF) is a group of 74 national organizations representing all 50 states and territories, representing a full continuum of national affordable housing and community development organizations including faith-based, private and public sector, financial intermediary, civil rights, developer, and advocacy groups.

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