

June 4, 2018

Dear Member of Congress,

The undersigned organizations wish to express our objection to proposed legislation to rescind affordable housing funding from fiscal years 2015 through 2018. The Spending Cuts to Expired and Unnecessary Programs Act (HR 3/S.2979) includes almost \$40 million in rescissions from the U.S. Department of Housing and Urban Development's Public Housing Capital Fund Program, \$40 million from U.S. Department of Agriculture's Section 521 Rental Assistance Program, and \$141 million from the U.S. Department of the Treasury's Capital Magnet Fund Program. These proposed rescissions will exacerbate the affordable housing crisis across the country.

The rescission specifically targets funding provided by the Public Housing Capital Fund for the Resident Opportunity and Self-Sufficiency (ROSS) program. This important program allows Public Housing Authorities (PHAs) to hire service coordinators who help public housing residents access resources in their communities, improving the outcomes of residents and helping them to gain self-sufficiency. The Trump Administration has highlighted the need for residents to achieve self-sufficiency, so cutting funding for one of the few federal programs able to provide that support is inconsistent with that goal.

The rescission also targets funding for "public housing capital repair needs, emergency repairs including safety and security measures, physical inspections..." This places an unfair burden on the over one million families living in public housing and limits the ability of PHAs to maintain decent, safe, and sanitary living conditions for residents. For instance, it will hinder a PHA's ability to fix leaky roofs, update heating and air conditioning systems, and remove lead paint, which has a disparate impact on children.

Although public housing is a fundamental component of our nation's infrastructure, chronic underfunding has placed the inventory at risk. A 2010 HUD-commissioned study estimated the backlog of deferred maintenance on public housing to be over \$26 billion, with a backlog estimated to grow at a rate of \$3.4 billion per year. Congressional appropriations for the Public Housing Capital Fund have not kept pace with this need; although funding for the Capital Fund was increased by 42 percent in fiscal year 2018 over the previous fiscal year, the \$2.75 billion provided is still well short of the accrual rate. Rescinding the few dollars that are allocated to the Capital Fund will compound an already dire situation.

The proposed cuts to the Section 521 Rental Assistance Program would cause USDA to be unable to fully fund rental assistance contracts for the current fiscal year. This money was intended to be carried over into fiscal year 2018 and supplement the current appropriation and is needed to ensure there are no shortfalls, which would cause significant harm to rural affordable housing providers and residents.

Finally, the proposal rescinds \$141 million from the Capital Magnet Fund, which awards competitive grants to finance affordable housing and community revitalization efforts. To give an example of this program's impact, last year's fiscal year 2017 funding round awarded \$120 million which will enable 40 grantees to serve 41 states and the District of Columbia. Those 40 organizations are projected to create

approximately 17,000 additional jobs, produce 21,000 affordable homes and attract more than \$3.2 billion in additional investment in both rural and urban areas. Of that investment, 78 percent or \$2.5 billion is expected to come from the private sector. The Capital Magnet Fund leverages \$12 for every federal dollar invested and gives communities a critical tool to address the affordable housing crisis.

The undersigned organizations urge you to reject this harmful proposal.

Thank you,

America Association of Service Coordinators (AASC)
Autistic Self Advocacy
B'nai B'rith International
Catholic Charities USA
Coalition on Human Need
Collaborative Solutions, Inc.
Consortium for Citizens With Disabilities (CCD) Housing Task Force
Council of Large Public Housing Authorities
Council of State Community Development Agencies
Enterprise Community Partners
Funders Together to End Homelessness
Grounded Solutions Network
Housing and Economic Rights Advocates (HERA)
LeadingAge
Local Initiatives Support Corporation
Low Income Investment Fund
Lutheran Services in America
National Affordable Housing Management Association
National AIDS Housing Coalition
National Alliance on Mental Illness
National Association for County Community and Economic Development
National Association of Housing and Redevelopment Officials
National Association for Latino Community Asset Builders
National Association of Local Housing Finance Agencies
National Development Council
National Center for Housing & Child Welfare
National Community Reinvestment Coalition (NCRC)
National Fair Housing Alliance
National Health Care for the Homeless Council
National Housing Conference
National Housing Law Project
National Housing & Rehabilitation Association
National Housing Resource Center
National Housing Trust
National Law Center on Homelessness & Poverty
National Low Income Housing Coalition
National Network to End Domestic Violence
NETWORK Lobby for Catholic Social Justice
Peoples Action Institute

Prosperity Now

Public Housing Authorities Directors Association

Stewards of Affordable Housing for the Future

The Arc of the United States

The United Methodist Church - General Board of Church and Society

Voices for Progress

YWCA