

May 12, 2015

The Honorable Hal Rogers
Chairman
Committee on Appropriations
U.S. House of Representatives
2406 Rayburn HOB
Washington, D.C. 20515

The Honorable Nita Lowey
Ranking Member
Committee on Appropriations
U.S. House of Representatives
2365 Rayburn HOB
Washington, D.C. 20515

The Honorable Mario Diaz-Balart
Chairman
THUD Appropriations Subcommittee
U.S. House of Representatives
440 Cannon HOB
Washington, D.C. 20515

The Honorable David Price
Ranking Member
THUD Appropriations Subcommittee
U.S. House of Representatives
2108 Rayburn HOB
Washington, D.C. 20515

Dear Chairman Rogers, Ranking Member Lowey, Chairman Diaz-Balart, and Ranking Member Price,

As the House Committee on Appropriations considers the Fiscal Year (FY) 2016 Transportation, Housing and Urban Development (THUD) Appropriations bill, we urge you to reconsider its devastating cuts to the HOME Investment Partnerships Program (HOME) and the attempt to offset these cuts by transferring all funding from the Housing Trust Fund (HTF), effectively eliminating HTF—a yet-to-be fully realized but critical tool to address the growing affordable housing crisis in this country. Not only should Congress not further reduce HOME resources, but it should restore at least some of the funding cut from the program in recent years.

We the undersigned are members of the HOME Coalition, a group of over 30 national organizations that work to increase awareness about HOME, its importance to the development and provision of affordable housing, and the need for adequate funding levels for HOME. While we appreciate the Subcommittee’s challenge given the budget caps imposed by the Budget Control Act of 2011 (BCA), we fear that as Ranking Member Lowey noted during the Subcommittee markup, the cut to HOME and the authorizing language regarding HTF would “perpetuate another gap in the spectrum of affordable housing.”

HOME is a flexible block grant that provides states and localities critical resources to help them respond to their most pressing affordable housing challenges, including both rental and homeownership needs—all targeted to low-income families. HOME is important to the success of other housing programs, such as the Low Income Housing Tax Credit (Housing Credit) and rural housing programs, because it often provides essential soft funding to fill financing gaps and make affordable housing projects financially feasible. In over 20 years of existence, the HOME program has successfully produced more than 1.1 million affordable homes, in addition to making homes affordable for hundreds of thousands of families with direct rental assistance.

Despite HOME’s success and the growing need for affordable housing, the HOME program has been severely cut in recent years – 44 percent since FY 2011 --and is at a record-low funding level of just \$900 million in FY 2015. The FY 2016 THUD bill allocates just \$767 million to HOME, gutting it to less than half of its FY 2011 funding level. HOME has already weathered disproportionate cuts within the THUD spending bill, and we fear that further reductions such as this would significantly

reduce its capacity to meet affordable housing needs at a time when housing markets and the broader economy continue to struggle, and the need for affordable housing continues to grow.

By enabling states and localities to address a variety of housing needs, HOME plays a unique role that cannot be filled by other programs. The Housing Trust Fund, for example, is a welcome additional tool to serve extremely low-income families primarily through rental housing, but its focus is narrower than HOME's and thus should not be viewed as a substitute for HOME and other affordable housing programs. We were therefore deeply concerned by the authorizing language that would only attempt to offset the severe cuts to HOME by transferring money from HTF and would then prevent HTF from receiving funds from any other sources. This language provides no guarantee that HOME would receive funding equivalent to the FY 2015 \$900 million level as the Committee suggests, and even if it does, would still result in a net loss in housing resources of \$133 million. Congress should not reduce the overall amount of resources devoted to serious unmet affordable housing needs by transferring one resource to offset funding cuts in another. We need the maximum possible funding for both HOME and the HTF.

Therefore, we urge Members of Congress to support the proven outcomes of the HOME program by providing an FY 2016 appropriation of at least \$1.2 billion, and remove any language regarding HTF in this bill. We also urge Members of Congress to reverse the sequestration cuts put in place by the Budget Control Act of 2011 and enact legislation similar to the Murray-Ryan Bipartisan Budget Act that provided temporary relief in FY 2014 and FY 2015.

Members of the HOME Coalition stand ready to work with you to find responsible ways to continue to address our nation's housing and community development needs. If you have any questions about this letter, please feel free to contact Althea Arnold (aarnold@ncsha.org) with the National Council of State Housing Agencies.

Sincerely,

Enclosure: HOME Coalition's *HOME Fact Sheet, HOME and the Housing Trust Fund: A Comparison Chart*, and *HOME Program Formula Allocations, FY 2011- FY 2015*