

April [-], 2018

The Honorable Susan Collins
Chair
Subcommittee on Transportation, Housing
and Urban Development, and Related
Agencies
Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Jack Reed
Ranking Member
Subcommittee on Transportation, Housing
and Urban Development, and Related
Agencies
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Chair Collins and Ranking Member Reed:

As Congress considers the Fiscal Year (FY) 2019 Transportation, Housing and Urban Development, and Related Agencies appropriations bill, we strongly urge the Subcommittee to maintain the federal government's commitment to community development at the Department of Housing and Urban Development (HUD) and support \$200 million in funding for the Choice Neighborhoods program.

The Choice Neighborhoods program funds the transformation, rehabilitation, and replacement of distressed public and HUD-assisted housing, as well as supports communities working to revitalize neighborhoods of concentrated poverty. Building on the successes of the HOPE VI program, the Choice Neighborhoods program incorporates an innovative, holistic approach that leverages private resources to address affordable housing needs and community challenges that often surround troubled housing developments. It places a strong emphasis on local community planning for access to high-quality educational opportunities, including early childhood education.

Research suggests that, for children, growing up in high-poverty neighborhoods is a stronger predictor of downward economic mobility than parental occupation, education, labor force participation, and other family characteristics combined. As a comprehensive approach to serving both people and neighborhoods, the Choice Neighborhoods program holds great promise as a way to improve economic opportunity, reduce concentrated poverty, and revitalize distressed communities. The program's targeting of local community planning and implementation generates a ripple effect, attracting new private investment to the revived communities. For Fiscal Year's 2010-2015, the program leveraged outside investment at a more than seven to one ratio, bringing in an additional \$3.69 billion. The requested funding for FY 2019 would allow the Department to fund five to ten Planning and Action Grants, to be allocated through a competitive process, and six Implementation Grants.

Due to the program's successes in transforming distressed areas in communities across the nation, the demand for Choice Neighborhoods funding is significant. According to the Urban Institute, for every 100 extremely low-income renters, only 21 units of affordable housing are available, a dramatic shortfall at a time when the demand for rental housing is at record highs. Furthermore, continued cuts to public housing have contributed to a backlog of capital needs for

the nation's 1.1 million public housing units of at least \$26 billion, estimated by a 2010 study with each subsequent year accruing an additional \$3.4 billion in needed capital improvements for some of the country's oldest housing units. Despite numerous examples of successful Choice Neighborhoods partnerships that have helped to transform communities, investment in rebuilding our nation's most physically and economically deteriorated neighborhoods is barely enough to cover even a fraction of the need. This demand demonstrates the wisdom of Choice Neighborhoods' approach in giving localities a tool to deal with distressed housing developments.

We recognize that this year's budget decisions are difficult. However, the continuation of this modest but far-reaching program will have both short-term and long-term benefits in revitalizing and transforming distressed housing and communities. Thank you for your consideration of this request and your support for community development and neighborhood revitalization.

Sincerely,