

June 30, 2023

The Honorable Patty Murray
Chair, U.S. Senate Committee on
Appropriations
154 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Kay Granger
Chair, U.S. House Committee on
Appropriations
1026 Longworth House Office Building
Washington, D.C. 20515

The Honorable Susan Collins
Vice Chair, U.S. Senate Committee on
Appropriations
413 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Rosa DeLauro
Ranking Member, U.S. House Committee on
Appropriations
2413 Rayburn House Office Building
Washington, DC 20515

To Chair Murray, Vice Chair Collins, Chair Granger, and Ranking Member DeLauro:

We, the undersigned 73 members of the Campaign for Housing and Community Development Funding (CHCDF), write to express our sincere concern for the fate of HUD and USDA affordable housing, homelessness assistance, and community development programs in the fiscal year (FY) 2024 budget and to urge you to provide much needed funding increases to these vital programs.

CHCDF is a coalition of more than 70 national organizations working to ensure the highest allocation of federal resources possible to support affordable housing, homelessness assistance, and community development programs. CHCDF's members represent a full continuum of national housing, homelessness, and community development organizations, including faith-based, private sector, financial/intermediary, public sector, and advocacy groups.

Efforts to cap funding for the upcoming year at FY22 levels – despite the agreement reached in the “Fiscal Responsibility Act” – represent an urgent threat to the millions of people who rely on HUD and USDA housing programs. Under the 302(b)s adopted by the House Appropriations Committee, the Transportation, Housing, and Urban Development (THUD) bill would be cut by over \$22.12 billion, or over 25%, from FY23 enacted levels.

Because the costs of housing and community development resources rise every year, even flat funding acts as a cut, reducing the number of people and communities served by these vital programs. The cost of rent has increased dramatically in recent years, and high inflation has pushed up the cost of materials needed for affordable housing and community development projects. Housing costs are rising faster than wages, our nation's affordable housing crisis is worsening, and the supply of affordable and accessible housing and rental assistance has not kept pace. Moreover, high borrowing costs have led to a cooler housing market and lower Federal Housing Administration (FHA) receipts, which can help offset costs for HUD programs. Congress must ensure THUD funding considers high rental costs, inflation, and lower FHA receipts, which total an estimated \$15 billion in additional funding needed in FY24.

In a March letter to Ranking Member DeLauro, HUD Secretary Marcia Fudge outlined the devastating impact of slashing HUD funding by 22% – still lower than the over 25% cut likely because of the 302(b) allocations the House Appropriations Committee approved on June 15. Such a draconian cut would:

- **Eliminate rental assistance for an estimated 2 million people** who rely on either Project-Based Rental Assistance (PBRA) or Tenant-Based Rental Assistance (TBRA) to keep a roof over their heads. This would disproportionately impact households of color, people with disabilities, caregivers, and older adults.
- **Expose the over 1.2 million families living in public housing to unsafe living conditions** as the unaddressed needs of the disinvested public housing portfolio continue to grow. There is an over \$70 billion

capital needs backlog in public housing that, left unaddressed, will continue to expose residents to unsafe, unhealthy, and potentially dangerous living conditions, like mold, pests, and lead paint.

- **Significantly reduce PHA operations, including regular property maintenance and services to families.** Under a 22% cut, HUD anticipates a 78% proration for the Public Housing Operating Fund that would require all PHAs to drastically cut operations and potentially layoff staff.
- **Lead to a significant increase in unsheltered homelessness, with an estimated 24,000 fewer people able to receive homelessness assistance services** through HUD’s Emergency Solutions Grants (ESG) program. Reduced funding would result in fewer emergency shelter, homelessness prevention, and rapid rehousing programs at a time when homelessness is already increasing in communities across the country.
- **Exacerbate the dire housing conditions in tribal communities by slashing HUD’s Native American Housing Block Grant to its lowest level since 1996.** A 22% cut would reduce funding to the Native American Housing Block Grant – which is the single largest source of funding for Native housing assistance – by \$173 million, making it impossible for most Tribal grantees to construct new affordable housing units and challenging for them to meet existing maintenance and operations needs.
- **Reduce block grant allocations for the Community Development Block Grant (CDBG) program and HOME Investment Partnerships Program (HOME)** by approximately \$440,000 and \$330,000, respectively. CDBG and HOME provide communities with flexible funding for housing-related infrastructure, including constructing new and rehabilitating existing affordable housing; building water and sewer connections; and putting in and maintaining sidewalks.
- **Curtail enforcement of the Fair Housing Act** by severely limiting the Fair Housing Assistance Program’s (FHAP’s) ability to investigate and litigate Fair Housing Act complaints, and the Fair Housing Initiative Program’s (FHIP’s) ability to fund organizations in disinvested communities. Additionally, the Fair Housing Accessibility FIRST program, which promotes compliance with Fair Housing Act accessibility standards in federally assisted housing, would need to reduce operations and services.

The proposed cuts to HUD’s FY24 budget would have disastrous consequences for individuals, families, and communities unable to absorb the loss of crucial federal assistance. We urge you to provide much needed funding increases to these vital programs in FY24.

Sincerely,

A Way Home America
Alliance for Strong Families and Communities
American Association of Service Coordinators
American Federation of State, County, and Municipal Employees
Autistic Self Advocacy Network
B’nai B’rith International
Catholic Charities USA
Center for Community Progress
Center for Disability Rights
Center for Law and Social Policy
Coalition on Human Needs
Council of Large Public Housing Authorities
Council of State Community Development Agencies
Enterprise Community Partners
Evangelical Lutheran Church in America

Fahe
Funders Together to End Homelessness
Grounded Solutions Network
Habitat for Humanity International
Housing Assistance Council
Justice in Aging
LeadingAge
Local Initiatives Support Corporation
Low Income Investment Fund
Lutheran Services in America
Mercy Housing
National Affordable Housing Management Association
National AIDS Housing Coalition
National Alliance of Community Economic Development Associations
National Alliance on Mental Illness
National Alliance to End Homelessness
National Association for Latino Community Asset Builders
National Association of Affordable Housing Lenders
National Association of Housing and Redevelopment Officials
National Association of Local Housing Finance Agencies
National Center for Healthy Housing
National Center for Housing and Child Welfare
National Coalition for Asian Pacific American Community Development
National Coalition for Homeless Veterans
National Coalition for the Homeless
National Community Development Association
National Council of State Housing Agencies
National Development Council
National Disability Rights Network (NDRN)
National Fair Housing Alliance
National Health Care for the Homeless Council
National Homelessness Law Center
National Housing and Rehabilitation Association
National Housing Conference
National Housing Law Project
National Housing Resource Center
National Housing Trust
National Leased Housing Association
National Low Income Housing Coalition
National NeighborWorks Association
National Network to End Domestic Violence
National Women's Law Center
Natural Resources Defense Council
NETWORK Lobby for Catholic Social Justice
New York City Housing Development Corporation
PolicyLink
Poverty & Race Research Action Council
Public Housing Authorities Directors Association
Religious Action Center of Reform Judaism
RESULTS
SAGE
Stewards of Affordable Housing for the Future

The Arc of the United States
The Kelsey
The Salvation Army
True Colors United
United Methodist Church
United States Conference of Catholic Bishops