



Campaign for Housing and Community Development Funding
Working to ensure maximum federal resources for housing and community development.

June 17, 2016

Senator John Barrasso
Chair
Platform Drafting Committee
The Republican National Committee

Re: The 2016 Republican Party Platform

Dear Chair Barrasso and Members of the Committee:

The Campaign for Housing and Community Development Funding (CHCDF) is pleased to offer this statement to the committee drafting the 2016 Republican National Platform. We urge the Committee to affirm its commitment to ensuring all Americans have access to safe, decent affordable housing by providing the necessary investments in federal housing and community development programs that serve those of modest means. These programs prevent homelessness, help families and communities ravaged by job losses and foreclosures to meet their basic needs, and support the creation of jobs and economic growth. Providing stable housing is also critical to ensuring families have access to opportunity, upward mobility and better health and educational outcomes.

CHCDF is an education, strategy and action hub for national organizations dedicated to adequate federal housing and community development funding for lower-income families and communities. CHCDF's members represent a full continuum of national housing and community development organizations, including faith-based, nonprofit, private sector, financial/intermediary, public sector and advocacy groups.

CHCDF promotes strengthening existing affordable housing and community development programs in order to expand and preserve affordable housing options for low and moderate income families. These goals have never been more important. "After a decade of falling incomes and rising rents, unprecedented shares of renters in markets across the country pay more than half their income for housing," reported the Joint Center for Housing Studies of Harvard University, and the "lowest income renters have the greatest challenge in finding affordable housing." While the foreclosure crisis has abated, many urban and rural communities remain distressed and impoverished following years of market disinvestment.

While decent housing remains unavailable or unaffordable for far too many today, it is alarming to imagine how much worse the affordable housing crisis would be without the federal assistance provided by the U.S. Department of Housing and Urban Development (HUD). Since 1934, HUD and

the Federal Housing Administration have insured over 44 million home mortgages and 50,000 multifamily project mortgages – providing an especially critical safety net during the recent mortgage crisis and ensuing recession.

In the past 20 years alone, HUD has provided housing assistance to more than 35 million households. Without the opportunity that HUD provided, many of these families would be homeless, living in substandard or overcrowded conditions, or unable to afford other basic necessities because so much of their income is spent on rent. HUD programs continue to leverage billions of dollars in private resources to preserve and expand the supply of affordable housing so needed by families of modest means. Indeed, private sector housing developers have testified before Congress that without federal resources, the private sector would not invest in affordable housing.

Given these facts, we urge the Committee to adopt a platform that promotes continued support for the many HUD programs that have proven to be efficient and effective in serving people with the lowest incomes. While there have been recent calls to overhaul HUD, modernizing the agency will require building on, rather than reinventing what we know already works. Going forward, HUD's success in serving those families most in need will depend on the continuation and expansion of the following highly successful programs, among others.

Housing Choice Vouchers

Housing Choice Vouchers (HCV) provide a stepping stone for struggling families to keep a roof over their heads and help make ends meet. Vouchers also improve family well-being in other important ways, according to two studies released in 2015.

The Family Options Study, which HUD released last July, is the first rigorous, large-scale evaluation of alternative strategies to reduce homelessness among families with children. Families living in shelters in 12 cities were randomly assigned one of several types of assistance, including housing vouchers. Families who were given a housing voucher were much less likely to experience subsequent episodes of homelessness, compared to families who received other types of assistance, the study found. Families using vouchers also experienced significantly less domestic violence, and their children were less likely to change schools or to be separated from the family and placed into foster care. Housing vouchers were also cost effective relative to the other interventions, the study found.

A second, ground-breaking analysis by Harvard economists Raj Chetty, Nathaniel Hendren, and Lawrence Katz found that children whose families used a housing voucher to move to better neighborhoods experienced lower teenage birth rates, higher college attendance and marriage rates, and large earnings gains as adults, relative to children in similar families who remained in less advantageous neighborhoods.

HCVs are thus a cost-effective investment that reduces homelessness and improves family well-being, including children's chances of long-term success.

Project Based Rental Assistance (PBRA)

The project-based Section 8 (PBRA) program provides rental assistance that has been leveraged by the private sector to develop and operate rental homes for 1.2 million low income and very low income households living across the country. Fifty-six percent of these households include someone with a disability or who is elderly. The average income of households receiving PBRA is less than \$12,000. PBRA housing stabilizes neighborhoods and contributes to local economic bases. PBRA allows seniors to live in the communities they helped to build and provides modest homes for residents who cannot work because of injury or disability and offers a foundation to build on for young families who are just starting out or who are struggling with our slow economy. Privately-owned properties with PBRA generate \$460 million in property taxes for local municipalities annually and directly support 55,000 jobs.

PBRA contracts also act as a critical support for project financing, allowing owners to leverage private debt and equity (often through the Low Income Housing Tax Credit (LIHTC) program) to permit project refinancing and rehabilitation. PBRA supports the stock of long-term affordable housing and helps protect federal investments which would be prohibitively costly to reproduce. According to HUD, the PBRA portfolio leverages over \$17 billion in private financing and equity.

Public Housing

Public housing is home to over 1.2 million low income families and is a multibillion dollar asset for local communities. Within public housing, over 35 percent of the families served have children, and over 50 percent of the households are headed by seniors and persons with disabilities. For many families, public housing and the Section 8 program, both tenant- and project-based, are the gateway to housing stability, self-sufficiency, and economic independence. Consequently, public housing authorities, which operate public housing and the Section 8 HCV program, are engaged in developing transformational partnerships with other important and interested stakeholders to benefit children, seniors, people with disabilities, veterans, people experiencing homelessness, and familial caregivers including parents, adult children and grandparents.

Public housing plays a central role in the country's approach to addressing affordable housing needs. Public housing authorities take innovative approaches to improve their residents' lives across the country, such as workforce development and asset building programs. Public housing authorities also develop innovative funding mechanisms to improve resident wellness and health outcomes through continuum of care models, with the added benefit of achieving savings in Medicaid and Medicare expenses, and reducing hospital and emergency room visits.

The Rental Assistance Demonstration (RAD) is an example of a recent HUD innovation to bring our public housing stock into the 21st century. Decades of underfunding have left some public housing properties across the country in need of recapitalization, with a capital needs backlog of over \$26 billion. RAD can put public housing on more stable financial footing by converting its funding stream to project-based Section 8, which is more stable, predictable and flexible, allowing public housing agencies to leverage outside sources of private and public funds needed for repairs, including proven, efficient financing tools like LIHTC. Already RAD has spurred \$1 billion in construction activity, with each \$1 of HUD funds bringing in \$19 from other sources. RAD also allows properties

financed under outdated “legacy programs” like Section 8 Moderate Rehabilitation and the Rent Supplement program to convert to project-based Section 8 assistance, further streamlining HUD’s operations.

Community Development Block Grant Program

The Community Development Block Grant (CDBG) Program invests in rural, urban, and suburban areas by providing flexibly funding for a wide range of community development uses. CDBG is often one of few sources for infrastructure that supports the development of housing. Authorized by Title I of the Housing and Community Development Act of 1974, nearly 1,200 State and local grantees receive a direct allocation of funds through the program annually. More than 7,250 communities have access to the funding. Since 1974, CDBG has invested over \$144 billion in communities. This investment has leveraged three to four times this amount, resulting in a \$432 billion to \$576 billion in non-federal investment in communities over the 41-year life of the program, resulting in a large rate of return on federal investment.

CDBG funding is used locally to aid in the prevention and elimination of blight, address urgent community needs, and benefit low and moderate income people through the provision of public facilities and improvements, public services, housing, and economic development.

According to HUD, between Fiscal Year (FY) 2004 and FY 2013, CDBG economic development activities created or retained more than 421,183 permanent jobs, while the program also provided rehabilitation assistance to more than 1.3 million owner-occupied housing units. From FY 2007 to 2013, CDBG assisted more than 232,000 businesses with business expansion and from FY 2005 to 2013, the program provided or improved public facilities that assisted in providing critical services for more than 33.7 million people. These improvements included sanitary water and sewer systems, improved drainage systems, safe streets and transit ways.

Homeless Assistance Programs

HUD’s McKinney-Vento Homelessness Assistance programs provide funding for some of the most cost-effective housing solutions communities use to serve the highest need populations. The program supports over 340,000 housing opportunities for homeless individuals and families. It gives communities the ability to provide emergency shelters and safe havens for homeless households, creates permanent supportive housing for homeless individuals who are experiencing multiple challenges and provides families the ability to quickly move into stable housing while they connect with other services and systems.

Further, Congress has invested heavily in the HUD-Veterans Affairs Supportive Housing (VASH) program to serve homeless veterans and has seen positive results. Since 2009, the number of homeless veterans has been reduced by 33 percent. Communities have made significant improvements to delivering housing and other critical services in order to better serve homeless populations and the nation has seen an overall decrease in the homeless population. But more still needs to be done.

As HUD spends just over \$2 billion on programs to support homeless populations through its various programs, it saves other systems a far greater amount of money. Independent studies have proven that an individual cycling between different emergency response systems, like criminal justice and emergency health services, costs approximately twice as much as simply providing stable, affordable housing with wrap around services. With greater investment in HUD's programs to serve individuals and families that are in crisis, we cannot only end homelessness for all populations by 2020, but may help other systems operate more effectively and efficiently.

HOME Investment Partnerships Program

For over 20 years, the HOME Investment Partnerships Program (HOME) has proven to be one of the most effective, locally driven tools to help states and communities provide access to safe, decent, and affordable housing for low income residents. HUD reports that since its authorization in 1990, \$27.2 billion in HOME funds have leveraged \$132 billion in public and private resources to help build and preserve more than 1.2 million affordable homes and to provide direct rental assistance to more than 285,000 families. HOME advocates estimate that this investment has supported nearly 1.6 million jobs and has generated \$101 billion in local income.

With HOME, Congress created a program that provides states and communities with unmatched flexibility and local control to meet the housing needs that they identify as most pressing. HOME is the only federal housing program exclusively focused on addressing such a wide range of housing activities. States and local communities use HOME to fund new production where affordable housing is scarce, rehabilitation where housing quality is a challenge, rental assistance when units are available but unaffordable, and provide homeownership opportunities when those are most needed. Moreover, this flexibility means that states and communities can quickly react to changes in their local housing markets.

Moreover, HOME plays a key role in ensuring the success of other federal programs, such as the LIHTC program and U.S. Department of Agriculture Rural Housing programs, because it often provides essential soft funding to fill financing gaps and make affordable housing developments financially feasible.

Housing for the Elderly (HUD Section 202 program)

Enacted to allow seniors to live with dignity by providing housing assistance and a platform for services, the Section 202 Supportive Housing for the Elderly program provides funding to nonprofit organizations to develop and operate housing for seniors with very low incomes. Research has shown service-enriched affordable housing slows the growth of Medicaid costs while also allowing people to age in place.

According to HUD, senior households with very low incomes are the most likely to pay more than they can afford for their housing. The 2015 HUD study of worst-case housing needs found that out of 7.72 million renter households with worst-case housing, 1.47 million are senior renter households. According to Harvard's Joint Center for Housing Studies, only one in three seniors eligible for rental assistance receives it. Of those who are not assisted, two-thirds have worst-case housing needs.

The Section 202 program has been one the most successful federal program for building quality, safe, and affordable senior housing for decades. The program has long been recognized for creating affordable housing serving the nation's most vulnerable seniors that is well managed by mission-driven nonprofits. Seniors residing in Section 202 housing can enjoy an enhanced quality of life as they safely age in their communities. More than 6,000 properties with more than 300,000 rental units have provided housing and, in many cases, supportive services to seniors in both large and small communities.

Unfortunately, in FY 2012 Congress eliminated the Section 202 Capital Advance Program to fund the development of new units. The population of seniors over age 75 will almost double in 2035 compared to 2015. As the U.S. population ages, it will also be much more poor than seniors today, many of whom live in poverty. We must return to building affordable senior housing through the Section 202 program and also preserve and expand other programs that meet the affordable housing needs of our lowest income seniors.

Housing for Persons with Disabilities (HUD Section 811 program)

The Section 811 Supportive Housing for Persons with Disabilities is an essential federal program that assists the lowest income people with the most significant and long-term disabilities to live independently in the community by providing affordable housing linked with voluntary services and supports. Through a substantial body of research conducted over the past 20 years, supportive housing has proven to be a cost-effective and successful approach to addressing the affordable housing and supportive services needs of people with significant and long term disabilities who need community-based supports and services to live in the community. More than 30,000 units of permanent supportive housing have been developed under the Section 811 Capital Advance Program, while an additional 7,500 units of permanent supportive housing have been created through the Section 811 Project-Based Rental Assistance (PRA) program.

Congress passed major reforms to the Section 811 program in 2010. The reforms are intended to promote a national expansion of integrated supportive housing by fostering partnerships among state housing and health and human service agencies to leverage mainstream affordable housing, Medicaid, and related community-based support services resources, and to ensure people with disabilities most in need can access these new housing opportunities.

The most significant innovation is the new Section 811 PRA option which - for the first time - provides cost-effective PRA subsidies directly to state housing agencies leveraging dollars from other sources of funding for development of new permanent supportive housing units. This new PRA option is intended to identify, stimulate, and support innovative state-level partnerships and strategies to substantially increase integrated permanent supportive housing opportunities. In the final two years in which Congress funded new units for the old 811 capital advance program (FY 2010 and 2011), only 975 units were developed. By contrast, the new PRA program will develop more than 7,500 units of integrated permanent supportive housing with only three years of funding (FY 2012-2014). These PRA units will help generate millions in savings as an alternative to costly institutional care for people with disabilities.

Housing Opportunities for Persons With AIDS

The Housing Opportunities for Persons With AIDS program (HOPWA), was authorized in 1990 through the Cranston-Gonzalez National Affordable Housing Act during the early years of the epidemic as a response to the unique and numerous obstacles faced by individuals living with HIV/AIDS to acquire stable housing, due to poverty, housing instability or stigma. Stable housing has long been identified as one of the greatest unmet needs for people living with HIV/AIDS and their families and housing is a proven cost-effective healthcare intervention. HOPWA prevents homelessness by providing short-term and permanent housing, creating access to life-saving medical care and support services, and promoting adherence to treatments among patients. As such, HOPWA is a powerful tool for prevention of the spread of the virus.

HOPWA affords communities the flexibility – now through 139 eligible formula jurisdictions – to craft HIV/AIDS housing responses to meet their unique needs, whether through the construction of community residences with supportive services, short-term rental, mortgage and utility assistance to people with HIV/AIDS who are homeless or at risk of homelessness or project-based or tenant-based rental assistance for permanent supportive housing. Part of HOPWA’s effectiveness is its ability to operate as a gap-filler with other HUD low income housing programs to meet community HIV/AIDS housing need.

HOPWA continues to be an uncontrovertibly efficient and cost-effective program, with 96 percent of clients receiving long-term assistance in 2015 achieving housing stability and 70 percent receiving transitional housing remaining stably housed or at reduced risk of homelessness. During the 2014-2015 program year, 11,577 individuals were newly placed in housing, including 2,106 who were formerly homeless, 95 percent having contact with a healthcare providers, and 94 percent accessing and maintaining health insurance. Though need is vastly greater than the 49,125 households served by the program in the current year, HOPWA is key to preventing and ending homelessness among people with HIV/AIDS by enabling them to access and adhere to care resulting in better individual and community health outcomes

Lead Hazard Control and Healthy Homes

HUD’s Office of Lead Hazard Control and Healthy Homes (OLHCHH) has enabled communities with large numbers of pre-1978 housing and pre-1940 rental housing, respectively, in which there are high rates of childhood lead poisoning cases, to identify and control lead-based paint hazards in eligible housing.

Recent research confirms that housing policy has a profound impact on public health, and for any public health agenda to be effective, it must include a housing component. The statistics and key findings regarding the long-term effects of housing-related health hazards are alarming. Over half a million children under five years old in the U.S. have elevated blood lead levels. Childhood exposure to lead can have lifelong consequences including decreased cognitive function, developmental delays, behavior problems, and, at very high levels can cause seizures, coma, and even death. Asthma is a leading common chronic disease among children in the U.S and leads to high levels of school absences; 26 million people in the U.S. have asthma, including

9.5 percent of children under 18 years old. In 2007-2008, the economic costs to society of lead poisoning and asthma were estimated at \$50 billion and \$56 billion respectively.

The number of children under five with blood poisoning would have included an additional 265,000 children if not for HUD programs' actions to control hazards in over 370,000 housing units. These funds are vitally important for helping cities and states end childhood lead poisoning. Healthy homes interventions prevent injury, neurological and respiratory diseases, and cancer and even death from toxins such as carbon monoxide and radon. Each dollar invested in lead hazard control returns at least \$17.

Fair Housing Programs

There are two federal programs dedicated solely to assist in the enforcement of the Fair Housing Act. The Fair Housing Initiatives Program (FHIP) funds private fair housing organizations, and the Fair Housing Assistance Program (FHAP) funds the fair housing enforcement programs of state and local government agencies.

FHIP funds private fair housing organizations to provide education and outreach to their local populations and housing providers, and to enforce the Fair Housing Act by investigating allegations of rental, sales, homeowner insurance, and lending discrimination. FHIP is a competitive grant program administered by HUD's Office of Fair Housing and Equal Opportunity. In 2012 and 2013, FHIP-funded organizations investigated 38,600 complaints of housing discrimination across the country for families and communities, more than twice that of all state and federal agencies combined. According to HUD, 71 percent of the cases in which a FHIP organization is a complainant result in conciliation or a cause finding, making it a highly successful federal investment in addressing housing discrimination. In FY 2014, HUD awarded FHIP grants to more than 100 private fair housing and other qualified nonprofit organizations in 40 states and the District of Columbia.

State and local government agencies certified by HUD to enforce fair housing laws that are substantially equivalent to the Fair Housing Act receive FHAP funds. HUD funds FHAP agencies by reimbursing them based on the number of cases they successfully process. In addition, FHAP funds help cover administrative expenses and training. Between 2013 and 2014, FHAP agencies investigated 13,254 complaints of housing discrimination.

National Housing Trust Fund

The primary purpose of the national Housing Trust Fund (HTF) is to expand the supply of rental housing that is affordable for extremely low income (ELI) households. At least 90 percent of the funds must be used for rental housing and at least 75 percent of the rental housing must be affordable for ELI households (100 percent of HTF funds must benefit ELI households if there is less than \$1 billion in the HTF). While the program does not receive appropriated funds from HUD (the program is funded by a modest annual fee on Fannie Mae and Freddie Mac), it is administered by the agency.

HTF grants are made to states, which have wide latitude in deciding how to use them as long as they are serving ELI renters. Funds can be used for a broad range of costs associated with the

construction or rehabilitation of units designated for ELI households in multifamily properties. Up to a third of the HTF dollars can be used for operating costs, including the capitalization of operating reserves. The HTF is poised to provide every state and the District of Columbia with these much needed resources for the first time in 2016.

The HTF will serve as an incentive to bring other resources to bear on the development and preservation of rental housing that extremely low income households can afford. Two of its attributes make this possible. First is the deep income targeting. There is no other federal program that provides new money to support rental housing development targeted to ELI households. In order to use HTF dollars, a developer has to include some units in a project that are affordable for extremely low income households.

The second attribute is the HTF's flexibility. It provides capital grants or loans that can be coupled with LIHTC and other sources of capital. Funds can be used for a wide range of costs associated with the construction or rehabilitation of units designated for ELI households in multifamily properties. Projects can be designed based on local market conditions, local priorities, and local resources.

The above programs have helped to provide stable homes for millions of families and, through innovation, will continue to provide safe and affordable housing for decades to come. However, the impact of these proven, effective programs is limited when resources are inadequate for their implementation and evaluation. We urge you to support expanding investment in these critical housing programs that serve as the foundation of opportunity for so many families.

Thank you for considering our views and please let us know if we can provide additional information. If you have any questions, please contact National Low Income Housing Coalition Policy Analyst, Elayne Weiss at eweiss@nlihc.org.

Sincerely,

Consortium for Citizens with Disabilities Housing Task Force
Council of Large Public Housing Authorities
Council of State Community Development Agencies
Corporation for Supportive Housing
Enterprise Community Partners
Habitat for Humanity International
LeadingAge
Low Income Investment Fund
Local Initiatives Support Corporation
Lutheran Services
National Affordable Housing Management Association
National AIDS Housing Coalition
National Alliance of Community Economic Development Associations
National Alliance to End Homelessness
National Association of Housing and Redevelopment Officials

National Center for Housing and Child Welfare
National Coalition for Asian Pacific American Community Development
National Coalition for the Homeless
National Community Development Association
National Council of State Housing Agencies
National Development Council
National Fair Housing Alliance
National Housing Conference
National Housing Law Project
National Housing Trust
National Leased Housing Association
National Low Income Housing Coalition
Stewards of Affordable Housing for the Future