

Congress of the United States

Washington, DC 20510

March 31, 2023

The Honorable Tom Cole
Chairman
Subcommittee on Transportation, Housing and
Urban Development, and Related Agencies
Committee on Appropriations
H-307 The Capitol
Washington, DC 20515

The Honorable Mike Quigley
Ranking Member
Subcommittee on Transportation, Housing and
Urban Development, and Related Agencies
Committee on Appropriations
1036 Longworth House Office Building
Washington, DC 20515

Dear Chair Cole and Ranking Member Quigley:

As you begin work on the Fiscal Year (FY) 2024 appropriations process, we respectfully ask the House Appropriations Subcommittee on Transportation, Housing and Urban Development, and Related Agencies (THUD) to increase funding for the HOME Investment Partnerships Program (HOME) to at least \$2.5 billion. The additional funds would help meet the needs of the millions of low-income households across the U.S. without access to affordable housing.

For nearly 30 years, HOME has proven to be one of the most effective, locally driven tools to help states and communities address their most pressing housing challenges. Overseen by the U.S. Department of Housing and Urban Development, HOME is the only federal block grant program exclusively focused on helping states and communities address their affordable housing needs for low-income households, including veterans, persons with disabilities, seniors, and persons experiencing homelessness. HOME has also proven critical as gap financing for properties financed through the Housing Credit and other programs, and it is often used by communities rebuilding from natural disasters.

HOME can be used for new multi-family rental construction and rehabilitation, homeowner rehabilitation, homebuyer assistance, and tenant-based rental assistance. 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, and provide homeownership opportunities when those are most needed. This flexibility means that states and communities can quickly react to changes in their local housing markets. HOME funds serve as a critical resource for communities in all 50 states and in every congressional district. Since 1992, HOME has helped to create over 1.36 million homes and provided rental assistance to over 375,000 families. The HOME program has a remarkably successful track record of attracting other sources of public and private capital and leverages nearly \$5 for every \$1 invested in the program. This investment has supported an estimated 2 million jobs and generated \$131 billion in local economic impact.

The HOME program has been underfunded in recent years. In FY 2023, Congress funded HOME at \$1.7 billion. This is the largest allocation for HOME in over a decade. However, this level is still below the funding level provided in FY 2010. This current level is also significantly below HOME authorization level of \$2.1 billion when HOME was last reauthorized in 1994. The reductions in funding have real and serious consequences for families in need—particularly as we continue to weather the impact of the COVID-19 pandemic. Recent studies indicate that since the start of the pandemic, the number of renter households that were cost-burdened rose to 40.6 million households, or nearly one-third of all U.S. households. Further, home prices rose nearly 7 percent, year-over-year as of December 2022. These factors drive inflation. Housing accounts for 34 percent of the factors considered to determine the consumer price index, or CPI, which makes it the single largest part of the inflation calculation.

The pre-existing, severe shortage of affordable rental housing available to low-income families has only worsened in recent years. The nation is not producing nearly enough affordable rental homes to keep pace with the rising demand, stymied by financing gaps due to increasing prices of materials and disrupted supply chains. Various reports estimate that anywhere from 2 million to 6 million units are needed to meet demand. The HOME program is a proven and effective tool to add to our supply of both rental and for-sale units and to tackle inflation driven by the high cost of housing.

We urge you to increase HOME program funding to at least \$2.5 billion to promote local economic development, create jobs, and ensure that every American has access to a safe, affordable home.

Sincerely,

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