

May 6, 2020

The Honorable Mitch McConnell  
Majority Leader  
S-230, U.S. Capitol  
Washington, DC 20510

The Honorable Chuck Schumer  
Minority Leader  
S-221, U.S. Capitol  
Washington, DC 20510

The Honorable Nancy Pelosi  
Speaker of the House  
H-232, U.S. Capitol  
Washington, DC 20515

The Honorable Kevin McCarthy  
Minority Leader  
H-204, U.S. Capitol  
Washington, DC 20515

Dear Leader McConnell, Leader Schumer, Speaker Pelosi, and Leader McCarthy,

One important lesson from the COVID-19 pandemic is the importance of housing to public health and economic stability. We also know that the economic impact of the crisis is likely to be long lasting. Many low-income households are likely to struggle to meet rent and mortgage payments. Moreover, while we hope construction will eventually return to pre-COVID-19 levels, the delays incurred in the meantime are leaving financing gaps in properties currently in the construction pipeline.

The HOME Investment Partnerships (HOME) program is the most flexible housing program Congress has ever enacted, and is well-positioned to respond the plethora of housing needs that are already impacting our nation and will throughout our recovery. Because it can be used to fund multifamily construction, tenant-based rental assistance, homeowner assistance, down payment help, and more, we urge Congress to use HOME as a critical aspect to the housing response and urge it to provide substantial resources to HOME in the next coronavirus response legislation. HOME's flexibility makes it an excellent supplement to other affordable housing actions Congress may take.

HOME is a proven program with a strong history of meeting affordable housing needs. Since its establishment in 1992, the program has invested in the construction and rehabilitation of 1.3 million units. HOME has also provided rental assistance to 370,000 low-income families during the same period. Every dollar of HOME leverages another \$4.44 in other public and private funds. To date, program funds have successfully leveraged a total of \$152 billion in public and private resources. HOME supports a wide range of populations including vulnerable groups such as seniors, persons with disabilities, individuals and families experiencing homelessness, and veterans.

One of the important ways HOME is often used is as part of the capital stack in Low Income Housing Tax Credit (Housing Credit)-financed properties. Developers and state Housing Credit Agencies expect that delays and material shortages due to the pandemic could increase program costs. Moreover, with tax liability of certain investors decreasing along with their revenues, pricing of Housing Credits may go down. This will mean that Housing Credit properties will

have more significant financing gaps and need more HOME funding to fill those gaps if those properties are to be financially viable.

We also expect that homeowners and renters will struggle with payments. Prospective homebuyers may struggle with access to capital. And, nonprofit housing providers and local governments may not have access to other resources. These needs likely will not be consistent across the country. But, with the flexibility of the HOME program, all of these needs can be met with this single resource.

The U.S. Department of Housing and Urban Development has already used the authority it has to provide much needed waivers of regulatory requirements and relief from certain statutory provisions, which are helping grantees use HOME to respond to housing needs caused by COVID-19. However, there are some aspects of the program that HUD does not have the ability to modify under current law. We therefore urge Congress to provide HUD broad waiver authority for HOME, as it did for other HUD programs in the Coronavirus Aid, Response, and Economic Security (CARES) Act.

Low-income Americans have experienced the worst effects of the pandemic. As housing remains the largest expense for most, the costs can prove to be an impossible burden for personal and family budgets. Even as the pandemic wains and an economic recovery progresses, those with less will face fewer options in maintaining or finding housing. Housing assistance will be a significant need for states and communities to improve their economic standing. Programs such as HOME help states and localities identify these needs, and support safe and reliable affordable housing. As Congress considers further assistance, the network of HOME stakeholders will be available and ready for the work ahead.

Sincerely,

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Council for Affordable and Rural Housing

Council of Large Public Housing Authorities

Council of State Community Development Agencies

Enterprise Community Partners

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Grounded Solutions Network

Habitat for Humanity International

Housing Partnership Network

Local Initiatives Support Corporation

National Alliance of Community Economic Development Associations (NACEDA)

National Association for County Community and Economic Development

National Association of Housing and Redevelopment Officials

National Association of Local Housing Finance Agencies

National Community Development Association

National Council of State Housing Agencies

National Housing Trust  
National League of Cities  
National Leased Housing Association  
Stewards of Affordable Housing for the Future