



MAINE AFFORDABLE HOUSING COALITION

November 17, 2015

Honorable Susan Collins
United States Senate
413 Dirksen Senate Office Building
Washington, DC 20510

Honorable Angus King
United States Senate
133 Hart Senate Office Building
Washington, DC 20510

Honorable Chellie Pingree
United States House of Representatives
2162 Rayburn House Office Building
Washington, DC 20515

Honorable Bruce Poliquin
United States House of Representatives
426 Cannon House Office Building
Washington, DC 20515

Dear Senator Collins, Senator King, Representative Pingree and Representative Poliquin:

On behalf of the undersigned Maine-based organizations and businesses, THANK YOU for your leadership and bipartisanship in supporting the budget agreement that was enacted earlier this month. The partial lifting of the federal budget caps will prevent a great deal of unnecessary hardship for people in Maine and across the United States.

Now that Congress has the opportunity to restore funding to critical services and programs which would have been put in jeopardy under the full weight of sequestration, we want to make you aware of three critical priority areas within HUD's budget which we hope can be addressed in the coming days before the FY16 spending bill is finalized:

- HOME Investment Partnerships Program: HOME is the single largest source of gap financing that Maine's affordable housing development community uses to create and preserve affordable homes. It has helped to create thousands of high quality apartments throughout the state. HOME has also been used extensively to provide security deposits and move-in assistance for low-income renters and to finance home repairs for low-income homeowners. More detail about the impact of this critical program on Maine and its people, including job creation in the construction and design sectors, is attached.

As you are aware, significant cuts have been proposed for HOME in FY16 in both the House and Senate. **We ask that you restore the HOME program to the President's requested FY16 level of \$1.06 billion.** While this would still represent a painful 42% reduction from FY10 levels, it nonetheless provides continuity based on the last several years of funding and allows the program to remain meaningful for Maine people.

- Rental Assistance: one of the most important principles that we hope you will carry into budget negotiations is that existing rental assistance programs must be fully renewed. It would be tragic if the federal government did not maintain its existing commitments and ensure that those currently served by rental assistance programs - which still represent only one in four of those

who are in need and eligible - not be displaced from their current housing. **We ask that you fully fund the renewal of existing Housing Choice Vouchers at \$18.05 billion, and fully fund the 12-month renewal of all current Project-Based Rental Assistance contracts at \$10.826 billion.** We also ask that the public housing authorities administering this critical program be provided with sufficient administrative resources to do so.

You may be aware that sequestration has already done real damage to Maine's safety net. In 2013, the imposition of strict and inflexible budget caps led directly to the loss of over 500 Housing Choice Vouchers in our state and about 100,000 nationwide. **We ask that you provide \$470 million to restore the 60,000 of those lost vouchers – including hundreds here in Maine - which have still not been recovered.** With voucher waiting lists in our state now topping 20,000 households, we simply cannot afford to go backwards in providing the stability and homelessness prevention that is the hallmark of the Housing Choice Voucher program.

- National Housing Trust Fund: Funding for the National Housing Trust Fund (NHTF) is derived from a dedicated source of revenue on the mandatory side of the federal budget, and as such, is not subject to annual appropriations. Rather, it is based on an assessment of 4.2 basis points of the annual volume of business of Fannie Mae and Freddie Mac. This is a reliable, predictable stream of funding that has always been designed to be separate from HUD appropriations. **We ask you to ensure that the restoration of funding for the important and successful programs described above not be achieved by raiding the National Housing Trust Fund.** We remain grateful that the proposed Senate budget keeps this principle intact, and urge you to remain vigilant against any renewed attempts to prevent NHTF dollars from being put to work in Maine and around the country.

We know that there will be great competition among federal agencies for the \$33 billion in restored non-defense discretionary funds, but it is our understanding that the above requests can be achieved for less than \$2.5 billion.

Earlier this month the voters of Maine approved by a remarkable 69%-31% margin, a general obligation bond issue for the construction of quality, affordable senior housing. Those funds were meant to be used in conjunction with federal housing programs to make forward progress in addressing our state's housing affordability problems. Please help to ensure that the federal government doesn't step back from its role in helping to foster livable, affordable communities at precisely the same time that Maine looks to step forward.

Thank you for all you do to bring Maine's values of bipartisanship and common sense to Washington, and for your careful consideration of our concerns.

Sincerely,