

COMMITTEE ON FINANCIAL
SERVICES

SUBCOMMITTEE ON
CONSUMER PROTECTION AND
FINANCIAL INSTITUTIONS

SUBCOMMITTEE ON
HOUSING, COMMUNITY DEVELOPMENT,
AND INSURANCE

SUBCOMMITTEE ON
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COMMITTEE ON OVERSIGHT
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SUBCOMMITTEE ON
ECONOMIC AND CONSUMER POLICY
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Congress of the United States
House of Representatives
Washington, DC 20515

March 17, 2020

The Honorable David Price
Chairman
Subcommittee on Transportation, Housing
and Urban Development, and Related
Agencies
House Committee on Appropriations
United States Congress
Washington, DC 20515

The Honorable Mario Diaz-Balart
Ranking Member
Subcommittee on Transportation, Housing
and Urban Development, and Related
Agencies
House Committee on Appropriations
United States Congress
Washington, DC 20515

Dear Chairman Price and Ranking Member Diaz-Balart:

As you begin crafting the fiscal year 2022 Transportation, Housing, and Urban Development Agencies bill, I respectfully request that you give consideration to the following funding priorities:

1. Support the following report language for the Federal Housing Administration:
The Committee directs the Federal Housing Administration to annually report the reasoning for the difference in rate of denial for small-dollar mortgage loan origination as compared to large dollar mortgage loan origination. The committee also urges FHA to study the disproportionate impact on protected classes that rely on FHA and other loan products to attain homeownership.
2. Support the following report language for the Housing and Urban Development for Section 8 Housing Choice Voucher program:
The committee directs The Department of Housing Urban Development to report on the impediments and/or barriers of using Section 8 Housing Choice Voucher Program funding for the purposes of home purchase assistance such as down-payment assistance and closing costs.

3. We urge you to provide a support total funding of \$100 million increase in funding to the Office of Lead and Hazard Control for the in FY 2021 for the Healthy Homes Program:
The Healthy Homes Initiative builds upon HUD's successful Lead Hazard Control programs to expand its efforts to address a variety of environmental health and safety concerns including mold, lead, allergens, asthma, carbon monoxide, home safety, pesticides, and radon. The funding supports Healthy Homes grants which are awarded to non-profits, for-profit firms, state and local governments, federally recognized Indian Tribes and colleges and universities, located in the United States.

4. Support the following report language the Department of Housing and Urban Development:
None of the funds provided in this Act to the Department of Housing and Urban Development and U.S. Interagency Council on Homelessness may be used to incentivize or otherwise encourage state, local, or tribal governments to make unlawful or enforce existing laws prohibiting the life-sustaining activities people experiencing homelessness engage in including, but not limited to, camping, sleeping, lying down, or resting in public spaces, food sharing, or living in vehicles. None of the funds provided in this Act to the Department of Housing and Urban Development and U.S. Interagency Council on Homelessness may be used to require people experiencing homelessness to receive treatment or participate in such services, particularly as a condition for receiving shelter, housing, food, or other services. None of the funds provided in this Act to the Department of Housing and Urban Development and U.S. Interagency Council on Homelessness may be used to incentivize states or localities to require people experiencing homelessness to receive treatment or participate in such services.

5. Support the following report language the Department of Housing and Urban Development:
The committee urges Housing and Urban development to assess the need for immediate federal intervention to mitigate the harmful impacts on local communities of investor purchases of REOs and distressed loans, in order to stave off the next financial crisis. FHFA should study and annually report data on the impact of the bulk sale program on neighborhoods where bulk sale properties are located. This analysis should consider potential negative fair housing effects of bulk sales programs such as re-segregation of communities, locking protected classes out of the homeownership market. HUD and FHFA should report data to the public on the outcomes of bulk sales programs, the purchasers, the deal terms, and neighborhood effects after these sales

6. Support the following report language the Department of Housing and Urban Development:
Reporting on Distressed Assets. —In order to provide public transparency on the management of taxpayer assets through the sale of Secretary-held residential

loans, HUD regularly published a ‘Report to the Commissioner on Post-Sale Reporting Distressed Asset Stabilization Program [DASP]’ between 2012 and 2016. These reports included data on outcomes and resolutions of distressed loans sold under DASP, including the structure of loan modifications and demographic and geographic information about the borrowers. In an effort to further the Department’s mission of sustainable homeownership, as well as its responsibilities to taxpayers the Committee directs the Secretary to publish online, within 60 days of enactment of this act, a similar report or reports showing the post-sale status of all loans sold through HUD’s Single Family Asset Sales program, including both forward loans and HECM loans since January 2017, and to publish online similar reports on a semi-annual basis thereafter.

7. Support the following report language for the Neighborworks program:

Community Revitalization Pilot Projects—The Committee provides \$35 million for NeighborWorks to establish a competitive grant program to help restore communities left behind in legacy urban and rural areas suffering from long term depopulation and deindustrialization.

Such a program shall call for innovative neighborhood revitalization strategies from eligible partnerships including municipalities, land banks, community development organizations, nonprofits, and anchor institutions. The following activities shall be eligible as part of such strategies: 1) purchase, rehabilitation, and redevelop abandoned or distressed properties to increase homeownership, 2) assist homeowners with a household income of not more than 80% of area median income with financing mechanisms 3) demolish abandoned or distressed structures. Preference shall be given to proposals for the purchase and redevelopment of abandoned or distressed properties that promote the sale or distribution of those redeveloped properties to individual homeowners. No more than 10 percent of any grant made under this project may be used for demolition activities unless the Director determines that such use is to replace units in an effort to increase homeownership.

Eligible localities are census tracts and municipalities that have at least three of the following characteristics: 1) Dwelling unit sales prices in the locality are lower than the cost to acquire and rehabilitate or build, a new dwelling unit 2) The proportion of residential and commercial properties in the locality that are vacant due to foreclosure, abandonment, or other causes is higher than average in the United States 3) Homeownership percentages in the locality are below average in the United States 4) The population in the locality has decreased since 1950. 4) There is a lack of private-sector lending in the locality to individuals to purchase homes or start small businesses 5) There are racial disparities in homeownership rates. 6.) to prioritize applications in areas that have high concentrations of vacant properties, relatively low homeownership rates, low property values that don’t support the costs of rehabilitation. The Committee directs Neighborworks report to the Committee within 120 days on the status of the program.

8. Include at least \$38 billion in funding for Community Development Block Grant (CDBG) in Fiscal Year 2021:

This request supports \$3.8 billion for the Community Development Block Grant Program. CDBG provides grants to over 1,200 cities, counties, states, and rural areas to help meet the needs of low- and moderate-income people and communities. The program provides funds to every state, and supports housing investments, public infrastructure improvements, economic development, public services, and employment training, among others. Every \$1 of CDBG leverages an additional \$4.09 in non CDBG funding.

9. Support the highest funding possible for the Section 8 Housing Choice Voucher Program: Over 2 million low-income households each year depend on the HCV program, and over half of these recipients are elderly or disabled. We request fully funding the HCV program to fund all vouchers currently in use.

10. Support the following highest funding possible for the Section 8 Project-based Rental Assistance Program

Over 1 million low-income households each year depend on Section 8 Project-Based Rental Assistance, and over half of these recipients are elderly or disabled. We request fully funding PBRA to cover all existing and expiring contracts.

11. Support the following highest funding possible for Section 202 Supportive Housing for the Elderly:

Section 202 Supportive Housing for the Elderly is the only program at HUD that provides housing exclusively for elderly households. Due to our aging population, the demand for this program is steadily increasing. Therefore, we request fully funding all existing 202 contracts and include an additional \$600 million to create new units of deeply affordable housing for the elderly.

12. Support the following highest funding possible for Section 202 Supportive Housing for the Elderly:

Section 811 Supportive Housing for Persons with Disabilities funds permanent supportive housing for low-income people with disabilities. This program allows persons with disabilities to live as independently as possible within their communities. We request fully funding all existing 811 contracts and include an additional \$80 million to create new units of deeply affordable housing for persons with disabilities, as well as sufficient funding to renew 811 Mainstream tenant-based vouchers currently in use.

13. Support total full funding for the Public Housing Operating Fund:

The Public Housing Operating Fund provides housing assistance for nearly one million households, approximately half of whom are elderly and persons with disabilities. We request full funding for the Operating Fund at 100 percent of estimated need.

14. Support total funding level of at least \$5 billion for the Public Housing Capital Fund:

The Public Housing Capital Fund provides housing assistance for nearly one million households, approximately half of whom are elderly and persons with disabilities. We request an appropriation of at least \$5 billion for the Capital Fund, which is the amount that is necessary to cover the estimated annual maintenance needs of the public housing stock plus additional funding to address a portion of the backlog of capital repairs.

15. Support total full funding for the Housing Choice Voucher Administrative Fee (Voucher Operations Fund):

The Voucher Operating Fund ensures that PHAs can adequately meet tenants' needs and provide safe and decent units. We request fully funding the Fund at 100 percent of the estimated need.

16. Provide \$5 million in funding for grants to fund State, local and community agencies to support and strengthen parental sentence alternative programs and planning grants for states wishing to start evidence-based program that provides an alternative to incarceration for parents and caregivers.

Six states - California, Illinois, Massachusetts, Tennessee, Oregon, and Washington – have adopted model parental sentencing alternative programs. These programs divert eligible parents and caregivers from incarceration and provide them with community custody with extensive programming and treatment. Model parental sentence alternatives provide children with greater stability and sense of belonging, ensure family success, reduce crime and increase community vibrancy.

17. Support for HUD Housing Counseling Assistance program at the \$65 million funding level:

Funding the HUD Housing Counseling Assistance Program at the \$65 million level would allow housing counseling organizations to address issues of access, improve availability of services and ultimately serve more families. Strong federal funding will ensure that HUD-approved counseling agencies remain independent and provide consumers with accurate and unbiased financial information.

18. Support total funding level of \$55,000,000 for the Fair Housing Initiatives Program:

The Fair Housing Initiatives Program (FHIP) provides unique and vital services to the public as well as the housing industry to address unfairness and discrimination. The Fair Housing Initiatives Program helps to investigate two-thirds of the nations reported housing discrimination complaints, counsel people who have been victims of housing discrimination, enforce fair housing laws through housing testing programs. FHIP is the only dedicated source of funding for these fair housing activities.

19. Support total funding level of \$55,000,000 for the Fair Housing Assistance Program:

The Fair Housing Assistance Program (FHAP) provides state and local agencies with the necessary funding to enforce fair housing laws. Through the Fair Housing Assistance Program, states receive critical support for complaint processing, training,

technical assistance, data and information systems, and other fair housing projects. FHAP is the only dedicated source of funding for these fair housing activities.

20. Support total funding level of \$102,000,000 for the Office of Fair Housing and Equal Opportunity (FHEO):

FHEO is the office at HUD responsible for administering HUD's fair housing grant programs, its own administrative complaint process to investigate and adjudicate fair housing complaints from the public and monitor compliance of its own programs with the Fair Housing Act.

21. Support the total funding the Neighborhood Reinvestment Corporation at \$175 million:

With the additional funding, NeighborWorks will be able to increase grants to network organizations, enhancing their ability to serve their communities, leverage additional investment from other sources, and create opportunities for people to live in affordable homes.

22. Support total funding level of \$1,500,000,000\$ for the HOME investment partnership program:

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 affordable homes are available, and provide homeownership opportunities when those are most needed.

23. Support total funding level of \$45,000,000 for Capacity Building for Community Development and Affordable Housing (the Section 4 Program):

Section 4 ensures that community-based organizations throughout the nation's lower income communities, both urban and rural, have adequate community development resources to create and sustain jobs, increase housing production, and preserve the vitality and affordability of housing developments nationwide. It is the sole HUD program specifically designed for nonprofit capacity building and is an important, unique, and efficient program that leverages significant private capital using minimal federal dollars.

24. Support at least \$430 million in funding for Housing Opportunities for Persons with HIV/AIDS (HOPWA):

HOPWA provides competitive and formula grants to all fifty states, the District of Columbia, Puerto Rico and the Virgin Islands. Through these grants, cities and states design and deliver community-based, cost-effective housing and supportive services to people living with HIV/AIDS. Achieving the Administration's goal of ending the AIDS epidemic by 2030 will be impossible without robust investment in HOPWA. The 114th Congress passed legislation to update the existing HOPWA formula and provide more funding to areas of the country where the disease is growing. Those formula changes will result in several states and cities losing a significant amount of funding in FY20. We request at least \$430 million in FY21 to ensure no jurisdiction loses funding, and no one living with HIV/AIDS loses housing.

25. Support at least \$430 million in funding for Community Planning and Development Housing First Program:

Across the nation, providers of services to those experiencing homelessness in every Continuum of Care are using the Housing First approach to get their clients off the streets and into housing so they can address their problems and eventually lead more healthy, more meaningful, and, in most cases, independent lives. Housing First is a hand up, rather than a hand-out, allowing people who have experienced homelessness to take the most advantage of the services offered, which means people are less likely to drop out and have to start again and more likely to expeditiously address their problems and rebuild their lives, thus improving outcomes for clients and reducing costs for taxpayers. The Housing First approach has enjoyed strong, bipartisan support since its adoption by the George W. Bush Administration at the request of Congressional Republicans and Democrats alike. The Housing First principles which are the foundation for the permanent supportive housing and rapid re-housing programs funded through HUD's Homeless Assistance Grants also animate the HUD-VASH and Supportive Services for Veterans Families programs that have achieved significant reductions in veteran homelessness. Housing First promotes better outcomes for those experiencing homelessness, including improved medical and behavioral health and lower rates of substance abuse, as well as reducing costs to taxpayers related to emergency health care, police, and incarceration services

Thank you for your consideration of these requests.

Sincerely,

A handwritten signature in blue ink that reads "Rashida Tlaib". The signature is written in a cursive, flowing style.

RASHIDA TLAIB
Member of Congress