

March 19, 2019

The Honorable Susan Collins
Chair, Appropriations Subcommittee on Transportation, Housing and Urban Development, and
Related Agencies
U.S. Senate
Washington, DC 20510

The Honorable Jack Reed
Ranking Member, Appropriations Subcommittee on Transportation, Housing and Urban
Development, and Related Agencies
U.S. Senate
Washington, DC 20510

The Honorable David Price
Chair, Appropriations Subcommittee on Transportation, Housing and Urban Development, and
Related Agencies
U.S. House of Representatives
Washington, DC 20515

The Honorable Mario Diaz-Balart
Ranking Member, Appropriations Subcommittee on Transportation, Housing and Urban
Development, and Related Agencies
U.S. House of Representatives
Washington, DC 20515

Dear Chair Collins, Ranking Member Reed, Chair Price, and Ranking Member Diaz-Balart:

We congratulate you on the passage of the fiscal year 2019 THUD spending bill and we are grateful for the increased resources for housing programs. We are writing to encourage you to build on the bipartisan success of this work as you consider funding levels for HUD's programs in fiscal year 2020.

The undersigned organizations strongly support an increase in the funding for service coordinators for HUD's Family Self-Sufficiency (FSS) program from \$80 million to \$110 million in the fiscal year 2020 spending bill. As you know, FSS is the largest asset building program for low-income families in the country. FSS offers service coordination and financial coaching to residents of assisted housing, plus escrow accounts that capture their increased rent payments due to increased earnings. Participating families can use these savings to meet their goals when they graduate from the program. Currently, there are over 75,000 families enrolled in FSS, a fraction of the families living in assisted housing.

We appreciate your subcommittees' efforts in recent years to expand this effective, voluntary program from public housing and vouchers to properties with Project Based Rental Assistance (PBRA.) In 2018, the Congress passed and the President signed legislation that makes FSS program improvements and renders the expansion to PBRA in the appropriations bills

permanent. We deeply appreciate that HUD's FY19 appropriation includes a \$5M increase in funding for FSS coordinators to support this newly authorized expansion to PBRA communities, and we hope that the FY20 budget will support a continued expansion of this proven program.

FSS is a robust, time-tested approach that balances the need to both set rents in assisted housing according to what residents can pay but also to improve economic mobility. FSS's proven formula of stable affordable housing, plus service coordination, plus escrow accounts is a successful way to improve economic mobility for low income people. A recent interim cost-benefit analysis of two high-performing FSS programs in New England showed that every \$100 in net cost to run the program returned \$3,600 in income to the participating family.

With the approval of amendments to the authorizing statute last year that expand and improve FSS, it is time to increase the service coordinator funding. The 2018 authorizing legislation made new coordinator funding a second priority after renewal of current service coordinator grants. If the service coordinator pot is expanded, multifamily owners will be able to compete for this funding. We urge you to update the FSS appropriations language (which through FY19 has limited FSS coordinators to public housing and HCV programs) to reflect the program's newly expanded authority to serve PBRA households.

In addition to the potential new beneficiaries of the program that live in PBRA, there are also public housing authorities that would like to begin or expand FSS programs for public housing residents and voucher holders. Based on available data, we estimate that an increase of \$30 million in FSS service coordinator funding would allow more than 500 additional FSS coordinators, who could collectively serve as many as 33,000 additional families in the program.

For all of these reasons, it is timely and urgent to begin scaling up FSS so that additional families benefit from its unique structure that leverages stable housing to help families build assets. Please contact Kristin Siglin at siglin@housingpartnership.net if you have any questions or need additional information.

Sincerely,

Compass Working Capital

Enterprise Community Partners

Housing Partnership Network

Local Initiatives Support Corporation

National Affordable Housing Management Association

National Association of Housing and Redevelopment Officials

National Housing Conference

National Housing Trust

National Leased Housing Association

National Low Income Housing Coalition

Preservation of Affordable Housing, Inc.

Public Housing Authorities Directors Association

Stewards of Affordable Housing for the Future

The Caleb Group