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The Honorable Susan Collins
Chair
Subcommittee on Transportation
Housing and Urban Development
And Related Agencies
Senate Committee on Appropriations
Washington, D.C. 20510

The Honorable Jack Reed
Ranking Member
Subcommittee on Transportation
Housing and Urban Development
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Senate Committee on Appropriations
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Dear Chair Collins and Ranking Member Reed:

We write to respectfully request that as your Subcommittee works to complete its FY 2020 Transportation, Housing and Urban Development, and Related Agencies appropriations bill, you support a funding level of \$40 million for the Department of Housing and Urban Development's (HUD) Section 4 Capacity Building for Community Development and Affordable Housing Program.

The Section 4 Program allows HUD to partner with national nonprofit community development organizations to provide education, training, and financial support to local community development corporations (CDCs) across the country. Section 4 funds are required by law to be matched 3:1 with private investments, but program funds have consistently leveraged substantially higher amounts. For each dollar of Section 4 funding, a total of \$20 or more in private investment has been brought into local communities for economic and community development. From 2014 to 2018, Section 4 helped 973 local CDCs nationwide leverage approximately \$7.7 billion for community and economic development and helped to build or preserve more than 39,000 homes in low-income neighborhoods. Since the Program's inception, Section 4 has benefitted all 50 states as well as the District of Columbia and Puerto Rico. The targeted federal investments made through Section 4 attract and accelerate private sector involvement and funding into critical local community development projects.

We are disappointed that the President's budget has slated this program for elimination after decades of successful economic and community development. Since the HUD Demonstration Act was authorized in 1993, Section 4 has proven to be a valuable and cost-effective program that has produced tangible results. Through a nationwide support network, Section 4 provides programmatic and training assistance to local organizations, ensuring program goals are met while granting the necessary flexibility to meet community-specific needs. As communities across the country continue to look for ways to expand economic development and provide affordable housing, funding for Section 4 remains critically important.

As the Subcommittee works through the process of determining how to effectively appropriate federal funds, it is our hope that you will continue your support for Section 4 in FY 2020. We thank you for your consideration.