

Dear Members of Vermont's Congressional Delegation,

Thank you for your longstanding commitment to affordable housing in Vermont and your continued support for federal policies and investments that strengthen our communities. Your leadership has been instrumental in expanding housing opportunities and meeting the needs of families, workers, and seniors across the state.

Despite progress, Vermont faces a worsening housing shortage and rising construction costs. As state legislative leaders collaborating with developers, municipalities, and housing organizations, we are seeking solutions to ease the cost burdens while ensuring long-term economic health for the entire state. We are increasingly concerned about the impact of the Build America, Buy America Act on affordable housing development. Although well-intentioned, BABA requirements have added cost pressures and delays, making them especially challenging for projects with limited financing.

We are writing regarding the Housing for the 21st Century Act (H.R. 6644), which incorporates key elements of the HOME Reform Act and demonstrates bipartisan commitment to addressing housing supply constraints nationwide. We appreciate the bill's emphasis on flexibility, program modernization, and increased housing production. We also note that the updated bill now directs HUD to evaluate BABA's impact and issue updated guidance within 90 days.

However, we are concerned that **the provision to exempt certain HOME-funded affordable housing from BABA requirements was not retained in the current version of the legislation**. BABA was not intended to broadly apply to affordable housing programs. Although it was designed to strengthen domestic manufacturing for traditional infrastructure, its application to HUD-funded housing has created unintended barriers that undermine housing production goals, especially in rural states like Vermont.

We respectfully urge you to support restoring a targeted BABA exemption for HOME-funded affordable housing in any final version of the bill. Clear statutory relief would provide certainty to states, developers, and communities, and remove a significant barrier to delivering urgently needed housing. A targeted exemption would maintain BABA's core intent while ensuring federal housing investments are deployed efficiently and at scale.

A strong economy depends on a healthy housing sector. Advancing the Housing for the 21st Century Act and addressing the unintended impacts of BABA on affordable housing will help ensure that federal investments provide the greatest benefit to Vermont communities.

Thank you for your continued leadership and partnership on housing issues. We welcome the opportunity to discuss this further with you or your staff.

Sincerely,

Chair, House Committee on General and Housing

On behalf of the Vermont House General Committee