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# A home is the *foundation.*

November 20, 2009

The Honorable Harry Reid  
Majority Leader, US Senate  
Washington, DC

Dear Leader Reid,

As the Congress prepares to complete its 2009 calendar, I urge you to make sure that at least \$1 billion is provided for the National Housing Trust Fund (NHTF) before the year is out.

As you know, the NHTF was created in 2008, but has yet to be funded. The President has requested that Congress allocate \$1 billion in 2009 as the initial capitalization of the NHTF.

The NHTF will provide funds to states for the production, preservation, and rehabilitation of badly needed homes that are affordable for the lowest income families. Capital expenditures for housing also have the distinct advantage of creating badly needed jobs in the construction trades and related sectors.

Ninety percent of the funds must be used for rental housing that extremely low income (incomes of 30% of their area median or less) families afford. Extremely low income households are the only income group for whom there is an absolute shortage of housing, a longstanding structural problem in the U.S. housing market. NLIHC analysis of data from the 2008 American Community Survey shows there were 9.2 million extremely low income renter households last year and only 6.1 million homes renting at prices they could afford. Nationwide, for every 100 extremely low income renter households, there were only 37 homes they could afford, paying no more than 30% of their income, in 2008.

Moreover, the gap widened between 2007 and 2008, as the number of extremely low income households increased and the number of rental units they can afford decreased. With the continued growth in unemployment into 2009, this housing shortage has only gotten worse. This shortage of housing that the lowest income people can afford is the cause of homelessness in our country.

It is important not to assume that because there is an excess in the overall housing stock due to the foreclosure crisis there is now enough housing for low income people. The cost of single family homes and market rate multifamily housing has not and will not fall to a level that makes it affordable to the extremely low income population. The shortage of affordable homes for these households can only be eliminated by government action.

Funding the NHTF at \$1 billion will do more than provide 10,000 lucky families with decent and affordable homes. A \$1 billion investment in the NHTF at \$100,000 per unit of housing will create 15,100 construction jobs and 3,800 jobs in

ongoing operations. Further, when low income families are not spending half or more of their income on housing, they can afford to spend more on food, child care, transportation, and other goods and services thereby contributing to their local economies.

In addition to providing a minimum of \$1 billion to capitalize the NHTF, the members of the NHTF campaign request two related provisions. The first is to amend the statute that created the NHTF to assure that the Brooke rule that requires that residents pay no more than 30% of their income for rent apply to rental homes that receive NHTF dollars. The second is to fund \$65,000,000 for project based vouchers that states can distribute along with NHTF dollars to those projects that need them to be able to serve very poor households.

While we recognize that \$1 billion is a lot of money, it is a modest investment to address a critical need of people who did nothing to cause the recession, but have suffered the most as a result of it.

Thank you for your attention to this urgent request.

Sincerely,



Sheila Crowley  
President and CEO, National Low Income Housing Coalition

cc: Chairman Christopher Dodd  
Chairman Max Baucus  
Chairman Daniel Inouye  
Chairman Robert Menendez  
Chairwoman Patty Murray  
Senator Jack Reed  
Senator John Kerry  
Senator Bernie Sanders  
Senator Charles Schumer  
Senator Jeff Merkely  
Senator Richard Durbin  
Senator Patrick Leahy  
Senator Sheldon Whitehouse  
Senator Al Franken