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Stop the Imminent, Massive Increase in Homelessness:

- **Capitalize the National Housing Trust Fund**
- **Provide 200,000 New Housing Choice Vouchers**

Requests:

- Support President Obama's FY10 budget request of \$1 billion to capitalize the National Housing Trust Fund. Support additional funding streams to provide \$5 billion annually into the National Housing Trust Fund.
- Appropriate \$1.6 billion for 200,000 new Housing Choice Vouchers in the FY10 HUD appropriations bill.

Issue Summary:

With increased unemployment comes an increase in the number of people in poverty. For every ten people who live below the poverty line, one will become homeless. **If the unemployment rate reaches 9%, another 1.5 million people will become homeless in the next two years.** Today, more than 745,000 people are homeless. The projected massive increase in homelessness can be averted.

Both the National Housing Trust Fund and the Housing Choice Voucher program require that 75% of their housing assistance go to households with the extremely low incomes (incomes below 30% of area median). **Deep income targeting in the NHTF and the voucher program ensures that people most at risk of becoming homeless will have access to housing assistance.**

Together, these two programs will fill the gaps in the 2009 stimulus bill's \$1.5 billion Homeless Prevention Fund, a much-needed program that will fund short- and medium-term homeless prevention efforts.

National Housing Trust Fund

In 2008, the National Housing Trust Fund was enacted into law as a permanent program with dedicated sources of funding not subject to the annual appropriations process. But, the dedicated funding sources from Fannie Mae and Freddie Mac were suspended indefinitely in December 2008, leaving no funds in the NHTF.

At least 90% of the NHTF funds must be used for the production, preservation, rehabilitation, or operation of rental housing. Up to 10% can be used for the homeownership activities.

(over)



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In his proposed budget for FY10, President Obama has requested an initial capitalization of \$1 billion for the NHTF. The entire amount may be spent wholly in FY10. The President's request is an excellent first step but additional funds will also be needed.

The FY10 budget resolutions passed by both the House and the Senate include language allowing for the capitalization of the NHTF.

Housing Choice Vouchers

Voucher assistance covers the gap between what voucher holders can afford to pay for housing (30% of their adjusted income) and what local, HUD-determined fair market rents are.

Funding must be appropriated in FY10 to renew all existing vouchers, about 2 million across the country. At least 200,000 new vouchers are also needed in FY10 to avert expected increases in homelessness.

Congress has not appropriated funds for a significant number of new vouchers since FY01, when about 87,000 new vouchers were funded. Due to HUD problems with how HUD administered voucher funding, the nation lost about 150,000 vouchers between 2004 and 2007. Since 2007, the annual HUD appropriations bills have fixed these administrative problems, which will be permanently remedied with enactment of Section 8 Voucher Reform Act legislation.

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