



UP FOR GROWTH

- action -

March 6, 2020

The Honorable Denny Heck
2452 Rayburn House Office Building
United States House of Representatives
Washington, DC 20515

The Honorable Wm. Lacy Clay Jr.
2428 Rayburn House Office Building
United States House of Representatives
Washington, DC 20515

The Honorable Earl Blumenauer
1111 Longworth House Office Building
United States House of Representatives
Washington, DC 20515

The Honorable Ed Perlmutter
1226 Longworth House Office Building
United States House of Representatives
Washington, DC 20515

Dear Representatives Heck, Clay, Blumenauer, and Perlmutter:

On behalf of Up for Growth Action, I write you today in strong support of H.R. 5599, the *Fulfilling the Promise of the Housing Trust Fund Act*. Up for Growth's research shows that our nation faces a severe shortage of homes, both market-rate and affordable. The shortage exacerbates our national housing affordability crisis. The shortage increases the cost of rent and the price of starter homes, forces people to live greater distances from work, and leads to more cars on the road which results in increased traffic congestion and greenhouse gas emissions. The housing crisis impacts Americans at nearly every income level, but that consequences of a lack of housing availability and affordability are most severely felt by low-income households.

As Congressman Denny Heck often says, we have a broken housing ecosystem, and solving the crisis will require multiple solutions. We must eliminate exclusionary land use and zoning policies, as well as structural barriers to housing. Eliminating discriminatory and exclusionary zoning and land use policies is critical for increasing the availability of homes – particularly in high-opportunity areas – but we must also increase resources dedicated to the production and preservation of deeply affordable housing for extremely-low and very low income-households.

Created through the Housing and Economic Recovery Act of 2008, the National Housing Trust Fund (“HTF”) is a critical tool for providing critical housing to households who need it the most. The HTF was designed to provide flexible and targeted financial resources for the acquisition, preservation, and production of housing affordable for the 17.6 million American households earning below 50% of Area Median Income.

The current funding mechanism for the HTF limits the program's impact and means that many extremely-low-income and very-low-income households continue to be cost-burdened. H.R. 5599 would increase critically-needed funding for the HTF by redirecting a portion of the Guarantee Fee that Government Sponsored Enterprises (“GSEs”) are required to charge to residential mortgage loans (the “2011 G-Fee”) to the HTF beginning on October 1, 2021, the 2011 G-Fee original sunset date. Estimates range from increasing current deposits into the HTF of approximately \$225 million per annum, to annual deposits from \$2 billion to \$5 billion per annum.

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The Housing Trust Fund is a valuable tool for addressing the housing affordability crisis and, if properly funded, will be a meaningful element of the comprehensive housing policy toolkit. By passing H.R. 5599 and directing the 2011 G-Fee towards the HTF, Congress can make a significant improvement to the broken housing ecosystem without creating a new tax or necessitating a new pay-for.

We commend your continued leadership on housing affordability and appreciate the opportunity to work with you to moving this important legislation, and other pro-housing policies, forward.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mike Kingsella', written over a faint circular stamp.

Mike Kingsella
Executive Director
Up for Growth Action