



UP FOR GROWTH

- action -

March 20, 2020

The Honorable Mitch McConnell
317 Russell Senate Office Building
United States Senate
Washington, DC 20515

The Honorable Nancy Pelosi
1236 Longworth House Office Building
United States House of Representatives
Washington, DC 20515

The Honorable Chuck Schumer
322 Hart Senate Office Building
United States Senate
Washington, DC 20515

The Honorable Kevin McCarthy
2468 Rayburn House Office Building
United States House of Representatives
Washington, DC 20515

The Honorable Maxine Waters
2221 Rayburn House Office Building
United States House of Representatives
Washington, DC 20515

The Honorable Steven T. Mnuchin
Secretary of the Treasury
U.S. Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20220

Dear Majority Leader McConnell, Minority Leader Schumer, Speaker Pelosi, Minority Leader McCarthy, Chairwoman Waters, and Secretary Mnuchin:

As you are aware, the fallout from COVID-19 will create a particularly acute impact on renters and homeowners, many of whom, due to our national housing crisis, are already struggling to pay their monthly rent or mortgage. A sudden loss of income will soon force millions of Americans to make very tough decisions about which bills to pay and whether they can afford to stay in their home in the midst of a global pandemic.

While we are heartened that the Federal Housing Finance Administration has already taken steps to prevent eviction for those with federally insured mortgages, and that many states have issued eviction moratoriums during the national emergency, it has become increasingly clear that Congress and the Administration must take bold action to ensure that what has so far been a public health and economic crisis does not become a housing crisis.

We believe federal housing assistance during the COVID-19 crisis and during the recovery period should focus on keeping renters and homeowners in their home, maintaining a stable housing sector, and ensuring that existing but not-yet-completed projects aren't left to wither on the vine, exacerbating an already severe housing shortage. Below is our initial proposal for immediate steps that Congress should take to address our looming housing challenges.

- 1. Enact targeted protections for renters and homeowners falling behind on payments.** During the COVID-19 crisis, no American should be forced out of their homes as a result of a loss of income. Already, many state and local governments have implemented eviction moratoriums to help protect renters during this crisis. We recommend that the federal government implement a nationwide moratorium on evictions and foreclosures. In order to ensure soundness in our housing markets, we recommend that eviction protections be means-tested and that renters demonstrate a loss of

employment or income. To ensure that affordable rental properties remain operational, targeted federal financial assistance, combined with appropriate protections for renters, should be considered for housing providers to mitigate the gap between any renter assistance and expected shortfalls in rental income. Providing eviction protection to those who need it most is critical for protecting public health, ensuring housing stability, and mitigating economic impacts of the crisis.

- 2. Expand Unemployment Insurance to directly provide Americans experiencing job losses associated with COVID-19 to continue to pay for housing.** Unemployment Insurance is a critically important resource for ensuring financial stability as millions of people face job loss because of COVID-19. Unemployment Insurance payments are essential for helping people stay in their homes and for ensuring that people can still buy essential goods. Because the Unemployment Insurance system already exists, it is the best mechanism for delivering critical support to families and individuals. In order to maximize support for struggling households, Unemployment Insurance must be expanded in four key ways. First, current UI does not cover self-employed workers or independent contractors. Unemployment Insurance must be expanded to cover both of these groups who represent a large share of the workforce. Secondly, the minimum Unemployment Insurance payment must be increased to \$240 per week – the amount necessary to reach the federal poverty line. Third, Unemployment Insurance should be increased to cover 100% of previous pay, capped at \$4,000 per month. Finally, Unemployment Insurance should be extended for 6-months beyond the end of the national emergency to ensure that people are protected during the post-crisis recovery. While we also support direct housing aid for renters and homeowners struggling to make ends meet, utilizing Unemployment Insurance is a better and more holistic approach for assisting millions of Americans.
- 3. Establish that residential construction workers as essential, similar to ‘critical infrastructure workers’ and not subject to shelter-in-place orders at the local, state or federal level during this national emergency.** It is vital that existing construction for new housing continue during the crisis. A halt to production will deepen unavailability and affordability of homes and have hugely negative impacts in the short- and long-term. Therefore, construction workers and project managers should be considered essential workers during the national emergency and exempt from shelter in place orders. We recognize that the health and safety of all Americans is of paramount importance right now; guaranteeing these workers have access to all available health precautions and utilize public health best practices should also be included in any legislative package.

We recognize the need to act swiftly and comprehensively to avoid further harm to Americans and the global economy. We hope to work with you to put these principles into practice to provide a proactive solutions package to anticipate the crisis facing the housing market that is sure to come, absent bold action.

Thank you for your leadership and we look forward to continuing our conversation on how we can best protect those most vulnerable to a sudden loss of income.

Sincerely,



Mike Kingsella
Executive Director
Up for Growth Action