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DOMESTIC AND INTERNATIONAL MONETARY
POLICY, TRADE AND TECHNOLOGY SUBCOMMITTEE

Congress of the United States

House of Representatives

COMMITTEE ON SMALL BUSINESS
COMMITTEE ON BUDGET

January 14, 2009

The Honorable David Obey
Chairman
House Appropriations Committee
H-218 U.S. Capitol
Washington, DC 20515

Dear Chairman Obey,

We are writing to ask you to include measures to address the growing problem of family homelessness in the final economic recovery package.

This recession is expected to be the longest since World War II, and could be the deepest as well. A million more families with children may fall into deep poverty as a result, which puts them at particularly high risk of homelessness. Not only is this a crisis for a family in the short run, but it can cause lasting harm to the children. Numerous studies have shown that housing instability leads to poorer school performance and greater health problems.

Family homelessness is already rising across the country. One in five school districts responding to a national survey reported having more homeless children in the fall of 2008 than over the course of the entire 2007-08 school year. More bad news is expected when localities start reporting their annual homelessness counts this month.

In addition, the foreclosure crisis has pushed many families into the rental market, driving up rents in many areas and making housing less affordable. Renters are also being displaced by foreclosures. Nationally, 20 percent of foreclosed properties are occupied by renters, and in some parts of the country, the share occupied by renters is over 50 percent.

To help stabilize families and inject money into the ailing housing sector to stimulate job growth, we urge the inclusion of three measures as part of the economic recovery package.

1. A \$2 billion increase in HUD's Emergency Shelter Grant program. This would provide short-term relief to help families avoid eviction or obtain new housing. But it is a stop-gap measure, and will not tide families through this lengthy recession. So the package should also include:

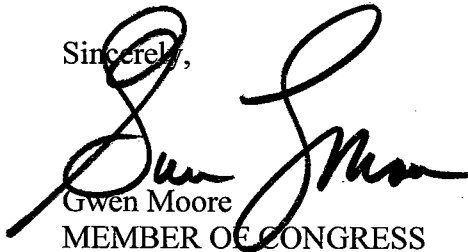
2. Funding for 200,000 additional housing vouchers per year for two years, which offer access to stable, affordable housing for vulnerable families. This would cost \$3.6 billion and could be structured so that the vouchers expire once the family that they are initially allocated to is financially stable enough that they are no longer needed. Therefore, the funding stream could be structured so that it does not add to federal budget costs once the recession is over.

3. \$10 billion in funding for the National Housing Trust Fund, to help increase the supply of rental housing affordable to the lowest income families.

Thank you for considering these important provisions that would significantly stem the growing tide of family homelessness.

Sincerely,

Sincerely,



Gwen Moore
MEMBER OF CONGRESS

GM/as