



## Department of Justice, Peace and Human Development Office of Domestic Social Development

AFFORDABLE HOUSING AND  
THE NATIONAL HOUSING TRUST FUND (NHTF)  
February 2011

### ISSUE

In the final months of 2007, the foundations of the United States' financial system began to crack. A multi-trillion dollar housing bubble--inflated by predatory mortgages, a byzantine process of mortgage securitization, and good, old-fashioned greed--burst as credit markets dried up and foreclosures skyrocketed. As a result, housing projects were put on hold and millions of families lost their homes. As the recession set in and the unemployment rate crept higher, housing insecurity only got worse.

Guaranteeing affordable housing to all has been a continuing challenge. When the Catholic bishops of the United States wrote *The Right to a Decent Home* they said:

The traditional law of supply and demand has not yet proved adequate to the task of providing decent housing for all our people. The demand, as we have seen, is present and growing, yet the response is clearly inadequate, especially for low- and moderate-income people. . . . Since decent housing is a human right, its provision involves a public responsibility. The magnitude of our housing crisis requires a massive commitment of resources and energy.

Unfortunately, such a "massive commitment" has not been forthcoming. Efforts undertaken by Congress and the administration, while well-intentioned, have been ineffective and insufficient. And now federal spending for affordable housing and community development has become very uncertain. Congress completed its business last year without passing any spending bills. The federal government is currently funded through a continuing resolution (CR), which means that funding levels from the previous fiscal year (FY 2010) are continued through the current one (FY 2011). This CR expires March 4, 2011, and must be extended or replaced by spending bills.

Inadequate funding of affordable housing and community development is devastating for poor families and vulnerable people. Inflation and local cost of living increases deplete the value of dollars spent on affordable housing and community development, so each passing year the federal government and its state and local partners face the difficult choice of serving less people, or severely cutting back the total value of benefit they receive.

Compounding the affordable housing crisis for poor families is that the most severe housing shortage exists at the lowest end of the economic spectrum. On average, for every 100 extremely low-income families (those making less than 30% of the area median income) there exist only 39 units of affordable housing (<http://www.nlihc.org/doc/Preliminary-Analysis.pdf>).

In no state can a worker making the minimum wage afford the Fair Market Rent (FMR). In 28 states and the District of Columbia, workers making *twice* the minimum wage cannot even afford FMR. (<http://www.nlihc.org/oor/oor2010/introduction.pdf>)

The USCCB worked for years to support the establishment of National Housing Trust Fund which was enacted in 2008. The NHTF can provide communities with funds to build, preserve, and rehabilitate rental homes that are affordable for extremely and very low-income households. Over two and a half years later, however, Congress still has not approved funding for the NHTF.

### CURRENT STATUS

Congress ended 2010 without approving funding for the NHTF. In the current budget environment, it is unclear whether any legislative opportunity will exist to provide capital funding for the NHTF.

Just \$1 billion in capital funding would support the immediate construction and/or rehabilitation of 10,000 rental homes, creating 15,100 new construction jobs, as well as 3,800 new jobs in ongoing operations. The National Low Income Housing Coalition has calculated the amount each state will receive for every \$1 billion that Congress directs to the NHTF, as well as the number of jobs that it will create in each state. (<http://www.nlihc.org/doc/NHTF-State-Estimates.pdf>)

President Obama is expected to send to Congress his Fiscal Year (FY) 2012 budget the week of February 14, 2011. The president has committed to proposing a five-year freeze on non-security spending, which would allegedly save \$400 billion over 10 years. This freeze would not allow for the development of much needed affordable housing units and the affordable housing crisis would continue to grow.

### **USCCB POSITION**

Consistent with the statement of the Catholic bishops of the United States, *The Right to a Decent Home*, the USCCB supports a national housing policy that includes the preservation and production of quality housing for low-income families, the elderly and other vulnerable people, as well as the participation and partnership of residents, nonprofit community groups, and churches to build and preserve affordable housing. Churches and community groups, the private sector, and all levels of government must all do more to meet a shared obligation to provide safe and decent housing for all.

Additionally, USCCB has been a vocal and long-time advocate of the National Housing Trust Fund. Bishop Stephen E. Blaire, Chairman of the Committee on Domestic Justice and Human Development, sent a letter to the U.S. Senate in December 2010 urging funding for the NHTF. Bishop Blaire observed that in their respective dioceses, his brother bishops “continue to witness the scourge of housing insecurity. For too many families, affordable and decent housing is painfully difficult to find.”

### **ACTION**

Call for adequate funding for:

- Tenant-based Rental Assistance (Vouchers)
- Family Unification Program
- Veterans Affairs Supportive Housing (VASH)
- Project-based Housing Assistance (Section 8)
- Rural Innovation Fund
- Homeless Assistance Grants
- Housing for the Elderly Program (Section 202)
- Housing for Persons with Disabilities (Section 811)
- Housing Opportunities for Persons with AIDS (HOPWA)
- Community Development Block Grant (CDBG)

Contact your Representative and Senators and urge them to:

- capitalize the NHTF as early as possible, and remind them that access to safe and decent living arrangements is a human right.
- protect funding for affordable housing and community development programs such as those listed above.

Sign up for Action Alerts at <http://capwiz.com/catholicbishops/mlm/signup/> (be sure to check “Domestic Social Policy”) and <http://www.catholiccharitiesusa.org/NetCommunity/Page.aspx?pid=1267> to keep updated on the most recent and urgent opportunities for affordable housing advocacy.

### **RESOURCES**

USCCB Department of Justice, Peace, and Human Development: [www.usccb.org/sdwp/](http://www.usccb.org/sdwp/)

Catholic Charities USA: [www.catholiccharitiesusa.org/](http://www.catholiccharitiesusa.org/)

Catholic Bishops of the United States, *The Right to a Decent Home*: <http://www.nccbuscc.org/sdwp/national/dec.pdf>

### **FOR MORE INFORMATION:**

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