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**Amendment to the Views and Estimates of the Committee on Financial Services
on Matters to be Set Forth in the Concurrent Resolution on the Budget for Fiscal
Year 2016**

Offered by Mr. Kildee of Michigan

Beginning on page 10, line 30, strike everything after "...HUD" through line 41, and insert the following:

The National Housing Trust Fund (HTF) was designed to provide a permanent source of funding for the development, rehabilitation, and preservation of affordable rental housing for extremely low- and very low-income residents. Unlike other federal housing and community development programs, such as the HOME Investment Partnership and CDBG, at least 80 percent of funding must be used primarily for the production of affordable rental housing, and at least 75 percent must be used exclusively for the benefit of extremely low-income (ELI) households, or households with incomes at or below the poverty line, whichever is greater¹. In contrast, the income targeting requirements for HOME and CDBG only require that a certain percentage of funds be used to benefit low- and moderate income households.² The result is that the majority of CDBG and HOME funding goes to the benefit of low- and moderate income households rather than ELI households, for whom most affordable and available rental housing is out of reach. Thus, the HTF addresses the housing needs of ELI households that CDBG and HOME tend to overlook.

Throughout our country, the need for funding targeted to address the housing needs of ELI households is great. For example, the NLIHC's report entitled "Out of Reach 2014," found that one out of every four renter households is ELI, but for every 100 ELI renter households, there are just 31 affordable and available units. Further, the report found that 75 percent of ELI households spend over 50 percent of their income on housing cost needs.

In addition, the Director of the FHFA was on sound footing in his decision to fund the HTF. Funding the Trust Funds would not contribute to the financial instability of Fannie Mae and Freddie Mac, as specifically determined by the FHFA, based on the improved financial conditions of the GSEs. Further, the Budget projects that the GSEs will return money to American taxpayers, providing Treasury with an additional \$153.3 billion over the next ten years, which when combined with dividend payments already paid, is \$191.2 billion more than they have drawn from Treasury.

¹ ELI households are those with incomes at or below 30 percent of the area median income (AMI).

² VLI and moderate income households are those with incomes at or below 50 percent of AMI or 80 percent of AMI, respectively