



January 14, 2009

The Honorable Nancy Pelosi
Speaker
United States House of Representatives

Dear Madam Speaker:

We are writing to pledge our strong support for your consideration of a second stimulus package to guide our economy towards sustainable growth, create new jobs and housing, improve the nations' infrastructure, and to assist Americans who are struggling to make ends meet.

Too many of our fellow Americans have been struggling with rising rents and home prices over the last decade, without commensurate increases in income. Our economic crisis is largely a result of this simple reality –high housing cost burden pushed families out of rental housing and into risky homeownership arrangements that have proven unsustainable.

We are aware of, connected to, and supportive of the 20-plus housing industry platforms recommending different housing programs to Congress.

Ultimate success, we believe, will come from programming that follows several key principles:

1. Affordable housing is a critical component of our state's infrastructure that is directly related to jobs, education, and health issues.
2. Rental housing can be both a stepping-stone to homeownership or a life-long housing option that can provide stability for individuals and families.
3. Housing that is unaffordable to a household put communities at-risk.
4. Place-based approaches are valuable and coupled with bottom-up investments, they preserve public assets for the needs of future generations.

The devil is in the details - to reach impactful goals and objectives of sustainability, an economic stimulus package must consider that:

- New legislation to direct remaining TARP funds must include rental housing as a targeted use of funds. These properties are in foreclosure in large numbers.
- Changes to Neighborhood Stabilization Program (NSP) should more closely mirror the HOME program which would provide added flexibility for rescue of multifamily properties. A

minimum 5% set-aside of those funds for community development corporations would ensure that the Programs' goals can be achieved.

- Financial institutions receiving TARP funds should be required to negotiate sale of a portion of their REO properties for purposes of the Neighborhood Stabilization Program.
- HUD should be integrally involved in development of real estate-related programs as they have the institutional memory with ownership and rental programs to quickly allocate housing resources that can have broad community benefits through CHDOs, sub grantees, and other accountable institutions. Past successful program models include the various project-based Section 8 insurance and mortgage programs, HOME, Hope 3, and CDBG.

The economic benefit is striking. According to a recent study by the National Association of Homebuilders, a typical 100 unit multifamily project creates: 116 new jobs, \$8.6 million in income from related industries, and \$3.3 million in tax revenue to federal, state, and local governments.

Outside of TARP and the NSP, we request that any economic stimulus funding be used to build new or to improve existing affordable housing. While Illinois needs funding for basic services and safety net provisions, we believe that affordable housing provides the stability that families and individuals need to overcome struggles and in turn can fuel our economic recovery.

Sincerely,

Members of Illinois Delegation