

October 20, 2021

House Financial Services Committee  
2129 Rayburn House Office Building  
Washington, DC 20515

Chairwoman Waters and Distinguished Members of the House Financial Services Committee:

During a time families of young children, particularly Black, Indigenous, Latinx, and immigrant families – are experiencing alarming rates of housing instability and homelessness, which imperil their health, we call upon you to invest in high-quality, affordable housing necessary for financial stability and good health. Children's HealthWatch is a network of pediatricians and public health researchers with over two decades of experience documenting the effect of economic conditions and policy changes on the health and cognitive development of young children and their families. Our research consistently shows it is critical for the health and well-being of children and their parents to implement policies that ensure all families can meet basic needs, including housing. As leaders in Congress negotiate the Build Back Better Act, we urge you to prioritize **robust investments in housing vouchers, public housing, and the National Housing Trust Fund (HTF)**. These vital housing programs directly and effectively serve families with the lowest incomes and marginalized households with the greatest needs. These investments will be essential to support an equitable recovery.

Research from the National Low Income Housing Coalitions shows there is currently a national shortage of more than 7 million homes affordable and available to people with the lowest incomes. Rental housing affordability has worsened dramatically over the past 15 years, and more households than ever are struggling to pay rent and make ends meet. High rental housing costs and low wages have forced three-fourths of our nation's lowest-income renters (disproportionately renters of color) to spend more than half of their incomes on rent and utilities every month.<sup>1</sup> As a result, these households have few resources to cover other necessities, like medical care or nutritious food, and are at greater risk of housing instability and, in worst cases, homelessness – all of which are associated with serious adverse effects on children's health and development.<sup>2,3,4</sup>

Conversely, our research has found that children living in stable homes (i.e. not behind on rent, without multiple moves, no current or past experience of homelessness) have better physical health and developmental outcomes, a lower risk of hospitalization, and are less likely to experience other economic hardships.<sup>5</sup> Research has also shown that stable housing reduces overall health care expenditures, including reduced emergency department costs and general inpatient hospitalizations.<sup>6</sup> Stable, affordable housing options located in neighborhoods of opportunity are associated with better educational outcomes, better physical and mental health outcomes, lower healthcare expenditures,

greater food security, stronger upward economic mobility and growth, greater racial and gender equity, fewer encounters with the criminal legal system, reduced greenhouse gas emissions, and more.<sup>7,8,9</sup> Unfortunately, years of underinvestment in affordable housing solutions have contributed to our current housing crisis. For example, although it is well documented that housing vouchers and other rental assistance are highly effective at addressing homelessness and housing instability, reducing domestic violence, and improving other outcomes, 3 in 4 people eligible for rental assistance do not receive it due to inadequate funding.<sup>10</sup>

While the affordable housing crisis has many dimensions, it fundamentally stems from long-term growth in housing costs that push rents beyond what many people with low incomes can afford and systemic racism that directly harms Black, Indigenous, and Latinx people and immigrants. People of color are disproportionately represented among extremely low-income renters and people experiencing homelessness. Black households account for 12% of all households, yet they account for 26% of all extremely low-income renters, 40% of people experiencing homelessness, and more than half of all homeless families.<sup>1</sup> Latinx households account for 12% of all U.S. households, 21% of extremely low-income renters, and 22% of people experiencing homelessness.<sup>1</sup> Women of color, particularly Black women and families with children, are more likely to face eviction, placing them at especially high risks of housing unaffordability and homelessness.

Research clearly shows that investments that reduce housing instability and homelessness may decrease avoidable spending in other sectors. One conservative estimate from Children's HealthWatch shows housing instability among families with children results in \$111 billion in avoidable health care costs over ten years. Policies that dramatically reduce housing instability among families and promote health are urgently needed.

With your leadership, we can ensure that all families can raise their children in affordable homes by bringing to scale proven solutions that provide additional housing vouchers and build and rehabilitate affordable and accessible housing for people with the lowest incomes. In the Build Back Better Act, we have the rare opportunity to advance bold, transformative housing solutions that are urgently needed today and set our country's children on a positive trajectory. To achieve this shared vision, we recommend:

- **Expanding rental assistance by \$90 billion to serve an additional one million households.** Given robust evidence on the effectiveness of rental assistance in reducing housing instability and promoting health, deep investments in housing subsidies are urgently needed to ensure families can afford rent in the neighborhood of their choice. Vouchers are more effective at reducing homelessness, overcrowding, and housing instability than any other policy option and are integral to any strategy to solve the affordable housing crisis and advance an equitable recovery.

Studies repeatedly show that vouchers hold enormous potential to reduce child poverty and narrow racial gaps in poverty rates.<sup>11</sup>

- **Investing \$80 billion to repair the nation's public housing infrastructure for more than two million residents.** Children must live in safe, high-quality homes that provide them with the opportunity for healthy development. Home to 900,000 households, including many children, public housing is in dire need of increased federal investment. Because of divestment by Congress, 10,000 public housing units are lost each year to disrepair, and a large backlog of unmet renovation needs places the health and safety of residents – including children whose health is particularly vulnerable to poor housing quality - at risk. These resources would enable housing agencies to make critical repairs, such as fixing leaky roofs and replacing outdated heating systems, that would improve living conditions for residents and preserve this essential part of the nation's affordable housing infrastructure for the future.
- **Investing \$37 billion in the national Housing Trust Fund (HTF) to build and preserve 330,000 affordable homes and help end homelessness.** The HTF is the first new federal housing resource in a generation exclusively targeted to create and preserve rental homes affordable to people with the lowest incomes. By doing so, the HTF is *the* federal housing production tool most targeted to address the underlying cause of the housing crisis. Other federal production programs, on their own, are not enough to build homes affordable to people living in poverty. In addition to making robust investments in HTF, we urge at least \$26 billion to be set aside to develop permanent supportive housing as part of efforts to end homelessness among families and individuals.<sup>12</sup>

Housing instability is a complex public health issue and requires a robust, coordinated, and multi-faceted approach. The above investments are urgently needed to prevent housing instability, eviction, homelessness, and further hardship among children and families in our communities that already struggle to make ends meet. Supporting the health and development of children and families across our country by including these evidence-based provisions in the Build Back Better Act is essential to our nation's current and future prosperity and well-being. It addresses the underlying systemic causes of the housing and homelessness crisis in the United States. We look forward to continuing to work with you as you advance these necessary solutions.

Sincerely,

Children's HealthWatch

cc: The Honorable Speaker Pelosi

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- <sup>3</sup> Bruce C, et al. Eviction: A preventable cause of adverse child and family health. Children's HealthWatch. 2021. Available at <https://childrenshealthwatch.org/wp-content/uploads/Evictions-and-health-brief-v3.pdf>
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- <sup>6</sup> Garrett DG. The business case for ending homelessness: having a home improves health, reduces healthcare utilization and costs. *Am Health Drug Benefits*. 2012;5(1):17-19.
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- <sup>11</sup> Collyer S, et al. Housing vouchers and tax credits: Pairing the proposal to transform section 8 with expansions to the EITC and the Child Tax Credit could cut the national poverty rate by half. Center on Poverty and Social Policy at Columbia University, Children's Research and Education Institute. 2021. Available at <https://static1.squarespace.com/static/5743308460b5e922a25a6dc7/t/5f7dd00e12dfe51e169a7e83/1602080783936/Housing-Vouchers-Proposal-Poverty-Impacts-CPSP-2020.pdf>
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