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U.S. House Committee on Financial Services
2129 Rayburn House Office Building

Dear Chairwoman Waters, Ranking Member McHenry, and Members of the Committee:

We are thankful for the Committee's leadership in advancing historic investments in key affordable housing programs as part of the Build Back Better Act and welcome the opportunity to provide input to the Committee on "A Strong Foundation: How Housing is the Key to Building Back a Better America." We urge you to prioritize the package's **robust investments in housing vouchers, public housing, and the national Housing Trust Fund (HTF)** because these vital housing programs most directly and effectively serve the lowest income and most marginalized households with the greatest needs. All three investments will be essential to support an equitable recovery.

The longstanding affordable housing crisis impacts rural, suburban, and urban communities alike. Even before the pandemic and economic downturn, hundreds of thousands of people couldn't afford a home at all; 580,000 people slept in shelters or on the streets in January 2020 when HUD conducted its annual point-in-time homeless count. And 24 million people — including over 7.7 million children — in low-income households paid more than half of their income for rent. They include low-paid workers with children, as well as many seniors, people with disabilities, and LGBTQ people, who are more likely to face housing instability and homelessness than straight people. These housing affordability challenges are heavily concentrated among people with the lowest incomes and, due to a long history of racial discrimination that has created unequal economic and housing opportunities, people of color. Racism and the systems and policies that uphold it have put people of color at greater risk of high rental cost burdens, overcrowding, evictions, and homelessness.

Typically, renters who must pay very high shares of their income for housing have to divert money away from other necessities to keep a roof over their heads, such as by going without needed food, medicine, clothing, or school supplies. Others face eviction, overcrowding, and homelessness. This perpetuates racial inequities, including by undermining health, education outcomes, and economic opportunity — key priorities in the Build Back Better legislation. It also forces some seniors and people with disabilities to live in congregate or institutional settings because they can't afford rent, undermining their very independence.

Affordable housing investments — especially for people with the lowest incomes and greatest barriers to housing — help to improve outcomes across [many dimensions](#). Many of the investments in the Build Back Better legislation would be much more effective if the low-income households they are designed to benefit are able to afford stable housing. For instance, Housing Choice Vouchers and

other affordable housing investments for people with the lowest incomes can [strengthen](#) the Build Back Better Act's investments in:

- **Housing construction and rehabilitation**, by making rents in new or rehabilitated units affordable for people with extremely low incomes;
- **Preschool, quality child care, and K-12 education**, by preventing housing instability that causes children to bounce from school to school, and homelessness and overcrowding that disrupt children's sleep and schoolwork and harm their development in other ways;
- **Home- and community-based services**, by helping older adults and people with disabilities afford accessible homes where they can access care in the community, helping them to avoid or leave institutional settings;
- **Community college**, by providing stable housing that allows students to focus on completing their degree or certificate program; and
- **Broadband**, by maintaining people's housing security so they can more fully benefit from access to high-speed internet.

Rigorous research shows that federal rental assistance is highly effective at reducing homelessness, housing instability, and unnecessary institutionalization among people with disabilities. But due to inadequate funding, 3 in 4 households eligible for rental assistance do not receive it, and there are [years-long waiting lists](#) for vouchers in much of the country. With your leadership, the package can do far more to expand opportunity and reduce hardship for people struggling the most if it also includes a major expansion of housing vouchers and measures to build and rehabilitate affordable and accessible housing for people with the lowest incomes. To ensure that key investments in health care, child care, education and more reach those who need it most, and to scale up evidence-based solutions to housing instability and homelessness crisis, we recommend:

- **Expanding rental assistance — including vouchers — for people with the lowest incomes and people experiencing or at risk of homelessness.** The language advanced by the Committee included \$90 billion in rental assistance (\$75 billion in vouchers and \$15 billion in project-based rental assistance), which would serve as many as an additional one million households when fully phased in. Moreover, the Committee's proposal targets the new vouchers to people with the lowest incomes devotes a large share of the new vouchers to families and individuals experiencing or at risk of homelessness and survivors of domestic violence, ensuring that the vouchers would reach people facing the [greatest challenges](#) to housing. Vouchers are more [effective](#) at reducing homelessness, overcrowding, and housing instability than any other policy option and are integral to any strategy to advance an equitable recovery. They are also critical to providing families with more choice about where they live, including by helping families move to areas that support their health and economic wellbeing.
- **Investing to repair the nation's public housing infrastructure.** The language advanced by the Committee included \$80 billion that would repair housing for more than two million public housing residents. While public housing is home to 900,000 households — mostly seniors, women, and people with disabilities — due to 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 at risk. Investments are needed to 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 in the national Housing Trust Fund (HTF) to build and preserve affordable homes and help end homelessness.** The language advanced by the Committee included \$37 billion. Importantly, the HTF is designed to build and preserve rental homes affordable to people with the lowest incomes, making it *the* federal housing production tool most targeted to address the most severe housing needs. Other federal production programs, on their own, are not enough to build homes affordable to people living in poverty. The majority of HTF investments should be set aside to develop [permanent supportive housing](#) to advance evidence-based solutions to homelessness for people with disabilities.

Thank you for your consideration. We urge you to use this opportunity to invest in critical and proven housing solutions to strengthen the economic recovery, reduce poverty and racial disparities, and rebuild the country's infrastructure. We look forward to continuing to work with you as you advance these necessary investments.

Sincerely,

Ann Olivia
Vice-President for Housing Policy
Center on Budget and Policy Priorities