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National Low Income Housing Coalition
Testimony to House New Democrat Coalition Housing Task Force Forum on Affordable
Housing
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Thank you for the opportunity to be here today. I am Diane Yentel, president and CEO of the National Low Income Housing Coalition (NLIHC). NLIHC is solely dedicated to ensuring that the lowest-income seniors, people with disabilities, families with young children and others in our country have safe, accessible and affordable homes. Our members include non-profit housing providers, homeless services providers, fair housing organizations, state and local housing coalitions, public housing agencies, faith-based organizations, residents of public and assisted housing and their organizations, low-income people in need of affordable homes, and other concerned citizens. The National Low Income Housing Coalition does not represent any sector of the housing field. Rather, we work only on behalf of and with low-income people who need safe, accessible and affordable homes.

The country is in the grips of a pervasive affordable housing crisis, impacting rural, suburban and urban communities alike. While the affordable housing crisis has many dimensions, the fundamental problem is the mismatch between what people earn or otherwise have available to spend for their homes and what housing costs. Rents have risen faster than renters' incomes over the last several decades. In fact, since 1960, renters' incomes have increased by only 5% while rents have risen 61%.

And while more low-income people are renting their homes than ever before, the supply of affordable rental homes has not kept pace – in part due to highly restrictive zoning laws in some communities and, when it comes to the lowest-income families, due to declining federal resources. As a result, record-breaking numbers of families cannot afford a decent place to call home.

The shortage of affordable homes is most severe for extremely low-income (ELI) households whose incomes are at or below the poverty guideline or 30% of their area's median income (AMI), whichever is higher. For example, In Olympia, Washington and in Salt Lake City, Utah, an ELI renter could be: a family of four with two working parents who earn a combined \$25,000 annually; a low-income senior with income of no more than \$17,000; or a single person with a disability, relying on an annual income of just over \$9,000 from Supplemental Security Income (SSI).

Our research makes clear that these lowest-income families are the only segment of the population for which there is an absolute shortage of homes affordable and available to them. Only 7.5 million affordable rental homes exist for the nation's 11.2 million lowest-income renter households, assuming they spend no more than 30% of their income on housing costs.

But the problem is broader than that because not all these 7.5 million homes are *available*. Nearly 3.5 million of the homes that would be affordable are instead occupied by higher-income households, making them *unavailable* to the lowest-income renters. As a result, only four million affordable and available rental homes exist for over 11 million of the lowest-income households. In other words, for every 10 of the lowest-income seniors, people with disabilities, families with children – there are fewer than four homes affordable and available to them.

The shortage ranges from least severe to most severe, but no congressional district has an adequate supply of rental homes for its lowest-income residents. For example, in the 10th District of Washington, represented by Congressman Heck, in the 4th district of Utah, represented by Congressman McAdams, and in California's 10th district, represented by Congresswoman Hill, there are fewer than two affordable homes available for every ten of the lowest-income seniors, people with disabilities and families with young children.

This is why we have homelessness in our country. It's why we have housing poverty. Because of the shortage, nearly 8 million of the lowest-income renter families pay more than half of their incomes towards housing, and over half a million people in our country have no homes at all. In some communities, homelessness is rapidly increasing.

The private market cannot, on its own, meet the housing needs of the poorest renters. Without government intervention, decent and affordable homes cannot be reliably built, operated and maintained at a price the lowest-income households can afford. Federal subsidies are necessary– but funding for such subsidies have been declining for decades.

We have homelessness and housing poverty in our country because solutions that make homes affordable for the lowest-income people are woefully underfunded. We have a system in our country where just one in every 4 families in need of housing assistance and eligible for it receives any assistance. Put differently, 75% of families in needs of an eligible for housing assistance receives none. Instead, they wait in line to add their names to years- or decades-long waiting lists, hoping to win what is essentially a housing lottery.

It's important to know that it wasn't always like this. Today's modern phenomenon of homelessness did not exist in the late-1970s because our country housed almost everyone, including the lowest-income and most vulnerable families. At that time, our country had a modest *surplus* of homes affordable and available to the lowest-income people. The primary difference between then and now: federal subsidies.

Adjusting for inflation, the federal budget authority for housing assistance programs in the 1970s was nearly three times more than it is today, despite the significant growth in the number of low-income renters eligible for housing assistance.

HUD's budget has declined dramatically over the last ten years since the Budget Control Act (BCA) was enacted. Inflation-adjusted funding for public housing, housing for the elderly, housing for persons with disabilities, and other important programs has fallen precipitously

since fiscal year 2010. Only tenant-based and project-based rental assistance program funding has modestly increased to keep up with the rising operating cost for previously authorized assistance. We have recently turned a corner by achieving a 10% increase to HUD's budget, but we have much further to go.

In addition to the tremendous need to produce homes affordable to the lowest-income people and expand rental assistance, we must preserve our country's existing affordable housing infrastructure. Public housing, home to over 2.6 million low-income people, plays a critical role in America's affordable housing infrastructure, but Congress has underfunded public housing for decades. Between 2000 and 2016, funding for public housing repairs was cut in half.

With limited funding, many public housing agencies are unable to make needed repairs to preserve these homes. Our country loses 10,000 to 15,000 public housing apartments annually to obsolescence or decay, and other units fall into deep disrepair. The funding needed to address capital repairs in public housing is estimated to exceed \$50 billion.

The housing crisis is a solvable problem. The truth is, as a country, we chose to allow homelessness and housing poverty to exist. We could choose otherwise – we have the data, the research, proven solutions and, certainly, as a country, we have the resources. We lack only the political will to fund the solutions at the scale necessary.

We are already paying for the housing crisis. Inaction is expensive. As a country, we pay for homelessness and housing insecurity through increased health costs, lowered educational attainment, lessened lifetime earnings and less taxes paid, all consequences of housing insecurity and instability. We should instead invest in solutions to make homes affordable to the lowest-income people by significantly expanding programs like the national Housing Trust Fund, rental assistance through expanded Section 8 vouchers or a renters' tax credit, and preserving the affordable homes that already exist.

In most areas of the country, the private market meets the needs of middle-income renters. Where it does not – in a handful of major metro areas – the challenges exist 1) because of the severe shortage of homes for the lowest-income people in those same communities, *and* 2) because of restrictive local zoning that inhibits the construction of apartments to keep up with local demand.

For these handful of communities, the federal government must not provide resources to subsidize the development of middle-income apartments, as has been suggested by some. Such an approach would be misguided and wasteful. Instead, the federal government's role should be to incentivize or require local communities to decrease regulatory and zoning barriers to facilitate more housing production by the private sector. Congress should consider tying federal transportation or other infrastructure investments as incentives for local communities to do so.

Thank you again for the opportunity to be here today, I look forward to your questions.