

**Written Testimony of HUD Secretary Marcia L. Fudge
Senate Banking Committee Hearing on
The American Jobs Plan
Thursday, May 20, 2021**

Chairman Brown, Ranking Member Toomey, and the distinguished members of the Senate Banking Committee: thank you for this opportunity to discuss President Biden's American Jobs Plan.

Today, as our nation continues to rebuild from the COVID-19 pandemic, we face a fundamental decision about our future.

We can choose to take a bold new direction that will make the United States more prosperous, more equitable, and more resilient in the decades to come. A bold new direction that better positions us to win the global competition for the 21st century. That bold new direction is the American Jobs Plan.

If we do not pass the American Jobs Plan, we will choose instead a very different path. We will return our nation to the position we occupied before COVID-19. To an America beset by crumbling bridges, buildings, and homes. To an America unprepared to respond to the existential danger posed by climate change. To an America grappling with an affordable housing crisis that threatens the security and the basic dignity of families in every corner of our nation.

Even before the pandemic, nearly 11 million Americans spent more than half of their incomes on rent. COVID-19 has only made this situation worse.

Our nation's affordable housing crisis is especially severe among low-income households and communities of color. It keeps millions of Americans up at night, wondering if they will need to choose between paying for housing—or other essentials such as health care, groceries, or school supplies. Moreover, it limits their ability to save and invest in their family's future—from buying a home to starting a college fund for their children.

Today's affordable housing crisis is due—in large part—to yesterday's lack of investment. Both the public and private sectors have failed to produce enough housing for our growing population and to maintain our existing stock of affordable housing. We are at risk of losing thousands of affordable homes, including many in public housing, that have fallen into disrepair and may threaten the safety of residents.

The American Jobs Plan would reverse this trend and address our affordable housing crisis head on. The plan invests \$213 billion to build and modernize more than two million affordable and sustainable places to live. It provides \$75 billion in targeted tax credits, formula funding, grants, and rental assistance that can fill the gap between how much it costs to produce or preserve housing—and how much families are able to pay. In addition, it will allow HUD, the Department of Energy, and our partners across the federal government to fight climate change by making our homes more energy efficient—and better equipped to withstand extreme weather events.

The American Jobs Plan addresses restrictive zoning regulations that artificially limit our nation's supply of affordable housing. These constraints raise the price of housing—and increase transportation time and costs for workers who must commute longer distances from the areas where they can afford to live. To help solve these problems, the American Jobs Plan incentivizes local jurisdictions to take concrete steps to eliminate local regulations that restrict housing choices for people with low or moderate incomes.

In addition to creating more housing, the American Jobs Plan preserves affordable housing that already exists. Nearly 2 million people—including more than 1 million Americans of color—currently live in public housing. Yet much of our public housing inventory is more than 50 years old and faces significant capital needs.

That is why the American Jobs Plan contains \$40 billion to rehabilitate and repair our public housing infrastructure. This funding would dramatically improve the quality of life for people who live in public housing. Furthermore, public housing is often located in under-resourced communities that are especially vulnerable to the dire effects of climate change. Investments that help reduce energy use, increase resilience, or fortify against extreme weather events can help mitigate these risks.

We know that stable, affordable housing can serve as a springboard for renters to achieve the dream of homeownership. To help more Americans realize that dream, the American Jobs Plan includes a new federal tax credit based on the proposed Neighborhood Homes Investment Act. The new credit could lead to the construction and renovation of approximately 500,000 single-family homes during the next decade. This, in turn, can enable more families to become homeowners and build a source of wealth they can pass down to future generations.

All told, the bold investments provided in The American Jobs Plan underscore a fundamental truth: that housing represents a vital part of our nation's infrastructure.

A secure and stable home represents more than four walls and a roof. It can connect us to better jobs, more affordable transportation options, and communities with cleaner air and cleaner water. It can connect our children with good schools—providing them with a pathway to earn a brighter future.

Our homes are bedrock, brick and mortar institutions that lay the foundation for a stronger and more connected society—just like our roads, our highways, and our airports. To put it simply, our homes serve as a bridge to greater opportunities and a better life.

If we want to ensure the United States remains the greatest nation in the world during the 21st century, then we must first take care of home—in the most literal sense.

That is why I am honored to testify today alongside Secretary Buttigieg. HUD and the Department of Transportation are committed to working with one another to help communities build more sustainable infrastructure—and expand access to both affordable housing and affordable options for transportation.

The Biden-Harris administration understands that—in order to successfully enact the American Jobs Plan—we will need to deepen the partnership between our two agencies. HUD is committed to joining forces with the DOT to help ensure that the historic investments contained in the American Jobs Plan are delivered with efficiency and with equity.

Together, we can help revitalize our nation’s infrastructure—and create communities that are more thriving, more resilient, and more interconnected than ever before.

With that, on behalf of the Department of Housing and Urban Development, I am happy to answer any questions you may have.

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