

Ranking Member Pat Toomey (R-Pa.)  
Opening Statement  
Full Committee Hearing: Examining Bipartisan Bills to Increase Access to  
Housing  
June 24, 2021 at 10:00 AM

---

Mr. Chairman, thank you.

As I made clear at our first housing hearing this Congress, I am committed to working with all members of this Committee to improve access to affordable housing. You may recall I released a set of principles at the start of this Congress for reforming the housing finance system. And as I pointed out before, my principles overlap with the principles you laid out in September 2019, Mr. Chairman.

We must work in a bipartisan manner toward comprehensive reform which serves families and the taxpayers. But we aren't here today to talk about ways we can make housing more affordable. Instead, we are asked to discuss a number of unrelated bills, most of which increase government spending and interference in housing markets.

We would be wise to remember there is no guarantee that further government support will improve access to housing. The government already supports a whole array of overlapping housing subsidies that have done little to address affordability: mortgage interest deduction, capital gains exclusion on home sales, property tax deduction, government guaranteed and subsidized mortgages, LIHTC, a host of HUD programs.

As with taxpayer subsidies for health care and higher education, all of this support for housing is only leading to price escalation. Just last month, the year-over-year change in median home sales price has grown to nearly 25 percent. We know wages aren't growing 25 percent year-over-year.

If we want to make housing affordable, we should be talking about how government subsidies, and how monetary policy—the Fed's easy money policy of low interest rates and its purchase of nearly half-a-trillion dollars in mortgage-backed securities annually—are causing rapid home price inflation. The experiment of a vast subsidy framework combined with accommodative monetary policy have done little to address affordability.

Congress recently doubled down on subsidizing housing and it doesn't appear to be working. Congress appropriated over \$80 billion for housing in response to COVID, but much of this money hasn't gone out the door yet. Nearly \$50 billion was spent on emergency rental assistance, but little of this is reaching landlords and tenants. Congress spent almost \$25 billion on more HUD programs through the March 2020 CARES Act and President Biden's partisan relief bill, but 15 months after the CARES Act was enacted, less than one-third those funds have been spent. And none of the money from the administration's flagship spending bill has actually been delivered to any family.

We need to start a new discussion. The measure of success shouldn't just be how many families are receiving housing assistance. We should begin focusing on enabling people to work their way out of poverty and empower them to graduate from government support.

But we appear to be having the same conversations and doubling down on the same unworkable ideas that only grow the welfare state. This administration is ignoring the success of those welfare reform efforts that directly contributed to poverty reduction in this country.

President Biden's partisan relief bill provided additional unemployment insurance benefits, letting many people receive more money than they would working. It also eliminated the requirement to work or prepare for work as a condition of receiving many welfare benefits like the child tax credit. And just a few weeks ago, HUD unilaterally decided it wouldn't even study the effectiveness of work requirements for tenants receiving taxpayer assistance from HUD.

I hope my colleagues would agree we don't want people to live their entire lives on government assistance. Assistance must be temporary and transitional. But after 50 years and trillions in federal housing support, there's been no meaningful change in homeownership rates—64 percent in 1970 compared to 65.8 percent in 2020.

HUD's programs also are meant to enable self-reliance in housing. However, according to most recent studies, we've seen the average length of stay for families across all HUD assisted housing programs nearly double from 1995 to 2015. In that same time, the average length of stay for voucher holders grew from just under one year to over six and a half years.

Expanding the welfare state doesn't work. It's incumbent on Congress to craft policies that actually support families.

Today, we will hear from a witness who will provide an alternative view to expanding the welfare state. Howard Husock joins us from the American Enterprise Institute, and he will provide new ideas for helping families graduate from HUD assisted programs. Key among them: we need not assume that the only way to reduce poverty is to grow housing programs, and government support does not always lead to better outcomes.

Before I end my remarks, I want to repeat that I welcome and encourage bipartisan compromise on major housing legislation. As an example, my principles for housing finance reform lay the important groundwork for a bipartisan solution to an as-of-yet unresolved problem. I still hope we can have bipartisan hearings to discuss legislative improvements.

We need to dispel the myth that more spending without reform helps families. I welcome a discussion of novel ideas to advance affordable housing. I want to hear new suggestions for helping families succeed and am eager to advance legislation that promotes those ideas.