

Testimony of Diane Yentel
President and CEO of the National Low Income Housing Coalition
Before the Senate Committee on Banking, Housing, and Urban Affairs
“Home = Life: State of Housing in America”
March 16, 2021

Chairman Brown, Ranking Member Toomey, and members of the Committee, thank you for the opportunity to testify before this committee on the state of housing in America.

The National Low Income Housing Coalition (NLIHC) is solely dedicated to ensuring the lowest-income and most marginalized people in our country have safe, accessible, and affordable homes. NLIHC’s members include residents of public and assisted housing, people experiencing homelessness and other low-income people in need of affordable homes, housing providers, homeless services providers, fair housing organizations, state and local housing coalitions, public housing agencies, faith-based organizations, and concerned citizens. While our members include the spectrum of housing interests, we do not represent any segment of the housing field. Rather, NLIHC works on behalf of and with low-income people who receive or are in need of federal housing assistance, especially extremely low-income people and people who are homeless.

The COVID-19 pandemic and economic collapse of 2020 devastated millions of families; people with low incomes and people of color have been disproportionately impacted. As of early March 2021, more than 515,000 people have died from COVID-19, and the death toll will continue to climb.¹ Decades of structural racism in health, housing and other systems leave Black, Indigenous and People of Color (BIPOC) disproportionately likely to contract the virus, be hospitalized, and die during the pandemic.²

Racial disparities in housing contribute to these inequitable health outcomes. Black people, Native Americans, and Latinos are disproportionately likely to be renters, extremely low-income, and rent-burdened and to experience homelessness, and people of color in homes are more likely to live in overcrowded housing.^{3,4,5} People experiencing homelessness, overcrowding, or housing instability are at greater risk of COVID-19 because transmission of the virus is more likely in congregate shelters and crowded homes, where people are unable to maintain safe social distancing.^{6,7}

¹ The COVID Tracking Project. 2021. Retrieved from: <https://covidtracking.com/data>

² Centers for Disease Control and Prevention (CDC). 2020. COVID-19 hospitalization and deaths by race/ethnicity. Updated March 12, 2021. Retrieved from: <https://www.cdc.gov/coronavirus/2019-ncov/covid-data/investigations-discovery/hospitalization-death-by-race-ethnicity.html>

³ National Alliance to End Homelessness. 2020. “Racial Inequities in Homelessness, by the Numbers.” Retrieved from: <https://endhomelessness.org/resource/racial-inequalities-homelessness-numbers/>

⁴ US Census Bureau. 2020. 2019 American Community Survey, 1-yr [data file]. Retrieved from: <https://www.census.gov/programs-surveys/acs>

⁵ National Low Income Housing Coalition. 2021. *The Gap: A Shortage of Affordable Homes*. Washington, DC: Author. See: <https://nlihc.org/gap>

⁶ Nande, A., et al. (2020). “The effect of eviction moratoria on the transmission of SARS-CoV-2.” Working paper. Retrieved from: <https://www.medrxiv.org/content/10.1101/2020.10.27.20220897v2>

⁷ Chapman, L. A. C., et al. (2020). Comparison of infection control strategies to reduce COVID-19 outbreaks in homeless shelters in the United States: A simulation study. MedRxiv working paper. Retrieved from: <https://www.medrxiv.org/content/10.1101/2020.09.28.20203166v3>

The pandemic makes clear that affordable homes are necessary for individual and public health, but renters have struggled to remain safely and stably housed throughout the pandemic. This housing instability is due in large part to the severe shortage of affordable and available homes for people with the lowest incomes even before the pandemic began. Many low-income renters struggled to pay rent before the COVID-19 crisis, and they are now in an even more perilous position due to loss of jobs and increased expenses from the pandemic.

NLIHC's annual report, *The Gap: A Shortage of Affordable Rental Homes*, documents the severe shortage of decent, accessible, and affordable homes for extremely low-income people. The annual report provides estimates of affordable housing needs for each state, the District of Columbia, and the largest metropolitan areas in the U.S. This research demonstrates the housing instability that existed before the pandemic and that contributed to the tremendous needs during the pandemic.

Pre-pandemic, there was a shortage of nearly seven million affordable and available rental homes for America's lowest-income renters earning less than the federal poverty rate or 30% of their area median income (AMI). For every 10 of the lowest-income renters, there are fewer than four homes affordable and available to them. Without affordable options, nearly ten million very low-income households were severely housing cost-burdened pre-pandemic, spending more than half of their incomes on rent and utilities.

Paying over half of their limited incomes to keep a roof over their heads, these ten million renter households were one financial shock away from missing rent and facing eviction and, in worst cases, homelessness. The coronavirus and its economic fallout was that financial shock. Low-income renters lost jobs and wages and struggled more than ever to make ends meet.

A patchwork of federal, state, and local resources and protections, including a federal eviction moratorium implemented in September 2020 by the Centers for Disease Control (CDC), kept many renters stably housed during the pandemic – but millions of families struggled to pay the rent. The latest estimates indicate that at least 9 million renter households⁸ owe up to \$57 billion in rent and utility arrears⁹ and remain at high-risk of losing their homes during the pandemic.

In response to the pandemic-related housing needs, Congress extended the CDC eviction moratorium through January 2021 (and President Biden further extended it through March) and provided a total of \$47 billion for emergency rental assistance to assist low-income renters address rent and utility arrears. Congress also provided \$5 billion for emergency housing vouchers, \$5 billion in homelessness assistance, \$5 billion for utility payments, and \$9.96 billion for struggling homeowners.

These critically needed resources will go a long way to help renters remain in their homes and to keep people experiencing homelessness safe, healthy, and housed during COVID-19. Policymakers must now ensure these funds are quickly and equitably distributed to households

⁸ Consumer Financial Protection Bureau. 2021. "Housing Insecurity and the COVID-19 Pandemic." Retrieved from: <https://www.consumerfinance.gov/data-research/research-reports/housing-insecurity-and-the-covid-19-pandemic/>

⁹ Zandi, M., Parrott, J. (2021). "Averting an Eviction Crisis." Retrieved from: <https://www.urban.org/research/publication/averting-eviction-crisis>

with the greatest needs.¹⁰ The Biden administration must also take immediate action to defend, extend, strengthen, and enforce the federal eviction moratorium, as nearly 2,300 organizations throughout the country are urging him to do, to keep renters in their homes while this historic allocation of emergency rental assistance is distributed.¹¹

As the nation recovers from the pandemic, Congress must turn its attention to increasing investments in long-term solutions that address the underlying, structural reasons for our nation's housing crisis, and to advancing the policy and programmatic changes needed to ensure housing programs work for Black, Indigenous and People of Color. These solutions include:

1. Expanding rental assistance to make it universally available to all eligible households in need and improving the program to ensure it meets the needs of the lowest income and most marginalized people;
2. Increasing the supply of housing affordable to people with the lowest incomes through the preservation and construction of public housing and a major expansion of the national Housing Trust Fund;
3. Creating a permanent emergency rental assistance program to keep families stabilized during a crisis, whether that crisis be another pandemic, a natural disaster, or other financial crises; and
4. Lessening ongoing evictions and their long-term harm with robust renter protections.

In my testimony today, I will discuss the housing needs of the lowest-income people, the impact of the coronavirus pandemic, and opportunities for Congress to invest in long-term solutions.

Urgent Housing Needs During the Pandemic

The COVID-19 economic recession and its resulting job and wage losses magnified and accelerated the existing housing crisis. While the national unemployment rate peaked in April 2020 at 14.8%, some industries reached unemployment rates of almost 40%.¹² More than 20 million renters live in households that have suffered COVID-19-related job loss.¹³ While the overall unemployment rate fell to 6.7% by the end of 2020, the Black and Latino unemployment rates were still considerably higher – 9.9% and 9.3%, respectively – and a Federal Reserve

¹⁰ National Low Income Housing Coalition. 2021. Letter to US Department of Treasury. Retrieved from: https://nlihc.org/sites/default/files/NLIHC-Letter-on-FAQ_03052021.pdf

¹¹ National Low Income Housing Coalition. Letter on Extending CDC's Eviction Moratorium. Retrieved from: <https://nlihc.org/sites/default/files/Recommended-Eviction-Moratorium-Letter-FINAL.pdf>

¹² Congressional Research Service, 2021. *Unemployment Rates During the COVID-19 Pandemic: In Brief*. Retrieved from: <https://fas.org/sgp/crs/misc/R46554.pdf>

¹³ Aspen Institute. 2020. "20 million renters are at risk of eviction." Retrieved at <https://www.aspeninstitute.org/blog-posts/20-million-renters-are-at-risk-of-eviction/>

analysis finds the unemployment rate for workers in the bottom wage quartile may have been higher than 20%.¹⁴

As a result, many low-income renters, who are disproportionately people of color, report being behind on rent and not confident about their ability to pay in the coming months. In January, 21% of renters reported being behind on rent payments. Among renters earning less than \$25,000 per year, over 30% were behind. Renters of color are more likely to be struggling: 29% of Latino renters and 36% of Black renters were behind on rent, compared with 12% of white renters. Nearly one-third of all renters, and nearly half of the lowest-income renters, had no or only slight confidence they could pay next month's rent on time or had deferred payments. Among renters who had fallen behind on rent, over 47% expected an eviction in the next two months, even with eviction moratoriums still in place.¹⁵

NLIHC and our members and partners hear every day from people who are struggling to pay rent during the pandemic and who need emergency rental assistance. A woman named Stephanie lives with her daughter and infant granddaughter and is facing a "pay or quit" notice for the \$7,355 she owes in back rent, late fees, and dispossessory charges. During the pandemic, Stephanie lost her job for several months before she regained employment. She attempted to make payment arrangements with her landlord and applied for rental assistance, but she is on the waiting list and her landlord is threatening to evict.

Tiffany, who lives in Lawrence, Kansas, reached out to NLIHC recently because she received a three-day notice of eviction. She is two months behind on her rent and told us that if she is evicted, she will become homeless and will likely stay in a homeless encampment.

Stacy, a 46-year-old woman living in Nevada, is homeless after her son lost his job and was not able to access unemployment benefits. Stacy contacted NLIHC to find more information about emergency resources to get her and family back into a home. She and her son paid a few months' rent on their credit card so, in addition to being homeless, they are in debt.

Renters experiencing cash shortages are increasingly relying on sources other than income to pay rent. Thirty percent of renters report using money from government aid or assistance to pay rent, and another 30% indicate that they have borrowed cash or obtained a loan to make rent payments.¹⁶ Tenants are increasingly using credit cards to pay the rent, with a 43% increase in the first two quarters of 2020 as compared to the prior year.¹⁷ There is evidence that families are shifting their dwindling budgets towards ensuring they pay rent at the expense of other needs.

¹⁴ Brainard, L. 2021. "Full Employment in the New Monetary Policy Framework." Inaugural Mike McCracken Lecture on Full Employment. Board of Governors of the Federal Reserve System. Retrieved from: <https://www.federalreserve.gov/newsevents/speech/files/brainard20210113a.pdf>

¹⁵ US Census Bureau. 2021. Household Pulse Survey Data Table, January 6-January 18, 2021. Retrieved from: <https://www.census.gov/programs-surveys/household-pulse-survey/data.html>

¹⁶ Born, M. 2020. "Rent Payments Increase Slightly in July, but Landlords and Tenants Continue to Struggle." Retrieved from: <https://www.avail.co/blog/rent-payments-increase-slightly-in-july-but-landlords-and-tenants-continue-to-struggle>

¹⁷ Zego. 2020. "May Rent Payment Data Reveals April Trends Have Continued as a Result of COVID-19." Retrieved from: <https://www.gozezo.com/articles/may-rent-payment-data-reveals-april-trends-have-continued-as-a-result-of-covid-19/>

Food pantry requests have increased by as much as 2000% in some states,¹⁸ with nearly 30 million Americans reporting they do not have enough food.¹⁹

A patchwork of federal, state and local resources and protections have kept many struggling renters in their homes and helped to avoid an unprecedented eviction crisis that could have resulted in an estimated 30-40 million people losing their homes by the end of 2020.²⁰ In addition to resources for housing and homelessness provided in the CARES Act, a federal eviction moratorium issued by the Centers for Disease Control and Prevention (CDC) in September 2020, provided vital protections to tens of millions of renters at risk of eviction for nonpayment of rent during the pandemic. Some state and local eviction moratoriums provided additional protections for some renters.

Citing the historic threat to public health created by the pandemic, the CDC declared that an eviction moratorium would help ensure that people can practice social distancing and comply with stay-at-home orders. The CDC's eviction moratorium order cites the increased risk of spreading coronavirus when people are evicted from their homes or experience homelessness. Research conducted on the efficacy of state, local, and federal eviction moratoriums provide further evidence that such moratoriums are effective at both reducing eviction filings²¹ and reducing COVID-19 transmission and fatalities. Nationally, researchers found that expired eviction moratoriums led to an additional 433,700 COVID-19 cases and 10,700 associated deaths.²²

While the steps taken by CDC are critically needed, they are not enough. In addition to further extending the moratorium, the Biden administration must also strengthen and enforce the order.²³ The existing order has significant flaws that undermine its public health benefits and prevent renters from making full use of the moratorium's protections.

Under the current order, renters are only protected if they know about the moratorium and take affirmative steps to be protected. As a result, some landlords evict before renters know about the moratorium protections or by finding reasons for eviction other than nonpayment of rent.²⁴ The Biden administration should ensure the moratorium provides automatic and universal

¹⁸ Golla, B., Javed, I., & Kreuter, M. 2020. "Food Pantries: UPDATED." Health Communication Research Laboratory. Washington University in St. Louis. Retrieved from: <https://hcrl.wustl.edu/items/food-pantries-updated/>

¹⁹ Andone, D. 2020. "Nearly 30 Million Americans Told the Census Bureau They Didn't Have Enough to Eat Last Week." CNN. Retrieved from: <https://www.cnn.com/2020/07/31/us/food-insecurity-30-million-census-survey/index.html>

²⁰ Benfer, E., et al. 2020. *The COVID-19 Eviction Crisis: An Estimated 30-40 Million People in America Are at Risk*. https://nlihc.org/sites/default/files/The_Eviction_Crisis_080720.pdf

²¹ Hepburn, P. 2021. "Eviction Tracking System." National Call on Coronavirus, Disasters, Housing, and Homelessness. Retrieved from: https://nlihc.org/sites/default/files/COVID-19_National_Call_011921.pdf

²² Leifheit, K., Linton, S., Raifman, J., Schwartz, G., and Benfer, E., Zimmerman, F., & Pollack, C., "Expiring Eviction Moratoriums and COVID-19 Incidence and Mortality" (November 30, 2020). Available at SSRN: <https://ssrn.com/abstract=3739576> or <http://dx.doi.org/10.2139/ssrn.3739576>

²³ National Low Income Housing Coalition, National Housing Law Project, & Eviction Lab. "Housing Priorities for the Biden-Harris Administration: A Memorandum to the Transition Team." Retrieved from: https://nlihc.org/sites/default/files/Eviction-TM_Biden.pdf

²⁴ Private Equity Stakeholder Project. 2020. "Eviction Filings by Private Equity Firms and Other Large Landlords Surge Despite the Eviction Moratorium." Retrieved from: <https://pestakeholder.org/eviction-filings-by-private-equity-firms-and-other-large-landlords-surge-despite-cdc-eviction-moratorium/>

protections to renters. The very least the federal government ought to do is ensure each of us that we will not lose our homes during a global pandemic.

There are far too many individuals who have been evicted from their homes, despite the federal eviction moratorium. At NLIHC, we hear every day about dozens of people desperate for help. For example, Katie and her family from Carroll County, Georgia, were not protected by the moratorium after she and her husband lost their jobs due to the pandemic. The judge wrongfully told them that the court did not have to honor the eviction moratorium and ordered the family to leave the property and pay back \$5,000 in rent. A few days after their court date, she and her husband tested positive for COVID-19.²⁵

In addition to extending and improving the moratorium, the federal government must enforce it. The CDC order imposes criminal penalties on landlords who violate it and states that “the U.S. Department of Justice (DOJ) may initiate court proceedings as appropriate seeking imposition of these criminal penalties.” Despite this provision, the DOJ under President Trump did not enforce the order and did not provide any mechanism for renters to file complaints against landlords who violate it. As a result, landlords continue to wrongfully evict renters in violation of the moratorium.

Eviction risks lives, pushes families deeper into poverty, and threatens our already strained public health system. Following eviction, a person’s likelihood of experiencing homelessness increases, mental and physical health is diminished, and the probability of obtaining employment declines.²⁶ Eviction is linked to numerous poor health outcomes,²⁷ including depression, suicide, and anxiety, among others. In addition, eviction is linked with respiratory disease,²⁸ which could increase the risk of complications if COVID-19 is contracted and has been shown to increase the risk of mortality from COVID-19.

Eviction makes it more expensive and more difficult for tenants to rent safe and decent housing, apply for credit, borrow money, or purchase a home. Housing instability caused by eviction is particularly harmful to children, who suffer in ways that impact their educational development and wellbeing for years. The public costs of eviction are far reaching.²⁹ Individuals experiencing displacement due to eviction are more likely to need emergency shelter and re-housing, use in-patient and emergency medical services, require child welfare services, and experience the criminal legal system, among other harms.

²⁵ Stokes, S. 2021. “The CDC as Far as I Know Has No Control Over Georgia Courts:’ Judges Continue Evictions Despite Moratorium.” Retrieved from: <https://www.wabe.org/georgia-judges-still-grant-evictions-despite-moratorium/>

²⁶ Collinson, R., and Reed, D. 2018. “The Effects of Evictions on Low-Income Households.” Retrieved from: https://www.law.nyu.edu/sites/default/files/upload_documents/evictions_collinson_reed.pdf

²⁷ Taylor, L. 2018. “Housing and Health: An Overview of the Literature.” Health Affairs Health Policy Brief. DOI: 10.1377/hpb20180313.396577. Retrieved from: <https://www.healthaffairs.org/doi/10.1377/hpb20180313.396577/full/>

²⁸ Braveman, P., Dekker, M., Egarter, S., Sadegh-Nobari, T., & Pollack, C. 2011. “How Does Housing Affect Health?” Robert Wood Johnson Foundation. Retrieved from: <https://www.rwjf.org/en/library/research/2011/05/housing-and-health.html>

²⁹ *Cost of Eviction Summary Report for the United States*. 2020. Innovation for Justice Program, University of Arizona James E. Rogers School of Law. Retrieved from: <https://arizona.app.box.com/s/0cgsbf8zj7i9rakayy5ehag4n55txwp>

But eviction moratoriums, on their own, are not enough. The moratoriums postpone but do not prevent evictions because the rent is still due, and renters have fallen behind. Latest estimates show that renters have accrued up to \$57 billion in rent and utility arrears during the pandemic.³⁰ To address this urgent need, Congress has provided a combined \$47 billion in emergency rental assistance to address arrears and some ongoing needs for housing assistance.

These critical funds will go a long way to addressing the urgent needs of renters. Congress and the Biden administration must ensure that the resources reach the lowest-income and most marginalized people who face the greatest threat of eviction. NLIHC is tracking,³¹ analyzing,³² and sharing best practices³³ for ensuring emergency rental assistance is distributed³⁴ to households most in need and is used to advance racial equity.³⁵ Federal policymakers should ensure program administrators set spending thresholds to provide sufficient funding for renters with the lowest incomes and other historically marginalized people, invest in outreach and targeting, simplify applications and documentation, monitor progress, and make mid-course corrections as needed.

Causes of the Nation's Housing Crisis

Even before the current COVID-19 pandemic, the country was in the grips of a pervasive affordable housing crisis, impacting rural, suburban and urban communities alike. While the crisis has many dimensions, a fundamental cause of housing instability is the mismatch between what people earn or otherwise have available to spend for their homes and housing costs. Rents have risen much faster than renters' incomes over the last two decades, and since 1960, renters' incomes have increased by only 5% while rents have risen 61%.³⁶

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. In Ohio, an ELI renter could be a family of four with two working parents who earn less than \$22,100 annually combined, a low-income senior with an income of \$15,500, or a single person with a disability relying on an annual income of just under \$10,000 from Supplemental Security Income (SSI). In Pennsylvania, an ELI renter could be a family of

³⁰ Zandi, M., & Parrott, J. (2021). "Averting an Eviction Crisis." Retrieved from:

<https://www.urban.org/research/publication/averting-eviction-crisis>

³¹ National Low Income Housing Coalition. 2021. State and Local Rental Assistance. Retrieved from:

<https://nlihc.org/rental-assistance>

³² National Low Income Housing Coalition, Housing Initiative at Penn, NYU Furman Center. 2021. COVID-19 Emergency Rental Assistance: Analysis of a National Survey of Programs. Retrieved at:

https://nlihc.org/sites/default/files/HIP_NLIHC_Furman_Brief_FINAL.pdf

³³ Aurand, A., et. al. 2021. Learning from Emergency Rental Assistance Programs: Lessons from Fifteen Case Studies. Retrieved from: <https://nlihc.org/sites/default/files/ERA-Programs-Case-Study.pdf>

³⁴ National Low Income Housing Coalition. 2021. Letter to US Department of Treasury. Retrieved from:

https://nlihc.org/sites/default/files/NLIHC-Letter-on-FAQ_03052021.pdf

³⁵ Aurand, A., et. al. 2021. Advancing Racial Equity in Emergency Rental Assistance Programs. Retrieved from:

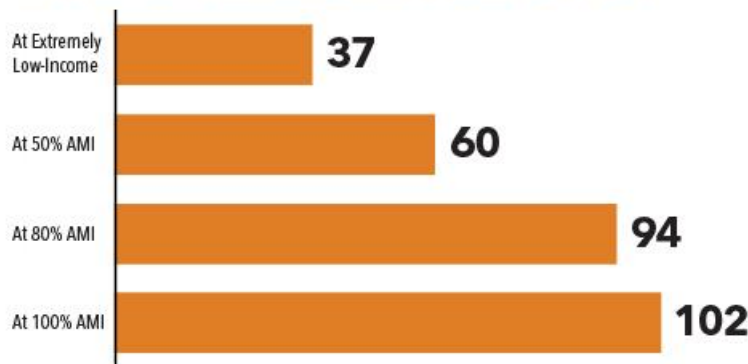
https://furmancenter.org/files/Advancing_Racial_Equity_in_Emergency_Rental_Assistance_Programs_-_Final.pdf

³⁶ Joint Center for Housing Studies of Harvard University. 2018. The State of the Nation's Housing. Cambridge, MA: Author.

four with two working parents earning less than \$24,200 annually combined, a low-income senior with an income of no \$17,000, or a couple with disabilities relying on an annual income of \$14,100 from SSI.

NLIHC's *The Gap: A Shortage of Affordable Homes* report demonstrates the shortage of affordable and available homes for households at different income thresholds – those with incomes at 30% of AMI (ELI households), 50% of AMI, and 80% of AMI. Data from this year's *Gap* report shows only 7.4 million affordable rental homes exist for the nation's 10.8 million lowest-income renter households, assuming they spend no more than 30% of their incomes on housing costs.³⁷ However, only four million homes that rent at affordable prices for extremely low-income renters are available to them, leaving a shortage of 6.8 million affordable and available homes for renters with extremely low incomes. Put another way, only 37 rental homes are affordable and available for every 100 extremely low-income renter households (Figure 1).

FIGURE 1: AFFORDABLE AND AVAILABLE RENTAL HOMES PER 100 RENTER HOUSEHOLDS, 2019



Source: NLIHC tabulations of 2019 ACS PUMS data. AMI = Area Median Income

The shortage of affordable and available homes for the lowest-income renters ranges from most severe to least severe, but there is no state or congressional district with enough homes for its lowest-income renters.³⁸ For example, in Chairman Brown's state of Ohio and Ranking Member Toomey's state of Pennsylvania, there are just 4 affordable homes available for every 10 of the lowest-income renter households.³⁹ Idaho is similarly situated, with only 4 available homes for every 10 of the lowest-income renters; and Nevada has the worst housing needs in the nation,

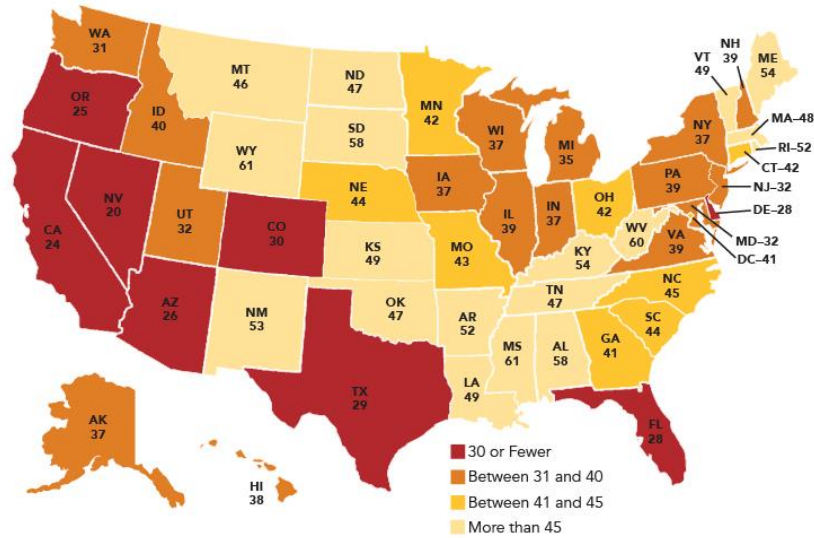
³⁷ According to HUD, households spending more than 30% of income for these housing costs are considered to be "cost-burdened." Households spending more than 50% are considered to be "severely cost-burdened."

³⁸ National Low Income Housing Coalition. 2021. *The Gap: A Shortage of Affordable Homes*. Washington, DC: Author. See: <https://nlihc.org/gap>

³⁹ National Low Income Housing Coalition. 2021. *Congressional District Housing Profiles: Ohio and Pennsylvania*. Washington, DC: Author.

with just 2 affordable homes available for every 10 of the lowest-income renter households (Figure 2).⁴⁰

FIGURE 2: RENTAL HOMES AFFORDABLE AND AVAILABLE PER 100 EXTREMELY LOW INCOME RENTER HOUSEHOLDS BY STATE

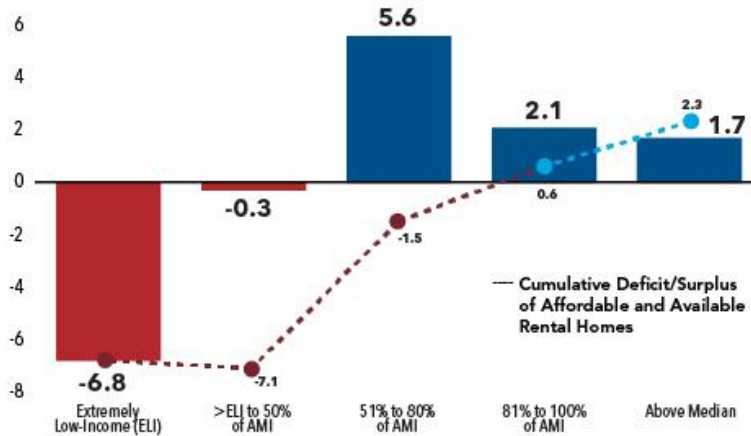


Note: Extremely low income (ELI) renter households have incomes at or below the poverty level or 30% of the area median income. Source: NLIHC tabulations of 2019 ACS PUMS Data.

Our research shows that the lack of homes affordable and available to households with incomes above 30% of AMI is driven by the insufficient number of homes for the lowest-income households. Figure 3 (next page) shows the incremental change in the shortage or surplus of rental homes available and affordable to households of different incomes.

⁴⁰ National Low Income Housing Coalition. 2021. Congressional District Housing Profiles: Idaho and Nevada. Washington, DC: Author.

FIGURE 3: INCREMENTAL CHANGE TO SURPLUS (DEFICIT) OF AFFORDABLE AND AVAILABLE RENTAL HOMES, 2019 (IN MILLIONS)



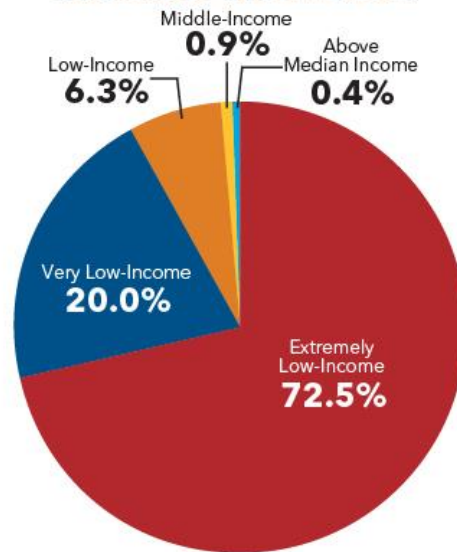
Source: NLIHC tabulations of 2019 ACS PUMS data.

The shortfall of almost 7 million homes available and affordable to ELI households accounts for virtually the entire shortage of affordable homes in the U.S. In areas where very low-income and low-income households have difficulty with housing affordability, it is principally due to extremely low-income households having to rent homes they cannot afford, spending over 50% of their limited income on housing and competing with higher-income families for that limited housing.

Because of the shortage of affordable and available homes, 10.4 million renter households are severely housing cost-burdened, paying more than half of their incomes towards housing. Of these severely housing cost-burdened households, nearly three-quarters have extremely low incomes.⁴¹ Combined, extremely low-, very low- and low-income households account for nearly 99% of all severely cost-burdened renters (see Figure 4).

⁴¹ National Low Income Housing Coalition. 2020. *The Gap: A Shortage of Affordable Homes*. Washington, DC: Author.

FIGURE 4: SEVERELY HOUSING COST-BURDENED RENTERS BY INCOME, 2019



Source: NLIHC tabulations of 2019 ACS

Decades of structural racism created tremendous racial disparities in housing and homelessness. Renters of color are much more likely to be housing cost-burdened: 52% of Latino renters and 54% of Black renters are cost-burdened, more than 10 percentage points higher than white renters.⁴² Black Americans represent 13% of the general population but are 40% of people experiencing homelessness and more than 50% of homeless families with children.⁴³ The housing crisis and its disproportionate harm to low-income people of color deepened over the last several decades and contributed to the disproportionate impact of COVID-19 on communities of color.

Severe housing cost burdens can have negative consequences for families' physical and mental well-being. Severely housing cost-burdened families spend 74% less on healthcare and 35% less on food than similarly poor households who are not severely cost-burdened; and poor seniors who are severely cost-burdened spend 75% less on healthcare.⁴⁴ These households forgo healthy food or delay healthcare or medications to pay the rent. In the worst cases, they become homeless.

Housing cost burdens make it more difficult for extremely low-income households to accumulate emergency savings. Without emergency savings, unexpected costs (such as car repairs, medical bills, etc.) or loss of income (such as reduced work hours) can cause households to fall behind on rent and face eviction. Data from the 2017 American Housing Survey (AHS) show

⁴² Joint Center for Housing Studies of Harvard University. 2020. *The State of the Nation's Housing*. Retrieved at: https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_The_State_of_the_Nations_Housing_2020_Report_Revised_120720.pdf

⁴³ National Alliance to End Homelessness. 2020. "Homelessness and Racial Disparities." Retrieved at: <https://endhomelessness.org/homelessness-in-america/what-causes-homelessness/inequality/>

⁴⁴ Joint Center for Housing Studies of Harvard University. 2019. *The State of the Nation's Housing*. Cambridge, MA: Author.

that households in poverty with severe housing cost burdens are more likely to fall behind on rent payments and be threatened with eviction than poor households that are not severely cost-burdened.

Housing instability causes significant disruptions in critical services and economic stability. The lack of stable housing can disrupt the care given to chronically ill individuals, interrupt student learning, and decrease academic achievement.⁴⁵ Housing instability can also undermine economic stability by disrupting employment. The likelihood of job loss increases for working low-wage renters who lose their homes (primarily through eviction),⁴⁶ indicating that affordable housing and housing subsidies are foundational to employment and economic security.

NLIHC's *Out of Reach: The High Cost of Housing* report estimates each locality's "housing wage," the hourly wage a full-time worker needs to earn to afford a modest apartment. In 2020, the national housing wage was \$23.96 per hour for a two-bedroom apartment and \$19.56/hour for a one-bedroom rental. The average minimum wage worker must work nearly 97 hours per week (more than two fulltime jobs) to afford a two-bedroom rental home or 79 hours per week (almost exactly two full-time jobs) to afford a one-bedroom rental home at the fair market rent. While the housing wage varies from state to state and county to county, in only 5% of all U.S. counties can a full-time minimum-wage worker afford a one-bedroom rental home at Fair Market Rent.

It is not just minimum wage workers for whom rents are out of reach: the average renter in the U.S. earns approximately \$18.22 per hour, \$5.74 per hour less than the national two-bedroom housing wage. In 49 states, the District of Columbia, and Puerto Rico, the average renter earns less than the average two-bedroom housing wage.⁴⁷

This mismatch between wages and housing costs will continue. Twelve of the twenty largest occupations in the country, including home health aides, janitors, and food servers, provide a median wage lower than what is needed for a full-time worker to afford modest rental housing (see Figure 5).⁴⁸ With wages insufficient to pay for modest rental housing even when individuals work full-time year-round, a brief furlough or loss of hours, as we have seen over the past year, can create debts that renters can never repay.⁴⁹

⁴⁵ Maqbool, N., Viveiros, J., & Ault, M. 2015. *The Impacts of Affordable Housing on Health*. Washington, DC: National Housing Conference; Brennan, M., Reed, P., & Sturtevant, L. 2014. *The Impacts of Affordable Housing on Education*. Washington, DC: National Housing Conference.

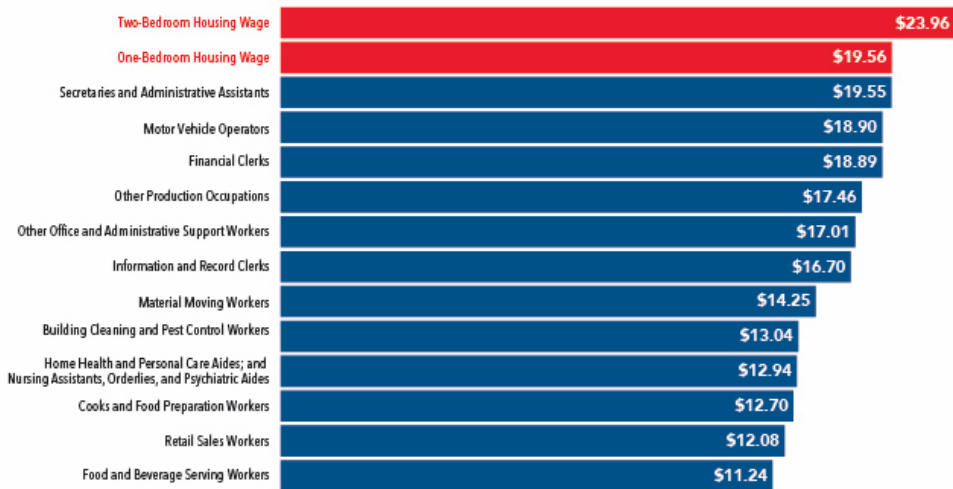
⁴⁶ Desmond, M. & Gershenson, C. 2016. *Housing and Employment Instability among the Working Poor*. *Social Problems*, 63(1): 46-67.

⁴⁷ National Low Income Housing Coalition. 2020. *Out of Reach: The High Cost of Housing* [data files]. See: <https://nlihc.org/oor>

⁴⁸ Ibid

⁴⁹ National Low Income Housing Coalition. 2020. *Out of Reach: The High Cost of Housing*. Washington, DC: Author

FIGURE 5: TWELVE OF THE TWENTY LARGEST OCCUPATIONS IN THE UNITED STATES PAY LESS THAN THE HOUSING WAGE



Source: Occupational wages from May 2019 Occupational Employment Statistics, BLS, adjusted to 2020 dollars. Housing wages based on HUD fair market rents.

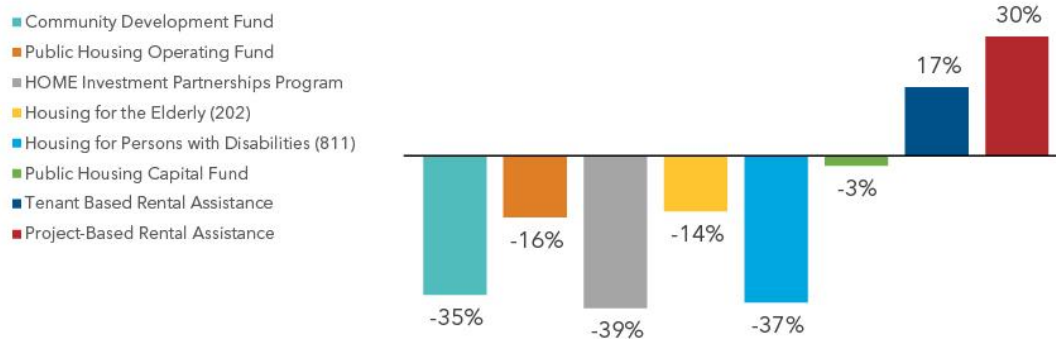
Declining Federal Resources

The shortage of rental homes affordable to the lowest-income people is caused by market failure and chronic underfunding of solutions. Without government intervention, decent and affordable homes cannot be reliably built, operated, and maintained at a price that the very lowest-income workers, seniors, or people with disabilities can afford. The private market cannot on its own solve this persistent market failure. Government intervention, in the form of subsidies, is necessary to fill the gap between what people can afford to pay and the costs of developing and operating rental homes. Congress has consistently underfunded housing subsidies such that just one in four households eligible for and in need of housing assistance receives any.⁵⁰

HUD's budget has declined dramatically over the last ten years since the Budget Control Act (BCA) was enacted. Inflation-adjusted federal funding for public housing, housing for the elderly, housing for persons with disabilities, and other important programs has fallen precipitously since FY2010. Only funding for tenant-based and project-based rental assistance programs has modestly increased to keep up with the rising operating cost for previously authorized assistance (see Figure 6).

⁵⁰ Center on Budget and Policy Priorities. 2017. Three Out of Four Low-Income At-Risk Renters Do Not Receive Federal Rental Assistance. Retrieved at: <https://www.cbpp.org/three-out-of-four-low-income-at-risk-renters-do-not-receive-federal-rental-assistance>

FIGURE 6: CHANGES IN FUNDING LEVELS FOR KEY HUD PROGRAMS (FY10 TO FY21)



March 2021. Adjusted for inflation.

Solutions

To end homelessness and housing poverty once and for all, Congress must advance anti-racist policies and significantly expand investments in affordable housing for America's lowest-income and most marginalized households.

Advance Anti-Racist Policies

Congress must work to undo the systemic racism and discrimination that lies at the core of the disproportionate impact of America's housing and homelessness crisis on people of color. Segregated neighborhoods across America were engineered through intentional policy choices.⁵¹ Federal leadership is necessary to undo the harms caused by these policies and continue advancing anti-racist policies to further racial equity.

There are several steps Congress can take now to advance anti-racist policies. Congress must provide robust resources to aggressively advance and enforce fair housing and civil rights laws, alongside significant investments in housing solutions. Congress should build the capacity of community-based organizations, especially those led by Black people, Native Americans, and Latinos. People exiting the criminal legal system must have access to housing assistance to help them avoid recidivism and homelessness. To better understand the current impact of federal housing and transportation policies, federal agencies should be required to report publicly on whether and how programs exacerbate, ignore, or ameliorate racial inequities, and legislative changes needed to ensure all programs ameliorate racial inequities.

Other necessary anti-racist housing policies are included in the solutions below.

Bridge the Gap Between Rents and Income

Rental assistance is a critical tool for helping vulnerable people afford decent, stable homes, and avoid homelessness, but 3 out of 4 households who qualify for rental assistance do not receive it because of chronic underfunding. Expanding rental assistance to meet the needs of all

⁵¹ Rothstein, R. (2018). *The Color of Law*. Liveright Publishing Corporation.

housing cost-burdened households – a core tenant of President Biden’s campaign⁵² – is key to any successful strategy to solve the affordable housing crisis.

Housing Choice Vouchers (HCV) are a proven solution to homelessness and housing poverty. Vouchers help people with the lowest incomes afford housing in the private market by paying landlords the difference between what a household can afford to pay for rent and the rent itself, up to a reasonable amount. Housing vouchers are flexible — for instance, families may use them to rent homes that best meet their needs, including homes in areas with quality schools and greater access to jobs. Housing vouchers may also be tied to a specific housing development in a way that facilitates the development’s financing and makes it easier for owners to provide health and other services some people need.

Congress should make housing vouchers universally available to those in need. As a first step, Congress should enact the “Family Stability and Voucher Opportunity Act,” introduced by Senators Chris Van Hollen (D-MD) and Todd Young (R-IN). This bipartisan bill would create 500,000 new housing vouchers for families with young children and provide mobility counseling and case management to help families who choose to move to areas with better performing schools, less neighborhood violence, and lower poverty rates.⁵³

While vouchers are the most common form of rental assistance, other promising policy innovations could be used to reach more families such as creating a new federal renters’ tax credit. A variety of renters’ tax credit proposals have been advanced, including some that would target aid to the nation’s lowest-income and most marginalized households.⁵⁴

To ensure greater racial equity, Congress must pair an expansion of rental assistance to legislation to bar discrimination based on source of income, sexual orientation, gender identity, and marital status.

Expand the Affordable Housing Stock

In markets where vacancies in existing buildings are scarce, supply-side approaches are essential to produce more affordable homes. To expand the affordable and accessible housing stock, Congress should significantly increase funding to the national Housing Trust Fund (HTF),

⁵² Biden/Harris Campaign. 2020. “The Biden Plan for Investing in Our Communities Through Housing.” Retrieved from: <https://joebiden.com/housing/>

⁵³ Senator Chris Van Hollen. December 18, 2019. Press release: Van Hollen, Young introduce bipartisan bill to dramatically increase affordable housing vouchers. Retrieved at: <https://www.vanhollen.senate.gov/news/press-releases/van-hollen-young-introduce-bipartisan-bill-to-dramatically-increase-affordable-housing-vouchers>

⁵⁴ Galante, C. et al. (2016). “The FAIR Tax Credit: A Proposal for Federal Assistance in Rental Credit to Support Low Income Renters.” Turner Center for Housing Innovation, UC Berkley, http://turnercenter.berkeley.edu/uploads/FAIR_Credit.pdf; Fischer, W. et al. (2017). “Renters’ Credit Would Help Low-Wage Workers, Seniors, and People with Disabilities Afford Housing.” Center on Budget and Policy Priorities, <https://www.cbpp.org/research/housing/renterscredit-would-help-low-wage-workers-seniors-and-people-with-disabilities>; Patenaude, P. et al. (2013). “Housing America’s Future: New Directions for National Policy.” Bipartisan Policy Center, https://bipartisanpolicy.org/wpcontent/uploads/sites/default/files/BPC_Housing%20Report_web_0.pdf.

a dedicated funding stream to efficiently build, rehabilitate, preserve, and operate rental housing for extremely low-income people.

Several Senate Banking and Housing Committee members have long championed the HTF, including Senator Jack Reed (D-RI), who led legislation to create the program as part of the Housing and Economic Recovery Act. Congress should enact Senator Elizabeth Warren's (D-MA) "Housing and Economic Mobility Act" to fully fund the HTF at \$44.5 billion.⁵⁵

Capital investments in the HTF can be used to assist states and cities with acquiring hotels and motels currently being funded by the Federal Emergency Management Agency (FEMA) to convert these and other commercial spaces into the permanent supportive housing needed ensure stable homes for individuals experiencing homelessness.

Congress must ensure that existing tools that produce affordable housing are targeted to those with the greatest needs. Congress should provide new incentives and resources for a significant share of Low Income Housing Tax Credit (LIHTC) units to be affordable to those with the lowest incomes and strategically located to foster economically and racially inclusive communities.

In addition, the federal government should incentivize or require state and local governments that receive federal transportation and infrastructure funding to reduce regulatory and zoning barriers that increase the cost of development and limit housing supply for all renters. The "Housing, Opportunity, Mobility and Equity Act," introduced by Senator Cory Booker (D-NJ) and Representative Jim Clyburn (D-SC) would require localities receiving Community Development Block Grants and Surface Transportation Block Grants to develop a strategy for inclusive zoning policies. House Financial Services Committee Chairwoman Maxine Waters (D-CA) and then-Senator Kamala Harris (D-CA) introduced the "Housing is Infrastructure Act" which, in addition to providing robust investments in public housing and the HTF, includes \$10 billion to be spent in part on eliminating zoning and other requirements that limit affordable housing development.

All federal investments to increase the supply of affordable rental housing should require states and communities to affirmatively further fair housing. By fostering integration, Congress can make certain that renters have fair and affordable housing options in all communities. Congress should also ensure that localities prevent the displacement of low-income and marginalized renters during development to allow long-term residents to continue to remain in their communities.

⁵⁵ Senator Elizabeth Warren. March 13, 2019. Press release: Warren and colleagues reintroduce historic legislation to confront America's housing crisis. Retrieved at: <https://www.warren.senate.gov/newsroom/press-releases/warren-and-colleagues-reintroduce-historic-legislation-to-confront-americas-housing-crisis>

Preserve Affordable Housing

Congress must provide robust resources to preserve the existing affordable housing stock, including the roughly 900,000 public housing units that are currently home to over 2 million residents. Like other federal housing investments, public housing provides people with low-incomes with the affordable, stable homes they need.

Waiting lists for public housing are often closed or have years-long wait times.⁵⁶ In 2012, the last time national waiting list data was collected, there were approximately 1.64 million families waiting for public housing units with only 80% of housing agencies reporting. Many housing waiting lists have since closed altogether.

Congress has underfunded public housing for decades. More recently, between 2000 and 2016, funding for public housing repairs declined 53%, while funding for public housing operations met the need only three times.⁵⁷ Between 2010 and 2016 alone, Congress cut public housing funding by \$1.6 billion. While Congress recently increased funding for public housing in fiscal years 2020 and 2021, overall funding for the program remains 13% lower than the FY10 funding level.

These decades of declining resources have threatened the quality and even the existence of public housing. With limited funding, many public housing agencies (PHAs) are unable to make needed repairs to preserve these homes. As a result, our country loses 10,000 to 15,000 public housing apartments each year to obsolescence or decay,⁵⁸ as other public housing units fall into deep disrepair. In 2010, the country's public housing had a \$26 billion capital-needs backlog, which is estimated to grow by \$3.4 billion each year. The funding needed to address capital repairs in public housing is estimated to exceed \$70 billion today.⁵⁹

Congress should enact Senator Warren's and Representative Nadia Velazquez's "Public Housing Emergency Response Act" to invest \$70 billion to eliminate the public housing capital needs backlog to ensure public housing is safe, decent, and affordable for all current and future residents. This bill must be a top priority for Congress in any infrastructure package.

⁵⁶ Aurand, A. et al. (2016). *Housing Spotlight: The Long Wait for a Home*. National Low Income Housing Coalition. Retrieved from <http://nlihc.org/article/housing-spotlight-volume-6-issue-1>.

⁵⁷ Rice, D. (2016). *Cuts in Federal Assistance Have Exacerbated Families' Struggles to Afford Housing*. Center on Budget and Policy Priorities. Retrieved from <https://www.cbpp.org/research/housing/chart-book-cuts-in-federal-assistance-have-exacerbated-families-struggles-to>.

⁵⁸ National Low Income Housing Coalition. 2019. *Advocates Guide*. Washington, DC: Author. See: https://nlihc.org/sites/default/files/AG-2018/2018_Advocates-Guide.pdf

⁵⁹ The "Transportation, Treasury, Housing and Urban Development, Judiciary, and Independent Agencies Appropriations Act of 2008" directed HUD to perform an updated Capital Needs Assessment for the public housing portfolio. (The previous assessment was conducted in 1998.) HUD selected Abt Associates to conduct the assessment, which was published as Capital Needs in the Public Housing Program (Contract # C-DEN-02277- TO001) on November 24, 2010. The assessment estimated total capital needs of the nation's public housing portfolio in 2010 to be \$25,607,944,000. In addition, the assessment noted that "assuming that existing capital needs were completely addressed, each year approximately \$3.4 billion would be required to address the ongoing accrual needs, or on average \$3,155 per unit." Extrapolating the \$3.4 billion in accrual needs each year from 2010 until 2019, the capital needs backlog is currently estimated to be \$56.6 billion.

Create a Permanent Source of Emergency Rental Assistance

Congress should create a “National Housing Stabilization Fund” to provide emergency rental assistance to the lowest-income households to prevent housing instability and homelessness. Temporary assistance can stabilize households experiencing economic shocks *before* it causes instability and homelessness, which often require more prolonged, extensive and expensive housing assistance. Today, tens of millions of households are one financial setback (e.g., a broken-down car, an unexpected medical bill, job loss, etc.) away from major economic hardship that could quickly spiral out of control.

The bipartisan “Eviction Crisis Act” introduced by Senators Rob Portman (R-OH) and Michael Bennet (D-CO) and cosponsored by Senators Brown (D-OH) and Young (R-IN) would create an emergency stabilization fund to provide financial assistance to cover the gaps between income and rental costs during a financial crisis. The bill would also provide housing stability services, such as counselors and legal aid. When combined, short-term housing assistance and support services can significantly reduce evictions and homelessness, yet such aid is not available at the scale needed. A review of federal, state, and local programs that offer some form of emergency assistance and/or legal services show an uneven patchwork of support for vulnerable households.

Strengthen Renter Protections

Affordable, accessible housing and robust housing choice are the foundations upon which just and equitable communities are built. However, the power imbalance between renters and landlords put renters at greater risk of housing instability and homelessness.

Despite the broad and lasting consequences of evictions, only 10% of renters in eviction court receive legal representation, compared to 90% of landlords.⁶⁰ In many states, landlords can evict renters for no reason, and there are no federal protections against arbitrary, retaliatory, or discriminatory evictions or other abusive practices by some landlords. Discrimination by some landlords against renters prevents households from effectively using federal, state, or local rental assistance, and is often a pretext for illegal discrimination against renters of color, women, and people with disabilities. Some landlords evict survivors of domestic or intimate partner violence because of the actions of their abusers, or refuse to rent to survivors, putting them at greater risk of housing instability and homelessness.

Congress should enact legislation to better protect renters. Establishing a national right to counsel would help more renters stay in their homes and mitigate harm when eviction is unavoidable. Banning credit reporting agencies from including eviction-related information after three years would stop evictions from following families for years. Creating “just-cause” eviction protections would ensure greater housing stability, particularly for survivors of violence. Prohibiting discrimination against source of income would help renters more effectively use federal housing assistance and help prevent other unlawful forms of discrimination.

⁶⁰ Desmond, M. 2015. “Unaffordable America: Poverty, Housing, and Eviction.” Institute for Research on Poverty. Retrieved from: <https://www.irp.wisc.edu/publications/fastfocus/pdfs/FF22-2015.pdf>

The Case for Increased Federal Investments in Affordable Homes

Investing in affordable housing solutions improves lives and saves the federal government money. Research clearly demonstrates that housing is inextricably linked to an array of positive outcomes in other sectors.

Education: Student achievement is maximized when students can go home to stable, affordable homes. Low-income children in affordable homes perform better on cognitive development tests than those in unaffordable homes.⁶¹ Low-income students who are forced to change schools frequently because of unstable housing perform less well in school and are less likely to graduate,⁶² and continual movement of children between schools disrupts learning for all students in the classroom because more time is required for review and catch-up work.⁶³ When affordable housing options are located in high-opportunity areas with low poverty and economically diverse schools, they can dramatically lift the academic performance of low-income students and narrow the achievement gap between them and their more affluent peers.⁶⁴ Across the country, low-income families are priced out of the strongest schools; housing near high-performing public schools costs 2.4 times more than housing near low-performing public schools.⁶⁵

Health: Decent, stable, affordable homes are a major social determinant of health and are linked to better health outcomes throughout a person's lifespan. Children who experienced prenatal homelessness are 20% more likely to have been hospitalized since birth. Children who experienced post-natal homelessness are 22% more likely to have been hospitalized since birth.⁶⁶ In 2011, families living in unaffordable homes spent one-fifth as much on necessary

⁶¹ Newman, S. J. & C. S. Holupka. 2015. "Housing Affordability and Child Well-Being." *Housing Policy Debate*, 25(1), 116-151. Retrieved: <https://www.tandfonline.com/doi/abs/10.1080/10511482.2014.899261>

⁶² Voight, A., Shinn, M., & Nation, M. 2012. *The Longitudinal Effects of Residential Mobility on the Academic Achievement of Urban Elementary and Middle School Students*. *Educational Researcher*, 41(9), 385-392. Retrieved from <http://journals.sagepub.com/doi/pdf/10.3102/0013189X12442239>;

Cunningham, M., & MacDonald, G. 2012. *Housing as a Platform for Improving Education Outcomes among Low-Income Children*. Washington, DC: Urban Institute. Retrieved from:

<http://www.urban.org/sites/default/files/publication/25331/412554-Housing-as-aPlatform-for-Improving-Education-Outcomes-among-Low-Income-Children.PDF>;

Fischer, W. 2015. *Research Shows Housing Vouchers Reduce Hardship and Provide Platform for Long-Term Gains Among Children*. Washington, DC: Center on Budget and Policy Priorities. Retrieved from

<http://www.cbpp.org/sites/default/files/atoms/files/3-10-14hous.pdf>

⁶³ Cunningham, M., & MacDonald, G. 2012. *Housing as a Platform for Improving Education Outcomes among Low Income Children*. Washington, DC: Urban Institute. Retrieved from

<https://www.urban.org/sites/default/files/publication/25331/412554-Housing-as-a-Platform-for-Improving-Education-Outcomes-among-Low-Income-Children.PDF>

⁶⁴ Schwartz, H. 2010. *Housing Policy is School Policy*. Washington, DC: The Century Foundation.

Retrieved from <https://tcf.org/content/commentary/housing-policy-is-school-policy/>.

⁶⁵ Rothwell, J. 2012. *Housing Costs, Zoning, and Access to High-Scoring Schools*. Washington DC:

Brookings Metropolitan Policy Program. Retrieved: https://www.brookings.edu/wp-content/uploads/2016/06/0419_school_inequality_rothwell.pdf

⁶⁶ Sandel, M., et. al. 2016. *Housing as a Healthcare Investment*. National Housing Conference and

Children's HealthWatch. Retrieved: <https://www.opportunityhome.org/wp-content/uploads/2018/02/Housing-as-a-Health-Care-Investment.pdf>

healthcare compared to those in affordable housing.⁶⁷ When people have access to good affordable housing, primary care visits increase by 20%, ER visits decrease by 18%, and total Medicaid expenditures decrease by 12%.⁶⁸ Children's HealthWatch estimates that the U.S. will spend \$111 billion over the next ten years in avoidable healthcare costs because of housing instability.⁶⁹

Racial Equity: Affordable homes located in economically diverse neighborhoods can help reduce residential segregation and concentrations of poverty. Today, one in four African American families and one in six Hispanic families live in neighborhoods of concentrated poverty, compared to only one in 13 white families. A recent study by the Urban Institute found that if Chicago reduced its residential segregation just to the national median, incomes for African Americans would rise by \$2,982 per person per year, regional GDP would increase by \$8 billion, the homicide rate would decrease by 30%, residential real estate values would increase by six billion dollars, and 83,000 more adults would complete bachelor's degrees.⁷⁰

Economic Mobility: Affordable homes can also help children achieve the American dream by climbing the income ladder as adults. Economist Raj Chetty and his team looked at low-income children whose families used housing vouchers to access affordable homes located in neighborhoods with lower poverty. These children were much more likely to attend college, less likely to become single parents, and more likely to earn more as adults. In fact, younger poor children who moved to lower-poverty neighborhoods with a housing voucher earned an average of \$302,000 more over their lifetimes compared to their peers in higher-poverty neighborhoods.⁷¹ In 2015, the Children's Defense Fund modeled an expansion of the Housing Choice Voucher program and found that expanding these housing subsidies would reduce child poverty by 20.8% and lift 2.3 million children out of poverty. They found housing subsidies would have the greatest impact on alleviating child poverty compared to the nine other policy solutions they explored.⁷²

Economic Productivity: Investments in affordable homes are a proven catalyst for economic growth, job creation, increased government revenue, and increased consumer spending. According to the National Association of Home Builders, building 100 affordable homes generates \$11.7 million in local income, 161 local jobs, and \$2.2 million in taxes and other revenues for local government. The high costs of housing are limiting opportunities for people to increase their earnings, which, in turn, slow GDP growth. Researchers estimate that GDP growth between 1964 and 2009 would have been 13.5% higher if families had better access to

⁶⁷ Joint Center for Housing Studies of Harvard University. 2013. *The State of the Nation's Housing*. Retrieved: <http://www.jchs.harvard.edu/sites/default/files/son2013.pdf>

⁶⁸ Wright, B., et. al. 2016. *Health in Housing*. Center for Outcomes Research and Education. Retrieved: <https://www.enterprisecommunity.org/download?fid=5703&nid=4247>

⁶⁹ Poblacion A, Bovell-Ammon A, Sheward R, Sandel M, Ettinger de Cuba S, Cutts D, Cook J. *Stable Homes Make Healthy Families*. Children's HealthWatch Policy Action Brief. August 2017. Available at: <http://childrenshealthwatch.org/wp-content/uploads/CHW-Stable-Homes-2-pager-web.pdf>

⁷⁰ Pendall, R., Acs, G., & Trekson, M. 2017. *The Costs of Segregation*. Urban Institute and Metropolitan Planning Council. Retrieved: <https://www.metroplanning.org/work/project/33>

⁷¹ Chetty, R., Hendren, N., & Katz, L. 2015. *The Effects of Exposure to Better Neighborhoods on Children: New Evidence from the Moving to Opportunity Experiment*. Cambridge, MA: National Bureau of Economic Research. Retrieved from http://www.nber.org/mtopublic/final/MTO_IRS_2015.pdf.

⁷² Children's Defense Fund and Urban Institute. 2015. *Ending Child Poverty Now*. Retrieved from: <https://www.childrensdefense.org/wp-content/uploads/2018/06/Ending-Child-Poverty-Now.pdf>

affordable homes. This GDP increase would have meant a \$1.7 trillion increase in income, or \$8,775 in additional wages per worker.⁷³

Food Security: When rent eats up an already limited paycheck, low-income families have fewer resources to buy adequate and nutritious food. Low-income families living in affordable homes experience greater food security and their children are 52% less likely to be seriously underweight compared to those who are cost-burdened by rent.⁷⁴

Criminal Justice: Individuals transitioning out of the criminal justice system face many housing obstacles and are vulnerable to homelessness. They need good places to call home so they can reconnect with society and rebuild their lives. Formerly incarcerated individuals who find stable affordable housing are less likely to go back to jail than those who do not.⁷⁵

Veterans: After serving our country bravely, veterans need access to decent, stable, affordable homes so they can thrive in the neighborhoods they swore to defend. Rental assistance for veterans has proven highly effective in dramatically reducing veteran homelessness, but there remains significant unmet need.⁷⁶

The evidence is abundantly clear that being able to afford a decent home in a strong neighborhood is a prerequisite for opportunity in America. The promise of better health, increased economic opportunity, and quality education can be fulfilled only if our nation's families have safe, decent, accessible, affordable homes.

Conclusion

More than ever, bold policies are needed to ensure that people with the lowest income and the most marginalized people have stable, affordable homes.

NLIHC looks forward to working with Congress to advance anti-racist policies and achieve the large-scale, sustained investments and reforms necessary to ensure that all renters with the lowest incomes have an affordable place to call home.

Thank you for the opportunity to testify today. I look forward to your questions.

⁷³ Moretti, E. & Hsieh, C. 2015. *Housing Constraints and Spatial Misallocation*. American Economic Journal: Macroeconomics. Retrieved:

https://www.nber.org/system/files/working_papers/w21154/w21154.pdf

⁷⁴ Children's HealthWatch and Medical-Legal Partnership of Boston. 2009. *Rx for Hunger: Affordable Housing*. Retrieved from: <https://www.issuelab.org/resources/5379/5379.pdf>

⁷⁵ Fontaine, J. 2013. *The Role of Supportive Housing in Successful Reentry Outcomes for Disabled Prisoners*. *Cityscape: A Journal of Policy Development and Research*, 15(3). US Department of Housing and Urban Development. Retrieved from:

<https://www.huduser.gov/portal/periodicals/cityscpe/vol15num3/ch3.pdf>

⁷⁶ Fischer, W. 2014. *Rental Assistance Helps More than 340,000 Veterans Afford Homes, But Large Unmet Need Remain*. Center on Budget and Policy Priorities. Retrieved:

<https://www.cbpp.org/research/rental-assistance-helps-more-than-340000-veterans-afford-homes-but-large-unmet-needs>