

Testimony of Sarah Saadian
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Before the House Rules Committee
“Ending Hunger in America: Family Budgets and Food Insecurity”
October 13, 2021

Chairman McGovern, Ranking Member Cole, and members of the Committee, thank you for the opportunity to participate in this roundtable on the intersection of housing and food insecurity. I am Sarah Saadian, vice president of public policy at the National Low Income Housing Coalition (NLIHC).

NLIHC is solely dedicated to ensuring the lowest-income 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 people with low incomes who receive or need federal housing assistance, especially extremely low-income people and people who are homeless.

The ongoing COVID-19 pandemic and economic collapse of 2020 devastated millions of families; just a few days ago, our nation reached the tragic and once unthinkable milestone of 700,000 COVID-19 related deaths.¹ Decades of structural racism in health, housing, food security and other systems have left Black, Latino, and Indigenous people disproportionately likely to experience food and housing insecurity, and disproportionately likely to contract COVID-19, be hospitalized, and die during the pandemic.² While Congress provided desperately needed resources to households experiencing a sudden job loss or drop in income because of the pandemic, many – particularly the lowest-income households and Black and Latino households – still struggled to keep food on the table and a roof over their heads.^{3,4}

Even before the pandemic, the country was in the midst of an affordable housing crisis that threatened food security for millions of households. 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. 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

¹ Webber, T. and Hollingsworth, H. 2021. “COVID-19 Deaths Eclipse 700,000 in US.” *Associated Press*. Retrieved from: <https://apnews.com/article/coronavirus-pandemic-dead-us-milestone-80209c66802902e42adfbe075ff5272b>

² Centers for Disease Control and Prevention (CDC). 2021. COVID-19 hospitalizations and deaths by race/ethnicity. Updated September 9, 2021. Retrieved from: <https://www.cdc.gov/coronavirus/2019-ncov/covid-data/investigations-discovery/hospitalization-death-by-race-ethnicity.html>

³ Wallace, C. 2021. “Hunger Rose for US Minorities, Children in 2020, Despite Federal Pandemic Aid.” *Reuters*. Retrieved from: <https://www.reuters.com/world/us/hunger-rose-us-minorities-children-2020-despite-federal-pandemic-aid-2021-09-08/>

⁴ Consumer Financial Protection Bureau. 2021. *Housing Insecurity and the COVID-19 Pandemic*. Retrieved from: https://files.consumerfinance.gov/f/documents/cfpb_Housing_insecurity_and_the_COVID-19_pandemic.pdf

fewer than four homes affordable and available to them. Without affordable options, nearly ten million of the lowest-income households were severely housing cost-burdened pre-pandemic, spending more than half of their incomes on rent and utilities.⁵

When households pay most of their limited incomes on housing, they have few resources left over to pay for groceries, healthcare, and other basic needs. As Pulitzer Prize winning author and Princeton sociologist Matthew Desmond explains, “the rent eats first.”⁶ Severely housing cost-burdened renters are 23 percent more likely than those with less severe burdens to face difficulty purchasing food.⁷ Food and housing insecurity can have particularly harmful effects on young children, with long-term consequences that can last into adulthood. Children in families experiencing food and housing insecurity are more likely to experience poor health outcomes, including developmental delays, behavioral problems, and chronic health conditions.⁸

Federally subsidized housing programs have been found to improve both housing stability and food security for households with low incomes. For example, a study conducted in New York City found that families able to spend no more than 30 percent of their income on rent increased their discretionary income by as much as 77 percent, leaving more room for these families to purchase nutritious food and other necessities.⁹ A long-term study found that children living in subsidized housing were more likely to be food secure, less likely to be seriously underweight, and more likely to be classified as “well” on an indicator of child health than children on the waitlist for subsidized housing.¹⁰

Affordable housing projects and community institutions can also be important allies in the fight against food insecurity. Neighborhood gardens and farms, community-supported agriculture and fresh food programs, and local farmers markets can help increase access to fresh, nutritious foods in historically underserved areas.¹¹ Affordable housing projects can play a leading role in educating community members through nutrition and cooking classes and can help decrease the cost of food for residents through bulk purchasing collaboratives.¹²

⁵ Aurand, A., Emmanuel, D., Threet, D., Rafi, I., and Yentel, D. 2021. *The Gap: A Shortage of Affordable Homes*. National Low Income Housing Coalition. Retrieved from: <http://www.nlihc.org/gap>

⁶ Desmond, Matthew. August 29, 2020. *The Rent Eats First, Even During a Pandemic*. New York Times. Retrieved from: <https://www.nytimes.com/2020/08/29/opinion/sunday/coronavirus-evictions-superspreader.html>

⁷ Joint Center for Housing Studies of Harvard University. 2017. *The State of the Nation's Housing*. Retrieved from: https://www.jchs.harvard.edu/sites/default/files/harvard_jchs_state_of_the_nations_housing_2017.pdf

⁸ Schaffner, M. 2021. *Safe, Stable, and Affordable Homes: Laying the Foundation for Healthy Child Development*. Opportunity Starts at Home Campaign, National Low Income Housing Coalition. Retrieved from: <https://www.opportunityhome.org/resources/safe-stable-and-affordable-homes-laying-the-foundation-for-healthy-child-development/>

⁹ Taylor, L. 2018. “Housing and Health: An Overview of the Literature.” *Health Affairs Health Policy Brief*. Retrieved from: <https://www.healthaffairs.org/doi/10.1377/hpb20180313.396577/full/>

¹⁰ March, E., et al. 2009. *Rx for Hunger: Affordable Housing*. Children's Health Watch. Retrieved from: https://childrenshealthwatch.org/wp-content/uploads/rxforhunger_report_dec09-1.pdf

¹¹ Enterprise Community Partners. 2020. *2020 Enterprise Green Communities Criteria*. Retrieved from: <https://www.greencommunitiesonline.org/location-neighborhood-fabric>

¹² Charette, A., Jakobovics, A., and Spotts, M. 2014. *Food at Home: Affordable Housing as a Platform to Overcome Nutritional Challenges*. Enterprise Community Partners. Retrieved from: <https://assets.aecf.org/m/resourcedoc/Enterprise-FoodatHome-2014.pdf>

In Illinois, community organization Respond Now provides immediate, short-term food and housing assistance to families in suburban Cook County. Advocates at Respond Now help low-income households with applications for food assistance programs like the Supplemental Nutrition Assistance Program (SNAP), run food pantries and community gardens, operate temporary shelters for households facing homelessness, and administer mortgage, rental, and utility assistance.¹³ In addition to advocating for an end to homelessness and housing poverty,¹⁴ the statewide advocacy organization Empower Missouri created a Food Security Coalition to push for policies addressing the intersection of food and housing security, including streamlining assistance applications, and addressing food deserts in rural areas.¹⁵

In order to meaningfully address food insecurity, Congress must increase investments in long-term affordable housing solutions that target the underlying, structural reasons for our nation’s housing crisis, and advance the anti-racist policy and programmatic changes needed to ensure housing programs reach Black, Indigenous, and other people of color. By ending homelessness and housing poverty, Congress can ensure that households have enough resources to put nutritious food on the table and make ends meet.

More than ever, bold policies are needed to ensure that people with the lowest incomes and the most marginalized people have a stable, affordable home. NLIHC launched the HoUSed campaign earlier this year to achieve the large-scale, sustained investments and reforms necessary to ensure that renters with the lowest incomes have an affordable place to call home.¹⁶

The first – and best – opportunity to advance this agenda is through the Build Back Better Act, which currently includes:

1. \$90 billion to expand rental assistance to one million of the nation’s lowest-income households;
2. Preserving public housing for over two million residents through an \$80 billion investment to address the public housing capital repair backlog; and
3. Increasing the supply of housing affordable to people with the lowest incomes by investing \$37 billion to expand the national Housing Trust Fund (HTF).

In my testimony today, I will discuss the housing needs of people with the lowest incomes, the need to invest in vital, targeted affordable housing programs through the “Build Back Better Act,” and how doing so will help address not only the nation’s affordable housing crisis, but improve food security, advance racial equity, and improve health and educational outcomes.

¹³ Respond Now. 2021. Retrieved from: <https://respondnow.org/our-programs>

¹⁴ Owsley, S. 2021. “We Can Solve the Housing Crisis by Passing the Build Back Better Act.” Empower Missouri. Retrieved from: <https://empowermissouri.org/we-can-solve-the-housing-crisis-by-passing-the-build-back-better-act/>

¹⁵ Empower Missouri. 2021. Retrieved from: <https://empowermissouri.org/food-security-coalition/>

¹⁶ National Low Income Housing Coalition. 2021. Housed Campaign. Retrieved at: <https://nlihc.org/housed>

Pre-Pandemic Affordable 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%.¹⁷

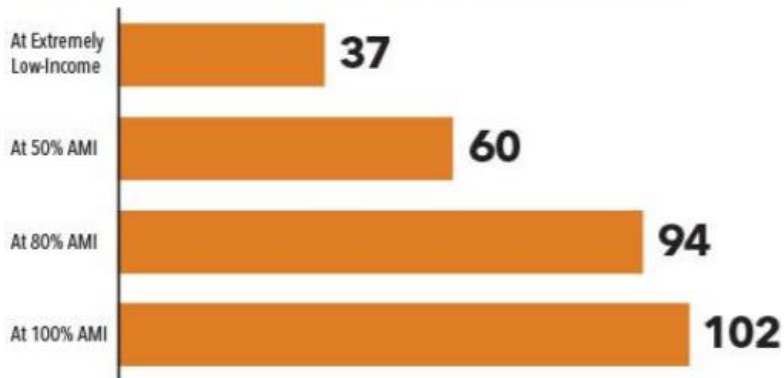
The shortage of affordable homes is most severe for extremely low-income (ELI) households whose incomes are at or below the poverty guideline or 30% of their area's median income (AMI), whichever is higher. In Massachusetts, an ELI renter could be a family of four with two working parents who earn less than \$31,800 annually combined, a low-income senior with an income of \$22,300, or a single person with a disability relying on an annual income of just over \$9,500 from Supplemental Security Income (SSI). In Oklahoma, an ELI renter could be a family of four with two working parents earning less than \$20,100 annually combined, a low-income senior with an income of no more than \$14,000, or a couple with disabilities relying on an annual income of just under \$14,300 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.¹⁸ 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).

¹⁷ Joint Center for Housing Studies of Harvard University. 2018. *The State of the Nation's Housing*. Cambridge, MA: Author. Retrieved from: <https://www.jchs.harvard.edu/state-nations-housing-2018>

¹⁸ 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."

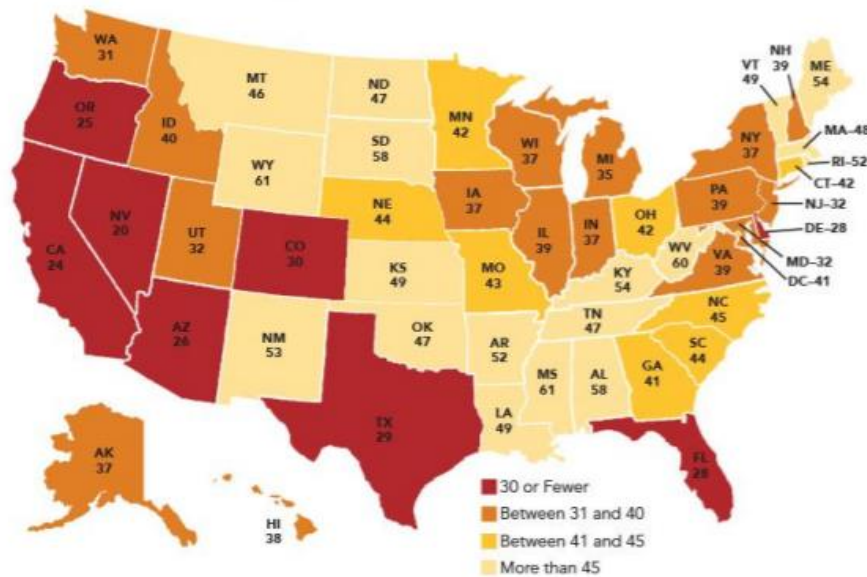
FIGURE 1: AFFORDABLE AND AVAILABLE RENTAL HOMES PER 100 RENTER HOUSEHOLDS, 2019



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

In Chairman McGovern’s district, there are fewer than four affordable and available homes for every ten of the lowest-income households; in Ranking Member Cole’s district, there are fewer than three homes affordable and available for every ten extremely low-income renters. Across the country, there is no state or congressional district with a sufficient number of affordable, available homes for its lowest-income renter households (Figure 2).

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

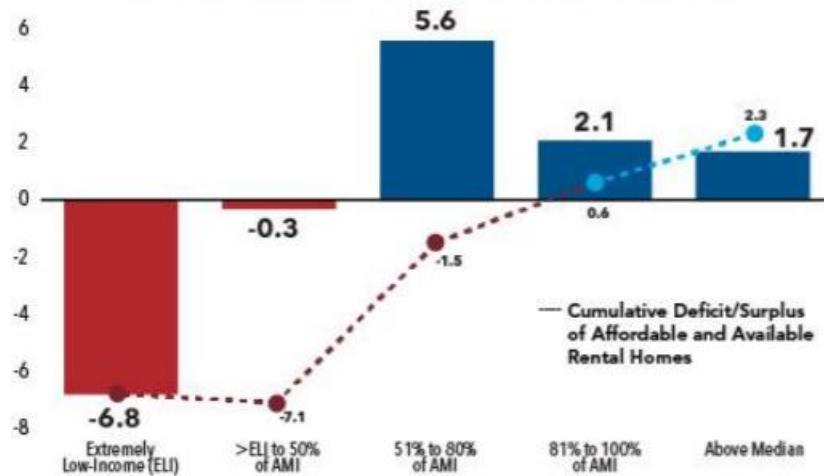


Note: Extremely low income (ELI) renter households have incomes at or below the poverty level or 30% of the area median income. Source: NLIHC tabulations of 2019 ACS PUMS Data.

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 shows the incremental

change in the shortage or surplus of rental homes available and affordable to households of different incomes.

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



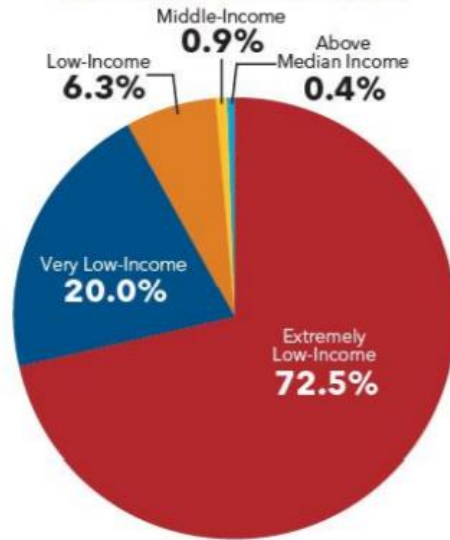
Source: NLIHC tabulations of 2019 ACS PUMS data.

The shortfall of almost 7 million homes available and affordable to extremely low-income 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.¹⁹ Combined, extremely low-, very low- and low-income households account for nearly 99% of all severely cost-burdened renters (see Figure 4).

¹⁹ 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.²⁰ Black Americans represent 13% of the general population but are 40% of people experiencing homelessness and more than 50% of homeless families with children.²¹ Native communities have some of the most urgent housing needs in the nation – 6% of homes on tribal lands lack adequate plumbing, 12% have inadequate heating, and 16% are overcrowded, compared to 1-2% of the general population, and 38% of Native households report being housing cost-burdened.²²

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.²³ These households forgo healthy food or delay healthcare or medications to pay the rent. In the worst cases, they become homeless.

²⁰ Joint Center for Housing Studies of Harvard University. 2020. The State of the Nation's Housing. Retrieved from: https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_The_State_of_the_Nations_Housing_2020_Report_Revised_120720.pdf

²¹ National Alliance to End Homelessness. 2020. "Homelessness and Racial Disparities." Retrieved from: <https://endhomelessness.org/homelessness-in-america/what-causes-homelessness/inequality/>

²² Walters, A. 2020. "Native American, Alaska Native, and Native Hawaiian Housing Programs." 2020 Advocates Guide. Retrieved from : <https://nlihc.org/explore-issues/policy-priorities/native-american-housing>

²³ Joint Center for Housing Studies of Harvard University. 2019. The State of the Nation's Housing. Retrieved from https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_State_of_the_Nations_Housing_2019%20%281%29.pdf

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 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.²⁴ 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),²⁵ 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.²⁶

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).²⁷ With wages insufficient to pay for modest rental housing even when individuals work full-time year-

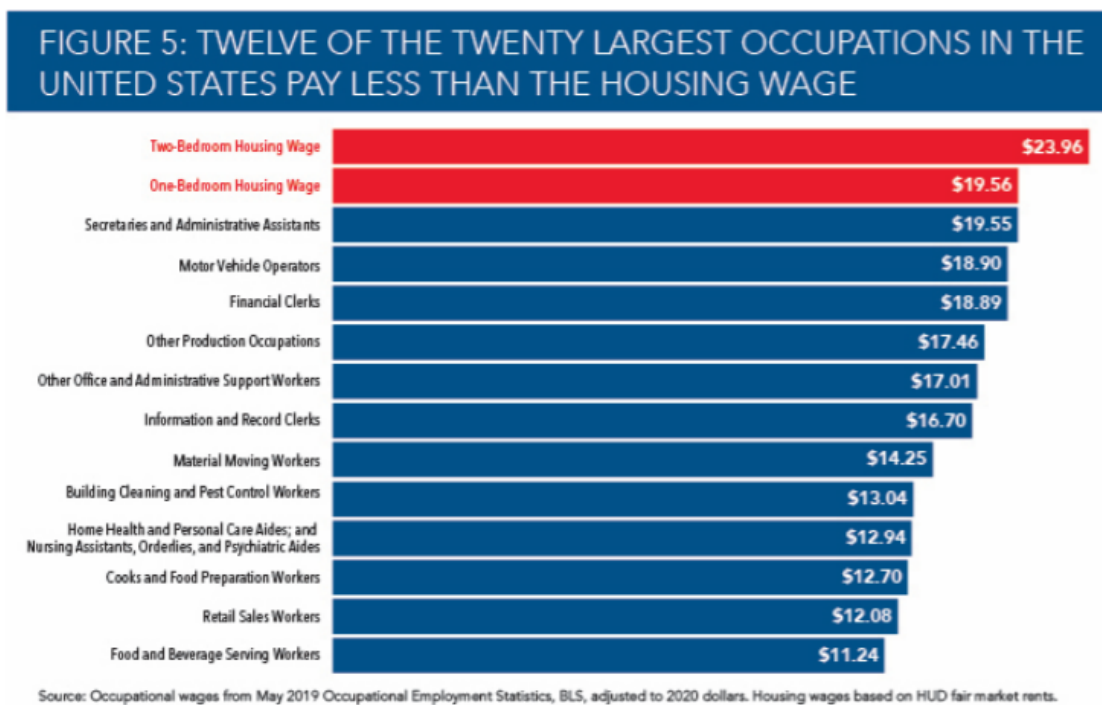
²⁴ Maqbool, N., Viveiros, J., & Ault, M. 2015. The Impacts of Affordable Housing on Health. Retrieved from <https://nhc.org/wp-content/uploads/2017/03/The-Impacts-of-Affordable-Housing-on-Health-AREsearch-Summary.pdf>; Brennan, M., Reed, P., & Sturtevant, L. 2014. The Impacts of Affordable Housing on Education. Retrieved from <https://nhc.org/wp-content/uploads/2017/03/The-Impacts-ofAffordable-Housing-on-Education-1.pdf>

²⁵ Desmond, M. & Gershenson, C. 2016. Housing and Employment Instability among the Working Poor. *Social Problems*, 63(1): 46-67. Retrieved from <https://scholar.harvard.edu/files/mdesmond/files/desmondgershenson.socprob.2016.pdf>

²⁶ National Low Income Housing Coalition. 2020. Out of Reach: The High Cost of Housing [data files]. See: <https://nlihc.org/oor>

²⁷ Ibid

round, a brief furlough or loss of hours, as we have seen over the past year, can create debts that renters can never repay.²⁸



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 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 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.²⁹

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).

²⁸ Ibid

²⁹ Center on Budget and Policy Priorities. 2017. “Three Out of Four Low-Income At-Risk Renters Do Not Receive Federal Rental Assistance.” Retrieved from: <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: Priorities for the “Build Back Better Act”

Ending homelessness and housing poverty would have wide-reaching impacts beyond housing – it would increase food security, facilitate better health and educational outcomes, lead to safer, stronger communities, and help address the systemic racism that has for generations locked Black, Latino, and Indigenous people out of opportunities. In order to achieve these ambitious goals, Congress must advance anti-racist policies and significantly expand investments in affordable housing for America’s lowest-income and most marginalized households.

The House Financial Services Committee voted on September 14 to approve landmark legislation investing \$327 billion in affordable housing as part of the “Build Back Better Act,” including significant funding for the HoUsed campaigns top policy priorities: \$90 billion to expand housing vouchers, \$80 billion to make desperately needed repairs to public housing, and \$37 billion for the national Housing Trust Fund to build, preserve, and operate deeply affordable, accessible homes. The legislation is a once-in-a-generation opportunity to provide significant, targeted investments in affordable housing that, if enacted, could end homelessness in this country, repair public housing, and pave path to universal rental assistance.

As Congress invests robust resources into communities, it must also advance necessary reforms and improvements to ensure these investments undo the legacy of racism and discrimination rooted in our housing system.

Expand Rental Assistance to an Additional One Million Households

Rental assistance is a critical tool for helping the lowest-income people afford decent, stable homes, and avoid housing insecurity or 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 housing cost-burdened households 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 in areas with higher performing schools and greater access to jobs and transportation. 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 property owners to provide health and other services some people need.

Congress should include in any reconciliation package \$90 billion for an expansion of housing vouchers, an essential down-payment to eventually expanding vouchers to all those in need. To ensure greater racial equity, Congress must bar discrimination based on source of income (e.g., housing vouchers), sexual orientation, gender identity, and marital status.

Preserve Public Housing Infrastructure for 2.5 Million Residents

Congress must provide at least \$80 billion to preserve our nation’s deteriorating public housing stock, which are home to roughly 2.5 million of the nation’s lowest-income seniors, people with disabilities, and families with children, the majority of whom are people of color.

Public housing provides people with low incomes with affordable, stable homes, but Congress has underfunded public housing for decades – between 2010 and 2016 alone, Congress cut public housing funding by \$1.5 billion.³⁰ While Congress recently increased funding for public housing in fiscal years (FY) 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 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 decay³¹ as other public housing units fall into deep disrepair, exposing public housing residents to hazardous and unhealthy living conditions, including lead, carbon monoxide, mold, asbestos, radon, and pest infestations. 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. Today, the funding needed to address capital repairs in public housing is estimated to exceed \$70 billion.³²

³⁰ 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/chartbook-cuts-in-federal-assistance-have-exacerbated-families-struggles-to>

³¹ National Low Income Housing Coalition. 2018. Advocates Guide. Washington, DC: Author. See: https://nlihc.org/sites/default/files/AG-2018/2018_Advocates-Guide.pdf

³² 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

Invest \$37 Billion in the National Housing Trust Fund to Build 330,000 Homes Affordable to Households with the Greatest Needs

To further expand the affordable and accessible housing stock, Congress should provide at least \$37 billion annually to the national Housing Trust Fund (HTF), a dedicated funding stream to efficiently build, rehabilitate, preserve, and operate rental housing for extremely low-income people. A one-time investment of \$37 billion in the HTF would support the construction and preservation of more than 330,00 rental homes affordable to people with the lowest incomes.

This investment would directly address a major underlying cause of the housing crisis – the severe shortage of housing affordable and available to people with the lowest incomes. Capital investments in the HTF can also be used to assist states and cities with acquiring hotels and motels to convert these and other commercial spaces into the permanent supportive housing needed to ensure stable homes for individuals experiencing homelessness.

Other Solutions

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.

All federal investments to increase the supply of affordable rental housing must also require states and communities to affirmatively further fair housing. By fostering integration, Congress can make certain that renters have fair, affordable, and accessible 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.

The Case for Targeted Federal Investments in Affordable Homes

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

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.³³

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-

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.

³³ 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>

natal homelessness are 22% more likely to have been hospitalized since birth.³⁴ In 2011, families living in unaffordable homes spent one-fifth as much on necessary healthcare compared to those in affordable housing.³⁵ 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%.³⁶ 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.³⁷

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.³⁸ 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,³⁹ 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.⁴⁰ 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.⁴¹ Across the country, low-income families are priced out of the strongest

³⁴ Sandel, M., et. al. 2016. Housing as a Healthcare Investment. National Housing Conference and Children's HealthWatch. Retrieved from <https://www.opportunityhome.org/wpcontent/uploads/2018/02/Housing-as-a-Health-Care-Investment.pdf>

³⁵ Joint Center for Housing Studies of Harvard University. 2013. The State of the Nation's Housing. Retrieved from <http://www.jchs.harvard.edu/sites/default/files/son2013.pdf>

³⁶ Wright, B., et. al. 2016. Health in Housing. Center for Outcomes Research and Education. Retrieved: <https://www.enterprisecommunity.org/download?fid=5703&nid=4247>

³⁷ Poblacion A, Bovell-Ammon A, Sheward R, Sandel M, Ettinger de Cuba S, Cutts D, Cook J. 2017. Stable Homes Make Healthy Families. Children's HealthWatch Policy Action Brief. Retrieved from: <http://childrenshealthwatch.org/wp-content/uploads/CHW-Stable-Homes-2-pager-web.pdf>

³⁸ Newman, S.J. & C.S. Holupka. 2015. Housing Affordability and Child Well-Being. Housing Policy Debate, 25(1), 116-151. Retrieved from <https://www.tandfonline.com/doi/abs/10.1080/10511482.2014.899261>

³⁹ 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-a-Platform-for-ImprovingEducation-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>

⁴⁰ 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-ImprovingEducation-Outcomes-among-Low-Income-Children.PDF>

⁴¹ 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/>.

schools; housing near high-performing public schools costs 2.4 times more than housing near low performing public schools.⁴²

Racial Equity: Affordable homes located in economically diverse neighborhoods can help reduce residential segregation and concentrations of poverty. Today, one in four Black families and one in six Latino 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 \$6 billion, and 83,000 more adults would complete bachelor's degrees.⁴³

Economic Mobility: Affordable homes can also help children climb 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 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.⁴⁴ 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.

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.⁴⁵

Veterans: After serving our country, 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.⁴⁶

⁴² Rothwell, J. 2012. Housing Costs, Zoning, and Access to High-Scoring Schools. Washington DC: Brookings Metropolitan Policy Program. Retrieved from https://www.brookings.edu/wpcontent/uploads/2016/06/0419_school_inequality_rothwell.pdf

⁴³ 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>

⁴⁴ 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.

⁴⁵ 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>

⁴⁶ 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 from: <https://www.cbpp.org/research/rental-assistance-helps-more-than-340000-veterans-afford-homes-but-large-unmet-needs>

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

Conclusion

Housing and food security are inextricably linked; safe, stable, affordable, and accessible housing is necessary in order to effectively address food insecurity, particularly among households with the lowest incomes. The targeted affordable housing provisions in the "Build Back Better Act" would provide the significant investments needed to preserve and expand our nation's affordable housing infrastructure. NLIHC looks forward to working with Congress to advance the "Build Back Better Act" and achieve the investments and reforms necessary to begin to end housing poverty and homelessness in our country, once and for all.

Thank you for the opportunity to participate in today's roundtable. I look forward to your questions.