

UNIVERSAL VOUCHERS: ENDING
HOMELESSNESS AND EXPANDING
ECONOMIC OPPORTUNITY IN AMERICA

VIRTUAL HEARING
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UNIVERSAL VOUCHERS: ENDING HOMELESSNESS AND EXPANDING ECONOMIC OPPORTUNITY IN AMERICA

Wednesday, June 9, 2021

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON FINANCIAL SERVICES,
Washington, D.C.

The committee met, pursuant to notice, at 12:19 p.m., via Webex, Hon. Maxine Waters [chairwoman of the committee] presiding.

Members present: Representatives Waters, Maloney, Sherman, Scott, Green, Cleaver, Perlmutter, Himes, Foster, Vargas, Gottheimer, Gonzalez of Texas, Lawson, Axne, Casten, Pressley, Torres, Adams, Tlaib, Dean, Garcia of Illinois, Garcia of Texas, Williams of Georgia, Auchincloss; McHenry, Lucas, Posey, Luetkemeyer, Huizenga, Wagner, Barr, Williams of Texas, Hill, Emmer, Zeldin, Davidson, Kustoff, Rose, Steil, and Gooden.

Mr. CLEAVER. [presiding]. The Financial Services Committee will come to order.

Without objection, the Chair is authorized to declare a recess of the committee at any time.

As a reminder, I ask all Members to keep themselves muted when they are not being recognized by the Chair. The staff has been instructed not to mute Members, except when a Member is not being recognized by the Chair and there is inadvertent background noise.

Members are also reminded that they may only participate in one remote proceeding at a time. If you are participating today, please keep your camera on. If you choose to attend a different remote proceeding, please turn your camera off.

Before we begin, I will recognize myself to call up the resolution offered by Ranking Member McHenry naming a new subcommittee ranking member and subcommittee membership. Copies of the resolution were made available in advance.

Without objection, the resolution is adopted.

Today's hearing is entitled, "Universal Vouchers: Ending Homelessness and Expanding Economic Opportunity in America."

And we are very fortunate to have some excellent witnesses with us today.

I now recognize myself for an opening statement, and then when Chairwoman Waters is available, she will perhaps add some opening comments.

I would like to thank her, and also Ranking Member McHenry, for this important hearing. Today's discussion comes at a time

when, on any given night in this enormously wealthy nation, hundreds of thousands of Americans are without a home, and millions more live in fear that their family may end up homeless in the near future. Through your leadership, Chairwoman Waters, even the most vulnerable among us, those who also depend on their Congress to find solutions to the great challenges in this nation, continue to have representation in these halls.

And I am proud to join Chairwoman Waters and the distinguished gentleman from New York, Mr. Torres, in proposing the Ending Homelessness Act of 2021, which would make Housing Choice Vouchers an entitlement for those who qualify, and would ban landlords from discriminating against voucher holders, including banning discrimination based on source-of-income and veteran status. Rigorous research continues to demonstrate that vouchers sharply reduce homelessness, housing instability, and overcrowding, and would better prepare the nation to handle the next health or economic crisis.

Finally, I would also like to congratulate my colleague, Congressman French Hill, whom I have enjoyed working with in the past, on receiving the confidence to assume the role of ranking member of our Housing Subcommittee.

I look forward to what we can continue to accomplish under your leadership, Madam Chairwoman, and also Mr. McHenry's. We look forward to bringing a number of areas of agreement to this committee in the future. I will now introduce our witnesses.

Mr. MCHENRY. Mr. Chairman, traditionally, the ranking member is recognized for an opening statement at this point.

Mr. CLEAVER. Yes, and as I told you, there would be stumbles, because I am just getting to that, and thank you for reminding me.

The Chair recognizes the ranking member of the committee, Mr. McHenry from North Carolina.

Mr. MCHENRY. Chairman Cleaver, thank you, and thank you for handling adeptly what you have been thrown into here late in the game. But thank you for starting the hearing.

Frankly, today's hearing is about creating a brand-new, massive, open-ended Federal entitlement program for "universal" housing vouchers. We should be focused on the immediate needs of the economy, like the 9.3 million job openings that were unfilled this month and the record 4 million workers who quit their jobs in April.

But, rather, we are going to focus on fulfilling a progressive priority that would result in the largest expansion of the Department of Housing and Urban Development in its entire history. Under this proposal, an additional 14 million-plus households could qualify for the Housing Choice Voucher Program based on their income status alone, which means the cost would jump from \$25 billion to \$185 billion per year. Now, it is important to note that \$185 billion is nearly 2½ times the entire annual cost of the Department of Homeland Security. To be clear, creating a universal housing voucher entitlement does nothing to increase the supply of rental housing. This means that skyrocketing demand, in already-expensive markets, would drive rental prices higher and make affordable units less available.

It is ironic that we are here today to discuss another bad Democrat housing proposal when we really need to be focused on cleaning up the Biden Administration's latest mess. Last Congress, we came together to approve \$25 billion to repay renters' back rent debts. That money was specifically designated to make sure no renter would be faced with a pandemic-related eviction through no fault of their own.

Before that money was even out the door, Democrats pushed through another \$21.6 billion in rental assistance as a part of the partisan American Rescue Plan. Now, nearly 6 months after the first tranche of funding was enacted, the Treasury Department cannot tell us if anyone has actually had their back rent debts paid off. The Treasury's exact response when I asked last month? "We will provide this data as soon as practicable." Let me translate: They have no clue where that \$46.6 billion in aid is, or how it is being used. This is an abject failure by the Biden Administration.

I am sure I don't need to remind my colleagues across the aisle that we have a deadline. The Federal eviction moratorium will end this month. If this aid is not delivered to renters, they could become homeless, and instead of addressing this looming crisis today, we are talking about a long-held progressive priority that will do nothing to help renters, and this is mismanagement at the highest levels.

But as we saw last week when Securities and Exchange Commission Chair Gensler decided to simply remove the head of the Public Company Accounting Oversight Board (PCAOB), mismanagement seems to be a trend in Democrat-run Washington. When you have full partisan control of the House and the Senate, and the White House is in Democrat hands, this is the type of mismanagement we are seeing.

Committee Republicans will be introducing a bill to at least end mismanagement of the Emergency Rental Assistance Program. This bill will get the money out the door as soon as possible and make sure that all \$46 billion is used to settle back rent debts and protect renters facing eviction. This idea is simple, bipartisan, commonsense, and holds government accountable, and we are going to be serious about the rental assistance needs of the American people. And this bill is a strong start to doing that, not with another bad Democrat policy that we will be back here trying to fix in a year.

I yield back.

Mr. CLEAVER. Thank you, Mr. McHenry.

Chairwoman WATERS. Thank you very much, Mr. Cleaver, for stepping in and proceeding with our hearing. Unfortunately, we got caught in a very difficult situation and could not get here, but let us proceed and let us go on. Now that the ranking member has spoken—

Mr. CLEAVER. Mr. Hill has 1 minute.

Chairwoman WATERS. Mr. Hill of Arkansas is recognized for 1 minute. Thank you.

Mr. HILL. Thank you, Madam Chairwoman. Regarding the idea of universal entitlement vouchers, clearly this idea is not well-timed or even well-considered, as it wasn't even proposed by Secretary Fudge in her enormous 2022 HUD budget. But the main

issue of the day, to the here and now, is that the Treasury has no idea where the total of \$46 billion in rental assistance is, or how it is being spent. If that is not a perfect example of poor governance and oversight, I am not sure what is. I can tell you, in my home State of Arkansas, of the \$200 million allocated by Congress in the December appropriations on a bipartisan basis, a mere \$18,500 has actually been paid out to landlords. And to make it worse, the program wasn't even operational until just a few days ago, at the beginning of June.

I look forward to working with my Republican colleagues to help get the rental assistance into the hands of the American people who need it most.

I yield back, Madam Chairwoman.

Chairwoman WATERS. I want to welcome today's distinguished witnesses to the committee: Ms. Ann Oliva, senior fellow at the Center on Budget and Policy Priorities; Ms. Mary Cunningham, vice president of metropolitan housing and communities at the Urban Institute; Mr. Ben Metcalf, managing director of the Turner Center for Housing Innovation at the University of California, Berkeley; Ms. Chancela Al-Mansour, executive director of the Housing Rights Center; and Mr. Howard Husock, an adjunct scholar for domestic policy at the American Enterprise Institute.

Each of you will have 5 minutes to summarize your testimony. You should be able to see a timer on your screen that will indicate how much time you have left, and a chime will go off at the end of your time. I would ask you to be mindful of the timer, and quickly wrap up your testimony if you hear the chime. Also, without objection, your written statements will be made a part of the record.

Ms. Oliva, you are now recognized for 5 minutes to present your oral testimony.

STATEMENT OF ANN OLIVA, SENIOR FELLOW, CENTER ON BUDGET AND POLICY PRIORITIES

Ms. OLIVA. Chairwoman Waters, Ranking Member McHenry, my name is Ann Oliva, and I am a senior fellow at the Center on Budget and Policy Priorities. Thank you for the opportunity to testify. I commend the chairwoman for convening this important hearing and for her continued leadership on homelessness. The Ending Homelessness Act of 2021, introduced by the chairwoman, as well as Representatives Cleaver and Torres, would foster stronger communities and, inarguably, improve the lives of people who are struggling to secure affordable housing.

The nation is experiencing a homelessness crisis that predates the pandemic. In 2020, 30 States saw a rise in homelessness, and for the first time since we started gathering this data, the number of individuals living on the streets exceeded the number of individuals living in shelters. Without a significant Federal investment in affordable housing, these conditions will only worsen and continue to cause harm to the people who feel this crisis most acutely. Expanding the Housing Choice Voucher Program to assist all eligible households is the most important and effective step Congress can take to address this crisis.

While the chairwoman's bill is the most comprehensive option, Congress should also enact the President's proposed Fiscal Year

2022 voucher funding increase, and include a large-scale, multi-year voucher expansion in the upcoming recovery legislation. Both of these investments are urgently needed since vouchers are available for just 1 in 4 eligible households.

And while the housing investments in the American Jobs Plan are significant, less than 1 percent of the funding dedicated to housing was allocated to expanding rental assistance. Unless a household also receives rental assistance, construction subsidies rarely produce housing with rents that are affordable for households with incomes around or below the poverty line. So in order to make a significant reduction in homelessness, Congress must address this imbalance and fund more vouchers in the Recovery Plan.

HUD reports that more than 580,000 people experienced homelessness on a single night in January of 2020, and that nearly 1½ million people experienced sheltered homelessness at some time in 2018. And while that tells you how many people are experiencing homelessness, I want to take a moment to describe who is experiencing homelessness. People of color are disproportionately impacted. Families are typically headed by women and include a high percentage of young children. Seventeen percent of all family households are headed by a young parent aged 18 to 24, and more than 113,000 unaccompanied youth stayed in a shelter or transitional bed in a year. There are more than 37,000 homeless veterans, and more than 110,000 people who are chronically homeless, and people experiencing homelessness often work and still cannot afford housing.

The health and economic impact of the COVID-19 pandemic, which has also disproportionately impacted communities of color, has only made the situation more dire, and it is clear that homeless assistance systems cannot end homelessness alone. We must take a comprehensive approach to address housing affordability and do so at every opportunity we have, including in the upcoming recovery package.

To prepare for this hearing, I met with people who have experienced homelessness. Several told me about waiting in shelters for months or more than a year for a voucher or never receiving one at all. They said providing more vouchers will have the greatest impact on people experiencing homelessness, and that they also want Congress to address challenges faced by voucher holders in the housing market. Every day, frontline staff in homeless systems are required to make devastating choices about who will get the help they need. Is a young person who is being trafficked in exchange for a place to sleep more in need than a person with a serious mental illness living on the streets, or a family with young children living in their car?

With an expansion of Housing Choice vouchers, we can have a different system. Imagine a system that, instead of being forced to prioritize people based on how sick or in danger they are, can quickly offer a homeless family, youth, or individual a permanent housing option. Imagine a system where outreach to people living on the streets is more than an offer of a blanket, a bottle of water, or a granola bar, but has a real housing option attached. If long-term, guaranteed funding was provided for Housing Choice Vouchers, the effects would be enormous. Providing a voucher to all eligi-

ble households would lift 9.3 million people above the poverty line, and these benefits would be greatest among people of color.

Congress can take a step towards this vision by ensuring that significant multi-year voucher funding is included in the Economic Recovery Plan and by passing the Ending Homelessness Act of 2021. Thank you, and I look forward to answering your questions.

[The prepared statement of Ms. Oliva can be found on page 94 of the appendix.]

Chairwoman WATERS. Thank you very much.

Ms. Cunningham, you are now recognized for 5 minutes to present your oral testimony.

STATEMENT OF MARY CUNNINGHAM, SENIOR FELLOW AND VICE PRESIDENT, METROPOLITAN HOUSING AND COMMUNITIES, URBAN INSTITUTE

Ms. CUNNINGHAM. Chairwoman Waters, Ranking Member McHenry, and members of the committee, thank you for the opportunity to be here today. My name is Mary Cunningham. I am a senior fellow and vice president for the Metropolitan Housing Communities Center at the Urban Institute. The views expressed here are my own, not those of the Urban Institute, its trustees, or its funders.

When the pandemic hit in March 2020, the United States had already been grappling with a severe and enduring affordable housing and homelessness crisis. Approximately 580,000 people were experiencing homelessness on any given night, and nearly 11 million renters were severely cost-burdened. This crisis disproportionately impacts people of color, particularly Black and Latinx communities. The housing safety net was unprepared to respond to the urgent needs of the pandemic, a public health crisis, layered on top of a housing crisis. The lack of stable housing for many caused immense human suffering and lives lost, but also put the rest of the country at risk by reducing people's ability to socially distance in place and increasing transmission rates.

Congress responded with billions of dollars in emergency housing assistance, but States and localities are rushing and working overtime to distribute these funds before the CDC eviction moratorium expires in 21 days. Last month, an estimated 7 million renters were still behind on their rent, and about 3 million people reported a likelihood of facing eviction. We are facing a mass eviction crisis and significant increases in homelessness, but we already have a system for helping low-income renters, the Federal Housing Choice Voucher Program. If housing assistance was available to everyone who qualified before the pandemic, families could have more easily navigated a sudden job loss, and landlords could have consistently covered their expenses. The program would provide social insurance against exactly the type of problem the country is facing right now. It is time that we reinforce a housing safety net by adopting universal housing vouchers to provide assistance to everyone who needs it.

Using our analysis of transfer taxes and income security tool, we modeled expanding the Housing Choice Voucher Program to everyone who is currently eligible. We found that this expansion would cover an additional 19.7 million people and 8.2 million households.

The average household subsidy cost for new recipients would be \$628 per month, or about \$7,500 per year. The total cost annually for expansion would be \$62 billion per year.

Expanding housing assistance to all those who qualify would have sweeping and far-reaching benefits. Homelessness would be rare, and if it occurred, it would be brief. Universal vouchers could reduce poverty and close racial disparities in housing and homelessness. Implementation will need to be closely monitored, but the housing market would likely absorb a significant expansion of vouchers and would benefit landlords. Implementation of a major voucher expansion will matter, and we can optimize the program to ensure that all participants benefit by: first, targeting new vouchers to those who are most vulnerable; and second, including source-of-income protections and adopting small area fair market rents; and third, providing housing search assistance and navigation assistance.

Finally, a significant investment in housing vouchers should be a component of a comprehensive housing strategy that includes incentives for land use and zoning reform at the local and State levels, and investments in the development of new affordable units. The pandemic is first a health crisis, but the remedy to curtail transmission relied heavily on social distancing and staying home, reminding us of the importance of housing.

Unfortunately, the country's housing infrastructure and safety net have long been neglected and stressed beyond measure, leaving far too many people unprotected. We have long lived with the shame of homelessness and serial evictions, and I hope we see now the devastating impacts of continued disinvestment in housing. As vaccination rates rise and the country begins to return to normal, we have an opportunity to redefine that normal. Let's not make homelessness a part of our future.

Research clearly shows that the adoption of universal housing vouchers could bring significant and far-reaching benefits, and it is for these reasons that I support universal adoption. I appreciate the opportunity to be here today, and I look forward to answering your questions.

[The prepared statement of Ms. Cunningham can be found on page 65 of the appendix.]

Chairwoman WATERS. Thank you very much, Ms. Cunningham.

Mr. Metcalf, you are now recognized for 5 minutes to present your oral testimony.

**STATEMENT OF BEN METCALF, MANAGING DIRECTOR,
TERNER CENTER FOR HOUSING INNOVATION, UNIVERSITY
OF CALIFORNIA, BERKELEY**

Mr. METCALF. Chairwoman Waters, Ranking Member McHenry, and members of the committee, I am pleased to join you today. My name is Ben Metcalf, and I am the managing director of the Turner Center for Housing Innovation. I also speak today from the perspective of having run the State of California's Housing Department and from having overseen multi-family housing programs for HUD in the Obama Administration.

First, let me affirm what we have already heard today. Wages for those below the income have not kept pace with rising housing

costs. We see growing numbers of households with limited ability to afford food, healthcare, children's education, or saving for retirement. This is true nationally. It is particularly true for California, where I call home, which sits at the bleeding edge of the nation's housing challenges. Even during the pandemic, when housing costs were dropping nationally, California renters were still seeing a 12-percent increase in average rent prices.

The housing crisis is also translating into a growing homelessness crisis: 2020 marked the 4th consecutive year homelessness rose, with the growth entirely in the unsheltered population. And in addition to the toll on individuals and families, rising housing costs in economically-productive areas of this country do negatively impact employment growth and productivity. By one estimate, it may be as much as to \$1.6 trillion a year that is lost in wages and productivity from this housing crisis.

The answer to all of these challenges is clearly an expansion of Federal housing assistance through supply-side subsidies. These investments work. The research shows it. Individuals with rental assistance are less likely to experience homelessness, housing instability, or unsafe housing conditions, and they invest in their own economic mobility as well as that of their children. Housing vouchers, in particular, serve the most vulnerable in our society, and they give their recipients a unique ability to choose the kinds of housing and locations that best meet their needs.

Furthermore, vouchers do already serve as an important complement to the resources that local and State Governments use to build more housing. As an example, in 2017, California enacted No Place Like Home, a \$2 billion bond-funded program to help construct new permanent supportive housing for formerly-homeless individuals. But without available adequate Federal vouchers, the State was compelled to use those funds to build fewer units than would have otherwise been possible because of the requirement to capitalize large operating subsidy reserves. The upshot was that local funds that could have been used to build more housing sit idle in project bank accounts as operating reserves.

Universal voucher expansion, therefore, does offer transformative benefits to these various housing and social challenges, but I would offer that to maximize that increased investment into the voucher program, some reforms are recommended.

Let me identify five in particular. First, we need to accelerate the deployment of known fixes to the voucher program. This includes updating HUD's process for setting fair market rents, making the current physical inspection program easier to use for owners, making it harder to directly or indirectly discriminate against voucher holders who seek to rent housing, and investing heavily in renter counseling and landlord outreach.

Second, it should go without saying that any incremental new voucher should be prioritized for those most-vulnerable households. We have seen the incredible benefits that accrue to formerly-homeless individuals or other extremely low incomes when they access these vouchers, and this can be done in alignment with State and local housing priorities.

Third, I would suggest that this expansion should be accompanied with a targeted renter's tax credit for those who are ap-

proaching a phase-out in eligibility. A targeted tax credit would ensure that expanded assistance avoids either the challenges of a subsidy cliff or asset limits where renters lose their assistance if their income goes too high.

Fourth, we do need to mandate capacity standards for the voucher-administering entities, and enable newer vouchers to be administered by the same entities that currently oversee State and local affordable housing programs whenever possible. The current system requires HUD to work through thousands of voucher-administering public housing authorities (PHAs) with various capacity. In addition, PHAs often sit outside of the mainstream of the affordable housing capital delivery structure. HUD should have the flexibility to allocate new vouchers to States, regional governments, or other non-traditional entities.

And fifth, and most importantly, we do need to pair vouchers with a robust production-oriented strategy. This requires the Federal Government to work constructively with local governments to eliminate exclusionary zoning and harmful land use policies, as has been proposed under the President's jobs plan. It also requires a larger share of those new housing vouchers to be projected based into new rental housing communities. For traditional affordable housing, additional debt for project-based vouchers is used to close funding gaps, but an expanded voucher program should also be used to spur market rate construction, pairing new vouchers with expanded Federal investments into programs used by market rate developers.

In summary, for these reasons I support expansion of the voucher program and I encourage the committee to consider some of the program reforms that I have mentioned. Thank you.

[The prepared statement of Mr. Metcalf can be found on page 78 of the appendix.]

Chairwoman WATERS. Thank you, Mr. Metcalf.

Ms. Al-Mansour, you are now recognized for 5 minutes to present your oral testimony.

**STATEMENT OF CHANCELA AL-MANSOUR, EXECUTIVE
DIRECTOR, HOUSING RIGHTS CENTER**

Ms. AL-MANSOUR. Hello, and thank you. I want to thank you for the opportunity to address the important issue of homelessness in America and, in particular, the universal voucher program and its capacity to end homelessness and to expand economic opportunity in America, and also to express the importance of the Ending Homelessness Act that was raised by the Honorable Chairwoman Maxine Waters. And if I have time, I would like to address one of the earlier issues that was raised about the Emergency Rental Assistance Program, which I know something about, so I will try to speak rather quickly.

I am Chancela Al-Mansour. For the past 10 years, I have served as executive director of the Housing Rights Center. Before joining the Housing Rights Center, I was a legal aid attorney for 18 years. I was involved in the Homelessness Prevention and Rapid Recovery Housing Project of 2009 that was used to address the previous economic fallout. I also serve on the boards of the California Reinvestment Coalition and the National Fair Housing Alliance, and I am

very much involved in homelessness prevention issues in California, Los Angeles in particular. I am very proud because I served on the Los Angeles Homeless Services Authority's Ad Hoc Committee on Black People Experiencing Homelessness, and on the Committee on Women Experiencing Homelessness. And I myself do have personal lived experience with housing instability as well.

So, it is with this combined experience, and as a representative of the Housing Rights Center, that I provide this testimony, an opportunity to support a universal program and its importance in decreasing household expenses, in particular rent, because, as you have heard in other testimony, rent often consumes more than 50 percent of monthly household income.

Universal vouchers would provide necessary housing security because, due to the COVID-19 pandemic and its harsh economic impact on low-income communities, in particular, women-headed households, over 12 million families with children are at risk of losing their housing due to an eviction. The vast problems caused by COVID-19 and the affordability of housing in many communities that existed prior to the pandemic, and the ongoing impact and intersection of race, wage, and wealth disparities require financial and ideological commitment to immediate, coordinated, and hopefully, permanent solutions.

The first step towards eliminating housing insecurity is adequately investing in Federal housing assistance. In Los Angeles, the need for permanent rental assistance is severe. Approximately 60 percent of Los Angeles' over 800,000 renter households have incomes that are below 80 percent of area median income (AMI). The estimate from the City's housing department measured before the pandemic was at more than 21 percent of renters were severely in arrears due to the loss of income.

The Section 8 Program for the City of Los Angeles is not accepting applications, and the waitlist has been closed, and is oftentimes closed for several years before new applications are accepted. Applications oftentimes take several months to process, and not due to the fault sometimes of the process, but oftentimes because tenants have a hard time getting their histories, their credit status, and things like that from previous landlords, from previous employers, and things like that in order to prove eligibility.

And, yes, sometimes some applications go unused. A few do, but not because they are not needed. They are very much needed, but they especially go unused in Black households where Section 8 housing vouchers are turned away when they are not protected by anti-discrimination laws. Even in California, where Section 8 discrimination is now prohibited, as it has been since last year, some landlords will try to circumvent the law, as we have found through investigations. So, it is also very important not only to make Section 8 vouchers mandatory, but also to make the participation in the Section 8 Program mandatory as well, and also to fund the investigations to ensure that discrimination against Section 8 vouchers and Section 8 participants does not continue. Even before the adverse impact of COVID-19, in vulnerable communities, we saw this as well.

Discrimination also occurs against HOPE IV vouchers, the vouchers for persons living with AIDS, and there is discrimination

against LGBT communities. Also, against VASH vouchers, which affects military and veterans, and against female-headed households as well. High rents in California and so forth have reduced the availability of affordable housing, and also, housing prices have gone up with the pandemic, but they have not gone down, which has severely reduced the availability of housing, further impacting the loss of affordable housing, because everybody is competing for this housing.

In closing, a federally-declared eviction moratorium, in addition to the Emergency Rental Assistance Program, has helped curb the immediate disaster of increased homelessness and housing insecurity for many, but these items of relief don't extend to all who are eligible, and will end soon. So, low-income families with children, seniors on fixed incomes, and persons with disabilities need a universal voucher program to ensure housing stability and to end homelessness for all. Thank you. And unfortunately, I did run out of time about the Emergency Rental Assistance Program, but I can speak to that. Thank you.

[The prepared statement of Ms. Al-Mansour can be found on page 60 of the appendix.]

Chairwoman WATERS. Mr. Husock, you are recognized for 5 minutes to present your oral testimony.

**STATEMENT OF HOWARD HUSOCK, ADJUNCT SCHOLAR,
DOMESTIC POLICY, AMERICAN ENTERPRISE INSTITUTE**

Mr. HUSOCK. Thank you, Chairwoman Waters, Ranking Member McHenry, and members of the committee. I am Howard Husock, an adjunct scholar at the American Enterprise Institute. Prior to that, I served as research vice president at the Manhattan Institute, and director of case studies in public policy at the Harvard Kennedy School.

Too many low-income households find it difficult to afford housing. At the same time, an entitlement-based approach to housing assistance risks over-promising and under-delivering. And at the same time, there are commonsense adjustments to the current Housing Voucher Choice Program that can increase its reach without major new spending, while providing incentives and encouragement for low-income households to improve their economic status.

First, a comparison. We can all remember just a few months ago when the coronavirus vaccine had miraculously become available, but millions found themselves qualified to receive the shot and unable to schedule an appointment. Demand was far higher than supply. This has long been a characteristic of our low-income housing markets, a function of overly-restrictive zoning laws and building codes, among other things.

But providing, in effect, a check that can only be used for one purpose—rental housing—provides no assurance that additional supply will come online or that voucher holders will be able to find an available unit. Indeed, even at current appropriation levels, a 2019 report by the Center for Budget and Policy Priorities stated, “Low success rates among families that receive housing vouchers remain a legitimate and serious concern.” A universal housing voucher risks increasing the number of locations where this problem will exist. A new entitlement program may simply put more

low-income households in competition with each other for a few available units without addressing the fundamental supply issue affecting our housing markets today.

Fundamentally, low-income households face an income problem. Providing a coupon that can be used only for rental assistance limits how they can use this new income, while failing to address the root causes of why that income is so low in the first place. We must not forget the steps it takes to truly encourage economic upward mobility for poor households, improve skills training for the 21st Century, ensuring that every child has access to a high-quality public education, and reducing discriminatory racial barriers. But we can and should make some commonsense adjustments to the current Housing Choice Voucher Program. We shouldn't assume that poverty is a life sentence in America. We should build on the lessons we have learned from successful welfare reform efforts in the 1990s. This suggests that we employ vouchers, not on a permanent basis, but as a transitional program.

This leads me to two proposals. First, allow voucher holders to sign the same type of rental leases as non-subsidized households enjoy: a flat rent for a fixed period. As it stands, a voucher for a public housing tenant, as they earn more money, they pay more rent, 34 cents on each dollar. This has all sorts of ill effects, including discouraging finding a higher-paying job, forming two-income families, and building savings. To better use housing vouchers, we should follow the example of the Delaware State Housing Authority, which, as part of its Moving to Work Program, combines capped rent and savings account escrows with a 5-year ceiling on assistance. A similar program has been adopted by the Housing Authority of San Bernardino, California, which specifically sets out as a key goal the encouragement of tenant economic independence, including what it calls, "a shift from entitlement to empowerment." They have seen positive results regarding employment and income. I will be glad to discuss those in detail.

Of course, as households move out and up, so, too, do voucher units become available for other needy families. This healthy turnover should be a core part of the voucher program. Poverty should not be viewed as inevitable, nor should entitlements be seen as universally needed without limit. As matters stand, HUD reports an 8-percent turnover rate annually among voucher units. That has been as high as 15 percent in some other years. Increasing turnover while improving the economic situation of voucher households should be key goals of the program.

As President Biden has emphasized, we are in the midst of a wonderful economic recovery, and many have lamented the drag that our labor market shortages are putting on that. This is the time to use our Housing Choice Voucher Program in the context of encouraging improved job skills and household savings so Americans get through the Voucher Program what Lyndon Johnson called, "a hand up."

Finally, a word about our homelessness epidemic. While it is tempting to conclude that the streets of Los Angeles are filled with homeless encampments because of a failure of the housing market, we know that far too many of these street sleepers suffer from untreated mental illness and substance abuse and may not be ready

to maintain an independent household. We are failing to provide the services and compassionate programs they need and deserve. A universal voucher entitlement is not the answer to those in need on the streets of Los Angeles, Manhattan, Portland, and Seattle. Rather, we should be discussing improved treatment and adjustments to Medicaid policy. Conflating housing policy with the issues of those sleeping on the street will not put us on the right path forward.

It is an honor to testify in front of the committee today, and I look forward to your questions.

[The prepared statement of Mr. Husock can be found on page 74 of the appendix.]

Chairwoman WATERS. Thank you very, very much. I would like to address my questions to Mr. Husock. You just hit on something I have been talking with my staff about. You heard the description of homelessness in Los Angeles, particularly as it relates to Black people and people of color. I have been talking with the County, and I wanted to know from the County, in that portion of my district, who is responsible for dealing with the encampments under the bridges, on the sidewalks, and who is it that is addressing the mental health problems? No one seems to be dealing with that, and if you were, what would you do with all of those people who have mental health problems? It seems that no one is addressing that. Given that, I want universal vouchers, absolutely. But what good will they do for those who are in those encampments, who have mental health problems that are not being addressed by the County, or the City, or the Los Angeles Homeless Services Authority (LAHSA)?

Mr. HUSOCK. I strongly agree with the thrust of the chairwoman's remarks, and my heart goes out to those people and to the people of Los Angeles who face the Skid Row encampments. Medicaid, when it was passed, had a fatal flaw that we still live with: Medicaid cannot be received by anybody in a facility with 16 units or more. So if the State of California were to use State hospitals, not on an open-ended basis like the old asylums that we had, but as treatment centers so people can get back on their feet, and use a housing voucher if it is appropriate. If they can't manage their affairs, the housing voucher is not going to get them off the streets, I am afraid. So, we need to reform Medicaid.

If you are an incarcerated person or a formerly-incarcerated person, you are also limited in terms of what Medicaid can provide for you. We need Medicaid to step up and be able to provide support for State facilities that are large enough to take in these thousands of people, again, not forever. I am not saying we should have the old asylums back forever, but we need something at least on an interim basis for those people. That is one idea.

Chairwoman WATERS. Thank you so very much, and I will now turn to Mr. Metcalf and Ms. Oliva. Many of the low-income families and individuals who would benefit from a universal housing voucher also have significant health needs, including mental health or substance addiction challenges, or other kinds of disabilities.

Mr. Metcalf, Ms. Oliva, you have both administered health programs that serve these populations and are familiar with some of the challenges that exist in terms of States and localities aligning

their housing and healthcare systems. So, how do we align the housing and healthcare systems? You just alluded to it, Mr. Husock. Do you have any additional thoughts about it? First, Mr. Metcalf?

Mr. METCALF. Thank you. The State of California, I think, is a great example of a State that has been able to get Medicaid waiver authority to be able to deploy those healthcare resources in tandem with its housing resources. That includes getting somebody into a permanent housing situation, but then wrapping around them with services that provide for the intensive case management assistance with getting a house in the first place, addressing things like onerous security deposits. I think it is all doable. I think we have great models for it. But we, again and again, run into the limiting factors on the one hand of housing assistance to deploy, and, on the other hand, having to navigate the contours of these waiver provisions on Medicaid. Both of those are solvable issues.

Chairwoman WATERS. Thank you very much. Let me get back to Ms. Oliva. I was going to ask you something about aligning healthcare systems with the vouchers, but since you have so much experience, I want to know who in Los Angeles County is going down Vermont Avenue and other major Streets where the encampments are in the medians, on the sidewalks, and under the bridges? Who is going and dealing with those people?

Ms. OLIVA. Thank you for that question, Chairwoman Waters. I do spend quite a bit of time in Los Angeles, or I was spending a lot of time in Los Angeles before the pandemic. And I think this really has to be a partnership between LAHSA, the City, and the County. In particular, outreach workers need to be armed with not just bottles of water, but they actually have to be able to access housing resources in order to help people living on the street access both the services that they need and the housing resources that will help them actually become healthy and end their homelessness.

Chairwoman WATERS. Thank you very much. I have exhausted my question time. I now recognize Mr. McHenry for 5 minutes.

Mr. MCHENRY. Thank you, Madam Chairwoman. Mr. Husock, I will start with you. Look, last year Congress provided \$25 billion in emergency rental assistance. We have had an additional \$21 billion added to that \$25 billion. So, we have \$46 billion for rental assistance, and the Treasury has indicated they have no clue what has happened to these funds, and it seems to me that there has been a slow walking of the rules. We don't know if any renters actually had their past rent debts fully paid, according to congressional intent. What are the challenges that the average renter who has arrears is facing? Do they even know that this money is available?

Mr. HUSOCK. It is not just the renters. We have this image of the landlord as, "Daddy Warbucks," but there are tens of thousands, hundreds of thousands of poor, minority, immigrant, and African-American property owners who rely on rental income to pay their own bills, to pay the repair people who maintain their units. Those funds ripple through low-income communities, so when the rent stops, whole parts of low-income economies stop. The landlords

may not be aware that they are qualified. They want that money, but they may be outside of the reach of bureaucratic programs.

I suspect that is definitely true, so we need some promotional activities. Just like we promote vaccine use, let's promote the idea that if you are a property owner and you are owed arrears, you can qualify and tell your tenants. We need to do that. And let's not kid ourselves that these landlords have lots of choices and they are keen to evict people, that we have a looming eviction crisis. Do we really think that they are going to kick people out because they have so many people waiting to pay the rent? Not necessarily. Everybody has been hit so hard.

Mr. MCHENRY. Ms. Al-Mansour, how would you respond to this question? We obviously have a massive hold-up here. We have \$46 billion allocated. There are obviously some challenges within the system to get this money out. How can we deal with this and how do we fix the problem?

Ms. AL-MANSOUR. First of all, I can only speak to what has happened in Los Angeles and, in part, in Los Angeles County. So it is significant, but I can't speak nationally. And in terms of the first round of the Coronavirus Aid, Relief, and Economic Security (CARES) Act funding, the money was spent. The City of Los Angeles was awarded about \$97 million in emergency rental assistance, and every single dollar of that went to landlords to pay rental assistance. There are a lot of challenges to the program, but the challenges aren't the ones that you think. The challenges have to do with the fact that these programs went to low-income tenants. A lot of low-income tenants, for example, don't have bank accounts and things like that. They didn't have landlords who wanted to participate in the program. We have a lot of landlords, and I agree that there are a lot of landlords who are struggling right now to pay their mortgages, but some of them are using this assistance.

Mr. MCHENRY. Ms. Al-Mansour, you said the first tranche of money from the CARES Act was deployed. What about the second batch, this \$21.6 billion? What is the hold-up here?

Ms. AL-MANSOUR. In Los Angeles also, renters are being paid. Applications are being processed. Again, I can't speak to what is happening everywhere, but some of it, if there is hesitation, a lot of it does have to do with, there is, again, some hesitation of landlords wanting to participate in the program, we think for a few different reasons, for example, because some landlords are holding out for 100 percent of the back rent to be paid, not just a part of it. So there is that. There is also the fact that there is discrimination that goes on. There are some landlords who value their rental unit more than their tenant, and some of them would prefer to have a tenant leave, especially if it is a rent-restricted unit, in order to be able to raise the rent—

Mr. MCHENRY. Ms. Al-Mansour? You obviously keep detailed track of where this money is deployed. What we are seeing across the country is an unequal deployment. We have with the Federal response a lack of information of where the money is going. What I am hearing from you is that you are paying close attention to this money, but as a Federal office holder and as a policymaker, I don't have the same data, and we are not getting the same data in Con-

gress as you are providing us today. So, thank you for your testimony.

Finally, Madam Chairwoman, we have 9 million unfilled jobs this last month. We need to help get people back to work, and I think that will have a far more beneficial impact than some new government program. Thank you all for your testimony. I yield back.

Chairwoman WATERS. Thank you very much. The gentleman from California, Mr. Sherman, who is also the Chair of our Subcommittee on Investor Protection, Entrepreneurship, and Capital Markets, is recognized for 5 minutes.

Mr. SHERMAN. Thank you. Ms. Cunningham, according to a report issued by HUD in 2018, low levels of landlord participation and low acceptance of vouchers has resulted in diminished lease-up rate and a decreased likelihood that households are able to use their vouchers within the allotted time. Last month, Senators Coons and Cramer introduced bipartisan legislation, the Choice in Affordable Housing Act, which seeks to increase landlord acceptance of vouchers by putting in place stronger incentives.

As we seek to expand the availability of Housing Choice vouchers, it would seem that we need to make sure that we have the tools in place to ensure that voucher holders are actually able to use them to acquire rental housing. In general, do you agree that there is more that we can be doing to expand private-sector participation, and make sure that these vouchers actually turn into an affordable housing unit?

Ms. CUNNINGHAM. Thank you for the question, Congressman. I do agree that there is more that we can be doing. I think that the Housing Choice Voucher Program is a public-private partnership, and that private partnership really relies on landlords participating in the program.

At the Urban Institute, I led a study that looked at landlord discrimination against voucher holders, and we found that in many places—Los Angeles, for example—landlords rejected voucher holders at a rate of 76 percent; in Fort Worth, 78 percent. In places like Washington, D.C., where there are sources of income protections that actually prohibit discrimination against voucher holders, those rates of rejection are much lower, hovering around 15 percent, so still some rejection, but much, much lower. So, I think the first thing that we need to do to encourage landlord participation is to adopt source-of-income protections and prohibit discrimination against voucher holders. I think that is sort of the stick.

I think we should also offer carrots, so incentives to landlords to participate in the program, making sure that the program is easy to use, making inspections less difficult, setting rents at competitive rates using small-area Fair Market Rents (FMRs), and, basically, just improving the overall management. There are some housing authorities that are very high-performing, that have very high rates of success as well as high rates of landlord participation. Landlords in the study actually asked, which housing authority are you presenting your voucher from, and they care because the management of the program really matters. They would take vouchers from some housing authorities and not others. So I agree, this is a public-private partnership, and it is important.

Mr. SHERMAN. Let me get in one more question. Ms. Oliva, in your written testimony, you note that expanding the availability of Housing Choice Vouchers should, in your words, create an environment where partners, like continuum of care entities and public housing authorities, work together to prevent and end homelessness. I would like to draw your attention to the Homelessness Assistance Act, which I want to thank Chairwoman Waters for putting in the list of bills we are considering today. I introduced this bill, I believe, last year. It passed overwhelmingly on the Floor of the House, but we need to pass it again.

The bill would empower local public housing authorities to share information, where appropriate, with other local government agencies and with nonprofits engaged in a continuum of care program. Currently, often, that information cannot be shared, and, as a result, the homeless person or previously-homeless person is not getting the continuum of care that they need. This bill is a tailored exemption to the Federal Privacy Act, to allow public housing authorities to share some of their data with continuum of care organizations. Would you agree that increasing data sharing among those trying to provide help to the previously-homeless and the homeless insecure is an important step to take?

Ms. OLIVA. Thank you so much for that question, Congressman. I would say a couple of things are important to point to as I respond to that question. The first is that data sharing is an important process between different kinds of organizations who are all serving the same person, in many cases.

Mr. SHERMAN. Thank you.

Ms. OLIVA. Thank you.

Mrs. WAGNER. I believe I may be up next for questioning. Is the chairwoman available? Would the Vice Chair like to recognize me?

Mr. CLEAVER. [presiding]. Mrs. Wagner, you are recognized for 5 minutes.

Mrs. WAGNER. I thank the gentleman, my friend from Missouri. Mr. Husock, one of the largest drivers of unaffordability in the housing market is the shortage of housing in our country. Major metropolitan areas have become extremely expensive because many cities and States actively disincentivize development of new units of housing. Would creating a new housing voucher entitlement address this issue?

Mr. HUSOCK. No, that is exactly the point, that it would not, and we need to persuade localities. First of all, we are in the midst of a huge sea change in housing markets because of the remote work possibility. So, as the gentleman from the Turner Center pointed out, there has been this tremendous pressure on the California housing markets that led to income inequality because of the inability of people to partake in the growth areas. Now, that is changing. Rents in San Francisco are going down, and so the whole thing is kind of up in the air right now, but, still, we need to persuade localities. That is where it is. States can—

Mrs. WAGNER. Let me just be clear, flooding our private housing markets with Federal dollars for rental assistance would only further drive up the cost of housing and do nothing to increase, what I would say, the supply of housing. Am I correct?

Mr. HUSOCK. Yes, and look at California's environmental policy laws, which do have incredible delays. So, yes, because of those kinds of barriers, you are exactly right.

Mrs. WAGNER. Okay. So, what policy changes do you believe would create more affordable and available housing in America? We have talked about some of the environmental factors certainly in California, but what else? How do we solve this? We have a huge supply issue right now. Throwing more Federal entitlement money at it is only going to drive up the cost and not solve the shortage problem. How do we do handle this, do you think?

Mr. HUSOCK. In the short term, we have to get rid of tariffs on Canadian lumber because there is a lumber storage—

Mrs. WAGNER. Hear, hear.

Mr. HUSOCK. —which is a small thing, but it's a big thing right now for home builders. But number two, this is up to all of our communities. All of us need to talk to our local planning boards and say, do you want your kids to be able to live in the towns where they grew up? Do you want your teachers, and your police, and your firefighters to be able to live in the towns where they work? You have to allow for naturally-occurring affordable housing. How does that happen? Smaller homes on smaller lots. The Levittown homes of the 1950s, 750 square feet. We don't build any homes like that anymore, but people lap them up. We need our planning boards to take action.

Mrs. WAGNER. Mr. Husock, participation in the Housing Choice Vouchers Program is mostly voluntary for private landlords. We have talked about that. But if this program were to become an entitlement, it would likely become mandatory for landlord participation. For what business reasons would a landlord choose not to participate in this program?

Mr. HUSOCK. If you are only going to get so much rent, you want to make sure you get that rent. And remember, the tenants are on the hook for 30 percent of the rent, and so, anybody who is in business is going to look at the credit scores of those individuals. They may look at the family structure and say, I am worried about renting to children because they may damage the property. I have been a landlord and I have rented to children. I don't sympathize with that point of view, but it is a point of view. So I think credit scores and the ability to pay would be the biggest deterrence to renting that would still be legal.

Mrs. WAGNER. If they do not want to participate, would they likely raise the cost of their units above HUD's fair market rents?

Mr. HUSOCK. I am not sure they would have that flexibility. Those who participate in the Housing Choice Voucher Program are lower middle-class neighborhoods typically. They are not going to Beverly Hills, they are going to San Bernardino, in the California context. It is possible they would raise rent if they could, but they may not be able to.

Typically, the—

Mrs. WAGNER. I was wondering how this would impact the cost of housing for everyone else potentially?

Mr. HUSOCK. Any time you increase demand and you don't increase supply, you don't have to be Ben Bernanke to know what happens.

Mrs. WAGNER. Yes. Well, we are seeing that all over the country. The housing shortage is a real problem that we have across-the-board.

I thank you for your testimony. I appreciate the chairwoman putting this hearing together, and I will yield back the remainder of my time. It looks like Chairwoman Waters is up and running.

Thank you.

Chairwoman WATERS. Yes, we are back. We had some technical difficulties, but I think they have been cleared up now.

The gentleman from Georgia, Mr. Scott, who is also the Chair of the House Agriculture Committee, is now recognized for 5 minutes.

Mr. SCOTT. Thank you, Madam Chairwoman, for this very, very important and critical hearing.

Make no mistake about it, ladies and gentlemen, let us cut right to the chase. We need these vouchers. Expert research shows that housing vouchers prevent homelessness.

Our homeless population is spreading all across our nation, and the last thing we need is discrimination against the very people who need them. Discrimination against the people who use these vouchers has curtailed what little progress we have made with homelessness, but this is the tool we need to use.

So, Mr. Metcalf, let me go to you, because we need to find out from this hearing what we, in the Financial Services Committee, can do. Our job is to legislate effective means of helping cure this nation of this homeless crisis. So, Mr. Metcalf, can you explain how a Federal or national universal solution banning housing voucher discrimination would benefit our struggling families?

Mr. METCALF. Yes, thank you, Congressman.

Ms. Cunningham spoke to this briefly, but there is good evidence to show that once you have in place a source-of-income discrimination law that prevents people from choosing not to rent to voucher holders, the ability of those voucher holders to access housing gets much more effective, and they are able to access homes in locations that otherwise might have been closed off to them.

I think to your earlier point, obviously, this universal voucher program would, in one fell swoop, make vast inroads against our homeless situation, and I also think and have suggested in my testimony that a universal housing voucher would be very effective in terms of stimulating new housing construction. It will allow builders to rely on income streams that before they hadn't to be able to leverage additional debt to pay for investments into new housing supply.

Mr. SCOTT. Let me go to you, Ms. Cunningham. The Urban Institute has recommended greater investment in recruiting landlords in middle-income and wealthier neighborhoods to participate in the voucher program. Tell us what the response has been from these middle-income and wealthier neighborhoods with landlords who are considering participating in these voucher programs?

Ms. CUNNINGHAM. Thank you for the question, Congressman.

Our studies have found that landlords who have apartments or units in lower poverty neighborhoods or neighborhoods that we might label opportunity neighborhoods actually have lower participation. They are more likely to say no to voucher holders.

The challenge with that is that we know from really strong evidence that if we can help voucher holders access opportunity neighborhoods, they actually can improve their life chances and outcomes, and increase their economic mobility. Kids have higher rates of educational attainment and higher lifetime earnings if they can move to those better neighborhoods, and vouchers can help get them there. We just need more participation from landlords and better assistance in helping families move to those neighborhoods.

Mr. SCOTT. What do you suggest? We have a variety of pieces of legislation dealing with this coming to bear, the discrimination, making sure we have the level of money now to address this issue. I want you to know that 20 States, and Cities like Atlanta, have passed laws requiring landlords to treat voucher holders the same as they would any applicant.

Now, are we making progress on that? And should this be incorporated in a national law?

Ms. CUNNINGHAM. Yes, as you noted, there are State and local protections. Only one out of three voucher holders is protected, and we need national protections to make sure that every voucher holder doesn't have to face discrimination from landlords.

Mr. SCOTT. Thank you. I appreciate it.

Chairwoman WATERS. Thank you very much. The gentleman from Florida, Mr. Posey, is now recognized for 5 minutes.

Mr. POSEY. Thank you, Madam Chairwoman, for holding this hearing today.

Mr. HUSOCK, do you agree that we ought to address alternatives or incentives for bringing down the cost of construction of housing, including multifamily housing, so that we can meet the needs of affordable housing?

Mr. HUSOCK. Yes, of course, we have to do that. And one of the ways that we can do that is through local zoning, local building codes. Builders talk about equivalencies. In San Diego, there was an effort to build single room occupancy hotels, so-called single room occupancy buildings. They had to get equivalency waivers from the fire chief to have microwave ovens in the rooms so that the people could use them.

These are commonsense changes that can be very impactful. So, localities need to look at their building codes, look at their zoning codes, and ask the question, "How can I facilitate rather than block new multifamily construction?"

Mr. POSEY. Thank you. I appreciate that.

Can you recommend any housing or apartment construction technologies that Congress might be able to encourage to bring down the housing costs and to benefit the homeless?

Mr. HUSOCK. I have to say I am not an expert on construction, so I will have to dodge that question.

Mr. POSEY. Okay. Do you think it would be advisable for the State and local programs to have any matching requirements so that they might have some skin in the game to help encourage incentives to expand supply?

Mr. HUSOCK. In terms of their receipt of housing vouchers?

Mr. POSEY. Any of the above. Do you see a role where—often-times, we talk about how the Not in My Backyards (NIMBYs) don't

want to have construction near them that doesn't meet whatever standard they think is in their best interest.

Mr. HUSOCK. Yes. And a Democratic Senator from California, Scott Wiener, is part of a Yes in My Backyard (YIMBY) movement, and while I don't agree with him on everything, that is the right attitude, which is, can we have model zoning the States can present to their localities and say, "You do it this way, and there is going to be a less tight housing market."

So, I think States, and HUD, for that matter, have a role in modeling the right kind of zoning that will permit new construction.

Mr. POSEY. The chairwoman has had a number of hearings on this issue. We find there are cases where you have to have two parking places for—

Mr. HUSOCK. That is right. Absolutely.

Mr. POSEY. —a homeless occupant. That really doesn't make good sense. How do we encourage local and State Governments to get more engaged?

Mr. HUSOCK. Yes, the parking requirement is a particularly onerous one in California specifically, and communities are beginning to look at that. I just would turn quickly to Chairwoman Waters, who had such a great question about the street homelessness. California had 50,000 units of hospital space for the mentally troubled in 1955. Today, it has 5,000.

So, it is no wonder we have all of these people on the street. I am not saying we need 50,000, but we need more than we have.

Mr. POSEY. Well, listen, I appreciate your answers, and I yield back the balance of my time.

Chairwoman WATERS. The gentleman from Texas, Mr. Green, who is also the Chair of our Subcommittee on Oversight and Investigations, is now recognized for 5 minutes.

Mr. GREEN. Thank you, Madam Chairwoman.

I support the Ending Homelessness Act of 2021. The discussion draft is something that I have had an opportunity to peruse. A discussion draft is just that, that it can be improved upon. There may be some amendments to it, but the concept is something that I clearly support.

And I would like to harken back, if I may, to Social Security. In January of 1935, it passed the House, but didn't have unanimous consent. And it passed the Senate, but didn't have unanimous consent.

Some of the debate included in this was that it would be discriminatory; there would be some people who would receive it and some people who wouldn't. Another debate was that it would cause a great injustice in a number of States that are also bankrupt or nearly so.

And here is one that I am ashamed of: There were those who said it was a foolish gesture to pass Social Security. I would dare say no one would want to end Social Security—well, let me say this, a good many don't want to. There may be some who would. But Social Security has been a great benefit to us.

Medicare passed in 1965. It didn't pass unanimously. In the House—313 yeas, 115 nays, and 5 not voting. In the Senate—68 yeas, 21 nays, and 11 not voting.

I don't believe that we will get unanimity, but I do believe that on the things that are important, the big things that can make a difference in the lives of people, we should move forward with them.

I was a judge of a small claims justice court for a quarter of a century. I conducted hearings for people who had mental health problems, and we would help them to get stabilized. But if they were living on the street, they would go back to the street. They didn't have a place to call home. They didn't have an anchor. They didn't have something that they would be looking forward to, and we could find them if we needed to. They would go to another location.

People who are on the street and suffer with diabetes, go to the emergency room. They get stability. They go back to the streets, and we have to then find them again. The cost of homelessness is far greater than the cost of providing shelter for people in a place that I would call home.

I have been to Skid Row. I was there with the chairwoman. I have seen what it is like to be on Skid Row. And Skid Row is coming to my community in Houston, Texas. And it is probably coming to a good many other communities around this country.

So, Skid Row is not just a place for us to assume is going to remain in somebody else's area. It is going to be around the country. I see no plan better than this plan to end homelessness, and I am going to support it.

And I do have a question. What alternative is going to be superior to putting a person in a home, where that person can then have all of their other needs addressed? We have had intellectuals appear before this committee and indicate to us that the genesis of solving a good many of these problems is a place to call home.

Let me just start with Mr. Husock, and I am not going to be able to give you all of my time, but you have spoken quite well this morning, and I greatly appreciate it. So, Mr. Husock, what do we do that is better than having a place in a house?

Now, look, I understand that there are all kinds of problems with dealing with it. You have building codes. I understand these things. But do you see people in homes having the benefit of being able to move into other things that can benefit them with their mental health, with their stability in life so that they can get a job, apply for a job, and you have a place that you can identify with as your home?

Mr. HUSOCK. Thank you so much for that excellent question, Congressman.

We have a program called Housing First in HUD, which thinks that is the most important thing first, is a home. I think we need treatment first. We need treatment in treatment facilities. And then, when people graduate and they are ready to go into—

Mr. GREEN. Let me just respond to you. Let us assume that we have the treatment. We will still need to have the house and the home at some point is what you are saying.

So, let me go to another person. Thank you very much. Let me go to Ms. Cunningham. Ms. Cunningham, a place to call home, how does that address these other problems?

Ms. CUNNINGHAM. It helps provide people with stability so that they can work on those other problems. You can't work on your drug or substance use issue or mental health issues while you are sleeping in a tent. If you have a house, then you have a platform that is stable that you can work from, and data shows that you can improve and improve your outcomes.

Mr. GREEN. I will have to yield back. Thank you, Madam Chairwoman, for the time.

Chairwoman WATERS. Thank you very much. The gentleman from Missouri, Mr. Luetkemeyer, is now recognized for 5 minutes.

Mr. LUETKEMEYER. Thank you, Madam Chairwoman.

And I just wanted to comment, I see the gentleman from Missouri, the distinguished chairman of our Housing and Insurance Subcommittee, and he and I, a few years ago, when I was chairman of that subcommittee, put together a bill that made over 60 changes to HUD, which I think today we are reaping all the benefits of, and that was a bipartisan effort that we were able to get a lot of work done, and I want to commend him for and, again, help folks remember that this can be done.

But this morning, we are talking about a little bit different subject here in a way. One of the things we have already talked about here is the overall lack of housing. One of the comments that I think we have had in previous hearings is that 25 percent of the cost of building a home or apartments in these cities sometimes is due to local regulations.

Mr. HUSOCK, is that a reasonable figure? Is that about right, that you have heard of before?

Mr. HUSOCK. It varies tremendously. It is higher than that in New York. I have read 40 percent in New York. It is higher than that in California. It is lower than that in Houston, Texas. And that is why you have so much housing construction in the State of Texas. But to the fundamental thrust of your question, absolutely, that does add on.

Mr. LUETKEMEYER. Just the cost of housing—I think one of the comments made earlier was that because of the increasing cost of housing and the building of apartment houses, multi-unit buildings as well, it raises the cost beyond the ability of people to pay for it. And that is why a lot of them are going to need some additional help in rental assistance vouchers or whatever here.

So, I feel that we have come to some discussion points here that are really, in my own mind, I am kind of wondering a little bit about. I think Ms. Al-Mansour made a comment to the effect that the landlords don't participate in a voucher program. And I think Ms. Cunningham made the comment a few minutes ago as well that you would find a lot of landlords not participating in low- and moderate-income areas.

So, Ms. Cunningham, I guess my question to you is, why are some folks who actually are setting up shop, they have their apartment buildings in low- and moderate-income areas, not participating in a voucher program? Do we need to change the program around to provide some incentives?

Ms. CUNNINGHAM. I think we do need to provide some incentives. I think there are a lot of reasons why landlords don't participate. I will say that many of the landlords who have participated in the

Housing Choice Voucher Program during the pandemic have found positive experiences, and I think that landlords actually need to have incentives, like you said.

And so, thinking about either offering some financial assistance, making it easier by waiving or expediting inspections, would all be helpful. But I also think some landlords discriminate against voucher holders, and I think we heard a little bit of that earlier. Many voucher holders have children. There is a lot of stigma around voucher holders that isn't true.

And so, I think landlords also discriminate, and we need to have protections against that discrimination.

Ms. AL-MANSOUR. Thank you. This is Chancela Al-Mansour. I would like to address that issue also, and I want to thank Representative Wagner for raising that.

The main reason we get that landlords don't participate in the Section 8 program is because they say they don't want the involvement of the government. They don't want the government in their property, doing inspections, looking over their reports, watching, making sure they don't discriminate against their tenants, and making sure they do repairs on time. They don't want that oversight.

And what do we say to those landlords? You are already in the business of providing housing. Anytime you are in a business, there is going to be some government oversight, whether it is a restaurant or anything else.

And that is one of the main reasons we get in terms of why landlords don't want to participate. They don't want the government intrusion into their business of providing rental housing.

And the other thing, yes, is discrimination. At the Housing Rights Center, we are investigating discrimination against Black tenants who have Section 8 vouchers, and they are being discriminated against. In the San Fernando Valley, we had an apartment building where there were six tenants who lived there. They had all been there for years.

California changed the State law, the City of Los Angeles did, mandating that the owners accept Section 8. The owner accepted it from the one White tenant, but not from the Black tenants until we got involved. And they were already in place. We believe the owner wanted them not to be able to afford the apartment ultimately, so that they would have to move out.

Discrimination against Black tenants is definitely one of the main reasons why landlords don't want to participate in the Section 8 Program.

Mr. LUETKEMEYER. As you know, my time is about up. I thank you for your responses. And I thank the witnesses for being here today.

And with that, Madam Chairwoman, I will yield back.

Chairwoman WATERS. Thank you very much. The gentleman from Missouri, Mr. Cleaver, who is also the Chair of our Subcommittee on Housing, Community Development, and Insurance, is now recognized for 5 minutes.

Mr. CLEAVER. Thank you, Madam Chairwoman, and you were not here earlier when I expressed appreciation for this committee

hearing, and I appreciate it very much because I think this is critically important.

One of my long-time concerns goes back years and years and years, actually goes back to my great-grandmother who refused to tell people from the Census how many children were in the house. She had 18 children with my grandpa. And so, I am always concerned about the undercount, because it damages a lot of things for the least of the people in this country.

Last Congress, then-Subcommittee Chair William Lacy Clay and I requested that the GAO investigate best practices for counting the United States homeless population. And communities throughout the country participate in the Point-in-Time count in conjunction with the U.S. Department of Housing and Urban Development (HUD). And although it is a helpful tool in determining the population of those experiencing homelessness, it is not perfect. It does have its limitations. The GAO is currently undergoing work on those recommendations.

So I would like to hear from the panelists, while we are talking about the importance of universal vouchers, are you, first of all, concerned about the count or our ability or inability to count homes, how accurate is it, and whether or not you are concerned that the methods we are using may create some additional undercounting, so we will never fully find the extent of homelessness. And then, we don't know how to solve the problem, and it is going to be difficult to get resources.

I would like to have all of the panelists respond to that, please.

Ms. OLIVA. I would be happy to start. Thank you so much for that question, Congressman.

I used to run the office at HUD that runs the Point-in-Time count, so I want to just note a couple of things. It is important to know that the Point-in-Time count is just that. It is a snapshot every year of what is happening on a single night in January. And therefore, it does have some limitations, which is why most of us in the field actually use multiple types of datasets in order to really understand what is happening with regard to homelessness.

We look at the number of households that are at risk or who are paying more than 50 percent of their income in rent. We look at the number of households that are experiencing homelessness at a point in time. But we also look at data for who is using homeless services over the course of a year, to really try and understand what the flow is through the system.

And then, we look at the Department of Education data, which also has its own limitations, because it really only captures school-aged children. So, I think it is important for us to make sure that when we are talking about universal vouchers, that we are aware of all of these different types of datasets and are using them in order to create a comprehensive approach.

Mr. CLEAVER. And then, Ms. Chancela—if you don't mind, I will call you Ms. Chancela, so that I won't continue to assassinate the pronunciation of your name—I would like to hear from you, please.

Ms. AL-MANSOUR. Yes, this is Chancela Al-Mansour. Thank you very much for your attempt. I appreciate it.

So, yes, I agree. Ms. Oliva pointed to one of the main problems. The Point-in-Time count, even in Los Angeles, is conducted in Jan-

uary. And it is for good reasons that it is conducted in January. But even in Los Angeles on a January night, it can get down to the 30s and the 40s, and there are mountains where it can go to freezing. So, that is a time where more people may have family members or may have friends or maybe church members who feel sorry for them and may take them in.

The point is that the Point-in-Time count probably is the lowest time and probably has the fewest number of people experiencing homelessness on the streets. We who do the Point-in-Time count realize that happens, and we know that the count is undercounted, that there are many more people who are experiencing homelessness and who are unhoused who are on the streets.

And yes, even going to the schools doesn't give us a really good number, and we know that to undercount in terms of the number of students who are experiencing homelessness who are enrolled in the school system, younger kids who are experiencing homelessness tend to be more enrolled in the school system, but the dropout rates happen very quickly by the time they reach the sixth, seventh, and eighth grades, for a number of reasons.

Just practical reasons, they have clothes that smell, and they are embarrassed and so forth—they don't have clean clothes to wear to school and things like that. So, there are many reasons why we know that the Point-in-Time count is undercounted, but it is probably the best that we can do at this point.

Mr. CLEAVER. Thank you.

Chairwoman WATERS. Thank you very much. Mr. Barr, you are now recognized for 5 minutes.

Mr. BARR. Thank you, Madam Chairwoman.

Mr. Husock, I infer from your testimony that you would support the ability of families to use Housing Choice Vouchers in non-Housing First facilities. I continue to implore my colleagues to allow vouchers—if we are going to be talking about Section 8 reform, I implore my colleagues to allow our low-income, poor, and homeless families around the country to use vouchers in non-Housing First facilities.

Last year, the U.S. Interagency Council on Homelessness released a report that I commend to all of my colleagues, which found that this one-size-fits-all approach to homelessness is not effective, and it has actually led to an increase in the number of unsheltered homeless since the U.S. adopted Housing First as its official policy.

In the 5 years after 2014, when the U.S. adopted Housing First as its exclusive solution to combating homelessness, the number of unsheltered homeless increased more than 20 percent. This is despite significant increases in Federal funding to fight homelessness, and this sharp increase came after a welcome decline in homelessness of roughly 31 percent between 2007 and 2014.

The study shows that more money without appropriate policy changes is not the answer. Many transitional housing facilities in my district and around the country do not qualify for Federal funds because they require participation in wraparound services such as counseling, financial education, and career development as a condition of continued residency.

These requirements are necessary and effective in many cases, such as for individuals recovering from addiction. The facilities

have a demonstrated track record of successfully transitioning individuals out of homelessness and into permanent housing, yet they cannot access Federal funds or receive Housing Choice Vouchers.

Mr. Husock, can you describe the importance of the U.S. embracing an all-of-the-above strategy for fighting homelessness, and the potential drawbacks of an exclusive reliance on Housing First, which sidelines safe, effective, and successful homelessness assistance providers?

Mr. HUSOCK. Thank you very much, Congressman Barr.

I strongly agree with the thrust of your remarks and your inference. The fact that treatment facilities cannot receive these kinds of Federal support is antithetical to allowing people to graduate from their problems. And in terms of the count—and I am going to relate this to your question—there are two types of homelessness, and we should not conflate them.

There are what the British call, “rough sleepers,” or, “street sleepers.” That is one group of people. They have their own problems. They need their own approaches.

Then, there is, “family homelessness,” people who are having a hard time affording their own unit, and are maybe doubled-up with their family.

We need to focus on the rough sleepers. That is what people think of as the truly homeless, the truly needy, and we need to give them treatment and target any Federal funds toward treatment.

Mr. BARR. We have a terrible addiction crisis in this country, and in my home State of Kentucky that is the root cause of much of this homelessness, and I just implore my colleagues, look, if you are an advocate of Housing First, fine, but low-income families should be able to use Housing Choice Vouchers in facilities that reject the failed Housing First model—and I would argue the morally-bankrupt Housing First model—and embrace successful models that require services that actually address the underlying cause of homelessness.

It is not the lack of a roof over their head. It is that there is a reason why they are homeless. Let us address the reason, the cause, and actually help these people get back on their feet.

One other question to you, Mr. Husock. The Majority have mentioned the fact that not everyone who qualifies for a voucher receives one. Their solution is to create a new, open-ended, mandatory autopilot spending program costing taxpayers a minimum of \$160 billion per year, in perpetuity, that would actually make rent less affordable through inflation pressure.

But isn't there a better solution? One that costs absolutely nothing and would actually decrease permanent government dependency while making Housing Choice Vouchers more available to more eligible families, and that has reasonable time limits.

You mentioned, Mr. Husock, the Delaware model. How would the imposition of a time limit on Housing Choice Vouchers for able-bodied, work-capable adults without dependents, given a generous time limit like 5 years, increase the availability of Housing Choice Vouchers for families on the wait list?

Mr. HUSOCK. The most advanced model in this type is in San Bernardino, California. Here is what they found. They report in their new annual report, for those who have been in the 5-year

limit program, earned income increased 31 percent. Full-time employment increased 20 percent, and unemployment decreased 26 percent.

Time limits are not mean.

Mr. BARR. Thank you. I yield back.

Chairwoman WATERS. The gentleman from California, Mr. Vargas, is now recognized for 5 minutes.

Mr. VARGAS. Thank you very much, Madam Chairwoman.

First, I would like to say thank you for your compassion that you have toward the homeless and trying to find a solution. I really do appreciate it.

Madam Chairwoman, I ask for unanimous consent to enter into the record, a letter which a coalition of bipartisan mayors, led by San Diego Mayor Todd Gloria, sent to the House and Senate leadership yesterday.

Chairwoman WATERS. Without objection, it is so ordered.

Mr. VARGAS. Thank you. This letter calls for an increase in formal housing investments, including expansion of the Housing Choice Voucher Program to all eligible households, to be included in the anticipated infrastructure package. Given that 32 mayors signed this letter, a universal Housing Choice Voucher Program is clearly a priority for my district as well as many cities throughout our country, regardless of the party leading the city.

I do believe that we need these vouchers, and I very much support them. I would also say this: I am also on the House Foreign Affairs Committee, and I have also traveled a lot on my own and with my family. When you go to Europe, you don't see the homeless in the same way that you see them here in the United States. You just don't see the number of homeless. It is not the case. They have the ability to house their people. We should, too.

I have been following the conversation. I do think that we need more facilities to treat people. I absolutely do. I think it is terrible what California did back, releasing the people into the cities without giving them proper treatment. But I think after you get treatment, you need a house. You need someplace to stay. That is reality.

So, I did a little something here that is personal. I thought, housing costs. And so, I took our own situation, my wife and I. We bought our home in 1993, and we paid \$176,000 for our home. It is not a large home. It is a little less than 2,000 square feet, but it is in San Diego.

So, I put it into two separate inflation calculators, first into SmartAsset.com, to see how much that house would be worth today if it just simply followed inflation. In 1993, again, we spent \$176,000. That is what our house cost us. Today, it would be worth \$327,000 under SmartAsset.

I also put it under another inflation calculator, and the same house, \$176,000 in 1993, would be worth \$325,269, a difference of about \$2,000. So, basically, \$325,000 or \$327,000.

We just got an unsolicited offer for our house that is over \$1 million more than that. How do you, if you are a young person, if you are a person starting out, how do you afford a house now? The truth of the matter is we do have to build more, especially in California and places where people want to live. We do have to build

more houses. We do have to loosen the up zoning up. I agree with all of that.

But at the same time, we have to help people who are trying to make it. We need these vouchers. And I do agree with the comment about Social Security and all of these other things that one side complains about how horrible it is. Now, they all defend the Dodd-Frank Act. That is all I heard, and I don't hear it now since the banks came up and said, "Thank God for Dodd-Frank." But at the beginning, that is all I heard for 6 years here.

So, what about these vouchers? What is wrong with having a voucher for a person who needs a house? How is that wrong? Could someone just explain to me how people are against giving a person a place to stay, especially with the cost of housing being so high? Does anyone want to take a shot at that policy overall?

Mr. HUSOCK, I respect what you have said, and I have agreed with some of what you have said. But I think you might have a disagreement. Why?

Mr. HUSOCK. I will address it. I think they have their place, but I don't think it should be an open-ended entitlement. I really fear that we are going to discourage economic upward mobility. You are going to hit that income limit, and people are going to say, I don't want to earn that much more because then I will lose my voucher.

That already happens. So, the theory of the program may look like one thing, but as it is implemented, it is another. If we want to have an income supplement program and let people decide where they want to spend their money, they may rather double up and save their money because they want to buy a house. They really might. People do it.

And so, it might be better to increase the earned income tax credit. It might be better to get rid of the marriage penalty in the earned income tax credit. This is an income problem, not only a housing problem.

Mr. VARGAS. I do agree with you on flexibility. I do think that some people would want to double up and save their money to buy a house. And I do agree there should be flexibility, but at the same time, I have to insist that a person has to be able to live in a home and not on the street.

Thank you, Madam Chairwoman. I appreciate it.

Chairwoman WATERS. Thank you very much. The gentleman from Texas, Mr. Williams, is now recognized for 5 minutes.

Mr. WILLIAMS OF TEXAS. Thank you, Madam Chairwoman.

Increasing the government's involvement in the private sector can have and always does have negative consequences. We cannot figure that now that there are landlords who are putting their capital resources on the line in order to build and provide housing for people, they are doing that. In my district, the Austin Apartment Association filed a lawsuit against the City when they tried to force private landlords to accept individuals who utilized Federal housing assistance.

Their lawsuit says that the City will be forcing property owners to agree to a one-sided contract with HUD, which included approximately 400 pages of rules and regulations. The lease with HUD goes far beyond a lease that a vast majority of renters sign in Austin. This is big government.

Now we should not force—I repeat, we should not force private landlords to accept public housing vouchers if it is not in their best interest. You don’t have to do business with everybody you come in contact with. Navigating the web of Federal bureaucracy is not an easy task, and this action would add significant additional cost that would be detrimental to many smaller landlords, and any Federal expansion of housing programs should remain voluntary for landlords to participate.

So, Mr. Husock, can you talk about some of the business reasons as to why we should not force landlords into a partnership with the Federal Government, and the potential detrimental effects it would have on new housing developments being built?

Mr. HUSOCK. Thank you very much for that question.

I am familiar with a property owner in the South Bronx, on the Grand Concourse in the South Bronx, who owns 1,800 units of housing voucher units, 1,800. They have a whole department of their property management business that is solely dedicated to hiring attorneys and others to process all of those vouchers, and they have a direct deposit from HUD set up.

Down the street, Mr. Mom-and-Pop landlord can’t afford those attorneys. It is going to impose additional costs on them. In addition, if you don’t get paid, if you don’t get that 30 percent, then that is a big problem for you. And so, you have other reasons beyond whether it is discrimination based on source of income that you may not want to rent.

Mr. WILLIAMS OF TEXAS. Again, when the government gets involved, prices go up.

If we want to expand economic opportunity in America, we need to support the job creators in our country. We need to, frankly, cut taxes, and that flows to the workers. A part of this includes creating a safe environment for people to live and for businesses to thrive.

Mr. Husock, you wrote an article about a candidate who is running to be New York City’s next mayor. He is a Democrat who is opposed to the defund-the-police movement, a new concept. While this seems like common sense for many of us, this radical policy has been embraced by many on the left.

So, Mr. Husock, can you talk about the economic prospects of areas that choose to cut their police budgets and move forward with these radical policies?

Mr. HUSOCK. Well, I am not a criminal justice expert, and I don’t represent being one. However, I will say this, that safety—I will just tell you a story.

My middle son moved after high school from Boston to Clarksdale, Mississippi, in the Delta, and he lived in a majority-minority neighborhood, and he was a musician there. And when he got there, the police took him aside, and they said, “Listen, if you buy a TV, don’t put it out on the sidewalk. Don’t put your packages out on the sidewalk. Somebody might know that you have this TV.”

And his neighbors told him, “We have to be so careful because it is hard for us to save money to buy things for our homes to increase in value because public safety is not assured.” Public safety is the basis for home values, for wealth accumulation among all classes of people. We must have public safety. That is the founda-

tion of our prosperity. That is why I wrote about Mr. Adams in New York.

Mr. WILLIAMS OF TEXAS. Okay. Thank you.

The Federal eviction moratorium is supposed to come to an end at the end of this month, as we have been talking about, and I have been expressing some concerns about this policy because we simply are shifting the burden from renters to landlords who will still have to pay their bank notes. They have to still pay their costs.

I have heard rumors that the Biden Administration is considering extending the eviction moratorium. So, finally, Mr. Husock, could you describe the effects of the eviction moratorium on the housing ecosystem as a whole, and then let us know if you think that President Biden should extend this policy?

Mr. HUSOCK. I think we need to pay the back rent, the arrearages of hard-hit people. I think that is appropriate, just as the Paycheck Protection Program (PPP) was appropriate and effective. The stimulus was effective and creative.

However, in Massachusetts, when there was a pause in the eviction moratorium and evictions were allowed to be filed, motions for eviction, the majority of those evictions were not for nonpayment of rent. They were for lease violations.

One of the ways in which landlords are made safe with disruptive tenants is to face the threat of eviction. That is part of landlording, too.

Mr. WILLIAMS OF TEXAS. I yield back. Thank you.

Chairwoman WATERS. Thank you very much.

This hearing has nothing to do with defund the police. This is about housing.

The gentleman from Florida, Mr. Lawson, is now recognized for 5 minutes.

Mr. LAWSON. Thank you, Madam Chairwoman, and I would like to welcome everyone to the committee.

Some of the questions I have might have been responded to already, but I just want to make sure. This is for the whole panel. You are probably familiar with the study by Columbia University showing that the universal voucher program will lift 9 million people out of poverty and reduce child poverty by 36 percent, and decrease racial disparities and poverty rates among White and Black households.

Clearly, the research shows that a universal voucher program could help improve millions of people's home lives. However, the current Housing Choice Voucher Program (HCVP) standard requires landlords to go through a lengthy leasing process, especially compared to the standard leasing process. After the rental application is completed, the unit must be inspected and approved. Scheduling units can take a long time, and a landlord loses income while the unit is off the market.

Landlords can incur additional costs if improvements are required by the HCVP. The program does not cover these costs, the need for improvements made for inspection approval and the overall leasing process. Can any of you support the voucher program in this regard, and what can be done to cover some of these costs

and at the same time give the landlords a little break in what they have to do?

That is for the whole panel.

Mr. METCALF. Congressman, I can start off by responding. I think you have raised a really good point. I don't think these are impossible challenges. I think these are actually challenges for which we largely have the answers, but we need to scale up.

As it relates to the inspection process, it is possible to differentiate those components of the physical quality of the structure that really represent true health and safety components versus ones which are more minor in nature, and to focus our oversight on those elements. We also see an increasing use of technology that can be scaled up, where folks are using video technology or photo records, doing spot inspections that make this a little bit less onerous for owners and a little bit more cost-effective for voucher-administering entities.

And lastly, I think there are good programs that are out there that do provide financial incentives to owners to offset some of these costs. I think that is an important part. The bipartisan Coons and Cramer bill in the Senate is a good example of trying to take that one level further, which I think makes a lot of sense in terms of helping owners to deal with the kinds of challenges that they face in bringing their housing units up to a reasonable level of quality.

Mr. LAWSON. Does anyone else want to respond?

Mr. HUSOCK. Those are certainly commonsense suggestions. I would also point out the importance of expanding the Moving to Work Program, which allows housing authorities which administer Housing Choice Vouchers to choose how they want to spend the funds that they do have and not have them all be categorically directed.

And that gives them the flexibility to direct resources where they are needed most. That program has been stalled at a very low level for many, many years. Its experimental results have been good. The time has come to expand Moving to Work.

Ms. OLIVA. I would like to jump in here and just note that there are also—I agree with Ben in what he laid out in terms of improvements that we can make to the program. I think all of us have suggested different kinds of improvements, including to the inspection process, and providing some flexibility maybe through admin dollars or through other sources of funding to do incentives for landlords.

I know that in a number of communities, local banks have helped set up risk mitigation funds that provide some security for landlords so that if there is damage to a unit, it will be paid for through that risk mitigation fund. I know that the emergency solutions grants funding that was provided through the CARES Act allows specifically for landlord incentives like double the security deposit and other types of incentives for landlords, and I would like to take a look at that data and how that played out once that program is completed.

So, there are a number of good public-private ways to ensure that landlords are also protected in the use of Housing Choice

Vouchers because this is about both the tenants and the landlords who are providing the units.

Mr. LAWSON. Okay, thank you. And I had another question, Madam Chairwoman, but I will yield back. My time was running out on me.

Chairwoman WATERS. Thank you very much. The gentleman from Arkansas, Mr. Hill, is now recognized for 5 minutes.

Mr. HILL. Thank you, Chairwoman Waters. This has been a very interesting hearing. I am delighted to be able to work on the Housing and Insurance Subcommittee as ranking member, and I look forward to working with my friend, Mr. Cleaver.

Mr. HUSOCK, it is good to see you again. In Arkansas, the average rent in the metro Little Rock area for 3 bedrooms is about \$1,100, and that compares to \$2,700 out in Los Angeles. So, we have a very affordable housing market in Little Rock.

If we were to have an entitlement program in vouchers, what would happen to that affordability in a place like Little Rock, in your view?

Mr. HUSOCK. Well, as I said previously, any time you increase demand, you are at risk of pushing up the prices, because you have the classic preconditions for inflation. So, I think that is a risk.

But I love that you are pointing out that there is affordability now, and we are seeing an exodus from the State of California. It has lost population for the first time in its history. People are discovering Little Rock. They are discovering Fayetteville. They are discovering Buffalo. They are discovering my hometown of Cleveland.

You can work from home. We are having a sorting out of the housing affordability problem. This is not the time for a vast intervention in the market while the market itself is adjusting.

Mr. HILL. Yes. I think that is a good point. And of course, the dream of a voucher program would be that a family would have that and be able to move to a better neighborhood or a better school or closer to a better job. And we have been talking a lot about landlords, but what about the portability of a voucher?

If I have a voucher from the public housing authority in Little Rock, may I use that public housing voucher and move to a community 30 minutes away, if that is better for me?

Mr. HUSOCK. It depends on the housing authority, but that is happening more. But I would like to return to this idea of the opportunity neighborhood. To me, the idea that you have to move to a, "better neighborhood," in order to have a better life, when did we give up on the idea that poor neighborhoods can be good neighborhoods?

Mr. HILL. Yes.

Mr. HUSOCK. The Community Development Block Grant Program (CDBG) was about doing something about that. We are not going to have enough vouchers for all poor people to move to rich neighborhoods. That is just not going to happen. We have to address ourselves to the core public services of low-income neighborhoods: safety; education; and parks. That is what we have to do rather than saying we are going to pay everybody to move out.

Mr. HILL. Amen. We need to get you a pulpit. That is excellent preaching. I agree with what you are saying.

I was looking at the San Bernardino County website this morning, and they say that their goal in San Bernardino County is for all families to prosper and achieve well-being. And I also spoke to the mayor of San Bernardino, the County seat of that County.

Mr. Husock, I was very intrigued by your testimony. You talked to Mr. Barr about it briefly. Can you go into a little bit more detail about the priorities there in San Bernardino County, California, about how they are successfully moving from entitlement to empowerment for their families?

Mr. HUSOCK. Yes. First of all, it is a voluntary program. If you move into the San Bernardino Housing Authority, you can agree—it is voluntary—to a 5-year ceiling on your assistance. But if you do agree, you get a flat rent for those 5 years. That is just a big deal.

Would you want to live in a place where the more money you earn, the higher your rent goes? And yet, we do that to all 6 million poor households in public housing and Housing Choice Vouchers. San Bernardino says if you want to save money, we will have an escrow account for you, if you want to graduate from this Housing Choice Voucher Program and buy a house rather than be consigned to rent. You don't accumulate wealth in rental housing unless you put it to some other use. The failure of public housing was always that.

So, the results were very positive. Earned income for families in the program increased by an average of 31.4 percent over 4 years. Full-time employment increased 20 percent, and unemployment decreased 26 percent. It is a small place. It is a small program. But it is really worth looking at those results that can be had by changing the terms of receipt.

Mr. HILL. And again, that speaks to the local market conditions, the local supply and demand, the local innovation of our communities to try to solve these problems that are closest to the people, and why one big, one-size-fits-all national entitlement program, I think will just create more dislocation instead of more help.

I thank you for the discussion. And thank you, Madam Chairwoman. I yield back.

Chairwoman WATERS. Thank you. The gentleman from Illinois, Mr. Foster, is now recognized for 5 minutes.

Mr. FOSTER. Thank you, Madam Chairwoman.

I would also like to apologize for having missed part of this hearing. And I hope I am not duplicating other questions that have been asked.

Ms. Cunningham, in your testimony, you spoke of providing carrots and sticks for land use and zoning reform, citing the issues that arise with exclusionary zoning requirements. And one idea that I am interested in exploring is to have some of those carrots and sticks be based on big-data analytics, where you say, okay, if this person exercises this voucher in this particular neighborhood, that there would be a benefit given to the landlord, given to the community that accepts it, and as well as given to the person.

And is this something where, instead of having absolute hard definitions of, this is an Opportunity Zone, and this is not, you just have sort of a big-data analytic benefit, if you understand what I am saying. Have things like this been looked at?

Ms. CUNNINGHAM. Thanks for the question, first of all. I agree that there needs to be carrots and sticks. I haven't thought—it is an interesting proposal to think about big data and how to use that in the carrots. And I think one of the ways we are thinking about and recommending land use and zoning is really having the Federal Government provide some carrots in terms of competitive grant programs, and then sticks, localities get a lot of transportation funding. And so, withholding funding from communities that are not providing and producing affordable housing, I think is really critical.

I want to add one more thing around the supply and demand issue. I do agree that land use and zoning is really important, but there has been a lot of talk about housing vouchers expanding and driving up costs when the fact is that most of the people who qualify for this expansion, if we were to actually expand to universal housing vouchers, are actually in housing right now.

And so, that wouldn't actually increase the demand for units; it would just make it possible for the tenant to be able to afford their housing. And it would also allow the landlord to be paid instead of the tenant struggling each month. So, I just want to really highlight that as an important point.

Mr. FOSTER. Thank you, and I agree with that. Any run-up in the rental prices would presumably be temporary, and the free market would take over and say, hey, there is a possible opportunity to make more rental units that fit the voucher characteristics.

Does anyone else have any comments on that, whether carefully designed, positive financial incentives for the community as well as the voucher holder and the landlord might provide the proper mix to encourage communities to build more voucher-eligible and voucher-welcoming housing?

Mr. HUSOCK. I would just say this: New housing is very expensive. I think the idea that we should build new housing for the poorest people with subsidies is the most ambitious kind of affordable housing.

For instance, with the Low-Income Housing Tax Credit Program, in the State of California, those units are costing close to \$400,000 per unit. So, we are not going to get that much housing bang for our buck, as they always say in Federal budget terminology. It is better for the private market to supply low-cost—in answer to a question I dodged before about construction methods—manufactured housing. And I don't mean only mobile homes. That is bringing down costs. We ought to look at that rather than deep subsidies.

Mr. METCALF. Congressman, if I may jump in on that, I think we live today in a world in which the new multifamily housing that is getting built is either deeply subsidized, traditional affordable housing, or often higher-end market-rate housing. I think one of the promises of moving towards a huge expansion of the voucher program, universal voucher, could be an ability for market-rate multifamily developers to be able to perform over both the vouchers and hopefully in tandem with much shallower subsidy sources that are less onerous—tax-exempt bonds, Federal Housing Administration-insured debt programs—that would allow for a stimulus, if you

will, to get more housing to get built and really leverage the market rate side of things to be doing that.

I think that is something that we have missed a little bit in the dialogue, but I think should be applied.

Mr. FOSTER. Thank you. And my time has nearly expired, so I will yield back.

Chairwoman WATERS. Thank you very much. The gentleman from Ohio, Mr. Davidson, is now recognized for 5 minutes. Is Mr. Davidson on the platform?

Mr. DAVIDSON. Yes, Madam Chairwoman, thank you.

I want to thank our witnesses for their testimony here today, and I appreciate the chance to discuss the important issue of homelessness here in the United States. The issue has only been exacerbated by the pandemic this past year, and it is especially heart-breaking for me to see homeless veterans, in particular.

According to an article in the Military Times from this past March, veterans make up about 8 percent of the homeless population. And for people who previously served our country to defend the American Dream, they especially deserve a solution that will provide them with every opportunity to achieve it.

I will admit that I am a bit intrigued by the idea of vouchers. I believe vouchers following every student would improve our schools. Perhaps, as some have argued today, vouchers to all of those in our Federal housing safety net would improve the quality of their housing options.

I am also encouraged that some of my colleagues who want to cancel those with income from sources they personally disfavor, like fossil fuels, want to now embrace civil liberties and enact non-discrimination clauses on sources of funds. I think it would be great to see it embraced universally for a wide range of things, and frankly, these kinds of authoritarian uses of payment systems for power have rightly been the focus of our committee in the past, things like redlining and practices that block people from access to the financial system by using money as a means of control rather than a means of payment systems.

These are principles that we are talking about today that I find interesting, and certainly we have a problem with homelessness in the country, as we can see with tent cities in our nation's capital and in so many other places around the country.

Mr. Husock, I would like to follow up on a conversation that you had with Senator Toomey, when you were at the Senate hearing in April. Purchasing a home is the cornerstone of the American Dream for many, and in the past, Congress has pushed policies that attempt to help people purchase a home. Ultimately, these policies will sometimes put people on a path towards foreclosure. Can you talk about the dangers when Congress tries to impose a quick fix when it comes to promoting affordable housing?

Mr. HUSOCK. The question implies questions about affordable housing mandates and Fannie Mae and Freddie Mac, which are beyond the scope of this hearing, so I hope I do not stray too far. But I have been concerned, and have written and published for many years, about the impact on working-class, low-income homeowners who find themselves in high-delinquency areas because of low-doc, no-doc loans that were—they were not all initiated in the housing

crisis because of affordable housing mandates, but to some extent they were, and that was modeled by the Federal Government.

My concern is always for the people, as Bill Clinton said, who work hard and play by the rules. And if they are making their payments and the fellow next door is not making his payments because he never should have owned that house in the first place, you are hurting the hard-working working class. And the fact that communities of color were disproportionately harmed in the 2008 financial crisis was a tragedy, and it was caught up in all of that.

Mr. DAVIDSON. Well, I appreciate you recognizing that, and frankly, when people are foreclosed on, they often become homeless, maybe not structurally forever but for a period of time. And then, when we talk some of the other issues, earlier this year, the Majority pushed for \$80 billion in public housing capital funding to be included in the Administration's infrastructure plan. If the current proposal before us today were to become law, and everyone was guaranteed a voucher if they fell below certain income levels, and landlords were forced into participating, why would we need public housing? Wouldn't the voucher system cover the need?

Mr. HUSOCK. We have public housing and we need to reform public housing. We need to reform the terms of the voucher program. There are as many people in public housing today as there are in vouchers. However, there is a lot that we can do to extricate people from public housing.

Mr. DAVIDSON. I appreciate that, and the need for reform is why I have proposed the People CARE Act, and just like a lot of the programs that are in there that do need reform, the solution generally, and just like today, is to launch a new program rather than to look at all of them. So, I hope we will come at it with a holistic approach, and that we can enact the People CARE Act, and people who are interested on both sides of the aisle, I would love to talk with you. Thanks for your expertise today. My time has expired, and I yield back.

Chairwoman WATERS. Thank you. The gentleman from Illinois, Mr. Casten, is now recognized for 5 minutes.

Mr. CASTEN. Thank you, Madam Chairwoman, and thank you to all of our witnesses. This has been a fascinating hearing. I hope you will allow me to deviate a little bit from the Section 8 discussions. There is just a wonderful homeless support services company—I live in DuPage County in Illinois—DuPagePads, which really exists upstream of the Section 8 issue. They provide temporary housing, transition services, and job training, often in congregate facilities and church basements. And if they fail, Section 8 does not matter, because we do not get the people off the street and into the system, so they come in and look at longer-term services.

In talking with them in preparation for this hearing, there are two things. I want to start with Ms. Cunningham and just get your thoughts on these, and then, time permitting, get some others. The first was that they said that the single hardest families they have to place are large families, that with our affordable housing, Section 8 and otherwise, it is much easier to place a single individual than, in one case, they have a family of nine. They cannot get them out of a church basement or a hotel in this current COVID moment.

Can you speak at all to, understanding that we have a problem with affordable housing in this country, what about the types of housing? Is there anything we can do to make sure that we have types of housing that better match to the need? Ms. Cunningham?

Ms. CUNNINGHAM. Thanks for the question, Congressman. I do think that it could be challenging to help a family who has a lot of children or is also including Grandma or Grandpa into the private market. There are not enough big-bedroom units for those families. Part of the Housing Choice Voucher Program is to ensure that those families are getting extra assistance in navigating the private market and finding those landlords that do actually have those units.

But then also, and I noted this in my testimony, we not only need voucher assistance but we need to develop housing units. So, the expansion of the Housing Choice Voucher Program should be within the broader strategy of both investing in vouchers but also investing in development of units.

Mr. CASTEN. Okay. I want to shift, if I can, to COVID, sort of orthogonally. When COVID hit—most of their housing is in churches and other congregate facilities that simply did not work anymore. And we had a lot of really painful conversations about what they were going to do with that, and they moved pretty nimbly and got hotels to volunteer spaces. They didn't have the budget for it, but thankfully, through some of our care support, they were able to provide a budget and get people into hotels. And it was pretty painful.

And in debriefing with them now, as we sort of start to emerge from COVID, they said in hindsight that was actually hugely beneficial. They have seen increases in the health quality because, as they put it, if you have a door that locks, and a shower, a whole bunch of other problems go away. They have seen a huge surge in children in their care, not because the children were housed before but because parents might, rightfully, have had some concerns about bringing a child into a group sleeping facility, but are okay in a hotel. And they were pleading with me, and saying, "Can you please make sure that the financial support continues?"

So if you had a wish list, which of the temporary changes we made during CARES would you like to see continued, to make sure that we don't backtrack, and all of a sudden, take one step forward and two steps back as these programs expire?

Ms. CUNNINGHAM. I was going to say that I wanted to start with that, but also that Ms. Oliva or Mr. Metcalf might have a great response. But let me start by saying that it is really important that we re-envision our shelter system, our congregate shelter system, because we found out during the pandemic that it didn't work and that we do need to have more individualized units, like single-room occupancy units for people who have temporary housing needs.

So, let me turn it over to Mr. Metcalf or Ms. Oliva.

Mr. METCALF. Just to quickly observe, if I can, one of the great triumphs, I think, of the last year has been our ability to repurpose so many hotels to serve folks coming off the streets. In California, some 94 hotels have been converted. Some 6,000 new units have been created. But much of that has been stopgap. There has not been the sort of capital put in place to be able to continue to house

those individuals, to keep them sort of stably located and assisted. And so we really are at risk of seeing that all fall apart as we run out of the operating money to keep those folks stably housed.

In California, the governor has proposed some \$3.5 billion to do stage funding to capitalize reserves, but it is a really awkward way to solve the problem. We definitely need that additional voucher assistance to complement these interventions for the long term.

Ms. OLIVA. And I would agree with both Ben and Mary, but also add that in the American Rescue Plan, funding for homelessness assistance does include, the HOME program does include some funding in order to sustain noncongregate shelter in the long run.

Chairwoman WATERS. Thank you very much.

Mr. CASTEN. Thank you. I yield back.

Chairwoman WATERS. Mr. Kustoff is now recognized for 5 minutes.

Mr. KUSTOFF. Thank you, Madam Chairwoman, and thank you for conducting today's hearing. And thank you to the witnesses as well.

Mr. Husock, with the Housing Choice Voucher Program, I think we can all agree that there are significant changes that need to be made to the program. One issue that has come to my attention is the funding formula for the program and that the Administration expenses the issuing agency or the authority. And if I could, the formula fails to account for the logistical differences of agencies running the voucher program on a Statewide basis as opposed to authorities that handle vouchers for a city or county or municipality, et cetera. Many of the State agencies lose money due to—and I am going to characterize it as a one-size-fits-all formula. In my opinion, ultimately that harms the consumers in the form of reduced services and assistance.

My question is about your familiarity with the formula, and what would your thoughts be about updating the one-size-fits-all approach to it?

Mr. HUSOCK. Thank you very much, Congressman. Of course, Federal funds are allocated on those kinds of formulas in all sorts of programs. We have 3,000 public housing authorities in this country. That is a whole heck of a lot of overhead. And so, it may be that we can consolidate housing authorities, whether it is on a statewide or a regional basis, that might make it more efficient to distribute those vouchers with lower overhead. I still think the most important thing is to change the terms of the vouchers, but I would welcome a more efficient allocation, for sure.

Mr. KUSTOFF. So when you talk about changing the terms, what are some things that you would look at, if you could wave a magic wand?

Mr. HUSOCK. Well, the first thing I would do is to allow people to not have to pay more rent when they earn more income. I know I have said it before, but it just pains me to think of people who are struggling to get ahead, to get a higher-paying job, and knowing they are paying a higher marginal tax rate than Warren Buffett. We know that, right?

Mr. KUSTOFF. Right.

Mr. HUSOCK. We know it now, anyhow. So, why should they pay 30 cents on the dollar more in rent, and why should they be en-

couraged not to report their income, to have a second income in the house that they don't report, or they don't want to have it be known? So that, to me, if I could change one thing tomorrow, I would have flat rents for all new tenants in exchange for a ceiling of 5 years for housing vouchers.

Mr. KUSTOFF. Thank you. If I could shift gears for just a moment, you have been critical about how the exclusionary zoning laws have been used in municipalities across the country. Could you elaborate for a moment about how the zoning laws limit the supply of affordable housing and ultimately harm lower-income Americans?

Mr. HUSOCK. Yes. They harm middle-income Americans, all sorts of income levels. When you have two-acre zoning with one house on it, and if it was quarter-acre zoning, do the math; you would have 8 houses. That is a lot more houses. And so, that just rebounds through our system. I don't agree with one of my colleagues who said that we need to use the stick of Federal transportation funds and threaten to withdraw funds. I will tell you what: A lot of wealthier communities in this country don't receive any CDBG funds. They don't receive any DOT funds. They would be exempt, and they may be the worst offenders.

So, I think we have to have HUD persuade our municipalities, through model zoning, that, look, it is in your interest to do this. It is in the interest of your children and your grandchildren, so they can stay where they grew up. It doesn't mean high-rise public housing. That is what they are afraid of. That may be politically incorrect to say, but that is what they are afraid of. We have to say no, we are talking about two-family houses on small lots, the way we built before zoning came into this country everywhere. We knew how to build affordable housing all over this country, but we forgot how.

Mr. KUSTOFF. Thank you, Mr. Husock, and with that, I will yield back my remaining time. Thank you, Madam Chairwoman.

Chairwoman WATERS. Thank you very much. The gentlewoman from Massachusetts, Ms. Pressley, is now recognized for 5 minutes.

Ms. PRESSLEY. Thank you, Madam Chairwoman. Thank you for being just so steadfast on this issue. I was very proud, in my very first Financial Services Committee hearing, that what was before us was your bill to end homelessness. So, I thank you for your steadfast leadership in this space.

While the Housing Choice Voucher Program has a proven track record of reducing homelessness and improving lives, especially for domestic violence survivors, veterans, Black and Brown households, and persons with disabilities, it has yet to reach its full potential. Only one in five people who qualify for one currently receives one, and the average wait time, in some towns in the Commonwealth of Massachusetts is 10 years, a decade.

Transforming the Housing Choice Voucher Program into an entitlement program, similar to Medicare or Medicaid, is the bold, transformative, and necessary change that my constituents need right now. Constituents like a single mom in Hyde Park who is currently battling cancer and has been on the Housing Choice Voucher Program waitlist for 5 years. Or an elderly couple in Roslindale, surviving on fixed Social Security disability insurance,

and struggling to keep up with the rising cost of rent. They have been slipping further and further into poverty on the waitlist for 8 years. And a single mother in Boston who left her marriage due to domestic violence has been living in a two-bedroom unit with her five children while waiting on a voucher for more than 4 years. And a frontline hospital worker and single mom in Dorchester who has been just barely getting by while serving on the front lines of the pandemic; she has been on the waitlist for 17 years.

Providing a universal voucher program would lift 9 million people out of poverty, reduce child poverty by 36 percent overall, and by over 80 percent for families of color, and decrease racial disparities and poverty rates among White and Black households.

Ms. OLIVA, countless families across my district who qualify for, but are still awaiting, a voucher are extremely vulnerable to homelessness once the eviction moratorium expires. These families are already stretched thin due to the pandemic, illness, trauma, and low wages, and are left making unconscionable choices so they can pay their rising rent costs. Can you please explain the potential—why it is transformative for a universal Housing Choice Voucher Program and its alignment with the fight for racial justice?

Ms. OLIVA. Thank you so much for that question. I think that might be one of the most important things for us to examine as we think about Housing Choice Voucher expansion. We know that because we have insufficient funding for this program, it actually prevents assistance from reaching 15 million low-income people of color who live in rental housing and face unaffordable housing costs, and that, as you noted, expanding vouchers for all eligible people would have a significant impact on poverty, which would benefit people of color the most, and they would experience the steepest declines in poverty.

We also know that people of color, especially Black families and individuals, are overrepresented in homelessness. So we can understand, really, looking at it from a racial justice perspective, how housing justice and racial justice actually overlap. They are the same thing, because without housing justice it is really hard to achieve racial justice.

Ms. PRESSLEY. Thank you. And before my time runs out, I also wanted to ask you to comment on the criminalization for those who are unhoused, that has increased over the last 15 years. What impacts would universal vouchers have for helping marginalized populations avoid homelessness and criminalization?

Ms. OLIVA. As I noted in my testimony, in 2020, we saw, for the first time since we have been collecting this data, that the number of individuals who are living on the streets exceeded the number of individuals who are living in shelters. This creates tension and criminalization in communities across the country that is re-traumatizing for people who are experiencing homelessness and who are quite vulnerable. The expansion of Housing Choice Vouchers would really allow for a massive decrease in the number of people in unsheltered locations and an increase in the amount of permanent supported housing, like HUD-VASH, that would be available for folks who are living in unsheltered locations.

Thank you for that question.

Ms. PRESSLEY. Thank you.

Chairwoman WATERS. The gentleman from Tennessee, Mr. Rose, is now recognized for 5 minutes.

Mr. ROSE. Thank you, Chairwoman Waters and Ranking Member McHenry. I also want to thank our witnesses for being here today. Something that I don't think has gotten enough attention during this hearing is just the sheer cost of implementing a program such as universal housing vouchers. As our national debt climbs above \$28 trillion, we should not be adding even more mandatory spending programs, especially to the tune of roughly \$160 billion per year.

Mr. Husock, I do not believe that a new housing voucher entitlement would do anything to address the main cause of high housing cost, which is the inability of localities to produce more units of housing. Now, I am thrilled you mentioned manufactured housing during Representative Foster's time, because in the 6th District of Tennessee, which I represent, 12.9 percent of total occupied housing units are manufactured homes. Manufactured housing is the most affordable home ownership option available nationwide for minorities, and underserved and low-income borrowers. According to the U.S. Census data, 90 percent of new homes under \$75,000 are manufactured housing.

Mr. Husock, could you expand on how manufactured housing could be key as communities develop strategies to address their affordable housing shortages?

Mr. HUSOCK. Thank you, Congressman Rose. The first thing they have to do is to permit it to be used in their localities. That is a zoning issue, a building code issue. But manufactured housing is not just mobile homes anymore. We are talking about a full-on substitute for so-called stick-built housing, which can be done on a mass scale.

And this goes back in history. I mentioned Levittown, which was the archetype American post-war suburb. That is how Mr. Levitt made those houses so cheap, is he had set up an assembly line. It is time-proven. We need to use those methods again. So yes, it is a big part of it.

Mr. ROSE. Mr. Husock, you discussed earlier in the hearing about the importance of working at the city and town level for better city planning to increase the housing supply, and you have just been referring to that again. What would be your suggestions for us, as legislators at the Federal level, as we go and talk with our local leaders?

Mr. HUSOCK. I think, again, this is something that you, as people who are in the political life, are best at, and that is persuasion. And persuasion has to be built on the idea that, why don't we have two-family houses in this town anymore? Why don't we have three-family houses? Why don't we have small apartment buildings? People could move from those. Communities want replacement populations. In order to have new, young families move in, they have to have points of entry. If they don't, then older people are going to sit in their homes and age out, and communities are going to be in trouble without replacement populations.

So, I think you can do a lot to persuade that, by the way, if you don't do this, HUD is going to come at you with a big stick, too.

Mr. ROSE. Thank you. Ms. Oliva, I know that during your time at HUD, you worked to find ways to help cities stretch their dollars, so this question is for you. I read an article earlier this week about a report from LA's chief administrative officer about a homeless campground the City is setting up in a parking lot. It appears that the City is allowing homeless individuals to move their tents into this parking lot, in a centralized location, so that they can provide them with running water, hygiene stations, and other services.

What is alarming is that it is costing Los Angeles \$2,663 per participant, per month, to provide a tent in an empty parking lot. You could provide every participant with two one-bedroom apartments for that price. According to the report, L.A. is using CARES Act funding to do this. How is it possible that providing someone a tent in a parking lot costs \$2,663 per participant, per month?

Ms. OLIVA. Thank you for that question. While I am not familiar with those particular numbers that you are citing, shelter is expensive. That is actually why we are having this conversation today, because if we had universal housing vouchers available for those folks who are in unsheltered locations, we could actually be accessing housing resources for people who are experiencing homelessness, who are elderly, who are young people, who are mentally ill, and the services they need to maintain those houses. So, I actually think that it is important to look at the housing side of the question.

Mr. ROSE. Thank you. And Chairwoman Waters, I yield back.

Chairwoman WATERS. Thank you very much. The gentleman from New York, Mr. Torres, is now recognized for 5 minutes.

Mr. TORRES. Thank you, Madam Chairwoman. I represent New York 15, the South Bronx, which, during COVID-19, has been shown to be what I call the essential congressional district of New York City. It is home to hundreds of thousands of essential workers who put their lives at risk during the peak of the pandemic so that the rest of the City could safely shelter in place. It is nothing short of a moral outrage that our essential workers, upon whom all of us depend, increasingly cannot afford to live in a city or a country that could not survive and succeed without them.

As far as I am concerned, housing is as much a human right as education, and housing ought to be as much of an entitlement as education. The best path to housing as a human right, to housing as an entitlement, is housing vouchers for all, which has been proposed by Chairwoman Waters. According to the Harvard Joint Center for Housing Studies, in 2019, pre-COVID, there were 37 million Americans who spent more than one-third of their income on rent, and nearly half of those Americans spent more than one-half of their income on rent. Housing vouchers for all would bring affordability to tens of millions of Americans.

The American Jobs Plan proposes an historic investment of over \$300 billion in housing, but more important than the dollar amount is how those dollars are spent. If we expand housing supply without expanding housing subsidy, we run the risk of creating housing without actual affordability for the poorest of Americans. We run the risk of creating the illusion rather than the reality of affordable housing. Less than 1 percent of the housing funds in the American Jobs Plan has been set aside for rental assistance.

My first question is for Ms. Oliva. What is the danger of prioritizing housing supply to the exclusion of housing subsidy?

Ms. OLIVA. Thank you so much for that question, Congressman. I think you are exactly right. We know that housing vouchers are only available for one in every four eligible households, and we know that we need a balanced approach. We have talked about that quite a bit in this hearing today. We need both supply side investments in areas that have a supply shortage and we need affordability investments in many areas across the country.

As I noted in my testimony, in most cases, unless a household also receives a voucher or other type of rental assistance, construction subsidies that we are talking about on the supply side generally don't produce housing with rents that are affordable for those households with income at or below the poverty line, and that is who we are talking about. When we are talking about people who are experiencing homelessness, we are talking about people with incomes at or below the poverty line.

So, in order to make that reduction in homelessness and to really create both a prevention aspect of this program as well as an exiting homelessness aspect of this program, we need the affordability investments for areas that both have the supply shortage and where affordability is the main problem.

Mr. TORRES. And I know much has been said about cost, but I guess my question for you and for others is, what is the cost of homelessness and housing insecurity? If you lack basic housing stability in your life it has a destabilizing effect on every aspect of your life. It makes you more vulnerable to substance abuse, mental illness, depths of despair, contact with the criminal justice system, a whole host of social challenges (inaudible) society of fortune. Do you agree that the cost of doing nothing or doing too little far exceeds the cost of housing vouchers for all?

Ms. OLIVA. Yes, I think the way that you framed that is exactly right. There is a cost to our public systems—jails, hospitals, child welfare system, all of the public systems, and police—that interact with people who are experiencing homelessness in ways that they wouldn't have to interact with them if folks actually had safe, stable, and affordable housing. But more importantly, there is a human cost to the decisions that we are making here, and that human cost is about the people who are experiencing homelessness and the damage and trauma that is created by experiencing homelessness, especially unsheltered homelessness, and especially kids and young adults.

Ms. AL-MANSOUR. If I can add, and especially women, and especially women with children and members of the LGBTQ communities find themselves very vulnerable. I have had clients who had no mental health issues, lost their Section 8 voucher, and became more addicted. Nobody would take their Section 8 voucher. They then were made homeless, slept in their car, the car was impounded, and they lost everything. I have had clients who were raped on the streets because then they lost everything. And then, developmental health issues that they never had before, because of homelessness. And that is something I wanted to say earlier in terms of what is the number one cause of homelessness, which is

loss of housing. And that is what creates a lot of mental health and physical issues.

Ms. OLIVA. (Inaudible) forms of affordable housing like supportive housing are more cost effective than psychiatric hospitalization and incarceration.

Chairwoman WATERS. Thank you very much. The gentleman from Texas, Mr. Gonzalez, is now recognized for 5 minutes.

Mr. GONZALEZ OF TEXAS. Thank you so much, Madam Chairwoman. And my question, well, my comments and questions are something that Mr. Husock touched on earlier, but to Ms. Oliva and Ms. Cunningham, throughout the pandemic, millions of unassisted renters have struggled to pay their rent, meaning some landlords have lost needed income in supporting their rental properties, especially the mom-and-pops that haven't been able to make their mortgages—

Chairwoman WATERS. Is Mr. Gonzalez still on the platform? I do not hear Mr. Gonzalez. He started out and he has stopped. I don't know what has happened. If Mr. Gonzalez is not prepared to continue, I will move on to the next person, and I will come back to Mr. Gonzalez.

Next on the platform, we will have Mr. Lynch from Massachusetts. Is he available?

If Mr. Lynch is not available, Ms. Adams, you are recognized for 5 minutes.

Ms. ADAMS. Thank you, Madam Chairwoman. And thank you to the ranking member for hosting this hearing today, and to our witnesses, and thank you very much as well. This is an incredibly urgent conversation.

I want to first ask a follow-up in terms of the source of income. Unfortunately, there are too many documented cases of housing providers not accepting payment because they choose to discriminate against the source, such as the Housing Choice Vouchers. At the local level, I am particularly proud of the work that both my City of Charlotte, and the advocates throughout the 12th District, have done to address this source of discrimination income. But we still have a long way to go to make access to housing equitable. You have already heard how long the wait is, but in my district it takes approximately 11 years to receive a voucher, based off of the current rate of admission to the Housing Choice Voucher Program. Twenty-one percent of families who receive a voucher were unable to find housing by the time that the voucher expired, after 100 days.

So, Ms. Cunningham, can you describe why it is so important that we move swiftly to end source-of-income discrimination nationwide?

Ms. CUNNINGHAM. Thanks for the question. I do think it is important. When we studied this issue in 2018, we did find that discrimination is a significant problem. And as I mentioned earlier, only one out of three voucher holders right now are protected by those local source-of-income protections. And so, having a national source of income protection is really critical, not only to protect the voucher holders that this expansion would cover, if passed, but also existing voucher holders who are on the program right now.

Ms. ADAMS. Thank you. According to the Urban Institute, we know that the population of unsheltered individuals experiencing homelessness has risen dramatically over the past several years, and in my community and those across the country, we have seen tent cities rise to accommodate these individuals. In Charlotte, using CARES funds, our local government was able to help over 200 unsheltered individuals living in a tent city find temporary housing in a hotel where they received access to other services.

Ms. OLIVA, how would expanding access to vouchers help our unsheltered populations who are experiencing homelessness?

Ms. OLIVA. Thank you for that question, and I want to start by pointing to the U.S. Department of Housing-VA Supportive Housing (HUD-VASH) Program. For those of you who are not familiar, the HUD-VASH Program is a program that uses a Housing Choice Voucher as the housing subsidy, and pairs it with services that are provided by the U.S. Department of Veterans Affairs (VA). I know earlier in the hearing, we had a question, or we talked a little bit about the impact of homelessness on veterans.

HUD-VASH is a proof point on how vouchers can be used to end homelessness among people who are living in unsheltered locations. The HUD-VASH Program is really the keystone in our approach, certainly when I was at HUD. I am one of the architects of that program. It is one of the keystones to really being able to cut homelessness among veterans, especially unsheltered veterans and chronically homeless veterans who are quite ill. But that was really the centerpiece of our approach to being able to cut veteran homelessness by half over the last several years.

So, I think that we can take lessons from HUD-VASH and apply them in other types of situations to ensure that people who are experiencing unsheltered homelessness have the housing and service resources that they need in order to maintain stability, and to pursue their own personal goals.

Ms. ADAMS. Thank you. Madam Chairwoman, I just want to say how grateful I am to you for all of your work and diligence around housing, and I just want to reinstate my strong belief that everybody in this country deserves decent, affordable housing. These are questions of fairness and compassion, so I look forward to advancing these priorities with my colleagues and under your leadership.

Thank you, Madam Chairwoman. I yield back.

Chairwoman WATERS. And thank you so very much. I understand that Mr. Gonzalez is back on the platform. If so, you are recognized for 5 minutes.

Mr. Gonzalez?

I am going to move on. Ms. Tlaib, you are now recognized for 5 minutes.

Ms. TLAIB. Thank you, Madam Chairwoman, and thank you so much to our panel. I know it has been a long hearing, but it is an important one. I really appreciate it.

For years, while working in the nonprofit sector, I always said, "low-income or poor communities." But I am going to start calling my neighbors who are struggling with housing—these are our, "low-wage neighbors." These are low-wage earners. If people start relating how we are taking care of our low-wage earners and not just labeling them as low income, it is income coming from sources

that refuse to increase pay, refuse to recognize the importance of increasing minimum wage and how that is really connected very much to access to housing.

In the State of Michigan, especially here in Detroit, it is an over 80-percent Black City. It is very strong and resilient. But one of the things that is increasingly frustrating for a lot of my neighbors in my district is this idea of unfairness. And they continue to hear, obviously, excuse after excuse for not having equal access to vouchers, and how broken that system is.

But the one thing, and I hope you might be prepared to talk about this, because this is where my frustration comes from, is this idea around the Low-Income Housing Tax Credit. Of course, I am very supportive of that. I am supportive of having what we call in Detroit like HUD housing and so forth. But what has happened is that it is almost like legalized speculation. It is like we are legalizing speculation of these developers coming in, and Madam Chairwoman, you know this, they come in, they make this HUD housing, taking vouchers in, and after 20 years they have the option of continuing on or not. But they wait. They wait until a city like mine, all of a sudden, "comes back." I don't know where we are coming back from.

And then, you see huge developers like Dan Gilbert, and other developers coming in, and mass-evicting everyone out of the building. Many of them are seniors who have been in the home for over a decade. I have known a woman for 21 years, a retired teacher, completely (inaudible) asked to leave, because then all of a sudden they turned them into bougie condos, unaffordable units.

I don't know if it is you, Ms. Cunningham, who can talk a little bit about this, or Ms. Oliva, you have been talking a little bit about it. But I really am wondering how we, as the Federal Government, can stop that push, because I personally feel like when we see the loss of affordable housing in a city like mine, it is because we legalized this kind of speculation and then allowed them to push out our low-wage neighbors into other areas with just no option. And I am really tired of it. I am tired of us blaming our neighbors and talking about those subsidies, but we don't talk about the subsidies that kept many of these developers with a lot of profit, again all on the backs of American taxpayers.

So I don't know if, Ms. Oliva, you can speak about that, or anybody else?

Ms. CUNNINGHAM. Thanks for the question. I can start. I do think that building long-term affordability into those contracts for developers is really important, so we want to make sure that we have not only the development of those units but also long-term affordability. And we want to make sure that there is a preservation strategy for making sure that those units can stay affordable.

But I will say that one of the plusses or benefits of the voucher program is that the subsidy stays with the tenant. So, tenants can take that voucher and move across the private market and rent where they can find a unit that is affordable. And that is a really important benefit of the voucher program.

Ms. TLAIB. This is why we need to support more of that mobility versus what we had in the past. And I say that because I see a lot of these lobbyists coming to us saying, "Support this tax credit,"

and it has been refused. This is what we need to support. We need to give it directly to the people. Let them have that independence that we hope will help them get them out of the cycle of poverty.

Chairwoman WATERS knows that 40 percent of the Housing Choice Voucher recipients are households with babies, with children. And so, it is really critically important that we support that. I only have 5 minutes and I ran on and on, but I am really tired of funding a broken system, and why aren't we doing something bold like a universal voucher system? I don't know. But that is why we are having this hearing.

Thank you, Madam Chairwoman.

Chairwoman WATERS. Thank you very much. The gentlewoman from Pennsylvania, Ms. Dean, is now recognized for 5 minutes.

Ms. DEAN. Thank you, Madam Chairwoman. Can you hear me?

Chairwoman WATERS. Yes, I can hear you.

Ms. DEAN. Thank you very much, and of course, once again thank you for your focus on homelessness. Homelessness in America says a lot about us, and sadly, what it says is not good. So, I really prize and honor all of the folks who are here today and all of the work that you are doing to end homelessness, to stop the scourge of it in our cities. We know that it costs a lot of money. People are worried about the vouchers costing money. Homelessness already costs a fortune in our society, and it touches every district, including my own. I am from suburban Philadelphia, and while Philadelphia has a very serious homeless population, so does my own district of Montgomery and Berks Counties. We participated in the Point-in-Time count, and I echo some of the sentiments: It doesn't seem to actually capture the homelessness picture. But our numbers show that every night, as many as 1,000 people are homeless in this suburban district.

Ms. Cunningham, and Mr. Metcalf, each of you, in your testimony, described that an expansion of Housing Choice Vouchers should be targeted first to the most-vulnerable populations, and I am curious, what does, "vulnerable," mean in your world? Does the current definition or focus on vulnerable populations include the elderly, those with mental health disorders, and those suffering from substance use disorder or addiction? Could you answer that for me, and how can we make sure we have a focus on those populations? Ms. Cunningham first, perhaps?

Ms. CUNNINGHAM. Thank you, Congresswoman, for that question. As I noted in my testimony, we should target an expansion of vouchers to the most vulnerable, and that includes people who are currently homeless, people who have a disability, and that may include a behavioral health problem or a mental health problem, people who have physical disabilities, the elderly, survivors of domestic violence, people who have really, really, really low incomes, below 15 percent of AMI, and those who are severely cost-burdened. That is how I would define some of it.

Ms. DEAN. Thank you. Mr. Metcalf, your thoughts, and are we focused properly on these categories of people?

Mr. METCALF. Thank you for asking the question. I think it is really important in any scenario that we don't just flip a switch and have a universal voucher, but we need to move incrementally.

Number one, I would say we need to prioritize those special needs populations, aligned with other interventions we already have. The VASH voucher is a perfect example of that. We have support from the VA; they just need more housing vouchers to accompany those folks who are coming out of homelessness. Our disability voucher is another great example of that. So, that is the first bucket, where we line up with other wraparound services.

The second bucket, I think is a broader category of folks with vulnerabilities who are right on the edge of homelessness. I think there are opportunities to target these, so that we can keep those folks from falling into the very expensive situation of living on the streets.

And then third, as Ms. Cunningham, just said, is anybody who is extremely low-income or very low-income or extremely cost-burdened. I think that would be the sort of three-tiered prioritization that I would recommend.

Ms. DEAN. If I could ask Ms. Oliva, in your testimony you mentioned the difficulties of measuring vulnerability as well, and that it differs per population. As you point out, it is quite fluid, based on life circumstances. Are these groups of vulnerable people described above often left out of determinations of vulnerability? I want to add an emphasis especially on those struggling with addiction. Here in Philadelphia, in suburban Philadelphia, you can see the direct connection between, or interconnectedness of mental health and addiction to homelessness.

Ms. OLIVA. Thank you for asking me that question. I would agree with both Mary and Ben about sort of how we think about—even if we were to get to universal vouchers, I don't think anybody is suggesting that a switch would be flipped and that everybody would have one on day one, because we would actually have to implement it over time, and think about how to do that implementation.

So yes, I would agree that we are talking about folks who are experiencing homelessness for a variety of reasons, including folks who want to be in recovery or have substance use disorders. That is definitely a vulnerable population. But it is always hard. As I mentioned in my testimony, frontline workers in the homeless system—I am also from suburban Philadelphia, so I know your area very well. Frontline workers in those areas have to make—I have watched them. They have devastating choices about who would get a housing voucher or who would get supportive housing placement. And we can do better than that. Thank you.

Ms. DEAN. Thank you, Ms. Oliva, and I look forward to working with you here in suburban Philadelphia.

Thank you, Madam Chairwoman. My time has expired. I yield back.

Chairwoman WATERS. Thank you. The gentlewoman from New York, Mrs. Maloney, who is also the Chair of the House Committee on Oversight and Reform, is now recognized for 5 minutes.

Ms. Maloney? If you are not on at this moment, I am going to move on to Mr. Garcia. Mr. Garcia, are you on the platform?

If not, the gentlewoman from Georgia, Ms. Williams, is now recognized for 5 minutes.

Ms. WILLIAMS OF GEORGIA. Thank you, Madam Chairwoman. I am on the platform.

One of my priorities in Congress is closing the racial wealth gap, in my district and across the country. To achieve that goal, we must close disparities in meeting people's fundamental needs. Right now, 39 percent of all individuals experiencing homelessness in our country are Black, even though Black individuals only make up 12 percent of the total U.S. population.

Ms. CUNNINGHAM, do you believe reducing racial disparities in homelessness could ultimately be a tool to help us address the racial wealth gap and give people of all backgrounds a fair shot at success?

Ms. CUNNINGHAM. Thank you for that question, Congresswoman. It is really important. I think that housing vouchers are one of the most powerful tools that we have in our toolbox to address some of the racial disparities that we see in homelessness and also among renters. So if we expanded, and some of the analysis that we have done at the Urban Institute shows that if we expanded the Housing Choice Voucher Program to everyone who qualifies then we would actually eliminate or narrow almost all of those gaps. And, of course, if the long-term trajectory is to increase wealth among people, you need to have stability in housing first. And so I think it is a really, really critical first step to decreasing the racial wealth and making sure that people have the stability of housing.

Ms. WILLIAMS OF GEORGIA. Thank you. To reduce racial disparities and get more individuals housed, it is important to have a full picture of the problem.

Ms. OLIVA, your testimony specifically referenced how unsheltered homelessness has increased every year since 2015. Overall, homelessness has increased in recent years, even though it was on the decline between 2007 and 2015. What are some top factors that could have contributed to these concerning trends over the last few years, specifically?

Ms. OLIVA. Thank you for that question. I noted in my written testimony that I get to work in communities all over the country as they are addressing homelessness, and I get to see the different situations that they are dealing with locally. And what I would note is that there are a lot of homeless service systems across this country that are actually housing more people now than they ever have before, including Los Angeles.

And what they can't keep up with is inflow, and that feels different now than it did certainly during my tenure at HUD that ended a few years ago, where we can't keep up with the number of people who are falling into homelessness for the first time ever. And there are a number of factors that I am sure my fellow panelists could speak to better than I could, but that is something that is happening across the country.

Ms. WILLIAMS OF GEORGIA. Thank you so much. We are noticing that here in Atlanta. I just had a meeting last week with the Atlanta Housing Authority, and we were discussing these same concerns, so thank you for that. And as we continue to work to end homelessness in this country, we need to make sure that we address both housing affordability and access.

Mr. Metcalf, in your testimony you mentioned how important it is to expand both vouchers and affordable housing supply. What are some principles that we should keep in mind to ensure that Federal investments are coordinated to tackle both housing access and affordability simultaneously?

Mr. METCALF. Thank you for that great question. I have just a couple of immediate responses. Number one, I think we need to be very sensitive to the areas in the country where we do have the supply-constrained markets, where really one of the drivers on affordability is extremely high rents, extremely high home prices that are due to not having enough supply. Those are the areas where we need to focus and have a greater share of our new production.

There are many other markets in this country where the challenges are different. They look more like the quality of the underlying housing stock or the need to repurpose older housing stock, and so an adaptive reuse approach may make more sense than new construction, as a whole.

The second point is we do have a very fractured housing subsidy delivery system, so the folks who may be on the ground administering the vouchers may look different than those who are deploying the new production subsidy system.

I think one of the things we have seen some comments around is efforts to try and work more at the collaborative scale, to deploy resources at the county level instead of the city level, to create regional authorities that could do some of this work, and to centralize some of those functions at the State level as well. Those are things that help us do better planning and then also do much better execution around solving these challenges.

Ms. WILLIAMS OF GEORGIA. Thank you so much for your commitment to helping us solve this problem nationally. And with that, Madam Chairwoman, I will yield back.

Chairwoman WATERS. Thank you very much. The gentleman from Illinois, Mr. Garcia, is now recognized for 5 minutes.

Mr. GARCIA OF ILLINOIS. Thank you, Madam Chairwoman, and thanks to all of the witnesses who have come to share their expertise.

This topic is close to home for me. I represent a working-class, immigrant district that was hit especially hard by COVID-19 and the economic crisis, of course, that came with it. Most of my constituents are renters, and for us the housing crisis began a long time before the pandemic. My community never recovered from the Great Recession. Tens of thousands of Latinos have left the Logan Square neighborhood in Chicago in the last decade alone. We must break the brutal cycle of disinvestment, displacement, and homelessness. We need to build back better, and that means policies that recognize that housing is a human right.

I would like to ask Professor Metcalf a question. There is a lot that we don't know about what housing and homelessness will look like post-COVID-19. Millions lost their jobs, but home prices are skyrocketing across the country. What impact do you think the virus will have on housing insecurity and homelessness?

Mr. METCALF. That is an excellent question, and I think there is a lot that we can learn from the experience of the last year. I think

one of the key lessons learned is that we need to bake more resiliency into our housing system. I think we saw the limits. We saw how vulnerable our current housing system is for those low-wage workers who were most at risk during the COVID pandemic.

One of the populations that did much better, comparatively, over this past year were voucher holders and other folks who were stably housed within federally-assisted affordable housing. When their incomes collapsed, because they were forced to work from home, the Federal Government was able to quickly step in and pick up a larger share of the total rent.

I think the good news is that as we have seen countless State and local governments deploying one-time assistance to help deal with arrearages and help address the emergency rental assistance, we have learned a lot, and we all will learn a lot from these deployments of local funds. And I think we can then bring back to look for opportunities to improve our mainstream, long-term housing systems.

And I think as one of my fellow panelists noted earlier in the hearing, it is actually giving all kinds of landlords—mom-and-pops, mid-sized, and large—experience working with subsidy programs that I think will help them understand that maybe working in a public-private partnership is much more doable and much less scary than it might otherwise have been. I think it is, in some ways, a great opening into an expansion of the voucher program.

Mr. GARCIA OF ILLINOIS. Thank you for that. Ms. Cunningham, in the richest country on earth, every human being should have a roof over their head. Our current housing policies simply don't meet the need. Why is it important to make housing an entitlement by expanding our voucher program, and what role could expanding and investing in public housing play in securing housing for all?

Ms. CUNNINGHAM. Thank you for that question, Congressman. I think, as you point out, we are the richest country in the world and we have a shameful homelessness problem that is highly visible everywhere you walk—I know it is where I live, in Washington, D.C. So, I think that we need to think about housing as a basic need, and understand that the housing market really fails to respond to the demand for housing. We have a private housing market that doesn't produce enough affordable housing for the people who need it, and that is because it doesn't pencil out for developers to really produce that housing.

So in order for us to make sure that everyone is housed in the United States, we need government intervention, and that intervention really is in the form of, first, I think a universal housing voucher program which would provide rental assistance for everyone who needs it, but also then, or simultaneously, a strategy for really developing affordable housing and making sure that we can stretch those subsidy dollars. If we actually had the development of more affordable housing, those subsidy dollars would go further because the rents would come down a little.

So I think it is important for us to both expand housing vouchers so that we can make sure that we are meeting everyone's basic needs, and to really address that market failure that we have right now.

Mr. GARCIA OF ILLINOIS. Thank you. Madam Chairwoman, I yield back.

Chairwoman WATERS. Thank you very much. I now recognize Mr. Auchincloss for 5 minutes.

Mr. AUCHINCLOSS. Thank you, Madam Chairwoman. I represent a socioeconomically diverse district in Massachusetts, but whether I am speaking to high-income towns or lower-income towns, the burden of housing costs will come up. Double-digit increases in rent and mortgage payments are really putting people on the ropes. And it is especially acute for extremely low-income households. In 2016, the Federal Reserve Bank of Boston found that more than 80 percent of these extremely low-income households in Massachusetts were rent-burdened. That is partly, of course, a challenge with the voucher program and we do need to better capitalize and expand the voucher program.

It is also a problem of housing supply. For those households in 2016, there were only 46 affordable units available and only 14 of them were supplied by the market itself.

Mr. Metcalf, this first question is for you. I know that at the Turner Center, you have been doing work in conjunction with private companies on innovative approaches to home building on fair housing that will make the cost per key more affordable, because if we can't make housing more affordable to build, I know that we cannot make it more affordable to live in.

Can you describe some of the barriers to public-private partnerships to scale factory-built housing in the urban and suburban growth areas that you described a couple of questions earlier?

Mr. METCALF. Yes. It is a great question. I think one of the opportunities for affordable housing is lowering the cost of housing, whether it is subsidized or not. Either it stretches our subsidy dollars further or it helps the private sector to do what it should have been doing all along.

As always a factor to build housing, we have seen challenges just in terms of the permitting structure for that. So, it can be hard for local governments to get comfortable with what it means to have factory housing delivered onsite.

For multifamily housing, we are seeing an increasing share of housing that is using modular technology, either as units or flat packed, that are shipped from an off-site location. These offer the advantage of being able to be built often somewhat cheaper as well as quicker than traditional stick-built housing.

But they are not a panacea. There are many reasons why factory-built housing still is not scalable. One of those is that we have had a lot of challenges within the modular industry in terms of actually getting factories up and stable and running to deliver with the needs that we have.

We have seen factory after factory open up and then go out of business. We do need to continue to innovate in this space and support, I think, those factories trying to solve this problem. It is a promising technology.

Mr. AUCHINCLOSS. A follow-up question, Mr. Metcalf. Do you have a sense for what Congress could do to better catalyze that local private-sector partnership that you think can provide the scale that factory-built housing needs to really get the cost per key

down while ensuring environmental and quality and standards of living quality?

Have you seen good examples of that? Is there a demonstration program that could be put together by HUD? Do you have a sense for a productive role—

[Technical issue.]

Mr. METCALF. I may have lost the connection there. I think I missed the end of your question, Congressman.

Chairwoman WATERS. Will the gentleman continue with his question before I call on Mr. Steil? The question had not been answered. There is still time left on the clock. Whom did you address the question to, Mr. Auchincloss?

Mr. AUCHINCLOSS. To Mr. Metcalf, Madam Chairwoman. I don't think he heard it fully. Maybe a connection issue on my end.

But, Mr. Metcalf, I was asking whether you have seen examples or can help me think of examples of how Congress can help catalyze local government partnership with factory scale housing to get a cost per key data in a way that ensures high quality.

Mr. METCALF. Yes, that is great.

First of all, I would say that HUD today has a very large and important oversight role in terms of regulating manufactured housing, and I think there are opportunities to continue to increase the role, the presence, the technical assistance that HUD provides to local governments.

To give you a quick example, here in San Francisco we recently saw a project move forward that provides permanent supportive housing for the formerly homeless. It uses modular technology. It uses expedited streamlining that the local government has made available to move fast through the entitlement period, and it relies on very flexible up-front capital with very strong time and cost outcomes.

We believe that kind of a project can reduce affordable housing costs for permanent supportive housing by as much as 20 percent and increase the timing which you can develop by perhaps 25 percent as well. So, there are great models in how this can be done in partnership with—

Mr. AUCHINCLOSS. Thank you, Mr. Metcalf.

I yield back, Madam Chairwoman.

Chairwoman WATERS. Thank you very much.

The gentleman from Wisconsin, Mr. Steil, is now recognized for 5 minutes.

Mr. STEIL. Thank you very much, Madam Chairwoman. I appreciate you holding today's hearing.

I think all of us are a little tired of looking at Zoom. I think we are all looking forward to being back in person in the not-too-distant future. You can see some of the technical hiccups.

I know we are on less than 7 days' notice of today's hearing. And so I, like others, hope that we will be getting back to normal soon. But today, we will navigate through. You are in my Chevy Traverse with me on the road.

But Mr. Husock, if I can, several of the bills that my colleagues have attached to today's hearings are offering generous subsidies for households seeking a place to live.

And while I do think we all agree that we want to ensure that American families can live in decent homes in safe communities, I am concerned that maybe some of these good intentions aren't really going to knock it out of the park here, and maybe we should be looking at policy solutions that address some of the underlying problems.

In particular, I am examining some of the rising demand that has increased home prices, as well as other policies from Washington, D.C., that are driving home prices up by 13.2 percent, according to a recent Case-Shiller index report, since the onset of the pandemic, and as one UCLA researcher, Nolan Gray, recently argued in the *City Journal*—he said that all this demand wouldn't be such a problem if housing supply could grow to accommodate it.

Boosting demand subsidies in the context of static supply will only mean higher home prices as more dollars chase the same number of homes, meaning that we might have a supply problem that we should be examining here in today's committee hearing, not just a demand assistance issue.

And as it stands to reason, I think we should look at ways to encourage the construction of our housing.

Mr. HUSOCK. Would you agree that demand-side subsidies might not be the right fit for what is primarily a supply-side problem, and are you concerned that these proposals could actually increase the price of housing, making it more difficult for families to find safe and affordable housing?

Mr. HUSOCK. Right, and I will reiterate the points that some of your colleagues have made in this regard, which is that more demand chasing a relatively fixed supply is a recipe for inflation.

I would point out in terms of the drawbacks of the current program—I know Congresswoman Pressley talked about long waiting times. I am looking at the HUD data, and the average time on the waiting list for a Section 8 voucher is not 10 years; it is 28 months. And if we had a ceiling on the time that it could be used, we can bring that down more. So, it makes sense to bring that down rather than to flood the market with new subsidies.

Mr. STEIL. But if I could dive in, because I think some of this is—I want to focus in on the supply concern here.

Mr. HUSOCK. Yes.

Mr. STEIL. What are the policies that are preventing us from, and preventing developers from building more housing units?

As supply increases, natural forces would allow us to have more affordable housing, and I am concerned that this policy in a static model without building new homes and just focusing on additional subsidies could actually increase prices.

Could you touch on that? I know some people discussed it earlier in this long online forum, but just to touch on some of the Federal policies that you think that we could be looking at to really drive up the supply of housing to improve affordability.

Mr. HUSOCK. Right. A lot of that is at the State level, and the Federal Government can influence State action, of course.

But if you require solar panels, if you require green technology, all of those things may be attractive, but they do come with cost, and there are myriad examples like that in terms of the kind of pipes that are required, but especially environmental add-ons.

Again, there are trade-offs. We can't pretend there are not trade-offs.

Additionally, if we flood the market with new subsidies, will young, unemployed, or new college graduates qualify for those because their incomes are, at the moment, low? Will they be discouraged from increasing their incomes because they might be disqualified for the voucher? Suddenly, we may have a world of people who don't fit the profile of the low-income household, the low-wage household, that we are looking at in this hearing but who might flood the market and qualify for these subsidies.

Mr. STEIL. I share a lot of your concerns about the unintended consequences of such a program, of flooding the market, that it might actually, as you note, incorrectly drive up the price of housing, making housing less affordable for individuals as well as encourage people who may otherwise be able, through general market forces, to find the income needed for that affordable housing.

If I can, while I have a little bit of time left, if I can switch gears slightly and look at the Emergency Rental Assistance Program that has been focused on in the past, we have \$46 billion that is supposed to address an urgent need.

Chairwoman WATERS. Forty-seven.

[laughter]

Chairwoman WATERS. I'm sorry.

Mr. STEIL. Excuse me, Madam Chairwoman?

Chairwoman WATERS. Go right ahead.

[laughter]

Chairwoman WATERS. Go right ahead.

Mr. STEIL. We are running out of time. Tell you what, I will hold that. I will put it in writing for you.

And, Madam Chairwoman, I yield back.

Chairwoman WATERS. Thank you very much. I now recognize the gentleman from Arkansas, Mr. Hill, for 2 minutes to give a closing statement.

Mr. HILL. Thank you, Madam Chairwoman, and let me thank our knowledgeable witnesses for their contributions to the record today, and for their ideas.

I think we heard five key things today. First, we want to help move families from an entitlement world to an empowerment world. We want to find ways to have more affordable housing options.

We want to find ways to best help our homeless brothers and sisters. We heard disappointment expressed today in the Biden Administration's failure to help tenants with the bipartisan rental assistance that was passed by Congress 6 months ago, in December, and we heard from Little Rock to LA to New York, many housing-insecure citizens need wraparound services to help them, sometimes principally and primarily along with shelter.

And I appreciate the opportunity to work with my friends at Jericho Way, and at Our House in Little Rock, the Dole Fund in New York, and the Salvation Army in Cleveland.

But while we heard those things, and we agree about many of them, there is just a disagreement on how to get there, and one of our witnesses remarked that all we need to accomplish this is a new \$180 billion-per-year universal voucher entitlement and man-

datory participation requirement for all landlords, and more funding to build more housing units in places where housing already costs too much.

On the other hand, perhaps there is a more achievable way to accomplish that goal, by pursuing approaches that help lower income Americans earn more through better education, better access to better paying jobs, and keeping more of what they earn through reforms, like the idea of flat rents or matching and encouraging mobility towards geographies that are more affordable.

So, I thank my friend, the chairwoman, for this hearing. It was a very interesting one, and I yield back the balance of my time.

Chairwoman WATERS. Thank you very much. I now recognize myself for 2 minutes to give a closing statement.

Today's hearing has highlighted the need to move forward urgently on legislation to make Housing Choice Vouchers universally available.

First, if we had had this in place prior to the pandemic so that a housing safety net kicked in automatically, like it does with food stamps, we wouldn't have had to scramble to put together the emergency relief packages that we did. We don't reinvent FEMA and disaster assistance every time there is a natural disaster.

My Republican colleagues know that being fully-employed doesn't guarantee being able to afford housing. It takes nearly 3 times the Federal minimum wage to be able to afford a modest apartment nationally. Many people who are experiencing homelessness are, in fact, working.

Finally, my Republican colleagues are simply wrong about the effectiveness of Housing First. The dramatic reductions in veterans' and chronic homelessness under the Obama Administration from 2010 to 2015 resulted from Housing First, coupled with resources to implement efforts that Congressional Republicans and the Trump Administration tried to reduce or eliminate funding for every year.

But to be clear, Housing First doesn't mean housing only. As Ms. Oliva said, if the only thing a dedicated straight-out worker can afford, a person experiencing homelessness, is a bottle of water rather than a place to live, we aren't going to undo the damage done by the Trump Administration. They need to be armed with a Housing Choice Voucher and the supportive services to move them from the street to stability.

And we might have agreement across the aisle that Medicaid has an important role to play, but I am committed to, and the Supreme Court requires, ensuring that people confronting mental illness, substance addiction, or other health challenges can live in the community and not in institutions, and I hope we can work together on needed zoning reform to increase supply.

I want to especially thank Mr. Green for recognizing and articulating that even with the mental illness assistance to people who are disabled, we need to have housing; once they are stabilized, they need a place to go.

With that, I ask that a letter signed by almost 1,000 organizations supporting universal vouchers be submitted for the record. And without objection, it is so ordered.

And I would like to thank all of our distinguished witnesses for their testimony today. We learned a lot.

And I want to say to the Members who have participated today, that I appreciate your participation. I think that all of the expertise that we have heard today will help us to move forward.

And I also want to say to the Republicans today, that we heard from Mr. Husock some interesting points that I am going to explore a little bit further. I am going to look at flat rate. I don't know the details of that, but I am going to find out more about it.

The Chair notes that some Members may have additional questions for these witnesses, which they may wish to submit in writing. Without objection, the hearing record will remain open for 5 legislative days for Members to submit written questions to these witnesses and to place their responses in the record. Also, without objection, Members will have 5 legislative days to submit extraneous materials to the Chair for inclusion in the record.

And with that, this hearing is adjourned. Thank you very much.
[Whereupon, at 3:35 p.m., the hearing was adjourned.]

A P P E N D I X

June 9, 2021



June 8, 2021

Written Testimony of Chancela Al-Mansour for the House Financial Services Committee hearing on "Universal Vouchers: Ending Homelessness and Expanding Economic Opportunity in America" on June 9, 2021

Dear Honorable Chairwoman Maxine Waters and the Honorable Members of the U.S House of Representatives Committee on Financial Services:

I thank you for the opportunity to address the important issue of homelessness in America and in particular Universal Vouchers and their capacity to end homelessness and expand economic opportunity in America. I am Chancela Al-Mansour and for the past ten years I have served as the Executive Director of the Housing Rights Center (HRC) which was created in 1968 to lead the fight for equal access in housing in Los Angeles County. Before joining the Housing Rights Center, I was a legal aid attorney for 18 years at the Western Center on Law and Poverty and at Neighborhood Legal Services of L.A. County where I helped lead the Homelessness Prevention and Rapid Re-Housing Program (HPRP) launched in 2009 to address housing instability caused by one of the greatest financial fallouts experienced –until now. I serve on the boards of the California Reinvestment Coalition and the National Fair Housing Alliance and on an advisory board of Friends in Deed, a homeless services provider in Pasadena, CA. I also recently served on the Los Angeles Homeless Services Authority's Ad Hoc Committee on Black People Experiencing Homelessness¹ and the Ad Hoc Committee on Women Experiencing Homelessness.² And finally, I have personal lived experience with housing instability.

It is with this combined experience and as the representative of the Housing Rights Center that I provide testimony in support of Universal Vouchers as an important tool in the effort to end homelessness and to expand economic opportunity. This program or a vast expansion and improvement of the current

¹ Black people are more likely than White people to experience homelessness in the United States, including in Los Angeles County. In 2017, Black people represented only 9% of the general population in Los Angeles County yet comprised 40% of the population experiencing homelessness. The impact of institutional and structural racism in education, criminal justice, housing, employment, health care, and access to opportunities cannot be denied: homelessness is a by-product of racism in America. This groundbreaking committee was formed to examine and address this issue. <https://www.lahsa.org/documents?id=2823-report-and-recommendations-of-the-ad-hoc-committee-on-black-people-experiencing-homelessness>

² Single women and women with children are experiencing homelessness at increasingly growing numbers. And this was before the on-set of greater disparities and adverse impact on female headed households created by the COVID-19 pandemic. Women experiencing homelessness experience much higher rates of: violence, including domestic and intimate partner violence; human trafficking, including both labor and sex trafficking; financial vulnerability, especially among older women who have lower incomes and are more likely to live in poverty than men and mothers needing to provide hard to find housing; and increasing rates of poor physical and mental health. <https://www.lahsa.org/documents?id=1586-ad-hoc-committee-on-women-and-homelessness-report-and-recommendations>

housing choice voucher program would provide low-income individuals and families with children with equal housing opportunities while significantly decreasing household expenses and, in particular, rent which more often consumes more than fifty percent of monthly household income.

UNIVERSAL VOUCHERS WOULD PROVIDE NECESSARY HOUSING SECURITY

Due to the COVID-19 pandemic and its harsh economic impact on low income communities particularly women headed households, over 12 million families with children are at risk of losing their housing due to an eviction.³ The vast problems caused by COVID-19, the unaffordability of housing in many communities that existed prior to the pandemic and the on-going impact and intersection of racism and wage and wealth disparities require financial and ideological commitment to immediate, coordinated and hopefully permanent solutions. The short-term influx of emergency rental assistance and the expiring eviction moratoriums are useful in curbing housing loss—but the underlying affordable housing crisis that is only worsening throughout the country will require permanent, structural policy changes and a well-funded program with mandatory participation requirements and strong anti-discrimination protections.

The first step towards eliminating housing insecurity is adequately investing in federal housing assistance and making housing assistance a mandatory program free from discrimination and future budget cuts. Current federal non-emergency rental assistance programs like the Section 8 housing choice voucher and project based programs, help to keep 2 million seniors, 2.4 million persons with disabilities and 6.3 million families with children housed – but only about one in every four eligible households receive them. These programs are underfunded, have harsh penalties for sometimes unavoidable actions or inactions like late household eligibility forms (even though the recipient is 80 and has turned in the same form with no problem for years) and are not mandatory leaving millions of families struggling to pay rent every month.

In Los Angeles, the need for more permanent rental assistance is severe. Approximately sixty percent (60%) of Los Angeles' 862,062 renter households have incomes at or below eighty percent (80%) of AMI. This estimate from the city's housing department was measured before the pandemic where recent estimates are that more than 21 % of renters are now severely in arrears due to loss of income and COVID-19 related illnesses. The Section 8 program for the city of Los Angeles is not currently accepting applications and the waitlist is closed often for years at a time before new applications are accepted. Applications can take up to months or years to process. Some applications often go unused by some recipients forcing them to give them up, especially for Black households whose Section 8 housing vouchers are often turned away unless forcefully protected by anti-discrimination laws as some landlords still try to find ways to circumvent participation even though it is mandatory in the state of California. Approximately sixty percent (60%) of Los Angeles' 862,062 renter households have incomes at or below eighty percent (80%) of AMI.

Even before the adverse impact of COVID-19 on vulnerable communities, millions of children were at greater risk of the mental and physical health problems and education disruption caused by housing insecurity. These children and their families often face near homelessness every month. A Universal Housing Voucher to every eligible family would dramatically reduce the number of children suffering from homelessness and cut child poverty. A recent study at Columbia University estimates that a Universal

³ <https://www.washingtonpost.com/business/2020/12/07/unemployed-debt-rent-utilities/>

Housing Voucher's overall effects would reduce poverty 81 percent for Black children and 80 percent for Hispanic children.⁴

Finally, any existing rental housing available, affordable and accessible to families with children, persons with disabilities and low-income persons is being rented to higher income individuals who have been hurt by housing shortages in their respective markets. This repercussion has made entry into wealth accumulating homeownership opportunities almost impossible to find. In order to not perpetuate the vulnerability of rental housing available for low-income individuals and families with children, a large new investment in federal rental assistance needs to be accompanied by an investment of all levels of affordable housing including public housing and homebuyer programs that may lead to a path of greater financial security. This new supply of housing and housing subsidies must also have strong tenant rights protections and more expansive enforcement of the Community Reinvestment Act and the Fair Housing Act to ensure adequate private investment in a diverse housing market that is not only free from discrimination but provides necessary housing opportunities to our most vulnerable communities.

MUST REQUIRE MANDATORY PARTICIPATION TO REDUCE HOUSING DISCRIMINATION

A Universal Voucher program must require mandatory participation from housing providers to protect recipients against some if not most housing discrimination. Housing voucher discrimination enables a landlord to disguise motives for unlawful discrimination under blanket non-participation policies. In my experience, the acceptance and apparent legality of Section 8, Veterans Affairs Supportive Housing ("VASH"), or the Housing Opportunities for Persons with AIDS ("HOPWA") discrimination permits landlords to use proxies for illegal forms of discrimination such as race, national origin, familial status, disability, and sexual orientation. In investigations conducted by the Housing Rights Center in partnership with the state Department of Fair Employment and Housing, we found landlords continuing to deny Section 8 voucher holders from using their housing subsidy even when the housing subsidy of white Section 8 recipients was accepted and even when the recipient was an in-place tenant in the same unit in which they applied to use their newly obtained housing assistance.

Denying housing or refusing to negotiate for housing because an applicant has a housing subsidy also has a discernable disparate impact on protected individuals and communities. Discrimination against an individual on a HOWPA housing voucher has a clear and direct discriminatory effect on individuals with disabilities or who are LGBTQ. Similarly, veterans on VASH vouchers, who are more likely to have physical or mental disabilities as compared to the general population, may currently be discriminated against under federal law when a landlord refuses to accept the voucher. Moreover, families with minor children, Latinos, African Americans, and women are disparately impacted by facially neutral discriminatory practices. Families with minor children who receive Section 8 vouchers are usually at or below the poverty line. In Los Angeles and Ventura Counties, these families are disproportionately Latino, African American, or female head of households. With high rents, existing illegal housing discrimination, a limited housing stock, and a Section 8 anti-discrimination state law that only went into effect in 2020, families with minor children, Latinos, African Americans, and women have increasingly limited housing opportunities. This results in a reinforcement and exacerbation of housing segregation. It is not surprising that courts have found that facially neutral Section 8 discrimination has a disproportionate adverse impact

⁴ <https://www.povertycenter.columbia.edu/news-internal/2020-policy-proposal-housing-vouchers>

on Latino and African American families.⁵ Discrimination against Section 8 voucher holders has been found to have a severe adverse effect on the housing choices that are available to them, and has perpetuated patterns of racial, ethnic, and economic segregation.⁶

Lastly, there is no justification for discrimination against tenants with housing vouchers. Today's recipients of federal housing subsidies are routinely subjected to stricter screening practices for admission and retention in the subsidy programs than tenants not involved in such programs. Tenants with Section 8 vouchers are often told about the risk of forfeiting their subsidies in the event of a material breach of the lease. For instance, a breach can occur if a tenant is untimely in their share of the rent, there is criminal activity at the property, or the tenant violates a term of the lease. Tenants must often act exceptionally well or risk losing a limited resource for which the waiting list is often 8 years long or closed altogether. Given this and the assurance of steady income a housing voucher presents to a landlord there is no business justification for housing voucher discrimination.

HOMELESSNESS WILL GET WORSE WITHOUT IMMEDIATE ACTION. CONSISTENT WITH FINDINGS OF INFORMED COMMITTEES AND EVEN WITH A BETTER ECONOMY, UNIVERSAL VOUCHERS ARE NECESSARY TO END HOMELESSNESS

Some theorize that a rapidly improving economy as our nation's businesses reopen and people are able to return to work will have a positive impact on homelessness – basically dramatically reducing it. Unfortunately, this is not so. During the pandemic, housing costs especially for homeownership have dramatically increased in Los Angeles County and Southern California.⁷ While some homeowners have left California for lower rent and tax burdened states, the vacancy rate is still under 5% in the West – the lowest in the nation.⁸

Even current homeowners with large amounts of equity due to the sudden rise in home prices are afraid to put their houses on the market and upgrade as they often can't purchase their new home fast enough before their old home sells leaving them almost immediately priced out of their current housing market – even with a large amount of equity. They often find themselves competing with long-term renters for scarce housing.⁹ The state of California did not see rent reductions during the pandemic and almost all rents will be raised by the maximum rent increase levels which even under California's state rent control law averages an increase of close to 10% of the annual rent. This shortage of all types of housing and the increased cost

⁵ See e.g. *Glover v. Crestwood Lake Section 1 Holding Corp.*, 746 F. Supp. 301 (S.D.N.Y. 1990); *Bronson v. Crestwood Lake Section 1 Holding Corp.*, 724 F. Supp. 148 (S.D.N.Y. 1989).

⁶ See Poverty & Race Research Action Council, "Keeping the Promise: Preserving and Enhancing Housing Mobility in the Section 8 Housing Choice Voucher Program." Available at <http://www.prrac.org/pdf/AppendixB-Feb2010.pdf>

⁷ In So. Cal., the six-county region's median home price increased 20.2% year over year to a record \$655,000, according to data released Tuesday by real estate firm DQ News. That's \$25,000 more than the previous median [price record set in March](#). The 20.2% leap is the first year-over-year increase of more than 20% since December 2013. April home sales jumped 86.2% year over year with a total of 25,857 transactions, compared with 13,889 in April 2020. LA Times, May 25, 2021.

⁸ U.S. Census Bureau. Current Population Survey/Housing Vacancy Survey, April 27, 2021.

⁹ <https://www.wsj.com/articles/some-homeowners-arent-selling-because-they-cant-afford-to-trade-up-1162279900>. June 4, 2021. N. Friedman.

of housing will contribute to an overall increase in the number of unhoused people. Also, historically, as the economy improves, illegal housing discrimination increases. Housing providers feel they can be more selective in deciding whom to offer housing and sometimes use discriminatory reasons for their selections.

In addition, homeowner and neighborhood NIMBYism and political pressure have significantly halted many L.A. city and county approved sites to temporarily house the homeless making the need for housing vouchers even more severe.¹⁰ The Ad Hoc Committee on Black People Experiencing Homelessness recommends inclusionary zoning (requiring a percentage of newly constructed units be set aside for low-income individuals and families) and meaningful funding to support affordable housing development all with a racial equity lens to ensure thoughtful and strategic investment that considers the needs of disenfranchised communities. Yet, we know, discrimination against Blacks often prevent them from existing rental opportunities. The Committee recommends policy changes such as preventing nonviolent arrests from being used to remove individuals experiencing homelessness from federal housing assistance programs and the prohibition of federal subsidy disqualifications due to arrests made solely due to the state of homelessness like jaywalking and public sleeping. A recent study on the history of homelessness in Los Angeles by the UCLA Luskin Center for History and Policy came to many of the same conclusions.¹¹

In closing, a federally-declared eviction moratorium in addition to the emergency rental assistance programs have helped to curb the immediate disaster of increased homelessness and housing insecurity for many but these items of relief didn't extend to all who were eligible and will end soon. Low income families with children, seniors on fixed incomes and persons with disabilities need a Universal Voucher program to ensure housing stability and to end homelessness for all.

Sincerely,
 Chancela Al-Mansour
 Executive Director
 Housing Rights Center

¹⁰ <https://www.latimes.com/opinion/story/2021-04-29/editorial-are-l-a-leaders-serious-about-homeless-housing>

¹¹ <https://newsroom.ucla.edu/releases/history-homelessness-new-approaches-los-angeles>



**ENDING HOMELESSNESS, REDUCING POVERTY, ADVANCING RACIAL EQUITY AND
ECONOMIC OPPORTUNITY BY ADOPTING UNIVERSAL HOUSING VOUCHERS**

Statement of

Mary Cunningham*

Senior Fellow and Vice President for Metropolitan Housing and Communities, Urban Institute

before the

Financial Services Committee,

United States House of Representatives

**UNIVERSAL VOUCHERS: ENDING HOMELESSNESS AND
EXPANDING ECONOMIC OPPORTUNITY IN AMERICA**

June 9, 2021

* The views expressed are my own and should not be attributed to the Urban Institute, its trustees, or its funders.

I thank Abby Boshart, Michael Marazzi, and Amy Peake for help in preparing this testimony.

Thank you for asking me to testify at this hearing. My name is Mary Cunningham and I am the vice president for metropolitan housing and communities at the Urban Institute in Washington, DC. The views expressed here are my own and should not be attributed to the Urban Institute, its trustees, or its funders. This testimony draws upon two posts I wrote for *Urban Wire*, Urban Institute's blog.¹

A Public Health Crisis on Top of a Housing Crisis

When the pandemic hit in March 2020, the United States had already been grappling with a severe and enduring affordable housing and homelessness crisis. On single night in 2020, about 580,000 people were experiencing homelessness, 226,000 of which were living on the street unsheltered.² Homelessness had been increasing for four years. Homelessness is a symptom and an outcome of the affordable housing crisis. Nearly 11 million renter households were struggling, paying more than half their incomes toward this major household expense.³ Many were on the edge of missing rent payments at risk for eviction. According to the Eviction Lab,⁴ landlords were filing nearly 3.7 million evictions annually.

But the rental crisis does not impact everyone equally. People of color are disproportionately affected by homelessness. Black people make up 12 percent of the population but 39 percent of individuals experiencing homelessness and 53 percent of people in families who experience homelessness.⁵ In comparison, white people are significantly underrepresented in these groups. The disparities continue across the housing continuum. Black households are more likely to be renters and are more likely to be rent burdened than white households.⁶ Black renters receive a disproportionate number of eviction filings, and Black Latinx female renters are also more likely to experience eviction than their male counterparts.⁷ These disparities exist largely because of a history of housing discrimination and segregation, which have locked people of color out of opportunities. As reported

¹ Mary Cunningham, "It's Time to Reinforce the Housing Safety Net by Adopting Universal Vouchers for Low-Income Renters" *Urban Wire*, April 7, 2020, <https://www.urban.org/urban-wire/its-time-reinforce-housing-safety-net-adopting-universal-vouchers-low-income-renters>; Mary Cunningham, Martha Galvez, and Emily Peiffer, "Landlords Limit Voucher Holders' Choice in Where They Can Live," *Urban Wire*, August 20, 2018, <https://www.urban.org/urban-wire/landlords-limit-voucher-holders-choice-where-they-can-live>.

² Meghan Henry, Tanya de Sousa, Caroline Roddey, Swati Gayen, and Thomas Joe Bednar, "The 2020 Annual Homelessness Assessment Report (AHAR) to Congress, Part 1: Point-in-Time Estimates of Homelessness" (Washington, DC: US Department of Housing and Urban Development, 2021). <https://www.huduser.gov/portal/sites/default/files/pdf/2020-AHAR-Part-1.pdf>

³ Joint Center for Housing Studies of Harvard University, *America's Rental Housing* (Cambridge, MA: Joint Center for Housing Studies of Harvard University, 2020) https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_Americas_Rental_Housing_2020.pdf.

⁴ See <https://evictionlab.org>.

⁵ Henry et al. "The 2020 Annual Homelessness Assessment Report."

⁶ Joint Center for Housing Studies of Harvard University, *America's Rental Housing*.

⁷ Peter Hepburn, Renee Louis, and Matthew Desmond, "Racial and Gender Disparities among Evicted Americans" *Sociological Science* 7 (2020): 649–62.

recently in the *New York Times*, “there is a straight line from the history of redlining to today’s homelessness crisis.”⁸

The housing safety net was unprepared to respond to the urgent needs of the COVID-19 pandemic, which is a public health crisis layered on top of a housing crisis. As the pandemic ravaged communities across the country, people living on the streets were highly exposed to the virus. People living in congregate shelters and crowded motels had no means for social distancing. As schools closed across the country, an estimated 1.5 million school-age children were homeless or in doubled-up living situations.⁹ Renters, who are more vulnerable than homeowners, fell behind on their rent: in June 2020, 11.4 million were behind on rent.¹⁰ Low-income renters—many of whom work in the service industries hit hard by the pandemic shutdown—were left with the constant threat of eviction.

The COVID-19 pandemic demonstrated something we already knew from the research but has been largely ignored by policymakers: home matters. Housing provides stability for people to flourish, and it provides a platform for opportunity. For a child experiencing the instability of homelessness, it’s hard to learn in a classroom or find a space for homework. For parents, the anxiety and stress of not being able to keep your children safe at home is unbearable and makes it difficult to focus on anything else, such as going to work or taking care of their health. Housing also provides the keys to opportunity. A person’s zip code can affect their access to high-quality schools and a healthy neighborhood, and over the long term these affect their educational outcomes and income as adults.

The pandemic also illuminated that we are all connected. When renters can’t pay their landlords, landlords can’t pay their mortgages, and banks can’t pay their investors; this can send ripple effects across housing markets and beyond. And from a public health perspective, a lack of stable housing for many not only causes immense human suffering for those enduring homelessness or facing the constant threat of eviction, it also puts the rest of the country at risk, increasing COVID-19 transmission rates and making it difficult to contain the virus.¹¹

After months of debate, Congress responded with 46 billion in emergency housing assistance through the CARES ACT and the American Rescue Plan, creating a new emergency rental assistance programs run through the US Treasury. Policymakers had to reinvent the wheel, standing up a program in a matter of weeks. Today, states and localities are trying to get that assistance to people before the clock runs out on the CDC eviction moratorium, which expires June 30, 2021. We are not beyond the possibility of a mass eviction: the threat still looms. Now, as of the end of May 2021, an

⁸ Jugal K. Patel, Tim Arango, Anjali Singhvi, and Jon Huang. “Black, Homeless, and Burdened by L.A.’s Legacy of Racism,” *New York Times*, December 22, 2019, <https://www.nytimes.com/interactive/2019/12/22/us/los-angeles-homeless-black-residents.html>.

⁹ National Center on Homeless Education, “Federal Data Summary School Years 2015-2016 Through 2021-2018” (Greensboro, NC: National Center on Homeless Education, 2020). <https://nche.ed.gov/wp-content/uploads/2020/01/Federal-Data-Summary-SY-15.16-to-17.18-Published-1.30.2020.pdf>.

¹⁰ “Table 1b. Last Month’s Payment Status for Renter Occupied Housing Units, By Select Characteristics.” Census Pulse Data, Week 5 Household Pulse Survey, May 29-June 2, 2020, <https://www.census.gov/data/tables/2020/demo/hhp/hhp5.html>.

¹¹ Anjalika Nande, Justin Sheen, Emma L. Walters, Brennan Klein, Matteo Chinazzi, Andrei H. Gheorghe, Ben Adlam, et al., “The Effect Of Eviction Moratoria on the Transmission of SARS-CoV-2” *Nature Communications* 12 (2021): 2274, <https://doi.org/10.1038/s41467-021-22521-5>.

estimated 7 million renters are still behind on their rent and about 3 million people report a likelihood of facing eviction.¹²

We could have been more prepared if we as a nation had invested in housing. The US already has a system for helping low-income renters: the federal Housing Choice Voucher Program. If housing assistance were available to everyone who qualified for it before the pandemic, many people would be better able to manage a sudden income loss. Households would simply provide documentation of a loss in income to public housing authorities, and those authorities would adjust their rent to reflect their new income or unemployment. The government would make up the difference, protecting the renter and landlord from loss of income. The voucher program would have provided social insurance against exactly the type of problem the country is facing right now.

Importantly, with a voucher, payments go directly to landlords, which ensures rents get paid and landlords in turn can pay their mortgages. Bureaucratic hurdles that have prevented landlords from participating in the voucher program, such as unit inspections, could be waived. Considering the alternative costs or potential vacancies, many more landlords would find participating in a program with a government guarantee much more attractive. Evidence from a survey conducted during the pandemic in February 2021 found that voucher holders owed less unpaid rent, and most landlords who accepted vouchers had a positive experience, but the pandemic didn't change the share of landlords who didn't accept vouchers (about 50 percent of those surveyed).¹³

Unfortunately, the Housing Choice Voucher Program, like much of our housing safety programs, has been woefully underfunded. Only one in five people who qualify for housing assistance receives it.¹⁴ People wait years on a waiting list, and many housing authorities have simply closed their lists and are no longer accepting applications.¹⁵ When housing authorities do open their lists, they are overwhelmed with applicants.

It's Time to Reinforce the Housing Safety Net by Adopting Universal Housing Vouchers

The Housing Choice Voucher Program is an evidence-based program: vouchers reduce homelessness, help people afford housing, and have benefits that go beyond housing, including reducing poverty, helping families exit the child welfare system—and if in low-poverty neighborhoods—reducing diabetes

¹² "Table 1b. Last Month's Payment Status for Renter Occupied Housing Units, By Select Characteristics," Census Pulse Data, Week 30 Household Pulse Survey: May 12-May 24, 2021, <https://www.census.gov/data/tables/2020/demo/hhp/hhp5.html>.

¹³ Jung Choi and Laurie Goodman, "Housing Vouchers Have Helped Tenants and Landlords Weather the Pandemic" *Urban Wire*, March 23, 2021, <https://www.urban.org/urban-wire/housing-vouchers-have-helped-tenants-and-landlords-weather-pandemic>.

¹⁴ G. Thomas Kingsley, "Trends in Housing Problems and Federal Housing Assistance (Washington, DC: Urban Institute, 2017). <https://www.urban.org/research/publication/trends-housing-problems-and-federal-housing-assistance>.

¹⁵ Alicia Mazzara, "Housing Vouchers Work: Huge Demand, Insufficient Funding for Housing Vouchers Means Long Waits" (Washington, DC: Center on Budget and Policy Priorities, 2017), <https://www.cbpp.org/blog/housing-vouchers-work-huge-demand-insufficient-funding-for-housing-vouchers-means-long-waits>.

and obesity among adults, and increasing children's educational attainment and long-term earnings prospects.¹⁶ Expanding vouchers to all those who qualify could produce significant returns on investment.

To understand the impacts of policy changes to safety-net programs both at the national and state levels, the Urban Institute developed the Analysis of Transfers, Taxes, and Income Security (ATTIS) model.¹⁷ ATTIS is a powerful forecasting tool to provide estimates by state because it starts with a baseline of data from the US Census Bureau's American Community Survey (ACS).

Using ATTIS, we modeled expanding the Housing Choice Voucher Program to everyone who is eligible—that would be all households with an income of up to 50 percent of the area median income who pay more than 30 percent of their income on rent. We assumed a 70 percent take up rate.¹⁸ We found that expanding assistance to everyone who qualifies would cover an additional 19.7 million people in 8.2 million households beyond those currently receiving assistance. The average cost of a household subsidy for the new recipients would be \$628 a month, or \$7,530 a year. The US total for extending coverage to these additional households would be about \$62 billion a year. This modeling was conducted before the pandemic, and we are currently updating our models to reflect more recent data, but this gives us a sense of those who will have ongoing need for rental assistance beyond the pandemic.

Expanding Housing Assistance to All Those Who Qualify Would Have Sweeping Benefits

- **Homelessness would be rare and, if it occurred, it would be brief.** The formula for reducing homelessness is helping more people exit homelessness ("out-flow") than those who are entering homelessness ("in-flow"). The way to do that is to provide housing for people exiting homelessness and keep those who are already housed in their housing. A US Department of Housing and Urban Development study found that housing vouchers were overwhelmingly

¹⁶ Daniel Gubits, Marybeth Shinn, Michelle Wood, Stephen Bell, Samuel Dastrup, Claudia D. Solari, Scott R. Brown, Debi McInnis, Tom McCall, Utsav Kattel, Abt Associates, Inc., and Vanderbilt University, "Family Options Study: 3-Year Impacts of Housing and Services Interventions for Homeless Families" (Washington, DC: US Department of Housing and Urban Development, 2016); Michelle Wood, Jennifer Turnham, and Gregory Mills, "Housing Affordability and Family Well-Being: Results from the Housing Voucher Evaluation" *Housing Policy Debate* 19, no. 2 (2008): 367–412; Raj Chetty, Nathaniel Hendren, and Lawrence F. Katz, "The Effects of Exposure to Better Neighborhoods on Children: New Evidence from the Moving to Opportunity Experiment," *American Economic Review* 106, no. 4 (2016): 855–902. Ludwig, Jens, and Lisa Sanbonmatsu, Lisa Genetian, Emma Adam, Greg J. Duncan, Lawrence F. Katz, Ronald C. Kessler, Jeffrey R. Kling, Stacy Tessler Lindau, Robert C. Whitaker, and Thomas W. McDade, "Neighborhoods, Obesity, and Diabetes — A Randomized Social Experiment," October 20, 2011 *New England Journal of Medicine* 2011; 365:1509–1519

¹⁷ For more about ATTIS, see Archana Pyati, "The Analysis of Transfers, Taxes, and Income Security (ATTIS) Model" (Washington, DC: Urban Institute, 2020). <https://www.urban.org/research/publication/analysis-transfers-taxes-and-income-security-attis-model>.

¹⁸ Laura Wheaton, Danielle Kwon, and Mary Cunningham, "It's time to Reinforce the Housing Safety Net by Adopting Universal Vouchers for Low-Income Renters, Methodology" (Washington, DC: Urban Institute, 2020); Mary Cunningham, "It's time to Reinforce the Housing Safety Net by Adopting Universal Vouchers for Low-Income Renters," *Urban Wire*, April 7, 2020, <https://www.urban.org/urban-wire/its-time-reinforce-housing-safety-net-adopting-universal-vouchers-low-income-renters>.

the most effective program for ending homelessness.¹⁹ Providing housing vouchers to everyone who qualifies would essentially end homelessness. For those who need additional supports, universal vouchers could provide the housing assistance needed to match with supportive services and provide supportive housing. A recent study from Denver shows that people experiencing long-term homelessness can exit homelessness by using a Housing First approach and providing a combination of supportive housing and rental assistance.²⁰

- **Universal vouchers would reduce poverty.** Rent is often the single biggest expense in household budgets. When households are rent burdened, they often have to forgo other necessities such as food or medical care. According to Columbia University, expanding housing vouchers to all eligible could help reduce poverty by 9.3 million people, or about 3 percentage points.²¹ With expansion of vouchers, the poverty rate would be brought down to just under 10 percent. Expansion of vouchers could also reduce racial disparities in poverty, bringing poverty among white households down one percentage point to 7.5 percent, among Black households from 20 percent to 15 percent, and among Hispanic households from 20 percent to 13 percent.²²
- **Universal vouchers would close racial disparities in housing.** Housing assistance is a powerful tool in eliminating racial disparities among renters, and expanding assistance could eliminate or significantly narrow disparities. Our simulation of current assisted housing programs reveals that housing assistance currently helps eliminate racial disparities in renter cost burden. Without accounting for current housing assistance, we found 43 percent of white households are cost burdened compared with 55 percent of Black households, 54 percent of Hispanic households, and 45 percent of Asian households. After estimating the distribution of current assisted housing programs by race and ethnicity, we found assisted housing nearly eliminated the racial disparity in housing cost burden between Black and white households (39 percent compared with 38 percent being cost burdened, respectively), but not between Hispanic households and white households (47 percent versus 38 percent). Similar gaps remain for Asian and other households. Further expanding housing assistance would reduce rent burden among Hispanic households to 46 percent experiencing rent burden (down 8 percentage points) and to 41 percent of Asian households rent burdened (down 4 percentage points). Providing housing assistance would go a long way toward decreasing the burden that high rent brings and toward reducing housing stability and homelessness, but it would not overcome the challenges of discrimination in the housing market or end long-standing patterns of racial segregation that remain today.

¹⁹ Gubits et al., "Family Options Study"; Jill Khadduri, "Housing Vouchers Are Critical for Ending Family Homelessness" Washington, DC: National Alliance to End Homelessness, 2008.

²⁰ Mary Cunningham, Ruth Gourevitch, Michael Pergamit, Sarah Gillespie, and Devlin Hanson, "Denver Supportive Housing Social Impact Bond Initiative: Housing Stability Outcomes" (Washington, DC: Urban Institute, 2018).

²¹ Collyera, Sophie and Christopher Wimer, Megan Currana, Katherine Friedmana, Robert Paul Hartleya, David Harrisab, and Andrew Hintonc "Housing Vouchers and Tax Credits: Pairing the Proposal to Transform Section 8 with Expansions to the EITC and the Child Tax Credit Could Cut the National Poverty Rate by Half," October 7, 2020 (New York City: Columbia University).

²² Collyera et al., "Housing Vouchers and Tax Credits."

- **The housing market could absorb the adoptions of universal housing vouchers and help stabilize landlords.** Most of the people in need of rental assistance are already housed. A voucher would help make their rent more affordable and allow them to lower their rent burden and stabilize in place. Will Fischer recently wrote about the ability of the market to absorb vouchers noting the number of vacant units and the success of past expansions; he cites a study by Michael D. Eriksen and Amanda Ross who modeled the impact of expansion on housing markets and found that increasing vouchers does not affect the overall price of rental housing, but it does allow voucher holders to rent more expensive units after receiving the subsidy, suggesting the voucher allows "recipients to vacate lower quality units to occupy higher quality units."²³ Implementation of a major voucher expansion will matter and should be closely evaluated and monitored. One key to success is landlord participation. And there are ways to help ensure adoption of universal vouchers is implemented smoothly.

Implementation and Enhancements

Housing Choice Vouchers have some limitations. Expansion of the Housing Choice Voucher Program provides an opportunity to optimize the program. Here I outline some improvements to the program that would help ensure potential benefits from vouchers. Many of these enhancements will require a boost in administrative fees to help public housing agencies pay for the additional services. In addition to some program improvements, a significant investment in housing vouchers should be one component of a comprehensive housing strategy that includes land-use and zoning reform and investments in the development of hard units.

Improvements to the Program

Although effective, the voucher program is not fully optimized. An incremental expansion would require prioritizing specific populations to ensure the first goal of ending homelessness is achieved. Landlord participation and setting rents at the right level will also be critical.

- **Target new vouchers to those most vulnerable.** To end homelessness, housing subsidies have to inoculate those who are most at risk of losing their housing. Any expansion of the voucher program should target first those who are experiencing homelessness, have disabilities, have large families, are survivors of domestic violence, or are low income and severely rent burdened. Income levels should prioritize those who are most likely to become homeless (that is, those who have incomes at or below 15 percent of the area median income) and then be expanded upward to those below 30 percent of the area median income, and so on up the income ladder with each tranche of expansion. Public housing agencies should design targeted outreach programs to immigrant communities.
- **Include source-of-income protections and small-area fair market rents.** Landlord participation is critical for the success of the program. Unfortunately, landlords in many areas reject

²³ Michael D. Eriksen and Amanda Ross, "Housing Vouchers and the Price of Rental Housing" *American Economic Journal: Economic Policy* 7, no. 3 (2015): 154–76; Will Fischer, "Rental Markets Can Absorb Many Additional Housing Vouchers," Center on Budget and Policy Priorities blog, May 28, 2021.

voucher holders at high rates. In Los Angeles, for example, 74 percent of landlords reject voucher holders, and in Fort Worth, rejection rates are even higher, at 78 percent.²⁴ Some state and local jurisdictions have enacted ordinances that prohibit landlords from discriminating against voucher holders, but there are no national protections. Many jurisdictions across the country are considering such laws, but only one in three voucher holders are protected by source-of-income antidiscrimination laws, and national protections are necessary to cover all voucher holders.²⁵ Congress should include a national source-of-income protections to end landlord discrimination against voucher holders. The Federal Housing Finance Agency could also require that landlords who hold federally backed mortgages accept rental assistance. In addition to protecting voucher holders against discrimination, policymakers should test ways to boost landlord participation by making the program more attractive and efficient for landlords. Strategies should include setting rents at competitive levels through small-area fair-market rents.²⁶ Adopting payment standards that are better aligned with market rents could make the Housing Choice Voucher program more appealing to landlords in high-rent markets.

- **Provide housing search, navigation, and financial assistance.** Providing housing-search assistance and help navigating the housing market and financial supports for security deposits have been shown to increase the success of voucher holders leasing up in low-poverty areas. These services are often called voucher mobility programs. These programs, however, remain uncommon. Creating Moves to Opportunity, an experimental study that showed providing services and financial supports to voucher participants increases moves to low-poverty neighborhoods, provides some insight about what works.²⁷ Urban Institute researchers have calculated the potential benefits of expanding mobility programs to 25 percent of families with vouchers living in high-poverty neighborhoods, finding these children could see as much as \$8.63 billion in increased lifetime earnings if they received help moving from high-poverty neighborhoods to low-poverty neighborhoods.²⁸ Our findings on the difficulty identifying landlords who accept vouchers—particularly in low-poverty areas—coupled with the evidence base on the importance of living in high-opportunity neighborhoods, highlight the importance of housing search assistance. The US Department of Housing and Urban Development

²⁴ Mary Cunningham, Martha M. Galvez, Claudia Aranda, Robert Santos, Douglas A. Wissoker, Alyse D. Oneto, Rob Pitingolo, and James Crawford, "A Pilot Study of Landlord Acceptance of Housing Choice Vouchers" (Washington, DC: Urban Institute, 2018).

²⁵ Alison Bell, Barbara Sard, and Becky Koepnick, "Prohibiting Discrimination against Renters Using Housing Vouchers Improves Results" (Washington, DC: Center on Budget and Policy Priorities, 2018), <https://www.cbpp.org/research/housing/prohibiting-discrimination-against-renters-using-housing-vouchers-improves-results>.

²⁶ Center on Budget and Policy Priorities, "A Guide to Small Area Fair Market Rents: How State and Local Housing Agencies Can Expand Opportunities for Families in All Metro Areas" (Washington, DC: Center on Budget and Policy Priorities, 2018), <https://www.cbpp.org/research/housing/a-guide-to-small-area-fair-market-rents-safmrs>.

²⁷ Peter Bergman, Raj Chetty, Stefanie DeLuca, Nathaniel Hendren, Lawrence Katz, and Christopher Palmer, "Creating Moves to Opportunity: Experimental Evidence on Barriers to Neighborhood Choice" (Cambridge, MA: Opportunity Insights, 2020), https://opportunityinsights.org/wp-content/uploads/2019/08/cmto_paper.pdf.

²⁸ Martha Galvez and Sarah Oppenheimer, "Taking Neighborhood Mobility to Scale through the Housing Choice Voucher Program" (Washington, DC: Urban Institute, 2020).

recently launched a nine-site Housing Mobility Demonstration to learn more about what works in helping families use vouchers to move to low-poverty neighborhoods.²⁹

Alignment with a Broader Housing Strategy

Expanding access to vouchers is an important part of growing the housing safety net, especially for low-income households, but expansion of vouchers must be in alignment with a broader housing strategy that includes land-use and zoning reform and the development of affordable housing units.

- **Provide carrots and sticks for land use and zoning reform.** State and local governments hold the levers to affordable housing production and preservation through local land-use and zoning policies. In most places across the country, exclusionary zoning, which prohibits the development of multifamily housing and adds other requirements such as parking or minimum lot sizes, makes it impossible to develop affordable housing for families. Further, it drives up the cost of housing. Adopting local policies that are friendly to affordable housing can stretch subsidy dollars by lowering rents overall and can help bypass “not-in-my-backyard” issues that are major roadblocks to the development of affordable housing. Some states and localities will respond to carrots through competitive grants, but others may need sticks (for example, withholding federal transportation funding and instituting requirements to eliminate barriers to affordable housing).
- **Provide funding mechanisms for the development of affordable housing units.** Affordable housing in the private market is steadily disappearing, either going offline because of its age or being updated and converted to luxury units. Investments in housing, like those in the president’s American Jobs Plan, are needed to rebuild the stock of affordable housing in the private market and backlog of capital needs to restore public housing. These investments are not only needed in underserved urban communities but also in rural and tribal areas.

Conclusion

The pandemic is first a health crisis, but the remedy to curtail transmission relied heavily on social distancing and staying home, reminding us of the importance of housing. Unfortunately, the country’s housing infrastructure and safety net have been long neglected and stressed beyond measure, leaving far too many people unprotected. We have long lived with the shame of homelessness and serial evictions, and I hope we now can see the devastating impacts of continued disinvestment in housing. As the vaccination rates rise and the country begins returning to normal, we have an opportunity to redefine that normal. Let’s not make homelessness a part of our future. Research clearly shows that the adoption of universal housing vouchers could bring significant and far-reaching benefits. First and foremost, it could end homelessness. But it could bring the additional benefits of reducing poverty and racial disparities, helping landlords, and providing stability to markets. It is for these reasons I support the adoption of universal housing vouchers.

²⁹ “Housing Choice Voucher (HCV) Mobility Demonstration,” US Department of Housing and Urban Development, accessed September 28, 2020, https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/mobilitydemo.



Statement before the United States House Financial Services Committee
Hearing on "Universal Vouchers: Ending Homelessness and Expanding Economic
Opportunity in America"

Commonsense Changes to Low-Income Housing Policy

Howard Husock

Adjunct Scholar, American Enterprise Institute
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June 9, 2021

The American Enterprise Institute (AEI) is a nonpartisan, nonprofit, 501(c)(3) educational organization and does not take institutional positions on any issues. The views expressed in this testimony are those of the author.

Thank you, Chairwoman Waters and Ranking Member McHenry. It is an honor to submit my testimony for today's hearing, titled "Universal Vouchers: Ending Homelessness and Expanding Economic Opportunity in America." I appreciate the opportunity to testify on the legislation being considered by the House Financial Services Committee and to speak more broadly about federal housing policy and economic mobility. I will specifically address the idea of converting the housing choice voucher (HCV) program from an annual appropriation to an entitlement.

My name is Howard Husock, and I am an adjunct scholar at the American Enterprise Institute, where I focus on local government, civil society, and urban housing policy. Before joining AEI, I was vice president for research and publications at the Manhattan Institute and director of case studies in public policy and management at the Harvard Kennedy School. I am the author of *America's Trillion-Dollar Housing Mistake: The Failure of American Housing Policy* and a forthcoming book, *The Poor Side of Town—and Why We Need One*. I have spent my career committed to thinking and writing about housing policy and its implications, particularly for the urban poor.

My forthcoming book argues for a "poor side of town." It combines a critique of more than a century of housing reform policies, including public and other subsidized housing and exclusionary zoning, with the idea that simple low-cost housing—a poor side of town—helps those of modest means build financial assets and join in the local democratic process. This is a deeply important book to me, and I encourage everyone listening today to consider its implications.

Too many low-income households find it difficult to afford housing. At the same time, an entitlement-based approach to housing assistance risks overpromising and under-delivering, while repeating mistakes of the past. What's more, commonsense adjustments to the current HCV program can increase its reach without major new spending while providing incentives and encouragement for low-income households to improve their economic status.

First, a comparison. We can all remember just a few months ago when the coronavirus vaccine had miraculously become available—but millions found themselves qualified to receive the shot but unable to schedule an appointment to get one. Demand was far higher than supply. This has long been a characteristic of our low-income housing markets, a function of overly restrictive zoning laws and building codes, among other things. But providing a check that can be used for only one purpose—rental housing—provides no assurance that additional supply will come online or that voucher holders will be able to find an available unit.

Indeed, even at the current appropriation level, a report by the Center for Budget Policy and Priorities acknowledged that some voucher holders have been unable to use their vouchers. As noted in a March 2019 report: "Yet low success rates among families that receive housing vouchers remain a legitimate and serious concern. Moreover, while housing vouchers are well utilized overall, a small number of individual housing agencies do not use all of their funding consistently."¹

A universal housing voucher risks increasing the number of locations where this problem will exist. A new entitlement program may simply put more low-income households in competition with each other for few available units without addressing the more fundamental issue afflicting our housing markets today,

the lack of supply.

Fundamentally, low-income households face an income problem. Providing a coupon that can be used only for rental assistance limits how they can use this new income while failing to address the root causes of why that income is low in the first place. We cannot forget the steps it takes to truly encourage economic mobility of poor households—by providing the skills training needed for the 21st century, ensuring that every child has access to a high quality public education, encouraging safe and healthy communities, and reducing racial barriers. But we can and should make some commonsense adjustments to the current HCV program.

We should not assume that poverty is a life sentence in America, and we should build on the lessons we've learned from successful welfare reform efforts in the 1990s. That suggests that we employ vouchers not on a permanent entitlement basis but as a transitional program.

That leads me to two proposals. First, allow voucher households to sign the same type of rental leases as nonsubsidized households enjoy: a flat rent for a fixed period. As it stands, as voucher or public housing tenants earn more income, they pay more rent—34 cents on each new dollar. This has all sorts of ill effects: discouraging finding a higher-paying job, forming two-income families, and building savings.

To better use our housing vouchers, we should follow the example of the Delaware State Housing Authority, which, as part of its Moving to Work program, combines capped rent and savings account escrows with a five-year ceiling on assistance.² A similar program has been adopted by the housing authority of San Bernardino, California, which specifically sets out as a key goal the encouragement of tenants' economic independence, including what it calls a shift from "entitlement to empowerment." Longitudinal studies out of San Bernardino reports the following positive results:

We have seen positive outcomes since implementation, including:

- Earned income for families in the program increases by an average 31.4% during their five-year term of assistance;
- Full-time employment increased by 20%;
- Unemployment decreased by 26.5%.³

Of course, as households move out and up, so, too, do vouchers become available for other needy families. This healthy turnover should be a core part of the voucher program. Poverty should not be viewed as inevitable, nor should entitlements be seen as universal. As matters stand, HUD reports an 8 percent turnover rate annually among voucher units which has risen to as high as 15 percent in some years.⁴ Increasing turnover while improving the situation of voucher households should be key goals of the program.

As President Joe Biden has emphasized in his time in office so far, we are in the midst of a rapid economic expansion as the coronavirus pandemic wanes and vaccine distribution accelerates. Job openings are going unfilled, and many have lamented the expansion of the federal unemployment insurance benefit as a drag on our labor market recovery. This is the time to use our housing voucher program in the context of encouraging improved job skills and household savings, so Americans see

government assistance as a hand up, not a handout.

Finally, a word about our homelessness epidemic. While it is tempting to conclude that the streets of Los Angeles are filled with homeless encampments because of a failure of the housing market, we know that far too many of these street sleepers suffer from untreated mental illness and substance abuse—and may not be ready to maintain an independent household. We are failing to provide the services and compassionate programming they need and deserve. A universal voucher entitlement is not the answer to the needs of those on the streets of Los Angeles, Manhattan, Portland, and Seattle. Rather, we should be discussing improved treatment and adjustments to Medicaid reimbursement policy for treating the incarcerated and newly released citizens. Conflating housing policy with the issues of those sleeping on the street will not lead us on the right path forward.

It is an honor to testify in front of the committee today, and I look forward to your questions.

Endnotes

¹ Douglas Rice, “Agencies Generally Use All Available Voucher Funding to Help Families Afford Housing but Challenges in Some Communities Remain,” Center on Budget and Policy Priorities, March 4, 2019, <https://www.cbpp.org/sites/default/files/atoms/files/3-4-19hous.pdf>.

² Delaware State Housing Authority, “What Is Moving to Work?,” <https://laborfiles.delaware.gov/main/det/one-stop/MTW%20Program.pdf>.

³ Housing Authority of the County of San Bernardino, *2021 Moving to Work Annual Plan*, May 22, 2020, <https://14icnrm1xwspvm3t3c7830p2-wpengine.netdna-ssl.com/wp-content/uploads/2020/08/2021-mtw-annual-plan-05.22.20-for-public-comment.pdf>.

⁴ United States Department of Housing and Urban Development, Office of Policy and Research, “Assisted Housing: National and Local,” https://www.huduser.gov/portal/datasets/assthsg.html#2009-2020_data.

Testimony of Ben Metcalf
Managing Director, Turner Center for Housing Innovation
Before the United States House of Representatives
Committee on Financial Services
Hearing Entitled: Ending Homelessness and Expanding Economic Opportunity in
America
June 9, 2021

Introduction

Chairwoman Waters, Ranking Member McHenry, and members of the Committee, I am pleased to join you today to speak to the value of housing choice voucher expansion. My name is Ben Metcalf. I am the Managing Director of the Turner Center for Housing Innovation, a research and policy center dedicated to the vision of a country in which we live in vibrant, sustainable and affordable homes and communities. I also speak today from the perspective of having run the State of California's Department of Housing and Community Development and from having overseen multifamily housing programs for the United States Department of Housing and Urban Development during the Obama Administration. In my testimony, I will be speaking to the ways in which an expansion of the housing choice voucher program could have a transformative benefit on our current affordable housing crisis while noting five key areas of reform that would be needed to make the program work more effectively:

- *Accelerate deployment of fixes to the existing housing voucher program that we know work;*
- *Prioritize the most vulnerable populations as we undertake incremental expansions in any journey toward universal vouchers;*
- *Accompany voucher expansion with a targeted renters tax credit for those low income households who are approaching a phase-out of eligibility for rental assistance as their incomes rise;*
- *Mandate minimal capacity standards for voucher administering entities and have new vouchers administered by the same entities that are overseeing state and local affordable housing programs wherever possible; and*
- *Pair vouchers with a robust production-oriented strategy.*

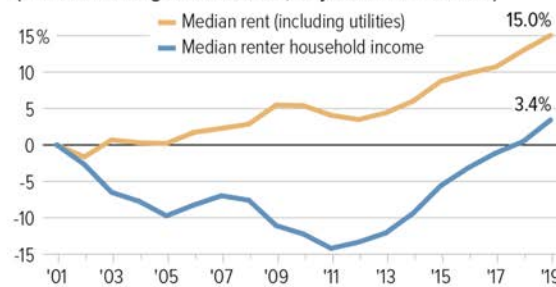
Our Housing Affordability Challenges Today

First, let me set the stage as to what we know of the housing affordability crisis nationally, particularly as it plays out in coastal communities like those in which I live in California. Housing supply is significantly low compared to demand in our most economically productive regions pushing the price to rent or buy high for potential homeowners and renters. With wages for those below the median income having not

kept pace with rising housing costs, today we see a seemingly ever growing population of households experiencing severe housing cost burdens that limit their ability to afford food, health care, invest in their children's education, save for retirement and recover in the wake of natural disasters. Furthermore, high housing costs relative to income have been leading to greater rates of homelessness and forcing families to make the tough decisions to either leave high housing cost regions or to forego otherwise potentially beneficial opportunities to relocate to those regions.

Renters' incomes have only slowly climbed since the recession, but lag far behind growing rental costs. Low-cost units, defined as renting for \$600 or less per month, are in decreasing supply, with the share of rental units that are low-cost dropping to only 25% in 2017. The share of apartment rentals for \$1,000 or less dropped over this time as well, and without an accompanying growth in income, families are left overly cost-burdened. Roughly 20.8 million rental households were cost-burdened going in to the pandemic, paying 30% or more of their income on rent, and nearly 10.9 million of these households suffer severe cost-burden, contributing 50% or more of their incomes to rent. Nearly 99% of cost-burdened households are low-income and spend more of their income proportionally on housing, energy and transportation than non cost-burdened households. Households earning less than \$30,000 annually spend 60% of their total income on housing, transportation and energy costs, compared to under 20% of total income for households earning \$75,000 or more. These trends have led to families having far fewer resources to devote to food or healthcare--or to accommodate economic shocks such as those we saw during the pandemic--which culminate in greater insecurity as they struggle to keep up with rental payments.¹

Renters' Incomes Haven't Caught Up to Housing Costs
(Percent change since 2001, adjusted for inflation)



¹ Joint Center for Housing Studies (2020). America's Rental Housing: 2020.

https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_Americas_Rental_Housing_2020.pdf.

*Source: Center for Budget and Policy Priorities tabulations
of the Census Bureau's American Community Survey*

California is home to seven of the top ten most expensive cities for renters. Even during the pandemic, when housing costs were dropping nationally, California renters saw a 12% increase in average rent prices. Coastal cities experienced a drop in rental costs anywhere from 22.9% (San Francisco) to 12.8% (Los Angeles) throughout the pandemic, but rental costs in neighboring cities in central California and suburbs' grew during the same period, for example by 14.9% in Sacramento. Average rental costs are still \$3,500 per month for a two-bedroom apartment in San Francisco, even when accounting for the nearly 23% decline in rental costs, a widely unattainable price for most renters to meet. To put the average renter income and rental cost disparity in California into perspective, since 2000, rents in California have grown by 37%, while average wages have only increased by 8% (the figure for income growth includes high-income renters, many of whom are salaried, as well as minimum-wage workers).² The National Low Income Housing Coalition estimated nearly 1.3 million California renter households are extremely low-income, 76% of which are severely cost-burdened, and the state lacks nearly 1 million rental homes that would be affordable and available to these renters.³

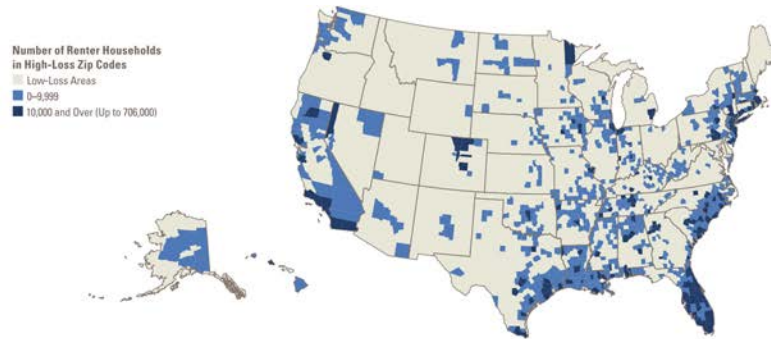
The national housing crisis is compounded as communities face an ever-growing risk of displacement due to wildfires, earthquakes, flooding and other natural disasters. For example, in a recent study evaluating the impact of rising sea levels on affordable housing in coastal communities, the authors found, unsurprisingly, small Californian and northeastern cities are at highest risk of flooding.⁴ In nearly all cities examined in this study, affordable housing units are at greater risk of flooding than general housing units, with 40% of affordable housing units in California predicted to be at risk of flooding by the year 2050. Affordable housing complexes are less likely to be resiliency-ready in response to flooding and natural disasters as a result of the increased costs to fortify existing structures, and renters of these affordable housing units are less likely to be insured.

More than 10 Million Renters Live in Areas Prone to Natural Disasters

² Tobias, M. (April, 2021). Californians: Here's why your housing costs are so high. CalMatters. <https://www.cbs8.com/article/news/local/california/cal-matters/why-is-housing-so-expensive-in-california/509-e463dd3f-4041-43b9-8983-4226caee88e2>

³ National Low Income Housing Coalition. Housing Needs By State: California. <https://nlihc.org/housing-needs-by-state/california>

⁴ Buchanan, M. K., Kulp, S., Cushing, L., Morello-Frosch, R., Nedwick, T., & Strauss, B. (2020). Sea level rise and coastal flooding threaten affordable housing. *Environmental Research Letters*, 15(12), 124020. https://ph.ucla.edu/sites/default/files/attachments/2020_Environ_Res_Lett_15_124020.pdf

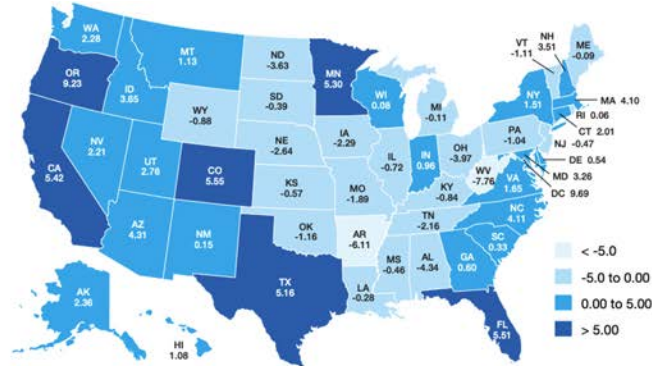


Source: Joint Center for Housing Studies tabulations of US Small Business Administration; Disaster Loan data; US Census Bureau, American Community Survey 5-Year Estimates.

Coastal states, such as California, Washington, Oregon, New York, and Massachusetts, are top ranked for both having the largest percentage residency of extremely low-income renters, as well as the least available, affordable rental-housing. The housing shortage in these states extends up the income ladder, hurting those making up to the area median income as well. One of many factors driving the significantly larger housing shortages in these areas, and as a result the increasing number of cost-burdened households, is the lack of HUD investment into subsidization of affordable housing for low-income households. Research has demonstrated a clear linear relationship between the percentage of renters who are extremely low-income and HUD investment in rental subsidies, such that the greater HUD's investment the smaller the proportion of renters are extremely low-income.⁵

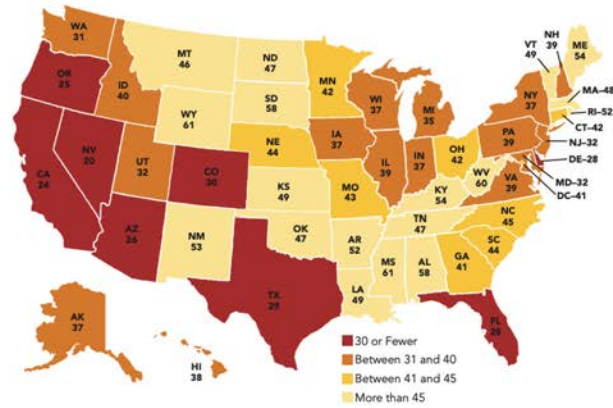
Housing Stock Deficit as Proportion of a State's Housing Stock (Dynamic Estimate
Considering interstate migration flows)

⁵ See Citation 3; National Low Income Housing Coalition (March, 2021). The Gap: A Shortage of Affordable Homes. Retrieved from https://reports.nlihc.org/sites/default/files/gap/Gap-Report_2021.pdf



Source: Freddie Mac, based on CPS, HVS and Moody's Analytics estimated data (based on 2018 figures)⁶

Rental Homes Affordable and Available per 100 Extremely Low Income Renter Households by State

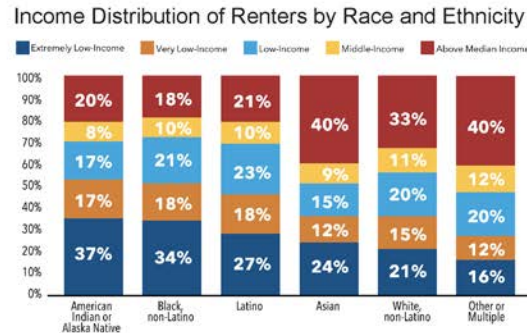


Source: National Low Income Housing Coalition Tabulations of 2019 ACS PUMS Data

A legacy of discrimination and exclusionary practices within the housing system have also set the stage for systemic, racialized wealth disparities within our already flawed housing model. The wealth distribution for renters is remarkably wide and regrettably stable. Twenty percent of Black renters are extremely low-income, compared

⁶ Freddie Mac (February, 2020). "The Housing Supply Shortage: State of the States." <http://www.freddiemac.com/fmac-resources/research/pdf/202002-Insight-12.pdf>

to only 6% of white renters. The gap persists at the top of the income distribution for renters as well, with 40% of white renters making above median income, whereas only 18% of Black renters earn an equivalent income.⁷ Racial disparities in likelihood of being either moderately or severely cost-burdened persist and are only growing in the wake of our COVID-19 response.⁸



Source: National Low Income Housing Coalition tabulations of 2019 ACS PUMS Data

Prior to the COVID-19 pandemic, the rate of severely cost-burdened renters, or those who pay more than half of their income on rent, was on the rise, hitting non-white renters hardest. More than half of Black and Hispanic renters were cost-burdened in 2019, and a greater proportion of Black and Hispanic renters faced eviction relative to white renters of similar income levels.⁹ The number of families in these conditions have only grown over the past year, with the racially disparate impacts widening.¹⁰

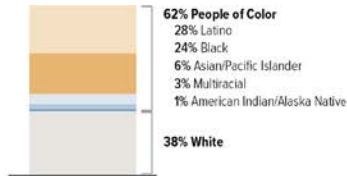
Majority of Low-Income Renters with Severe Cost Burdens are People of Color

⁷ National Low Income Housing Coalition (March, 2021). The Gap: A Shortage of Affordable Homes. Retrieved from https://reports.nlihc.org/sites/default/files/gap/Gap-Report_2021.pdf

⁸ Frost, R. (March, 2021). Pre-Pandemic Trends Offer Insight into Post-Pandemic Homelessness. Joint Center for Housing Studies. <https://www.jchs.harvard.edu/blog/pre-pandemic-trends-offer-insight-post-pandemic-homelessness>

⁹ Wedeen, S. (January, 2021). Black and Hispanic Renters Face Greatest Threat of Eviction in Pandemic. Joint Center for Housing Studies. <https://www.jchs.harvard.edu/blog/black-and-hispanic-renters-face-greatest-threat-eviction-pandemic>

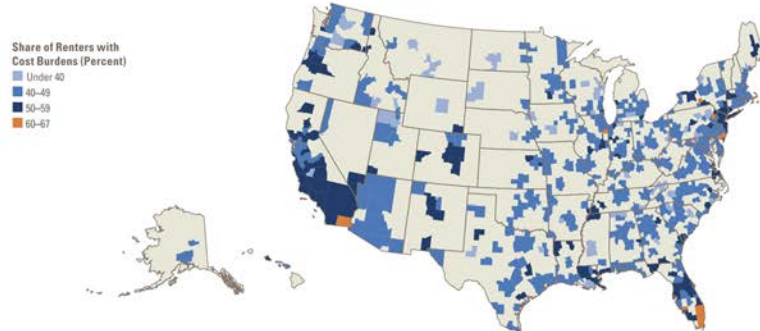
¹⁰ Frost, R. (March, 2021). Pre-Pandemic Trends Offer Insight into Post-Pandemic Homelessness. Joint Center for Housing Studies. <https://www.jchs.harvard.edu/blog/pre-pandemic-trends-offer-insight-post-pandemic-homelessness>



Source: Center on Budget and Policy Priorities

Severely cost-burdened families suffer an increased risk of housing and financial security. Many of these families are often unable to save or keep cash on hand for necessary expenses, such as food or healthcare. It is not uncommon for families to report that they are close to defaulting on their next rental payment or are unable to fund an unexpected emergency cost should the situation arise.¹¹ The financial implications are long-lasting, with even short-term spells of cost-burdened renting affecting future savings for years to come.¹²

At Least 40 Percent of Renters are Cost Burdened in Most Metro Areas Across the Country



Source: Joint Center for Housing Studies of Harvard University; Tabulations of US Census Bureau, 2018 American Community Survey 1-Year Estimates and Missouri Census Data Center data.

¹¹ Joint Center for Housing Studies (2020). The State of the Nation's Housing: 2020. https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_The_State_of_the_Nations_Housing_2020_Report_Revised_120720.pdf.

¹² Trusts, P. C. (2018). American families face a growing rent burden. Philadelphia: Pew Charitable Trusts. <https://www.pewtrusts.org/en/research-and-analysis/reports/2018/04/american-families-face-a-growing-rent-burden>.

Not unsurprisingly, the housing affordability crisis has translated into a growing homelessness crisis. 2020 marked the fourth consecutive year homelessness rose in the United States, with the growth entirely concentrated in the unsheltered population.¹³ Nearly a third of the country's homeless population and more than half of the entire unsheltered homeless population resides in California. Looking more closely, HUD's 2020 Annual Homeless Assessment Report (AHAR) found 70% of California's residents experiencing homelessness sleep outside, representing roughly 113,000 unsheltered residents out of 161,000 individuals experiencing homelessness within the state. From 2019 to 2020, California saw the largest absolute growth in homelessness compared to any other state, with an additional 10,270 residents experiencing homelessness.

Continuums of Care (CoC) with the Highest Percentages of People Experiencing Homelessness who were Unsheltered in each CoC Category

CoC Name	Total homeless people	Percent of all homeless people who were unsheltered	CoC Name	Total homeless people	Percent of all homeless people who were unsheltered
Major City CoCs			Other Largely Urban CoCs		
San Jose/Santa Clara City & County, CA	9,605	82.5%	Oxnard, San Buenaventura/Ventura County, CA	1,787	70.8%
Long Beach, CA	2,034	77.8%	Napa City & County, CA	464	65.3%
Oakland, Berkeley/Alameda County, CA	8,137	77.6%	Eugene, Springfield/Lane County, OR	1,606	64.6%
Fresno City & County/Madera County, CA	3,641	73.6%	Bakersfield/Kern County, CA	1,580	63.5%
Los Angeles City & County, CA	63,706	72.3%	Santa Rosa, Petaluma/Sonoma County, CA	2,745	62.0%
Largely Suburban CoCs			Largely Rural CoCs		
Imperial County, CA	1,527	87.4%	Lake County, CA	357	94.1%
Fort Pierce/St. Lucie, Indian River, Martin Counties, FL	1,379	86.4%	Jackson/West Tennessee	861	93.0%
San Luis Obispo County, CA	1,423	82.4%	Hendry, Hardee, Highlands Counties, FL	403	88.1%
Vallejo/Solano County, CA	1,162	80.2%	Alpine, Inyo, Mono Counties, CA	184	88.0%
Pasco County, FL	898	76.6%	Columbia, Hamilton, Lafayette, Suwannee Counties, FL	578	85.5%

Source: 2020 Annual Homeless Assessment Report to Congress; PIT Estimate 2007 - 2020

Rising housing costs in economically-productive areas, driven by housing supply restrictions, naturally limit the number of prospective low-income workers moving into these regions, and therefore hamstring employment growth and productivity overall.¹⁴ Ultimately, property owners become the sole benefactor under a system of housing

¹³ Meghan Henry et al., "The 2020 Annual Homeless Assessment Report (AHAR) to Congress," U.S. Department of Housing and Urban Development, January 2021, <https://www.huduser.gov/portal/sites/default/files/pdf/2020-AHAR-Part-1.pdf>.

¹⁴ Hsieh, C. T., & Moretti, E. (2019). Housing constraints and spatial misallocation. American Economic Journal: Macroeconomics, 11(2), 1-39. <https://pubs.aeaweb.org/doi/pdfplus/10.1257/mac.20170388>

supply constrictions, profiting from inflated housing prices and workforce housing that would in any other context be priced within reach of a lower-income families becomes bid up by more affluent households desperate for a home to live in.¹⁵ Increasing overall housing supply in these areas would ultimately lead to improved incomes and welfare overall by allowing population growth to meet the demand; however supply is limited by the high housing cost of construction and local regulatory barriers, such as zoning, which limit where and how housing can be built.

This lack of affordably priced housing supply has led to a dramatic increase in net domestic out-migration from economically productive regions, such as those found in California. The loss of lower- and middle-income residents from California, over 400,000 in 2019, eclipses the relatively small in-migration of higher-income residents, totalling around 50,000.^{16,17} Throughout the 2010s, the Census Bureau's Current Population Survey found that roughly 23% of out-migration in California was explained by housing costs. In march of this year, the Public Policy Institute of California conducted a statewide survey, finding 43% of Californian's considered moving due to housing affordability, with 33% considering moving out of the state completely. Residents concentrated in high density cities such as the San Francisco Bay Area (49%), San Diego (44%), and Los Angeles (39%) are most likely to report housing affordability as a source for considering a move.¹⁸ The problems of out-migration in California also directly impacted housing costs in neighboring states, such as Idaho. As housing prices rose in California, residents fled to Idaho to avoid such costs but were willing to pay above the average Idaho resident for housing, thus driving up costs once again.¹⁹

California Lost Middle- and Lower- Income Adults, Gained Those with Higher Incomes

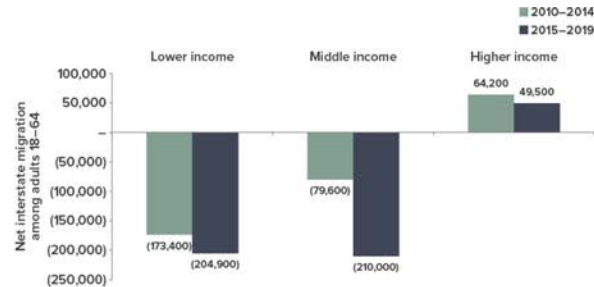
¹⁵ Glaeser, E., & Gyourko, J. (2018). The economic implications of housing supply. *Journal of Economic Perspectives*, 32(1), 3-30. <https://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.32.1.3>

¹⁶ Johnson, H. (May, 2021). Who's Leaving California - and Who's Moving In? Public Policy Institute of California. <https://www.pplic.org/blog/whos-leaving-california-and-whos-moving-in/>

¹⁷ Johnson, H., McGhee, E., & Cuellar Mejia, M. (March, 2021). California's Population: Just the Facts. <https://www.pplic.org/publication/californias-population/>

¹⁸ Baldassare, M., Bonner, D., Lawler, R. Thomas, D. (March, 2021). PPIC Statewide Survey: Californians and Their Government. Public Policy Institute of California. <https://www.pplic.org/wp-content/uploads/ppic-statewide-survey-californians-and-their-government-march-2021.pdf>

¹⁹ Dougherty, C. (February, 2021). The Californians Are Coming. So Is Their Housing Crisis. *New York Times*. <https://www.nytimes.com/2021/02/12/business/economy/california-housing-crisis.html>



Source: Public Policy Institute of California, based on American Community Survey Data

Why an Expansion of the Housing Choice Voucher Program is Needed

Given the multifaceted negative consequences that result from the current housing affordability crisis, any expansion of existing affordable housing support to families who most need it should help. Renters with financial assistance are less likely to experience homelessness, housing instability, or overcrowded, unsafe housing conditions. Beyond housing security, government-funded rental assistance reduces poverty and improves overall health outcomes for children. Children in families who received rental assistance demonstrated more prosocial behavior and fewer negative behavioral problems and sleep disruptions.²⁰ In limited longitudinal studies, children who received rental assistance to move to low-poverty neighborhoods earned more in adulthood and were more likely to attend college than children who remained in their original census tract whose families did not receive housing aid.^{21,22} Adults too benefit from rental assistance, experiencing lower rates of diabetes, obesity, and reporting significantly lower rates of anxiety and depression.

But federal rental assistance has been inadequate to meet the need for some time. Today, approximately 1 in 4 eligible households are receiving assistance under the current system, with many cities' housing choice waitlists either years long or closed

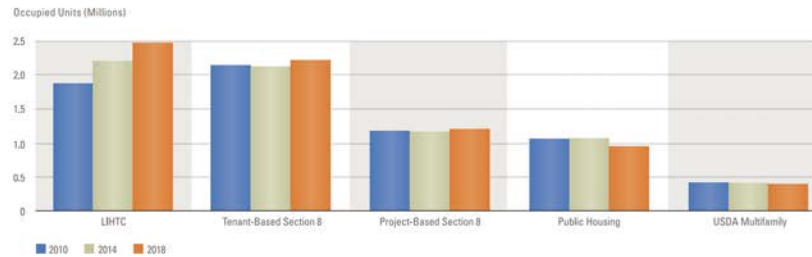
²⁰ Daniel Gubits et al., "Family Options Study: 3-Year Impacts of Housing and Services Interventions for Homeless Families," prepared for Department of Housing and Urban Development, October 2016, <https://www.huduser.gov/portal/sites/default/files/pdf/Family-Options-Study-Full-Report.pdf>.

²¹ Chetty, R., Hendren, N., & Katz, L. F. (2016). The effects of exposure to better neighborhoods on children: New evidence from the Moving to Opportunity experiment. *American Economic Review*, 106(4), 855-902. http://www.equality-of-opportunity.org/images/mto_paper.pdf

²² Shonkoff, J. P., Garner, A. S., Siegel, B. S., Dobbins, M. I., Earls, M. F., McGuinn, L., ... & Committee on Early Childhood, Adoption, and Dependent Care. (2012). The lifelong effects of early childhood adversity and toxic stress. *Pediatrics*, 129(1), e232-e246. https://pediatrics.aappublications.org/content/129/1/e232.full?utm_source=TrendMD&utm_medium=TrendMD&utm_campaign=Pediatrics_TrendMD_0&casa_token=lnzP08lr138AAAAA:KYRJ6exxAGQbEpDWGk1aabyFAzJfbJFipyBMbFLI00SgU2HvQLQUJLr9WydjB62j9V69GxdYSQJZ

entirely.²³ From 2010 to 2020 funding for housing choice vouchers grew by 12%, but the rise in households receiving vouchers only rose from 2.1 million to 2.3 million over the same time period.²⁴

The Supply of Federally Subsidized Units Has Remained Essentially Flat Since 2010



Source: Joint Center for Housing Studies tabulation of HUD, *Picture of Subsidized Households and Low-Income Housing Tax Credit Database*; USDA, *Multi-Family Housing Annual Fair Housing Occupancy Reports*.

As an instrument to address housing affordability, vouchers have an inherent conceptual benefit over capital investments into affordable housing buildings by giving families far more choice in where to redeem their subsidy. In a 2008 experimental evaluation of housing vouchers, families were assigned to receive Housing Choice Vouchers and collected five-years of follow up data on health, work, and housing outcomes. The study found that families who had received the housing voucher were significantly more likely to experience safe, secure housing (additionally significantly less likely to be housing insecure or in overcrowded housing conditions), reported less anxiety, were equally likely to continue working, and experienced reduced poverty.²⁵ Families given access to subsidized housing are less likely to make multiple, disruptive moves which not only impacts the family members but the involved educational systems. The higher a schools' student turnover rate, the harder it is to gauge progress and respond accordingly. Turnover ultimately puts educators at a disadvantage and

²³ Cunningham, M. K. (2016). Reduce poverty by improving housing stability. Urban Wire: The Blog of the Urban Institute. <https://www.urban.org/urban-wire/reduce-poverty-improving-housing-stability>

²⁴ Joint Center for Housing Studies (2020). The State of the Nation's Housing: 2020. https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_The_State_of_the_Nations_Housing_2020_Report_Revised_120720.pdf.

²⁵ Wood, M., Turnham, J., & Mills, G. (2008). Housing affordability and family well-being: Results from the housing voucher evaluation. *Housing Policy Debate*, 19(2), 367-412. https://www.tandfonline.com/doi/pdf/10.1080/10511482.2008.9521639?casa_token=ef7Ac3PMZsUAAAAA:X3pK0Yp8opdTMAAJG3AmFwm-mmSbSn1AJm2YsSq4KBe7Mmiv42tGYqMcXoxnUjPIERTkblKkwouqIA

leads to worse educational outcomes for students, largely measured by test scores and disruptive classroom behaviors.²⁶

Lastly, housing vouchers serve as an important complement to the resources that local and state governments can put on the table to address affordability. State and local governments typically do not have a budgetary mechanism to fund ongoing rental assistance commitments. And while affordable housing capital funds from state and local governments can help get affordable housing built, that housing will be limited in who it can serve absent ongoing operating subsidy or tenant rental assistance. For the most vulnerable households -- including formerly homeless individuals and/or extremely low-income families --- the rent they can afford to pay is likely to be inadequate to cover the operating expenses. In 2017, California enacted No Place Like Home, a \$2 billion bond funded program intended to provide permanent supportive housing to formerly homeless individuals. But because of a lack of available vouchers, the state was compelled to authorize funds that would otherwise used for capital costs to be used as a capitalized operating subsidy reserve. In a recent Notice of Funding Availability, the state allowed up to \$186,000 per unit to be "parked" in a bank account to pay out-year operating expenses to meet the gap between project revenues and project operating expenses. For many awarded projects this has the effect of nearly doubling the subsidy per unit required to make a project work, resulting in the funding of far fewer project altogether. Furthermore, this solution is only a stop gap measure as the operating reserve runs out after 15 to 20 years forcing a subsequent expensive recapitalization. This issue looms again with a recent budget request by California Governor Newsom to invest \$3.5 billion of budget surplus into the Project Homekey Initiative which proposes to fund the acquisition and conversion of commercial buildings such as motels into permanent supportive housing. Much of these funds will be at risk of sitting "idle" in project-level controlled bank accounts to be drawn from over the next decade to address an operating revenue/expense mismatch rather than being deployed to add to the stock of new permanent supportive housing.

Expansion of the Housing Choice Voucher Program Must be Accompanied by Program Reform

While we work to expand the housing voucher program, it is important to recognize and address challenges with the existing housing voucher system that limit its current effectiveness as well as to anticipate the unintended negative consequences that may accompany any significant expansion. Today, just under the status quo, voucher

²⁶ Brennan, M., Reed, P., & Sturtevant, L. A. (2014). The Impacts of Affordable Housing on Education: A Research Summary (Insights from Housing Policy Research, p. 16). Center for Housing Policy. <https://nhc.org/wp-content/uploads/2017/03/The-Impacts-of-Affordable-Housing-on-Education-1.pdf>

utilization rates and participation already drop to bracingly low levels, particularly in supply constrained, high housing cost markets. For example, according to HUD's new online tool to evaluate Housing Choice Voucher programs at the national, state and local levels, California currently has a leasing potential of 11,285. Leasing potential is the number of additional units that could be leased for a full year while still maintaining HUD's recommended reserves. The Housing Authority of the City of Los Angeles currently leads California PHAs in potential leasing units at 2,337.²⁷ In a pilot study conducted for HUD, researchers screened more than 341,000 online listings and found fewer than 9,000 that appeared to be eligible for voucher use.²⁸ These problems will only grow in magnitude with any expansion.

As further detailed in the Turner's Center recent Federal Framework, provided below are five actions that should accompany increased investment into the voucher program²⁹:

First, we need to accelerate deployment of fixes to the existing housing voucher program that we know work. These include:

- Updating and refining HUD's process for setting fair market rents. The current rent setting mechanism is based on a calculation of fair market rents that is calculated by HUD at the county level. This rent setting process needs further refinement as it has not worked well in markets with rapidly rising or dropping rents, nor has it served markets with significant rent variation at the sub-county level. Current research efforts by HUD to investigate methods for increasing the accuracy and timeliness of this rent setting process are critical to continue and expand. And the Small Area Fair Market Rent demonstration, which calculated fair market rents at the zip code instead of the county level, launched during the Obama Administration, must be nationally scaled.
- Making the current housing quality standard program less onerous for owner participation. The voucher program currently requires that landlords must meet a minimally acceptable level of physical quality for participating units. These

²⁷ Office of Public and Indian Housing, (February, 2021). Housing Choice Voucher - Leasing Potential. <https://app.powerbigov.us/view?r=eyJldjoiM2Y2OTQ2MTA0ODVhNC00YmM2LThhOWEiZWY4MGU5YWFiZWY4M2ZDFmliwidCI6IjYxNTUyNGM1LTlyZTk0NGJlZC1hODkzLTExODBhNTNmyZdiMiJ9>

²⁸ See 26, Cunningham, M., Galvez, M., Aranda, C. L., Santos, R., Wissoker, D., Oneto, A., Pitingolo, R., & Crawford, J. (2018). "A Pilot Study of Landlord Acceptance of Housing Choice Vouchers." U.S. Department of Housing and Urban Development. Retrieved from: <https://www.huduser.gov/portal/pilot-study-landlord-acceptance-hcv.html>.

²⁹ Turner Center for Housing and Innovation. (February, 2021). Building a Better Ladder of Housing Opportunity in the United States A Framework for a Holistic, Equitable, and Sustainable Approach to Federal Housing Policy. <https://turnercenter.berkeley.edu/wp-content/uploads/2021/02/Federal-Framework-Brief-February-2021.pdf>

housing quality standards can be a major challenge to owner participation and can cause a time delay such that a voucher holding household falls out of the program. HUD must improve its ability to quickly resolve housing quality standards, by employing technology solutions such as video inspections or random sampling to lower the bar to participation -- differentiating minor issues from more profound health and safety issues. Pushing for significant upgrades can force units and/or owners out of the program, particularly in cases where fair market rents are close to existing market rents. The federal government should instead support local governments in building out their own building code inspection capacity in order to more broadly serve the housing market and protect renters.

- Making it harder to directly or indirectly discriminate against voucher holders seeking to rent housing. Today in much of the country it is permitted to discriminate against voucher holders without penalty. And, even in states and jurisdictions where voucher non-discrimination laws are now formally in place (e.g., California), landlords are often able to sidestep an obligation to rent to voucher-holding households by imposing high security deposit amounts, credit standards, or by listing their units at rents just above the Fair Market Rent. The bipartisan Choice in Affordable Housing Bill, authored by Senators Coons and Kramer offers a number of fixes to these issues, including providing landlords with signing bonuses and better aligning financial incentives for voucher administering entities.
- Investing heavily in renter counseling and landlord outreach. Today, inadequate marketing to landlords, along with little support for them in understanding the mechanics of the voucher programs or their legal obligations greatly limit uptake. Scalable models exist with high-performing public housing authorities. Similarly, a significant expansion of renter counseling for renters who receive vouchers to help them better understand their rights and options has been shown to greatly increase the likelihood of timely leasing and geographic mobility.³⁰

Second, we should prioritize the most vulnerable populations as we undertake incremental expansions in any journey toward universal vouchers. This includes requiring that new vouchers be prioritized for formerly homeless populations or other vulnerable or extremely low income populations, in alignment wherever possible with state and local affordable housing programs. And this may also include priorities for other special populations that align with other areas of capital investment where

³⁰ See, eg, Peter Bergman, Raj Chetty, et al. (March, 2020) Creating Moves to Opportunity: Experimental Evidence on Barriers to Neighborhood Choice. https://opportunityinsights.org/wp-content/uploads/2019/08/cmto_paper.pdf

vouchers can be beneficially project based, such as individuals with disabilities, youth aging out of foster care, the elderly, or those with extremely low-incomes living in communities at risk of displacement who can't otherwise be readily housed within low-income housing tax credit funded communities.

Third, accompany voucher expansion with a targeted renters tax credit for those low income households who are approaching a phase-out of eligibility for rental assistance as their incomes rise. Expanded assistance for very low-income households should be paired with a renters tax credit for those with low to moderate incomes who still struggle with housing burdens. Creating a targeted tax credit could ensure expanded assistance avoids the twin challenges of the “subsidy cliff” and asset limits, where renters lose their assistance if their income goes above a certain level and where they are prohibited from building savings that can facilitate greater economic mobility. Research has shown that these cliffs can serve as a disincentive to work, particularly when even moderate incomes are insufficient to cover the gap between subsidized and market rents. Enacting a renter's tax credit targeted at working households who earn low incomes yet still face high housing cost burdens would create a more robust ladder of housing opportunity. This type of credit would also bring more parity in the use of tax expenditures. It could be executed with far lower administrative costs. And it could support transitions out of rental assistance and potentially into affordable, entry-level homeownership, if those renters were able to accumulate more savings for a down payment. Lastly, it is worth noting that while the existing operational complexity of vouchers may be a worthwhile trade-off for very-low or extremely low-income households, that complexity may be harder to justify if and as more vouchers are made available to low-income households, when the share of rent those households can afford approaches the fair market rent standard in their jurisdictions. In these cases, the tenant share of rent may substantially outweigh HUD's share of rent. And at a certain point, that relatively modest benefit may become too cumbersome to justify, either from a renter or owner's perspective.

Fourth, mandate minimal capacity standards for voucher administering entities and have new vouchers administered by the same entities that are overseeing state and local affordable housing programs wherever possible. There are far too many existing voucher administering public housing authorities (PHAs) out there, including many with inherently low capacity. In addition, PHAs are often outside of the mainstream affordable housing capital subsidy delivery structure. Ensuring PHAs have robust systems in place to monitor and manage new vouchers is critical. Likewise, HUD must have the flexibility to allocate new vouchers to state or regional governments, or other non-traditional entities, in order to better align with existing affordable housing capacity.

Fifth, pair vouchers with a robust production-oriented strategy. Broader purchasing power by an ever wider swath of low-income households risks further driving up rents, forcing the federal government to pay ever more and/or pushing voucher holding households ever farther away from those economically productive regions where they can most likely access jobs and provide quality education for their children. Addressing supply needs is essential to avoid market distortions, especially where supply is most constrained, and to make sure the housing stock that is coming online creates access to a diverse array of communities and in ways that support climate imperatives and racial equity. A universal housing voucher that can be project based and has rents pegged to market rents, also opens up a potential for more federal investment into lighter touch subsidy deployment programs such as those historically played by the 4% Low Income Housing Tax Credit Program, tax-exempt bond program, and the Federal Housing Administration's 221d4 or 236 programs, as well as Fannie Mae and Freddie Mac. These are subsidy programs that require much less regulatory oversight than traditional affordable housing capital programs, are available "over the counter", and cost far less on a subsidy per unit basis to the taxpayer. By leveraging commercial debt secured by project based voucher revenue, more expensive deep capital subsidy sources can be avoided.

Conclusion

In summary, our current housing voucher program plays a critical role in helping vulnerable individuals and households to affordably access needed housing. An expansion to that program should markedly help to remediate widening inequality and growing place-based racial and income segregation. Furthermore it will directly complement efforts in places like the State of California who are able to put significant housing subsidies on the table but only in the context of up-front capital costs and are therefore profoundly limited in serving the most vulnerable, including formerly homeless. But any effort to move towards universalizing vouchers must be accompanied by reforms to the voucher program to increase its effectiveness.

Above all, we must concurrently move to unlock new housing supply -- primarily by working with local governments to unlock local regulatory barriers to supply as well as through a significant expansion and deepening of our 4% LIHTC and tax-exempt bond authorities as well as FHA and GSE loan products which can offer low-cost debt and equity to spur new workforce multifamily rental housing.

Taken together, investments of this nature could put us on a path toward having a country where all families have a shot at the middle class and can live in homes and communities that are vibrant, safe, and affordable.



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June 9, 2021

Why Expanding Housing Choice Vouchers Is Essential to Ending Homelessness

**Testimony of Ann Oliva, Senior Fellow,
Center on Budget and Policy Priorities,
Before the House Financial Services Committee**

Thank you for the opportunity to testify today on this timely and important topic. My name is Ann Oliva; I am a Senior Fellow at the Center on Budget and Policy Priorities. The Center is an independent, nonprofit policy institute that conducts research and analysis on a range of federal and state policy issues affecting low- and moderate-income individuals and families. The Center's housing work focuses on increasing access to and improving the effectiveness of federal low-income rental assistance and homelessness programs. Prior to coming to the Center, I spent ten years as a senior career public servant at the U.S. Department of Housing and Urban Development (HUD), most recently as Deputy Assistant Secretary for Special Needs. At HUD I oversaw the Department's homelessness and HIV/AIDS housing programs and helped to design and implement the HUD-VA Supportive Housing (HUD-VASH) program.

Overview

The nation is experiencing a homelessness crisis. In January 2020 — before the pandemic — 30 states across America saw a rise in homelessness from one year earlier and, for the first time since we began tracking this data, more single individuals¹ experiencing homelessness were *unsheltered* than sheltered. Living on the streets is a brutal existence for men, women, families, and youth, and negatively impacts not only the people forced to live in these conditions but also the surrounding neighborhoods and communities. But shelters are far from ideal as well. Shelters feature only short-term stays, and congregate settings can exacerbate health conditions rather than providing the kind of help people need to obtain housing. During the pandemic, congregate shelters have been especially problematic, as they could facilitate the spread of COVID-19. But the pandemic also has showed us that long-term change is possible and that with investments in permanent and supportive housing, we can dramatically reduce reliance on congregate shelters and help more people get the stable housing they need more quickly.

¹ HUD's definition of "individual" refers to a person who is not part of a family with children during an episode of homelessness. Individuals may be homeless as single adults, unaccompanied youth, or in multiple-adult or multiple-child households.

I want to thank Chairwoman Waters and Representatives Cleaver and Torres for their work on the Ending Homelessness Act of 2021, which would make bold changes to strengthen communities and improve the lives of those who are experiencing homelessness or at risk of homelessness. Expanding the Housing Choice Voucher program to provide a voucher to every eligible household is the single most important step we can take to address the homelessness crisis. While the bill we are discussing today is the most comprehensive option, Congress should also enact the President's proposed 200,000-voucher increase through the appropriations process and include a large-scale, multi-year voucher expansion in upcoming recovery legislation to quickly make progress toward ending homelessness.

After a brief examination of the current national landscape on homelessness and housing instability, my testimony today will review the Ending Homelessness Act of 2021 and then discuss:

- why universal vouchers are the most important step we can take toward ending homelessness;
- how voucher expansion would advance racial equity;
- how voucher expansion can reduce homelessness most effectively, based in part on recent discussions with people with lived experience of homelessness and voucher use; and
- how voucher expansion can increase opportunities for both preventing and exiting homelessness.

National Landscape on Homelessness and Housing Instability

HUD reports that more than 580,000 people (including members of families as well as individuals) were experiencing homelessness on a single night in January 2020, prior to the COVID-19 pandemic.² Sixty-one percent of them were in sheltered locations, while 39 percent were unsheltered. They included nearly 172,000 people in families (60 percent of them children), more than 110,500 people experiencing chronic homelessness,³ and more than 37,000 veterans. Over the course of a year, nearly 1.45 million people experience sheltered homelessness at some time.⁴

These 2020 point-in-time data illustrated two significant shifts in the landscape of homelessness:

- **Homelessness increased in 30 states.** Unlike in prior years, between 2019 and 2020 the number of people experiencing homelessness increased in more states than it decreased.
- **Unsheltered homelessness is at crisis levels.** Unsheltered homelessness (which is less common among families with children) has increased every year since 2015. (See Figure 1.) In

² Meghan Henry *et al.*, "The 2020 Annual Homeless Assessment Report (AHAR) to Congress, Part 1," Department of Housing and Urban Development, January 2021, <https://www.huduser.gov/portal/sites/default/files/pdf/2020-AHAR-Part-1.pdf>.

³ People who are chronically homeless have experienced homelessness for at least a year, or repeatedly over several years, while struggling with a disabling condition such as a serious mental illness, substance use disorder, or physical disability. See National Alliance to End Homelessness, "Chronically Homeless," <https://endhomelessness.org/homelessness-in-america/who-experiences-homelessness/chronically-homeless/>.

⁴ Meghan Henry, Anna Mahathay, and Meghan Takashima, "The 2018 Annual Homeless Assessment Report (AHAR) to Congress, Part 2," Department of Housing and Urban Development, September 2020, <https://www.huduser.gov/portal/sites/default/files/pdf/2018-AHAR-Part-2.pdf>.

2020, for the first time since the count began, there were more unsheltered single individuals (51 percent) than sheltered single individuals (49 percent). Between 2019 and 2020, unsheltered homelessness among white people increased 8 percent, while increases among Black and Hispanic/Latino people were 9 and 10 percent, respectively.

As the crisis deepens, it is important to understand the needs and characteristics of people experiencing homelessness and housing instability so that interventions can be designed and funded to address those needs.

Families experiencing homelessness are typically headed by women and include a high percentage of young children.⁵

About 501,100 people in 156,000 households with children used an emergency shelter or transitional housing in fiscal year 2018. Of those persons, 62 percent were children and nearly 30 percent were children under age 5. Nearly 90 percent of sheltered family households were headed by women.⁶

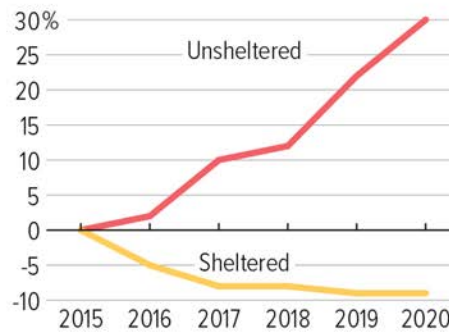
Youth and young adults experience homelessness as family heads of household and as individuals.⁷

In 2018, families with children headed by a parenting young adult aged 18 to 24 accounted for 17 percent of all family households experiencing sheltered homelessness; in addition, 113,330 unaccompanied youth experienced sheltered homelessness. Unaccompanied youth experiencing sheltered homelessness were more likely to be people of color (Hispanic or Latino, Black or African American, multi-racial, or another race other than white) than youth in the general population. LGBTQ youth are at more than double the risk of homelessness

FIGURE 1

Unsheltered Homelessness Increased Every Year Since 2015

Percent change in people experiencing homelessness since 2015



Source: 2015-2020 Housing and Urban Development point-in-time data

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⁵ *Ibid.*

⁶ HUD defines “head of household” as the member of the family or household to whom all other members of the household are associated in homeless management information systems. For families and adult-only households, the head of household must be an adult. In a child-only household, the parent of another child is designated as the head of household; otherwise, each child in a household without adults is designated as a head of household.

⁷ *Ibid.*

compared to non-LGBTQ peers, and among youth experiencing homelessness, LGBTQ young people reported higher rates of trauma and adversity, including twice the rate of early death.⁸

People experiencing unsheltered homelessness have higher needs than sheltered persons and are often engaged by police in harmful ways. The California Policy Lab's analysis "Health Conditions of Unsheltered Adults in the U.S." reports that people experiencing unsheltered homelessness are "far more likely to report suffering from chronic health conditions, mental health issues, and experiences with trauma and substance abuse problems as compared to homeless people who are living in shelters."⁹

Further, the analysis shows that often the "[p]eople with the longest experiences of homelessness, most significant health conditions, and greatest vulnerabilities are not accessing and being served by emergency shelters. Rather than receiving shelter and appropriate care, unsheltered people with major health challenges are instead regularly engaged by police and emergency services." Relying on emergency systems like ambulances and police departments to respond to homelessness is costly to public systems and traumatizing to the individuals experiencing homelessness. It also leads to outcomes like arrests and repeated hospitalizations instead of stable housing and appropriate health care.

People experiencing homelessness often work but still cannot afford housing. The recent paper "Learning about Homelessness Using Linked Survey and Administrative Data" found high rates of formal employment among people experiencing homelessness.¹⁰ The report's findings not only run counter to pervasive stereotypes about people experiencing homelessness, but also point to the need for a comprehensive and long-term approach to addressing the homeless crisis:

- Fifty-three percent of people experiencing sheltered homelessness had formal labor market earnings in the year they were observed as homeless.
- An estimated 40.4 percent of unsheltered persons had at least some formal employment in the year they were observed as homeless.
- However, the "administrative data reveal substantial material deprivation among people experiencing homelessness." People experiencing homelessness "appear to be having not just a year of deprivation and challenge, but a decade (at least)." In other words, homelessness is a symptom of persistent challenges, poverty, and insecurity.

Inflow into homelessness is significant, and many households are at risk. The homelessness crisis is deeply affected by the number of households entering homelessness from unstable housing situations. HUD's "Worst Case Housing Needs 2019 Report to Congress" found that 7.7 million

⁸ Matthew Morton *et al.*, "LGBTQ Young Adults Experience Homelessness at More than Twice the Rate of Peers," Chapin Hall at the University of Chicago, 2018, <https://www.chapinhall.org/research/lgbtq-young-adults-experience-homelessness-at-more-than-twice-the-rate-of-peers/>.

⁹ Janey Rountree, Nathan Hess, and Austin Lyke, "Health Conditions Among Unsheltered Adults in the U.S.," California Policy Lab, October 6, 2019, <https://www.capolicylab.org/health-conditions-among-unsheltered-adults-in-the-u-s/>.

¹⁰ Bruce D. Meyer *et al.*, "Learning about Homelessness Using Linked Survey and Administrative Data," National Bureau of Economic Research Working Paper No. 28861, May 2021, <https://www.nber.org/papers/w28861>.

households have worst case housing needs¹¹ and that “most cases of worst case needs are caused by severe rent burdens — that is, paying more than one-half of income for rent.”¹² Research sponsored by Zillow finds that “communities where people spend more than 32 percent of their income on rent can expect a more rapid increase in homelessness.”¹³ The lack of affordable housing also underpins the pattern of people entering homelessness from other systems, including child welfare, jails and prisons, emergency rooms, and psychiatric hospitals.

The health and economic impacts of the COVID-19 pandemic have only worsened the situation. Millions of households are at risk of eviction; people of color and communities that historically have been marginalized and subject to disinvestment have been disproportionately impacted; and the nation has had to grapple with the inherent health risks posed by congregate settings, including nursing homes, jails, and shelters.¹⁴

Homeless assistance systems alone cannot end homelessness. In some areas of the country, they are rehousing more households than ever before, even as homelessness continues to increase.¹⁵ The problem requires a comprehensive approach that addresses the large numbers of households that cannot afford rents in their communities because their incomes are too low to afford reasonably priced housing, there is insufficient supply of reasonably priced housing, or both. The approach must also address access to services for people who need and want them.

The first and most effective step in addressing the nation’s homelessness crisis is to provide a Housing Choice Voucher for every eligible household. Vouchers effectively fill in the gap between what rent and utilities cost in a community and how much a household can afford to pay, ensuring that those with very low incomes can afford housing in their communities. This step would fundamentally alter the landscape for people experiencing homelessness, institutionalization, and housing instability, ultimately preventing many stints of homelessness because households with low incomes would be able to afford housing and, thus, would be less likely to fall behind on rent and

¹¹ Renter households with worst case housing needs are those with very low incomes (no more than 50 percent of the area median income) who receive no government housing assistance and pay more than half of their income for rent, live in severely inadequate conditions, or both.

¹² Nicole Elsasser Watson *et al.*, “Worst Case Housing Needs: 2019 Report to Congress,” Department of Housing and Urban Development, June 2020, <https://www.huduser.gov/PORTAL/sites/default/files/pdf/worst-case-housing-needs-2020.pdf>.

¹³ Chris Glynn, Thomas H. Byrne, and Dennis P. Culhane, “Inflection Points in Community-Level Homeless Rates,” February 2020, https://wp-tid.zillowstatic.com/3/Homelessness_InflexionPoints-27eb88.pdf; Chris Glynn and Alexander Casey, “Homelessness Rises Faster Where Rent Exceeds a Third of Income,” Zillow Research, December 11, 2018, <https://www.zillow.com/research/homelessness-rent-affordability-22247/>.

¹⁴ CBPP, “Tracking the COVID-19 Recession’s Effects on Food, Housing, and Employment Hardships,” updated June 7, 2021, <https://www.cbpp.org/research/poverty-and-inequality/tracking-the-covid-19-recessions-effects-on-food-housing-and-employment>.

¹⁵ “These significant increases [in homelessness] come despite hundreds of millions of dollars spent and, according to county officials, a system that is housing a record number of people. In 2019, LA’s homeless services system placed nearly 23,000 people in homes, according to the report by the LA Homeless Services Authority.” Anna Scott, “Homelessness In Los Angeles County Rises Sharply,” NPR, June 12, 2020, <https://www.npr.org/2020/06/12/875888864/homelessness-in-los-angeles-county-rises-sharply>. See also Benjamin Maritz and Dilip Wagle, “Why does prosperous King County have a homelessness crisis?” McKinsey & Company, January 22, 2020, <https://www.mckinsey.com/industries/public-and-social-sector/our-insights/why-does-prosperous-king-county-have-a-homelessness-crisis>.

face eviction. It would lift millions of children out of poverty and improve educational outcomes, help seniors and people with disabilities, and provide youth and young adults with a brighter path to adulthood.¹⁶

The Ending Homelessness Act of 2021

The Ending Homelessness Act of 2021 (the Act) would provide the comprehensive approach to ending homelessness that is required. Unlike other bills that aim to address homelessness, it provides critical housing infrastructure through Housing Choice Voucher expansion and investments in the National Housing Trust Fund to address the underlying affordable housing shortage, which is acute in some communities and helps drive increases in homelessness in communities across the country. The legislation supplements existing programs and uses a variety of funding sources to support an array of eligible activities addressing the needs of people who are already experiencing sheltered and unsheltered homelessness. The Act also provides important protections for families and individuals seeking to use vouchers from discrimination based on the source of their income or rental subsidy.

The legislation balances strategies that address affordability, housing supply, services, and technical assistance for communities. It supports significant progress by quickly providing safe and permanent housing through an expansion of the Housing Choice Voucher program to millions of households at the lowest income levels. The Act also includes investments in affordable housing supply where needed. And it includes critical resources to homeless assistance systems to right-size and shift operations so that people living on the street can be rehoused through delivery of outreach and service coordination, coupled with housing that is affordable because of the availability of vouchers or other permanent subsidies.

Enacting this approach would fundamentally change the lives of people experiencing homelessness and housing instability. It would allow the homelessness system to be what it always should have been: a response system that quickly rehouses people experiencing a housing crisis, rather than an under-resourced and stretched housing system of last resort for families, youth, people with disabilities, elders, and people returning home from jail or prison.

Vouchers can:

- ▼ Reduce poverty
 - ▼ Sharply reduce homelessness and overcrowding
 - ▼ Reduce domestic violence
 - ▲ Improve health and educational outcomes
 - ▲ Advance racial equity
 - ✚ And more
-

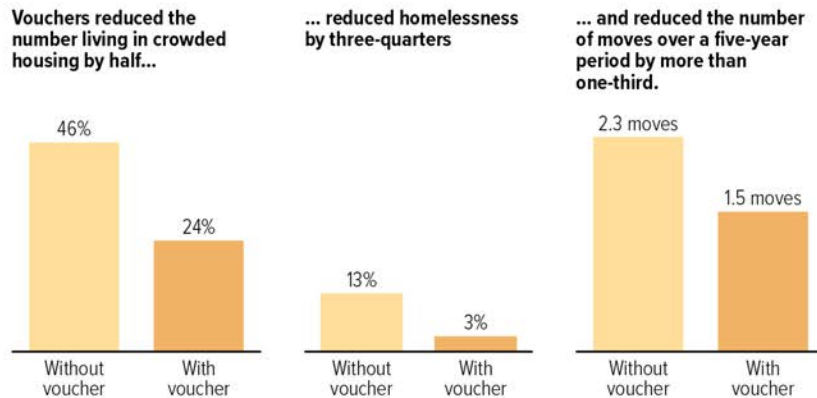
¹⁶ Will Fischer, Sonya Acosta, and Erik Gartland, "More Housing Vouchers: Most Important Step to Help More People Afford Stable Homes," CBPP, May 13, 2021, <https://www.cbpp.org/research/housing/more-housing-vouchers-most-important-step-to-help-more-people-afford-stable-homes>.

Expanding Housing Choice Vouchers Is Critical to Ending Homelessness

Housing vouchers are highly effective at reducing homelessness, housing instability, and overcrowding and at improving other outcomes for families and children, rigorous research shows. (See Figure 2.)

FIGURE 2

Housing Choice Vouchers Sharply Reduced Crowded Housing, Homelessness, and Frequent Moves, Study Shows



Note: The chart compares the housing status of low-income families in six U.S. cities who were randomly selected to receive a voucher and used it for at least part of the previous year to families in a control group who did not use vouchers. Families experiencing "crowded housing" were living in housing that has less than one room per household member. Number of moves reflects the average moves over a 4.5- to 5-year period since random assignment.

Source: Michelle Wood, Jennifer Turnham, and Gregory Mills, "Housing Affordability and Family Well-Being: Results from the Housing Voucher Evaluation," Housing Policy Debate, 2008.

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They are crucial to giving people with low incomes greater choice about where they live and to ensuring that initiatives to build or rehabilitate housing reach those who most need help. Vouchers also make a major contribution to lifting people out of poverty and reducing racial inequity: the housing affordability challenges that vouchers address are heavily concentrated among people with the lowest incomes and, due to a long history of racial discrimination that has limited their economic and housing opportunities, among people of color.¹⁷ (For additional CBPP analysis on the benefits of voucher expansion, see the materials posted at <https://www.cbpp.org/research/resource-lists/expanding-housing-vouchers>.)

¹⁷ *Ibid.*

Unfortunately, the Housing Choice Voucher program only reaches about 1 in 4 eligible families due to funding limitations. This shortfall is one of the biggest gaps in the nation's economic support system and causes families with pressing housing needs to face long waiting lists and homelessness.

Of the 11.2 million renter households with severe cost burdens in 2018, close to three-fourths had extremely low incomes (up to the federal poverty line or 30 percent of the local median, whichever is higher). Many people cannot afford housing at all and fall into homelessness. Due to a long history of racism — including racially discriminatory housing policies — Black, Latino, and Native American people are disproportionately likely to face severe rent burdens and to experience homelessness.

Research including HUD's Family Options Study and programs like HUD-VASH and the Family Unification Program (FUP) clearly illustrate the potential of expanding the Housing Choice Voucher Program for ending homelessness and improving the lives of households with incomes at or near the poverty line.¹⁸ For example, the Family Options Study showed that enrolling in Housing Choice Vouchers improved housing stability and reduced family separations, psychological distress and alcohol/drug problems for the head of household, intimate partner violence, the number of schools children attended and the number of absences for children, children's behavioral problems, and food insecurity among families as compared to usual care in the homeless system. (See Figure 3.)

HUD-VASH, which couples services provided by the Veterans Administration with a Housing Choice Voucher, was a key resource used to reduce veteran homelessness (especially unsheltered homelessness) by almost half between 2009 and 2020. FUP, which operates as an interagency collaboration between local public housing agencies and child welfare agencies, has been shown to expedite child welfare case closure and support high rates of family reunification for families involved with the child welfare system.¹⁹ FUP can also serve youth aging out of foster care by providing supportive housing for young people who may otherwise experience homelessness or housing instability.²⁰

Further, expanding vouchers is essential to ensuring that people experiencing homelessness who live with disabilities or may be experiencing chronic homelessness can live safely and pursue their goals. Like HUD-VASH, vouchers can be paired with services (in this case, financed through Medicaid or other funding streams) to develop permanent supportive housing, an evidence-based solution to homelessness among people with disabilities that helps people find and keep housing, which, in turn, can improve health outcomes.²¹ Housing Choice Vouchers can also be project-based to support development of affordable and supportive housing in areas that need increased supply.

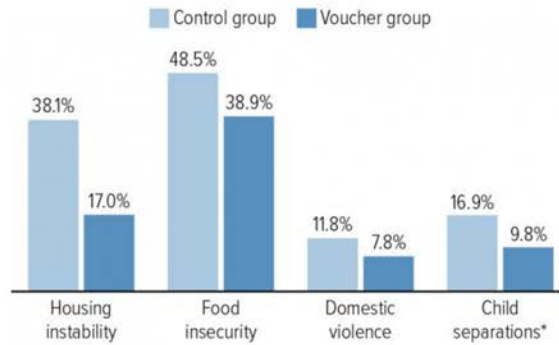
¹⁸ Department of Housing and Urban Development, "The Family Options Study," https://www.huduser.gov/portal/family_options_study.html.

¹⁹ Michael Pergamit, Mary Cunningham, and Devlin Hanson, "The Impact of Family Unification Housing Vouchers on Child Welfare Outcomes," *American Journal of Community Psychology*, March 2017, <https://onlinelibrary.wiley.com/doi/abs/10.1002/ajcp.12136>.

²⁰ M. Robin Dion *et al.*, "The Family Unification Program: A Housing Resource for Youth Aging Out of Foster Care," Department of Housing and Urban Development, May 2014, https://www.huduser.gov/portal/publications/pdf/Supportive_housing_for_youth.pdf.

²¹ Anna Bailey, "Rental Assistance Needed to Build a Recovery That Works for People With Disabilities," CBPP, May 6, 2021, <https://www.cbpp.org/blog/rental-assistance-needed-to-build-a-recovery-that-works-for-people-with-disabilities>.

FIGURE 3

Vouchers Reduce Hardship for Homeless Families

Note: The control group consisted of homeless families that were not offered vouchers or other assistance under the study.

*These data are the results reported 20 months into the HUD Family Options Study. All the other chart data are from the completed 3 year study.

Food insecurity = Someone in the household had inadequate access to food at some point during the year.

Housing instability = Family reported spending at least one night homeless or doubled up in the past 6 months or stayed in an emergency shelter in the past year.

Source: Gubits *et al.*, "Family Options Study 3-Year Impacts of Housing and Services Interventions for Homeless Families," Department of Housing and Urban Development

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Voucher Expansion Would Advance Racial Equity

People of color are disproportionately affected by homelessness.²² Nearly 40 percent of those experiencing homelessness in 2020 were Black and 23 percent were Latino, although these groups make up only 13 and 18 percent of the U.S. population, respectively.

Voucher expansion would significantly benefit people of color, especially those experiencing homelessness. Insufficient funding prevents vouchers from reaching most people experiencing homelessness, as well as the 24 million people in low-income renter households that pay more than half of their income for rent and utilities. Most of these renters (62 percent) are people of color: 6.8 million are Latino, 5.8 million are Black, 1.4 million are Asian or Pacific Islander, 725,000 are multiracial, and 242,000 are American Indian or Alaska Native. People who pay too much for housing have little money left to cover their basic needs, like food or medicine. And when finances are stretched precariously thin, an unexpected bill or a reduction in work hours — as many people

²² Meghan Henry *et al.*, *op. cit.*

experienced during the pandemic — can have devastating effects, such as having the heat or electricity cut off or losing one's home entirely.²³

Housing vouchers would help households, both those that are homeless and those facing high rent burdens that place them at risk for eviction and homelessness — obtain and maintain stable, affordable housing and raise their incomes above the poverty line. One study estimated that giving all eligible households vouchers would lift 9.3 million people above the poverty line.²⁴ These benefits would be greatest among people of color, who would experience the steepest declines in poverty. (See Figure 4.) In particular, expanding vouchers to all eligible households would cut the poverty rate for Latino people by a third, for Black people by a quarter, and for Asian people and Pacific Islanders and American Indians and Alaska Natives by a fifth. Making vouchers available to many additional people would also sharply reduce homelessness, housing instability, and crowding.

Partnering With People With Lived Experience of Homelessness

People with lived experience of homelessness and voucher use must be at the table when policymakers consider topics like affordable housing and homelessness. They bring a critical policy and program design perspective to the discussion based on how these systems actually function. And they make important recommendations based on their experience using these resources.

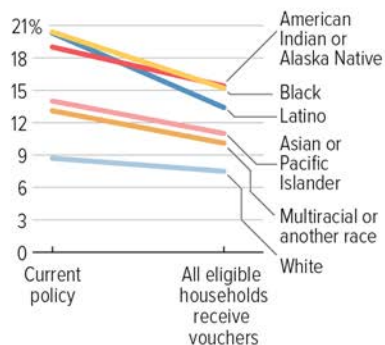
In preparation for today's hearing, we met with a group of people with lived expertise from several communities and asked for their recommendations on how vouchers can help end homelessness and housing instability. The following themes emerged from our discussion:

- **Expanding the Housing Choice Voucher program for all eligible households would be a key step toward ending homelessness for many households and preventing**

FIGURE 4

Expanding Housing Vouchers to All Eligible Households Would Cut Poverty and Reduce Racial Disparities

Percent of people in poverty by race/ethnicity



Note: Currently about 1 in 4 households eligible for a voucher receives any type of federal rental assistance. Latino category may contain individuals of any race that identify as Latino or Hispanic; other categories exclude individuals that identify as Latino or Hispanic.

Source: Columbia University Center on Social Policy calculations using data from the 2019 Current Population Survey (CPS). Results for American Indian and Alaska Native and multiracial individuals calculated using data from the 2017-2019 CPS. Results for these groups should be interpreted with caution due to sample size constraints.

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²³ Alicia Mazzara, "Expanding Housing Vouchers Would Cut Poverty and Reduce Racial Disparities," CBPP, May 11, 2021, <https://www.cbpp.org/blog/expanding-housing-vouchers-would-cut-poverty-and-reduce-racial-disparities>.

²⁴ Sophie Collyer *et al.*, "Housing Vouchers and Tax Credits: Pairing the Proposal to Transform Section 8 with Expansions to the EITC and the Child Tax Credit Could Cut the National Poverty Rate by Half," Center on Poverty & Social Policy at Columbia University, October 7, 2020, <https://www.povertycenter.columbia.edu/publication/2020/policy-proposal-housing-vouchers>.

homelessness for many others. However, the expansion must be implemented in ways that remove barriers to obtaining and maintaining housing for people with disabilities, immigrant households, those with a history of incarceration, and others. This includes providing more robust support in accessing units by protecting program participants against discrimination based on income source, as the Ending Homelessness Act of 2021 proposes. It also includes providing help to voucher holders with locating available units and engaging with landlords to encourage them to lease to voucher holders. Implementing strategies that support lease-up can cut down the time it takes for a household to lease a unit, especially in tight housing markets.

- **Expanding Housing Choice Vouchers would create much-needed changes in the homelessness assistance system.** Implementation should be done over time to create a strong foundation for shifting homeless assistance systems out of “crisis mode” and toward functioning as a sustainable system focused on quickly rehousing people who are facing a housing crisis and then helping them achieve stable and permanent housing. It should also create an environment where partners like continuum of care entities and public housing authorities work together to prevent and end homelessness in the community.

“In order to get a voucher, I had to go to a shelter.”

“The lottery system needs to go.”

- Discussion Participants
- **People should not be required to enter a shelter to access a Housing Choice Voucher if they are eligible for the program.** Currently, households that may not have otherwise entered a shelter are sometimes required to do so in order to receive a preference for a Housing Choice Voucher, and often must wait months or years for that voucher to become available to them. In some places, a lottery system to obtain a voucher creates anxiety and uncertainty for those who need affordable housing and may be waiting in a shelter. This also delays the types of benefits that safe and stable housing provides to families, children, and individuals while they wait in a shelter or other precarious situation.
- **Rent limitations should be reconsidered, especially in tight housing markets.** Several participants in the discussion stated that the program’s rent limits are too low in their communities, which makes finding units that meet the requirements more difficult. Implementation of Small Area Fair Market Rents, as required in the Ending Homelessness Act of 2021, would help to ensure that Housing Choice Vouchers more accurately reflect neighborhood rents.
- **Both landlords and voucher holders have a role to play.** More can be done to connect voucher holders and landlords and to support a positive relationship during tenancy. This may include developing incentives for landlords to participate in the program, increasing access to available units for voucher holders, and implementing strategies (like a risk mitigation fund) that help landlords recover when units are damaged or other crises occur.

Universal Housing Vouchers Can Prevent Homelessness and Resolve Homeless Episodes More Quickly

We know how to solve homelessness: by providing opportunities for all families and individuals to live in safe and affordable housing that they choose and that meets their needs. To be clear, *housing is not the only component* of the solution to homelessness. But safe, affordable housing options for the millions of households experiencing or at risk of homelessness must be the core component. We can make significant progress in our national collective efforts to make homelessness rare, brief, and one-time by expanding the Housing Choice Voucher program to all who are eligible.

Balancing Supply-Side Investments With Affordability

While voucher expansion is the single most important step policymakers can take to help families afford housing, it is also important to build and rehabilitate affordable housing. But *only* funding “supply-side” investments, without adequately expanding vouchers, would almost certainly leave out a large share of households that most need help to afford housing. It also would risk constraining the housing choices available to low-income people, people of color, and people with disabilities.

In many parts of the country rental markets are relatively soft, the number of housing units is generally adequate, and the primary housing problem facing low-income people is affordability of rent and utility costs. In these communities, rents are reasonable in the sense that they generally reflect the cost of operating the housing and servicing debt and aren’t driven by a hot housing market, but the costs still exceed many households’ ability to pay because their incomes are so low.

However, in tight housing markets where the number of housing units is inadequate to meet demand and costs are driven up by inadequate supply, more units should be made available by increasing subsidies for constructing affordable housing and rehabilitating affordable housing so it remains on the market and in good condition, and by reducing regulatory barriers to development. In addition, supply-side investments can make units available to assist particular populations, for example by increasing the number of units accessible to people with disabilities. And in some cases, such investments can improve access to neighborhoods where it would otherwise be difficult for people with low incomes to rent homes.

But unless a household also receives a voucher or other similar ongoing rental assistance, construction subsidies for private units rarely produce housing with rents that are affordable for households with incomes around or below the poverty line — which make up most of the renters confronting severe housing affordability challenges. These households typically can’t afford rent set high enough for an owner to cover the ongoing cost of operating and managing housing. Consequently, even if development subsidies pay for the full cost of building the housing, rents in the new units will generally be too high for lower-income families to afford without the added, ongoing help a voucher can provide.

Providing Safety Net During National Crises by Preventing Homelessness and Housing Instability

In addition to providing a critical resource to end homelessness as we know it, expanding the Housing Choice Voucher program would provide an important safety net for extremely low-income households *and landlords* when the nation experiences a crisis. Housing instability became a high-profile national issue during the pandemic, when millions of renters fell behind in rent after job

losses, reductions in scheduled hours, or illness. Job losses and reductions in scheduled work hours fell most heavily on workers in low-wage industries and on people of color, who face long-standing inequities often stemming from structural racism in education and employment.²⁵ Both groups were already more likely to struggle to afford housing. By January 2021, an estimated 15.1 million adults living in rental housing — more than 1 in 5 adult renters — were not caught up on rent. People who struggled to pay rent during the crisis were disproportionately people of color, renters with low incomes, and renters who had lost income.

The federal response to housing needs during the crisis was long-delayed, leading to unnecessary hardship for millions of people. Because the number of families with vouchers and other federal rental assistance is limited by available funding and because that funding does not automatically expand to meet growing needs, large numbers of households were left waiting for policymakers to enact emergency rental assistance programs. Local, state, and federal eviction moratoriums have prevented many — though not all — families from losing their homes, but most families still must pay their rent and accumulate debt if they cannot. Federal lawmakers provided some rental assistance funds in the March 2020 CARES Act, but they did not enact large-scale funding for emergency rental assistance until late December 2020 — more than nine months after severe job losses began — with additional amounts included in the March 2021 American Rescue Plan.

Universal Housing Vouchers Would Allow Dramatic Improvements in Homeless Assistance Systems

Homelessness assistance systems necessarily operate via a scarcity model that requires front-line workers and homelessness assistance providers to make excruciating decisions about who will get needed resources. These are literally life and death situations. The most sick or “vulnerable” often receive assistance first, but vulnerability is hard to measure and looks different for different populations. Is a young person who is being trafficked in exchange for a place to sleep more “vulnerable” than a woman with a serious mental illness living on the streets or a family with young children living in their car? These are the decisions that front-line staff are faced with every day.

This approach, while currently necessary, can be extremely difficult for those who implement it and can lead to high levels of staff burnout and turnover in a system that needs stability and consistency to function well. It is also retraumatizing for the people who come to these systems for help, only to be told they are not sick or needy enough to be at the top of the list for housing and/or services. People wait for assistance in dangerous situations on the street or in congregate shelters, which have proven to be particularly unhealthy environments during the pandemic. Upticks in unsheltered homelessness can increase tension with housed people in neighborhoods that include encampments. They also can increase interactions with police and fire departments that are costly and do not resolve people’s needs or the homelessness crisis overall.

Expanding the Housing Choice Voucher program can change this dynamic, not immediately but by providing the critical basis for significant change. Voucher expansion would increase access to housing as both a *prevention* strategy for households experiencing housing instability and a *rehousing* strategy for families, youth, and individuals who are in crisis or exiting systems like foster care, jails, or hospitals. For some, a voucher alone will enable them to obtain housing and maintain stability. Others will need safe and affordable housing coupled with supportive services like case

²⁵ Fischer, Acosta, and Gartland, *op. cit.*

management, substance use treatment, mental or physical health services, or other types of community-based supports to maintain housing and live full lives.

Imagine a homelessness assistance system that, instead of being forced to prioritize people based on how sick or in danger they are, can quickly offer a family, youth, or individual in crisis a permanent housing option. A system that prioritizes working with landlords to create and maintain positive relationships that benefit people experiencing homelessness, the business community, and neighborhoods. A system that has a housing placement for a person who experienced unsheltered homelessness and chose to enter substance use treatment but needs housing to maintain their sobriety and housing stability. A system that provides outreach to people living on the streets — outreach that actually includes a housing option rather than only a blanket, bottle of water, or granola bar.

We have much work to do to realize that vision. There are many partnerships to build and nurture. But the most important first step is to expand the Housing Choice Voucher program to all eligible households in the United States.



The Honorable Sylvia Garcia
Member House Financial Services Committee
US House of Representatives
Washington DC

July 23, 2021

Dear Congresswoman Garcia,

I appreciated the chance to testify before the House Financial Services Committee on the topic of federal voucher expansion and housing assistance earlier this summer. Thank you for your follow-up questions for the record. Below are my responses to the items. Please let me know if I can be of further assistance.

Question: There is a growing body of research supporting the fact that access to housing means access to a healthy, productive society. Not only do Housing Choice Vouchers result in increased educational attainment, healthcare access, and lower crime rates, but they help produce a more productive population in general. Can you elaborate on how low-income housing programs can support public health, and thereby bolster economic productivity?

It has been well documented that exposure to chronic stress, such as housing insecurity, in childhood leads to significantly worse health outcomes in adulthood.¹ One meta-regression evaluated health outcomes in individuals along a continuum of economic and housing instability (ranging from the general population to actively homeless), the authors found worse housing insecurity was associated with being uninsured, postponing needed care, postponing medications, and higher hospitalization rates.²

In 2008 the Department of Housing and Urban Development (HUD) executed the [Family Options Study](#), randomly assigning families to receive (1) a subsidy, without supportive services, (2) project-based transitional housing (housing for up to 2 years with on-site support services, (3) community-based rapid re-housing, or (4) usual care. The authors found that government-funded rental assistance reduced poverty and improved overall health outcomes for children. Children in families who received rental assistance demonstrated more prosocial behavior and fewer negative behavioral problems and sleep

¹ Shonkoff, J. P., Garner, A. S., Siegel, B. S., Dobbins, M. I., Earls, M. F., McGuinn, L., ... & Committee on Early Childhood, Adoption, and Dependent Care. (2012). The lifelong effects of early childhood adversity and toxic stress. *Pediatrics*, 129(1), e232-e246.

² Reid, K. W., Vittinghoff, E., & Kushel, M. B. (2008). Association between the level of housing instability, economic standing and health care access: a meta-regression. *Journal of health care for the poor and underserved*, 19(4), 1212-1228.



disruptions.^{3,4} Even three years post-assignment, the authors found children in families assigned to permanent housing subsidies completed more school grades than those assigned to project-based transitional housing or usual care.

Better health outcomes and more schooling are natural antecedents to an improved economic future, however, the long-term economic effects of housing assistance is most notably demonstrated in Dr. Raj Chetty's [Moving to Opportunity Experiment](#). After randomly assigning families living in high-poverty neighborhoods housing vouchers to move to lower-poverty neighborhoods, the authors found that children who move before the age of 13 earned 31% more in adulthood than children whose families did not receive housing vouchers. This effect is nonexistent for children over the age of 13, suggesting that the longer children spend in lower-poverty neighborhoods the better the outcome, both personally and socially, in the long-term.⁵

Question: Please provide any data you may have that illustrates the economic multiplier effect of the voucher program.

Although the study's sample consisted of California residents living in LIHTC properties, [Dr. Carolina Reid's work](#) on the economic effects of affordable housing is vital to understanding the benefits vouchers could have as an 'economic multiplier.' Reid's work, through the Turner Center, demonstrated that affordability and stability in housing lead to long-term economic mobility.⁶ Residents were able to think beyond day-to-day survival, in many instances leveraging housing stability into college degrees for both parents, as well as, children of these families later on. This naturally leads to a more skilled workforce in our economy.

The most important advantage of housing vouchers is that they give recipients the freedom to choose the kinds of housing and the locations that best meet their needs. Federal housing construction programs have historically clustered assisted families in low-income, central city neighborhoods, contributing to both concentrated poverty and racial segregation. Housing Choice Vouchers -- by providing tenants with the option of finding housing in the private market in many different neighborhoods -- have the potential (if not fully realized) to help counteract patterns of poverty concentration and racial segregation by

³ Gubits, D. et al., (October, 2016). "Family Options Study: 3-Year Impacts of Housing and Services Interventions for Homeless Families," prepared for Department of Housing and Urban Development, <https://www.huduser.gov/portal/sites/default/files/pdf/Family-Options-Study-Full-Report.pdf>.

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⁶ Reid, C., & Stambuk-Torres, B. (2020). *Recession and Recovery: The Critical Role of Housing Assistance in Promoting Economic Security for Low-Income Households*. <https://turnercenterberkeley.edu/wp-content/uploads/2020/12/Recession-and-Recovery-September-2020-1.pdf>



enabling low-income renters to find and afford housing in neighborhoods throughout a metropolitan region.⁷ In addition, housing vouchers serve as an important complement to the resources that local and state governments use to build more affordable housing. Additional project based vouchers can help affordable housing projects pencil, by increasing the amount of commercial debt a project can leverage to assist with construction, and by offsetting the need to find additional gap funding sources to accompany low income housing tax credit equity.

Of equal importance, housing vouchers reduce the economic strain of housing insecurity, in terms of public social, medical, legal, and carceral costs. [Santa Clara County conducted one of the largest studies](#) examining the costs of homelessness, finding an average expenditure of \$510 million per year to provide those experiencing homelessness services (nearly two thirds of which went toward medical expenses, with the remaining dollars largely spent on involvement in the carcel system).⁸ These only represent public costs, there are also uncalculated costs to businesses, tourism, and the private sector overall in cities experiencing high rates of homelessness.⁹

Question: There is a growing body of research supporting the fact that access to housing means access to a healthy, productive society. Not only do Housing Choice Vouchers result in increased educational attainment, healthcare access, and lower crime rates, but they help produce a more productive population in general. Can you elaborate on how low-income housing programs can support public health, and thereby bolster economic productivity?

It has been well documented that exposure to chronic stress, such as housing insecurity, in childhood leads to significantly worse health outcomes in adulthood.¹⁰ One meta-regression evaluated health outcomes in individuals along a continuum of economic and housing instability (ranging from the general population to actively homeless), the authors found worse housing insecurity was associated with being uninsured, postponing needed care, postponing medications, and higher hospitalization rates.¹¹

⁷ Turner, M. A. (2003). Strengths and weaknesses of the housing voucher program. <http://web.archive.urban.org/publications/900635.html>

⁸ Flaming, D., et al. (2015). "Home Not Found: The Cost of Homelessness in Silicon Valley," prepared for the County of Santa Clara.

<https://www.sccgov.org/sites/osh/ContinuumofCare/ReportsandPublications/Documents/Santa%20Clara%20County%20CostStudyReport.pdf>

⁹ Levin, M. (January, 2020). "You've just been named California's homelessness czar — what's your first move?" CalMatters.

<https://calmatters.org/housing/2020/01/california-homelessness-czar-options-ratings-cost-efficacy/>

¹⁰ Shonkoff, J. P., Garner, A. S., Siegel, B. S., Dobbins, M. I., Earls, M. F., McGuinn, L., ... & Committee on Early Childhood, Adoption, and Dependent Care. (2012). The lifelong effects of early childhood adversity and toxic stress. *Pediatrics*, 129(1), e232-e246.

¹¹ Reid, K. W., Vittinghoff, E., & Kushel, M. B. (2008). Association between the level of housing instability, economic standing and health care access: a meta-regression. *Journal of health care for the poor and underserved*, 19(4), 1212-1228.



In 2008 the Department of Housing and Urban Development (HUD) executed the [Family Options Study](#), randomly assigning families to receive (1) a subsidy, without supportive services, (2) project-based transitional housing (housing for up to 2 years with on-site support services, (3) community-based rapid re-housing, or (4) usual care. The authors found that government-funded rental assistance reduced poverty and improved overall health outcomes for children. Children in families who received rental assistance demonstrated more prosocial behavior and fewer negative behavioral problems and sleep disruptions.^{12,13} Even three years post-assignment, the authors found children in families assigned to permanent housing subsidies completed more school grades than those assigned to project-based transitional housing or usual care.

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workforce in our economy.

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Question: It is a well-known fact that currently, fewer than one quarter of those eligible for Housing Choice Vouchers receive them. The need for more help is great. Some researchers have found that Public Housing Agencies are forced to spend a lot on administrative costs, and paper vouchers can create more cost burden for these agencies. How can we bolster this program, not only by expanding access to vouchers, but also by modernizing it so that it can help more consumers?

¹⁶ Turner, M. A. (2003). Strengths and weaknesses of the housing voucher program. <http://web.archive.urban.org/publications/900635.html>

¹⁷ Flaming, D., et al. (2015). "Home Not Found: The Cost of Homelessness in Silicon Valley." prepared for the County of Santa Clara. <https://www.sccgov.org/sites/osh/ContinuumofCare/ReportsandPublications/Documents/Santa%20Clara%20County%20CostStudyReport.pdf>

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Second, make the current housing quality standard program less onerous for owner participation. The voucher program currently requires that landlords must meet a minimally acceptable level of physical quality for participating units. These housing quality standards can be a major challenge to owner participation and can cause a time delay such that a voucher holding household falls out of the program. HUD must improve its ability to quickly resolve housing quality standards, by employing technology solutions such as video inspections or random sampling to lower the bar to participation -- differentiating minor issues from more profound health and safety issues. Pushing for significant upgrades can force units and/or owners out of the program, particularly in cases where Fair Market Rents are close to existing market rents. The federal government should instead support local governments in building out their own building code inspection capacity in order to more broadly serve the housing market and protect renters.

Third, mandate minimal capacity standards for voucher administering entities and have new vouchers administered by the same entities that are overseeing state and local affordable housing programs wherever possible. The current system requires HUD to work through thousands of voucher-administering public housing authorities (PHAs) to implement the voucher program. Many of these are low capacity, with inadequate technology platforms, and don't otherwise engage in new housing construction. Ensuring PHAs that do administer vouchers have quality staffing and robust systems in place to monitor and manage new vouchers is critical. In addition, today PHAs often sit outside of the mainstream affordable housing capital subsidy delivery structure, meaning that opportunities to couple vouchers with production-based subsidies for greater impact are lost. HUD must have the

¹⁹ Reina, V., Acolin, A., & Bostic, R. W. (2019). Section 8 vouchers and rent limits: Do small area fair market rent limits increase access to opportunity neighborhoods? An early evaluation. *Housing Policy Debate*, 29(1), 44-61. <https://doi.org/10.1080/10511482.2018.1476897>

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flexibility to allocate new vouchers to state or regional governments, or other non-traditional entities such as community development financial institutions or project based rental assistance contract administrators, in order to better coordinate tenant based assistance with other efforts to address gaps in affordable housing.

Question: Are there any specific recommendations you may have that will optimize the program's efficiency to help reach even more potential recipients?

Yes, first, make it harder to directly or indirectly discriminate against voucher holders seeking to rent housing. Today in much of the country it is permitted to discriminate against voucher holders without penalty. And, even in states and jurisdictions where voucher non-discrimination laws are now formally in place (such as California), landlords are able to sidestep that obligation to rent to voucher-holding households by imposing high security deposit amounts, credit standards, and/or by listing their units at rents just above the Fair Market Rent. The bipartisan Choice in Affordable Housing Bill, authored by Senators Coons and Kramer offers a number of fixes to these issues, including providing landlords with signing bonuses and better aligning financial incentives for voucher administering entities.

Second, invest heavily in renter counseling and landlord outreach. Today, inadequate marketing to landlords, along with little support for them in understanding the mechanics of the voucher programs or their legal obligations greatly limit uptake. Scalable models exist with high-performing public housing authorities. Similarly, a significant expansion of renter counseling for renters who receive vouchers to help them better understand their rights and options has been shown to greatly increase the likelihood of timely leasing and geographic mobility.²¹

Third, prioritize the most vulnerable populations as we undertake expansions toward universal vouchers. This includes requiring that new vouchers be prioritized for formerly homeless populations or other vulnerable or extremely low income populations, in alignment wherever possible with state and local affordable housing programs. And this may also include priorities for other special populations that align with other areas of capital investment where vouchers can be beneficially project based, such as individuals with disabilities, youth aging out of foster care, the elderly, or those with extremely low-incomes living in communities at risk of displacement who can't otherwise be readily housed within LIHTC developments.

Fourth, accompany voucher expansion with a targeted renters tax credit for those low income households who are approaching a phase-out of eligibility for rental assistance as their incomes rise. Expanded voucher assistance should be

²¹ See, eg. Peter Bergman, Raj Chetty, et al. (March, 2020) Creating Moves to Opportunity: Experimental Evidence on Barriers to Neighborhood Choice. https://opportunityinsights.org/wp-content/uploads/2019/08/cmto_paper.pdf

paired with a renters tax credit for those with low to moderate incomes who still struggle with housing burdens. Creating a targeted tax credit could ensure expanded assistance avoids the twin challenges of the “subsidy cliff” and asset limits, where renters lose their assistance if their income goes above a certain level and where they are prohibited from building savings that can facilitate greater economic mobility. Research has shown that these cliffs can serve as a disincentive to work, particularly when even moderate incomes are insufficient to cover the gap between subsidized and market rents. Enacting a renter’s tax credit targeted at working households who earn low incomes yet still face high housing cost burdens would create a more robust ladder of housing opportunity. This type of credit could support transitions out of rental assistance and potentially into affordable, entry-level homeownership, if those renters were able to accumulate more savings for a down payment. Lastly, while the existing operational complexity of vouchers may be a worthwhile trade-off for very-low or extremely low-income households, that complexity may be harder to justify if and as more vouchers are made available to those earning between 50-80% of area median income, especially when the share of rent those households can afford approaches the fair market rent standard in their jurisdictions. In these cases, the tenant share of rent may substantially outweigh HUD’s share of rent. At a certain point, that relatively modest benefit may become too cumbersome to justify, either from a renter or landlord’s perspective.

Fifth, pair vouchers with a robust production-oriented strategy. Broader purchasing power by a growing number of voucher holding households risks further driving up rents, which could lead to higher program costs and greater housing cost burdens for non-voucher holding households. Addressing constraints to housing supply at the lower end of the market is therefore paramount for avoiding market distortions, especially where supply is most constrained, and to make sure the housing stock that is coming online creates access to a diverse array of communities and in ways that support climate imperatives and racial equity. This requires the federal government to work constructively with local governments to do away with exclusionary housing policies and local regulatory barriers. It also requires a larger share of new housing vouchers, whose rents would be pegged to market rents, to be project based into new rental housing communities. For traditional affordable housing, including permanent supportive housing, the additional commercial debt facilitated through project based vouchers is already used to close funding gaps that otherwise complicate the production of new low income tax credit funded affordable housing, particularly in higher cost markets. But an expanded voucher program should also be used to spur otherwise market-rate construction to take on project based vouchers for a share of their units, enabling such developments to offer mixed-income housing while financing against the voucher enabled revenue stream. By functionally de-risking a share of a multifamily market-rate project’s forecasted rental revenue, a voucher expansion could stimulate construction of new housing, particularly if paired with expanded federal investment into shallow subsidy programs such as those used by market rate developers, including the tax-exempt bond program, the



Federal Housing Administration's 221d4 or 236 programs, and/or a more aggressive set of debt products that might be made available by Fannie Mae and Freddie Mac. Programs like these require less regulatory oversight than traditional affordable housing capital programs, are available "over the counter", and cost far less on a subsidy per unit basis. By leveraging commercial debt secured by project based voucher revenue, more expensive deep capital subsidy sources can be avoided, while still achieving the same depth of affordability for the residents of those project based voucher units.

Question: Would providing housing vouchers in the form of an EBT card be beneficial in improving financial literacy for underbanked consumers, especially those who haven't had the opportunity to use a debit card?

To my knowledge no research has been done to evaluate the potential impact of EBT use in place of traditionally-provided housing vouchers. That is definitely an interesting line of inquiry that deserves further attention and exploration.

Question: Cultural and language barriers exist for a lot of low-income individuals who would qualify for these programs. While HUD has resources for serving these individuals, my concerns is that it may not be enough. Can you describe any gaps you're seeing in how HUD is able to work with Limited English Proficiency (LEP) individuals? What resources may be lacking that could better help HUD assist these populations?

Compared to the overwhelming amount of research conducted on limited english proficiency leading to substandard health care in the United States, there is a dearth of research in the housing assistance domain. However, we do know anecdotally that LEP individuals are without question disadvantaged in this system. LEP tenants may lack interpreters at every stage of the process, most harmfully in the case of a subsidy termination hearing wherein they are unable to defend their subsidy. There is also often undocumented, but well-known discriminatory practices within the housing voucher system, with landlords refusing to rent to LEP applicants. While there are [federal laws in place](#), including the [Fair Housing Act](#), which prevent housing providers from refusing to rent to applicants based on their English proficiency or national origin, there are many reasons a housing provider can give for refusing to rent to an individual that will allow them to circumvent these protections. Looking past HUD, Public Housing Authorities (PHAs) often do not have plans to assist LEP applicants, and even if they do, they do not always follow plans they have set forth.²² Equipping PHAs with tools to provide needed services to LEP individuals, strengthening enforcement of anti-discriminatory housing laws in place, and investing in both better outreach and interpreter services for LEP

²² National Housing Law Project.
<https://www.nhlp.org/initiatives/fair-housing-housing-for-people-with-disabilities/language-access/>

individuals are critical steps toward assisting LEP individuals who are entitled to housing vouchers.

Question: Please provide any data or supplementary research you may have that evaluates the impact of language and cultural barriers on access to housing vouchers and other government assistance programs.

There is well known housing provider discrimination against LEP individuals. However due to the many reasons a housing provider can cite for refusing to rent to an individual, formal research on the topic is hard to come by. HUD provides a [residential characteristic report](#) function - including a snapshot below - to view the demographics of those who are receiving housing assistance, though it does not include primary language.

Resident Characteristics Report
As of June 30, 2021

Program type : All Voucher Funded Assistance
Level of Information : State
Effective Dates Included : March 01, 2020 through June 30, 2021

NOTE: Percentages in each area may not total 100 percent due to rounding.

Units:

Distribution by Head of Household's Race as a % of 50538 Received

State	White Only	Black/African American Only	American Indian or Alaska Native Only	Asian Only	Native Hawaiian/Other Pacific Islander Only	White, American Indian/Alaska Native Only	White, Black/African American Only	White, Asian Only	Any Other Combination
US	67	17	1	2	1	0	0	0	1
TX	20	54	0	1	0	0	0	0	25

Distribution by Head of Household's Ethnicity as a % of 50538 Received

State	Hispanic or Latino	Non-Hispanic or Latino
US	18	82
TX	23	77

While not housing related, the following studies show limited english proficiency hampers individuals,' and families,' ability to receive public healthcare assistance and is often associated with poorer health outcomes relative to native-English speakers.

- [Language Barriers to Health Care Access among Medicare Beneficiaries](#)
- [Limited English Proficiency, Primary Language at Home, and Disparities in Children's Health Care: How Language Barriers are Measured Matters](#)
- [Lost in translation: impact of language barriers on children's healthcare](#)
- [The impact of language barriers on the health care of Latinos in the United States: a review of the literature and guidelines for practice](#)

Lastly, the threat of deportation is a major barrier to individuals with immigrant family members in terms of accessing public assistance.²³ The chilling effect has been particularly well documented in terms of accessing medical care that families are eligible for, but it likely extends to all arms of government assistance.

²³ Whitener, K. (July, 2020). "New Report Finds Chilling Effect, Avoidance of Health Care Services Among Immigrant Families." Georgetown University Health Policy Institute: Center for Children and Families. <https://ccf.georgetown.edu/2020/07/02/new-report-finds-chilling-effect-avoidance-of-health-care-services-among-immigrant-families/>

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First, update and refine HUD's process for setting Fair Market Rents. Fair Market Rents set the maximum level for rents allowed under the voucher program. HUD calculates these rents every year at the county level, but the process is ill-equipped to address markets with rapidly rising or dropping rents, nor has it served markets with significant rent variation at the sub-county level. Set the rents too high and program costs can increase significantly (as well as push rents upward), but if they are set too low, households will be unable to find adequate units or be constrained to living in poorly resourced neighborhoods. HUD's Small Area Fair Market Rent demonstration, which calculates fair market rents at the zip code instead of the county level, holds important lessons for improvements in FMR calculations, and current research efforts by HUD to investigate methods for increasing the accuracy and timeliness of the FMR setting process are critical to continue and expand.^{24 25}

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special populations that align with other areas of capital investment where vouchers can be beneficially project based, such as individuals with disabilities, youth aging out of foster care, the elderly, or those with extremely low-incomes living in communities at risk of displacement who can't otherwise be readily housed within LIHTC developments.

Fourth, accompany voucher expansion with a targeted renters tax credit for those low income households who are approaching a phase-out of eligibility for rental assistance as their incomes rise. Expanded voucher assistance should be paired with a renters tax credit for those with low to moderate incomes who still struggle with housing burdens. Creating a targeted tax credit could ensure expanded assistance avoids the twin challenges of the "subsidy cliff" and asset limits, where renters lose their assistance if their income goes above a certain level and where they are prohibited from building savings that can facilitate greater economic mobility. Research has shown that these cliffs can serve as a disincentive to work, particularly when even moderate incomes are insufficient to cover the gap between subsidized and market rents. Enacting a renter's tax credit targeted at working households who earn low incomes yet still face high housing cost burdens would create a more robust ladder of housing opportunity. This type of credit could support transitions out of rental assistance and potentially into affordable, entry-level homeownership, if those renters were able to accumulate more savings for a down payment. Lastly, while the existing operational complexity of vouchers may be a worthwhile trade-off for very-low or extremely low-income households, that complexity may be harder to justify if and as more vouchers are made available to those earning between 50-80% of area median income, especially when the share of rent those households can afford approaches the fair market rent standard in their jurisdictions. In these cases, the tenant share of rent may substantially outweigh HUD's share of rent. At a certain point, that relatively modest benefit may become too cumbersome to justify, either from a renter or landlord's perspective.

Fifth, pair vouchers with a robust production-oriented strategy. Broader purchasing power by a growing number of voucher holding households risks further driving up rents, which could lead to higher program costs and greater housing cost burdens for non-voucher holding households. Addressing constraints to housing supply at the lower end of the market is therefore paramount for avoiding market distortions, especially where supply is most constrained, and to make sure the housing stock that is coming online creates access to a diverse array of communities and in ways that support climate imperatives and racial equity. This requires the federal government to work constructively with local governments to do away with exclusionary housing policies and local regulatory barriers. It also requires a larger share of new housing vouchers, whose rents would be pegged to market rents, to be project based into new rental housing communities. For traditional affordable housing, including permanent supportive housing, the additional commercial debt facilitated through project based vouchers is already used to close funding gaps that otherwise complicate the production of new low income tax credit funded

affordable housing, particularly in higher cost markets. But an expanded voucher program should also be used to spur otherwise market-rate construction to take on project based vouchers for a share of their units, enabling such developments to offer mixed-income housing while financing against the voucher enabled revenue stream. By functionally de-risking a share of a multifamily market-rate project's forecasted rental revenue, a voucher expansion could stimulate construction of new housing, particularly if paired with expanded federal investment into shallow subsidy programs such as those used by market rate developers, including the tax-exempt bond program, the Federal Housing Administration's 221d4 or 236 programs, and/or a more aggressive set of debt products that might be made available by Fannie Mae and Freddie Mac. Programs like these require less regulatory oversight than traditional affordable housing capital programs, are available "over the counter", and cost far less on a subsidy per unit basis. By leveraging commercial debt secured by project based voucher revenue, more expensive deep capital subsidy sources can be avoided, while still achieving the same depth of affordability for the residents of those project based voucher units.

Question: Would providing housing vouchers in the form of an EBT card be beneficial in improving financial literacy for underbanked consumers, especially those who haven't had the opportunity to use a debit card?

To my knowledge no research has been done to evaluate the potential impact of EBT use in place of traditionally-provided housing vouchers. That is definitely an interesting line of inquiry that deserves further attention and exploration.

Question: Cultural and language barriers exist for a lot of low-income individuals who would qualify for these programs. While HUD has resources for serving these individuals, my concerns is that it may not be enough. Can you describe any gaps you're seeing in how HUD is able to work with Limited English Proficiency (LEP) individuals? What resources may be lacking that could better help HUD assist these populations?

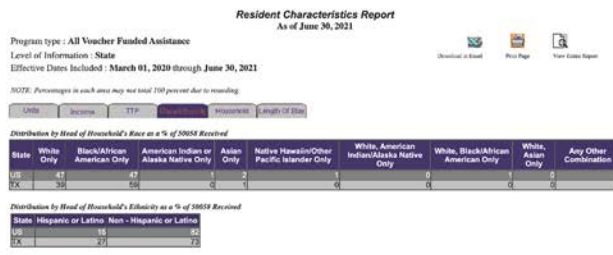
Compared to the overwhelming amount of research conducted on limited english proficiency leading to substandard health care in the United States, there is a dearth of research in the housing assistance domain. However, we do know anecdotally that LEP individuals are without question disadvantaged in this system. LEP tenants may lack interpreters at every stage of the process, most harmfully in the case of a subsidy termination hearing wherein they are unable to defend their subsidy. There is also often undocumented, but well-known discriminatory practices within the housing voucher system, with landlords refusing to rent to LEP applicants. While there are [federal laws in place](#), including the [Fair Housing Act](#), which prevent housing providers from refusing to rent to applicants based on their English proficiency or national origin, there are many reasons a housing provider can give for refusing to rent to an individual that will allow them to circumvent these protections. Looking



past HUD, Public Housing Authorities (PHAs) often do not have plans to assist LEP applicants, and even if they do, they do not always follow plans they have set forth.²⁷ Equipping PHAs with tools to provide needed services to LEP individuals, strengthening enforcement of anti-discriminatory housing laws in place, and investing in both better outreach and interpreter services for LEP individuals are critical steps toward assisting LEP individuals who are entitled to housing vouchers.

Question: Please provide any data or supplementary research you may have that evaluates the impact of language and cultural barriers on access to housing vouchers and other government assistance programs.

There is well known housing provider discrimination against LEP individuals. However due to the many reasons a housing provider can cite for refusing to rent to an individual, formal research on the topic is hard to come by. HUD provides a [residential characteristic report](#) function - including a snapshot below - to view the demographics of those who are receiving housing assistance, though it does not include primary language.



While not housing related, the following studies show limited english proficiency hampers individuals,' and families,' ability to receive public healthcare assistance and is often associated with poorer health outcomes relative to native-English speakers.

- [Language Barriers to Health Care Access among Medicare Beneficiaries](#)
- [Limited English Proficiency, Primary Language at Home, and Disparities in Children's Health Care: How Language Barriers are Measured Matters](#)
- [Lost in translation: impact of language barriers on children's healthcare](#)
- [The impact of language barriers on the health care of Latinos in the United States: a review of the literature and guidelines for practice](#)

²⁷ National Housing Law Project.
<https://www.nhlp.org/initiatives/fair-housing-housing-for-people-with-disabilities/language-access/>



Lastly, the threat of deportation is a major barrier to individuals with immigrant family members in terms of accessing public assistance.²⁸ The chilling effect has been particularly well documented in terms of accessing medical care that families are eligible for, but it likely extends to all arms of government assistance.

Sincerely,

Ben Metcalf
Managing Director

²⁸ Whitener, K. (July, 2020). "New Report Finds Chilling Effect, Avoidance of Health Care Services Among Immigrant Families." Georgetown University Health Policy Institute: Center for Children and Families.
<https://ccf.georgetown.edu/2020/07/02/new-report-finds-chilling-effect-avoidance-of-health-care-services-among-immigrant-families/>