



November 8, 2023

The Honorable Sherrod Brown  
Chairman  
Committee on Banking, Housing, and Urban  
Affairs  
United States Senate  
Washington, DC 20510

The Honorable Tim Scott  
Ranking Member  
Committee on Banking, Housing, and Urban  
Affairs  
United States Senate  
Washington, DC 20510

The Honorable Patrick McHenry  
Chairman  
Financial Services Committee  
United States House of Representatives  
Washington, DC 20515

The Honorable Maxine Waters  
Ranking Member  
Financial Services Committee  
United States House of Representatives  
Washington, DC 20515

Dear Chairmen Brown and McHenry and Ranking Members Scott and Waters,

As members of the J. Ronald Terwilliger Center for Housing Policy's newly-formed Executive Council for Housing Affordability, we write today to voice our support for federal action to address our nation's housing affordability crisis and its root cause, the lack of supply. The executive council aims to elevate awareness of the foundational importance of housing while underscoring the deep connection between housing affordability and economic vibrancy and growth.

The mismatch between housing demand and supply has swept beyond the two coasts and is impacting communities of all types across America. The pandemic structurally increased housing demand, an older generation is staying in their homes longer than at any time in history, and millennials are in a peak household formation period. As a result, housing costs are increasingly unaffordable for millions of households. The housing supply shortage has reached [4.3 million units](#), according to recent Zillow estimates.

According to a 2023 nationally representative [BPC/Morning Consult poll](#), three-in-four adults said the lack of an adequate supply of affordable homes is a problem in the United States. In addition, a bipartisan majority of adults (75%) think passing bipartisan legislation to increase the supply of affordable homes and help address high housing costs should be a priority for Congress this year.

The severe shortage of affordable homes is negatively impacting both renters and prospective homeowners in urban, suburban, and rural neighborhoods. The [Harvard Joint Center for Housing Studies](#) found that, in 2021, renters were more cost-burdened than at any point in the 20 years of the American Community Survey's data collection, with 21.6 million cost-burdened households (49% of all renters). Increased housing costs are also hurting military families across the nation as the U.S. Department of Defense Basic Allowance for Housing is currently only intended to cover 95% of a service member's housing costs.

The Housing Choice Voucher program is a crucial tool to support renters with the lowest incomes, but—due in part to administrative burdens—many property owners choose not to participate in the program, making it difficult for voucher recipients to secure housing with their voucher. As a result, about 400,000 vouchers were unused last year.

Homeowners are increasingly struggling to pay housing costs as well. Nineteen million homeowner households (about 23% of all homeowners) spent more than 30% of their income on housing costs in 2021. Meanwhile, prospective homebuyers are facing high home prices, the highest mortgage rates in 20 years, and a low supply of new and existing homes for sale. Many families cannot save to afford a downpayment, while others lack the credit to qualify for a loan. To make matters worse, the cost of originating a loan has [more than doubled](#) over the past fifteen years. This limits the ability for lenders to generate small dollar mortgages—a [key tool](#) to support low- and moderate-income homeownership—because the fixed costs of originating a loan can be too high.

Our country’s acute housing supply shortage is impeding the ability of companies to attract and retain talent in places with an abundance of jobs. As of March 2023, there were [11 million unfilled jobs](#), almost 50% more than the record before the COVID-19 pandemic. With long commute times a strong predictor of job attrition, particularly for middle and low-salary workers, ensuring adequate affordable housing near job centers is critical. At a broader level, economists have estimated that if adequate housing were available in just three job markets—New York City, San Francisco, and San Jose, CA—[U.S. real GDP](#) could be almost 9% higher.

The country’s housing stock is aging. Given challenges in quickly building up supply, investing in and renovating our existing housing stock has become more important than ever. With a dearth of mortgage products to finance renovations of older housing stock and rising interest rates, many neighborhoods are at risk of either gentrification, through the demolition and replacement of existing homes with luxury housing, or disinvestment, depending on local factors.

The housing affordability crisis requires a comprehensive, bipartisan response. Thankfully, Congress has a history of bipartisan collaboration to advance housing solutions that meet the needs of American families.

In 1949, members of both political parties came together to pass the Housing Act, setting forth a clear national objective to provide “a decent home and a suitable living environment for every American family.” It is time for Congress to act once again in the best interest of millions of families and deliver on that aspirational goal. We encourage Congress to take steps to increase the supply of affordable homes, preserve our existing stock of low- and moderate-income housing, and support those struggling with high housing costs. These actions can improve the quality of life for all Americans and at the same time strengthen our nation’s economy.

Sincerely,

Executive Council for Housing Affordability of the J. Ronald Terwilliger Center for Housing Policy

Corporate Representatives:

Mike Signer, North America Policy Director, Airbnb

Sipho Simela, Founder & CEO, Matrix Rental Solutions

Andrea Gift Allan, Managing Director, Real Estate - Affordable Housing, Pretium

John Hughes, Senior Vice President, Government and Industry Relations, USAA

Kristen Sawin, Vice President, Corporate Affairs, Weyerhaeuser

Mike Dendas, Senior Manager, Government Relations, Zillow