

April 26, 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

Dear Chairman Brown and Ranking Member Scott,

Our nation's housing affordability crisis can no longer be ignored and demands a comprehensive, bipartisan legislative response. The most recent data shows nearly a third of American households experience rent or mortgage costs exceeding 30% of monthly income, while more than 1 in 7 pay over 50% of their income just on housing. Families facing high housing costs may find themselves making painful decisions about how to allocate scarce financial resources to pay for food, health care, and other essentials. Ultimately, high housing costs can lead to negative health outcomes, limit opportunities for employment, and restrict the path to upward social mobility.

Launched in 2021, BPC's J. Ronald Terwilliger Center for Housing Policy seeks to advance bipartisan policies supporting access to affordable housing. We are driven by the belief that every American, regardless of wealth or background, should have the opportunity to live in a decent, safe, and affordable home.

To chart a path forward, the Bipartisan Policy Center and BPC Action have developed a [legislative package](#) for the 118th Congress. Drawing from past bipartisan proposals, the package seeks to improve housing affordability using a three-pronged approach:

1. Increasing housing supply
2. Preserving the existing stock of affordable homes
3. Strengthening policies that help households afford and access housing

Increasing Housing Supply

Over the past 15 years, the United States has underbuilt housing by millions of homes leading to a mismatch between housing demand and affordable and available supply. This structural deficit is negatively impacting communities across the country and affects both the rental and homeownership segments of the housing market. There are simply too few rental homes available and affordable to low- and moderate-income households, while millions of other families cannot afford to purchase a home for the first time because of a lack of entry-level options. Encouraging greater private investment in the production and rehabilitation of affordable homes through the federal tax code and supporting more robust partnerships between the private and public sectors will be essential to addressing the housing affordability crisis. Federal incentives for local land use and zoning reforms that allow for a greater diversity of housing types can also play an important role in overcoming the supply-demand mismatch.

Preserving Affordable Homes

With the demand for affordable housing far exceeding supply, the preservation of the existing affordable housing stock is more critical than ever before. Preserving a home that is currently affordable to a low- or moderate-income household is generally less expensive and more cost-effective than new construction. It also prevents the displacement of households that otherwise would be forced to relocate. Strengthening affordability requirements for rental homes financed through tax credits, permanently authorizing HUD’s Rental Assistance Demonstration program, and supporting the preservation and affordability of manufactured housing are some of the proposals that would contribute to sustaining the current stock of affordable homes.

Help Households Afford and Access Housing

Currently, fewer than one in four households eligible for federal rental assistance receives this support, while rising housing prices are pushing the prospect of owning a home increasingly out of reach for millions of families – particularly Black and Hispanic households. Policies that expand the number of rental homes available to housing voucher recipients, help families relocate to higher-opportunity neighborhoods, and eliminate barriers to homeownership for lower- and moderate-income borrowers are important elements of a comprehensive and bipartisan response to the housing affordability crisis.

Taking steps to address the three policy areas above has the potential to improve the lives of millions of Americans while enhancing upward economic mobility and strengthening our nation’s economy. Congress already has a legacy of building bipartisan consensus to advance housing solutions: 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.” Today, nearly 75 years later, it is time for Congress to make that powerful aspiration a reality.

We thank the committee for convening this hearing and stand ready to assist in advancing these and other bipartisan policies to address the crisis of housing affordability in our country.

Sincerely,



Dennis C. Shea
Executive Director
J. Ronald Terwilliger Center for Housing Policy