



February 1, 2022

The Honorable Emanuel Cleaver
Chairman
House Financial Services Subcommittee on Housing, Community Development, and Insurance
2335 Rayburn House Office Building
Washington, DC 20515

The Honorable French Hill
Ranking Member
House Financial Services Subcommittee on Housing, Community Development, and Insurance
1533 Longworth House Office Building
Washington, DC 20515

Letter for the Record: House Financial Services Subcommittee on Housing, Community Development, and Insurance Hearing, "Housing America: Addressing Challenges in Serving People Experiencing Homelessness"

Dear Chairman Cleaver and Ranking Member Hill,

This winter, the east coast contended with an [historic snowstorm](#) that left eight inches of snow in Washington, D.C. and more than a foot in parts of Virginia. As the nation turned its attention to the thousands of drivers stranded along the I-95 corridor, our attention was with the nearly 5,000 homeless D.C. residents forced to deal with another punishing night outside. Taylor Nuevelle was one such individual whose story was featured in the [Washington Post](#) after snow buried her tent, leaving the 73-year-old "wet, freezing and angry." For those who live or work within the District of Columbia, this anecdote is as saddening as it is believable. The striking number of homeless individuals in our nation's capital serves as a daily reminder of the broader reality faced by far too many Americans.

The J. Ronald Terwilliger Center for Housing Policy was launched this past September to advance bipartisan policies that support access to affordable housing. We are driven by the belief that every American, regardless of wealth or background, ought to have the opportunity to live in a decent, safe, and affordable home. We recognize the hard work that is required if we are to reach this goal, particularly in light of the reality that on any given night [nearly 600,000](#) Americans experience homelessness. Though much has been accomplished over the years in combating homelessness, there is no denying that relief for these Americans warrants a swift, bipartisan response from Congress.

Homelessness is the most extreme manifestation of America's affordable housing crisis. For every individual living without a home, there are currently hundreds in unstable housing situations, at risk of eviction and homelessness. [HUD found](#) that nearly 7.77 million unassisted American households experienced "worst case housing needs" in 2019, with severe rent burdens and/or severely inadequate housing.

Though many factors contribute to homelessness, an acute shortage of affordable and available homes is a key driver. The housing shortage across the country has continually worsened since the early 2000s

with new production seriously lagging demand and population growth. A [recent study](#) commissioned by the National Association of Realtors estimated that, in 2021, the country faced a shortage of between 5.5 million and 6.8 million homes, impacting both renters and homeowners alike. The lack of adequate supply impacts the lowest-income families the hardest: For every 100 low-income households (earning less than 80% of the area median income), just [55 homes were affordable and available](#). For very-low-income households (earning less than 50% of the area median income), there were [just 36 homes](#).

Though the homelessness crisis is geographically diverse, impacting every state in the Union, members of certain racial and ethnic groups are more likely to become homeless than others. In December 2021, the Terwilliger Center's [Housing Council](#), a bipartisan group of over 20 housing experts and leaders, released its report "[Understanding and Addressing Racial and Ethnic Disparities in Housing](#)," a collation of recent research highlighting the most striking housing-related disparities across the nation, including a summation of data on homelessness. Despite representing just 12% of the national population, Blacks accounted for 39% of the individuals and 53% of the families experiencing homelessness. Native American and Hispanic populations were also found to be disproportionately represented among those experiencing homelessness.

More can, and should, also be done to adequately house Americans who have bravely served in the armed forces. Veterans represent a unique subgroup of the entire homeless population, eligible for specialized federal programs and benefits. To shine a spotlight on this particularly important issue, the Terwilliger Center hosted "[America's Call to Duty: Ending Veterans' Homelessness](#)," an event focused on renewing the bipartisan commitment to ending Veterans' homelessness once and for all. Despite tremendous success in reducing the number of homeless Veterans over the past decade, [tangible impediments remain](#) in securing adequate housing for this group, including a severe shortage of affordable homes, underutilization of HUD-VASH vouchers, and a lack of VA support and medical staff.

At the Bipartisan Policy Center, we believe that the path forward rests on our ability to bridge the best ideas from both political parties to devise effective and durable solutions. As a result of the work of our various housing projects over the years—most notably the Housing Commission (2011-2013) and the Senior Health and Housing Task Force (2015-2016)—BPC believes the enactment of the following recommendations would be most effective in minimizing and, ultimately ending, homelessness in the United States:

Expand the Housing Voucher Program

The Housing Choice Voucher program is HUD's largest program, administered by thousands of public housing authorities across the country and serving approximately 2.3 million households. Yet, due to limited funding, families often wait years to receive a voucher, and only one in [four](#) eligible households receives assistance.

The BPC Housing Commission recommended making housing vouchers available to all eligible extremely low-income households (those with incomes at or below 30% of area median income) who apply for such assistance. As opposed to current program rules, the Commission recommended that all *newly* available vouchers be issued to extremely low-income households, ensuring that voucher assistance is deeply targeted to households with the greatest needs. According to an [analysis by Abt Associates](#)

prepared for the Commission, the estimated annual cost of providing increased voucher coverage was approximately \$22.5 billion annually—which was based on providing a voucher to currently unassisted and cost-burdened renter households, adjusted for expected participation.

At a time when there is enormous pressure and competition for existing federal resources, and the federal government has already spent massively to combat the pandemic and its impacts, dramatic expansion of the voucher program is an ambitious goal. Yet the impacts could be profound and transformative: it could, in effect, end homelessness for the vast majority of those experiencing it. Virtually all households experiencing homelessness have incomes under 30% of the area median and most experience homelessness almost exclusively for economic reasons. In addition, all vulnerable people with disabilities and the growing number of older adults experiencing homelessness would be able to count on stable housing.

Housing vouchers also uniquely allow low-income households to live in communities they may not typically be able to afford, offering them a chance to move out of high-poverty, low-opportunity neighborhoods. However, in part because of the difficulty of finding suitable, affordable housing or willing landlords with acceptable units, 40% of voucher-holding families with children live in areas deemed to be low opportunity—i.e., the bottom 20% of census tracts based on a composite measure of school quality, economic opportunity, poverty rates, transit access, and employment. Tenants with a voucher disproportionately live in low-opportunity, racially segregated neighborhoods and almost a quarter million children in the voucher program live in neighborhoods of extreme poverty.

This situation has led many, on both sides of the aisle, to propose policy options to remove barriers to housing choice and better support mobility, including:

- Coupling vouchers with mobility counseling, particularly for families with young children, as well as flexible funding to assist with security deposits, applications, broker fees and other barriers to housing in higher-cost neighborhoods
- Providing limited, flexible funding to public housing authorities for landlord incentives, like signing bonuses, or a damage mitigation pool
- Expanding the use of small-area fair market rents
- Further prohibiting discrimination against voucher holders
- Launching pilot programs to coordinate and connect vouchers with other federal programs to better reach and assist vulnerable populations

As BPC outlined in a [June letter to the Committee](#), there is also a long history of bipartisan support for increasing the number of available housing vouchers—from legislation to [combat Veterans' homelessness](#) to “on-demand” [vouchers for foster youth](#) at risk of homelessness as they transition to adulthood.

Provide Emergency Rental Assistance

While the incomes of extremely low-income renters are generally insufficient to afford market rate rents without ongoing assistance, households with somewhat higher incomes can afford rents on their own in many communities. However, these households are still vulnerable to income shocks and volatility, which has a causal link to homelessness. The loss of a job, the death or departure of a working

household member, or a major medical crisis can be destabilizing, leaving some at risk of eviction or homeless and others consigned to multiple unwanted moves.

In 2013, BPC's Housing Commission [recommended](#) creating a permanent, federal emergency rental assistance program for short-term relief to low-income renters that normally can afford rent but suffer temporary setbacks. Specifically, the proposal called for one-time assistance of up to \$1,200 to households with incomes between 30% and 80% of the area median. S. 2182, the [Eviction Crisis Act](#), reintroduced last year by Sens. Bennet (D-CO) and Portman (R-OH) would further this recommendation, building on the infrastructure created by the emergency rental assistance funding provided by Congress in response to COVID-19.

The legislation would create a robust Emergency Assistance Program to assist eviction-vulnerable tenants and prevent homelessness. Importantly, states could tap this new resource to transition the many emergency rental assistance programs created with COVID-related aid to a more permanent platform. Taking this step would advance a key recommendation made by the Commission—the creation of a federal program to provide short-term, targeted funding for security deposits, back rent, temporary rental assistance, utility payments and other costs to help families on the brink of eviction. It would also respond to a central concern of the Terwilliger Center's Housing Council—how to orient COVID-related emergency rental assistance programs to support long-term housing stability.

In addition to the bill's emergency rental assistance program, the Eviction Crisis Act would help policymakers obtain a fuller understanding of the eviction crisis by establishing a national database to track evictions and forming a federal advisory committee to develop recommendations for improved data collection. The legislation would also help fund efforts by state and local governments to use landlord-tenant courts and support enhanced legal representation for tenants facing eviction.

For very low-income veterans, the Supportive Services for Veteran Families (SSVF) program similarly provides case management and supportive services to 1) prevent the imminent loss of a Veteran's home or identify a new, more suitable housing situation for the individual and his or her family, and 2) rapidly re-house Veterans and their families who are homeless and might remain homeless without this assistance. SSVF began providing targeted assistance in 2011, following the announcement of a federal goal to end Veterans' homelessness in 2010. A 2016 review of the program found that 91% of participants maintained or exited to permanent housing. SSVF and other evidence-based programs that have led to significant reductions in Veterans' homelessness, particularly the HUD-VASH program, merit additional support.

Invest in Preserving and Growing the Supply of Affordable Homes

Any meaningful remedy to the homelessness crisis must ensure that an adequate supply of affordable and available homes exists for Americans at every income level. BPC has previously identified a number of bipartisan policies that would enhance the supply of affordable homes for those who need them the most:

- [Removing restrictive and costly regulatory barriers to housing development](#): Zoning permitting and other policies at the local and state levels can exacerbate the costs of producing new units of affordable housing. While influencing local regulations can be challenging as a matter of

federal policy, there exists a great need to remove such barriers as a means to enhance the development of additional rental homes. Congress should consider a broad range of incentives to encourage states and communities to meaningfully reform local housing policies that add costs or otherwise restrict construction.

- [Increase support for the Low Income Housing Tax Credit](#): BPC has repeatedly affirmed its support for LIHTC, noting its role in any consensus-driven affordable housing initiative and its effectiveness as a tool to support [public health and wellness](#). Additional support for LIHTC and the private investment it can leverage are sorely needed to increase the supply of affordable and available homes. Since 1987, the LIHTC has financed eligible low-income housing development projects through a federal tax credit that has maintained [2.3 million affordable units](#). Understanding that the housing crisis will not be solved through government intervention alone is the starting point for addressing the supply deficit, and no existing program does more to leverage private investment and build affordable housing. Building upon measures of proven, bipartisan support would go a long way towards involving the private sector in efforts to reinforce the nation's housing inventory.
- [Expand permanent supportive housing: Research studies](#) have found that a chronically homeless person costs taxpayers more than \$35,578 annually as a result of cycling through hospital emergency departments, rehabilitation programs, prisons, and psychiatric institutions. According to the [National Alliance to End Homelessness](#), average service costs are reduced by about 50% when the individual is placed in supportive housing. Compared to the all-in costs of serving a chronically homeless person, supportive housing— including services—saves taxpayers roughly \$5,000 per year over conventional approaches. Among other recommendations to substantially reduce chronic homelessness, BPC [previously recommended](#) that Congress provide resources for [25,500 new units](#) of permanent supportive housing.
- [Preserve public housing](#): About 2.2 million people in nearly 1 million low-income households live in public housing. Yet nearly half of the public housing stock was built before 1970, resulting in significant maintenance and rehabilitation needs. As previously proposed by BPC, additional funding is needed to address the capital backlog in public housing. These dollars should also lift programs like HUD's Rental Assistance Demonstration program, which brings in private capital to support revitalization and modernization efforts.

Support and Encourage HUD-HHS Collaboration

Among the most important public health findings over the last two decades has been that there are several factors, beyond medical care, that influence health and contribute to premature mortality. BPC has worked extensively to highlight the importance of one such factor—safe, affordable housing—recognizing that the integration of health and housing has the potential to improve health outcomes and reduce costs borne by the health care system.

There are many ongoing and productive partnerships between HUD and HHS at this nexus of health and housing. Generally, these collaborations help the departments break down their siloed decision-making, more fully capitalize on their respective expertise, maximize limited funding, and more efficiently and impactfully fulfill both their missions. Yet their work is far from finished. BPC has [published a list of collaborative opportunities](#) that Congress could consider encouraging the departments to pursue, particularly in integrating data and other systems to better serve those experiencing homelessness.



We thank the Committee for hosting this important hearing and stand ready to assist in advancing these and other bipartisan policies to effectively end homelessness.

Sincerely,

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