Congress of the United States

Washington, DC 20510

April 26, 2024

The Honorable Tom Cole Chairman Committee on Appropriations U.S. House of Representatives Washington, D.C. 20515

The Honorable Steve Womack Chairman Committee on Appropriations Subcommittee on Transportation, Housing, and Urban Development and Related Agencies U.S. House of Representatives Washington, D.C. 20515 The Honorable Rosa L. DeLauro Ranking Member Committee on Appropriations U.S. House of Representatives Washington, D.C. 20515

The Honorable Mike Quigley, Ranking Member Committee on Appropriations Subcommittee on Transportation, Housing, and Urban Development and Related Agencies U.S. House of Representatives Washington, D.C. 20515

Dear Chairman Cole, Ranking Member DeLauro, Chairman Womack, and Ranking Member Quigley:

Our nation is facing a severe affordable rental housing crisis that has been exacerbated by the pandemic and is a key contributor to rising inflation.¹ As of the fourth quarter of 2022, the average renter in the U.S. was paying at least 30% of their income on rent—the highest level of rent burden our nation has seen in at least 20 years.² These trends are even starker for the 11 million extremely low-income households making at or below 30 percent of Area Median Income (AMI), who are not only more likely to be renters of color, but are also hardest hit by the housing affordability crisis.³ Indeed, extremely low-income renters make up 72% of all severely housing cost-burdened renters in the country who are paying more than *half* of their income on housing costs.⁴ Additionally, according to the Department of Housing and Urban Development's (HUD) 2023 Annual Homeless Assessment Report, revealing more than 650,000 people were experiencing homelessness on a single night in January 2023, a 12% increase from 2022.⁵

While pandemic relief legislation established a groundbreaking federal eviction moratorium and the first-of-its-kind \$46.6 billion Emergency Rental Assistance (ERA) Program to stabilize renters during the coronavirus pandemic, renters continue to face barriers to housing stability in the face of rising rental costs, inflation, the end of federal and local eviction protections, and the exhaustion of ERA funds. As the needs of families continue to evolve in the wake of the pandemic and during a looming recession, federal programs that provide direct rental assistance are critical to ensure safe, decent, and affordable housing for the lowest income households, including families with children, seniors, and

¹ Financial Services Committee, <u>Boom and Bust: The Need for Bold Investments in Fair and Affordable Housing to Combat Inflation</u> (Dec. 1, 2022).

² Moody's Analytics, Key Takeaways from the 4th Quarter Housing Affordability Update (Jan. 19, 2023).

³ National Low Income Housing Coalition, *The Gap Report* (Mar. 2023).

⁴ Id.

⁵ Department of Housing and Urban Development, <u>The 2022 Annual Homelessness Assessment Report (AHAR) to Congress The 2023</u> <u>Annual Homelessness Assessment Report (AHAR) to Congress</u> (Dec. 202<u>3</u>).

persons with disabilities. As you consider the fiscal year (FY) 2025 Transportation, Housing and Urban Development, and Related Agencies (THUD) appropriations bill, we urge you to provide robust funding for direct rental assistance programs at HUD, including: public housing, the Section 8 Housing Choice Voucher (HCV) and Project-Based Rental Assistance (PBRA) programs, the Section 202 Supportive Housing for the Elderly program (Section 202), and the Section 811 Supportive Housing for People with Disabilities program (Section 811).

Public Housing and Section 8

Since the 1930s, public housing has served an indispensable role on the continuum of affordable housing, providing a home to more than 2 million families who may otherwise have no other housing options affordable and available to them in the private market, even with a voucher. The HCV and PBRA programs also provide much needed housing assistance to nearly 4 million low-income households since 2021, over half of whom are elderly or persons with disabilities.⁶ These important programs sharply reduce homelessness and other hardships, lift people out of poverty, help improve children's long-term outcomes in all aspects of life, including education, health, and upward economic mobility, and reduce the costs in other public programs. Unfortunately, the public housing stock has a backlog of more than \$70 billion in unmet capital needs according to the Public Housing Authorities Directors Association (PHADA), and chronic underfunding for the program is forcing some public housing residents to struggle with unsafe or unsanitary living conditions. Further, insufficient funding for the Housing Choice Voucher Operations Fund (also known as the Housing Choice Voucher Administrative Fee) is hindering public housing agencies' (PHA's) ability to effectively operate the program and to meet the needs of program participants, including responding to tenant and neighbor complaints about housing quality, building and maintaining relationships with landlords, and determining tenant rent payments, especially in response to requests for adjustments to the tenant's rent contribution when they are experiencing hardship.

For these reasons, we request that you:

- Fully fund the Public Housing Operating Fund at 100 percent of estimated need, in order to address the estimated annual operating costs;
- Appropriate at least \$5 billion for the Public Housing Capital Fund, which would cover the estimated annual maintenance needs of the public housing stock plus additional funding to begin to address the backlog of capital repairs;
- Fully fund all Section 8 HCVs currently in use and expand the program to fund at least 400,000 new vouchers;
- Fully fund Section 8 Project-Based Rental Assistance (PBRA) to cover all existing contracts;
- Fully fund the Housing Choice Voucher Operations Fund at 100 percent of estimated need in order to ensure that PHAs can adequately meet tenants' needs, including ensuring units are safe and decent; and
- Allow HUD to apply similar flexibilities that Congress provided in the Emergency Housing Voucher Program, which was enacted through the American Rescue Plan Act, to more swiftly and effectively provide rental assistance through federal programs, including the mainstream Housing Choice Voucher Program, Section 811 vouchers, Family Unification Program, and voucher demonstration programs.

Sections 202 and 811

⁶ HUD, *Picture of Subsidized Households, 2021 Based on 2010 Census* (Accessed on Mar. 15, 2023).

The Section 202 Supportive Housing for the Elderly program (Section 202) and the Section 811 Supportive Housing for People with Disabilities program (Section 811) are the only programs in the nation that exclusively provide housing assistance and supportive services for seniors and persons with disabilities, respectively. The nation's existing housing stock is unprepared to meet the escalating need for affordability, accessibility, social connectivity, and supportive services that manyrequire. According to a 2023 report from the Harvard Joint Center for Housing Studies, the number of cost-burdened senior households (paying more than 30% of their income on housing costs) grew to a new high of nearly 11.2 million older adult households were cost burdened in 2021, an all-time high and a significant increase from the 9.7 million and 8.8 million recorded in 2016 and 2011.7 About half of these households are severely cost-burdened, meaning they are spending more than 50 percent of their income on rent. Older adults with such severe housing cost burdens spend significantly less on basic necessities like health care and food than their peers without housing cost burdens and may even be pushed into homelessness. In fact, according to LeadingAge, between 2007 and 2017, the rate of homelessness among individuals 62 and older nearly doubled from 4.1% to 8%.8 Additionally, according to the Technical Assistance Collaborative, nearly five million non-elderly adults with significant and long-term disabilities have Supplemental Security Income levels equal to only 20% of AMI and cannot afford housing that is integrated in the community without federal housing assistance.⁹

Since the Section 202 and 811 programs' inception, the last several years have resulted in the lowest new construction rates for deeply affordable housing despite the overwhelming need. Indeed, despite the federal obligation to provide accessible and integrated housing for persons with disabilities, "only 3.5 percent of US homes had single floor living, no-step entry, and extra-wide halls and doors. If electrical controls reachable from a wheelchair and lever-style handles on doors or faucets are included in the list, the share drops to just 0.9 percent."¹⁰

For these reasons, we request that you:

- Fully fund Section 811 Mainstream tenant-based vouchers to renew all existing vouchers,
- Provide \$100 million for new 811 Mainstream vouchers,
- Fully fund all expiring 811 Project-Based Rental Assistance Contracts (PRACs),
- Provide \$900 million for new 811 Project Rental Assistance (PRA),
- Fully fund Section 202 to renew all 202 expiring PRAC contracts,
- **Provide an additional \$1 billion for new capital advances and operating assistance**, including service coordinators, to create and support new Section 202 units.

Thank you in advance for your consideration of these requests. Please contact Alia Fierro with Ranking Member Waters at Alia.Fierro@mail.house.gov with any questions about this letter.

Sincerely,

⁷ Harvard Joint Center for Housing Studies,-Housing America's Older Adults 2023 Housing America's Older Adults (2023+9).

⁸ LeadingAge, <u>*Elderly Housing Coalition*</u> (Sep. 6, 2019).

⁹ Technical Assistance Collaborative, *Priced Out* (Dec. 2017).

¹⁰ Harvard Joint Center for Housing Studies, *Housing America's Older Adults: A Supplement to the State of the Nation's Housing Report* (2018).

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Maxine Waters Ranking Member, Committee on Financial Services

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Ayanna Pressley Member of Congress

Dan Goldman Member of Congress

Suzanne Bonamici Member of Congress

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Member of Congress

Brad Sherman Member of Congress Ranking Member, Subcommittee on Capital Markets

André Carson Member of Congress

Vicente Gonzalez Member of Congress

Emanuel Cleaver, II Member of Congress

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Stacey E. Plaskett Member of Congress

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Lizzie Fletcher Member of Congress

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Jesús G. "Chuy" García Member of Congress



Adam Smith Member of Congress

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Danny K. Davis Member of Congress

Nydia M. Velázquez Member of Congress

James P. McGovern Member of Congress

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Steve Cohen Member of Congress

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Doris Matsui Member of Congress

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Rashida Tlaib Member of Congress

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Al Green Member of Congress

Stephen F. Lynch

Jamie Raskin Member of Congress

Madeleine Dean Member of Congress

Nikema Williams Member of Congress

Member of Congress

Jan Schakowsky Member of Congress

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Gregory W. Meeks Member of Congress

Ilhan Ómar Member of Congress

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Bill Foster Member of Congress

Eleanor Holmes Norton Member of Congress

Alma S. Adams, Ph.D. Member of Congress

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Sean Casten Member of Congress

Sim Himes Member of Congress

Member of Congress

Steven Horsford Member of Congress

Morgan M'Coarey Morgan McGarvey

Member of Congress

Lisa Blunt Rochester Member of Congress

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Wiley Nickel Member of Congress

Jared Huffman Member of Congress

Jamaal Bowman, Ed.D. Member of Congress

Maxwell Alejandro Frost Member of Congress

Joe Courtney Member of Congress

Nikki Budzinski Member of Congress

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David Scott Member of Congress

h. quin per 67 Sylvia R. Garcia

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Delia C. Ramirez Member of Congress

Robert Garcia Member of Congress

Katie Porter Member of Congress

V L. Lee Frederica unn

Summer Lee Member of Congress

Wilson

Frederica S. Wilson Member of Congress

John P. Sarbanes Member of Congress

Donald S. Beyer Jr. Member of Congress

Troy Carter Member of Congress

Ville Jer

Mike Levin Member of Congress

Raúl M. Grijalva Member of Congress

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Mark DeSaulnier Member of Congress

Robert C. "Bobby Scott Member of Congress

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Member of Congress

Haley M. Stevens Member of Congress

Abigail Davis Spanberger Member of Congress