

Fiscal Year 2025 Request for the Department of Housing and Urban Development [Hearing](#)
House Appropriations Transportation, Housing and Urban Development, and Related Agencies
Subcommittee
5/1/24

Opening Statements

Chair Womack (R-AR)

- One of my priorities on this subcommittee is to stop the runaway housing inflation that impacts not only my constituents in Arkansas, but every American. We cannot turn a blind eye to families impacted by the rising housing costs, in part caused by choices made by this Administration.
- I also want to focus today on out-of-control regulations that set up unnecessary bureaucratic barriers. Over-regulation limits opportunities and it feeds inflation, often without making meaningful improvements in people's lives. I look forward to learning about HUD's successes and your long-term goals in this hearing.

[Ranking Member Quigley \(D-IL\)](#)

- While we have made important strides to address homelessness among veterans and families with children in particular, the fight to end homelessness is far from over.
- I hope we all feel the urgency of providing the resources and flexibility that localities need to support and house our most vulnerable communities. Without it, the impacts of this housing crisis can be felt beyond our housing systems.

[Full Committee Ranking Member DeLauro \(D-CT\)](#)

- The importance of providing more housing in the places Americans live and work – and ensuring that there are roofs over the heads of children and families – should be a central focus of this Congress.
- We should support investments that would enable HUD to expand rental assistance for low-income households and increase the affordable housing supply, expand homeownership opportunities for underserved borrowers, advance efforts to end homelessness, address housing-related discrimination, increase climate resilience and energy efficiency, and strengthen communities suffering from underinvestment.

Witness

Adrienne Todman, Acting Secretary, Department of Housing and Urban Development

- We at HUD know our work is simply not done. That's why the President's Budget proposes bold, mandatory investments focused on increasing the nation's housing supply, helping first-time homeowners by providing \$10 billion in first-generation down payment assistance; \$15 billion to support additional apartments that low-income families can afford and to make repairs to public housing; \$33 billion to prevent and address homelessness, particularly for veterans, our seniors, and youth aging out of foster care. Together, this suite of funding and other tax proposals aims to tackle housing affordability head-on.

- Creating and sustaining strong communities and providing access to affordable housing are priorities for the Biden-Harris Administration. The President has put forward a vision that builds on our existing body of work and HUD is prepared to do our part.

Question and Answer Session

Chair Womack (R-AR)

- Do I have your commitment that HUD will work diligently and quickly with communities affected by this weekend's tornadoes to rebuild as soon as possible? Todman: Yes.
- Can you remind the subcommittee of the DR process and steps HUD has taken to ensure funds appropriated to communities are quickly dispersed? Todman: We need Congress' help to not only authorize the program but also to provide us with those disaster recovery funds. I have yet to receive funding that we need to take care of the storms that happened in 2023. One of the things we did recently was reach out to all the existing DR grantees and the general public to ask how we could do better.
- Can you delineate the differences between what the responding agencies on these disasters do and where the CDBG-DR program fits in? Todman: FEMA is the first responder. They help to stabilize communities. SBA also helps by providing businesses and homeowners with resources. HUD is there to help rebuild the communities in the long term and build resiliency.
- Out of the 110,000 vouchers awarded in the HUD VASH program, why are nearly 30,000 vouchers still waiting to be leased? Todman: It's been different for some veterans to sometimes use these vouchers in the private rental market. We've been working carefully with housing agencies on ways we can improve the program and business aspects of our relationship with private rentals.
- When will those changes be? Todman: We're looking at issues around inspections and eligibility documents. We're working with our partners at Veterans Affairs to make sure agencies are receiving referrals quickly.

Ranking Member Quigley (D-IL)

- What do you see as the current unmet need for CDBG-DR? Todman: \$3.2 billion is the existing need based on the storms that occurred in 2023. That doesn't include any storms that occurred this year or the end of last year.
- What programs seem to be working to combat homelessness? Todman: A high level of outcome-based coordination between the housing system, the homeless system, and political leadership in towns and counties. When everyone agrees, we see a fair amount of work occurring. People continue to tell me about the need for more vouchers and more funds to Continuum of Care.
- Is HUD coordinating with other federal agencies to provide supportive services to maximize our investments and improve homeless intervention outcomes? Todman: We kicked off a new pilot a month ago with our partners at HHS to match our housing and their services.

Rep. Joyce (R-OH)

- Given the urgency to rid homes of hazards such as lead, what should we be telling our local communities about resources they can access through the Department to reduce child exposure to toxic metals and eliminate these hazards in their homes? Todman: We're fortunate to have a robust program that helps not just housing agencies but mayors, county

executives, and nonprofits to do that work. We can do a better job of making people aware of these resources.

- Can you talk about the innovative public-private funds that offer new and more flexible gap financing that could increase the pace at which these local communities can eliminate the public health threat and complement existing efforts? Todman: Almost everything HUD does requires the public and private sectors to work with each other. Our health hazard funds are sometimes matched with nonprofits and private sector partners on the ground. We know we need to do more of that.
- What aspects of your FY25 will help improve the rate at which the Department can assist communities in eliminating these home-based hazards? Todman: We prioritize this and have a robust number in there to carry out the work of our health hazards program.

Rep. Watson Coleman (D-NJ)

- How will HUD use the funds proposed in the budget to combat homelessness? What can Congress do to promote the use of sound, evidence-based approaches to resolve homelessness that don't involve further victimizing people? Todman: HUD can prevent and eliminate homelessness. We tried to make sure that piece of our work receives the amount of funds that we need to meet this moment. We also must work with our partners on the ground to make sure they're working as swiftly as they can.
- Has HUD found bottlenecks that interfere with or delay the money that you have allocated to certain issues? Todman: We don't have enough resources. One in four eligible people for our vouchers receives a voucher. The bottleneck in using our vouchers stems from some of the rules that HUD has to follow. We've created some flexibilities over the years to give housing agencies tools that they can use to work more quickly and provide incentives to work with landlords.
- Is our biggest problem a lack of housing, the variety of housing that we need, investors buying up housing which creates more unaffordable housing, or discrimination? Todman: The one thing is that we have not kept up with the demand for housing. We haven't built at the pace that we need.

Rep. Gonzalez (R-TX)

- Given the federal government's role in providing public housing maintenance, are there any opportunities for additional funding or incentives for cities that use local funds to preserve and create new public housing? Todman: HUD has used the Rental Assistance Demonstrating program. It has been successful. Agencies have been able to use it to leverage their assets to raise funds to make repairs.
- What efforts are underway to help increase the overall supply of housing? Todman: Over the past couple of years, HUD has worked with other agencies on an overall housing supply action plan. While we've proposed dollars that we think are needed to resource that plan, we've also used our existing administrative authority to do things, such as the Federal Financing Bank Risk-Sharing program.

Rep. Torres (D-CA)

- Do you have any thoughts on how you can help nonprofits build up the housing stock that communities like mine need? Todman: Nonprofits are qualified subgrantees to a lot of the funds that we have such as CDBG funds.

- Do you plan on revisiting the HUD definition of annual income to exclude VASH vouchers? Todman: We've been working closely with Veterans Affairs to figure out how veterans were not able to access our housing. One of the things we will be doing is increasing the eligibility limit so that more veterans can access our VASH vouchers.

Rep. Valadao (R-CA)

- Does HUD have any plans to update its methodology to allow states like California to calculate utility allowances and utilize a tax credit more accurately? Todman: I'll commit to figuring out what's going on and get back to you.
- How does HUD justify increasing awards year after year when it's clear that more and more people are experiencing chronic and unsheltered homelessness over the life of your program? Todman: Since January 2023, we've deployed much funding provided to us to make sure people on the front lines can deal with the 12% increase. We have sent funds to areas to help with encampments and young homeless individuals. We've found that many people are first-time homeless. The FY25 budget has proposed funding to continue to help localities.
- When HUD sees large awards going to specific Continuums of Care and sees the constant increase in homelessness, what interventions or assistance does HUD provide? How does it ensure taxpayer resources aren't going to ineffective programs and are not mismanaged by incompetent leadership? Todman: HUD doesn't provide its funds willy-nilly to our Continuums of Care. We have a competition. The idea is to prevent what you're talking about. We're also providing technical assistance where necessary.

Full Committee Ranking Member DeLauro (D-CT)

- Beyond significant investments in creating more affordable units, how is HUD thinking in the short term and long term to address low voucher utilization through greater flexibilities for subsidies, expediting lease-up changes to the fair market rate calculations, streamlining recertifications, or other means? Todman: We have learned through the flexibilities provided during the pandemic and the flexibilities provided to Moving to Work agencies ways to streamline programs, so we're focused on outcomes and not just paperwork. There's an internal working group at HUD talking about the things we can do to carry on some of the flexibilities. Our legislative proposals also have some things we think can work that we don't currently have the authority to implement.
- What about scattered site properties tied to project-based vouchers? Todman: We're a big proponent of project-based vouchers. HUD does have resident services vouchers that go to housing authorities that can help support these kinds of programs.
- Is HUD exploring measures to either increase or waive CDBG's cap on public services? Todman: That's one thing we can look to.

Rep. Rutherford (R-FL)

- Is HUD working on the OIG's recommendations to develop a comprehensive process to ensure complaints received by the clearing house are resolved in a timely manner and to develop agency-wide policies and procedures for the intake, monitoring, and tracking of health and safety complaints and to follow up on mitigation? Your FY25 request includes \$419 million for the information technology fund. Are you going to use that to assist with developing the tracking system? Todman: HUD does have a decentralized process for complaints. We get the reports but they're coming from all across the country. One of our IT

investments is to find a way to take all complaints and centralize them in a way that red flags can be raised.

Rep. Aguilar (D-CA)

- Within the scope of HUD's jurisdiction, what can we do to help address the rising costs homeowners face for insurance? Todman: We have very limited authority when it comes to the insurance industry. But what we can do is look at our rules and find ways to meet this moment. We just adjusted our wind and storm coverage to help some housing providers deal with rising insurance costs. We're also working inside the public housing program to see if there are ways to address costs there.
- Are there suggestions for authorizing more flexibility that's necessary? Todman: We'll get back to you.
- As Congress considers increasing the cap for project-based vouchers, what considerations would HUD suggest we keep in mind? Todman: HUD is finally going to implement the project-based aspects of HOTMA. We will come to you on things we think we need to help with the authorizations in that program.

Rep. Cline (R-VA)

- Do you think it's important for a person experiencing homelessness who has untreated mental illness with self-medicating substance use disorders to get treatment? Todman: I think it's important that anybody who has mental or physical illnesses get the treatment they need.
- Do you agree that an addict who is addicted to meth or fentanyl should get treatment? Todman: Anyone who has substance abuse issues should have treatment available to them.
- Are you aware of the dramatic increase in overdose deaths inside federally supported Housing First programs? Todman: I'm sure there's an uptick.
- Should a person experiencing homelessness who has untreated mental illness with self-medicating substance use disorders get treatment before we provide them with a housing voucher? Todman: If someone is stabilized in a home, not only is it easier to provide services but it's easier to find that person.
- What metrics is HUD using to assess the effectiveness of its programs in addressing homelessness, mental illness, and substance abuse? Todman: The Emergency Shelter program and our Continuum of Care have a number of different metrics we use that I can provide you with.
- Can you talk about how the data is informing future policy decisions and resource allocation? Todman: We listen to those who administer our programs locally about what we need to do to make sure the program is effective.
- How is HUD collaborating with mental health and substance abuse treatment providers to ensure that individuals experiencing homelessness have access to the support services that are needed? Todman: Our funds provide an opportunity for services. We have a new initiative with HHS to find ways to use Medicaid dollars and pair it with housing.
- How is HUD partnering with the faith-based community that provides housing assistance and support services? Todman: We provide funds to Continuums of Care and they're the front line.

Rep. Espaillat (D-NY)

- What plan does HUD have to address the dilapidated state of public housing? Todman: As a country, we haven't kept up with the needs of the public housing portfolio. Over the last three budgets, the President has proposed billions for our public housing sites. We're making sure people have access to the RAD.
- What can HUD do to ensure landlords keep up with their housing stock when they receive LIHTCs? Todman: LIHTC housing gets two inspections. Treasury requires them to be inspected every year. If there are any vouchers in the building, the housing agencies inspect it as well. I'd like to sit down with Treasury and see what we can do better.

Rep. Ciscomani (R-AZ)

- Do you have any thoughts on the homelessness and affordable housing crisis? Todman: Resources, innovation, and being outcome-focused is what we're going to need.
- How does HUD try to learn from and partner with Federal Home Loan Banks and affordable housing programs? Todman: We have a strong working relationship with FHFA. We also work with our housing providers who sometimes receive gap financing to build homes.
- Is this level of funding something the private sector is looking for? Todman: Yes.
- Can you elaborate on the lessons learned from the VASH initiative and how HUD can build on the program's success to expand supportive services for our veterans? Todman: Through VASH alone, we've reduced veteran homelessness by 50% over the past decade. We can learn from VASH in terms of how we marry housing and services but also how departments can work together.

Rep. Wexton (D-VA)

- Can you tell us about how the Foster Youth to Independence program's targeted assistance has improved outcomes for this vulnerable population? Are there other ways HUD is working to invest and use this? Todman: That program has been working very well. We have been making sure the housing system and the foster system are working together.
- Can you give an update on HUD's efforts to provide violence against women resources and how the funding Congress has provided for these resources has been used to support survivors and improve outcomes? Todman: This week, we stood up our gender-based violence office and are looking at ways in which we can staff that up.

Rep. Zinke (R-MT)

- I think we should look at a government-backed 50-year mortgage to lower monthly costs so people can afford housing.
- We should look at expanding definitions of title.
- The source of the problem is inflation. We need to lower inflation, lower energy costs, cut interest rates, and expand the opportunity for everyone to buy a home eventually.

Chair Womack (R-AR)

- Can HUD share an estimate of its improper payments for last year in the tenant-based and rental assistance programs? Have we made progress in estimating improper payments for these programs since January 2024? Todman: Some of the technological needs that we have to do it efficiently are a heavy cost burden to the Department. But we are going to expedite it and have an improper payment estimate by the end of next year.

Rep. Rutherford (R-FL)

- Can you talk about the impact that the Continuum of Care program has had with providers?
Todman: We are excited to have the two-year competition opportunity. Continuums of Care need to be busy helping homeless people and each year they are trying to balance helping homeless people with applying to HUD for more funds. These two years are welcomed.
- Has it increased the participation of providers? Todman: It's too early to tell.