

SENATE BUDGET HOLDS HEARING ON AFFORDABLE HOUSING

EXECUTIVE SUMMARY

On January 31, the Senate Committee on the Budget held a [hearing](#) entitled “A Blueprint for Prosperity: Expanding Housing Affordability” to discuss programs and their potential impacts on affordable housing. The discussion revolved around federal and state housing program recommendations as well as economic impacts, including program funding. There was bipartisan support for affordable housing programs and many members cited legislation they are working on to combat housing costs.

Republicans emphasized the cost of housing programs and the lack of oversight as their biggest concerns, while Democrats focused on the need to protect renters and promote access to affordable housing in every state. Witnesses offered policy recommendations that ranged from investing more in programs to improving oversight of existing affordable housing programs.

OPENING STATEMENTS

Chair Sheldon Whitehouse (D-RI) argued that the shortage of rental units is driving up the cost of rent, emphasizing that this is a problem across states regardless of political ideology. He noted he is encouraged by the number of housing-related bills introduced by members on both sides of the aisle. The Chair expressed interest in future legislative efforts to assist in access to homeownership, tax credits for first time homeowners, and access to affordable rental units.

Ranking Member Chuck Grassley (R-IA) was not in attendance and his opening statement was read by **Sen. Ron Johnson (R-WI)**. Ranking Member Grassley emphasized that a lack of affordable housing is not due to a shortage of federal housing programs, focusing on “reckless” government spending and a lack of oversight as key issues for housing affordability. He specifically criticized the Department of Housing and Urban Development (HUD) for not doing enough oversight of federal housing programs.

WITNESS TESTIMONY

Ms. Peggy Bailey ([testimony](#)), of the Center on Budget and Policy Priorities, discussed areas where she believed congress needed to act, including: (1) expanding rental assistance; (2) increasing supply of new units; (3) Preserving existing affordable housing; and (4) strengthening fair housing and tenants’ rights protections. Ms. Bailey also urged lawmakers to: (1) fully fund rental assistance and expand access to rental assistance programs; (2) invest in public housing and affordable housing; and (3) increase investments in fair housing programs.

Mrs. Carol Ventura ([testimony](#)), of RIHousing, discussed the housing shortage and increase in housing prices. She outlined steps to increase affordable housing, including: (1) increase appropriation for housing production and rental assistance programs; (2) pass the Affordable Housing Credit Improvement Act of 2023 (AHCIA) ([S.1557](#)); and (3) permanently extend the Federal Financing Bank Risk-Sharing program.

Mr. Kevin Boyce ([testimony](#)), of the Franklin County Board of Commissioners, echoed the statements of others, discussing the lack of affordable housing and urged the enhancement of current housing programs. Mr. Boyce recommended: (1) investing additional resources to adequately address housing needs; (2) modernizing and strengthening current federal programs; (3) providing more direct local government funding opportunities; (4) simplifying programs and reduce “burdensome” compliance requirements on local governments.

Mr. Bill Slover ([testimony](#)), of AVCO Interests, spoke on the need for oversight and that no amount of money will solve a “failure” of execution in these programs. Mr. Slover focused directly on what HUD should do to combat issues of overspending and perceived lack of oversight. He recommended that HUD: (1) conduct greater oversight of Public Housing Agencies (PHA); (2) change governance structure to have direct oversight of PHAs; and (3) demand qualified leaders of PHAs.

Dr. Todd Walker Ph.D. ([testimony](#)), of Indiana University, spoke to the economic benefits of affordable housing, noting that housing affordability promotes more flexibility in personal budgeting. He emphasized considerations for the committee including the increased government spending during the pandemic means there is now a need for fiscal consolidation to make housing more affordable.

DISCUSSION AND QUESTIONS

Housing Programs

- **Sen. Alex Padilla (D-CA)** touted the Housing for All Act ([S.2701](#)), which would increase local funding and programs to address homelessness and affordable housing. He asked Ms. Bailey to address what programs would help address homelessness. She cited housing choice vouchers as one of the most successful programs for addressing homelessness and urged for legislation to further streamline and promote these vouchers nationwide.
- When responding to Sen. Padilla, Ms. Bailey and Mrs. Ventura noted that HUD programs needed to be looked at collectively instead of individually to optimize the benefits for the most people.
- **Sen. Tim Kaine (D-VA)** spoke about landlords refusing housing choice vouchers and the need to improve programs already in place, not create new programs.
- Sen. Kaine mentioned his bill, the Fair Housing Improvement Act ([S.1267](#)), which seeks to prohibit discrimination in federal housing programs based on source of income, veteran status, or military status. Ms. Bailey spoke on the harm of source-of-income discrimination, specifically for minorities and people with disabilities. She also stressed the importance of

putting resources behind implementing and enforcing laws protecting those who use housing choice vouchers.

- **Sen. Chris Van Hollen (D-MD)** echoed Sen. Kaine in the discussion of voucher programs, citing the Family Stability and Opportunity Vouchers Act ([S.1257](#)), a bipartisan bill that seeks to improve the housing choice vouchers and services for families with young children.
- In a dialogue with Sen. Kaine regarding successful state programs, Mrs. Ventura outlined a homeowner grant program implemented in Rhode Island that helped to educate first generation homeowners along with receiving a grant to help purchase a home.

Spending, Funding and Economic Impacts

- Sen. Van Hollen asked Mrs. Ventura and Mr. Boyce about programs that would help with the housing supply. Mrs. Ventura said that HUD programs are critical resources for production of housing and wants more funds to be invested into those programs. Mr. Boyce echoed her sentiment and added that federal programs allow counties to invest in public infrastructure and other projects.
- **Sens. Mike Braun (R-IN)** and Johnson and both discussed increased federal spending, debt, and the deficit in the context of increased spending on housing. Sen. Braun also noted that dependable programs need consistent financing and worried about the sustainability of programs and funding. Both asked witnesses about spending and the supply of affordable housing. In response to Sens. Johnson and Braun, Mr. Slover noted that the unintended consequences of affordable housing programs come from the execution of these programs. He urged for more accountability and added that, before programs should be given more money, the funds they are given need to be used efficiently.
- When asked by Sen. Braun if it makes sense to spend more money, Dr. Walker noted that, as deficits increase, housing will continue to become less affordable.
- When asked by Chair Whitehouse about the connection between affordable housing and economic growth, Ms. Bailey discussed that stable housing allows for access to jobs. She also noted that assistance allows people to reinvest in the community when they are not rent burdened.
- Chair Whitehouse asked Mr. Boyce about the intergovernmental partnerships that would benefit affordable housing. Mr. Boyce explained that it would allow access to new ideas and new resources as well as increase funding to expand affordable housing.
- **Sen. Jeff Merkley (D-OR)** was critical of hedge fund involvement in the housing industry, arguing that they are making it harder for families to purchase homes.
- Sen. Merkley also asked Ms. Bailey about the benefits of a registry system for landlords and rental properties. Ms. Bailey highlighted that these registries help people find rental units without having to go through a realtor, decreasing the cost burden of finding a place to live.

Community Impacts

- Sen. Van Hollen asked Ms. Bailey about what she saw as the impact of voucher programs on children. She started by saying there is “a cost to doing nothing,” explaining that stable housing is important for children in almost every aspect of their lives.