

Senate Banking Housing, Transportation, and Community Development Subcommittee hearing entitled “Challenges in Preserving the U.S. Housing Stock” – April 16, 2024

Opening Statements

Chair Smith (D-MN)

- We need to pass the Rural Housing Service Reform Act.

Ranking Member Lummis (R-WY)

- Congress needs to pass the Rural Housing Service Reform Act.
- When it comes to affordable housing, Congress needs to consider the burden or regulation, and what we could be doing better.
- I want to talk about changes we could make to the Home Investment Partnerships program to make the program easier to use.
- Congress needs to pass my bill the Whole Homes Repair Act.

Witnesses

[Mr. Jesse Ergott, President and CEO, NeighborWorks Northeastern Pennsylvania](#)

- Pennsylvania’s Whole Home Repairs program has been a critical new tool in our state to help repair and preserve the affordable housing stock. While other state and federal resources have been available for decades to address housing preservation, many of those resources have been challenging to use and difficult to leverage with other resources.
- We support passage of the Whole Homes Repair Act.

[Ms. Robin Davey Wolff, Senior Director, Rural Communities, Enterprise Community Partners](#)

- We support passage of the Whole Homes Repair Act.
- We support passage of the Rural Housing Service Reform Act.
- Congress must expand and modernize programs already in place including the LIHTC, Home program, and NAHASDA.
- We also support Chair Brown’s the Housing Supply Fund Act, Affordable Housing Preservation and Protection Act, and the Yes in God’s Backyard Act.

[Mr. Christopher Volzke, Deputy Executive Director, Wyoming Community Development Authority](#)

- We support the Whole Homes Repair Act.
- We support the Home Investment Partnerships Program Reauthorization and Improvement Act.

Question and Answer Session

Smith (D-MN)

- Ergott, can you talk about the intent of the home modification program for older adults? What can Congress do to make this grant funding work better for communities and families? Ergott: The older adult home modification program has been a significant opportunity for organizations and communities who are seeking to help seniors age in place. The program aims to keep seniors in their homes for as long as they want to live there. Some of the challenges of the program involve coverage and limited funding. The

Whole Homes Repair Act can provide funding for more expensive home repairs that are not covered by the older adult home modification program.

- Ergott, how do you foresee the older adult home modification program and the Whole Homes Repair Act working together? Ergott: Those two programs work very well together. You can be creative with how you layer those funds together from those two programs.
- There are significant challenges with the housing stock on tribal lands. Wolff, can you talk about the challenges with the housing stock on tribal lands? What should Congress be doing to address those challenges? Wolff: There are a lot of requirements pertaining to how federal funds are spent when it comes to tribal lands that are sometimes in conflict with tribal sovereignty. We need to have flexibility when it comes to the deployment of federal funds for tribal lands. We need to make sure the requirements attached to the deployment of those funds are sensitive to tribal sovereignty.
- We have been waiting to reauthorize NAHASDA since 2013 which is a source of great frustration for me.

Lummis (R-WY)

- Some federal programs such as CDBG or NAHASDA can be used for repairs and rehabilitation, but in practice they are not used for those purposes? Can you talk about why it is hard in practice to spend CDBG or Home funds on repairs and rehabilitation? Ergott: It is difficult to spend Home funds on repairs and rehabilitation. Some of the challenges are when you use Home program funds to repair a home, one of the requirements is you have to repair all of the issues in that home. The cost to repair all of the issues in a single home is more often than not large. In addition, it is difficult to match and leverage Home funds. You end up using a lot of funds on very few properties. That is one of the reasons why we started backing away from using the Home program. Home program funds are difficult to layer and implement with other types of funding. Wolff: Rural communities do not get direct entitlement allocations of Home program and CDBG program funds. This makes it harder to access those resources for rural communities. Also, the Home program and CDBG program are critically underfunded resources. Home funds do go into multifamily rehabilitation. Home funds can also be used to rehabilitate USDA housing stock. Volzke: CDBG is a great program. It's very flexible. However, it can be complicated for small municipalities to carry out the CDBG program correctly. I don't know if CDBG and home repairs are a good match. The Whole Homes Repair Act seems to be a better deployment of those dollars.
- Does Habitat for Humanity ever go in on home repair and rehabilitation projects? Does that participation help your organizations utilize Home funds? Wolff: Habitat for Humanity uses a lot of federal resources for their programs and leverages them into homeownership and home repair. Volzke: We do deploy CDBG funds to units of local government.

Tester (D-MT)

- We need to pass the Rural Housing Service Reform Act. Asked Wolff how the bill will ensure the preservation of housing in rural areas. Enterprise Community Partners supports the Rural Housing Service Reform Act.
- In recent years, we have seen out of state investors come into Montana and buy manufactured home communities. They start with adding fees and then they jack up rent. Ergott, what tools do we have to keep the big national investors from buying up manufactured home communities? Ergott: Many across our network, the national

NeighborWorks network, are helping to try to organize local manufactured home parks to purchase ownership themselves. Finding ways to empower the people who live in those homes and enable them to find their own local solutions to ownership is a way to combat out of town ownership.

Fetterman (D-PA)

- We need to pass the Whole Homes Repair Act.

Lummis (R-WY)

- Volzke, what are some of the reasons that banks and even community focused lenders like CDFIs have not been able to provide sufficient financing for native repairs and rehabilitation in rural areas? Volzke: Banks have to assess a borrower's ability to repay. The Whole Homes Repair Act would help people who want to make repairs to their home but don't have access to credit. Even for people that do have access to bank credit in a rural area, that access is going to be more expensive.

Cortez-Masto (D-NV)

- I have a bill, S. 3793, that reauthorizes the Home Investment Partnerships program. Asked Volzke why the Home program is important to the ability to invest in affordable housing, construction, and preservation.
- I have a bill focused on the mortgage revenue bond and mortgage credit certificate programs. Asked Volzke how state housing finance agencies use those programs to improve the ability of middle-class families to buy a home.
- My bill focused on the mortgage revenue bond and mortgage credit certificate programs increases the mortgage revenue bond and home improvement loan limit from \$15,000 to \$50,000. Asked Volzke why it is important to raise the loan limit to \$50,000.
- Senator Cassidy and I have introduced the Affordable Housing Bond Enhancement Act to help finance affordable housing.

Smith (D-MN)

- Chair Brown is very interested in moving forward on a set of housing bills including the Rural Housing Service Reform Act and many other bills.
- Asked Wolff to further explain how issues surrounding tribal sovereignty impact the implementation of federal programs meant to aid tribal lands.