

**STATEMENT OF
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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
BEFORE THE
COMMITTEE ON BUDGET
U.S. HOUSE OF REPRESENTATIVES
PRESIDENT BIDEN'S FISCAL YEAR 2022 BUDGET**

June 23, 2021

Chairman Yarmuth, Ranking Member Smith, and distinguished Members of the Committee. Thank you for the opportunity to testify today in support of President Biden's 2022 Budget for the Department of Housing and Urban Development (HUD). The support of this Committee is critical to ensuring that every American has a roof over their head and can live in communities that are strong and resilient.

HUD's mission is critical to achieving the President's vision to ensure that we build back better from the COVID-19 pandemic public health and economic challenges and address longstanding systemic challenges, including racial injustice, rising inequality, and the climate crisis. This Budget makes historic investments that will help our Nation build back better and lay the foundation for shared growth and prosperity for decades to come. Our request greatly expands assistance to low-income families currently served by HUD programs, increases assistance to targeted vulnerable populations—including persons experiencing homelessness and Native Americans—and revitalizes neighborhoods with distressed HUD-assisted housing and concentrated poverty. HUD's work is critical to the Administration's efforts to improve the quality of life of the American people.

COVID-19 Pandemic

The past year of COVID-19 has been one of enormous challenges and difficulties. In the face of adversity and hardship, HUD staff in every region of the country continued to carry out the vital work of meeting the diverse needs of America's communities. HUD staff worked tirelessly to assist grantees and recipients of HUD assistance in their responses to the pandemic. While our nation is starting to turn the corner on COVID-19, we still have important work to do. In the months ahead, HUD will continue to play a critical role in the Administration's coordinated federal response to the pandemic—a response focused on protecting the health and well-being of the American people.

Many of the people living in federally-assisted housing have risk factors that make them particularly vulnerable to COVID. These factors include underlying medical conditions, race, and low incomes, along with racial and ethnic disparities in access to response, care, and treatment.

We are making sure that Federal, state, and local efforts reach those most at-risk of COVID and we are linking those efforts to people living in housing that HUD supports. The American

Rescue Plan is critical to our success in these efforts. Some of you may know that my last vote as a Member of Congress was for the American Rescue Plan Act of 2021. I was proud to vote for this historic legislation to get help to the American people during this moment of great challenge.

To meet this moment, we need to invest in our communities and our people. I believe that a budget is more than just a list of numbers; it reflects values and priorities. The 2022 President's Budget demonstrates the Administration's commitment to helping low-income families, seniors, and communities through the commitment of their federal government. For too long, housing needs have not been recognized as a national priority, resulting in a severe shortage of affordable housing and too many Americans unable to find a safe place to call home. This Budget begins to reverse that trend, investing in our housing infrastructure to meet urgent demand. I am proud to support President Biden's 2022 Budget and I look forward to working with you to meet urgent housing needs in all our communities.

President Biden's 2022 Budget

The 2022 President's Budget requests \$68.7 billion for HUD, approximately \$9.0 billion more than the enacted level for 2021. In addition to this discretionary request, the Budget also includes the American Jobs Plan and the American Families Plan. The Budget outlines an ambitious agenda to address challenges our Nation faces, ranging from climate change to housing discrimination to ending homelessness. This funding further builds on the substantial resources provided in the American Rescue Plan (ARP). The priorities in the HUD Budget include:

- \$30.4 billion for the Housing Choice Voucher Program, which accommodates 200,000 new vouchers, prioritizing those fleeing from domestic violence and households experiencing homelessness;
- \$3.5 billion to provide housing and services to individuals and families experiencing homelessness, including a focus on survivors of domestic violence and youth experiencing homelessness;
- \$400 million to remove dangerous health hazards from homes, including lead, carbon monoxide, and radon;
- \$800 million in targeted climate resilience and energy efficiency improvements in public, tribal, and other assisted housing;
- \$85 million for Fair Housing programs, and increased HUD staff capacity to redress discriminatory housing practices; and
- \$2 billion for Management and Administration expenses, or about three percent of the proposed Budget, investing in critical staffing and information technology needs to strengthen HUD's capacity to deliver on its mission.

In summary, HUD's proposed Budget allocates budget authority across programs and for staffing and other management and administrative expenses. Most of the budget authority funds programs to help vulnerable, low-income households—many elderly or disabled—pay their rent. The Office of Public and Indian Housing (PIH), the Office of Housing, and the Office of Community Planning and Development (CPD) administer these programs.

This request dovetails with funds provided by the CARES Act of 2020 and the American Rescue Plan Act of 2021, which appropriated \$12.4 billion and \$10.8 billion, respectively, across multiple HUD programs for urgently needed housing and services due to the COVID-19 pandemic. The 2022 President's Budget extends this comprehensive approach to address these challenges and invigorates the Nation's response through targeted funding increases and policy interventions, strengthening the Federal housing safety net, advancing equity, increasing access to affordable housing, addressing the climate crisis, and building HUD's capacity overall.

At HUD, we understand that our homes represent more than four walls and a roof. A good home can serve as a platform to spark economic opportunity and create healthier, more sustainable, and more inclusive communities. To further HUD's mission through this Budget, I have outlined five priorities:

- Strengthen and Broaden the Federal Housing Safety Net for People in Need
- Advance Housing Equity as a Means to Improve Housing Choices and Provide Greater Economic Opportunity
- Increase the Production of and Access to Affordable Housing
- Promote Climate Resilience, Environmental Justice, and Energy Efficiency Across the Housing Sector
- Strengthen HUD's Internal Capacity to Deliver on Mission

American Jobs Plan

The American Jobs Plan confronts the affordable housing crisis head on.

The plan invests \$213 billion to produce, preserve, and retrofit more than two million affordable and sustainable places to live.

Through targeted tax credits, formula funding, grants, and project-based rental assistance, the American Jobs Plan would produce, preserve, and retrofit more than a million affordable, resilient, accessible, and energy-efficient rental housing units.

In addition, the plan includes a new federal tax credit, as proposed in the Neighborhood Homes Investment Act, that could lead to the construction and renovation of approximately 500,000 single-family homes over the next decade—creating a pathway to homeownership for more families and allowing them to build wealth. Furthermore, it reinvests in communities to improve aging housing stock and maintain value for existing homeowners.

At the same time, the American Jobs Plan recognizes that investments alone won't solve our nation's affordable housing crisis. We must also eliminate barriers to producing affordable housing and expanding housing choices for people with low or moderate incomes.

To solve this problem, the American Jobs Plan calls for an incentive approach that awards flexible funding to local jurisdictions that take concrete steps to eliminate local regulations like minimum lot size or mandatory parking requirements. These types of local regulations drive up

the cost of producing affordable housing and can lock people out of neighborhoods that may have more opportunities for them and their children.

The American Jobs Plan will address longstanding public housing capital needs. Nearly 2 million people across the country live in public housing—including families, seniors, and people with disabilities.

Like many of the infrastructure investments in the American Jobs Plan, housing quality plays a key role in the health of families and communities. Yet nearly half of the public housing inventory is more than 50 years old. This means these buildings may have issues like lead paint, mold, and other health hazards that can be expensive to remediate.

The American Jobs Plan calls for an investment of \$40 billion to improve our public housing infrastructure and to address these critical safety concerns for residents. This is not just a safety issue but a racial justice issue, as more than one million people of color live in public housing. Furthermore, public housing is often located in severely under-resourced communities and is vulnerable to the dire effects of climate change. Investments that help reduce energy use or fortify against extreme weather events can help mitigate climate risk.

HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all. HUD is actively strengthening the housing market to bolster the economy and protect consumers. We are helping meet the need for quality affordable rental homes through our programs. We work to improve our citizens' quality of life through housing as a platform. And we are building inclusive and sustainable communities free from discrimination, while transforming the way HUD does business. The Budget delivers on these promises, and I am pleased to share this request with the Committee.

Under the President's leadership, America is getting back on track. We are turning the corner on the pandemic. Our economy is growing and creating jobs. Students are getting back into classrooms. For the fifth month in a row, unemployment claims have dropped precipitously as we have gotten Americans vaccinated. For all the progress we have already made, we cannot simply return to the way things were before the pandemic and economic downturn. We must seize this moment to reimagine and rebuild a new American economy that invests in the promise and potential of every American and makes it easier for families to break into and stay in the middle class. We must build back better.

Chairman Yarmuth, Ranking Member Smith, and distinguished Members of the Committee, I look forward to working with you. Thank you for the opportunity to appear before you today to discuss my priorities for the Department and how the President's 2022 Budget will serve our most vulnerable citizens, increase the resilience of our communities, and Build Back Better.