

**STATEMENT OF  
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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
BEFORE THE  
COMMITTEE ON APPROPRIATIONS,  
SUBCOMMITTEE ON TRANSPORTATION, HOUSING AND URBAN  
DEVELOPMENT, AND RELATED AGENCIES  
U.S. HOUSE OF REPRESENTATIVES  
DISCRETIONARY BUDGET REQUEST FOR FISCAL YEAR 2022**

**APRIL 21, 2021**

Chairman Price, Ranking Member Diaz-Balart, and distinguished Members of the Subcommittee. Thank you for the opportunity to testify today in support of the President's Fiscal Year (FY) 2022 Discretionary Request for the Department of Housing and Urban Development (HUD). The support of this Subcommittee 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. 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.

This means strengthening our efforts to ensure equitable access to treatment and care, including testing and vaccines, for HUD assisted households. At HUD, we know firsthand the severe impact of COVID-19 on our nation's housing crisis. We have helped housing owners, housing authorities, and communities provide additional rental assistance and support new efforts to eradicate homelessness. In coordination with the Departments of Veterans Affairs and Agriculture, we also extended the Federal Housing Administration's foreclosure and eviction moratorium and forbearance enrollment window until June 30<sup>th</sup>, and provided up to an additional

six months of forbearance for certain borrowers, to support the immediate and ongoing needs of distressed homeowners. We are strengthening partnerships between recipients of HUD assistance and public health agencies and health care providers.

Many of the people living in federally-assisted housing have risk factors that make them particularly vulnerable to COVID. These factors include disability, 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. 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 is a reflection of values and priorities. This Discretionary Request 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 Discretionary Request begins to reverse that trend, investing in our housing infrastructure to meet urgent demand. I am proud to support this request and I look forward to working with you to meet urgent housing needs in all of our communities.

### **Fiscal Year 2022 Discretionary Request**

The President's FY 2022 Discretionary Request includes \$68.7 billion in funding for HUD, a \$9 billion or 15% increase over the 2021 enacted level. This funding is in addition to the substantial resources provided in the American Rescue Plan (ARP). This Request includes \$30.4 billion to expand Housing Choice Vouchers, \$3.5 billion to prevent and reduce homelessness, \$900 million to fund tribal efforts, and funding to address Lead Hazards, promote access to homeownership, and enhance fair housing enforcement while investing in HUD's capacity to effectively serve Americans most in need of our assistance.

#### **Expanding Housing Choice Vouchers**

The Housing Choice Voucher program is the federal government's major program for assisting 2.3 million low-income families, the elderly, and persons with disabilities to afford decent, safe, and sanitary housing in the private market. This request will provide \$30.4 billion, an increase of \$5.4 billion over the 2021 enacted, to maintain services for currently assisted families and expand assistance to 200,000 additional households, particularly those who are fleeing domestic violence or are currently homeless. Additionally, this funding includes mobility-related supportive services to provide low-income families who live in racially and ethnically concentrated areas of poverty with greater options to move to higher-opportunity neighborhoods.

## **Working to End Homelessness**

Last month, HUD released its annual report, known as the Point-in-Time Count, that provides a nationwide, single-night estimate of homelessness. The results are startling. On any single night in 2020, roughly 580,000 people experienced homelessness in the United States. Between 2019 and 2020, homelessness increased significantly among people sleeping outside or in places not meant for living, and among those are individuals with disabilities who have experienced homelessness for a long time.

For the first time in many years, Veteran homelessness and homelessness among families did not improve. What makes these findings even more devastating is that they are based on data from before COVID-19—and we know the pandemic has only made the homelessness crisis worse. As a nation, we have a moral responsibility to end homelessness—and we know how to do it.

It has been shown, time and again, that helping people exit homelessness quickly through permanent housing, without restrictions, prevents a return to homelessness. At HUD, we are committed to putting Housing First, because a healthy, productive life begins with a safe and stable home. This Discretionary Request provides \$3.5 billion, a \$500 million increase over 2021 enacted, for Homeless Assistance Grants to support an additional 100,000 households, including survivors of domestic violence and homeless youth. Furthermore, thanks to the American Rescue Plan, we can now get to work in administering the additional homelessness assistance provided in the law. This includes \$5 billion for emergency housing vouchers, and another \$5 billion to help create housing and services for people experiencing or at risk of homelessness. Those experiencing homelessness are particularly vulnerable to COVID-19. The robust relief in the American Rescue Plan will reduce homelessness and save lives in communities across the country.

## **Improving Energy Efficiency, Resilience, and Safety**

It is critical we deliver on the Administration's commitments on improving the quality, safety, and accessibility of affordable housing. This request fully funds the operational costs for HUD-supported rental properties that provide safe, affordable homes to 2.3 million low-income families. However, we must also invest in our housing stock for modernization and rehabilitation aimed at energy efficiency and resilience to climate change impacts like increasingly frequent and severe wildfires and floods. This request provides \$800 million across a number of HUD programs to increase energy efficiency and resilience through housing construction and rehabilitation. These retrofits will help lower the costs and improve the quality of public and HUD-assisted housing while creating good-paying jobs in communities across the nation. In addition, the request includes \$3.2 billion for Public Housing modernization grants, an increase of \$435 million above the 2021 enacted level.

## **Increasing the Supply of Affordable Housing**

There is an urgent shortage of affordable housing in communities across our nation. To address this shortage, this request provides \$1.85 billion, a \$500 million increase over 2021 enacted, for the HOME Investment Partnerships Program. This is the highest funding level for the HOME

program since 2009. With these funds, we will construct and rehabilitate affordable rental housing and provide other supportive housing needs. Additionally, this Discretionary Request provides \$180 million to support 2,000 units of new permanently affordable housing for the elderly and persons with disabilities, supporting the Administration's priority to maximize independent living for people with disabilities.

### **Investing in Tribal Communities**

Native Americans are seven times more likely to live in overcrowded conditions and five times more likely to have plumbing, kitchen, or heating problems than all U.S. households. With this request, we will provide \$900 million to expand affordable housing, improve housing conditions and infrastructure, and increase economic opportunities for low-income families in tribal communities.

The COVID-19 pandemic has had an unprecedented impact on our communities, and native communities have been hit especially hard. People living on reservations are four times more likely to get COVID-19 and American Indians and Alaska Natives are almost twice as likely to die from COVID-19 as white Americans.

I am thankful that President Biden is committed to ensuring equitable access to communities hardest hit by this pandemic. Thanks to the leadership of President Biden and the Congress for bringing the American Rescue Plan across the finish line. I recently announced that a historic investment of \$450 million in Indian Housing Block Grants is on its way to Indian tribes across the country in response to the COVID-19 pandemic. Nearly 600 tribal communities across the country will benefit from this funding which will go towards development, housing modernization, housing services for families, and creative approaches to provide more affordable housing in Indian Country. This historic investment was made possible by the American Rescue Plan.

### **Infrastructure Modernization in Marginalized Communities**

For far too long, we have had communities that have been excluded from social, economic, and educational opportunities. Therefore, this request makes a targeted \$295 million increase in the Community Development Block Grant (CDBG) program to modernize and rehabilitate public infrastructure in communities that have been historically underfunded and have the greatest need. This provides a total of \$3.77 billion for CDBG, which helps develop viable urban communities through the development of decent housing and expanding economic opportunities.

### **Reducing Lead and Other Health Hazards**

HUD wants to ensure that families do not have to choose between substandard housing they can afford or housing that is safe, decent, and free of hazards. The Centers for Disease Control and Prevention (CDC) has identified the risk for lead exposure as greatest for children from racial and ethnic minority groups and children in families living below the poverty level, and the Lead Hazard and Healthy Homes grants target interventions to these most at-risk communities. Our

request provides \$400 million, a \$40 million increase, to reduce lead-based paint and other health hazards in the homes of low-income families with young children.

### **Supporting Access to Homeownership and Pandemic Relief**

The path to homeownership has become increasingly challenging, especially for low-to-median income borrowers and first-time homebuyers. This Discretionary Request supports access to homeownership for underserved borrowers through the Federal Housing Administration's (FHA) mortgage insurance programs. FHA is a crucial source of mortgage financing for first-time and minority homebuyers, who accounted for 83 percent and 37 percent, respectively, of FHA home purchase loans in 2020. In addition, through its expanded and streamlined loss mitigation program, FHA continues to provide urgent relief to homeowners suffering financially due to the COVID-19 pandemic.

The health of FHA's Mutual Mortgage Insurance Fund has remained resilient despite the financial challenges faced by homeowners with FHA-insured mortgages in 2020. The fund stands at more than \$80 billion and remains well above the 2% minimum capital reserve required. We will continue to monitor mortgage performance trends and provide transparency on the health of the Fund.

Tens of millions of families have been devastated by this pandemic, and housing has been a critical part of how we keep people safe. The FHA insurance program provides crucial access to credit and homeownership for first-time homebuyers, low-to-moderate income families, and households of color who have been historically underserved. We are committed to an equitable recovery and recognize the unprecedented moment and opportunity for HUD to lead the way.

### **Prevent and Redress Housing Discrimination**

It is our national duty to eliminate housing discrimination, promote economic opportunity, and achieve diverse, inclusive communities. This Discretionary Request provides \$85 million to support State and local fair housing enforcement organizations and to further education, outreach, and training on rights and responsibilities under Federal fair housing laws. In order to deliver on the President's housing priorities, we must also invest in staffing and operations capacity including commitments outlined in the Presidential Memorandum on Redressing Our Nation's and the Federal Government's History of Discriminatory Housing Practices and Policies.

### **Investing in People**

HUD's staffing has declined by 17% since 2012, which has resulted in a significant reduction in the Department's capability to execute its mission and serve the nation's most disadvantaged people. This Discretionary Request will make significant investments in our operations and staffing in order to improve delivery of our services across the board. Filling critical roles at Headquarters and in the field will ensure that grantees, the public, and families receive the customer service they deserve and allow HUD to fully deliver on its mission.

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 meeting 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. This request delivers on these promises and I am happy to share it with the Subcommittee.

Chairman Price, Ranking Member Diaz-Balart, I look forward to working with you and this Subcommittee. Thank you for the opportunity to appear before you today to discuss my priorities for the Department and how the President's FY 2022 Discretionary Request will serve our most vulnerable citizens and increase the resilience of our communities.