

Senate Budget Committee:
The Impact of Inaction on Affordable Housing

Wednesday, September 25, 2024

Greta J. Harris, President & CEO

Thank you, Mr. Chairman, Ranking Member Grassley, members of the Committee, and distinguished guests, for this opportunity to address an issue that touches the core of our economy and the well-being of millions of Americans—affordable housing.

My name is Greta J. Harris, and I lead the Better Housing Coalition, Central Virginia's largest affordable housing developer. We are honored to provide service-enriched rental housing for nearly 3,000 lower-income individuals and seniors, while offering opportunities for home ownership. Over the last three and a half decades, we've invested \$300 million in our community, with another \$300 million in our pipeline, ensuring more of our neighbors have a good place to call home.

America stands at a critical juncture. The lack of affordable housing is not just a challenge for lower-income families—it's a systemic issue affecting nearly every facet of our society and economy. And the consequences of inaction ripple far beyond the housing market.

As housing costs outpace wages, today more than 10 million Americans spend over half of their income on housing, leaving little for essentials like food, healthcare and education. This suppresses consumer demand and hampers economic growth. Businesses in both urban and rural communities struggle to attract and retain talent because workers can't afford to live nearby thereby stifling business expansion, innovation, and productivity.

The societal costs of unstable housing are also severe. Studies show that housing instability is linked to worse health outcomes, increased mental health issues, and lower learning achievement for children. Families forced to move frequently disrupt their children's education, which has long-term consequences for their development and future economic mobility success.

Moreover, the brunt of this crisis falls hardest on vulnerable populations—people of color, single parents, veterans, and the elderly. For communities of color, this crisis deepens the racial wealth gap, perpetuating cycles of poverty. And homelessness, a growing manifestation of this crisis, comes at a steep social and economic cost. A 2019 study found that homelessness costs taxpayers upwards of \$35,000 per person per year, while providing permanent supportive housing costs significantly less as a more humane solution.

Affordable housing is also tied to environmental challenges. Housing shortages often push modest income families to the outskirts of cities, leading to urban sprawl, increased traffic, and higher greenhouse gas emissions. Addressing this crisis is not only an economic imperative but also an environmental one.

The core truth is that affordable housing is a public good. It strengthens communities, supports families, and powers our economy by contributing 16% to the US GDP. When we invest in affordable housing, we create jobs, spur local economies, and provide families with the stability they need to thrive.

At the Better Housing Coalition, we've seen lives transformed when families gain access to stable, affordable homes. Households can begin to breathe and then believe that their future can be better than their present. Individuals further their education, secure better jobs, and even transition to homeownership, creating a cycle of positive economic and social outcomes.

The longer we wait to address this crisis, the more costly it becomes. The question is not whether we can afford to act, but whether we can afford *not* to.

We need a scalable, multi-pronged approach to this crisis including investing in: low-income housing tax credits, home ownership tax credits, Community Development Financial Institutions, expanding federal housing vouchers, funding housing trust funds and strengthening intermediaries like NeighborWorks America, Housing Partnership Network and LISC that build nonprofit capacity to serve lower income households across the country. We must also support local zoning reforms to remove barriers to building affordable homes and reduce NIMBY (Not in My Back Yard) opposition.

We have the tools to address this crisis, but we need the political will to use them. As you deliberate on future federal budgets, I urge you to prioritize affordable housing—not just because it's the right thing to do, but because our economy and society depend on it.

Thank you.