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June 13, 2023

The Honorable Brian Schatz, Chairman Subcommittee on Transportation, Housing and Urban Development, and Related Agencies Committee on Appropriations United States Senate Washington, D.C. 20510 The Honorable Cindy Hyde-Smith, Ranking Member Subcommittee on Transportation, Housing and Urban Development, and Related Agencies Committee on Appropriations United States Senate Washington, D.C. 20510

Dear Chairman Schatz and Ranking Member Hyde-Smith:

Our respective organizations work with Congress every year on a range of our priorities, including protecting migrants and refugees, supporting the poor and vulnerable, and protecting the preborn. As you consider the Fiscal Year 2024 Transportation, Housing and Urban Development, and Related Agencies appropriations bill, we urge you to provide the highest level of funding possible for housing and community development programs serving families and individuals who are poor and vulnerable.

Inflation is taking a toll on the economic well-being of many families, especially those with the lowest incomes. Although the rate of annual increase of U.S. asking rent slowed considerably from last year (16.5%) to this year (1.7%), the median U.S. asking rent stood as high as \$1,937 in February.<sup>4</sup> Housing makes up a large portion of family budgets with 10.7 million low-income renter households spending over half their income on housing costs.<sup>5</sup> These families cannot afford to keep up with rent increases. Targeted federal investments in programs that bring down the cost of housing and preserve and increase affordable housing supply can help families maintain stable housing.

In the pastoral statement <u>The Right to a Decent Home</u>, the Catholic bishops of the United States teach that "Since decent housing is a human right, its provision involves a public responsibility. . . . Government must supplement and regulate the activities of private individuals and institutions in order to achieve our housing goals. A creative partnership of private enterprise and government is necessary" (no. 75). The Catholic Church, inclusive of all its ministries, is one of the largest private providers of housing services for the poor and vulnerable in the country. We serve as many as we can, yet we lack the resources to assist all our brothers and sisters in need. In 2021, Catholic Charities agencies provided housing services to over 180,000 people and homelessness services to over 400,000, provided housing counseling services to more than 15,000 households, and disbursed \$188 million in emergency rental assistance. Despite these efforts, Catholic Charities agencies have over 73,000 households across the country on waiting lists for housing. In response to such widespread, unmet need, HUD programs need more resources, not less.

With the lingering effects of inflation, meaningful increases in the HUD budget are needed just to maintain housing for the same number of people currently served. Flat funding for housing and community development programs acts as a cut to vital services. Please provide robust funding for the following programs:

<sup>4</sup> Redfin, Rental Market Tracker (April 12, 2023), <a href="https://www.redfin.com/news/redfin-rental-report-february-2023/">https://www.redfin.com/news/redfin-rental-report-february-2023/</a>

<sup>&</sup>lt;sup>5</sup> National Low Income Housing Coalition, *The Gap: A Shortage of Affordable Rental Homes* (April 2022), https://nlihc.org/gap.

- Section 8 Housing Choice Vouchers, Project-Based Section 8 Rental Assistance, and the Public
  Housing Capital Fund and Operating Fund: These tenant- and project-based rental assistance
  programs provide a lifeline for low-income families in need of affordable housing. However, with the
  supply of affordable rental homes decreasing and demand for rental assistance continuing to rise,
  funding for these programs fails to keep pace with the need for affordable housing.
- Housing for the Elderly (Section 202) Program: Since its inception, "Section 202" programs have partnered with non-profit organizations, including faith-based organizations, to expand housing for low-income elderly families. Over this time, nearly 400,000 households have been served, but many more seniors are in need of this affordable, service-connected housing. Construction of new units has not kept pace with the rapid aging of the nation's population. New "Section 202" housing construction is essential.
- HOME Investment Partnership Program: The need for affordable housing is at an all-time high, and the HOME Investment Partnership Program is vital to mitigating the problem. This program tangibly changes the lives of the poor by building, buying, and rehabilitating affordable housing in blighted communities. Revitalizing buildings in poor communities serves as a catalyst for reducing crime and improving other social outcomes for poor citizens.
- McKinney-Vento Homeless Assistance Grants: The Continuum of Care Program and Emergency Solutions Grants continue to make important contributions to reducing homelessness, particularly chronic homelessness. Continued support for these programs is critical for working toward the goal of ending family homelessness.
- Housing Counseling Assistance: As the housing crisis and pandemic demonstrated, income loss, rising medical costs, and unexpected expenses can suddenly jeopardize a family or individual's housing. Housing counseling helps renters seeking more affordable and stable housing choices, supports those facing the risk of homelessness, advocates for those homeowners facing foreclosure and default, and educates homebuyers to be aware of abusive lending practices so they have the knowledge necessary to make informed decisions. Increased support for counseling assistance can protect against future abuses in the housing market while helping families and individuals achieve the goal of homeownership.
- Community Development Block Grant Program: For many years, communities struggling to lift themselves out of poverty have turned to the CDBG for support in housing and economic development projects, including housing rehabilitation, blight removal, and infrastructure improvements. Economic development activities have created or supported over 400,000 jobs in the past 10 years. Protecting these programs is vital for development in low-income communities and allows state and local governments the flexibility to continue identifying the areas and projects that are best suited to produce results.

In addition to the above programs, increased support for the Section 4 Capacity Building for Community Development Block Grant, Housing Opportunities for Persons with AIDS (HOPWA), Supportive Housing for Persons with Disabilities (Section 811), and Veterans Affairs Supported Housing (HUD-VASH) is necessary in order to continue to serve poor and vulnerable families across our country. Further, the freedom of faith-based shelters and other organizations should be protected in order to continue serving thousands of people in need at this time without violating their beliefs or compromising the safety of their clients.

Robust investments in federal housing programs equip families and communities with the resources they need to thrive. We recognize there are many competing priorities as you move forward to enact final spending bills. The above programs, which satisfy the basic human right to shelter, should receive special attention. A just framework for future budgets cannot rely on disproportionate cuts in essential services to poor and other vulnerable persons. It requires shared sacrifice by all, including raising adequate revenues, eliminating unnecessary spending, and addressing the long-term costs of health insurance and retirement programs fairly.<sup>6</sup>

Thank you for your consideration and for your support of people and families in need of stable housing.

Sincerely,

+ Borys Hudziak Most Rev. Borys Gudziak

Archbishop of Ukrainian Catholic

Archeparchy of Philadelphia Chairman, Committee on Domestic Justice

and Human Development

United States Conference of Catholic Bishops

Mr. Anthony Granado

Vice President, Government Relations

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Catholic Charities USA

<sup>&</sup>lt;sup>6</sup> USCCB, CCUSA, and CRS Letter to Congress on the Debt limit, May 17, 2023. <a href="https://www.usccb.org/resources/usccb-ccusa-and-crs-letter-congress-debt-limit-may-17-2023">https://www.usccb.org/resources/usccb-ccusa-and-crs-letter-congress-debt-limit-may-17-2023</a>