

**Committee on Banking, Housing, and Urban Affairs
United States Senate**

Testimony of Raphael W. Bostic for the Confirmation Hearing

Chairman Dodd, Ranking Member Shelby and members of the Committee, I am honored and humbled to appear before you today as you consider my nomination to serve as the Assistant Secretary for Policy Development and Research at the U.S. Department of Housing and Urban Development. Before going further, I must acknowledge those who have given unconditional love and support through my life, most significantly my partner Jeffrey Taylor, my parents Viola and Raphael T. Bostic, my sister Ebony, my aunt Patricia Williams, and mentors Glenn Canner, John Shoven, Roger Noll, Susan Wachter, and Stuart Gabriel.

The time we find ourselves in is remarkable, both because of its gravity and its origins. By many measures, the economy has not performed so poorly since the Great Depression of the 1930s.

And for perhaps the first time in this nation's history, housing has been at the root of the macroeconomic troubles. This reality means that a deep understanding of housing markets is critical, and evidence on what does and does not work in these markets will be essential for creating a new market structure that endures and corrects the weaknesses that helped to create the current troubles.

Secretary Donovan recognizes this, and in his public and private statements has already placed a considerable emphasis on the importance of collecting and using data to make informed decisions. If confirmed to my position, I will work hard to see that the Secretary's vision is pursued and achieved. In this way, I hope to contribute to a transformation of the Department into an efficient, informed leader of policy on issues associated with housing and urban development.

My background, including significant work in academics, government and community development, provides me with assets

that will allow me to help the Office of Policy Development and Research (PD&R) increase its efficacy and effectiveness. A key goal is for PD&R efforts to contribute to a deeper and more meaningful understanding of the issues facing our housing and urban markets and communities.

From an academic perspective, my research has given me knowledge and insights about both housing and urban development, and this, combined with my continual and intensive interaction with other academic scholars, will allow me to promote the implementation of evidence-based policy with the Secretary and the Department's program offices. In addition, my training and perspectives gained as an academic researcher have given me skills that will help ensure that research and program evaluations produced or funded by P&DR are relevant, timely, and of the highest quality.

Through my career to date, I have interacted extensively with all the key HUD constituencies and so am able to add value and perspective to HUD's research efforts, as well as its policy-making and oversight. I understand housing and housing finance through my research and my work at the Federal Reserve Board. I know the nuts and bolts of affordable housing development, as well as the difficulties and opportunities it affords for lower-income and minority households, through my teaching them at USC, service as a Board member of a local non-profit housing developer, and research. My work with a local community development organization in East Palo Alto and other research I have done have provided insights as to the challenges of broad-based urban and community development. My role as director of a real estate development program required my engagement of all aspects of the development process, and forced me to engage and understand how design, law, economics, finance, and construction all interact. Of particular significance, the exposure to construction highlighted

the key role that engineering and technology can play in helping to make housing affordable and high quality.

One of Secretary Donovan's top priorities is to improve the culture of the Department as an institution, and I pledge to further this goal for PD&R. This transformation will require significant organizational management, and my experiences at USC over the past several years have prepared me for this challenge. I aim to provide an environment that allows PD&R to perform and produce at high levels, as I believe the Office has tremendous potential that has lagged in terms of its productivity, prominence and influence.

Finally, I come to you today with a clear understanding of the opportunities and obstacles that this position presents. Through my work at the Federal Reserve Board and HUD, I have seen how policy is created at the federal level, and am familiar with the dynamics associated with operating at PD&R. This knowledge base will facilitate my navigation of the policy-making milieu and

should lead to effective decision-making and promotion of ideas that will benefit the American people.

In conclusion, I am very excited to serve the country at this pivotal moment in its history. I am eager to support the Secretary's efforts and work with the members of this committee to help heal the nation's housing markets and promote the flourishing of its urban areas.

Thank you for giving me the opportunity to speak with you today and I welcome any questions you might have.