



Diane Randall Testimony, March 12, 2008

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Chairman Dodd, Ranking Member Shelby, and Members of the Committee, thank you for the opportunity to testify today on President Bush's proposed Department of Housing and Urban Development budget. I am Diane Randall, Director of the Partnership for Strong Communities, a housing policy organization, based in Hartford, Connecticut. We promote solutions to homelessness, affordable housing, and the development of vibrant neighborhoods. The Partnership is the policy arm of The Melville Charitable Trust, a Connecticut-based foundation that invests in solutions to homelessness and effective community development.

I am here to tell the story of how this budget will affect thousands of families in my state of Connecticut and to urge you to fill the significant funding gaps in vital housing programs. I don't need to tell you that we are in a very volatile time in today's

turbulent housing markets, where growing numbers of families are losing their homes through foreclosure, neighborhoods are at risk of deterioration and families are subjected to the roller coaster of instability and insecurity.

Your actions to restore stability to vital housing programs that promote economic security and provide safety to hundreds of thousands of families with young children and elderly and disabled citizens is crucial now, more than ever.

Ending Homelessness

Although Connecticut is one of our country's richest states, we are not immune to the problems of homelessness and housing affordability. We estimate, that over the course of the year, 33,000 people in Connecticut, including 13,000 children, experience homelessness. Our statewide campaign to end chronic homelessness in Connecticut—the Reaching Home Campaign—is dedicated to the creation of 10,000 units of permanent supportive housing. I'm pleased to tell you we have made progress. Through effective use of HUD McKinney-Vento funds, HOPWA, Section 8, and the 811 program AND with millions of dollars in state and philanthropic investments we have created over 3,000 units of permanent supportive housing operating in nearly half of our cities and towns. We appreciate the Administration's increase in the HUD McKinney-Vento program; however, because permanent housing renewals alone will increase by approximately \$95 million, this funding level is inadequate.

Furthermore, if the Administration proposed budget were enacted, Connecticut would likely see a surge in homelessness through the loss of over 1,500 Section 8 Housing Choice Vouchers and over 3,700 units using Section 8 Project Based Rental Assistance.¹ **I urge you to increase funding in the Section 8 program and in all HUD programs that end and prevent homelessness for millions of Americans and that improve the quality of life for people in neighborhoods all over the country.**

But asking you to help us solve the problem of chronic homelessness would be incomplete without asking you to help solve the problem of housing affordability. People in Connecticut, and every state, become homeless because of health or family issues, but also because they simply can't handle an added expense, or lose a job, and get evicted from their homes. Creating more housing options they can truly afford – without having to pay more than 30% of their income on housing – is IMPERATIVE. We can't ensure people have housing, much less end homelessness, without PREVENTING homelessness, too.

We know it is critical to draw on every resource possible—federal, state, philanthropic and local human capital—to build, operate and manage housing that serves the resident population and the communities they live in.

¹ Center of Budget and Policy Priorities. “HUD Budget Contains Major Funding Shortfalls.” Douglas Rice, Barbara Sard and Will Fischer. March 5, 2008

This includes not only the existing HUD programs for production but also including the National Housing Trust Fund in the budget resolution. I urge the Committee to act quickly on S. 2523, the National Affordable Housing Trust Fund Act of 2007, to establish a National Housing Trust Fund.

Section 8 Program Offers Stability for Families and the Elderly

The Section 8 program is a successful affordable housing resource that effectively targets individuals who are elderly or with disabilities and extremely low incomes, including recipients of Supplemental Security Income (SSI) benefits. We rely on the Section 8 program to prevent homelessness among families and the elderly. Housing providers match Section 8 vouchers with state service funding to create new units of supportive housing. In Connecticut, as in the rest of the country, the need for additional housing vouchers is enormous. Last summer, our state Department of Social Services, which also functions as the housing authority with the largest operation of Section 8 Choice Vouchers, opened the waiting list for the Section 8 Housing Choice Voucher program and the State Rental Assistance Program waiting lists. Nearly 50,000 households applied for approximately 1,000 Section 8 vouchers and RAP certificates.

While funding in this proposed budget for new Section 8 vouchers dedicated to the elderly and disabled who were displaced by Hurricane Katrina is encouraging and should be maintained, the funding for the Tenant Based Rental Assistance Account in the budget of \$1.3 billion is less than is needed to fund existing vouchers and would

result in the loss of at least 100,000 vouchers. This would be a step backward in the government's efforts to end homelessness and to stabilize families and the elderly. The Partnership for Strong Communities also strongly supports the Section 8 Voucher Reform Act of 2007 (SEVRA.)

Building and Preserving Affordable Housing

In a high cost housing state like Connecticut that has an aging housing stock, we are severely in need of capital financing and project based rental subsidies for the development and preservation of affordable rental housing. Working closely with our State Treasurer, Denise Nappier, Governor Rell and our General Assembly, three years ago the Partnership for Strong Communities helped to create a \$110 million State Housing Trust Fund, which awards between \$20 and \$30 million annually in grants and loans for the development of affordable home ownership and rental housing. This program, like our state Housing Tax Credit program which awards \$10 million annually, is consistently oversubscribed.

As a member of the Connecticut Housing Finance Authority Board of Directors, I see a bursting pipeline for federal Low Income Housing Tax Credits, the workhorse program to produce new affordable rental housing. In Connecticut the fierce demand for the roughly \$6.3 million we receive annually in 9% tax credits is led by our housing authorities that have huge capital needs for revitalization of both federal and state public housing. While the resources of our quasi-public housing finance authorities

can contribute to public housing preservation, increasing the Public Housing Capital Fund, the Public Housing Operating Fund and fully funding HOPE VI will reduce demand from public housing authorities for vital production programs for new development of affordable rental housing for seniors, for the disabled and for a younger workforce that we desperately need in our aging state. HOPE VI developments in Stamford, Hartford and New Haven have created mixed income housing in neighborhoods that are attractive and safe.

Addressing the Supply Problem of Affordable Housing

The problem of housing affordability affects millions of Americans—from those at risk of foreclosure to those who routinely pay over 30% of their household income for housing. Here's how dire the situation has gotten in our state. In 2004, 19% of Connecticut's households were burdened by housing costs – they made 80% of median income, or less, and spent 30% or more of that income on housing. In just 2 years – by 2006 – that proportion had risen to 26% of CT households: from less than a fifth to more than a fourth of the population.

With aging housing stock, housing prices that have risen 70% since 2000, and communities that resist new housing production of any kind, let alone affordable housing, **consistent, reliable funding from the federal government for the production, revitalization and maintenance of affordable housing is critical.**

The Partnership for Strong Communities also staffs the HOMEConnecticut campaign, a broad-based coalition of unlikely allies who all agree that housing affordability must be addressed for our economic vitality. We successfully passed a statute last year to provide our cities and towns with state incentives to create more “workforce” or “attainable” housing. We believe that inclusionary zoning practices that allow for local oversight in design and location are another important tool to meeting the demand for low and moderate income housing.

But the fact is that our state and its municipalities need help from Congress. We need not only more subsidies, but also more infrastructure and remediation and transportation-oriented-development funds to help us rebuild affordable cities and create livable affordable neighborhoods in many towns that can’t find teachers, volunteer firefighters and other necessary workers because there are simply no affordable homes for them to live in. We need Congress to think out of the box, to renew its partnership with our neighborhoods, and provide housing help to our states and municipalities well beyond what has been available in recent years.

The Partnership for Strong Communities works with a number of national organizations that provide both policy expertise on the federal budget and technical assistance to state and local governments, including the National Alliance to End Homelessness, the Corporation for Supportive Housing, the National Housing Conference and the National Low Income Housing Coalition. We stand with them as local partners ready to work with our state and local governments, non-profit and for-

profit housing developers, social service providers, business leaders, philanthropy, tenants, homeowners and neighborhood leaders who are working to make housing available, attractive, affordable and an asset to our citizens and our communities.

Thank you for the opportunity to testify here today. I urge you to restore funding levels to the President's budget to prevent additional families from experiencing homelessness and to mitigate the instability caused by the subprime crisis. Your attention to strengthening successful housing programs through adequately funding the HUD budget and in enacting SEVRA and the Housing Trust Fund will be significant federal measures to preserve and create affordable housing in Connecticut and across the country.