



**U.S. Senate Banking, Housing, and Urban Affairs Committee, Subcommittee on Housing,  
Transportation, and Community Development Oversight Hearing**

**“Challenges in Preserving the U.S. Housing Stock”**

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**April 16, 2024**

Chair Smith, Ranking Member Lummis, and Members of the Subcommittee, thank you for the opportunity to share perspectives on the needs related to Affordable Housing Preservation and Home Repair with you today.

My name is Robin Davey Wolff. I am the Senior Director of Rural Communities at Enterprise Community Partners, where I work to lift up and support the needs of rural housing developers and providers across the country. Enterprise is a national nonprofit on a mission to make home and community places of pride, power and belonging for all. To make that possible, we listen to what our communities need and bring everything under one roof to deliver it to them. That means we advocate on a nonpartisan basis for sound public policy at every level of government; we develop and deploy programs and support community organizations on the ground nationwide; we invest capital to build and preserve rental homes; and we own and operate 13,000 apartments and provide resident services for 23,000 people.

This end-to-end approach, combined with more than 40 years of experience and thousands of local partners, has enabled Enterprise to build and preserve affordable homes nationwide, invest \$72 billion in communities, and improve millions of lives. This month, we are celebrating the one millionth affordable home that Enterprise has created and preserved since our founding. Our strategic priorities are advancing racial equity, building climate resilience and upward mobility, and creating and preserving housing people can afford.

Enterprise’s Tribal Nations and Rural Communities Team has sought to support safe, decent, and culturally appropriate housing in rural communities and on tribal lands since 1997. Our commitment to rural and tribal communities is deep: over the last 20 years Enterprise has invested more than \$1.1 billion in grants, loans and equity, and developed more than 40,000 affordable homes in rural communities nationwide. Prior to joining Enterprise, I worked for an affordable housing developer serving rural communities. I now apply that experience to help rural non-profits, housing authorities, tribes and Tribally Designated Housing Entities (TDHE) preserve and develop affordable housing in their communities. Our team offers direct technical assistance, training, peer learning sessions, and other capacity building services to expand access to homeownership opportunities and develop or preserve affordable rural rental homes.

Much of this work is supported by federal contracts through the Department of Housing and Urban Development’s (HUD) Rural Housing and Economic Development program, the United States Department of Agriculture’s (USDA) Rural Community Development Program and the USDA 515 Technical Assistance Program, through which we are able to support affordable

housing providers across the country as they work to preserve housing at risk of losing affordability due to mortgage maturity or prepayment. According to USDA projections, the USDA Section 515 program, which currently provides stable affordable housing to approximately 400,000 low-income rural renters nationwide, is projected to lose up to 137,000 affordable-housing units over the next ten years due to mortgage maturities. Work is being done to address this, inclusive of the recently approved Rental Decoupling pilot in the *Consolidated Appropriations Act, 2024* (H.R. 4366) and the *Rural Housing Service Reform Act* (RHSRA), recently introduced legislation that our team has worked on in partnership with Senator Smith and Rounds' office, which would include various provisions to modernize the USDA rural housing programs. That said, these programs and reforms alone are not adequate to stave off the loss of affordability we are facing nationally.

In this testimony, I will discuss 1) The need for housing preservation 2) The challenges communities across the country are facing as they work to preserve existing affordable housing. 3) The need for affordable single-family preservation and home repair programs 4) The Enterprise approach to address housing preservation challenges and 5) Ways congress can take action to support the preservation and production of affordable housing.

### **The Need for Housing Preservation**

The country is in the middle of an affordable housing crisis. Communities across the country are losing a vital source of the existing affordable housing supply faster than new affordable units can be developed. With each year that passes, more mortgages and affordability restrictions expire, and countless non-restricted properties are lost to the market, making more homes unaffordable. It is not possible to build new homes fast enough to make up for those that are being lost. We must prioritize affordable housing preservation in addition to new construction. Depending on the level of rehabilitation needs, preservation can often be faster and more cost effective than new construction.

Harvard's Joint Center for Housing Studies published a report stating that since 2012, the market has lost more than 2.1 million units renting for less than \$600 and 4.0 million units renting for \$600 to \$999. During the same period, the market gained 8.4 million units renting for at least \$1,400, driven by rent increases and high-end new construction. Not only have rents risen, but they have outpaced incomes over the last two decades. Among renter households with an annual income under \$30,000, the median amount of money left over after paying for rent and utilities was just \$310 a month.<sup>1</sup>

Data from the 2022 American Community Survey (ACS) supports this and clearly shows that newer properties are more expensive than older ones. More specifically, the most recently built rental units (those built in 2020 and later) command a 35% premium over the median, and even properties built in the 2010s are 24% more expensive on average than the median rental unit.<sup>2</sup> Older properties are at risk of being acquired and upgraded above the point of affordability.

### *The benefits of housing preservation*

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<sup>1</sup> Joint Center for Housing Studies of Harvard University, "America's Rental Housing 2024", 2024, <https://www.jchs.harvard.edu/americas-rental-housing-2024>.

<sup>2</sup> Ibid

Preservation is often more cost-effective than new construction and avoids significant changes to the existing built environment, mitigating community concerns over neighborhood change that can stall or prevent new affordable development. It should be further noted that preservation directly affects some of our lowest income and most vulnerable populations. Displacement of renters in subsidized units that lose their restriction and subsidies are at far greater risk of homelessness or living in unsafe conditions.

Targeted resources, programs, and policies are critical to maintain the existing affordability of multifamily properties and mitigate the risk that they will be lost permanently from the affordable housing supply. Once affordable units are lost, they are very difficult and cost prohibitive to replace, risking the displacement of long-time residents.

### **The Challenge of Preserving Multi-family Housing Stock**

Many existing affordable rental homes are in small to medium multifamily (SMMF) properties (defined as having between 2 and 49 units). In fact, this housing stock is the largest single source of housing affordable to low-income households.

The 2022 ACS data tells us that 23 million SMMF units exist in the U.S., and 87% of those units are occupied by renters. 80% of SMMF units are affordable to households with incomes at or below 80% AMI.<sup>3</sup> This represents 52% of all affordable housing in the country. 95% of these units receive no federal project-based subsidy. Of the 996,000 SMMF units that are subsidized, about 22% are set to expire by 2027.<sup>4</sup>

Market pressures and disinvestment pose significant threats to this housing stock. There is limited financing to keep properties affordable. Without robust investment in this housing, residents are at risk of eviction, displacement, and homelessness.

The Low-Income Housing Tax Credit (Housing Credit), which is our nation's most effective tool for the development of affordable rental housing, is oversubscribed and requires improvements to better address the needs of smaller properties. A program that does not rely on tax credits and that prioritizes preservation presents an opportunity to slow the loss of affordable units, provide stability for low, moderate, and very low-income residents who live in these homes, keep communities intact by combating residential and cultural displacement, and deepen the impact of all affordable housing strategies.

### **Single-Family Preservation and Home Repair**

On the single-family side, including Home Repair in this conversation is crucial and appreciated. The impact of a well-run home repair program can prevent utility shut offs, foreclosure, and homeowner displacement. The need for single family home repair is especially true in rural communities where we see higher rates of homeownership than the national average (73 percent vs national average of 65 percent).

Single-family housing in rural communities is, in general, older stock which is more likely to have deferred maintenance and capital needs that should be addressed. This is particularly true for

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<sup>3</sup> Enterprise Community Partners calculations of 2022 1-year American Community Survey, as provided by *IPUMS USA, University of Minnesota*, [www.ipums.org](http://www.ipums.org). AMI is calculated based on HUD Section 8 income limit data for the applicable year.

<sup>4</sup> *Ibid*

households living in manufactured homes, which make up a significant portion of housing for lower-income families living in rural communities.<sup>5</sup>

Homeowners often feel stuck when they try to address the needed repairs. The market simply does not work for people living on low or fixed incomes. Costs of labor and materials are high, driving up the average cost of a home repair project and conventional loans are at high rates, which makes funding needed repairs more expensive. This is true even when there is significant equity in the home.

We must continue to identify new strategies to meet the needs of vulnerable homeowners beyond the existing offerings. In rural communities the USDA 504 Home Repair program, which provides subsidized loans and grants for seniors over the age of 62, is useful but often does not allow for enough funding to get homeowners to where they need to be when it comes to truly safe and decent housing. This source can be leveraged with other sources. Many states and localities operate home repair programs funded with HUD's Community Development Block Grant (CDBG) program or the HOME Investment Partnership (HOME) program funds, for instance. New programs should leverage these existing programs to allow for more significant or comprehensive repairs.

### **The Enterprise Approach**

Enterprise Community Partners has decades of experience supporting repair of small properties and preserving affordable rental housing.

Enterprise deploys capital to produce new housing, preserve existing affordable housing and build the capacity of our partner organizations. In the preservation realm, Enterprise supports the acquisition, rehabilitation and refinancing of affordable housing, in addition to providing grants that support nonprofit partners' preservation efforts. Over the last 10 years, Enterprise has invested more than \$6.6 billion in the preservation of affordable housing, which accounts for 54 percent of Enterprise's total investment in affordable housing and has ensured the continued affordability of 140,000 homes.

Enterprise co-chairs the A Call to Invest in Our Neighborhoods (ACTION) campaign, a coalition of over 2,400 of local, state, and local organizations and businesses advocating working together to protect, expand, and strengthen the Housing Credit. Part of the coalition's advocacy has been focused on the bipartisan, bicameral *Affordable Housing Credit Improvement (AHCIA) Act*. This legislation would not only increase the supply of Housing Credit developments but would also streamline the program to better meet the needs of rural communities, veterans, seniors, Native Americans, and extremely low-income families. Ultimately, strengthening and expanding the program is foundational to advancing racial equity and economic mobility for low-income Americans across the country.

### *City & Regional Solutions:*

Enterprise Advisors and market teams work with cities and regions to develop comprehensive housing strategies that address the unique housing challenges in that location. Based on complex data analysis, stakeholder interviews and expertise in affordable housing programs,

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<sup>5</sup> Housing Assistance Council, "Rural Research Brief," July 2020, [https://ruralhome.org/wp-content/uploads/2021/05/Manufactured\\_Housing\\_RRB.pdf](https://ruralhome.org/wp-content/uploads/2021/05/Manufactured_Housing_RRB.pdf)

Enterprise helps develop preservation strategies that are tailored to individual communities, such as an emphasis on the preservation of Naturally Occurring Affordable Housing (NOAH) or the development of preservation-related funds.

*Support for Community-Based Organizations, Developers, and Landlords:*

Enterprise supports existing property owners to improve the financial health, resiliency, and sustainability of their properties so they can continue to provide affordable homes for local communities.

Preservation grants support either organizational infrastructure or project redevelopment. To strengthen partners' organizational infrastructure, Enterprise builds organizations' current staffing, software, and professional development models, and provides the operating capital necessary to effectively pursue preservation.

Through project redevelopment grants, Enterprise supports the actual redevelopment of existing real estate by assisting with predevelopment expenses, staffing, consultants, or capital.

*Training & Resources:*

Through the Rural Rental Housing Preservation Academy and the Preservation Next Training Academy, Enterprise organizes a series of training sessions for affordable housing developers across the county and advocates to acquire, rehab, and stabilize affordable homes and prevent resident displacement.

Enterprise also provides online resources, information, and tools to help:

- Developers acquire, rehab, and preserve affordable homes
- Practitioners and advocates to understand preservation opportunities and advocate for resources and policies
- Existing owners and operators to improve the stability and sustainability of their properties

*Policy Advocacy:*

Enterprise works with a broad range of public and private partners to advocate for policies at the local, state, and national levels that:

- Protect, expand, and improve tenant protections
- Replicate best practices and policies in eviction prevention
- Increase resources to enable the acquisition and preservation of affordable housing by mission-minded owners and residents

*Investing in healthy, sustainable, and resilient homes:*

Properties that are currently affordable and that need preservation, both subsidized and unsubsidized, are often older and suffering from deferred maintenance. Preservation can address unmet and ongoing capital needs and repairs that affect health, safety, and sustainability.

More than 38,000 homes have been created or rehabilitated to meet the Enterprise Green Communities Criteria since its inception in 2004. When buildings meet energy efficiency

standards, both property owners and tenants can see savings in their utility costs, which improves the affordability of the property.

### *Home Repair Programs*

Enterprise is leading Home-Repair programs in several markets across the country:

#### Detroit Home Repair

Enterprise Community Partners serves as manager of the Detroit Home Repair Program, which is a \$20M initiative providing no cost support to low-income households in Detroit. The program, which aims to support 1,000 households, has a waiting list of over 14,000. To date, over \$4.3MM has been in deployed for repairs in over 200 homes, including \$1.2MM in energy-efficiency and weatherization measures. The University of Michigan estimates that 37,630 Detroit households live in inadequate conditions (exposed wiring, broken furnaces) and local program sponsors estimate total repairs costs at well over \$5B. It is this type of local work and knowledge that highlights the need for additional focus and resources, like those outlined in the *Whole-Home Repairs Act of 2024* led by Senator Fetterman, that could be leveraged to meet the existing needs of the communities where we work.

#### Lead Safe Cleveland Coalition and Home Fund

Enterprise is a founding member and program manager of Lead Safe Cleveland and its \$45M Fund which aims to implement lead safe practices in over 40,000 rental properties throughout the city.

#### Make it Home Cleveland

Enterprise and the City of Cleveland with others is piloting a repair and purchase program for Cleveland homeowners who live in tax forfeited properties. The program aims to work with 50 households in 2024.

### **Actions Needed from Congress**

We urge Congress to continue its commitment to supporting affordable housing and community development efforts by enacting critically needed legislation, most of which has bipartisan support, which would expand existing programs or else create new programs where there are gaps in the housing and community development financing ecosystem.

### ***Support production and preservation of affordable housing***

- 1) Enact the Rural Housing Service Reform Act (RHSRA) (S. 2790)

RHSRA is a bipartisan and bicameral bill introduced by Chair Smith and Senator Mike Rounds and would help preserve rural affordable rental housing and expand homeownership opportunities for Native communities. This legislation does this by improving the tools that USDA has available to address the housing preservation crisis that USDA faces by allowing for decoupling of rental assistance from USDA multifamily mortgages to ensure families living in USDA-financed properties are not cut off from rental assistance. Furthermore, the legislation would improve rural vouchers by allowing the value to change based on the fluctuations in tenant income and unit rent levels, and by expanding its use to tenants in properties with maturing mortgages. The bill would

also allow for funding to improve the agency's capacity through additional staffing and upgrading of outdated technology that the agency uses. This bill also would make the highly successful USDA Section 502 Native CDFI Relending Program, Multifamily Preservation and Revitalization Program, Multifamily Transfer Technical Assistance Program, and the Rural Community Development Initiative permanent. Finally, the bill will raise outdated funding caps, bring multifamily foreclosure process in line with those at HUD, increase data transparency, and require studies on the efficacy of programs.

2) Enact the Affordable Housing Credit Improvement Act (AHCIA, S.1557)

This legislation, sponsored by Senators Maria Cantwell (D-WA) and Todd Young (R-IN), has 34 cosponsors, including leads, split evenly between Democrats and Republicans. The bill has several financing provisions that will expand production and preservation of affordable housing. It also includes several dozen provisions that would enable state Housing Credit agencies to strengthen program administration. Some of the changes would update rules to improve access for veterans, students, and victims of domestic violence and human trafficking. We have never seen an affordable housing production bill with such deep and widespread support in Congress, and this is by far the most important piece of legislation we can enact to help put a dent in our current housing crisis. The AHCIA will create or preserve close to 2 million additional affordable rental homes over the next decade.

3) Enact Housing Credit provisions in the House-passed Tax Relief for American Families and Workers Act of 2024 (H.R. 7024)

We are excited to see that two key provisions of the AHCIA Act were included in the bipartisan and House-passed tax package, the *Tax Relief for American Families and Workers Act of 2024*. This bill would make it easier to finance affordable rental housing in two key ways: it would restore the 12.5 percent increase to the 9 Percent Credit, which expired in 2021, from 2023 (retroactively) until 2025, and it would lower the 50 percent Private Activity Bond (PAB) threshold for the 4 Percent Credit to 30 percent for two years. Together, the provisions could finance an estimated 200,000 additional affordable homes nationwide through new development and preservation; generate over \$34 billion in wages and businesses income; support over 304,000 jobs; and generate nearly \$12 billion in federal, state, and local tax revenue.<sup>6</sup>

4) Enact the New Markets Tax Credit (NMTC) Extension Act of 2023 (S. 234)

This bipartisan legislation introduced by Senators Ben Cardin (D-MD) and Steve Daines (R-MT) would permanently authorize the NMTC program (which is set to expire in 2025) at \$5 billion per year – adjusted annually for inflation – and exempt investments in the credit from the Alternative Minimum Tax. NMTCs are predominantly used to support commercial revitalization, businesses, and community facilities in lower-income communities, and are one of the most effective of all federal economic and

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<sup>6</sup> Enterprise Community Partners, "A Crucial Moment for the Housing Credit and the Future of Affordable Housing" February 2024, <https://www.enterprisecommunity.org/blog/crucial-moment-housing-credit-and-future-affordable-housing>

redevelopment programs – spurring over \$120 billion of total investments in distressed communities and creating over 1 million jobs to date

While the NMTC is not intended be used to support residential rental properties, some NMTC investments have nonetheless supported housing activities – principally through investments in mixed-use commercial redevelopment projects that include on-site housing, and to a lesser extent, homeownership activities. The Treasury Department indicates that the NMTC has helped to finance over 18,000 affordable homes.

5) Enact the Neighborhood Homes Investment Act (NHIA, S. 657)

This bipartisan legislation reintroduced by Senators Cardin and Young would create a Neighborhood Homes Tax Credit (NHTC), which would spur the renovation or development of one- to four-unit homes in once-thriving urban, suburban, and rural communities that now have distressed, blighted neighborhoods and low homeownership rates.

Modeled after the Housing Credit, the NHTC would cover the “value gap” between the cost of building or renovating a home and the market-rate price at which it can be sold to low- and middle-income homebuyers. This credit would provide low- and middle-income households with more equitable opportunities for homeownership and upward economic mobility. If enacted, the NHTC could finance the construction or renovation of an estimated 500,000 homes over the next decade.

6) Tax-Exempt Controlled Entity issue

An issue has arisen with regard to the proper interpretation of an arcane provision of the tax code designed to prevent tax-exempt entities from indirectly benefiting from tax incentives provided to taxable entities who either lease property to, or are in partnership with, tax-exempt entities. Because of the Preferred Stock Purchase Agreements between the Treasury Department and the GSEs, some lawyers for Housing Credit investors have been questioning whether the GSEs, which pay taxes, could be considered TECEs, because Treasury is a tax-exempt entity that controls the GSEs. This interpretation has caused concern among Members of Congress, and a bipartisan group of 20 Senators sent a [letter](#) in June to Sec. Yellen requesting clear guidance on the issue. Otherwise, rural areas could be particularly devastated, as the GSEs invest significantly in these areas, and Housing Credit investments in these communities could dry up.

The potential application of this law to Fannie Mae and Freddie Mac is interfering with their ability to invest in Housing Credit properties because the law would require slower depreciation and loss of certain energy and rehabilitation tax credits. GSE Housing Credit investments help the GSEs fulfill their Duty to Serve requirements set by FHFA, bringing capital to underserved markets, including rural multifamily housing. If this issue does not get resolved, investments by state and local equity funds could also be negatively impacted.

We request that congress encourage the Treasury Department to provide clear guidance on this tax issue so that GSE capital can begin flowing again to underserved rural areas.

7) Enact the Stop Predatory Investment Act (S. 2224)

This legislation would preserve the affordable housing stock by restricting tax breaks for large institutional investors purchasing single-family homes to convert to rentals and incentivizing affordable rental housing and the construction of new housing supply. Enterprise supports this legislation led by committee chair Sherrod Brown (D-OH) and members of the subcommittee.

8) Enact the Native American Housing Assistance and Self-Determination Reauthorization Act of 2023 (S. 2285)

The Native American Housing and Self Determination Act of 1996 (NAHASDA) was the first instance of Congress recognizing that the United States' trust responsibility to Tribal Nations includes "working with tribes and their members to improve their housing conditions and socioeconomic status."

To meet this responsibility, NAHASDA created the Indian Housing Block Grant (IHBG) and eliminated the ability of tribes to access almost all other HUD programs, such as Housing Choice Vouchers, HOME, and public housing operating fund dollars.

However, the authorization for NAHASDA last expired in 2013, leaving necessary improvements unaddressed. While last year's appropriations saw the largest increase for the IHBG program, funding level remained flat in inflation-adjusted dollars from 2011-2021 and has been a decreasing percentage of the HUD budget since its creation. Enterprise supports as much increased funding for the IHBG as possible, and the passage of the Native American Housing Assistance and Self-Determination Act of 2023.

9) Enact increased appropriations and modernizations of key housing and community development programs

Section 4

HUD's Section 4 Capacity Building for Community Development and Affordable Housing (Section 4) program enhances the technical and administrative capacity of community development corporations and community housing development organizations (CHDOs) so they can help strengthen rural and urban communities across the nation by developing affordable housing, financing small businesses, revitalizing commercial corridors and helping address local healthcare, childcare, education and safety needs. These organizations are critical stakeholders in community development, working in neighborhoods across the country to address unique challenges and provide critical services that create jobs and enhance economic opportunity. An example of a successful public-private partnership, Section 4 leverages more than \$20 for every \$1 invested by the federal government, making it very cost-effective. Enterprise urges Congress to provide at least \$50 million in annual appropriations for the Section 4 Program to ensure these community development organizations can further expand their important work

The HOME Program

No program is better suited to address the wide range of housing challenges we face as a nation than HOME, which is our country's most flexible and proven affordable housing program for delivering resources to urban, suburban, and rural communities. Not only is HOME central to efforts that combat the affordable rental housing crisis, but it also meets critical homeownership needs by allowing states and localities to provide down-payment assistance to credit-worthy homebuyers, lower mortgage interest rates and assist with homeowner rehabilitation. Enterprise urges Congress to provide the highest possible funding levels for HOME in appropriations legislation. We also urge Congress to enact the HOME Investment Partnerships Reauthorization and Improvement Act (S.3644) led by Senator Cortez Masto which would reauthorize and modernize the HOME program.

### The CDBG Program

CDBG is a critical resource for communities nationwide to invest in low- and moderate-income neighborhoods, producing and preserving homeowner and rental housing, providing fundamental infrastructure, vital public services and public improvements and spurring economic development and public-private partnerships at the local level. The flexible nature of these funds also allows them to address a wide range of challenges faced by both small rural towns and major metropolitan areas, making it an effective tool for localities in their effort to stabilize and maintain affordable housing and vibrant communities. These funds are commonly also used for water and sewer, sidewalks, and other community enhancement projects. Enterprise encourages Congress to provide the highest possible funding for CDBG in appropriations legislation.

### USDA Rural Housing Service Programs

USDA's Rural Housing Service (RHS) programs are vital to rural communities. The USDA Section 515, USDA Section 514/516, Section 521 Rental Assistance Programs, Multifamily Preservation and Revitalization Program, provide critical affordable rental housing throughout rural America. The 515 Multifamily Transfer Technical Assistance Program helps communities preserve the rental stock. RHS programs that support affordable homeownership include the USDA 523 Mutual Self Help Program, 502 direct loan and guaranteed loan programs and the 504 Home Repair Program provide tremendous opportunity for rural residents. The Rural Community Development Initiative works to build capacity of housing providers in rural communities. Enterprise urges Congress to provide robust funding for USDA Rural Housing Service programs in the upcoming fiscal year.

### HUD's Native American Programs

The Indian Housing Block Grant (IHBG) program is one of the only dedicated sources of housing construction, rehabilitation of rental assistance funding available to tribal nations, who do not receive money from programs like HOME or Housing Choice Vouchers. Enterprise urges Congress to provide increased funding for the formula and competitive grants.

### Community Development Financial Institutions (CDFI) Fund

CDFIs are an essential tool for delivering needed capital to historically underserved areas, financing a range of activities from consumer and small business credit to

affordable housing and community projects that support health and education. Providing better access to debt relief, working capital, and consumer loans to small business and non-profit borrowers through CDFIs increases the capacity for economic growth and opportunity that would not otherwise be available in some of our nation's most distressed communities. Enterprise urges Congress to allocate robust funding for the CDFI Fund in annual appropriations to continue providing transformative resources to vulnerable communities.

### Capital Magnet Fund

Enterprise continues to support efforts to increase and preserve the Capital Magnet Fund (CMF). This critical resource provides flexible funds to attract private investment into developing, preserving, rehabilitating, or purchasing affordable single-family and rental housing properties. CMF award recipients must leverage their award with other sources of capital, and the leveraged amount must be at least 10 times the CMF award amount, although in practice it has been 20 times or greater. The CMF program has awarded grants totaling nearly \$1.1 billion to CDFIs and qualified non-profit organizations and of reported projects, awardees have attracted nearly \$13.3 billion in total leverage. Recipients have five years to complete projects after receiving an award. As of September 30, 2022, awardees reported supporting 37,650 affordable rental housing units, 5,500 affordable homeownership units, and several community service facility projects, such as health care and other community facilities that are located near affordable housing.

This public-private partnership is a critical source of funding for CDFIs and nonprofit housing developers financing affordable housing and related economic activities. The CMF program is funded through a very small, annual assessment fee on new business revenues generated by Fannie Mae and Freddie Mac. This funding source must be protected, with any subsequent reforms of the housing finance system ensuring a continued supply of funding for this program. Enterprise also urges Congress to work with Treasury to encourage streamlining and additional flexibilities in the program.

### Preservation and Reinvestment Initiative for Community Enhancement (PRICE) program

The PRICE program is a competitive grant program for housing residents and communities to preserve and revitalize manufactured housing and eligible manufactured housing communities. The program was first funded in FY 23 and received additional funding in FY 24. The program provides resources to support residents of manufactured housing through repairs and rehabilitation of homes. Eligible uses of funds include infrastructure, planning, resident and community services (including relocation assistance and eviction prevention), resiliency activities (defined as reconstruction, repair, or replacement to protect the health and safety of manufactured housing residents and to address weatherization and energy efficiency needs), and assistance for land and site acquisition. Enterprise urges Congress to provide robust funding for this program and to continue to work with HUD to ensure that the program remains effective for tenants of manufactured housing and manufactured housing communities. We also support the passage of the *Preservation and Reinvestment Initiative for Community Enhancement Act* led by Senators Cortez Masto, Shaheen, and Smith, which would permanently authorize the program.

### Public Housing Capital Fund

Public Housing remains one the largest source of affordable housing for low-income families, the elderly, and persons with disabilities. With nearly 900,000 units across all 50 states, which is why is it important that Congress provide increased funding to the Public Housing Capital Fund. The Capital Fund provides funds to Public Housing Agencies for the development, financing, and modernization of public housing developments. Due to underfunding and disinvestment in Public Housing, it is estimated that the backlog of public housing capital needs is more than \$70 billion. Enterprise urges Congress to provide increased funding to the Public Housing Capital Fund and to continue to support other forms of Public Housing preservation such as the Rental Assistance Demonstration (RAD) program. Enterprise thanks committee Chair Scott for his leadership on the *ROAD to Housing Act*. We particularly appreciate the provision to expand the RAD program as a means to help modernize and preserve affordable housing units, provided there are appropriate tenant protections.

## **Conclusion**

While we do need more housing supply, we simply cannot build our way out of our housing crisis. Preservation of affordable housing is necessary to address the critical lack of affordable housing. We are rapidly losing affordable units, and there is a profound need for more targeted tools, resources, and policies to mitigate and prevent the risk of loss of affordable properties. Preserving existing affordable housing is both cost-effective and crucial for maintaining and increasing the supply of affordable homes. Preservation also provides housing stability and prevents displacement of existing residents and families, homeowners and renters alike.

We at Enterprise are committed to finding solutions and helping the organizations on the ground preserve and develop housing in their communities. The preservation of affordable housing is a critical component of Enterprise's strategy to connect low-income households to opportunity. Affordable housing helps households avoid housing cost burden and contributes to housing stability, creating positive outcomes that can last for generations.

I am appreciative of the opportunity to share my experiences and perspectives today. On behalf of Enterprise Community Partners, I would like to thank the committee, and especially Chair Smith and Ranking Member Lummis for their leadership on rural and tribal housing issues, as well as their bipartisan cooperation on issues that affect so many Americans in every corner of the country. I hope that the conversations we have today will bring more attention to the needs surrounding housing preservation and home repair – in addition to the other critical housing and community development bills addressed in this testimony and that together we make home and community places of pride, power, and belonging for all.