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WHITEHOUSE: Expanding Housing Affordability Drives Economic Growth

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Washington, D.C.—U.S. Senator Sheldon Whitehouse (D-RI), Chairman of the U.S. Senate Budget Committee, delivered the following opening statement at today's **hearing**, titled **"A Blueprint for Prosperity: Expanding Housing Affordability."**

Chairman Whitehouse's remarks, as prepared for delivery:

Welcome back, Senator Johnson.

This morning, we'll discuss how investments in expanding housing affordability can drive economic growth.

For decades, the United States has faced a housing affordability problem. It is a market failure many years in the making, and the 2008 financial crisis and the COVID-19 pandemic made it worse.

After the housing market collapsed in 2008, new housing supply for single- and multi-unit buildings declined. Even as demand recovered, supply continued to lag. Now, housing is taking up a larger share of household budgets, and low- and middle-income families are being priced out of the market.

Owning a home, once seen as a foundational piece of the American dream, is further out of reach for more Americans now than ever before. The National Association of Realtors finds that first-time homebuyers made up just 26% of homebuyers in 2022 compared to 38% in 1981. And today, the typical age of a first-time homebuyer has reached a record high of 36, up from 29 in 1981.

With fewer people able to purchase homes, more people rent. That's created a shortage of rental units, driving up the cost of rent. New research finds that half of all renters in the United States spend more than 30% of their income on rent and utilities, more than at any other time in history.

Across the country, the U.S. faces a shortage of four to seven million housing units available for sale or rent. In Rhode Island, there are currently no communities where families earning the state's median income can afford to buy a typical home, and there's only one town where Rhode Islanders earning the state's median income can affordably rent. According to Zillow, the Providence area experienced the largest year over year rent increase in the country last year – a 7.5% increase.

The squeeze is bad for our entire economy, it's bad for income inequality, it's bad for families, and it's particularly bad for young people. I've heard from young people around Rhode Island about the importance of affordable housing, and I intend to do something about it.

Unaffordable housing decreases job retention and lowers productivity. It can force businesses to relocate, taking job opportunities with them. A lack of available housing reduces local tax revenue, reducing local resources for education, public safety, and infrastructure.

Nationwide, the shortage of affordable housing opportunities costs the American economy an estimated $2 trillion each year. High housing costs reduce disposable income and economic mobility, stifling economic opportunities.

Investing in our nation's housing infrastructure would provide relief to millions of Americans and drive economic growth, particularly in local economies.

Helping families have a safe, stable place to call home should not be controversial. It's not red state versus blue state, not urban versus rural; Americans in all 50 states struggle with higher housing costs. Today, there is not a state, metropolitan area, or county where a worker earning the

local minimum wage at 40 hours a week can afford a modest two-bedroom rental at HUD's Fair Market Rate standard.

As a nation, we have underinvested in housing; it's created a harmful situation for millions of families, and it is a significant drag on our economy.

We can and must take action to ensure housing is safe and affordable for all.

The Biden-Harris Administration has taken sweeping new steps to increase the housing supply, protect renters, and ease cost burdens.

The American Rescue Plan kept people housed during the worst of the pandemic recession and laid the foundation for jumpstarting new construction. Over $14 billion of the Rescue Plan's State and Local Fiscal Recovery Funds have already gone towards expanding housing supply, investing in homeless services, and providing 3.7 million additional households with rent, mortgage, and utility relief.

Under President Biden's Housing Supply Action Plan, more new apartments were under construction in 2023 than in any year on record.

Our appropriations support housing programs like the HOME Investment Partnerships, Community Development Block Grants, and Housing Choice Vouchers.

But it obviously isn't enough.

Over these next few months, I will be introducing bills to make housing more affordable for lower-income Americans. Next month with Congressmen Panetta and Blumenauer, I will propose a $15,000 first-time homebuyers tax credit for lower income Americans — refundable, advanceable and available for homebuyers at the time of purchase.

Many of my Democratic colleagues have also come to the table with detailed proposals to expand housing affordability. This includes Senator Wyden's DASH Act; the LIFT Act, led by my colleagues Senators Warner, Van Hollen, and Kaine, among others; The Fair Housing Improvement Act, led by Senators Kaine and Sanders; Senator Merkley's End Hedge Fund

Control of American Homes Act; the DEPOSIT Act, led by Senators Luján and Padilla, among others; and Senator Padilla's Housing For All Act. We'll hear about many of them today.

Ensuring access to safe and affordable housing is a moral and economic imperative. I hope it is something that we can find common ground on and advance this year. ##

1) The above is from the Budget.Senate.gov website at this link here.
2) This is part of a download from a fact-check and analysis of a New Dems proposal that "MHI Applauds" by MHProNews linked below.

https://www.manufacturedhomepronews.com/**in-surprising-move-the-manufactured-housing-institute-mhi-applauds-housing-action-plan-released-by-new-democrat-coalition-facts-documents-and-mhville-analysis**