

May 1, 2025

The Honorable Cindy Hyde-Smith Chair Senate Appropriations Subcommittee on Transportation, Housing and Urban Development, and Related Agencies S-128 The Capitol Washington, DC 20510

The Honorable Kirsten Gillibrand
Ranking Member
Senate Appropriations Subcommittee on
Transportation, Housing and Urban
Development, and Related Agencies
S-128 The Capitol
Washington, DC 20510

The Honorable Steve Womack
Chair
House Appropriations Subcommittee on
Transportation, Housing, and Urban
Development
2358-A Rayburn House Office Building
Washington, DC 20515

The Honorable James E. Clyburn
Ranking Member
House Appropriations Subcommittee on
Transportation, Housing, and Urban
Development
2358-A Rayburn House Office Building
Washington, DC 20515

Dear Chairs Hyde-Smith and Womack and Ranking Members Gillibrand and Clyburn:

On behalf of the Bipartisan Policy Center and its (c)(4) affiliate, Bipartisan Policy Center Action (BPC Action), we are pleased to share our housing priorities for the House and Senate Transportation, Housing and Urban Development, and Related Agencies (THUD) subcommittees' fiscal year (FY) 2026 appropriations bills.

Rapidly rising debt and interest payments are slowing growth and making it more expensive for Americans to buy cars and homes, attend college, or pay off credit cards. To achieve fiscal sustainability, BPC recommends a continuation of the 2023 discretionary caps, enactment of program integrity reforms, and—outside the appropriations process—legislation to reduce the growth of mandatory program spending and increase federal revenue.

At the same time, BPC believes it is achievable to prudently invest in agencies and programs that expand opportunities for American families and businesses. With these principles in mind, BPC Action respectfully recommends:

Housing Choice Voucher (HCV) Program

The HCV program provides essential stable housing and economic opportunity for millions of low-income families. With a record number of renters spending more than 30% of their income on housing, the program is oversubscribed, with demand for vouchers far exceeding

the supply. It requires consistent, reliable funding just to keep pace with rent growth. <u>BPC</u> <u>Action supports maintaining HCV program funding at a level that, at a minimum, supports the current number of voucher holders.</u>

While Housing Choice Vouchers have proven effective in reducing homelessness, overcrowding, and housing instability, their impact is constrained by many landlords' reluctance to accept them as payment. The bipartisan Choice in Affordable Housing Act (H.R. 1981 / S. 890) would encourage landlord participation through financial and other incentives while reducing inspection delays and refocusing HUD's evaluation of housing agencies. BPC Action supports the appropriation of authorized amounts as part of this proposal.

Housing stability is especially critical for young children. Research shows that children who move at an early age to lower-poverty neighborhoods have significantly higher college attendance rates and earnings later in life. The bipartisan Family Stability and Opportunity Vouchers Act would help unstably housed or at-risk families with young children move to areas with higher-performing schools, child care, and other critical resources through targeted mobility vouchers and counseling. BPC Action supports the appropriation necessary for 50,000 new vouchers as authorized by this proposal.

Youth aging out of the foster care system are particularly vulnerable and experience high rates of housing instability and homelessness. Each year, approximately 20,000 young people exit the foster care system—often without a stable place to live. HUD's Foster Youth to Independence (FYI) Initiative provides rental assistance, in conjunction with supportive services, to those youth at risk of experiencing homelessness. BPC Action supports appropriations for the FYI Initiative at a level sufficient to ensure it can continue to be a source of stability for former foster youth.

The Emergency Housing Voucher (EHV) program is helping nearly 60,000 households who were experiencing, or at immediate risk of homelessness, particularly families with children, afford rental housing. Created in 2021 as a temporary program, the program's funding is nearly exhausted. BPC Action supports the appropriations and administrative flexibilities necessary to assist current EHV voucher holders and wind down the program.

HUD-VA Supportive Housing (HUD-VASH) Program

Over the past decade, significant progress has been made toward reducing the number of veterans experiencing homelessness, thanks in part to strong support for evidence-based interventions and robust intergovernmental and interagency coordination—namely through the HUD-VASH program. Still, nearly 33,000 veterans experience homelessness on any given night. A BPC and Morning Consult poll found more than 80% of Republicans and Democrats



support expanding federal assistance for veterans experiencing or at risk of homelessness. <u>BPC Action supports increased funding for the HUD-VASH program to further reduce</u> homelessness for veterans.

Tribal HUD-VA Supportive Housing (Tribal HUD-VASH) Demonstration Program American Indians and Alaska Natives have one of the highest representations in the armed forces. In 2024, they also made up 4% of veterans experiencing unsheltered homelessness. Individuals living on tribal lands experience some of the nation's most severe unmet housing needs, facing exceptionally high poverty rates, low incomes, overcrowding, lack of basic utilities, and unique barriers to development. The Tribal HUD-VASH program, established in 2015, provides rental assistance to AIAN veterans at risk of homelessness. <u>BPC Action</u> supports increased funding and permanent authorization of the Tribal HUD-VASH program.

Recovery Housing Program

Between 1999 and 2022, opioid overdose deaths in the U.S. increased tenfold. In 2022 alone, opioids killed more than 80,000 people. Access to stable housing can make it easier for people struggling with addiction to address their health needs. The Recovery Housing Program, originally a pilot program authorized through the SUPPORT Act, allowed states to provide up to two years of transitional housing for those in recovery. Although the pilot program expired in 2023, the bipartisan Safe and Secure Housing for Opioid Recovery and Enduring Stability (Safe SHORES) Act (S. 1461) would reauthorize the program and increase its annual funding. BPC Action supports the appropriation of authorized amounts as part of this proposal.

Rental Assistance Demonstration (RAD) Program

About 1.6 million low-income people live in public housing. Yet, more than half of the public housing stock was built before 1975, resulting in significant maintenance and rehabilitation needs. HUD's RAD program helps to preserve and modernize public housing units by giving public housing authorities the ability to use existing rental subsidies to leverage private capital in their revitalization efforts. However, under current law, RAD conversions are capped at 455,000 units and conversion applications are subject to a competitive selection process and sunset date. BPC Action supports eliminating the cap on RAD conversions and the sunset date by which applications must be received to preserve more affordable rental housing.

Section 202 Supportive Housing for the Elderly Program

HUD's Section 202 program is the only federal rental assistance program designed explicitly to serve older adults. Noting the program's strong track record in successfully and impactfully meeting the critical health and housing needs of low-income older adults, BPC's Health and Housing Task Force recommended providing the program with continued funding at adequate levels for rental assistance and service coordination under the program. <u>BPC Action supports robust funding for the Section 202 program to support elderly Americans.</u>



Speeding Up Production of Essential Residences (SUPER) Demonstration Program Today's housing affordability crisis is directly related to the inadequate supply of affordable homes, particularly in opportunity-rich neighborhoods. To address this urgent need for affordable housing, Congress should authorize a new, multi-agency demonstration program designed to fast-track the construction of affordable homes by eliminating unnecessary regulatory requirements and leveraging public resources to encourage private investment. The demonstration program would generate insights into effective local strategies and inform evidence-based regulatory changes to accelerate housing production more broadly if expanded. The demonstration program, as laid out by the bipartisan SUPER Demonstration Act, would not require additional funding but instead could strategically deploy a small percentage of the previously appropriated, unobligated COVID-19 relief funds.² BPC Action supports the use of previously appropriated but unobligated amounts as part of this proposal.

We thank the committees for their consideration of these critically important federal programs and initiatives. We also encourage cross-collaboration to explore the long-term fiscal impacts of new spending and to help improve the nation's fiscal trajectory.

Thank you for your consideration, and if you have any questions, please reach out to Mike Kelley, Director for BPC Action, at mkelley@bpcaction.org.

Sincerely,

Michele Stockwell

President, Bipartisan Policy Center Action



¹ The Family Stability and Opportunity Vouchers Act was introduced in the 118th Congress by Reps. Joe Neguse (D-CO) and Brian Fitzpatrick (R-PA) (H.R. 3776) and Sen. Chris Van Hollen (D-MD) and Todd Young (R-IN) (S. 1257). The bill has not yet been introduced in the 119th Congress.

² The SUPER Demonstration Act was introduced in the 118th Congress by Reps. Juan Ciscomani (R-AZ) and Wiley Nickel (D-NC) (H.R.9196). The bill has not yet been introduced in the 119th Congress.