

The United States is facing an affordable housing crisis. While the American dream has always included homeownership, the price of the average home has surpassed the financial reach of many Americans, with housing values even outpacing the national inflation rate. This VA-HUD bill disregards the current state of critical housing needs that our nation is experiencing.

Despite an unprecedented era of national economic prosperity, the gap between available, affordable housing and accessibility for both homeowners and renters is widening. Families who have worst-case housing needs as defined by HUD are those who receive no government housing assistance, have incomes less than 50 percent of local area family income, and pay more than half their income for rent or mortgage and utilities. Based on this criteria, the number of families faced with worst-case housing needs has reached an all-time high of 5.4 million families, an increase of 12 percent since 1991. This constitutes a staggering figure--it means that one out of every seven American families is experiencing a critical housing situation.

In the past, the United States maintained a housing surplus. In 1970, a market of 6.5 million low-cost rental units was available for 6.2 million low-income renters. By 1995, the surplus disappeared and 10.5 million low-income renters had to vie for 6.1 million available low-cost rental units on the market.

This housing crisis is not just an inner-city problem. In the suburbs throughout the last decade, we saw a decline in the number of units affordable to low-income families. Today, over one-third of households facing worst-case needs are in the suburbs.

Affordable housing is an essential component of a livable community. Communities that support residents of varying income levels and choices for housing are sustainable. These communities support a diverse body of workers, both service-oriented and professional, that responds to the employment needs of the local economy.

This bill before us cuts \$303,000 funding for my district from the Administration's request level. The reductions are in a number of HUD programs--among them Community Development Block Grants, Homeless Assistance, public housing operating subsidies, and Housing Opportunities for People with AIDS.

Last year, the House passed H.R. 202, 'Preserving Affordable Housing for Seniors in the

21st Century' by a margin of 405-5. It included provisions that would have meant additional funding for service coordinators, assisted living, congregate housing services, and capital improvements. No funding for this legislation was included in this appropriations bill. This means the needs will go unmet for services that will enable many of our seniors to age in place rather than face homelessness or premature institutionalization. And the Housing Authority of Portland tells me that without this funding, it will find it extremely difficult to meet its needs for basic repairs such as roofs, sprinklers and heating and cooling systems.

Section 8 is the federal government's primary mechanism for meeting the housing needs of low-income households. One strength of this program is that it allows the recipient a choice of which community in which to live. This approach is different from public housing in that it disperses recipients into economically diverse communities and avoids the undesirable social effects of clustering of low-income residents. Funding for the Section 8 program needs to be strengthened. Not a single additional person is given Section 8 assistance with this bill; the 'increases' proponents claim are merely budget gimmicks.

The budget for low-income affordable housing programs, particularly Section 8 vouchers and Public Housing, needs to be increased. Housing authority waiting lists are longer than at any time in the past. Approximately 25,000 households in Oregon are waiting for housing assistance. These people are elderly, disabled, or single parents with children.

So I ask my colleagues to consider these items as we each return tonight to the comfort of our homes. Think of the Americans who are honest and hard-working, yet still are having difficulty providing adequate shelter for their families. Help make the American dream obtainable for them. We need to increase funding for federal housing programs.