

**Remarks for  
Center on Budget and Policy Priorities and Brookings Institution  
Conference on TANF Reauthorization and Housing Policy: Cross-Cutting Implications  
Senator Jack Reed  
April 12, 2002 at 12:00 PM  
Brookings Institution**

Thank you for inviting me to join you this afternoon. As most of you are aware, in many places in our country we are facing an affordable housing crisis. While we are the best-housed nation in the world, 15 million low income households pay too much for their housing, live in severely substandard housing or are homeless. In the absence of good housing, a family's ability to do all the other things society expects of it — parenting, employment, education — is clearly impaired.

Unfortunately, there is a growing gap between income and housing costs in almost every state. According to a recent National Low Income Housing Coalition report, the number of states where people need an income equivalent to at least two full-time minimum wage jobs to afford modest rental housing has increased from 27 states to 33 in the past year. In my state of Rhode Island, the wage to afford the fair market rent for a two-bedroom home is \$12.87 an hour. This means that a worker earning minimum wage, which in Rhode Island is \$6.15 an hour, would have to work 84 hours per week in order to afford a two-bedroom unit at the state's median fair market rent. Nowhere in the country does the minimum wage work of one person come close to paying the rent, and most of those making the transition from welfare to work are making minimum wage.

Housing affordability is a real problem for both families receiving Temporary Assistance to Needy Families (TANF) benefits and those who have moved from welfare to work. In only three states do families receive TANF benefits high enough to obtain modest housing with less than their entire TANF grant. High housing costs often leave families with insufficient income for basic necessities or expenses, such as funding for child care, work clothing and transportation. We also know that families who pay too much of their income for housing, or live in severely inadequate or overcrowded housing, move more frequently. Such moves interrupt work schedules, jeopardize employment and adversely affect the educational progress of children. Lack of housing assistance can also prevent families from making moves to areas with greater employment opportunities, or safer neighborhoods, or better commutes.

Affordable housing is clearly an important work support, and I believe that we need to enable states to better respond to the critical housing needs of working families. It would seem self-evident that if one goes to work every day and collects a regular paycheck that this should be enough to secure a reasonable place to live and take care of one's family. As the chairman of the Housing and Transportation Subcommittee of the Senate Banking Committee, I intend to call upon my colleagues in the Senate to take a serious look at both the TANF statute and federal housing policy to see if we can work to eliminate housing as a significant barrier to employment.

While TANF reauthorization is not expected to contribute substantial new resources to

housing programs, I believe there are a number of ways we can modify the TANF statute to make it easier to address the housing needs of families with children. I hope to have a Housing and Transportation Subcommittee hearing on May 1, 2002, to explore some of the proposals being made about housing strategies that can help strengthen welfare policy. I would like to explore some of the following issues at that hearing:

- \$ What can we do to encourage states to consider housing needs in TANF planning and implementation? Clearly, a family's housing status can affect their employment and other welfare reform goals.
- \$ How can we encourage cooperation among welfare agencies and agencies that administer federal housing subsidies?
- \$ Should we allow states greater flexibility in using TANF funds for some rehabilitation of a family's housing? Research shows that poor housing conditions often cause or exacerbate health problems. For example, should we allow a state to use TANF funds to do things like mitigate lead paint hazards in housing with children under the age of 6?
- \$ Should we create a joint HHS/HUD demonstration on housing with services for families with multiple barriers to work? As we've discovered in the homelessness context, families facing multiple barriers to work can benefit greatly from service-enriched and supportive housing.

In addition to the proposals to amend the TANF statute being introduced by some of my colleagues, we need to look at creative ideas to stimulate the production of affordable rental housing such as the creation of a national affordable housing trust fund or thrifty production vouchers. In addition, I believe that we need to make some changes to both the McKinney-Vento Homeless Assistance Act and to TANF to make sure they are both doing the work they were meant to do.

A recent survey by Colorado Department of Human Services shows there has been a 33% increase in homeless families during the past year. Colorado also learned that 65% percent of the homeless population in Colorado consists of families. In a State of Washington study in the late 1990s, it was discovered that 70% of newly homeless families were TANF recipients. Mainstream programs like TANF appear to be relying on homeless assistance programs, shifting the cost and responsibility for providing housing and services to the McKinney-Vento programs.

I have a bill that would realign the incentives behind HUD homelessness assistance programs. More funding would flow to communities that can demonstrate a commitment to accomplishing the goals of preventing and ending homelessness. However, preventing and ending homelessness includes making sure the mainstream assistance programs like TANF and Section 8 are doing their jobs. A family should not be forced into homelessness before it can get much needed help.

But good ideas are not enough, as most of you in this room are aware. An equally important part of this debate is allocating appropriate resources to solving our nation's affordable housing crisis. As the newest member of the Senate Appropriations Committee, I am very much aware of how difficult the allocation of all-too-scarce resources can be. Only with your help are we going to be able to move forward on a proactive housing and welfare policy for our country. Only by educating our political and business leaders about our country's housing needs, and working on solutions together are we going to solve the affordable housing crisis gripping so much of our country. Fairness is a core American value that is violated when work does not pay enough for a decent place to live. A home should not just be the American dream and American promise, it should be the American commitment.

Again, I would like to thank you for the invitation to speak this afternoon. I look forward to working with all of you to help create the political will to use housing strategies to strengthen welfare policy and better support our nation's working families.