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Wyden Statement at Finance Committee Hearing on Affordable Housing Tax Incentives *As Prepared for Delivery*

The Finance Committee meets this morning to discuss housing. This hearing comes at a time when Americans' are getting clobbered by climbing rents and home prices, key drivers of inflation.

Data released last week showed that rents increased in June at the fastest rate since 1986. Buying a home is also getting more expensive. Many young people who have modest incomes or big student loan debts feel like the dream of owning their own home is unattainable.

The root cause is, the U.S. simply isn't building enough housing. It's been that way for decades, and the shortage is affecting cities of all kinds. For example, my hometown of Portland has skyrocketing rents and low supply of suitable housing. It's also an issue in Central Oregon, Southern Oregon and Eastern Oregon, where they can't build housing fast enough to keep up with demand. I'd wager that every member of the committee could tell a similar story about their home states.

I'd like to raise a relatively new issue that deserves real scrutiny: private equity firms and sophisticated companies armed with terabytes of housing data are hoovering up properties nationwide. They're jacking up rents. They're using algorithms to outbid aspiring American homeowners. Why do these big guys want to get into the American housing market? Because there are upward of 330 million people in this country, and there aren't nearly enough homes for all of them. Huge demand, limited supply — typical people on a budget are going to come out on the losing end of that deal every time.

The cost of housing is also getting pushed up by the snarls of state and local red tape. Zoning rules too often ban the kind of construction that's badly needed and perpetuate segregation. In some places it can take years of tireless work to get a ruling on permits and approval for new construction, and then come the big up-front costs. Fortunately, my home state of Oregon is one of the states that's stepping up on this issue and others need to do the same.

It's also a fact that when housing costs go up, homelessness goes up. You can save a lot of individual suffering and taxpayer dollars tomorrow by building more housing today.

The bottom line is, when it comes to housing, the U.S. needs to build and build some more. The Finance Committee plays an important role in helping get shovels in the ground. That's because much of housing policy deals with tax policy, and there are a lot of ideas in this room.

I've proposed the DASH Act. It stands for Decent, Affordable and Safe Housing for All. It's all about getting help to the most vulnerable: children and families experiencing homelessness. It would also create a credit for more affordable rental units, boost the Low Income Housing Tax Credit, and encourage the construction of more middle income housing without taking one single penny away from LIHTC. Local officials in Oregon tell me they badly need more incentives to build housing for middle class families.

The Finance Committee has had a bipartisan coalition working on important housing issues for a long time. In recent years Senator Cantwell has been the champion of LIHTC, leading big legislative expansions that are creating more than 150,000 new affordable homes. I think she'd agree that's a good down payment for housing, and looking ahead, there's so much more to do.

Her next proposal is the *Affordable Housing Credit Improvement Act*, which I cosponsored with Senator Young and Senator Portman. That bill would add even more punch and even more flexibility to build even more affordable housing — an estimated 2 million new units nationwide.

Senator Cardin and Senator Portman have proposed a bill called the *Neighborhood Homes Investment Act* that would be a big magnet for new affordable housing in struggling communities that need it most.

And finally, continuing our bipartisan focus with Senator Crapo's help, Senators Leahy, Collins and I wrote the *LIFELINE Act*. Our bill would create more flexibility for states, local governments and tribes to use existing funds to get more affordable housing built. With costs where they are today, the alternative is a whole lot of unfinished construction and plans that stall out before they ever get going.

While there's bipartisan interest in getting this done legislatively, the Treasury also has the authority to accomplish a lot of this on its own with rule changes. So, if the Congress and the Treasury move forward together, this can get done a lot quicker than it would if Congress moves alone, and I'll be discussing this with the administration directly.

Clearly there are a lot of big ideas out there for housing. Every member of this committee has an interest in getting more affordable housing built back home. So I look forward to our discussion today and I thank our witnesses for joining us.

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