

**Testimony of HUD Secretary Marcia L. Fudge  
Senate Appropriations Committee Hearing on  
The American Jobs Plan  
Tuesday, April 20, 2021  
10:30 am EST**

Chairman Leahy, Vice Chairman Shelby, and members of the Senate Appropriations Committee: thank you for this opportunity to discuss President Biden's American Jobs Plan.

It is a privilege to appear before you today, and a particular honor for me because this is my first opportunity to testify since being sworn in as Secretary.

The President's American Jobs Plan lays the foundations for decades of economic growth and reflects what I believe are fundamental truths: that the definition of infrastructure has evolved—and that, indeed, housing is infrastructure.

I look forward to discussing with you how the President's plan will meet the critical housing needs of our nation and build an inclusive economy that works for everyone.

Let me say this: As a member of Congress for nearly 13 years, I have the highest regard for this institution. I am committed—as I know this Administration is committed—to working with Congress to create millions of good jobs, rebuild our country's infrastructure, and help America become more competitive on the global stage.

To do so, we must first take care of home—in the most literal sense. The American Jobs Plan would achieve this goal by prioritizing efforts to address our nation's severe shortage of affordable housing.

Prior to the COVID-19 pandemic, almost 11 million renters were paying more than 50 percent of their income on rent. There is no state in the country where an adult earning the minimum wage can afford a two-bedroom apartment. Housing affordability has put homeownership out of reach for many potential first-time homebuyers.

The pandemic has shined a light on the problem we all knew existed prior to COVID-19—and it has disproportionately put low-income households and communities of color at greater risk of losing their housing. It is especially troubling to me that the growing shortage of affordable housing is a contributing factor in the increasing rates of homelessness.

The American Jobs Plan confronts the affordable housing crisis head on.

The plan invests \$213 billion to produce, preserve, and retrofit more than two million affordable and sustainable places to live.

Through targeted tax credits, formula funding, grants, and project-based rental assistance, the American Jobs Plan would produce, preserve, and retrofit more than a million affordable, resilient, accessible, and energy efficient rental housing units.

In addition, the plan includes a new federal tax credit, as proposed in the Neighborhood Homes Investment Act, that could lead to the construction and renovation of approximately 500,000 single-family homes over the next decade—creating a pathway to homeownership for more families and allowing them to build wealth. Furthermore, it reinvests in communities to improve aging housing stock and maintain value for existing homeowners.

At the same time, the American Jobs Plan recognizes that investments alone won't solve our nation's affordable housing crisis. We must also eliminate barriers to producing affordable housing and expanding housing choices for people with low or moderate incomes.

To solve this problem, the American Jobs Plan calls for an incentive approach that awards flexible funding to local jurisdictions that take concrete steps to eliminate local regulations like minimum lot size or mandatory parking requirements. These types of local regulations drive up the cost of producing affordable housing and can lock people out of neighborhoods that may have more opportunities for them and their children.

The American Jobs Plan will address longstanding public housing capital needs. Nearly 2 million people across the country live in public housing—including families, seniors, and people with disabilities.

Like many of the infrastructure investments in the American Jobs Plan, housing quality plays a key role in the health of families and communities. Yet nearly half of the public housing inventory is more than 50 years old. This means these buildings may have issues like lead paint, mold, and other health hazards that can be expensive to remediate.

The American Jobs Plan calls for an investment of \$40 billion to improve our public housing infrastructure and to address these critical safety concerns for residents. This is not just a safety issue but a racial justice issue, as more than one million people of color live in public housing. Furthermore, public housing is often located in severely under-resourced communities and is vulnerable to the dire effects of climate change. Investments that help reduce energy use, increase resilience, or fortify against extreme weather events can help mitigate climate risk.

Additionally, I would like to briefly mention a few of the other noteworthy provisions in the American Jobs Plan—specifically, a \$111 billion investment to replace 100 percent of the nation's lead pipes and service lines, and a historic \$100 billion investment to bring affordable, reliable, high-speed broadband to every American.

These investments are critical to building safer, stronger, and more connected communities that are better positioned to thrive as we face the future.

In closing, The American Jobs Plan is a once in a century investment in America's infrastructure that will advance how we live for generations to come.

It recognizes that to build our country and our economy back better, we need to invest not just in future-proofed roads and bridges—but in housing, in clean drinking water, and in a modernized electrical grid capable of withstanding the impacts of climate change.

The American Jobs Plan is physical infrastructure that lays the foundation for human infrastructure. Our country cannot afford to look backward at what we once viewed as the definition of infrastructure. The future of our great nation rests on the decisions we make today.

On behalf of the Department of Housing and Urban Development, I am happy to answer any questions you may have.

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