

October 5, 2022

The Honorable Marcia Fudge
Secretary, Housing and Urban Development
451 7th Street SW
Washington, DC 20410

Dear Secretary Fudge:

The crises of rising homelessness, evictions, displacement, and escalating housing instability have a common denominator in the meteoric rise in rents. These rent increases are driven in large part by the ever increasing role of private equity and corporate developers; they have an oversized impact on the entire housing system including the securitization of mortgages and rental income. In acting against a backdrop of entrenched residential racial segregation, these bad actors, through practices like rent gouging and mass evictions, inflict disproportionate harm on low-income communities of color. The rampant commodification of people's homes is making an already dire situation worse and is antithetical to HUD's — and the Biden Administration's — goal of making sure all people in our country, regardless of who they are and where they come from, have a safe, affordable, decent place to call home.

Unfortunately, and despite the best intentions of Congress, the Administration, and HUD, our shared resources are being used to entrench and hasten the trends of commodification and housing instability. One example is the LIHTC program, which costs billions in lost revenue and allows investors to use loopholes that compress affordability restrictions. Furthermore, the program is structurally designed to be non-permanent even when affordability is applied. Other examples include rental assistance, acquisition, construction and other programs that carry no anti-displacement, habitability or other robust tenant protections. There is no reason for our shared expenditures to not match our shared goals.

We require many strategies to solve our housing crisis, but one of the most meaningful ways we can impact inequities in our housing system is by directing our shared resources toward the acquisition, construction, preservation, and operation of permanently affordable, non-speculative, publicly owned, and community controlled housing. These models, along with strong tenant protections and anti-rent gouging provisions, are proven solutions that provide decent, affordable housing and long-term stability to those our current system is leaving behind, namely, the lowest income people, people of color, women, and other marginalized [groups](#).

We call on HUD and the White House to include language and regulations in their 2024 fiscal year budget requests to Congress to direct a substantial portion of the billions of funding for the Section 8, HOME, CDBG, Housing Trust Fund, and other programs to prioritize grantees and borrowers that further the goals outlined above — not to grantees and borrowers that are fueling the speculation and commodification of housing.

We would welcome the opportunity to meet with you and your teams to discuss in more detail ways in which these crucial programs can be directed toward uses more in line with our shared priorities. Please contact Liz Ryan Murray (LRyanMurray@publicadvocates.org) with the Alliance for Housing Justice with any questions and to set up a time to discuss.

Sincerely,

Alliance for Housing Justice

MHAction

Center for Popular Democracy Action

PolicyLink

Housing Now! CA

PowerSwitch Action

Liberation in a Generation

Public Advocates

CC: Erika Poethig, Special Assistant to the President for Housing and Urban Policy, DPC
Jenn Jones, Chief of Staff, HUD
Anne Brewer, Deputy Assistant Secretary for Public Engagement, HUD
Solomon Greene, Principal Deputy Asst Secretary for Policy Development & Research, HUD
Ruth Nichols, Senior Advisor for Public Engagement, HUD
Dominique Blom, General Deputy Assistant Secretary for Public and Indian Housing, HUD
Ethan Handelman, Deputy Assistant Secretary for Multifamily Housing, HUD