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**STATEMENT OF MR. HILARY SHELTON,  
DIRECTOR, NAACP WASHINGTON BUREAU  
ON NAACP SUPPORT FOR H.R. 2895,  
LEGISLATION TO ESTABLISH A NATIONAL AFFORDABLE HOUSING  
TRUST FUND  
BEFORE THE HOUSE FINANCIAL SERVICES COMMITTEE**

*July 29, 2007*

Good morning. My name is Hilary Shelton and I am here on behalf of the NAACP, our Nation's oldest, largest and most widely recognized grassroots civil rights organization. I am the Director of the NAACP's Washington Bureau, our public policy and federal legislative advocacy arm.

I am here because the guarantee of safe, secure and affordable housing for all Americans has long been a cornerstone of NAACP's legislative policy agenda. While we continue to struggle against housing discrimination, Americans are also finding it increasingly difficult to obtain affordable housing in a safe and secure community that allow us to raise our families on the modest incomes that so many hard working Americans take home. This is especially true for low income Americans and racial and ethnic minorities, and so our struggle continues.

Before I talk about that, however, I would like to first thank Congressman Frank, Congresswoman Waters, and the other Members of this committee and this Congress who have worked so hard and for so long to address the critical housing shortage that is facing too many low income people. I would also like to thank our partners at the National Low Income Housing Coalition, and others who have worked diligently on behalf of a National Affordable Housing Trust Fund.

The NAACP strongly supports H.R, 2895, legislation to establish a National Affordable Housing Trust Fund. For close to half of American families, owning an affordable home or even finding a safe, decent rental unit is financially unattainable.

And although to many it may appear to be common sense, it bears stating here that a safe, secure and affordable home, whether it be owned or rented, is key to a stable family life, which in turn can only benefit communities. Safe, secure and affordable housing leads to, among other benefits, lower health care costs:

children who live in substandard housing are more likely to suffer from debilitating health conditions including asthma and lead poisoning.

But sadly, finding a safe affordable home is becoming increasingly difficult for many Americans and is proving to be especially hard for extremely low income Americans. Unfortunately, a disproportionate number of these people are African American and other racial or ethnic minorities.

Currently, only 46% of all African Americans own their own home, compared to more than 70% of white Americans. Perhaps more troubling than that statistic, however, is the disparate number of African Americans who spend too much of their income, which is already at the low end of the wage scale, on housing and utilities.

The most current numbers we have indicate that 23% of African Americans fall into the “extremely low income” category. Of these men, women, children and families, 73% have “severe housing needs”; in other words, they spend more than 50% of their income on housing and utilities. In summary, half of all African Americans live in unaffordable, inadequate and/or crowded housing.

But of course, this is not only a problem for African Americans. 71% of Hispanic Americans who fall into the “extremely low income” category have severe housing needs and 66% of extremely low income Caucasians pay more than 50% of their income to ensure that they have a roof over their heads. All these numbers add up to one alarming fact: too many Americans of all races and ethnic backgrounds are too often forced to choose between shelter over their head, food on their table, or a winter coat.

If these numbers do not convince you of the clear need for the National Affordable Housing Trust Fund as established in this bill, let me also tell you that the situation is getting worse. In 2003, the US Department of Housing and Urban Development estimated that there was a deficit of 2 million extremely low income rental units; in 2005, that deficit had grown to 4 million. In 2003, HUD estimated that there were 44 affordable rental units available for every 100 extremely low income households. That number dropped to 40 units available in 2005, and the number continues to worsen. Unfortunately, the number of extremely low income households continues to grow as the number of affordable rental units decreases. As a matter of fact, of the 5.8 million black households reporting housing problems in the 2003, 4.9 million cited housing affordability as their biggest problem.

It is because of this growing need that the NAACP strongly supports the establishment of a National Affordable Housing Trust Fund, and especially one that targets the needs of extremely low income Americans. I would remind you that we are talking about men and women who usually work at or near the

minimum wage, or are on Social Security. These are the people who most need our help, and unfortunately are often the last to receive it.

Under H.R. 2895, the National Affordable Housing Trust Fund would establish federal housing funds to be used to meet a nation-wide goal of producing, rehabilitating and preserving at least 1.5 million units of affordable housing over the next ten years. It would be based on the more than 270 state and local housing trust funds across the nation that have already produced hundreds of thousands of units.

Furthermore, as a direct result of H.R. 2895, approximately 180,000 much-needed jobs would be created to help produce, rehabilitate and preserve this housing. That is about \$5 billion in wage creation, which will grow about 1.7 million residual jobs. So in the eyes of the NAACP this bill is not only needed, it is a good idea which, like many good ideas in this city, was taking too long to become a reality before now.

The NAACP is thus pleased to strongly support H.R. 2895, and I would once again like to thank all of the Members of Congress who have worked so hard to bring us this far. The NAACP stands ready to make the National Affordable Housing Trust Fund a reality.

I would welcome any questions at this point.