

United States Senate

December 5th, 2024

Dear Secretary Raimondo:

I write to request an update on your agency's work to implement the White House Housing Supply Action Plan and the Biden-Harris Administration's goals to unlock the new homes needed to address the housing shortage. As the Administration has recognized, increasing housing supply is key to improving Americans' quality of life and addressing the cost-of-living crisis.¹

As you know, the United States has produced fewer homes than needed to meet demand, resulting in a shortage of approximately 3.9 million homes. As a result of this shortage, housing costs have significantly increased for both renters and homebuyers, which has created a large burden for many Americans. For example, nearly half of renting households are now cost-burdened—spending more than 30 percent of their income on housing.² Similarly, home prices have soared, with a 47 percent increase in value since 2020.³ Since the pandemic, this challenge has spread across the country; almost every metro area now has insufficient housing supply relative to demand.⁴ By ending the cruel 'musical chairs' of too many Americans hunting for too few homes, greater housing production and supply will stabilize housing costs and prevent rent increases.

Beyond its direct impact on Americans' cost of living, increasing housing supply comes with a raft of other benefits related to the Department of Commerce's mission to create the conditions for economic growth and opportunity for all communities. When housing is abundant, workers can more easily relocate for a new job or business opportunities, leading to higher productivity.⁵ The economic benefits of a greater housing supply are so strong that just loosening zoning regulations in a handful of the most restrictive municipalities to match the national average could lead to an increase in U.S. GDP of nearly nine percent.⁶ Increasing housing supply also promotes

¹ The White House, "Increasing the Supply of Affordable Housing: Economic Insights and Federal Policy Solutions," in *Economic Report of the President*, (Washington DC: The White House, 2024), <https://www.whitehouse.gov/wp-content/uploads/2024/03/ERP-2024-CHAPTER-4.pdf>.

² Bureau, US Census. "[Nearly Half of Renter Households Are Cost-Burdened, Proportions Differ by Race.](https://www.census.gov/newsroom/press-releases/2024/renter-households-cost-burdened-race.html)" Census.gov. Accessed October 11, 2024. <https://www.census.gov/newsroom/press-releases/2024/renter-households-cost-burdened-race.html>.

³ Joint Center for Housing Studies of Harvard University, *The State of the Nation's Housing 2024* (Cambridge, MA: Harvard University, 2024), https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_The_State_of_the_Nations_Housing_2024.pdf

⁴ Joint Center for Housing Studies of Harvard University, *The State of the Nation's Housing 2024* (Cambridge, MA: Harvard University, 2024), https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_The_State_of_the_Nations_Housing_2024.pdf

⁵ Peri, Giovanni. "The Effect of Immigration on Productivity: Evidence from U.S. States." *The Review of Economics and Statistics* 94, no. 1 (2012): 348–58. <https://www.jstor.org/stable/41349180>.

⁶ Hsieh, Chang-Tai, and Enrico Moretti. "Housing Constraints and Spatial Misallocation." *American Economic Journal: Macroeconomics* 11, no. 2 (April 2019): 1–39. <https://doi.org/10.1257/mac.20170388>.

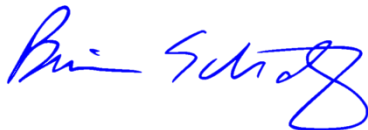
integration, rectifying the legacy of exclusionary zoning and supporting underserved populations' access to high-demand areas closer to work and transportation.⁷ Finally, changing regulations to allow greater housing supply creates denser, more walkable neighborhoods that have a lower carbon footprint per capita.⁸

The Administration has correctly focused on regulatory barriers—especially land use and zoning barriers—as a primary cause of the housing shortage. The Department of Commerce's efforts to remove regulatory barriers and promote housing development are an important part of meeting the goals in the White House Housing Supply Action Plan. Given this, we respectfully request your answers to the following questions:

1. What actions has the Department taken to meet the goals of the Housing Supply Action Plan?
 - a. In particular, how many Economic Development Administration grantees have included enhanced density in the vicinity of the economic development project?
 - b. What is the estimated number of new housing units that the Department's actions will create or preserve?
2. What other actions does the Department plan to take to meet the goals of the Housing Supply Action Plan?
 - a. How does the Department plan to measure the estimated number of new housing units these actions will create or preserve?
3. What statutory or regulatory barriers, if any, prevent the Department from acting to address the housing shortage?

Thank you for your attention to this issue.

Sincerely,



BRIAN SCHATZ
U.S. Senator

⁷ Lutz, Elena, Michael Wicki, and David Kaufmann. "Creating Inequality in Access to Public Transit? Densification, Gentrification, and Displacement." *Environment and Planning B: Urban Analytics and City Science*, April 1, 2024, 23998083241242883. <https://doi.org/10.1177/23998083241242883>; The White House, "Increasing the Supply of Affordable Housing: Economic Insights and Federal Policy Solutions," in *Economic Report of the President*, (Washington DC: The White House, 2024), <https://www.whitehouse.gov/wp-content/uploads/2024/03/ERP-2024-CHAPTER-4.pdf>

⁸ Jones, Christopher, and Daniel M. Kammen. "Spatial Distribution of U.S. Household Carbon Footprints Reveals Suburbanization Undermines Greenhouse Gas Benefits of Urban Population Density." *Environmental Science & Technology* 48, no. 2 (January 21, 2014): 895–902. <https://doi.org/10.1021/es4034364>.