

# A discussion with Sen. Jack Reed on housing stability during the COVID-19 pandemic

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**[0:13] Jonathan Reckford:** Welcome, everyone. I'm Jonathan Reckford, CEO of Habitat for Humanity International. Thank you for joining us today for a conversation on housing stability during and after the COVID-19 pandemic.

I'm honored to introduce our other speakers. We have U.S. Sen. Jack Reed from Rhode Island, former Secretary of Housing and Urban Development Julián Castro, Catherine Chabot who partnered with South County Habitat for Humanity Rhode Island to purchase her home in 2017, and Melissa Sanzaro, executive director of the Providence Housing Authority in Rhode Island. Thank you all for joining us today.

This is an important conversation to be having right now. Millions of homeowners and renters around the country are facing impossibly difficult choices as the economic fallout of the pandemic continues.

Last week, the *Washington Post* ran a story with the headline "Evictions are Likely to Skyrocket This Summer as Jobs Remain Scarce: Black Renters Will Be Hard-Hit." Before that *The New York Times* ran a piece headlined "An Avalanche of Evictions Could Be Bearing Down on America's Renters." CNBC reported on July 8 that 32 percent of U.S. households had yet to make their full housing payments for July, and about 19 percent of Americans made no housing payment at all during the first week of the month. Thirteen percent paid only a portion of their rent or mortgage.

We've said from the beginning that the COVID-19 pandemic isn't just a public health crisis but a housing crisis. We're at the brink of that crisis now, and we need Congress and the administration to act. The coronavirus pandemic has shined a bright light on the importance of housing and how critical that is to our staying safe.

Try to imagine the plight of those trying to shelter in place while living in unthinkable conditions. We already knew there was a housing crisis in this country before the pandemic. More than 18 million households were already paying half or more of the income on rent or mortgage. Now with tens of millions of Americans having lost their jobs the situation is far worse.

While Habitat is best-known for our work enabling affordable homeownership, we know that the full spectrum of housing must be addressed. That's why our Cost of Home campaign, which just marked its first complete year, is focused on supporting policies that will help housing affordability for 10 million Americans.

Today, we're honored to be joined by such an esteemed panel, and we look forward to hearing from Sen. Reed about how Congress is addressing this issue. Sen. Reed has long been a champion on housing issues and is leading a bill in Congress now that would establish a \$75 billion Housing Assistance Fund to help renters, homeowners and communities by preventing avoidable foreclosures, evictions and utility cutoffs.

We'll speak with Sen. Reed in just a moment. We want to begin by hearing from former HUD Secretary Julián Castro. I had the privilege of working closely with Sec. Castro when he led the housing organization and am delighted to welcome him here today. Sec. Castro, thanks for being with us, and would you kick us off?

**[3:29] Julián Castro:** Thank you, Jonathan, very much for the invitation to join you today and to be with such an esteemed panel. Let me just begin by thanking you for your work and the work of Habitat for Humanity International, all of the wonderful efforts over the years to provide housing opportunity to so many people around the world and of course especially here in the United States.

It's meaningful for me because I'm a big fan of the work of Habitat for Humanity and because San Antonio was an early beneficiary of Habitat for Humanity. I'm here in San Antonio now and served as mayor a few years ago, and, you know, I came up understanding the value of investment that Habitat for Humanity had made in my local community and then, as HUD secretary, got to see the value of it in the United States.

I also want to give an especial thank you and shout out to Sen. Jack Reed. You know, I cannot say enough about Sen. Reed and what kind of a champion he has been for providing greater housing opportunity out there in our country. When I was housing secretary, he and I had the opportunity to get out to his home state of Rhode Island. He showed me Central Falls, and we were in the Providence area and had a chance to hear about the great work that is happening there and understand the depth of his leadership on this issue.

I want to commend you, Sen. Reed, for introducing the legislation that you have — including successfully in the CARES Act — to provide some relief funding during this coronavirus time period. But also I know that your commitment to this issue goes far beyond that and has been there for many years, and I know will be there for many years to come. So thank you for your leadership.

Look, when historians talk about this time period in the years to come, they're probably going to use words like "unprecedented," "unusual," all types of ways to describe four, five, six months of

our lives now that have been unlike any other, that have wracked the American people in so many different ways, with the pandemic, with unemployment being what it is, with our struggle for equality and a continued push in this country to make sure that everybody can prosper, and, as Jonathan mentioned, with a potential wave of evictions like we've never seen before.

Now is the time, I believe, where we need to embrace the idea of housing as a human right. That in this, the wealthiest nation on earth, we should work toward the day when every single person has a safe, decent, affordable place to live.

Of course, there are things that we need to do immediately, though, and Sen. Reed is on track. Making significant investments in rental assistance, extending eviction moratoriums, ensuring that people are not foreclosed on if they have a mortgage. It means, I hope, that Sen. McConnell and his colleagues, Republican colleagues, will take up the HEROES Act that is a good first step in that regard because we truly are facing something that we've never seen before.

However, we also know that there are longer-term challenges that go to both supply and demand. Making sure that we invest significantly — more than we've done over the last 40 years — in a supply of affordable housing out there that is affordable to the middle class and to lower-income individuals. Being creative, looking at making the housing choice voucher program universal for instance or a refundable and advanceable renters' tax credit to ensure that people that need an affordable place to live can get it.

The last thing I'll say is that the stakes are very high because we know that having a home is the most important thing to personal and family stability: how well you're able to get educated, the kind of job you have, the kind of health condition that you're in. All of those revolve around the quality of life that starts with the home. That means that we need to make those investments now that are going to ensure greater economic mobility and also greater quality of life for all Americans.

I'm glad that Habitat for Humanity and Sen. Reed are right at the forefront of making that happen. Keep it up!

**[8:12] Jonathan Reckford:** Thank you. Thanks so much, Sec. Castro. Thank you for being such a strong voice for housing. Thank you for being with us today as well. We're grateful for that.

We've talked about some big numbers, and I think one thing that's really important is to remember every one of those numbers is a family with a story who have all the same hopes, dreams and aspirations.

We want to make it more personal now and shift to our Habitat homeowner, Catherine Chabot, to share her story. Catherine, welcome. Thank you for being with us. Tell us about ... a little of your story and Christian's story and how housing has been an important piece of that.

**[8:50] Catherine Chabot:** Sure. Hi there. Hi, everyone. SBasically ... hi, my name is Catherine Chabot, Chabot — everybody pronounces it a little bit different.

Here is my son Christian. He's the most amazing soul in the whole wide world. And he needed to have a home — not just a house because we always had a house, of course. He needed surgery really bad ... because he needed hip surgery when we bought our house.

We were ineligible even though we had great credit, and we had money in the bank, and I worked full time. We weren't eligible for an FHA loan or anything. So Habitat gave us hope when there really wasn't. There was no other hope for us because basically they said that he wasn't going to ... He was having so much hip pain that he really needed hip surgery bad, and we were in a second-story apartment.

And Habitat worked with us tirelessly, I mean, really. Lou Raymond was someone that worked side by side with us.

Here, I'm just going to put this down for a minute. That's looks better ... my hands.

But Lou Raymond helped us so much, and Habitat gave us the tools, you know, because I didn't really know how to own a home, and I didn't want anything for free or anything because I've worked all my life. But it's more difficult than some people might imagine to own your own home. So I think with the special circumstances, banks ... even though I had good credit, even though we had money in the bank, the only people that would work with us is Habitat.

And at first, I was like a lot of people, and I didn't want a home that I didn't own the land, but ultimately a lot of my friends ... they can't really afford a home. My home has been zero percent interest.

**[11:02] Jonathan Reckford:** Catherine, tell us ... you've got some unique features in your home to support Christian. Tell us a little bit about that.

**[11:08] Catherine Chabot:** Oh, yeah, for sure. So first is a handicapped ramp, OK? I used to work ... um, work up ... I used to walk up — pardon me, I'm not used to talking publicly.

But anyhow, so we used to walk up 35 stairs. Right, Christian, you and me? And now there's a handicapped ramp. That's the first noticeable difference. So there's a handicapped ramp outside. And we did it together, though, you know? Habitat ... we all worked together, and we did it.

So when you walk inside the front door ... after going up 35 stairs with Christian, it was really difficult. I mean, he needed really badly surgery, hip surgery, so it was very difficult for me to get him up the stairs.

And obviously banks ... you know, there's a lot of different ways to get loans, but we didn't qualify necessarily. But Habitat told us, "Just don't give up." And Lou Raymond was a big part of that. Lou Raymond, I know he's not there anymore, but he helped so much. He kept telling us, "Don't give up! Don't give up!" And we didn't.

But if you can look up ... don't mind the closet right there is just because Christian's stuff has gotten a little bit bigger, his equipment. But if you can look at the ceiling, Habitat for Humanity put in a \$35,000 lift. And more so than that, even the ramp was such a big thing. And then they made a special bathroom just for Christian. Jay Schartenberg, he helped design the whole thing. And then if you look down the hallway — that's our hallway — so that Catalina can see him, too.

**[13:39] Jonathan Reckford:** Well, you're very gracious to welcome us into your home.

As so many of us now are sheltering in place, we're so glad that you and Christian have a proper home in which to shelter. And, Catherine, I want to thank you as well. You've been a great advocate and spokesperson on behalf of other families who still need better housing and we're ... speaking up, and thank you for coming and being with us and telling us your story today. We so appreciate it.

And you are exactly why we build. I just wish you and Christian and your family every blessing as we all navigate this tough time in our country and world right now.

**[14:15] Catherine Chabot:** Thank you.

**[14:16] Jonathan Reckford:** Just to broaden a little bit from Catherine's story to the state of Rhode Island. Melissa Sanzaro from the Providence Housing Authority is going to join us now. And, Melissa, welcome. Thanks for being with us.

**[14:26] Melissa Sanzaro:** Oh, thank you so much. On behalf of the Providence Housing Authority's Board of Commissioners, our staffing team and the residents that we serve, I would like to thank you for having me here today. It is an honor for sure. My board chairman Nicolas Retsinas wanted me to send regards to everyone on the call.

The Providence Housing Authority and all of the public housing authorities are so very grateful for Sen. Reed's strong advocacy in the U.S. Senate for affordable housing, especially in public housing, not just here in little Rhode Island but across the entire country.

The Providence Housing Authority is one of the largest landlords in Rhode Island and is the largest housing authority in the state, serving about 12,000 individuals and families. We only maintain 2,600 units in the public housing or Section 9 program, and we administer an additional 2,700 housing choice vouchers in the Section 8 program across the city of Providence.

Sen. Reed looks beyond the importance of housing, beyond bricks and mortar, and he also focuses his efforts on the health of the housing. He has championed policies and promoted funding to reduce the ill effects of lead paint poisoning in public housing. Through HUD's recent lead-based paint funding, our housing authority is planning more than \$1 million in investments to make improvements in our three largest family developments.

He also understands that in normal times and even in these times how important preventing homelessness is. Sen. Reed helped secure funding for the Mainstream Voucher Program, a program that hadn't allocated vouchers to housing authorities for over a decade. The PHA secured 65 new Mainstream vouchers to serve non-elderly disabled households, most of whom were experiencing homelessness.

Offering programs that connect residents to resources and opportunities that positively impact futures while living in federal homes or housing is essential. Sen. Reed has a special interest and has been a very long-term supporter of the Family Self-Sufficiency Program, or the FSS program. FSS participants work with a case manager and establish a five-year plan with educational, employment, and financial goals to gain economic independence.

As their income increases, any additional rent payments they make during this time in the program goes into an escrow account which participants will receive upon successful completion of the program to help them achieve their goals. We are proud to say that the PHA has run an FSS program for more than 15 years, and we appreciate how it's available for both the Section 8 program and the public housing program. Each year, in Providence alone, this program has changed the lives of hundreds of families to sometimes access higher education or to purchase their first home.

As I highlight the FSS program today, I think about how hard it is for the FSS participants to work toward achieving their goals when everything's stacked against them. The coronavirus has really turned up the stressors and the challenges that our residents face today. But even during a pandemic, I would like to tell a story about a recent FSS graduate that will highlight the importance of our everyday collective work in the housing arena.

I want to tell you about one of our public housing tenants, Candia Cooper, who is a 32-year old single mom who has lived with us for more than 15 years. She arrived in our FSS office when she was 27 years old. She was unemployed, and she was raising four sons from the ages of 2 to 15.

What she lacked in resources, Candia more than made up for with willpower. She had decided she wanted something more than an apartment. She wanted to own her own home one day and give her boys the opportunity for a better life. Candia signed her FSS contract in 2015 and soon after began working for the U.S. Postal Service as a mail carrier, and she still remains employed there today.

She worked closely with her FSS coordinator Sonia Lopez and partnered with a HUD-approved housing counseling agency to begin to improve her credit score. Last month, Candia received the largest escrow check in PHA history, a check totaling more than \$42,000. She and her family are putting this money toward a down payment on her future first home; she hasn't purchased it yet.

Candia's determination and drive, paired with the FSS savings structure, are an example of how HUD programs allowed her to climb the socioeconomic ladder while living in public housing. Participants have the ability to move on to the private market or homeownership, which in turn then opens up the resource for another family in need.

During COVID, the PHA has seen how critical federal housing programs are for our community and for our housing authorities. These housing programs and the relief funding provide a platform for us to work diligently to respond to and to assist our families, like with our new food program for seniors and our safe delivery service model. The PHA is super focused on addressing health inequities by working with Rhode Island's largest health care provider to provide onsite COVID testing to our senior and disabled high-rises as we remain vigilant in preventing the spread of COVID in communities that we call our own.

Again, I want to thank all of you, especially now, for your forward thinking about the lasting effects of COVID. It is exactly what the people who need us require and deserve. And I just want to thank you again for all of your support always, but especially now.

**[20:14] Jonathan Reckford:** Thank you so much, Melissa. Thanks for your leadership. Thanks for shining a light on the good work that you're doing. And please send our greetings to Nic, a great Habitat and great housing champion.

**[20:24] Melissa Sanzaro:** I will. I certainly will.

**[20:26] Jonathan Reckford:** One of my heroes.

Let's now begin our conversation with Sen. Reed. Senator, thank you again for making time for this.

**[20:31] Sen. Jack Reed:** Thank you, Jonathan.

**[20:33] Jonathan Reckford:** You've been such a strong advocate for housing throughout your career, which is evident by your leadership in the Senate on the Senate Transportation and HUD Subcommittee.

Can you tell us more about your interest and engagement in housing? How did that first begin? And why does it continue to be a priority for you? We'll talk more about Congress and legislation, but would love to hear how it started with you.



**[20:53] Sen. Jack Reed:** I was a lucky kid. I grew up in a lovely community — Cranston, Rhode Island — good parents and all the benefits. And ... but then when I was a young lawyer in Providence, after I'd finished my military time, one of the partners walked in and said, "Guess what? You're going to be the volunteer legal counsel for Amos House."

What is Amos House? Amos House was a small soup kitchen in South Providence. It had one little concrete building, et cetera. And I went down there and started working, and I realized right away how important this was as an oasis of community and of tranquility in a very difficult place.

Then the first thing we did was buy the house across the street, and we created quarters for the men — they were all men then. Now it's a campus with 15 buildings. They have a major dining facility. They provide meals, et cetera.

But what it showed me was the value of housing and related community services to empower an individual, to give them the ability to do great things. Melissa's story about that wonderful postal carrier is an example. Christian and his mother is a great example, too, just show us what people can do if they're given a home basically.

And that to me is the basis of it, and that's why I spend so much time ... and frankly what I'm doing is just trying to keep up with Habitat for Humanity; that's all I'm doing ... but I spend so much time trying to do it because it's so central and it's an investment. It's a multiplier. It's not, OK, we do this, and they get a little bit ... no. You give a person a home, they can go to school. They can hold a job. They can go ahead and see that appreciate. They can save money. They can do the things that the American dream is all about.

**[23:00] Jonathan Reckford:** Oh, thank you so much, and it is ... it's so encouraging. I think there have been times in the past where I've been discouraged because housing seemed so invisible, and I think it was because so many people who have good housing take it for granted. And you pull that out, and, just as you say, we see so many gaps.

**[23:15] Sen. Jack Reed:** We do.

**[23:17] Jonathan Reckford:** Senator, long before the pandemic we were already experiencing a tremendous housing crisis around the world. The general global benchmark and U.S. benchmark is no family should spend more than 30 percent of their income on housing in order to be able to afford food, medicine, all the other needs of life. But 38 million households were doing just that prior to the outbreak of COVID. As I said before, that's why we launched our Cost of Home advocacy campaign last year.

Affordable housing is a complex issue, and we know it's going to have to have a federal component if we're going to solve it. What promising legislative solutions can Congress introduce or currently support to ensure that we're meeting the housing needs of the future?



**[23:55] Sen. Jack Reed:** Well, first I would be remiss by not also recognizing Sec. Castro. Because if you're talking about someone who is dedicated to giving people a chance and using his skills as a mayor and a congressman and a secretary of Housing and Urban Development to make people's lives better, that is Sec. Castro. So I'm part of the ... I'm his vice-president of the fan club.

But let me talk about some of the things that we do. You're exactly right, Jonathan. This is not a new problem caused by the pandemic. We have had an affordable housing crisis in this country for decades or more, and we've got to do things. Some things we've done already. Back in 2012, beginning with the 2008 recession and the collapse in the housing market, we saw some similar results: foreclosures, the evictions, et cetera.

By 2012, we were able to put together two programs, the Housing Trust Fund and the Capital Magnet Fund. Now the Housing Trust Fund is not funded by appropriations. It's funded by the proceeds of loans by Fannie Mae and Freddie Mac. So that's money that goes in, and it's used by the Department of Housing and Urban Development to build affordable housing.

One of the great crises ... if you go around and you ask Melissa, "What's one of the big problems?" We don't have enough affordable housing. If we don't have enough affordable housing, it's not affordable. And the Capital Magnet Program is one that's administered by the Treasury Department, and that lends money to places like the CDIFs, the Community Development Investment Facilities. They have to match it with other money, and they put that together and they build affordable housing. And of course then there's the Low-Income Housing Tax Credit.

So those are programs right now that we've put together, and we have to fund them more aggressively. We've got the models. We just need the willpower and the resources to go from a little bit to enough, and that's what we're trying to push in the Senate today.

**[25:55] Jonathan Reckford:** Well, thank you for that. And I'm always struck ... you know, in some ways it's a budgeting problem.

We had a great session on housing and health, and we had medical leaders saying, "If we spent more on housing, we could spend so much less on health." But often government budgets don't work that way.

COVID-19, as you rightly said, has exacerbated our existing housing challenges, and we're grateful for the initial actions that Congress has taken to provide immediate housing and financial support to renters and homeowners, but we know more is needed. And this includes the Housing Assistance Fund, which you introduced. Would you share with us what motivated you to prioritize this legislation, Senator?

**[26:30] Sen. Jack Reed:** Well, the Housing Assistance Fund again ... it's an example of what we did before. Back in 2012, as we were coming out slowly of the recession, we created the

Hardest Hit Fund. We created a federal program for 18 states working through their housing agencies that would provide resources for individuals to pay the mortgage, to pay the utilities, to keep people in their homes.

And we discovered frankly that we've been able to save thousands and thousands of people around the country from losing their homes. That Hardest Hit Fund is the basic template, if you will, for the legislation we're putting in right now, which is going to go nationwide, every state, all 50 states.

We know it works. It works in 18 states. They have the programs. They have the models. They have the procedures. They have all the rules and regulations. They can adapt it quickly, put it with the money ... we're asking for \$75 billion. If we put that in, you would have local housing agencies going and making sure people who need the help are getting it.

And there's a second aspect of this, which some people don't think about but it's important. In Rhode Island, most property, rental property, is owned by small owners. They own three or four properties. And guess what? When they lose the rent, they lose the property, too. So you've got homeowners who lose their homes, you've got renters who can't pay and they're evicted, and then you've got landlords who can't fill up their houses and they lose the houses.

So it is a total collapse of the housing market in the area, and if we're not careful, we will see that. That's why this \$75 billion is not only necessary, it will save billions in the long run. And again, thank Habitat for its emphasis and all the ... Melissa for her work at the local level, all of that. And we're going to keep working, but it's necessary.

**[28:41] Jonathan Reckford:** No, thank you for that. It is ... we think it's so critical, and as you say, better spend it now than all the downside that happens to the family and the economic impact once people lose their homes.

The Housing Assistance Fund would specifically help lower-income families with preventing foreclosure. At Habitat for Humanity, as you know, our specific niche is affordable homeownership, which is an important driver of wealth creation as well for families. Can you talk about why you view protecting affordable homeownership as an important part of the work needed to support the broader housing spectrum?

**[29:16] Sen. Jack Reed:** Well, affordable homeownership is absolutely critical. I mean, it's the American dream. It's what I believed as kid, that you're going to work hard, get a chance through hard work to buy a home, and guess what? You are now on the way up. That home would appreciate. You'd use it if you had to, maybe, to help your children go to college, et cetera.

But that's the biggest piece of wealth the American family has. And if you don't have it, you're not part of the American middle class. And it is ...

You can look at the numbers also in terms of racial disparities. One of the most significant disparities is the difference between homeownership among non-white Americans and white Americans. If we could get that into balance, guess what? A lot of other issues in terms of ... that we're dealing with right at the moment would be resolved.

But it's such a fundamental aspect of making it in America, literally making it in America. And we've got to make sure more people do.

**[30:24] Jonathan Reckford:** Oh, thank you for that.

We've seen especially as you say for low-income minority households, that's been the best way over time to create long-term savings that have created intergenerational assets and helped solve ...

**[30:36] Sen. Jack Reed:** The other thing, too, is, you know, a lot of the issues we're talking about ... when you own a home, it's not just a physical structure. You're part of a neighborhood. You're part of a community. You're part of helping out.

You're going to be coaching Little League because guess what? That's part of your neighborhood. And if you're not ... if you're moving night to night or week to week, you can't participate that way.

So it's both a very fundamental economic, but it's a very fundamental civic, social, cultural value that we have to preserve.

**[31:16] Jonathan Reckford:** Absolutely. And we know that for children, the stability that comes with that has such a positive impact on their educational outcomes and then all the pieces that comes with that. It's ...

**[31:27] Sen. Jack Reed:** Yes. Anyone that doubts you, Jonathan, just ask them, "How could a child do well in school if he's in a school every other month, a different school?" You can't.

How do children do well in school? Well, they start in September, they go all the way through May — in the good old days — and they do well. They have stability. They have friends. They have ... but if every other month, you're moving schools because you're moving apartments, you'd be the rare exception that could really make it, frankly, even if you try so hard.

**[32:00] Jonathan Reckford:** So true. I think some studies have shown a child who changes school midyear, especially if they're from a low-income family, loses as much as a year of academic progress, so it's a huge bar. What are you ...

**[32:10] Sen. Jack Reed:** And it goes back to this issue that you made so compellingly about the economics and the efficiency of the investment. You know, we spend a lot of money on

schools. If we spent more money on stable housing, we might have better academic results than just simply adding, you know, more teachers or more this or more that.

**[32:34] Jonathan Reckford:** Absolutely. No ... and I think, you know, all of us ... those of us who are advocates have been part of the challenge because we need a systemic solution.

You know, the health people would say health will solve it. Education will say education will solve it. Housing people would say housing will solve it.

The reality is we need all the pieces to come together for children to thrive, but we really ... we certainly see housing as a prerequisite, almost, in that model.

**[32:57] Sen. Jack Reed:** Well, I think you're absolutely right.

I think you need all the pieces, but then you have to ... what's the keystone? What holds everything together? It's permanent housing. Dependable, decent, affordable housing. Because then you can go to the same school. You can get a job. You know, how do you apply for a job when you don't have an address? Who's going to hire you? "What do you mean, you don't have an address? Then don't bother me."

That's the keystone, I think.

**[33:25] Jonathan Reckford:** Thank you.

I'm interested, Senator, in what you're hearing from your constituents. As COVID continues to be such a burden, what are you hearing, and how has that impacted your priorities for legislation and what may be the next relief package from Congress?

**[33:45] Sen. Jack Reed:** Well, they're obviously concerned about the disease. We have to defeat the disease before we do anything else.

But we don't want to make it worse, and you know, one of the illusions and one of the points that you earlier presented is, can you imagine a health care crisis when people are living out of the back of their cars? Or five families that are living in one, you know, a one-bedroom unit because they have no place else to go? The disease will go rampant.

So again, if we want to defeat the disease, we've got to deal with these issues. But defeating the disease is number one.

The other issue, too, people are very much concerned about unemployment compensation. So many people have been left off because they can't work. Their store is closed. Their restaurant is closed. We need to extend that, and we need to make sure we do it in a way that people can get by.

Because many of these individuals have not only just lost their job. They lost their health care, so they have to buy it, if they can afford it. They've got day care issues they might have. It's a whole range of different issues.

People today are obviously concerned about schools. Will the schools open again? And again, if the school is not open, it is absolutely critical that you have a home with some type of Wi-Fi. Otherwise your child will not get an education, and that's something else we want to put into a federal relief fund, that people can get access to Wi-Fi, as well as money for homes.

So those are some of the critical issues that we're looking at. Another way to look at it, too, to step back, is the state government and the city governments — I'm looking at Melissa — play such a critical role. They are in very difficult shape. Their budgets have been devastated. Revenue has been lost. Revenue they normally would get is not there. They need assistance from the federal government. They need the resources so that they can deploy it effectively in health care, in housing, in public safety, in a whole range of issues. And so that's another set of issues that we have to put in.

When I worked on the CARES Act, I was one of the negotiators for the coronavirus relief fund, and the state of Rhode Island got \$1.25 billion. That has been one of the principal things that is keeping the state together because the governor has the ability to go back and say, "We've got an emergency. Let's go ahead, or let's get this money there. Let's stop this emergency. It'll buy us some time." So those are some of the ideas and thoughts that people are talking about today.

**[36:29] Jonathan Reckford:** That's great, thank you.

You've raised an issue that is ... has come out, really exacerbated the COVID crisis, which is this national conversation around historic and systemic racial inequities that Black families across the nation have faced and are facing.

We know that housing has been a painful part of that legacy in terms of impacting where people could or can live and how our communities look today. And we know that many of those challenges were shaped in ways by those inequities. What do you see as the role of Congress in addressing these housing disparities?

**[37:06] Sen. Jack Reed:** Well, first of all we have to recognize Black Lives Matter. We have seen a horrific example in Minneapolis of something that unfortunately is all too common to many people in the African American community and in the minority community in general.

But we, all Americans, have to understand that, and I'm encouraged because I'm seeing that all across the country, particularly young people, beginning to recognize, "Hey, we can do better, and we must do better."

But this issue of housing is so central, as you point out, Jonathan, because, you know, here's the old line that we hear every week now: "Your future is your zip code." That's the throwaway line everyone uses.

And think about that. Where you live, where you can afford to live, where you can get access, where the housing is affordable, that's going to determine whether you go to college, whether you get a good job, whether your health conditions going to be adequate going forward, et cetera, et cetera, et cetera.

So that should redouble our efforts to say, "Well, how do we make the housing issue sensitive to these notions of racial disparity?" And I think we can do this, and we can do it frankly by being creative and thoughtful.

We have a project up in Providence ... the little tiny houses they've built. There are about five little houses they've built. They're all-solar so that not only can a relatively low-income person afford the house, also they can afford to keep it energized because basically the heat and the air conditioning is free. And it was built by young men and women who are in a training program to build up skills as carpenters.

So you put these pieces together, you know, training people for future jobs, building affordable units that people can build ... we can do it. And we have to do it everywhere.

**[39:15] Jonathan Reckford:** Thank you.

Give us some coaching. What would be your best advice to Habitat affiliates, but other housing advocates as well, when they're talking to members of Congress about ... how do we make the best case for supporting legislation to ensure housing stability for low-income families? What would you tell us?

**[39:33] Sen. Jack Reed:** Well, get a good speaker with a good story, someone like Catherine and Christian. They can talk about the wonderful things that they did together with the help of Habitat, with the help of other people in the community.

All politics is local — thank you, Tip O'Neill — but all politics is local. So you don't want to go into one of my colleagues from Idaho and talk about the great work you're doing in Vermont. You want to talk about Pocatello and the great work they're doing and how the Habitat for Humanity there together with groups from other places in the state are working together.

And make it practical, too. You know, "We want a new house that" ... no. "We have ways in which we can put people in homes for a price much less than what you would think of."

Then the other thing you want to make is coursing throughout this whole discussion. This is an investment, not just in housing but in health care, in education, in social mobility, in community stability. This is the key investment, and if you make this investment, it's not a cost. "Oh, I'm not

spending all that money.” It’s an investment. If you make it, then your community’s going to be much better off, and this country’s going to be better off.

**[41:02] Jonathan Reckford:** Oh, fantastic. Thank you.

How are you ... one, I guess, are you optimistic? And how can we help in ensuring that housing is a priority when there are so many competing issues coming at you all?

**[41:15] Sen. Jack Reed:** You know, I’m optimistic in the sense of we’ve got good people on both sides of the aisle that recognize that.

Melissa was talking about the Family Self Sufficiency program. I worked with Roy Blunt of Missouri, a Republican colleague, to reform the program, to make it more effective, more efficient with more options, and it’s doing much better. That’s a bipartisan recognition of a good program, so we can do that.

So it has to be bipartisan. But also I think more and more people are beginning to see, because of what [Habitat for] Humanity has done and what others have done, how central housing is to everything else we do.

The other issue, too, in this context of COVID is I think you’ve got to make the case saying, “Listen, we don’t have an option.” You cannot have a situation where you have five families jammed into a two-family home with COVID on the loose because guess what? You won’t stop the COVID virus; you’ll accelerate it.

We can’t have people literally on the streets, literally on the streets with this. How can you practice not only social distancing but sanitation? How can you practice all the things we have to do? So I think there’s also this argument. It’s not just the good thing to do, the noble thing to do. This thing is necessary if we want to make sure we defeat this virus.

**[42:49] Jonathan Reckford:** You’ve convinced me. Are these arguments resonating with your peers? Are you seeing this ... people seeing the light?

**[42:59] Sen. Jack Reed:** You know, I think in various shades, if you will, various brightness.

I think one of the issues, frankly, is how much money will we have to deal with because this is an issue ... well, what about the unemployment insurance we talked about? What about SNAP program? What about ... you know, when you add it all up, there’s a lot of demands. That’s one of the issues. So the top line is going to be a critical judgment.

The other issue, too, frankly, is you’re getting leadership from colleagues on both sides of the aisle, people like Roy Blunt, others who have stepped up. We need presidential leadership. I mean, this would be a much more powerful argument if the president was saying, “Listen, one of



the key roads back to prosperity is housing, and we're going to do it." That would be terribly helpful.

**[44:00] Jonathan Reckford:** Habitat has always been nonpartisan — we've always historically had strong support for housing on both sides of the aisle, and I think that's so critical.

In addition, as we've talked about it being part of the health conversation and the equity conversation, you know, we've talked a lot about housing as infrastructure, too. As we think about rebuilding the economy, housing has such a strong jobs multiplier that there's an opportunity there as well.

**[44:22] Sen. Jack Reed:** In fact, Jonathan, that's a great argument for many of my colleagues on both sides of the aisle who say, "Well, I don't want to get involved in these programs."

"But it's jobs, right?"

"Oh, it's great jobs."

"Well, then let's go out, and let's rebuild America, and let's put people to work."

**[44:38] Jonathan Reckford:** Oh, we would love to see it.

I have tons of questions, but we promised to let our audience participate as well. We've got a couple teed up.

I want to share one from a local, Mark Kravatz, who is executive director of Habitat for Humanity of Greater Providence. And you personally addressed this one already, talked about how powerful the Hardest Hit Fund was and the ... it helped over 6,000 Rhode Island households, and for many it kept them in their homes. It sounds like that really was a model.

What learnings did you take from that as you built the Housing Assistance Fund for the country?

**[45:14] Sen. Jack Reed:** Well, first of all we drew directly from it, and part of the inspiration of the Hardest Hit Fund was listening to people like Nic Retsinas and others who knew a lot about housing in Rhode Island and said, "Listen, if we just had this fund, and we were able to get to 18 states" ... it was a pilot program, but it demonstrated itself.

Six thousand homes that are preserved — that's a lot of homes in Rhode Island. We're not the biggest state in the union. We're the littlest state in the union. Six thousand homes is a huge difference.

So it's efficient, it's effective, and we borrowed almost everything from it. You know, we're just taking it from the 18 states. We're saying, "Let's make it 50 states. Let's run it through the state

housing agencies. They're the experts locally. They have the expertise. They can work with the cities closely. They do it every day."

So we're ready to go. We've got a tested model ready to go. And the Hardest Hit Fund — if we do get through, I'll do everything I can to get this program through — but it'll be a testimony to Hardest Hit Fund.

**[46:24] Jonathan Reckford:** Fantastic.

From ... question from the Midwest, Sara Kierzek who is executive director of Habitat for Humanity's state organization in Wisconsin says that \$75 billion seems like a large number, but she's read where there are forecasts from sources such as the St. Louis Federal Home Loan Bank that the worst-case scenario ... there might be need for \$160 billion or more.

We've seen funding for COVID-related programs such as the PPP dry up very quickly with Congress needing to go back and authorize more funding, and we saw the issue with banks being overwhelmed with applicants. So a complex question. Do you anticipate the same types of problems with enough funding for this program? And will state housing finance agencies have the capacity to administer the assistance? And do you anticipate, finally, that any states will opt not to accept the funds? That would surprise me.

**[47:13] Sen. Jack Reed:** It would surprise me, but I guess where I work no one should be surprised, so that's the answer one.

Two, the capacity of the state housing agencies ... I think they do. The reality is they're the best-qualified regardless. They're the ones that have the expertise, so you have to use it. Will some of them be more capable, be better tuned in? Well, certainly the 18 that have run the Hardest Hit Fund will. They'll be really ready to go.

But I think you'll see they'll do that ... and again, this goes back to resources. If they have enough resources to get technical assistance, to hire experts that can help them, then they'll be able to get this program done. And we should build that into the program, too.

The \$75 billion sounds like a lot of money. Relative to the housing needs of the American people and the pressure, I think you're right, Jonathan. I think, you know, they'll discover that this money will go quickly. Hopefully it'll be spent well and wisely, but there'll be more, et cetera.

The only good news would be if we could get even this level it would be, no pun intended, but a down payment on the bigger problem. So we wouldn't be starting from zero. We'd be starting from a program that's working and with people who were still in a house. Those 6,000 people that were preserved, if you will, in the Hardest Hit Fund back in the 2012, 2013, 2014 ... you know, they stayed in their homes, and I hope they prospered, and who knows? They probably went off and hopefully they're doing great and they won't need help this time.

**[48:55] Jonathan Reckford:** Oh, thank you.

I think one of the things that really bothered us is what I see as a false narrative coming out of the '08 recession where suddenly people said, "Oh, homeownership is a bad idea."

Really, if you look at the data, it was a bad idea to lend people money they couldn't possibly afford across all income bands, but low-income homeowners didn't foreclose at higher rates than high-income homeowners. And, in fact, Habitat homeowners foreclosed at far lower rates than the market even though they are subprime borrowers. So we do hope that'll be part of the mix.

**[49:25] Sen. Jack Reed:** I'll tell you what a really bad idea was: financial engineering. Forget about homeownership. Financial engineering was a real bad idea. That's what 2008 demonstrated.

**[49:36] Jonathan Reckford:** Senator, we have sworn to finish on time. I want to give you a chance just to offer any closing statements or anything we should've asked you.

**[49:46] Jack Reed:** No, Jonathan. I just want to thank again Sec. Castro and Melissa and my friend Christian and Catherine and Habitat for Humanity, a remarkable organization. "Inspiring" is the best word for it. You get great things done, and you inspire others to get up and help you do it. That's more than I could ask for.

We have serious challenges ahead of us, but we're not going to stop. We're going to keep working hard. We'll get through the difficult time. And the goal is — we've talked about it all through this discussion — is that if we can give people that keystone, that home that they can afford and maintain, just step back. As Americans, they will do wonderful things. They will educate themselves. They will invent things. They will do all those things.

But without that, it's awfully hard, and that's the message that I think we have to keep hammering away at. And if we do it, and I think we will — I'm an optimist — then we'll get through this very difficult situation, and then we'll be positioned to do even better, have a better future.

And thank you.

**[51:04] Jonathan Reckford:** Oh, well, thank you so much, Sen. Reed. Thank you for making the time. Thank you for your leadership in this space.

I want to thank all of our guests today for your participation. Sen. Reed, thank you specifically for your commitment to bringing people together so we can create policies and opportunities that will help build strong families and communities.

Habitat for Humanity has been at work to provide affordable housing solutions around the world for more than 40 years, helping over 29 million people. But the stakes are higher now, so we all must work together to create an urgency about housing that is affordable for all. We want to achieve other societal goals that we've deemed important, and if we want to create viable, sustainable cities where families and communities will thrive, we must include housing.

Please visit [habitat.org/costofhome](https://habitat.org/costofhome) to learn about our campaign and how you can add your voice to this mission.

I also want to invite you to join us for another special housing conversation on July 30 at 2 o'clock Eastern time in which I'll be talking with a group of professional athletes who grew up in Habitat homes and what a difference that made for them.

So thank you for being with us today. You can learn more about that at [habitat.ngo/athletes](https://habitat.ngo/athletes), and we hope you'll join us. But thanks for being with us today. Senator, thank you again.

**[52:22] Sen. Jack Reed:** Thank you, Jonathan. Thanks, everyone.

**[52:23] Jonathan Reckford:** Thanks to all our partners, and we look forward to when we can all be out on the build site.

But in the meantime let's keep families in their homes and get more families in homes. Thanks, everyone.

**[52:32] Sen. Jack Reed:** Thank you. Bye now. Bye bye. Bye bye.