

Opening Statement

**Chairman Michael G. Oxley
Financial Services Committee**

**Subcommittee on Housing and Community Opportunity
H.R. 3186, "Build Houses for Our Military's Enlisted Service members Act"**

Wednesday, February 8, 2006

Thank you, Chairman Ney, for scheduling this important hearing today on H.R. 3186, "Build Houses for Our Military's Enlisted Servicemembers Act" or the Build HOMES Act. I want to commend Congressman Jim Ryun, the sponsor of this legislation, for his work to help more military men and women secure quality housing for their families.

The hearing today will focus specifically on the need for this legislation and its impact on communities and military personnel. Quite often, enlisted men, women and their families find it increasingly more difficult to find quality, affordable housing near their base. The recent Base Realignment and Closure (BRAC) process will, no doubt, add to that problem as bases are closed and military units are transferred to bases in other parts of the country.

Currently, the Department of Housing and Urban Development (HUD) includes the Basic Allowance for Housing as income in its calculation for determining if a family meets the income qualification for federal housing assistance programs. This policy prevents many members of the Armed Forces from qualifying for housing assistance. In addition, this policy is a deterrent to developers seeking to build Low Income Housing Tax Credit (LIHTC) properties in the areas surrounding military bases.

The LIHTC program was created by the Tax Reform Act of 1986 as an alternative funding method for low- and moderate-income housing and has become the major engine for subsidizing the production of assisted-rental housing that is affordable to lower-income households. Although there are no hard numbers, about 800,000 new and rehabilitated units have probably received financial support over the program's 14-year history.

The base realignments mandated under BRAC will create a need for additional housing in parts of the country designated to absorb military units being moved due to base closing; but under current regulations, the Housing Choice Voucher program and the LIHTC program may not be a tool available to developers seeking to address housing shortages at bases across the country. H.R. 3186 addresses that problem by amending the Department of Housing and Urban Development Act to exclude basic housing assistance (BAH) amounts received by a

member of the Armed Forces from consideration as income for any Federal housing assistance program.

I look forward to hearing from our witnesses today and to working with Congressman Ryun and Congressman Green, the democratic sponsor as we consider H.R. 3186.