

# Opportunities to End Homelessness and Housing Poverty in the 116th Congress

**JANUARY 2019**



**NATIONAL LOW INCOME  
HOUSING COALITION**



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## Executive Summary

The National Low Income Housing Coalition (NLIHC) looks forward to working with the 116<sup>th</sup> Congress to address one of the most critical issues facing extremely low-income families today: the lack of decent, accessible, and affordable housing. Today, just one in four eligible families get the assistance they need to afford a place to call home. With leadership from Congress, we can end family homelessness and housing poverty once and for all.

NLIHC is dedicated solely to achieving socially just public policy that ensures people with the lowest incomes in the United States have affordable and decent homes. Our members include state and local housing coalitions, nonprofit housing providers, homeless service providers, fair housing organizations, researchers, public housing agencies, private developers and property owners, local and state government agencies, faith-based organizations, residents of public and assisted housing, and concerned citizens. While our members include the spectrum of housing interests, we do not represent any segment of the housing industry. Rather, we work with and on behalf of extremely low-income households who receive or are in need of housing assistance.

In the 2018 election, affordable housing was squarely on the agenda in many states and districts. Many newly-elected representatives ran and won on platforms with bold housing solutions – from expanding housing vouchers and increasing funding for the national Housing Trust Fund to new measures to address homelessness. These leaders now join other bipartisan congressional champions of expanding affordable housing investments.

NLIHC stands ready to work with all members of Congress to seize the opportunity to address the full scope of affordable housing challenges for families with the greatest needs. In the memorandum below, we provide our recommendations on steps Congress can take—whether through an infrastructure spending package, the appropriations process, housing finance reform, or other legislative avenues—to make the critical investments in the affordable housing our nation needs to help the economy, our communities, children and families thrive.

# I. The Need for Affordable Housing

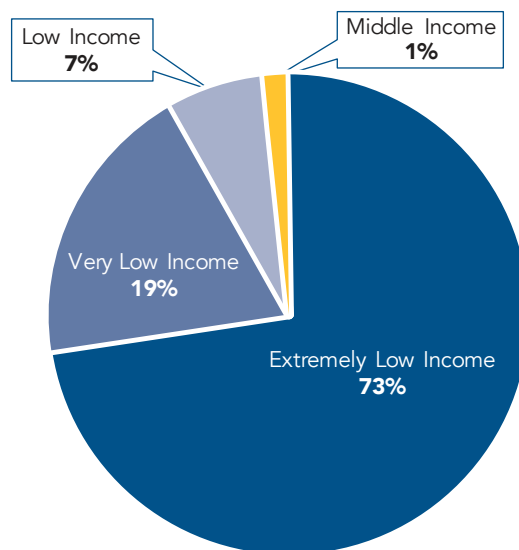
The country is in the grips of a pervasive affordable housing crisis impacting rural, suburban and urban communities alike. While the affordable housing crisis has many dimensions, the fundamental problem is the mismatch between what people earn or otherwise have available to spend for their homes and what housing costs. Rents have risen faster than renters' incomes over the last two decades,<sup>1</sup> and while more low-income people are renting their homes than ever before, the supply of affordable housing and rental assistance has not kept pace.<sup>2</sup> As a result, record-breaking numbers of households cannot afford a decent place to call home.<sup>3</sup>

The greatest need for affordable housing—on the local, state, and national level—is concentrated among extremely low-income renters who earn no more than the federal poverty rate or 30% of the area median income (AMI). NLIHC's recent report, *The Gap: A Shortage of Affordable Homes*, found a shortage of 7.2 million affordable and available rental homes for the nation's 11.2 million extremely low-income renters. In other words, fewer than four affordable and available rental homes exist for every 10 of the lowest-income renter households nationwide.

Every state and every congressional district is impacted. The shortage ranges from least severe to most severe, but no congressional district or state has an adequate supply of rental homes affordable and available to its lowest-income residents.<sup>4</sup> Unless we increase investments in affordable housing to keep up with the need, these challenges will only worsen as demand for rental housing grows over the next decade.<sup>5</sup>

Because of the shortage of affordable and available homes, 11 million renter households are severely housing cost-burdened, paying more than half of their incomes towards housing. Almost eight million, or nearly three-quarters of these households, are extremely low-income (see Figure 1).<sup>6</sup>

FIGURE 1: RENTER SEVERE COST BURDENS, 2016



Note: Extremely low income = household income less than poverty guideline or 30% of area median income (AMI), whichever is higher; very low income = ELI to 50% of AMI; low income = 51% to 80% of AMI; middle income = 81% to 100% of AMI. Above median income households excluded. Source: NLIHC tabulation of 2016 ACS PUMS.

1 Joint Center for Housing Studies of Harvard University. 2018. *The State of the Nation's Housing*. Cambridge, MA

2 Ibid.

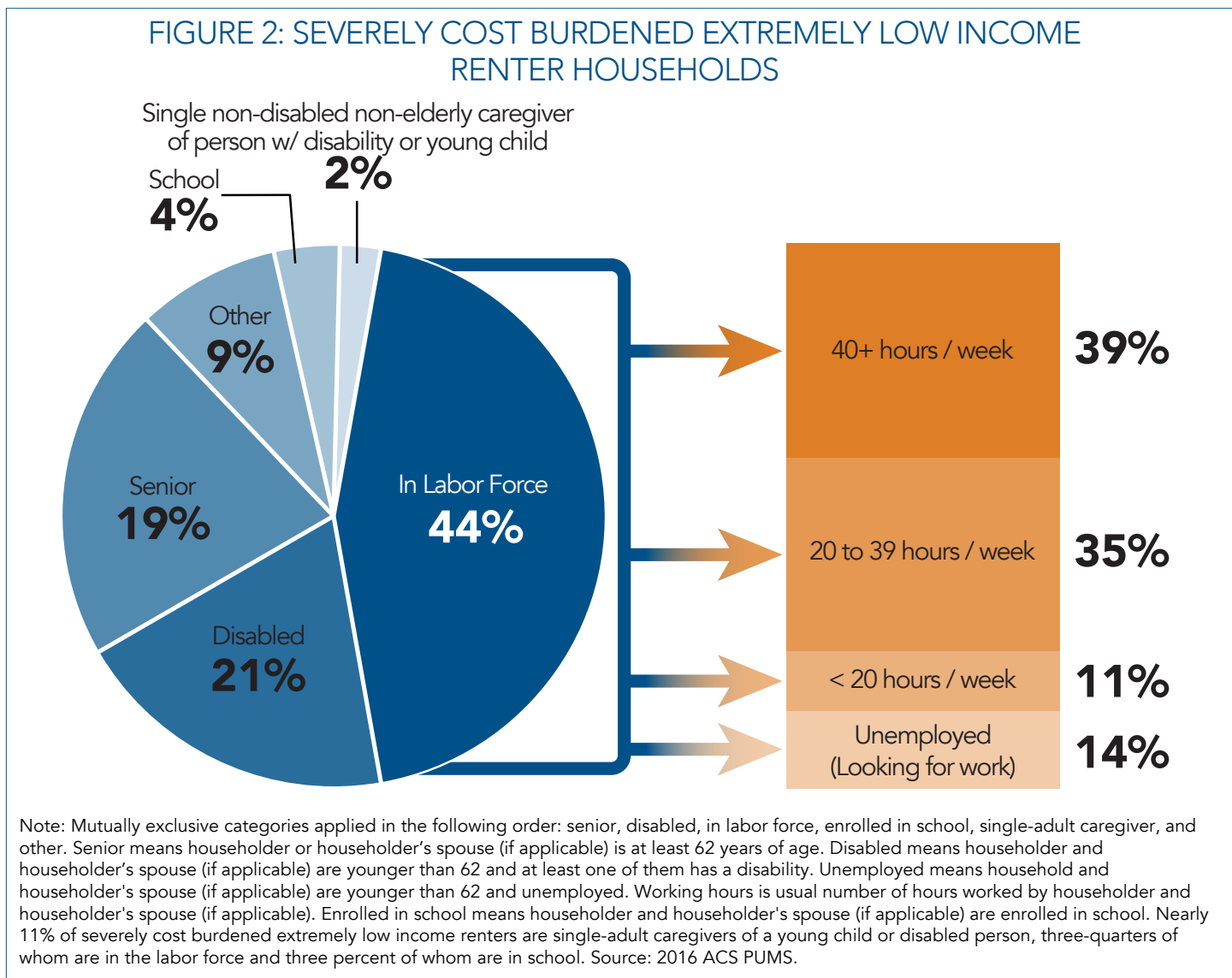
3 According to HUD programs, households spending more than 30% of income for these housing costs are considered to be "cost-burdened." Households spending more than 50% are considered to be "severely cost-burdened."

4 U.S. Department of Housing and Urban Development. 2018. CHAS Data, 2011-2015

5 [https://www.washingtonpost.com/news/in-theory/wp/2016/10/11/better-housing-policy-could-save-us-all-money-why-are-we-ignoring-it/?utm\\_term=.7baa41ec3cb9](https://www.washingtonpost.com/news/in-theory/wp/2016/10/11/better-housing-policy-could-save-us-all-money-why-are-we-ignoring-it/?utm_term=.7baa41ec3cb9)

6 National Low Income Housing Coalition. 2018. *The Gap: A Shortage of Affordable Homes*. Washington, DC.

The majority (84%) of all severely housing cost-burdened extremely low-income households are seniors, people with disabilities, or individuals in the labor force. Many others are enrolled in school or are single adults caring for a child or a person with a disability (see Figure 2).<sup>7</sup>



With more than half of their limited incomes going to housing, these families are forced to make impossible choices between paying rent and buying groceries or visiting their doctor. In the worst cases, these families become homeless.

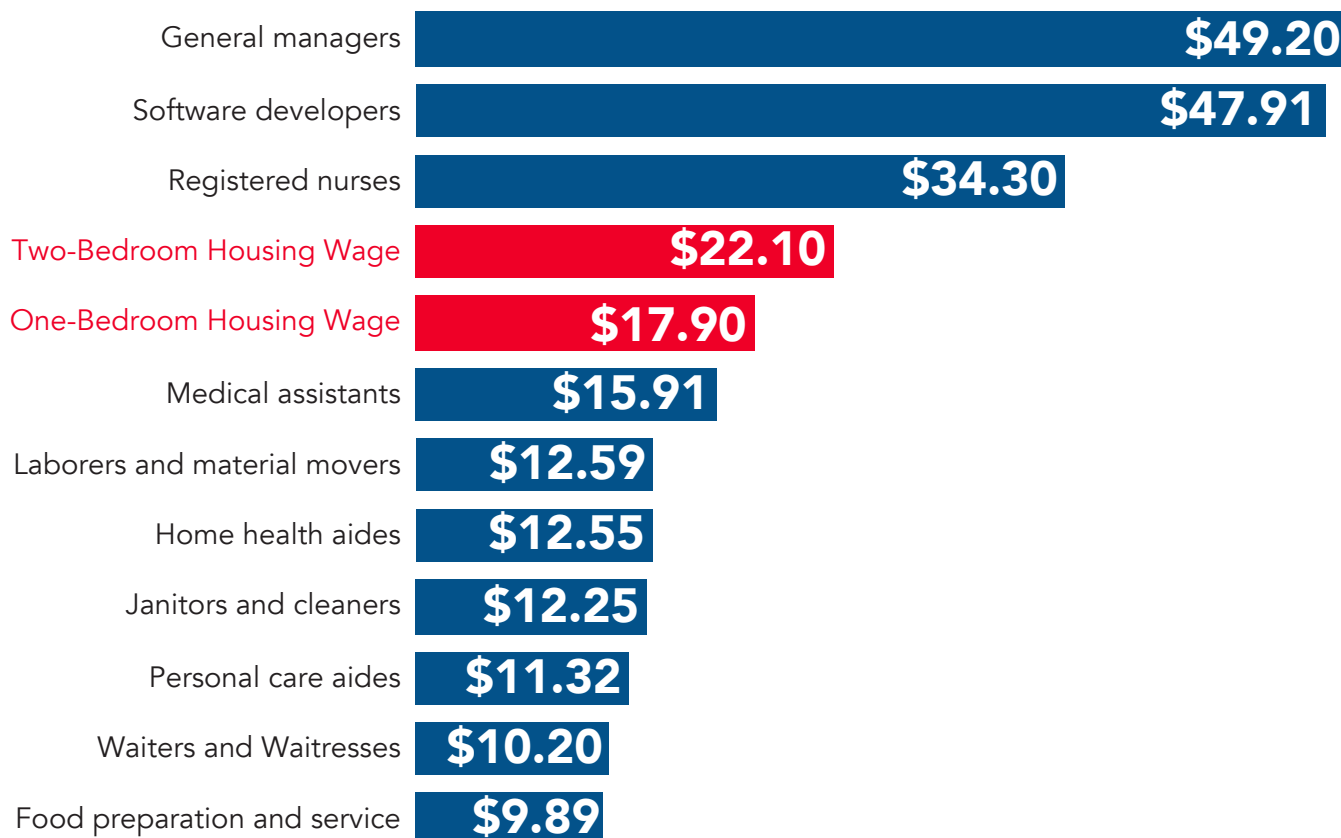
NLIHC's *Out of Reach* report shows the difference between wages and the price of housing in every state and county by estimating each locality's "housing wage," the hourly wage that a full-time worker needs to earn in order to afford a modest one- or two-bedroom apartment. In 2018, the national housing wage was \$22.10 per hour for a two-bedroom rental home and \$17.90 per hour for a one-bedroom apartment. A worker earning the federal minimum wage would need to work 122 hours a week – approximately three full-time jobs – to afford a modest, two-bedroom apartment and 99 hours a week – approximately 2.5 jobs – to afford a modest one-bedroom apartment. A full-time worker earning the minimum wage cannot afford a two-bedroom rental home at fair market rent in any state, metropolitan area, or county in the U.S. A full-time minimum-wage worker can afford a one-bedroom rental home at fair market rent in fewer than 1% of counties – in just 22 out of more than 3,000 counties nationwide.

7 Ibid

And it's not just minimum-wage workers for whom rents are out of reach: the average renter in the U.S. earns \$16.88 per hour, \$5.22 below the two-bedroom housing wage and \$1.02 below the one-bedroom housing wage. A full-time worker earning the average renter's wage can afford to rent a modest two-bedroom apartment at the fair market rent in just 11% of U.S. counties, and he or she can afford to rent a modest one-bedroom apartment in fewer than half of all U.S. counties.<sup>8</sup>

The mismatch between wages and housing costs will likely continue. Seven of the ten occupations projected to grow the most over the next decade provide a lower median wage than what is needed for a full-time worker to afford a modest one- or two-bedroom apartment (see Figure 3).<sup>9</sup>

**FIGURE 3: HOUSING WAGE AND MEDIAN WAGES FOR OCCUPATIONS WITH HIGHEST PROJECTED GROWTH**



Source: Housing wages are derived from HUD fair market rents. Employment projections from BLS Employment Projections Program. Occupational wages from May 2017 National Occupation Employment and Wage Estimates, Occupational Employment Statistics, BLS. Adjusted to 2018 dollars.

The public is looking to the White House and Congress for solutions. According to a How Housing Matters survey, 81% of Americans believe housing affordability is a problem in America, and 60% characterize affordability as a serious problem. Three out of four (76%) Americans believe it is important for federal elected officials to take action on housing affordability, and 63% believe the issue is not getting enough attention.<sup>10</sup>

8 National Low Income Housing Coalition. 2018. Out of Reach: the High Cost of Housing [data files]. See: <https://nlihc.org/oor>

9 National Low Income Housing Coalition. 2018. Out of Reach: The High Cost of Housing. Washington, DC: Author.

10 <http://howhousingmatters.org/articles/affordable-housing-investment-kids-future/>

## 1. IMPACT OF HOUSING INSTABILITY

Severe housing cost burdens can have negative consequences on one's physical and mental wellbeing. Severely housing cost-burdened families spend 75% less on healthcare and 40% less on food than similarly poor households who are not severely cost-burdened; and poor severely cost-burdened seniors spend 62% less on healthcare.<sup>11</sup> These households forgo healthy food or delay healthcare or medications to pay the rent.

Housing cost burdens make it more difficult for poor households to accumulate emergency savings. Without emergency savings, unexpected costs (such as car repairs, medical bills, etc.) or loss of income (such as reduced work hours) can cause households to fall behind on rent and face eviction. Data from the 2013 American Housing Survey (AHS) show that households in poverty with severe housing cost burdens are more likely to fall behind on rent payments and be threatened with eviction than poor households that are not severely cost-burdened.

Housing instability causes significant disruptions in critical services and economic stability. The lack of stable housing, for example, can disrupt the care given to chronically ill individuals, interrupt student learning, and decrease academic achievement.<sup>12</sup> Housing instability can also undermine economic stability by disrupting employment. The likelihood of job loss increases for working low-wage renters who lose their homes (primarily through eviction),<sup>13</sup> indicating that affordable housing and housing subsidies are foundational to employment and economic security.

## 2. IMPACT ON CHILDREN AND FAMILIES

Affordable housing is a long-term asset that helps families and children thrive. According to a How Housing Matters survey, 70% of Americans agree that "investing in affordable, quality housing is investing in kids and their future."<sup>14</sup>

Increasing the supply of affordable housing and rental assistance – especially in areas connected to good schools, well-paying jobs, healthcare, and transportation – helps families climb the economic ladder and leads to greater community development. In addition, children who live in a stable, affordable home have better health and educational outcomes, have greater access to economic opportunities, enjoy better mental and physical well-being, and benefit from stronger communities. Research shows that increasing access to affordable housing is the most cost-effective strategy for reducing childhood poverty in the United States.<sup>15</sup>

Groundbreaking research by economist Raj Chetty offers persuasive evidence of the impact of affordable housing on upward mobility for children. Using new tax data, Chetty and his colleagues assessed the long-term outcomes for children who moved at a younger age to lower-poverty neighborhoods. Chetty's study found that children who were younger than 13 when their family moved to lower-poverty neighborhoods saw adult earnings increase by approximately 31%, an increased likelihood of living in better neighborhoods as adults, and a lowered likelihood of becoming a single parent.

Other research shows that children living in stable, affordable homes are more likely to thrive in school and have greater opportunities to learn inside and outside the classroom. Children in low-income households that live in affordable housing score better on cognitive development tests than those in households with unaffordable rents.<sup>16</sup> Researchers suggest that that is partly because parents with affordable housing can invest more in activities and materials that support their children's development.<sup>17</sup>

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11 Joint Center for Housing Studies of Harvard University. 2017. *The State of the Nation's Housing*. Cambridge, MA

12 Maqbool, N., Viveiros, J., & Ault, M. 2015. *The Impacts of Affordable Housing on Health*. Washington, DC: National Housing Conference; Brennan, M., Reed, P., & Sturtevant, L. 2014. *The Impacts of Affordable Housing on Education*. Washington, DC: National Housing Conference.

13 Desmond, M. & Gershenson, C. 2016. Housing and Employment Instability among the Working Poor. *Social Problems*, 63(1): 46-67.

14 <http://howhousingmatters.org/articles/affordable-housing-investment-kids-future/>

15 <http://www.urban.org/research/publication/reducing-child-poverty-us>

16 <http://www.tandfonline.com/doi/abs/10.1080/10511482.2014.899261>

17 [https://www.macfound.org/media/files/Affordable\\_Housing\\_Child\\_Enrichment\\_Stronger\\_Cognitive\\_Development.pdf](https://www.macfound.org/media/files/Affordable_Housing_Child_Enrichment_Stronger_Cognitive_Development.pdf)

Having access to affordable housing allows the lowest-income families to devote more of their limited resources to other basic needs as well. Families paying large shares of their income for rent have less money to spend on food, health care, and other necessities than those with affordable rents.<sup>18</sup>

### 3. IMPACT ON THE ECONOMY AND JOB CREATION

Beyond the broad benefits to children and families, an investment in affordable housing for the lowest-income households bolsters productivity and economic growth. By connecting workers to communities with well-paying jobs, good schools, and transit, investments in affordable housing can spur local job creation and increase incomes. Investments in affordable housing boosts local economies and contributes to neighborhood and community development.

Research shows that the shortage of affordable housing in major metropolitan areas costs the American economy about \$2 trillion a year in lower wages and productivity. The lack of affordable housing prevents lower-income households from moving to communities with more economic opportunities. Without the burden of higher housing costs, these families would be better able to move to areas with growing local economies.

As a result, families have constrained opportunities to increase earnings, causing slower GDP growth. Researchers estimate that the growth in GDP between 1964 and 2009 would have been 13.5% higher if families had better access to affordable housing. Such growth would have led to a \$1.7 trillion increase in total income, or \$8,775 in additional wages per worker.<sup>19</sup>

Moreover, each dollar invested in affordable housing boosts local economies by leveraging public and private resources to generate income—including resident earnings and additional local tax revenue—and support job creation and retention. Building just 100 affordable rental homes generates \$11.7 million in local income, \$2.2 million in taxes and other revenue for local governments, and 161 local jobs in the first year alone.<sup>20</sup>

### 4. IMPACT ON INCOME AND RACIAL INEQUALITY

In *City and Metropolitan Inequality on the Rise, Driven by Declining Incomes*, a 2016 report by the Brookings Institution, researchers examined the relationship between income inequality and housing affordability.

In addition to finding that income inequality in the United States is higher than before the Great Recession, the authors found that housing is less affordable for low-income households in cities with higher levels of inequality. Their findings also suggest that housing markets in cities with high inequality are more responsive to the demand for rental housing for higher-income households and less responsive to the demand for housing affordable to lower-income households.<sup>21</sup>

People of color are disproportionately impacted by the housing affordability crisis. Households of color and foreign-born households account for half of renter households. Over the next decade, people of color will contribute virtually all the net increase in renters, with Latino households alone accounting for more than half of the total.<sup>22</sup>

By investing in affordable homes for the lowest-income people, our nation can lift up families with the greatest needs, help close the gap between rich and poor, and level the playing field for families of color.

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18 [http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/americas\\_rental\\_housing\\_2015\\_web.pdf](http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/americas_rental_housing_2015_web.pdf)

19 <http://faculty.chicagobooth.edu/chang-tai.hsieh/research/growth.pdf>

20 [https://www.nahb.org/~media/Sites/NAHB/Economic%20studies/1-REPORT\\_local\\_20150318115955.ashx?la=en](https://www.nahb.org/~media/Sites/NAHB/Economic%20studies/1-REPORT_local_20150318115955.ashx?la=en)

21 <https://www.brookings.edu/research/city-and-metropolitan-inequality-on-the-rise-driven-by-declining-incomes/>

22 [http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/jchs\\_americas\\_rental\\_housing\\_2013\\_1\\_0.pdf](http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/jchs_americas_rental_housing_2013_1_0.pdf)



## II. Solutions: 2019 NLIHC Policy Priorities

**N**LIHC works with members of Congress, the Administration, affordable housing and community development organizations and advocates, and other stakeholders across the nation to ensure that people with the greatest needs – including the lowest-income seniors, people with disabilities, families with children, people experiencing homelessness, and others – have a safe, affordable, and accessible place to call home.

Solutions to homelessness and housing poverty in America are encapsulated in NLIHC's policy priorities for 2019:

- Protecting, expanding and monitoring the implementation of the national Housing Trust Fund;
- Preserving and increasing resources for federal affordable housing programs serving extremely low-income families;
- Ensuring federal disaster recovery efforts are fair and equitable;
- Promoting equitable access to affordable housing; and
- Championing anti-poverty solutions.

### 1. PROTECT AND EXPAND THE NATIONAL HOUSING TRUST FUND (HTF)

The national HTF is the first new federal housing resource in a generation exclusively targeted to build and preserve housing affordable to people with the lowest incomes. NLIHC led a national coalition that played a critical role in its creation. The HTF was signed into law by President George W. Bush in 2008. After a temporary suspension in funding in the years that followed, the first \$174 million in HTF dollars were allocated to states in 2016, followed by \$219 million in 2017 and \$267 million in 2018. Because the HTF is administered as a block grant, each state has the flexibility to decide how to best use HTF resources to address its most pressing housing needs. Most states have chosen to use their HTF investments to build, rehabilitate, or preserve affordable rental housing for extremely low-income veterans, seniors, people with disabilities or special needs, and people experiencing homelessness.

The primary purpose of the HTF is to close the gap between the number of extremely low-income renter households and the number of homes renting at prices they can afford. The statute requires that at least 90% of the funds be used for the production, preservation, rehabilitation, or operation of rental housing. Up to 10% may be used for homeownership activities for first-time homebuyers: production, preservation, and rehabilitation; down payment, closing cost, and interest-rate buy-down assistance.

The HTF is the most deeply income-targeted federal rental housing capital and homeownership program. By law, at least 75% of HTF dollars used to support rental housing must serve extremely low-income (ELI) households earning no more than the federal poverty limit or 30% of the area median income (AMI), whichever is greater. All HTF dollars must benefit households with very low incomes earning no more than 50% of AMI. By comparison, most other federal housing programs can serve families up to 80% of AMI.

While still new, the HTF program is allowing local communities to build much-needed rental housing for some of the country's most vulnerable families. NLIHC's recent [analysis](#) of how states have started using the

The primary purpose of the HTF is to close the gap between the number of extremely low-income renter households and the number of homes renting at prices they can afford.

\$174 million HTF available in 2016 finds that 43 states have awarded HTF funds to 138 projects with over 1,500 HTF-assisted homes.<sup>23</sup> These rental homes house people previously experiencing homelessness, survivors of domestic violence, people with disabilities, seniors, veterans, people with traumatic brain injuries, and other extremely low-income people.

Currently, the HTF is funded with dedicated sources of revenue outside of the appropriations process. The initial source of funding designated in the statute is an annual assessment of 4.2 basis points (0.042%) of the volume of business of Freddie Mac and Fannie Mae, 65% of which goes to the HTF. The statute also provides that the HTF can be funded by other sources of revenue Congress may designate in the future. However, the HTF should be funded with dedicated revenues generated *outside of the appropriations process* so it does not compete with existing HUD programs.

NLIHC looks forward to working with the 116th Congress to identify sources of funding to significantly expand investments in the HTF through a comprehensive infrastructure package and housing finance reform.

NLIHC supports the “American Housing and Economic Mobility Act” introduced by Senator Elizabeth Warren (D-MA) and Representatives Cedric Richmond (D-LA), Gwen Moore (D-WI), Barbara Lee (D-CA), and Elijah Cummings (D-MD). If enacted, this ambitious proposal would help end housing poverty and homelessness in America by directly addressing the underlying cause of the affordable housing crisis – the severe shortage of affordable rental homes for people with the lowest incomes – through a robust investment of nearly \$45 billion annually in the national Housing Trust Fund. The bill also creates new incentives for local governments to reduce barriers that drive up the cost of housing, thereby encouraging the private sector to do more to address the housing needs of the middle class. To learn more about the American Housing and Economic Mobility Act, see NLIHC’s [factsheet](#) and [press release](#) on the bill.



NLIHC supports the “Ending Homelessness Act,” introduced by Representative Maxine Waters (D-WA). The bill proposes to invest more than \$13 billion over five years to address the shortage of affordable housing and to combat homelessness. The bill would provide \$1 billion annually to the national Housing Trust Fund and \$50 million each year for rental assistance to be used in conjunction with HTF housing. This investment would result in the creation of more than 410,000 new rental homes affordable to the lowest income households.

## 2. PRESERVE AND INCREASE RESOURCES FOR FEDERAL AFFORDABLE HOUSING PROGRAMS

### Increasing Federal Appropriations for Affordable Housing

To fully address our nation’s housing affordability crisis, Congress must significantly increase appropriated resources for federal housing programs.

The shortage of affordable rental homes is caused by market failure and chronic underfunding of

<sup>23</sup> National Low Income Housing Coalition. 2018. Getting Started: First Homes Being Built with 2016 National Housing Trust Fund Awards. Washington, DC: Author. See: <https://bit.ly/2pPj9YT>

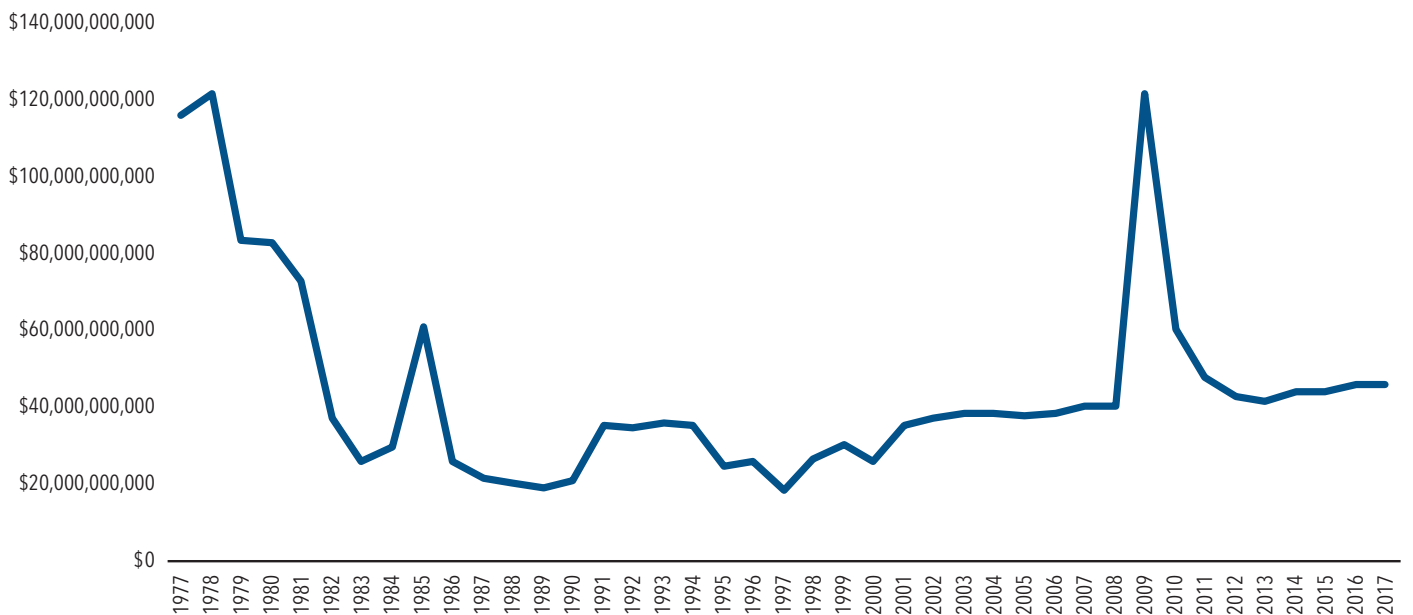
solutions. Without government intervention, decent and affordable homes cannot be reliably built, operated, and maintained at a price that the very lowest-income workers, seniors, or people with disabilities can afford. The private market cannot on its own solve this persistent market failure. Government intervention in the form of subsidies is necessary to fill the gaps between what people can afford to pay and the costs of developing and operating rental homes.

Today's modern phenomenon of homelessness did not exist in the late-1970s because our country housed almost everyone, including the lowest-income and most vulnerable families. At that time, our country had a modest surplus of homes affordable and available to the lowest-income people. The primary difference between then and now: federal investment.

Despite a proven track record, federal housing programs have been chronically underfunded. Adjusting for inflation, the federal budget authority for housing assistance programs in the 1970s was nearly three times more than it is today,<sup>24</sup> despite the significant growth in the number of low-income renters eligible for housing assistance (see Figure 4).<sup>25</sup> Today, just one in four families eligible for federal housing assistance gets the help it needs.

Government intervention in the form of subsidies is necessary to fill the gaps between what people can afford to pay and the costs of developing and operating rental homes.

FIGURE 4: FEDERAL BUDGET AUTHORITY FOR HOUSING ASSISTANCE (1977-2017)

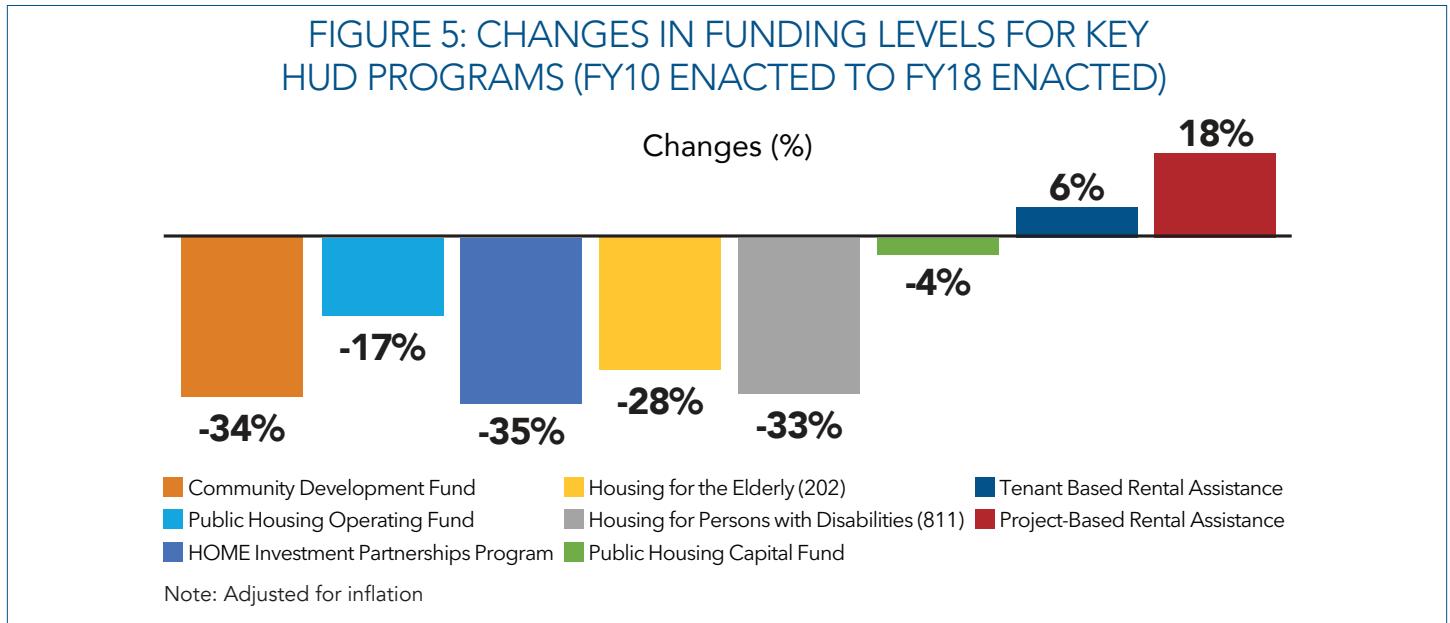


Note: Adjusted to constant 2017 dollars using CPI-U. The 2009 American Recovery and Reinvestment Act included a major one-time increase for housing assistance. Source: OMB Historical Table 5.1 - Budget Authority by Function and Subfunction

24 Office of Management and Budget. 2018. Historical Table 5.1 - Budget authority by function and subfunction {data file}.

25 Joint Center for Housing Studies of Harvard University. 2018. The State of the Nation's Housing. Cambridge, MA: Author.

The Department of Housing and Urban Development’s (HUD) budget has declined dramatically over the last ten years since the Budget Control Act (BCA) was enacted. Inflation-adjusted federal funding for public housing, housing for the elderly, housing for persons with disabilities, and other important programs has fallen precipitously since fiscal year 2010. Only tenant-based and project-based rental assistance program funding has modestly increased to keep up with the rising operating cost for previously authorized assistance (see Figure 5).



By squeezing federal budgets, the spending caps required by the “Budget Control Act” have only made it more difficult for extremely low-income seniors, people with disabilities, families with children, and people experiencing homelessness to access safe, decent, and affordable housing.

NLIHC leads the [Campaign for Housing and Community Development Funding](#) (CHCDF), a coalition of 75 national organizations dedicated to ensuring the highest allocation of resources possible to support affordable housing and community development. In 2019, CHCDF will work with Congress to lift the low spending caps and prevent across-the-board funding cuts known as sequestration.

NLIHC supports the “A Better Deal for Public Housing” proposal, announced by Senator Ed Markey (D-MA) and Representatives Hakeem Jeffries (D-NY) and Stephen Lynch (D-MA) as part of the *Our Homes, Our Voices* National Housing Week of Action in 2018. The proposal would reinvest in America’s public housing developments and offer solutions to empower residents, while fostering safer neighborhoods and creating economic opportunities. To learn more, see [NLIHC’s press release](#) on the comprehensive proposal.



NLIHC supports the “Task Force on the Impact of the Affordable Housing Crisis Act” introduced in the 115<sup>th</sup> Congress by Senators Todd Young (R-IN), Maria Cantwell (D-WA), and Angus King (I-ME), along with Senators Dean Heller (R-NV), Tim Kaine (D-VA), Doug Jones (D-AL), Cory Gardner (R-CO), Marco Rubio (R-FL), and Chris Coons (D-DE). If enacted, the legislation would create a bipartisan task force to study the impact of America’s affordable housing crisis and provide recommendations to Congress on how to increase affordable housing options to improve the effectiveness of other federal programs.

## Opposing Efforts to Cut Housing Benefits

NLIHC opposes efforts to cut housing benefits by imposing arbitrary work requirements, time limits, and other restrictions. NLIHC also opposes proposals that deter eligible low-income immigrant families from seeking housing assistance or that force immigrant families currently receiving housing benefits to forego that assistance.

Taking away housing assistance from low-income families would leave even more seniors, people with disabilities, veterans, children, and other vulnerable populations without stable homes, making it harder for them to climb the economic ladder and live with dignity. This could lead to increased evictions, and in worst cases, homelessness.

A safe and stable place to call home is the first step to helping people rise out of poverty, and arbitrary restrictions that prevent people from receiving the help they need are neither cost effective nor a solution to the very real issue of poverty impacting millions of families living in subsidized housing or in need.

Congress should reject any proposal to take away housing benefits and instead enact proven solutions to help struggling families earn more and get ahead. This starts with expanding – not slashing – investments in affordable homes, job training, education, childcare, and other policies to help families thrive.

## Expanding and Reforming Housing Resources in the Tax Code

NLIHC supports the creation of a new, deeply income-targeted renters' tax credit to help make housing affordable for America's lowest-income families. Our nation has long provided mortgage tax relief for higher income homeowners, most of whom would be stably housed without assistance. A renters' tax credit that could help ensure that the lowest-income households are able to afford a safe, decent home is long overdue.

Innovative proposals to establish a renters' tax credit offer a promising opportunity to address the affordable housing challenges of the many of the lowest-income households who go without assistance. Any renters' tax credit enacted by Congress, however, should be tailored to primarily benefit families with the lowest incomes and ensure that these households do not pay more than 30% of their incomes on housing.

A renters' tax credit could complement the existing Low Income Housing Tax Credit – which works well as a subsidy for affordable housing development, but is rarely sufficient on its own to push rents down to levels poor families can pay – and rental assistance programs such as Housing Choice Vouchers – which are highly effective, but meet only a modest share of the need.

A safe and stable place to call home is the first step to helping people rise out of poverty, and arbitrary restrictions that prevent people from receiving the help they need are neither cost effective nor a solution to the very real issue of poverty impacting millions of families living in subsidized housing or in need.



NLIHC supports the creation of a deeply targeted renters' tax credit that could make housing affordable for millions of the lowest income people.

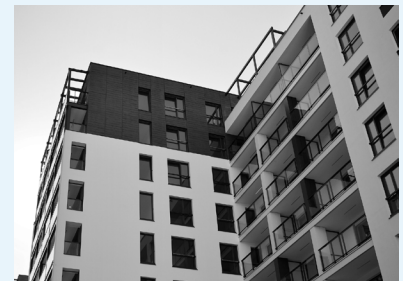
Introduced in the 115th Congress, the "Rent Relief Act" and "Housing, Opportunity, Mobility, and Equity (HOME) Act" would provide refundable tax credits to housing cost-burdened households. The "Rent Relief Act" was introduced by Senators Kamala Harris (D-CA), Dianne Feinstein (D-CA), Richard Blumenthal (D-CT), and Maggie Hassan (D-NH) and Representative Scott Peters (D-CA). The "HOME" Act was introduced by Senator Cory Booker (D-NJ) and Representative James Clyburn (D-SC).



If enacted, these bold proposals would make it possible for millions of the lowest-income people to afford to keep roofs over their heads by addressing the widening gap between incomes and housing costs. The HOME Act would also require local governments to address regulatory and zoning barriers that drive up housing costs for the middle class. To learn more, see NLIHC's [chart comparing the renter credit proposals](#) and [press release](#).

The Low Income Housing Tax Credit program is the primary source of financing for new affordable housing, having developed or preserved nearly three million affordable apartments over the last three decades. While the Housing Credit is a critical resource, it is important for Congress to improve the program so that it can better serve families with the greatest, clearest needs - homeless individuals and families and extremely low-income seniors, families with children, people with disabilities, and Native American and rural communities. Any expansion of the Low Income Housing Tax Credit should be paired with needed reforms to increase the program's ability to serve extremely low-income renters and encourage development in challenging markets, like rural communities and tribal lands.

NLIHC supports the "Affordable Housing Credit Improvement Act" led by Senators Orrin Hatch (R-UT) and Maria Cantwell (D-WA) and Representatives Carlos Curbelo (R-FL) and Richard Neal (D-MA) in the 115th Congress. In the 116th Congress, new original cosponsors are expected to reintroduce the legislation. The Senate bill would expand the Housing Credit by 50% over five years, and both bills would make important reforms to enable deeper income targeting in the program. To learn more, see NLIHC's [factsheet](#) on the bill.



NLIHC opposes efforts to divert scarce federal resources to address the limited housing challenges faced by higher-income households, as such efforts would be wasteful and misguided.

## Increasing Safe, Decent Housing in Tribal and Rural Areas

Native Americans living in tribal areas have some of the worst housing needs in the United States, with exceptionally high poverty rates, low incomes, overcrowding, lack of plumbing and heat, and unique barriers to development. Despite the pressing need for safe, decent homes, federal investments in affordable housing on tribal lands have been chronically underfunded for decades.

In 2019, NLIHC will work with Congressional champions, tribal leaders, and advocates to increase housing resources for tribal nations with the greatest needs, improve data collection on tribal housing needs, and reduce federal barriers to housing development. Specifically, Congress should reauthorize the Native American Housing and Self-Determination Act (NAHASDA) and provide additional competitive funding targeted for tribes with the greatest housing needs.

NLIHC will also work to preserve and expand affordable housing available in rural areas by supporting funding for USDA Rural Development programs and efforts to preserve the agency's rental housing portfolio.

## National Housing Stabilization Fund

As NLIHC and its partners work to assist people who are already homeless or at risk due to housing instability, we must also act to minimize the number of people who fall into these perilous situations.

To this end, NLIHC and our Opportunity Starts at Home campaign advocates for the creation of a National Housing Stabilization Fund to provide emergency assistance to poor households to prevent housing instability and homelessness. Temporary assistance can stabilize households experiencing major economic shocks before they leads to situations requiring more prolonged and extensive housing assistance. In today's America, countless households are one crisis away from major economic hardship that could quickly spiral out of control (e.g., a broken-down car, an overdue bill, or job loss).

The *Opportunity Starts at Home* campaign calls for the creation of a new National Housing Stabilization Fund. This innovative program would provide financial assistance to cover the gaps between income and rental costs during a financial crisis, as well as housing stability services, like the provision of counselors and legal aid. When combined, short-term housing assistance and support services can significantly reduce evictions and homelessness, but such aid is not currently available at the scale needed.



*Opportunity Starts at Home* is a multi-sector, national campaign created by NLIHC, Center on Budget and Policy Priorities, Children's HealthWatch, and the National Alliance to End Homelessness. The steering committee, chaired by NLIHC, includes Catholic Charities USA, Children's Defense Fund, Community Catalyst, Food Research and Action Center, NAACP, National Alliance on Mental Illness, National Association of Community Health Centers, National Association of Social Workers, National Education Association, National League of Cities, and UnidosUS. To learn more about the Opportunity Starts at Home campaign and its goals, visit [www.opportunityhome.org](http://www.opportunityhome.org).

## 3. ENSURE FEDERAL DISASTER RECOVERY EFFORTS ARE FAIR AND EQUITABLE

One of the top priorities after a disaster is making sure that all displaced families have safe, accessible, and affordable places to live while they get back on their feet. After each of the last major disasters, however, the Trump administration has failed to address survivors' most basic need: a safe, stable, affordable home.

The Federal Emergency Management Agency (FEMA) is far too slow in providing temporary housing, resulting in thousands of families sleeping in crowded shelters, the hallways of damaged and moldy apartment buildings, and cars. After each disaster, FEMA refused to activate proven housing solutions, like the [Disaster Housing Assistance Program](#) (DHAP), which provides stable homes to the most vulnerable

survivors. DHAP was deployed successfully by administrations of both parties after previous storms, from Hurricane Katrina to Superstorm Sandy. The agency's Transitional Shelter Assistance motel program is unusable for many low-income survivors, and FEMA consistently creates barriers that prevent low-income people from receiving assistance.

NLIHC supports the "Housing Victims of Major Disasters Act" introduced by Senators Elizabeth Warren (D-MA), Edward Markey (D-MA), Richard Blumenthal (D-CT), Jeff Merkley (D-OR), Dick Durbin (D-IL), Bernie Sanders (I-VT), Kirsten Gillibrand (D-NY), and Kamala Harris (D-CA) and Representative Adriano Espaillat (D-NY) and 16 other original House cosponsors. NLIHC also supports the "Disaster Housing Assistance Program Accountability Act" introduced by Rep. Dina Titus (D-NV).

These bills would require FEMA to activate the [Disaster Housing Assistance Program](#) to provide temporary rental assistance and wrap-around services to those displaced by disasters.

NLIHC supports the "Reforming Disaster Recovery Act" introduced by Representatives Ann Wagner (R-MO) and Al Green (D-TX). The bill permanently authorizes the federal government's primary long-term disaster rebuilding program, the Community Development Block Grant-Disaster Recovery program, which provides states and communities with the flexible resources needed to rebuild affordable housing and infrastructure after a disaster. The bill also establishes important safeguards and tools to ensure that federal disaster recovery and rebuilding efforts reach all impacted households. For more details, see [NLIHC's factsheet on the Reforming Disaster Recovery Act](#).



The next Congress must do what the 115th Congress did not: hold the administration accountable and ensure that low-income disaster survivors are provided with stable, affordable homes so they can recover. We strongly urge Congress to hold oversight hearing on FEMA's failures to address the housing needs of the lowest-income people and how to reform our nation's disaster-response efforts.

NLIHC leads the Disaster Housing Recovery Coalition of more than 800 national, state, and local organizations, including many working directly with disaster-impacted communities and with first-hand experience recovering after disasters. We work to ensure that federal disaster recovery efforts reach all impacted households, including the lowest-income seniors, people with disabilities, families with children, veterans, people experiencing homelessness, and other at-risk populations who are often the hardest-hit by disasters and have the fewest resources to recover. The coalition also works to advance a comprehensive set of recommendations for [Congress](#), [FEMA](#), and [HUD](#). Read the DHRC's [top priorities for the next disaster supplemental funding bill](#).

## 4. PROMOTE EQUITABLE ACCESS TO AFFORDABLE HOUSING

NLIHC believes in just communities, where all community members have access to economic and educational opportunities, as well as affordable housing. Evidence shows that access to stable, affordable homes in communities of opportunity has broad, positive impacts. It can lead to better health and education outcomes and higher lifetime earnings, especially for children.



## Advancing Fair Housing

2018 marked the 50th anniversary of the enactment of the Fair Housing Act, barring housing discrimination based on race, color, religion, sex, familial status, national origin, or disability and requiring communities take active steps to end racial segregation. NLIHC supports HUD's Affirmatively Furthering Fair Housing (AFFH) rule issued in 2015 that helps communities better meet their fair housing obligations and promotes housing choice. NLIHC will continue to work to counter the current administration's efforts to weaken fair housing policies.

NLIHC also supports expanding the Fair Housing Act to bar discrimination based on sexual orientation, gender identity, marital status, and source of income (e.g., housing vouchers).

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NLIHC supports the "Fair Housing Improvement Act" introduced by Senators Tim Kaine (D-VA) and Orrin Hatch (D-UT) in the 115th Congress. If enacted, the bill would protect veterans and low-income families from housing discrimination by expanding the Fair Housing Act to prohibit housing discrimination based on source of income or veteran status.

NLIHC also supports the "Fair and Equal Housing Act," introduced by Senator Kaine (D-VA) and 14 original cosponsors, which would prohibit housing discrimination based on sexual orientation and gender identity. Such protections give more people access to affordable housing and economic mobility.

NLIHC urges Congress to enact the "Restoring Fair Housing Protections Eliminated by HUD Act," offered by Representative Maxine Waters (D-CA). The proposal to enforce fair housing rights was crafted in response to efforts by the Trump administration to scale back fair housing protections.



## Access to Areas of Opportunity

NLIHC strongly believes champions of fair housing and civil rights advocates and of affordable housing and community development can find common ground on policies that increase opportunities for underserved people in both high-opportunity areas *and* through revitalizing urban neighborhoods. NLIHC supports increasing mobility opportunities through new allocations of special mobility vouchers, expanded mobility counseling and regional mobility programs, as well as the continued implementation of HUD Small Area Fair Market Rents (SAFMRs) in certain metropolitan areas that protect current and future tenants.

NLIHC supports the “Housing Choice Voucher Mobility Demonstration Act” introduced by Senators Todd Young (R-IN) and Chris Van Hollen (D-MD) in the Senate and Representatives Sean Duffy (R-WI) and Emanuel Cleaver (D-MO) in the House. If enacted, the bill would encourage local housing agencies to form regional collaboratives to reduce the barriers families currently face when using Housing Choice Vouchers to move to higher-opportunity areas. Research has shown that moving out of areas of concentrated poverty into neighborhoods with better schools, more employment opportunities, more robust community resources, and less crime improves health and economic outcomes, particularly for families with young children.



## Achieving Housing Justice Through Criminal Justice Reform

The United States incarcerates its citizens at a shockingly high rate, and nearly one in three Americans has a criminal record. As more formerly incarcerated individuals return to their communities, they face barriers to accessing affordable housing, which is already scarce in the low-income communities to which they return. Because of their criminal records, justice-involved individuals face additional barriers in accessing affordable housing, putting them at risk of homelessness and recidivism.

NLIHC advocates for safe, stable, affordable and accessible housing for those who have been involved in the criminal or juvenile justice system. By eliminating the barriers to housing and supporting programs that help formerly incarcerated people successfully reintegrate into their communities, people with criminal records can make the most of their second chance.

NLIHC supports the “Fair Chance at Housing Act” introduced by Representative Maxine Waters (D-CA) to help ensure people with criminal records have access to affordable housing. The proposal would reform the ways in which public housing authorities and owners of federally-assisted housing screen out applicants or evict tenants based on their involvement with the criminal justice system. Currently, too many housing providers across the nation rely on criminal histories to deny housing to justice-involved individuals.



In addition, NLIHC advocates to end the criminalization of homelessness. Nationwide, homeless people are targeted, arrested, and jailed under laws that criminalize homelessness by making illegal those basic acts that are necessary for life. These laws are ineffective, expensive, and often violate homeless persons’ civil and human rights.

## 5. CHAMPION ANTI-POVERTY SOLUTIONS

Beyond ensuring access to affordable housing, Congress should pass other legislation to increase and protect resources that alleviate poverty. NLIHC supports efforts to protect vital safety net programs, including the Supplemental Nutrition Assistance Program (SNAP), Earned Income Tax Credit (EITC), unemployment insurance, Social Security, Medicaid, Medicare, the Children’s Health Insurance Program (CHIP), the Affordable Care Act, Supplemental Security Income (SSI), Social Security Disability Income (SSDI), and Temporary Assistance for Needy Families (TANF). Moreover, NLIHC supports efforts to increase the minimum wage and to target federal resources to communities with persistent poverty.

### III. Legislative Opportunities To Increase Affordable Housing Resources For Families with the Greatest Needs

In the 116<sup>th</sup> Congress, there will be several major legislative opportunities to expand much-needed affordable housing resources: (1) a large-scale investment in infrastructure; (2) increased spending through negotiations to raise spending caps; and (3) comprehensive reform of the housing finance system, including Fannie Mae and Freddie Mac.

#### 1. INFRASTRUCTURE INVESTMENT

Policymakers from both sides of the aisle agree that a large-scale investment in infrastructure should be a top priority for Congress. To maximize this investment's impact on long-term economic growth, any infrastructure package should include resources to increase the supply of affordable housing for families with the lowest incomes.

Investing in affordable housing infrastructure – through new construction and preservation – will bolster productivity and economic growth, provide long-term assets that connect low-income families to communities of opportunity, support local job creation and increased incomes, and create inclusive communities.

The connection between affordable housing and infrastructure is clear: like roads and bridges, affordable housing is a long-term asset that helps communities and families thrive. Without access to affordable housing, investments in transportation and infrastructure will fall short of creating vibrant communities. Increasing the supply of affordable housing – especially in areas connected to good schools, well-paying jobs, healthcare, and transportation – helps families climb the economic ladder and leads to greater community development.

Housing infrastructure investments can also help create more inclusive communities. Historically, federal transportation infrastructure policies reinforced racial segregation by allowing the construction of highways and railroads to separate communities, contain their expansion, and physically isolate them from economic opportunity and community resources. By investing in affordable housing and transportation infrastructure in a manner that is equitable for everyone, we can create more robust, stable local economies that harness the resources of historically disadvantaged communities.

NLIHC urges Congress to make a comprehensive investment in housing infrastructure, including:

- An expansion of the national **Housing Trust Fund**, a new tool exclusively focused on increasing the supply of affordable homes for those with the greatest needs (\$5 billion in 1st year; \$3.5 billion annually); and
- Resources to rehabilitate **public housing** stock to preserve this asset for current tenants and future generations (\$15 billion in 1st year; \$3 billion annually).



#### 2. AGREEMENT TO LIFT SPENDING CAPS

In 2019, Congress will face a legislative hurdle that directly impacts federal spending on affordable housing: sequestration. When the *Budget Control Act* was signed into law in 2011, it set in motion very low spending caps, limiting federal funding for defense and non-defense discretionary programs. Since then, Congress

has reached short-term agreements to increase spending above the caps and avoid sequestration – or across-the-board spending cuts that are triggered when Congress spends more than the caps allow.

Most recently, in the spring of 2018, Congress reached a two-year agreement to increase the spending caps for Fiscal Years (FYs) 2018 and 2019 and to suspend the debt ceiling through March 2019. Low spending caps are slated to return for FY 2020 unless Congress acts again.

An agreement to increase federal discretionary spending provides an opportunity to increase investments in HUD programs, including housing vouchers, homelessness assistance programs, public housing, and others.

NLIHC urges Congress to:

- Lift spending caps equally for defense and domestic programs;
- Set aside specific investments in housing programs in any agreement to increase the spending caps;
- Ensure that the Transportation, Housing and Urban Development Subcommittee and the Agriculture Subcommittee, which funds USDA's rental assistance program, receive robust 302(b) allocations and that housing and community development programs receive the highest possible funding levels.



### 3. HOUSING FINANCE LEGISLATION

Decent, affordable homes for both renters and homeowners is the foundation for social and economic security for American families, yet our country's housing finance system fails to ensure enough affordable homes for the country's lowest-income people. Comprehensive reform to the housing finance system presents an opportunity to address this serious shortcoming. In creating a system that serves all communities and all housing needs, policymakers can structure our housing finance system to achieve the housing goal that Congress established in 1949: "a decent home and a suitable living environment for every American family."

When the Housing Trust Fund was created, lawmakers agreed that requiring Fannie Mae and Freddie Mac to set aside funds for the Housing Trust Fund was part of the government sponsored entities' (GSEs') missions and responsibilities included in their charters. Funding the Housing Trust Fund allows the GSEs to support housing that extremely low-income renters can afford - activity that is not possible through any of their business products. The initial source of funding for the Housing Trust Fund is a small annual assessment of 4.2 basis points of the GSE's total volume of business. Sixty-five percent of this affordable housing allocation goes to the Housing Trust Fund and 35% to the Capital Magnet Fund.

Any effort to reform the country's housing finance system must significantly expand investments in the Housing Trust Fund as part of a broader commitment to access and affordability throughout the housing market.

NLIHC recommends that any housing finance reform legislation:

- Provide a minimum of \$3.5 billion to the Housing Trust Fund annually, as included in past major legislative proposals;
- Expand the current assessment on the GSEs to 10 basis points or higher to address pressing housing challenges that cannot be met by their regular course of business;
- Ensure that dedicated housing funds do not compete with appropriated housing programs; and
- Expand the Housing Trust Fund and Capital Magnet Fund as part of a broader commitment to ensuring access and affordability throughout the housing market.



## FOR MORE INFORMATION

**For further information regarding this report, please contact Sarah Mickelson, NLIHC Senior Director of Public Policy, [smickelson@nlihc.org](mailto:smickelson@nlihc.org)**



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