



## Affordable Housing Issues

### Background

- Housing in the United States is increasingly unaffordable, especially to households with the lowest incomes, due to the cost of housing rising faster than wages and household incomes.
- Historic levels of housing underproduction and the lack of federal investment have led to millions of homes missing from the market; historically high interest rates have made housing financing unaffordable for many and have further slowed housing production; a shortfall of hundreds of thousands of workers constrains the ability to get new homes on the market.
- Taken together, these conditions represent a market failure resulting in shortages of homes affordable to those at the lowest end of the income spectrum, and government red tape only slows down the homebuilding process.
- **Due to a lack of homes, lack of workers to build them, barriers to financing, inequitable policies, barriers to permitting new homes and allowing refurbishment, and lack of information available to policymakers, housing has become even more unaffordable.**

### Steps the Biden Administration and Congress Have Taken

- Worked to pass the Bipartisan Infrastructure Law that contained:
  - A \$55 billion investment in upgrading drinking water and wastewater system needs, including \$15 billion to replace lead pipes.
  - \$3.5 billion for the Weatherization Assistance Program to improve energy efficiency in and reduce costs for low-income households.
  - \$1 billion for the Reconnecting Communities Pilot program focused on addressing transportation infrastructure that has historically divided communities.
  - Expanded federal financing for transit-oriented affordable housing.
- Worked to secure a record \$12.3 billion in funding for the Low Income Home Energy Assistance Program over Fiscal Years [2022](#) and [2023](#) to reduce heating and cooling costs for low-income Americans.
- Secured an [\\$85 million pilot program](#) in the Fiscal Year 2023 appropriations bill to incentivize state and local governments to reform land-use and zoning policies that constrain affordable housing.
- Finalized regulations that make it easier to build mixed-income housing, housing that includes very-low-income tenants, and housing in sparsely populated rural areas by reforming income guidelines for the LIHTC.
- Finalized the LIHTC income averaging rule to allow more affordable housing projects to qualify for the program.

## What Needs to be Done by the Administration

- Address materials shortages with strong public-private partnerships to mitigate supply chain disruptions.
- Prioritize federal funding for projects that include planning, permitting, and zoning reforms for more inclusive and streamlined development.
- Pursue immigration policies that fill labor gaps in the construction industry.
- Promote and fund appraiser diversity programs to help women and people of color pursue careers in the appraisal industry.
- Promote the use of Special Purpose Credit Programs.
- Require the Federal Housing Finance Agency, HUD-FHA, the VA, and the USDA to release to the public loan-level appraisal data that identifies the lender and appraiser, but not the homeowner.
- Consider reforms at the Federal Home Loan Banks, including clarifying the mission for affordable housing and increasing the percentage of revenue that each Federal Home Loan Bank must dedicate to affordable housing.
- Improve existing federal surveys and other data collection efforts to gather more information on why Americans move or lose housing.
- Utilize public-private partnerships to provide policymakers with non-publicly available data in an aggregated format that has limited or no commercial value.
- Encourage state and local jurisdictions to utilize unallocated American Rescue Plan funds to prevent evictions through emergency rental assistance and housing stabilization services, and to improve eviction data collection and use and affirmatively further fair housing.

## What Needs to be Done in Congress

- Expand program flexibilities across HUD and USDA's community development and facilities programs to allow for the development and rehabilitation of housing projects to increase affordable housing stock.
- Pass [H.R. 3507](#), the Yes In My Back Yard Act (Rep. Derek Kilmer), which would remove discriminatory zoning policies and burdensome regulations blocking housing and community development.
- Pass [H.R. 3238](#), the Affordable Housing Credit Improvement Act (Rep. Suzan DelBene), which would expand, reform, and strengthen the Low-Income Housing Tax Credit.
- Provide funding for the Administration's proposed Unlocking Possibilities Program, or increase funding for the Pathways to Removing Obstacles (PRO) to Housing program, and monitor HUD reporting to ensure the program is meeting land use reform goals.
- Ensure federal standards support the availability of manufactured housing as an affordable housing resource.
- Examine the utility of a renter's tax credit to alleviate rent-burdened tenants and promote access to housing.
- Promote and fund job training programs, like Job Corps, to help Americans find careers in the homebuilding industry.
- Expand rental assistance and bolster the Housing Trust Fund to provide support to all individuals eligible for assistance.
- Pass legislation to provide housing stabilization support and collect better data on evictions.
- Increase funding for the Fair Housing Initiative Program (FHIP) and Fair Housing Assistance Program (FHAP) to address increasing levels of housing discrimination towards people with disabilities, people of color, families with children, and victims of domestic violence, and ensure all consumers have access to fair and affordable housing.