



We build strength, stability, self-reliance and shelter.

## Habitat for Humanity's 2021-2022 Federal Policy Agenda

Habitat for Humanity seeks a world in which everyone has a decent place to live. But too many in the United States still struggle to afford the cost of home. Across the country, in rural, suburban and urban communities, more than 37 million households are weighed down by heavy housing cost burdens. One in 7 households pay half or more of their income on housing, and too many of us face barriers to becoming homeowners. To fully solve our country's housing challenges we need bold new policy solutions, including ones that recognize the importance of acknowledging and addressing the historic patterns of racial discrimination in housing.

Our housing challenges have become more vivid and urgent with the onset of the COVID-19 pandemic and its economic fallout. Many individuals face the daunting task of getting caught up on rent or mortgage payments to stave off eviction or foreclosure.

Habitat's over 1,100 affiliates are working to help meet this challenge through our growing homebuilding, home repair, homebuyer education and neighborhood revitalization efforts in all 50 states. In 2019, Habitat launched a five-year [Cost of Home national advocacy campaign](#) to advance policy solutions that will improve home affordability across the housing continuum for 10 million people in the U.S. Through local, state and federal advocacy, Habitat affiliates are working in more than 300 communities across the nation to advance solutions that address affordability needs for renters and homeowners alike.

The following federal policy agenda highlights: key federal policy priorities from our Cost of Home campaign; resources and programs that are critical to Habitat's ability to expand homeownership opportunities for low-income families nationwide; and our priorities for supporting housing security and recovery from the COVID-19 pandemic.

### Federal policy priorities

#### **Lower the down payment barrier to ensure everyone has a fair chance at becoming a homeowner**

Many individuals are ready for homeownership but lack the deep savings or family wealth needed to assemble the down payment for an affordable home. Habitat supports expanded down payment options that give everyone a fair chance to purchase a home, generate wealth, and secure their families' future.

#### **Spark economic recovery through housing investments that enable everyone to prosper**

Communities need new tools to revitalize the housing stock in distressed and changing communities in ways that leave no one behind. Habitat supports:

- The **Neighborhood Homes Investment Act (S. 98)**, legislation to revitalize distressed neighborhoods by using federal income tax credits to mobilize private investment to build and substantially rehabilitate homes for low- and moderate-income homeowners.
- The **Restoring Communities Left Behind Act (H.R. 816)**, legislation to establish a program to award competitive grants to eligible local partnerships to carry out neighborhood revitalization support activities in distressed communities.

#### **Expand the availability of Housing Choice Vouchers to promote housing stability and economic mobility**

Housing vouchers are a highly efficient strategy for increasing housing affordability for very low-income households, but the need for vouchers far outstrips supply. Habitat supports taking a first step toward addressing unmet need by passing the Family Stability and Opportunity Vouchers Act. This legislation would create 500,000 housing vouchers coupled with mobility services to help very low-income families access affordable homes in neighborhoods with economic opportunities. HUD should also find ways to enable more families to use their vouchers for homeownership — especially in markets where it is less expensive to own than to rent — without undercutting overall voucher availability.



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### **Strengthen the HOME program through robust federal funding and program improvements**

The HOME program is a powerful and flexible resource for building affordable rental homes and homeownership options in a wide range of communities. Habitat supports strengthening the program through expanded appropriations funding, reauthorization to increase the program's overall workability and regulatory changes to improve HOME's support of affordable homeownership projects.

### **Create federal incentives for states and local governments to improve zoning**

Habitat supports using supplemental grants for transportation, infrastructure, parks and schools to spur competition among localities and states to lower the cost of home building and reduce segregation through zoning and other regulatory reforms. Designed well, these incentives can reinforce existing fair housing law while enabling localities to devise locally customized solutions.

### **Support funding for and authorization of the Community Development Block Grant Program-Disaster Response (CDBG-DR)**

Habitat supports robust supplemental funding for the CDBG-DR program following a major disaster to support affordable housing rebuilding and repairs, and authorizing the program to create a solid framework that can be consistently applied after every disaster.

## **Appropriations priorities**

The following federal resources are critical to Habitat's ability to provide and expand affordable homeownership opportunities. Habitat supports increasing funding for these programs so that we can better meet the financing gaps that are faced when building affordable homes.

- *Department of Housing and Urban Development*
  - *Self-Help Homeownership Opportunity Program (SHOP)* funding supports affiliates with land acquisition, infrastructure and purchase of abandoned or foreclosed properties.
  - *HOME Investment Partnerships Program (HOME)* funding supports affiliates with a wide range of housing development activities, including new construction, rehab and repair, down payment assistance, demolition and land acquisition.
  - *Community Development Block Grant Program* funding supports Habitat affiliates with their infrastructure and repair activities.
  - *Section 4 Capacity Building Program (Sec. 4)* funding supports Habitat affiliates with building their capacity by hiring a full-time, high impact employee that supports their housing production efforts.
  
- *Department of the Treasury*
  - *New Markets Tax Credit* investments fund low-interest loans to Habitat affiliates to build or acquire homes to sell to Habitat homebuyers.
  - *Capital Magnet Fund* investments support the housing production of Habitat affiliates.
  
- *Department of Agriculture*
  - *502 Direct mortgages* are provided directly to homebuyers, including Habitat homebuyers, in rural communities for the purchases of their homes. This enables Habitat affiliates to recover their entire investments immediately upon closing and provides much needed financing for very low- and low-income rural families.
  - *504 Repair loans and grants* are provided directly to very low- and low-income homeowners in rural communities, enabling Habitat affiliates to recover their entire investments immediately upon completion of covered repairs.



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- *AmeriCorps*
  - *AmeriCorps State and National* members serve local Habitat affiliates in construction, client services, youth programs and volunteer management services.
  - *AmeriCorps VISTA* members lead local Habitat affiliate capacity-building efforts, including partnership development and fundraising.

## Additional federal policies important to Habitat affiliates and home affordability

### **Expand the Low-Income Housing Tax Credit**

Habitat supports existing proposals to increase the availability of these credits by 50% to 100%.

### **Strengthen the Fair Housing Act to broaden opportunities for economic mobility**

Habitat supports reviving the expectations that localities identify steps for reducing segregation and fostering a fairer housing market.

### **Make credit scoring more inclusive**

Habitat supports strategies for helping renters build up thin credit profiles to expand access to affordable homeownership and increase economic opportunities more broadly.

### **Increase resources for the Community Development Financial Institutions (CDFI) Fund**

Habitat supports resources for CDFIs because they play a crucial role in expanding the availability of safe, low-interest loans for underserved, low-income households and communities.

### **Reform the Community Reinvestment Act (CRA) to preserve investment in low-income communities**

Habitat supports reforming the CRA in such a way that sustains incentives for banks to provide loans and investments in low-income and distressed communities and spur affordable housing and homeownership opportunities for low-income families.

### **Support the universal charitable deduction**

Habitat supports the universal charitable deduction to help address the unintended consequences of the 2017 tax law by extending the deduction to 100 percent of taxpayers, which would increase giving by \$4.8 billion a year.

## Further COVID-19 pandemic relief for affordable housing

Federal investments are critical for helping all lower-income families keep their homes. Habitat supports:

- Creation of a Homeowner Assistance Fund (S. 254) to provide resources for targeted mortgage payment assistance, support with loan modifications and other cost-effective interventions.
- Additional rental assistance investment.
- Extension of mortgage forbearance options to all impacted homeowners and small property owners, including those with fully private mortgages.
- Expanded resources for housing counseling to help renters and homeowners better understand their options.