



HOUSING ACTION PLAN

What We Have Done and What We Need To Do



A LETTER FROM THE TASK FORCE

Dear Reader,

Alongside the Biden Administration, the New Democrat Coalition (New Dems) has helped to deliver one of the strongest American economies in history. Collectively, our country took decisive action so American families, workers, and businesses could safely return to everyday life in the wake of the COVID-19 pandemic. At the same time, we made critical investments that have produced strong economic growth, historically low unemployment, and large wage increases, particularly for low and middle-income workers.

While the economy is growing, certain sectors like the housing market face structural challenges that we in Congress are committed to overcoming. The obstacle of finding fair and affordable housing has become increasingly daunting, and in every Congressional District, hard-working Americans are struggling to purchase a home or find a place to rent. Shelter is a basic human right, and no one should have to choose between putting a roof over their head and meeting other essential needs.

In light of these challenges, the New Democrat Coalition stood up its Affordable Housing Task Force, a group of Members committed to working to identify solutions to make housing fairer and more accessible for all Americans. After consulting with stakeholders like homelessness prevention practitioners, fair housing and civil rights advocates, low-income housing advocates,

housing developers, housing financiers, and federal officials who work on housing issues, we are proud to release the New Democrat Coalition's Housing Action Plan.

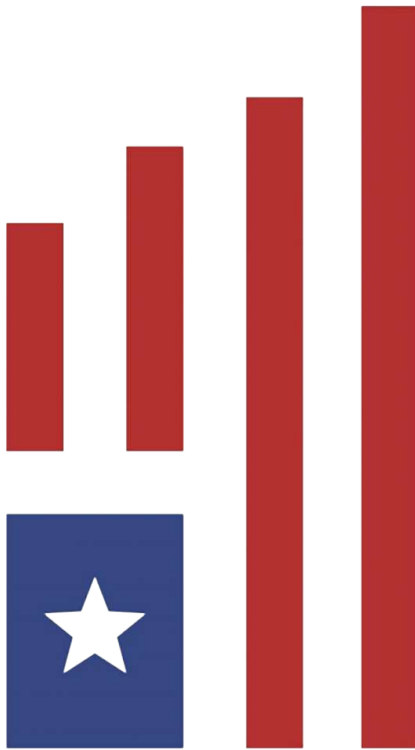
In this document, you will find our recommendations for how the federal government can address the lack of fair and affordable housing and deliver relief to Americans looking to stay in safe, stable, and secure housing. Overall, we know we must prioritize the development of affordable housing initiatives, enforcement of fair housing laws, increase resources for public housing and local fair housing enforcement agencies, make it easier to build more housing units, and make changes to federal supports for the housing finance ecosystem to make sure communities are equitably served.

By working together, we can tackle this crisis and make all communities places where everyone has access to safe, decent, affordable housing and the amenities needed to thrive. Together, we can create a brighter future and restore hope for everyone pursuing the American Dream. New Dems remain committed to working with the Biden Administration and our colleagues on both sides of the aisle to find common ground on policies that will lower housing costs, increase housing accessibility, strengthen fair housing enforcement, and ensure a strong economy empowers all Americans to succeed.



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INTRODUCTION

Though the American economy is booming, increased wealth has also brought challenges to the housing market. The struggles shared with us by constituents, the frustration voiced by homebuilders, the concern expressed by political leaders, and the disappointing data presented by economists all tell distinct aspects of the same story: housing is increasingly scarce and increasingly expensive. At a time of historic wealth, millions of Americans are struggling to meet their housing needs.

ABOUT THE NEW DEMOCRAT COALITION

The New Democrat Coalition is made up of 99 forward-thinking Democrats who are committed to pro-economic growth, pro-innovation, and fiscally responsible policies. New Dems are a solutions-oriented coalition seeking to bridge the gap between left and right by challenging outmoded partisan approaches to governing. New Dems believe the challenges ahead are too great for Members of Congress to refuse to cooperate purely out of partisanship.

AFFORDABLE HOUSING TASKFORCE MEMBERS

Chair Norma Torres (CA-35)

Vice Chair Greg Landsman (OH-01)

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ABOUT THE AFFORDABLE HOUSING TASK FORCE

The New Democrat Coalition's Affordable Housing Task Force was launched in March 2023 to look at the entire housing ecosystem and identify solutions to rising housing costs and limited housing access. It builds on previous New Dem efforts to devise reforms to federal incentives like the Low-Income Housing Tax Credit, guide investments from the Bipartisan Infrastructure Law and American Rescue Plan, and support financing for developers and potential homeowners in order to promote more affordable housing development and density.

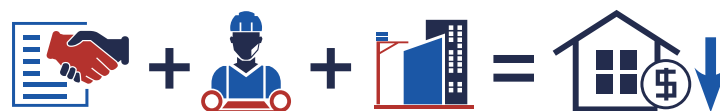
The Affordable Housing Task Force conducts its work through briefings and meetings with stakeholders, economists, academic experts and policymakers.

EXECUTIVE SUMMARY

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.**



However, there are ways forward. Over the past two years the federal government has made historic investments in the economy to raise American's wages, grow the middle class, and give workers a little more breathing room on payday. We've funded grant programs to incentivize state and local governments to reform their land use and zoning policies to make it easier to build housing; finalized federal regulations to make it easier to build mixed-income, low-income, and rural housing; restored critical fair housing rules; and focused federal funding on those projects that increase the number of housing units in communities. Building off of these successes, Congress and the Administration can pass policies that make it even easier to build homes, and make it easier for Americans to afford them.





STEPS PRESIDENT BIDEN AND CONGRESS HAVE TAKEN:

- President Biden and New Dems worked together to pass the Bipartisan Infrastructure Law that contained the following housing-focused provisions:
 - 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.
- President Biden and New Dems 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.
- New Dems 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.
- The Biden Administration 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.
- The Biden Administration finalized the LIHTC income averaging rule to allow more affordable housing projects to qualify for the program.



PROPOSALS FOR FURTHER ACTION BY CONGRESS

- Expand program flexibilities across HUD and USDA's community development and facilities programs to allow for the development and rehabilitation 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 to encourage investment in the development and maintenance of affordable housing and facilitate more housing affordable to people with the greatest needs.
- 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.



PROPOSALS FOR FURTHER ACTION BY THE BIDEN 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, including reasons related to involuntary housing loss, and better identify local drivers of entry to homelessness, such as eviction, housing unaffordability, rental cost increases, and foreclosure.
- 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.
- Encourage state and local jurisdictions to utilize unallocated American Rescue Plan(ARPA) funds to improve eviction data collection and use and affirmatively further fair housing.

TASK FORCE

RECOMMENDATIONS



HOUSING AVAILABILITY

ISSUE: Increased wait times for building materials have significantly lengthened average completion times of housing units, reflecting supply-side challenges that have persisted for several years. The average completion time of a single-family home in 2022 increased to 9.6 months, a full 6 weeks longer than the average completion time in 2021.¹ With unrelenting supply chain challenges delaying homes getting onto the market and making those homes more expensive, the federal government should act in several ways to transform supply-side scarcity into housing abundance and affordability.

RECOMMENDATION: Address materials shortages with strong public-private partnerships to address supply chain disruptions.

- The Administration should work with home builders to gain insights into where there are supply chain challenges related to construction inputs like transformers or lumber and coordinate federal efforts to address challenges related to shipping, domestic production capacities, and importation of these goods.

RECOMMENDATION: Ensure federal standards support the availability of manufactured housing as an affordable housing resource.

- Congress should investigate amending the requirement that manufactured homes have to remain on their permanent chassis for impacts on housing affordability, development, and economization of their reuse.
- HUD should streamline their standard setting to enhance energy efficiency and preserve affordability in consultation with its Manufactured Housing Consensus Committee.

RECOMMENDATION: Expand program flexibilities across HUD and USDA's community development and facilities programs to allow for the development and rehabilitation housing projects to increase affordable housing stock.

- The United States has a housing shortage of 2.3 million units. Agencies need to have the flexibility to amend programs to allow for non-traditional funding sources to go towards projects that will increase the housing stock.

¹ www.nahb.org/blog/2023/07/2022-single-family-build-times



LAND USE

ISSUE: State and local government land use policies often serve as significant constraints on housing supply, contributing to housing shortages and affordability challenges. Common policies include: limiting the amount and types of housing that can be built such as zoning areas for single-family homes; enforcing height and density restrictions that limit multi-unit housing; requiring parking minimums that increase development costs; and stringent historic preservation regulations that can restrict redevelopment opportunities.

According to a 2019 analysis by the Brookings Institution, almost 75% of residential land in many U.S. cities is zoned exclusively for single-family homes, which not only restricts the supply of affordable housing but also perpetuates segregation and economic inequality.² Other research has found that loosening land use policies has a statistically significant effect on increasing housing development. Conversely, increasing land use requirements leads to increased rents and fewer affordable units.³ Strict land use regulations and permitting processes can significantly delay and increase the cost of housing development, deterring builders from constructing new homes or apartments and further exacerbating the housing crisis. These constraints highlight the need for reforms to promote more diverse and accessible housing options.

RECOMMENDATION: Prioritize federal funding for projects that include planning, permitting, and zoning reforms for more inclusive and streamlined development.

- The Department of Transportation and Department of Housing and Urban Development should work in concert to develop land-use guidelines that communities can rely on as model policies in their planning, zoning, and land-use decisions. The Departments should also provide incentives for communities to adopt these land-use policies, including providing more points on federal funding applications to prioritize funding for these communities.
- Congress should provide funding for the Administration's proposed Unlocking Possibilities Program to incentivize jurisdictions to take steps to reduce barriers to producing affordable housing and expand housing choices for people with low or moderate incomes.
- Congress should expand funding for the PRO Housing program, and monitor HUD reporting to ensure the funding leads to tangible zoning and land use reforms. HUD should prioritize developing guidance for the program that incentivizes communities to use the funding for technical assistance in developing reforms,

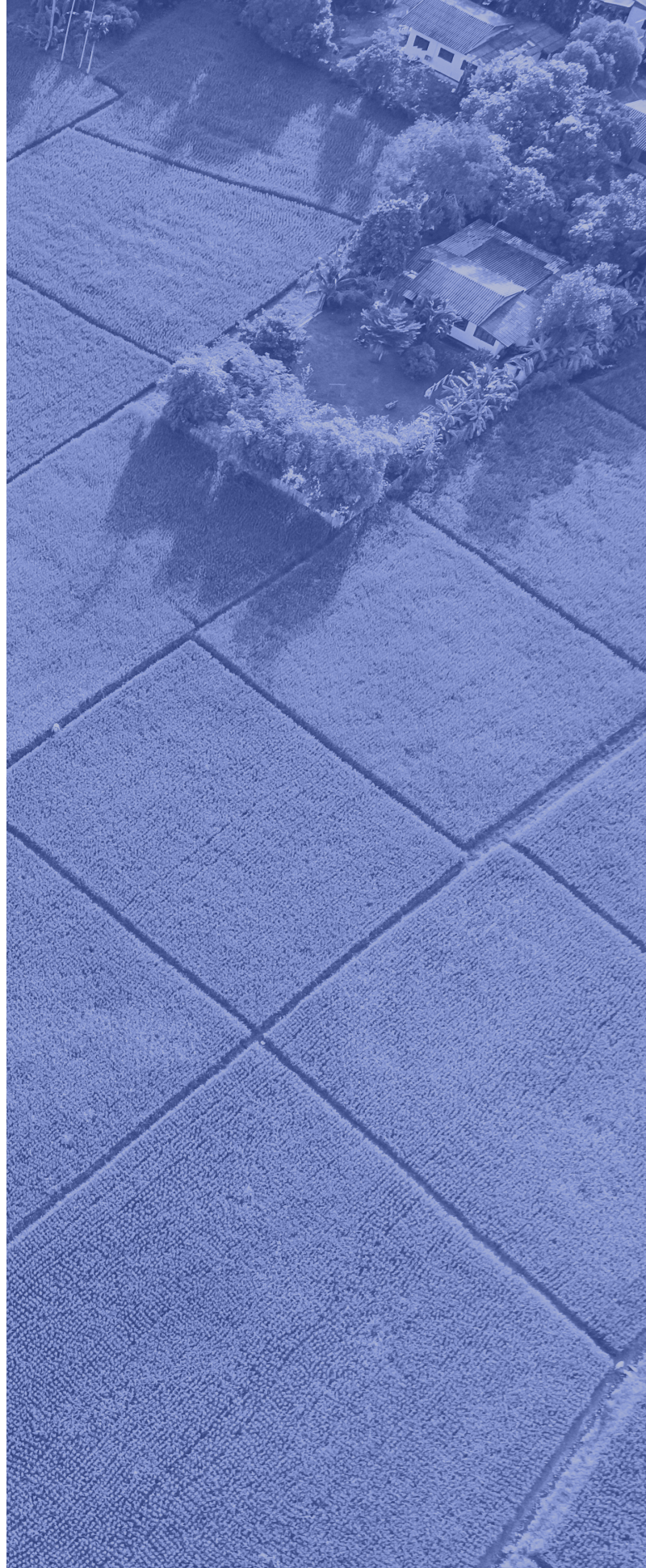
²www.brookings.edu/articles/gentle-density-can-save-our-neighborhoods/

³www.urban.org/research/publication/land-use-reforms-and-housing-costs

rather than simply studying potential impacts, to ensure that zoning reforms are taking place as intended and supporting those communities making strides towards lowering barriers.

RECOMMENDATION: 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.

- The YIMBY Act requires localities that receive Community Development Block Grant (CDBG) funding to publicly report on whether or not they have adopted a suite of local policies that affect housing affordability and availability. It does not require that recipients adopt any specific approach; instead, it encourages communities to play a constructive role in solving the housing crisis.





FEDERAL FINANCIAL SUPPORTS

ISSUE: Coming out of the COVID-19 pandemic, the federal government has taken on an even greater role in housing financing to keep people in their homes. In 2020 and 2021, Congress established emergency rental assistance funds and the Homeowner Assistance Fund, paused payments with forbearances, and implemented moratoriums on evictions and foreclosures. Various tax code provisions for developers, mortgagees, and lenders also play a large role in housing affordability. One tax credit, the Low-Income Housing Tax Credit (LIHTC), has supported the development of over two million units since its inception in 1986 and requires reforms to incorporate fair housing principles to equitably spur development of affordable housing in high-opportunity neighborhoods. Given the federal government's large and unique role, we believe there are improvements that can be made to federal financial incentives to better support housing development and affordability.

RECOMMENDATION: Pass [H.R. 3238](#), the Affordable Housing Credit Improvement Act (Rep. Suzan DelBene), that would expand, reform, and strengthen the Low-Income Housing Tax Credit to encourage investment in the development and maintenance of affordable housing, including incorporating fair housing principles to ensure equitable developments in high-opportunity communities.

- This broadly supported, bipartisan legislation would strengthen and extend LIHTC by increasing housing credit allocations, allowing states to maximize affordable housing production, and better serve hard-to-reach populations, including extremely low-income households, and communities including rural, Tribal, high-poverty, and high-cost communities.

RECOMMENDATION: State and local jurisdictions should utilize unallocated American Rescue Plan funds to prevent evictions through emergency rental assistance and housing stabilization services.

- Building off the success of the Emergency Rental Assistance Program, non-federal jurisdictions should utilize unspent emergency funds from the pandemic to institutionalize emergency rental assistance that keep millions of households stably housed and keep landlords whole.

RECOMMENDATION: Congress should expand rental assistance and bolster the Housing Trust Fund to provide support to all individuals eligible for assistance.

- Currently, only one in four individuals eligible for rental voucher assistance are able to

access this critical resource due to constraints on affordable housing supply and limited resources in the program. While bolstering the Housing Trust Fund to provide deeply affordable housing units, Congress should also address current housing harms by increasing federal rental assistance.

RECOMMENDATION: Examine the utility of a renter's tax credit to alleviate rent-burdened tenants and promote access to housing.

- Congress should direct HUD to examine the usefulness of a renter's tax credit in reducing the rent-burden for low-income tenants. This study should examine the positive and negative aspects of different implementation models, such as a credit provided directly to a tenant or owner or a state-administered capped credit, the impact over time on rent-burdened individuals' ability to afford housing, and the potential cost to the federal government.

RECOMMENDATION: Require 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.

- The Federal Housing Finance Agency (FHFA) completed an in-depth review of the significant public benefits received by the Federal Home Loan (FHL) Banks as compared to what the public receives in return. The affordable housing mission of the FHL Banks should be clarified, and there should be an increase in the statutory requirements for supporting affordable housing.





WORKFORCE DEVELOPMENT

ISSUE: With a growing economy spurred on by investments from the Bipartisan Infrastructure Law and Inflation Reduction Act, the construction industry is booming in a way it never has before. Unemployment rates among construction workers are at historic lows, and the number of residential builders and specialty trade contractors continues to rise. However, the strong growth in demand for construction workers has led to shortages among the skilled workers that build American homes. Framing crews, carpenters, plumbers, masons, HVAC workers, and painters are all jobs in-demand that are experiencing shortages. Ironically, housing contributes to this - a lack of workforce housing may price people out of certain communities and careers that most need them. Compounding this issue are other labor market trends, like a shortage of workforce development program slots and a broken immigration system that have boxed potential workers out of a growing economy, and a shortage of appraisers skilled in valuing new communities, particularly in urban and rural areas. Finally, even when new homes are available, vulnerable populations are often shut out of the market because of disability discrimination (i.e., builder's failure to follow accessibility regulations); discrimination on the basis of race, ethnicity, or religion; or appraisal discrimination that undervalues new homes in communities of color. Congress should immediately take steps, in line with the Administration, to ensure that a fair and affordable residential housing supply is available for all consumers.

RECOMMENDATION: Promote and fund job training programs, like Job Corps, to help Americans find careers in the homebuilding industry.

- Congress should reauthorize the Worker's Innovation and Opportunity Act (WIOA) to support federal workforce development and training programs across the country. This should include standardization of labor standards and training programs, and additional funding for job training.
- For 50 years, Job Corps has been the most successful career preparation program for our most disadvantaged youth. At a time of labor shortages and record-setting open construction positions, Job Corps provides students with the skills and experience they need for successful careers through pre-apprenticeship training, job placement services, mentoring, certification programs, textbooks and curricula. Congress should provide this program with necessary resources to meet labor needs.

RECOMMENDATION: Pursue immigration policies that fill labor gaps in the construction industry.

- Increase investment in the United States Citizenship and Immigration Service (USCIS) to address the current TPS backlog via increased staffing and other necessary resources so that more migrants can receive legal work authorization.

- Coordinate with employers and stakeholders in the construction industry to shorten the waiting period for humanitarian parole recipients to receive work authorization.
- Continue aggressive efforts to prompt those migrants currently eligible for work permits to apply. We applaud the Administration for its campaign, beginning in September 2023, to inform the over one million migrants eligible for work permits that they are able to apply, and strongly encourage continued investment in similar programs.

RECOMMENDATION: 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.

- According to data in the [National Fair Housing Alliance's 2023 Trends Report](#), overall housing discrimination complaints were 5.74 percent higher in 2022 than in 2021, and the data revealed an increase in complaints based on source of income and domestic violence specifically. In fact, discrimination based on disability accounted for the majority (53.26 percent) of complaints filed with Fair Housing Organizations, HUD, and FHAP agencies.

RECOMMENDATION: Promote and fund appraiser diversity programs to help women and people of color pursue careers in the appraisal industry.

- Congress should support appraiser training programs across the country to increase diversity and ensure that all communities, including new homes in communities of color, are fairly valued.





DATA COLLECTION AND TRANSPARENCY

ISSUE: The larger problem of housing access and stability is incredibly complex, and made more difficult because much of it is invisible. Many people lose their home even while employed but unable to make rent, or live in temporary arrangements like in their cars or with relatives. Concerns have been raised across the country about people of color losing out on homeownership opportunities or losing equity because of discriminatory appraisals. Evictions, foreclosures, and natural disasters all lead to homelessness and follow-on effects that undermine economic instability like job loss or breakdowns in health. Moreover, many companies are racing to build housing decision models based on artificial intelligence, but these models may inflict or perpetuate harm if they are based on limited or biased data. You can't fix something you can't measure, and the federal government needs to collect and publicly release better data to promote an understanding of the twin homelessness and housing affordability crisis.

RECOMMENDATION: Congress should pass legislation to provide housing stabilization support and collect better data on evictions.

- This legislation should empower state and local governments to collect data from landlords to build a national eviction database. Government Accountability Office to track

eviction data. This database would be managed by the Government Accountability Office to track eviction data. The bill would also empower HUD to award grants to state, local, territorial, and tribal governments to provide financial assistance and housing stabilization services to extremely low-income households.

RECOMMENDATION: Improve existing federal surveys and other data collection efforts to gather more information on why Americans move, including reasons related to involuntary housing loss, and better identify local drivers of entry to homelessness, such as eviction, housing unaffordability, rental cost increases, and foreclosure.

- The Census Bureau should consider adding supplemental modules or additional questions to existing federal survey efforts like the American Community Survey, American Housing Survey, and Household Pulse Survey to better understand the scope of residential displacement. Specifically, when a respondent is prompted to answer if they have moved within a specific time period, the survey should ask the additional question of why they moved and include discrete reasons such as eviction, foreclosure, or affordability concerns such as rent increases. These surveys

should be fielded on an annual basis to keep a sustainable stream of information available to policymakers and to the public through accessible data dashboards.

- Congress should also consider providing additional funding to the Census Bureau to make this data collection a sustained and ongoing effort, including by appropriating funding for a feasibility study to explore pathways to federal data collection on involuntary housing loss.
- Congress should direct HUD to augment the antiquated annual point in time count with community wide, high quality, real time data to better capture and understand who is experiencing homelessness and why, and then use the data to drive community level reductions in the number of people experiencing homelessness.

RECOMMENDATION: Utilize public-private partnerships to provide access to non-publicly available housing loss data in an aggregated format that has limited or no commercial value.

- Commercial ventures often utilize data scraped from court records, such as dates and locations of evictions, tax and mortgage foreclosures, mortgage terms, and personally identifiable information, to identify tenants in rental screenings and background checks. Data that has limited or no commercial value, such as the date and location of a housing action like an eviction, may be of use to federal and local decision makers in an aggregated format to better understand and stem housing loss. Congress should direct the Department of Housing and Urban

Development to thoroughly investigate which data is being collected currently, by which private actors, and if there are avenues to sharing data with federal agencies in a secure and privacy-protecting manner.

- HUD should encourage local jurisdictions to publish monthly standard data dashboards that make key housing data points public, such as the number of evictions and foreclosures, changes in housing affordability, and inflow into and exits from homelessness.

RECOMMENDATION: 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.

- Industry and advocates agree that granular appraisal data is necessary to identify the root causes of appraisal bias and to improve Automated Valuation Models.

RECOMMENDATION: State and local jurisdictions should utilize unallocated American Rescue Plan (ARPA) funds to improve eviction data collection and use and affirmatively further fair housing.

- With a large portion of ARPA funds remaining unallocated, state and local governments should utilize these funds to create dedicated positions to liaise between housing agencies and courts to standardize data collection, increase accessibility, and make it more useful to housing authorities. They should also ensure the funding affirmatively furthers fair housing in compliance with the Fair Housing Act.

TAKE ACTION



The New Democrat Coalition's Housing Action Plan

