



Select Committee on Economic Disparity and Fairness in Growth
U.S. House of Representatives
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Memorandum

To: Members, Select Committee on Economic Disparity and Fairness in Growth
From: Select Committee Majority Staff
Subject: March 1, 2022, Select Committee Hearing entitled, “Promoting Economic Prosperity and Fair Growth through Access to Affordable and Stable Housing.”

The Select Committee on Economic Disparity and Fairness in Growth will hold a hearing entitled “Promoting Economic Prosperity and Fair Growth through Access to Affordable and Stable Housing” on March 1, 2022, at 10:00 AM in 2167 Rayburn House Office Building, Washington DC. There will be one panel with the following witnesses:

- **The Honorable Shaun Donovan**, Former US Secretary of Housing and Urban Development and Former Director of the Office of Management and Budget
- **Ms. Nikitra Bailey**, Senior Vice President of Public Policy, National Fair Housing Alliance
- **Ms. Jacqueline Waggoner**, President of Solutions Division, Enterprise Community Partners
- **Mr. Kevin Nowak**, Executive Director, CHN Housing Partners
- **Dr. Salim Furth**, Senior Research Fellow, Mercatus Center at George Mason University

Introduction

Access to safe and stable housing is a prerequisite to living a healthy life, maintaining consistent employment, and engaging productively in society and the economy. Without adequate shelter and amenities, people are more likely to face unsafe living conditions which compromise health, children are less likely to attend school regularly, and families are more likely to experience general economic hardship.¹ The COVID-19 pandemic and subsequent economic fallout have exposed and exacerbated the challenges that have long been associated with the American housing sector, yet even before 2020, a growing share of renters were spending unsustainable amounts of income on rent, while homeownership was becoming increasingly out of reach for lower- and middle-income Americans—especially those of color. Ensuring that housing is not an obstacle—but rather a complement—to success is key to providing all Americans with the means to live their most productive lives and participate fully in the economy.

Overview of the Affordable Housing Crisis

Housing has become more expensive since the turn of the century relative to earnings. In 2021 dollars, the median asking price for a rental unit in the United States increased from \$780 in 2000 to \$1,250 in 2021—a jump of 61%.² The real median price of houses sold in the US increased from \$271,000 to

¹ U.S. Department of Housing and Urban Development. “How Housing Instability Impacts Individual and Family Well-Being.” February 4, 2019. <https://www.huduser.gov/portal/pdredge/pdr-edge-featd-article-020419.html#:~:text=Through%20semistructured%20interviews%20with,family%20stress%20and%20school%20instability.&text=Brown%20concluded%20that%20connecting%20families,negative%20side%20effects%20for%20children.>

² Census Bureau. “Housing Vacancies and Homeownership. Table 11A. Median Asking Rent for the U.S. and Regions.” <https://www.census.gov/housing/hvs/data/histtabs.html>; Bureau of Labor Statistics. “Consumer Price Index. Table 1. Consumer Price Index for All Urban Consumers (CPI-U).” <https://www.bls.gov/news.release/cpi.toc.htm>. (Author’s Calculations.)

\$404,000, or by 49%, over the same period.³ Yet between 2000 and 2021, real median weekly earnings rose by just 10%.⁴ Affordability is especially a problem for Americans in their prime home-buying years; over the same period, real median weekly earnings for those aged between 25 and 34 rose by just 8%.⁵

The increase in housing prices relative to incomes partially reflects the relatively low rate of new home construction in the US. In the 2010s, construction started on an average of 21,000 new homes annually for every 100,000 residents—just 50% of the 42,000 constructed on average annually in the 2000s, 1990s, and 1980s.⁶ The Federal Home Loan Mortgage Corporation estimates that as of 2020, the US had a housing supply deficit of 3.8 million units, with much of this shortfall concentrated in entry-level home construction.⁷ The increase also partially reflects high regulatory costs associated with exclusionary zoning, or the exclusion of certain types of land use in a given community or locality. Measures of zoning strictness—including restrictions related to minimum lot sizes, minimum square footage requirements, prohibitions on multi-family homes, and height limits—are highly positively correlated with home prices.⁸

As a result, lower- and middle-income workers are bearing the brunt of the rental affordability crisis. A “rent-burdened” household spends 30% or more of income on rent, and the share of renter households that are rent-burdened has been increasing over the past two decades. In 2001, 41% of all renters were rent-burdened, but by 2017, that figure had increased to 47%.⁹ In 2020, the average minimum-wage worker had to work 79 hours per week—nearly two full-time jobs—to afford a one-bedroom rental home without being rent-burdened.¹⁰

More recently, the affordability crisis has contributed to increased rates of homelessness, which in turn contribute to decreased levels of upward economic mobility through worse health, lower academic achievement, and less stable employment.¹¹ 2020 marked the fourth consecutive year in which homelessness increased nationwide, with roughly 580,000 people experiencing homelessness on any given night.¹²

³ Census Bureau. “New Residential Sales.” <https://www.census.gov/construction/nrs/index.html>.

⁴ Bureau of Labor Statistics. “Median usual weekly earnings of full-time wage and salary workers by sex.” <https://www.bls.gov/cps/earnings.htm>. (Author’s Calculations.)

⁵ Bureau of Labor Statistics. “Median usual weekly earnings of full-time wage and salary workers by age, race, Hispanic or Latino ethnicity, and sex, fourth quarter 2021 averages, not seasonally adjusted.” <https://www.bls.gov/news.release/wkyeng.t03.htm>. (Author’s Calculations.)

⁶ Robert Dietz. “A Decade of Home Building: The Long Recovery of the 2010s.” National Association of Home Builders. January 6, 2020. <https://eyeonhousing.org/2020/01/a-decade-of-home-building-the-long-recovery-of-the-2010s/>.

⁷ Sam Khater. “Housing Supply: A Growing Deficit.” Freddie Mac. May 7, 2021. http://www.freddiemac.com/research/insight/20210507_housing_supply.page.

⁸ Cecilia Rouse, Jared Bernstein, Helen Knudsen, Jeffery Zhang. “Exclusionary Zoning: Its Effect on Racial Discrimination in the Housing Market.” Council of Economic Advisers. June 17, 2021. <https://www.whitehouse.gov/cea/written-materials/2021/06/17/exclusionary-zoning-its-effect-on-racial-discrimination-in-the-housing-market/#:~:text=Exclusionary%20zoning%20laws%20enact%20barriers,and%20fewer%20homes%20being%20built>.

⁹ Sean Veal, Jonathan Spader. “Nearly a Third of American Households Were Cost-Burdened Last Year.” Joint Center for Housing Studies of Harvard University. December 7, 2018. <https://www.jchs.harvard.edu/blog/more-than-a-third-of-american-households-were-cost-burdened-last-year>.

¹⁰ Andrew Aurand, Dan Emmanuel, Dan Threet, Ikra Rafi, Diane Yentel. “Out of Reach 2021: The High Cost of Housing.” National Low Income Housing Coalition. 2020. <https://reports.nlihc.org/oor>.

¹¹ Kriti Ramakrishnan, Elizabeth Champion, Megan Gallagher, Keith Fudge. “Why Housing Matters for Upward Mobility: Evidence and Indicators for Practitioners and Policymakers.” Urban Institute. January 12, 2021. <https://www.urban.org/research/publication/why-housing-matters-upward-mobility-evidence-and-indicators-practitioners-and-policymakers>.

¹² Meghan Henry, Tanya de Sousa, Caroline Roddey, Swati Gayen, Thomas Joe Bednar. “The 2020 Annual Homeless Assessment Report (AHAR) to Congress.” The U.S. Department of Housing and Urban Development. January 2021. <https://www.huduser.gov/portal/datasets/ahar/2020-ahar-part-1-pit-estimates-of-homelessness-in-the-us.html>.

That average Americans face increasingly onerous rent obligations has profound implications for economic mobility. Being rent-burdened, even for a short period of time, leads to lower rates of future homeownership. In 2001, 41% of non-rent-burdened prime buying-age renter households (those headed by people aged between 21 and 34) became homeowners by 2005, compared to just 25% of rent-burdened households.¹³ By 2011, just 25% of non-rent-burdened prime buying-age renter households transitioned into homeownership in four years, while only 14% of rent-burdened households did.¹⁴

Historically, homeownership has been an important method of wealth accumulation in the United States. Yet with home prices and rents significantly outpacing wages, those without financial assistance or sufficient savings for a down payment are increasingly locked out of buying. Between 2001 and 2015, the national share of prime buying-age renters that successfully transitioned to owning within four years declined from 26% to 16%, a trend that reflects higher rents, stagnant wages, and ballooning student loan obligations, in addition to some generational shifts in preferences surrounding geography.^{15, 16, 17}

The economic fallout from the onset of the COVID-19 pandemic, which disproportionately harmed lower-income workers, has likewise negatively affected the ability of many households to save. While just 16% of upper-income Americans drew on savings or retirement funds to pay bills in 2020, 33% of middle-income and 44% of lower-income Americans did.¹⁸ Moreover, just 3% of upper-income Americans had problems paying rent or mortgages, compared to 11% and 32% of middle- and lower-income Americans, respectively.¹⁹ Black and Hispanic Americans were far more likely than their white counterparts to experience economic hardship.²⁰

Relatedly, homeownership rates also vary drastically by race and ethnicity. 73% of white families own homes, compared to just 40% of Black families and 47% of Hispanic families.²¹ Further, in 2020, Black-owned homes were worth on average 16% less than white-owned ones, while Hispanic-owned homes were worth 10% less.²² These differences can partially be attributed to the legacies of redlining, discrimination in the mortgage loan underwriting process, racially influenced home value appraisals, racial and ethnic pay gaps, and legal housing and occupational segregation.²³

¹³ Erin Currier, Clinton Key, Joanna Biernacka-Lievestro, Walter Lake, Sheida Elmi, Sowmya Kypa, Abigail Lantz. “American Families Face a Growing Renter Burden.” The Pew Charitable Trusts. April 2018. <https://www.pewtrusts.org/en/research-and-analysis/reports/2018/04/american-families-face-a-growing-rent-burden>.

¹⁴ Ibid.

¹⁵ Alvaro Mezza, Daniel Ringo, Shane Sherlund, Kamila Sommer. “Student Loans and Homeownership.” Journal of Labor Economics, Vol. 38, No. 1. January 2020. <https://www.journals.uchicago.edu/doi/10.1086/704609>.

¹⁶ Erin Currier, Clinton Key, Joanna Biernacka-Lievestro, Walter Lake, Sheida Elmi, Sowmya Kypa, Abigail Lantz. “American Families Face a Growing Renter Burden.” The Pew Charitable Trusts. April 2018. <https://www.pewtrusts.org/en/research-and-analysis/reports/2018/04/american-families-face-a-growing-rent-burden>.

¹⁷ Jung Hyun Choi, Jun Zhu, Laurie Goodman, Bhargavi Ganesh, Sarah Strohach. “Millennial Homeownership: Why Is It So Low, and How Can We Increase It?” Urban Institute. July 11, 2018. <https://www.urban.org/research/publication/millennial-homeownership>.

¹⁸ Kim Parker, Racel Minkin, Jesse Bennett. “Economic Fallout From COVID-19 Continues to Hit Lower-Income Americans the Hardest.” Pew Research Center. September 24, 2020. <https://www.pewresearch.org/social-trends/2020/09/24/economic-fallout-from-covid-19-continues-to-hit-lower-income-americans-the-hardest/>.

¹⁹ Ibid.

²⁰ Ibid.

²¹ Andrew Haughwout, Donghoon Lee, Joelle Scally, Wilbert van der Klaauw. “Inequality in U.S. Homeownership Rates by Race and Ethnicity.” Federal Reserve Bank of New York. July 8, 2020. <https://libertystreeteconomics.newyorkfed.org/2020/07/inequality-in-us-homeownership-rates-by-race-and-ethnicity/>.

²² Treh Manhertz. “Home Value Disparities Between Races Are Shrinking, but Remain Very Wide.” Zillow Research. December 19, 2020. <https://www.zillow.com/research/home-values-by-race-2020-28478/>.

²³ Michela Zonta. “Racial Disparities in Home Appreciation.” Center for American Progress. July 15, 2019. <https://www.americanprogress.org/article/racial-disparities-home-appreciation/>.

Historical Context of Housing Policy

For nearly 100 years, the federal government has intervened—often substantially—in the housing market to promote stability and affordability. In response to the slew of mortgage foreclosures spurred by the Great Depression, President Franklin Roosevelt created the Federal Housing Administration (FHA), which insured mortgages and duly increased the amount of credit available to Americans for home improvements and purchases.²⁴ In 1944, the Servicemen’s Readjustment Act, commonly known as the GI Bill, was signed into law to provide low-cost mortgages and low-interest loans for homeownership to over 16 million World War II veterans.^{25, 26}

Between 1940 and 1960, homeownership rates rose from 44% to 62% and fluctuated around 69% between 2004 and 2006 in the leadup to the Great Recession.²⁷ This substantial rise has been attributed to a slew of intersecting and complementary factors—including demographic shifts; changing attitudes towards homeownership; income increases; the preferential tax treatment of homeownership; the development of the modern mortgage finance system; and federal encouragement of homeownership through mortgage market intervention, the FHA, and the Veterans Administration.²⁸

Yet federal action did not benefit all Americans equally. The FHA refused to insure mortgages in predominantly Black neighborhoods and often required homes built with its loans to be sold exclusively to white families.²⁹ Racial discrimination also occurred in the New Deal-era Home Owners’ Loan Corporation (HOLC), which drew maps for over 200 American cities to rate the perceived riskiness of lending across neighborhoods—a practice known as “redlining.” In doing so, the HOLC considered non-housing characteristics of neighborhoods such as racial, ethnic, and immigrant composition as negative attributes.³⁰ With banks unwilling to make loans for mortgages in neighborhoods considered “risky,” Black Americans and their families were often unable to benefit from the intergenerational wealth benefits of homeownership.³¹

In an effort to reverse some of the harm inflicted on communities of color from previous government actions, President Johnson signed into law the Civil Rights Act of 1968, including Title VIII—also known as the Fair Housing Act—which prohibited discrimination in the selling, renting, and financing of housing on the basis of race, religion, sex, national origin, familial status, and disability, among other characteristics.³²

²⁴ Alexander von Hoffman. “History Lessons for Today’s Housing Policy: The Political Processes of Making Low-Income Housing Policy.” Joint Center for Housing Studies of Harvard University. August 23, 2012. <https://www.jchs.harvard.edu/research-areas/working-papers/history-lessons-today%E2%80%99s-housing-policy-political-processes-making-low>.

²⁵ Aaron Morrison, Kat Stafford. “Veterans Day Legislation Targets GI Bill Racial Inequities.” AP News. November 11, 2021. <https://apnews.com/article/lifestyle-business-veterans-affairs-world-war-ii-discrimination-b2d02e6030ef44e798d4e2d4165ae13e>; Sarah E. Turner, John Bound. “Closing the Gap or Widening the Divide: The Effects of the G.I. Bill and World War II on the Educational Outcomes of Black Americans.” National Bureau of Economic Research. July 2002. <https://www.nber.org/papers/w9044>.

²⁶ Ibid.

²⁷ Daniel K. Fetter. “The Twentieth-Century Increase in U.S. Home Ownership: Facts and Hypotheses.” *Housing and Mortgage Markets in Historical Perspective*. July 2014. <https://www.nber.org/books-and-chapters/housing-and-mortgage-markets-historical-perspective/twentieth-century-increase-us-home-ownership-facts-and-hypotheses>.

²⁸ Ibid.

²⁹ Richard Rothstein. *The Color of Law: A Forgotten History of How Our Government Segregated America*. Liveright. 2017.

³⁰ Daniel Aaronson, Daniel Hartley, Bhashkar Mazumder. “The Effects of the 1930s HOLC ‘Redlining’ Maps.” American Economic Association. November 2021. <https://www.aeaweb.org/articles?id=10.1257/pol.20190414>.

³¹ Jung Hyun Choi. “Breaking Down the Black-White Homeownership Gap.” Urban Institute. February 21, 2020. <https://www.urban.org/urban-wire/breaking-down-black-white-homeownership-gap>.

³² US Department of Justice. “The Fair Housing Act.” Updated January 13, 2022. <https://www.justice.gov/crt/fair-housing-act-1#:~:text=The%20Fair%20Housing%20Act%20prohibits,as%20a%20places%20of%20worship>.

The subprime mortgage crisis of the 2000s, a period during which lenders expanded mortgage credit to borrowers with below-average credit histories or small down payments, likewise triggered substantial federal intervention. Due to the opacity surrounding untested financial products that pooled high-risk mortgages as well as predatory practices among various mortgage lenders, the subprime mortgage crisis culminated with an estimated 7.8 million home foreclosures between 2007 to 2016 and millions of Americans transitioning to renting.^{33, 34, 35} This influx of households joining the rental market increased competition for available units, further exacerbating rising rents. It also decimated millions of households' savings and dashed dreams of handing down accumulated wealth to the next generation, as households that suffer a foreclosure often are unable to return to homeownership.³⁶ The impact of a foreclosure on credit ratings often further exacerbates households' precarious financial situations.³⁷

Since 2008, the federal government has taken on a greater role in supporting financial housing markets to limit the likelihood of another related crash.³⁸ In 2008, the Federal Housing Finance Agency placed the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac) under conservatorship to “ensure that the enterprises operate in a safe and sound manner and that their operations and actions of each regulated entity foster a liquid, efficient, competitive, and resilient national housing finance market.”³⁹ Congress has also taken steps to improve regulation of the housing finance system; the Dodd-Frank Act updated the Truth in Lending Act to “prohibit lenders from making certain mortgage loans without regard to a consumer’s ability to repay the loan.”

After the Great Recession, national-level house prices fell by 31%, and homeownership rates fell to a level not seen since the 1960s.⁴⁰ Homeownership rates have been slow to recover, yet home prices rebounded rapidly, and over half of the increase in real house price appreciation between 2006 and 2014 can be attributed to the increased presence of institutional investors.⁴¹ Moreover, increased institutional buyer presence in local housing markets is negatively correlated with local homeownership rates.⁴²

At the local level, government control over zoning has historically been motivated by fiscal and exclusionary reasoning. To fund basic services, infrastructure, and schools, localities may prefer zoning rules that generate the greatest amount of tax revenue. In the early 20th century, many zoning laws explicitly segregated neighborhoods by race.⁴³ Restrictive zoning, however, has been found to “increase

³³ John V. Duca. “Subprime Mortgage Crisis.” Federal Reserve Bank of Dallas. November 22, 2013. <https://www.federalreservehistory.org/essays/subprime-mortgage-crisis>.

³⁴ Sumit Agarwal, Gene Amromin, Itzhak Ben-David, Souphala Chomsisengphet, Douglas D. Evanoff. “Predatory Lending and the Subprime Crisis.” National Bureau of Economic Research. October 2013. <https://www.nber.org/papers/w19550>.

³⁵ CoreLogic, “United States Residential Foreclosure Crisis: Ten Years Later,” March 2017. retrieved from <http://www.corelogic.com/research/foreclosure-report/national-foreclosure-report-10-year.pdf>.

³⁶ Ibid.

³⁷ Government Accountability Office. “Rental Housing: As More Households Rent, the Poorest Face Affordability and Housing Quality Challenges.” May 2020. <https://www.gao.gov/assets/gao-20-427.pdf>.

³⁸ Government Accountability Office. “Housing Finance: Prolonged Conservatorships of Fannie Mae and Freddie Mac Prompt Need for Reform.” January 2019. <https://www.gao.gov/assets/gao-19-239.pdf>.

³⁹ Ibid.

⁴⁰ Lauren Lambie-Hanson, Wenli Li, Michael Slonkosky. “Institutional Investors and the U.S. Housing Recovery.” Federal Reserve Bank of Philadelphia. November 27, 2019. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3494193.

⁴¹ Ibid.

⁴² Ibid.

⁴³ Solomon Green, Ingrid Gould Ellen. “Breaking Barriers, Boosting Supply: How the Federal Government Can Help Eliminate Exclusionary Zoning.” Urban Institute. September 2020. https://www.urban.org/sites/default/files/publication/102963/breaking-barriers-boosting-supply_1.pdf

the price of land for housing, perpetuate segregation, drive up costs for low-income families seeking decent housing, and suppress overall economic growth.”⁴⁴

Solutions

The government has in the past recognized failures in the housing market and taken concrete steps to correct them. Past successes have substantially reduced hardship—both financial and physical—for low-income Americans, while many current proposals at all levels of government aim to further alleviate distress among the most vulnerable households.

Past Efforts

Section 8 Amendment to the Housing Act: In 1974, Congress passed the Housing Choice Voucher Program, an amendment to the Housing Act of 1937, which provides federal vouchers to low-income households to rent from private landlords. Tenant contributions to rent payments are capped at around 30% of income, while the remainder is covered by the federal government.⁴⁵ The Section 8 program, as it is commonly referred, drastically reduces homelessness and overcrowding and prevents more than one million people from falling into poverty—outcomes that are strongly correlated with educational, developmental, and health benefits.⁴⁶ Despite the clear benefits of vouchers for recipients, the average household spends two and a half years on the waitlist before receiving them.⁴⁷ Only one in four households eligible for some type of rental assistance actually receives any due to funding limitations.⁴⁸

Low-Income Housing Tax Credit: The Low-Income Housing Tax Credit (LIHTC), created by the Tax Reform Act of 1986, is the federal government’s primary policy tool to encourage the private development and rehabilitation of affordable rental housing. Through the LIHTC, developers are awarded federal tax credits to offset construction costs in exchange for reserving a certain share of rent-restricted units for low-income tenants.⁴⁹ Since the 1990s, the LIHTC has supported the construction or rehabilitation of over 2 million affordable rental units.⁵⁰

Zoning Reform: Oregon’s HB 2001 eliminated single-family zoning in most jurisdictions in the state and varied compliance requirements by city size.⁵¹ Massachusetts’s Chapter 40B, which “allows developers to bypass local zoning laws in communities that lack affordable housing options when a project includes

⁴⁴ Ibid.; US Department of Housing and Urban Development (HUD). “PD&R: A Historical Investigation at (Almost) 50.” 2016. <https://www.huduser.gov/hud50th/HUD-Historical-Investigation-Report.pdf>; The White House. “Housing Development Toolkit.” 2016.

https://obamawhitehouse.archives.gov/sites/whitehouse.gov/files/images/Housing_Development_Toolkit%20f.2.pdf.

⁴⁵ Alexander von Hoffman. “History Lessons for Today’s Housing Policy: The Political Processes of Making Low-Income Housing Policy.” Joint Center for Housing Studies of Harvard University. August 23, 2012.

<https://www.jchs.harvard.edu/research-areas/working-papers/history-lessons-today%E2%80%99s-housing-policy-political-processes-making-low>.

⁴⁶ Center on Budget and Policy Priorities. “Policy Basics: The Housing Choice Voucher Program.” Updated April 12, 2021. <https://www.cbpp.org/research/housing/the-housing-choice-voucher-program>.

⁴⁷ Sonya Acosta, Erik Gartland. “Families Wait Years for Housing Vouchers Due to Inadequate Funding.” Center on Budget and Policy Priorities. July 22, 2021. <https://www.cbpp.org/research/housing/families-wait-years-for-housing-vouchers-due-to-inadequate-funding>.

⁴⁸ Ibid.

⁴⁹ Mark P. Keightley. “An Introduction to the Low-Income Housing Tax Credit.” Congressional Research Service. January 26, 2021. <https://crsreports.congress.gov/product/details?prodcode=RS22389>.

⁵⁰ Tax Policy Center. “Key Elements of the U.S. Tax System: What is the Low-Income Housing Tax Credit and how does it work?” Updated May 2020. <https://www.taxpolicycenter.org/briefing-book/what-low-income-housing-tax-credit-and-how-does-it-work#:~:text=The%20LIHTC%20is%20estimated%20to,for%20more%20than%2030%20years>.

⁵¹ Oregon Legislative Assembly. 80th Regular Session. “House Bill 2001.” 2019.

<https://olis.oregonlegislature.gov/liz/2019R1/Downloads/MeasureDocument/HB2001/Enrolled>.

units with long-term affordability restrictions,” has increased the supply of affordable housing in areas with local exclusionary barriers.^{52, 53}

Community Land Trusts: Community Land Trusts (CLTs) are arrangements where an individual’s homeownership is separate from community-owned land.⁵⁴ CLTs present an alternate model of homeownership, typically in the form of a 99-year lease, designed to ensure long-term housing affordability through spreading the costs of homeownership across multiple households as well as by limiting the amount of profit a home sale can generate.⁵⁵

Current Proposals

Build Back Better: The Build Back Better framework as laid out by the House Committee on Financial Services aims to enable the construction, rehabilitation, and improvement of nearly two million affordable homes, extend housing vouchers to hundreds of thousands of additional eligible families that do not currently receive them, and help close the racial wealth gap by providing down payment assistance to hundreds of thousands of first-generation homebuyers.⁵⁶

Federal Emergency Rental Assistance: Calls for emergency rental assistance began when the federal government implemented eviction moratoriums during the first two years of the pandemic.⁵⁷ Introduced by Senators Michael Bennet, Rob Portman, Sherrod Brown, and Todd Young, the Eviction Crisis Act of 2021 would establish a permanent emergency assistance fund to increase housing stability to financially vulnerable tenants. The legislation would also create a national database to track evictions, increase funding to study evictions, and “support increased legal representation for tenants.”⁵⁸

Bipartisan Neighborhood Homes Reinvestment Act: The Bipartisan Neighborhood Homes Reinvestment Act, sponsored by Representative Brian Higgins and Senator Ben Cardin, would create a new tax credit to close the gap between construction and rehabilitation costs and the appraised value of a home in an eligible distressed area, which is intended to attract renovation and new construction in areas burdened by low property values in which investment has historically been lacking.⁵⁹ The legislation includes additional eligibility limitations to focus the credit to areas and owners in most need of assistance.

⁵² Commonwealth of Massachusetts. “Chapter 40B Planning and Information.” <https://www.mass.gov/chapter-40-b-planning-and-information>.

⁵³ Solomon Green, Ingrid Gould Ellen. “Breaking Barriers, Boosting Supply: How the Federal Government Can Help Eliminate Exclusionary Zoning.” Urban Institute. September 2020. https://www.urban.org/sites/default/files/publication/102963/breaking-barriers-boosting-supply_1.pdf.

⁵⁴ James Meehan. “Reinventing Real Estate: The Community Land Trust As a Social Invention in Affordable Housing.” *Journal of Applied Social Science*. September 2014. <https://doi.org/10.1177/1936724413497480>.

⁵⁵ “Overview: Community Land Trusts (CLTs). Democracy Collaborative. <https://community-wealth.org/strategies/panel/clts/index.html>.

⁵⁶ U.S. House Committee on Financial Services. “The Build Back Better Act.” <https://financialservices.house.gov/issues/the-build-back-better-act.htm#:~:text=The%20more%20than%20%24150%20billion,housing%20in%20our%20nation's%20history>.

⁵⁷ Kristen Broady, Wendy Edelberg, Emily Moss. “An eviction moratorium without rental assistance hurts smaller landlords, too.” September 21, 2020. <https://www.brookings.edu/blog/up-front/2020/09/21/an-eviction-moratorium-without-rental-assistance-hurts-smaller-landlords-too/>.

⁵⁸ U.S. Senate Committee on Banking, Housing, and Urban Affairs. “Bennet, Portman, Brown, and Young Reintroduce Bipartisan Legislation to tackle the Eviction Crisis.” June 23, 2021. <https://www.banking.senate.gov/newsroom/majority/bennet-portman-brown-and-young-reintroduce-bipartisan-legislation-to-tackle-the-eviction-crisis>.

⁵⁹ Mark P. Keightley. “Neighborhood Homes Investment Act: Overview and Policy Considerations.” Congressional Research Service. July 22, 2021. <https://www.crs.gov/Reports/IF11884?source=search&guid=2ddeda903e98470bbb6d0ab966e04972&index=0>.