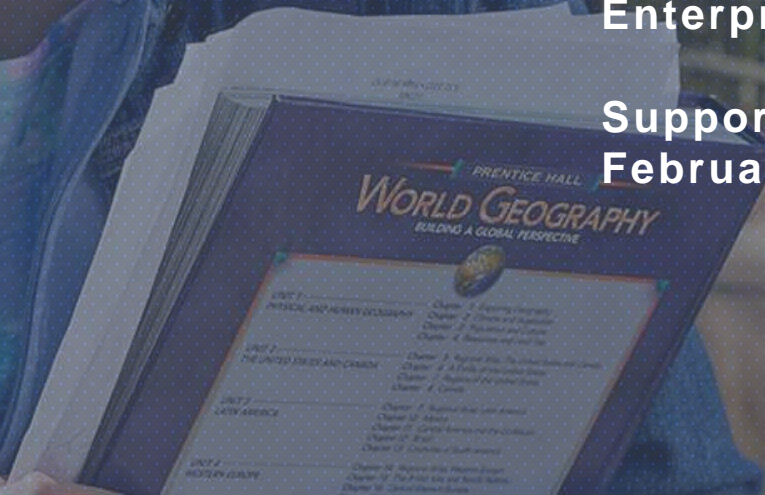




2020 Federal Policy Priorities

Sarah Brundage
Senior Director, Public Policy
Enterprise Community Partners

Supportive Housing Association of NJ
February 5, 2020



AGENDA

1. *Affordable Housing Credit Improvement Act of 2019*
2. *Save Affordable Housing Act of 2019*
3. Appropriations Update
4. Affirmatively Furthering Fair Housing (AFFH) Rule
5. Community Reinvestment Act (CRA) Modernization
6. New Markets Tax Credit and Opportunity Zones
7. 2020 Election Update
8. Housing Affordability Breakthrough Challenge

Affordable Housing Credit Improvement Act of 2019 (AHCIA)

- Bipartisan, bicameral bill introduced in June 2019 to strengthen and expand the Low-Income Housing Tax Credit (Housing Credit)
 - Senate bill: S. 1703
 - House bill: H.R. 3077
 - Increases Housing Credit 50% over current levels
 - Establishes minimum 4% rate for Housing Bond financed developments
 - Includes additional provisions to help better serve hard to reach communities
- Bipartisan support in Senate and House
 - Senate cosponsors: 38 (46% Senate Finance Committee Members)
 - House cosponsors: 207 (69% Ways and Means Committee Members)

AHCIA Cosponsor Targets in New Jersey

House Targets (H.R. 3077)

1. **Christopher Smith (R-NJ-4)** | Former AHCIA cosponsor
2. **Tom Malinowski (D-NJ-7)** | Former AHCIA cosponsor, New Democrat Coalition Member
3. **Donald Norcross (D-NJ-1)** | Former AHCIA cosponsor, New Democrat Coalition Member
4. **Bonnie Watson Coleman (D-NJ-12)** | Former AHCIA cosponsor, THUD Committee Member
5. **Josh Gottheimer (D-NJ-5)** | Financial Services Committee Member

Senate Targets (S. 1703)

1. **Bob Menendez (D-NJ)** | Former AHCIA cosponsor, Finance and Banking Committee Member, Cosponsor of NMTC legislation

The ACTION Campaign

AHCIA Advocacy Support

- Enterprise co-chairs the ACTION Campaign, a coalition of 2,300+ local, state, and national organizations advocating for affordable housing
- Find advocacy materials and join ACTION at www.rentalhousingaction.org



THE LOW-INCOME HOUSING TAX CREDIT'S IMPACT IN NEW JERSEY

THE HOUSING CREDIT'S BENEFITS FOR LOW-INCOME FAMILIES & THE ECONOMY 1986 – 2017

59,194 homes developed or preserved in NJ

137,922 low-income households served

66,889 jobs supported for one year

\$2.5 billion tax revenue generated

\$6.4 billion wages & business income generated

THE NEED FOR AFFORDABLE HOUSING

The Housing Credit, combined with other key resources, has had a tremendous impact in New Jersey. However, much more affordable housing is still needed to meet the growing demand.

308,137 renter households in New Jersey pay more than half of their monthly income on rent, leaving too little for other expenses like health care, transportation and nutritious food

In order to afford a modest one-bedroom apartment, a minimum wage worker in New Jersey has to work **107 hours per week**


ADDRESSING OUR NATION'S SEVERE SHORTAGE OF AFFORDABLE HOUSING

7,799 additional affordable homes could be built in New Jersey over the next ten years through a 50 percent increase in Housing Credit allocation authority

Last updated July 3, 2019. Visit www.rentalhousingaction.org/state-district for this fact sheet's sources and methodologies.

The ACTION Campaign represents over 2,200 organizations and businesses working to address our nation's severe shortage of affordable rental housing by supporting the Low-Income Housing Tax Credit.

www.rentalhousingaction.org



The Housing Credit is a proven solution to help address the affordable housing crisis.

The Housing Credit is our nation's most successful tool for encouraging private investment in affordable rental housing. It has financed over 3 million apartments nationwide since 1986, providing about 7.4 million low-income families, seniors, veterans, and people with disabilities homes they can afford.

Without the Housing Credit, it would be financially infeasible for the private sector to build affordable homes for the families that need them most.

The ACTION Campaign calls on Congress to:

- **Expand** the Housing Credit to make a meaningful dent in our nation's severe shortage of affordable housing.
- **Strengthen** the Housing Credit by making it more streamlined and flexible.
- **Enhance** multifamily Housing Bonds, which provide critical financing to about 50 percent of Housing Credit developments.

Save Affordable Housing Act (SAHA) of 2019

- Qualified contracts (QCs) result in the premature loss of tens of thousands of Housing Credit properties annually
- Bipartisan, bicameral bills introduced in June 2019 to correct QCs
 - Senate Bill S. 1956
 - House Bill: H.R. 3479
- SAHA would correct QCs by:
 - (1) Repealing the QC option in Section 42 for future developments, thus eliminating the QC provision being used as an opt-out for properties awarded credits or bonds beginning in 2019; and
 - (2) Correcting the statutory price for purchase of existing properties so that it is based on the fair market value of the property as affordable housing.

Appropriations Update

FY20 HUD Funding	
Tenant-Based Rental Assistance (TBRA) – Housing Choice Vouchers	\$23.874 billion (\$1.28 billion increase)
Project-Based Rental Assistance (PBRA)	\$12.57 billion (\$823 million increase from FY19)
Community Development Block Grants	\$3.4 billion (\$100 million increase from FY19)
Homeless Assistance Grants (McKinney-Vento)	\$2.78 billion (\$141 million increase from FY19)
HOME Investment Partnership Program	\$1.35 billion (\$100 million increase from FY19)
Section 4 Capacity Building for Affordable Housing and Community Development program	\$36 million (\$1 million increase from FY19, first increase since 2011)

FY20 USDA Funding	
USDA Multifamily Housing Revitalization	\$28 million for Housing Demonstration Preservation program (\$3.5 million increase)
Section 521 Rental Assistance	\$1.375 billion (\$41 million increase)

FY20 Treasury Funding	
Community Development Financial Institution Fund	\$262 million (\$12 million increase)

Affirmatively Furthering Fair Housing (AFFH) Rule

- January 15 – HUD published a proposed Affirmatively Furthering Fair Housing (AFFH) Rule
- HUD’s proposed rule:
 - Change the definition of AFFH, removing reference to desegregation and creating areas of opportunity
 - New, oversimplified assessment metrics that misidentify fair housing goals
 - Establish minimum certification requirements
- **Comments due Monday, March 16**
- **More resources at www.fightforhousingjustice.org/**

CRA Modernization

- January 9 – FDIC and OCC published a joint notice of proposed rulemaking (NPR) to modernize the Community Reinvestment Act (CRA)
 - An estimated 85 percent of LIHTC investments and nearly 100 percent of NMTC investments are made by CRA-motivated banks
 - First major revision to the regulations since 1995
- Enterprise and a number of stakeholders have expressed large concerns with the NPR:
 - Single-metric approach to measure CRA activity is oversimplified
 - List of qualifying community development activities is too expansive
 - Changes to assessment areas with unknown outcomes
- **Comments due Monday, March 9**

New Markets Tax Credit & Opportunity Zones

New Markets Tax Credit

- Received a one year extension through 2020 and an increase in allocation authority from \$3.5 billion to \$5 billion
 - First increase in baseline NMTC allocation amount since 2007
- Enterprise is advocating for the permanent extension of the credit

Opportunity Zones

- December 2019 – IRS issued final regulations on investment in Opportunity Zones after two rounds of proposed regulations
- Final regulations did not include data collection or reporting requirements
- 60-day comment period on final regulations ends March 10

2020 Election Update

- Enterprise is engaging in the 2020 election to uplift affordable housing as key issue
 - Candidate outreach and media engagement
- 14 Democratic candidates have released housing plans. Biden and Yang are only remaining Democratic candidates who have yet to release housing plans.
- Sign up to receive daily or biweekly updates on the 2020 election via Enterprise's policy newsletters: <https://bit.ly/2vNBTy5>
 - Capitol Express (biweekly)
 - Today In Housing (daily)

Housing Affordability Breakthrough Challenge

- Six grants of more than \$2,000,000 each for projects that provide scalable solutions to address one of three focus areas:
 - Housing Construction
 - Housing Finance
 - Resident Services & Support
- Eligibility:
 - Nonprofits and Tribally Designated Housing Entities (TDHEs) may apply to all three application categories.
 - For-profit organizations are eligible to apply to Housing Construction only.
- Challenge Timeline: Three Rounds
 - Round 1 applications due February 19, 2020.
- **Find additional details at housingbreakthrough.org**

THANK YOU

Sarah Brundage
Senior Director, Public Policy
Enterprise Community Partners

sbrundage@enterprisecommunity.org

