



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

Habitat for Humanity's 2023-2024 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 more than half 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 to continue to invest in and strengthen programs that are getting results, and we need to enact new policy solutions, including ones that create meaningful opportunities for people of all races and ethnicities to access affordable homes and homeownership.

Our housing challenges have become more vivid and urgent over the last several years. Soaring rents and home prices have led to a substantial rise in housing cost burdens for the first time in a decade. Aspiring first-time homebuyers are increasingly priced out of homeownership. Many renters face the daunting task of having to decide between paying for housing or paying for food, medical care or other essential expenses. The homeownership rate for Black households remains less than half (45.3%)—a gap of 28.7 percentage points compared to white households.

Habitat's nearly 1,100 U.S. affiliates are working to help meet these challenges 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 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, as well as resources and programs that are critical to Habitat's ability to expand homeownership opportunities for low-income families nationwide.

Federal policy priorities

Address the supply shortage of safe, affordable homes for homeownership

Housing needs vary from region to region, but a common denominator is the shortage of decent and affordable homes for homeownership — especially for low- and moderate-income homebuyers. Communities need new tools to revitalize the housing stock in distressed and changing communities, and new resources for building and preserving affordable homes in other markets where rising housing costs are a prime driver of overall inflation. Habitat supports significant and sustained action and investment in a robust set of tools to expand affordable homeownership supply. Two legislative proposals that Habitat supports include:

- *The Neighborhood Homes Investment Act* — 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* — legislation to establish a program to award competitive grants to locally led partnerships to repurpose blighted properties for affordable homeownership, repair unsafe homes, and support other activities to strengthen housing security and spark economic recovery in highly distressed communities.

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.



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Create federal incentives for states and local governments to improve zoning

Habitat supports using supplemental grants to incentivize localities and states to reform zoning and other land use regulations to lower the cost of home building and increase the supply of affordable homes. Designed well, these incentives can reinforce existing fair housing law and reduce segregation while enabling localities to devise locally customized solutions. Habitat supports legislation such as the *Housing Supply and Affordability Act*, which would incentivize localities to implement comprehensive housing policy plans.

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.

Increase funding for and modernize the administration of USDA Rural Development single family housing programs

USDA Rural Development single family housing programs provide essential resources to individuals, organizations and communities in rural areas. They can be leveraged to increase affordable homeownership opportunities and preserve the existing housing stock in eligible rural communities across the US. Habitat supports improving these programs through increased funding, legislative reform and administrative action to increase affordability and stability in rural 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*, which 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.

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 permanently authorizing the program to create a solid framework that can be consistently applied after every disaster by enacting the *Reforming Disaster Recovery Act*.

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 Habitat affiliates with land acquisition and infrastructure needs to set the stage for building.
- *HOME Investment Partnerships Program (HOME)* funding supports Habitat affiliates with a wide range of housing development activities, including new construction, rehab, repair, down payment assistance, demolition and land acquisition.
- *Community Development Block Grant Program (CDBG)* funding supports Habitat affiliates with their infrastructure and repair activities.
- *Section 4 Capacity Building Program (Sec. 4)* funding supports Habitat affiliates to build their capacity through organizational development, which can consist of hiring a full-time employee that supports their housing production efforts.



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- *Veterans Housing Rehabilitation and Modification Pilot Program (VHRMP)* funding supports Habitat affiliates in rehabilitating and modifying the primary residence of veterans who are low-income and living with disabilities.
- **Department of Agriculture**
 - *Section 502 Direct loans* are mortgage loans used by homebuyers, including Habitat homebuyers, in rural communities for the purchase 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.
 - *Critical home repair programs:*
 - *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.
 - *Housing Preservation Grants* are provided to qualified organizations, including Habitat for Humanity, to repair or rehabilitate housing occupied by very-low and low-income families in eligible rural areas.
- **Department of the Treasury**
 - *The CDFI Fund* offers tailored resources and innovative programs to Community Development Financial Institutions, which invest federal dollars alongside private sector capital to generate economic growth and opportunity in some of the nation's most distressed communities. Multiple Habitat affiliates are CDFIs or partner with CDFIs, and Habitat for Humanity International itself has a CDFI.
 - *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 work of Habitat affiliates.
- **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 and home affordability

Expand the Low-Income Housing Tax Credit (LIHTC)

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

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 use their history of on-time rent payments to build up thin credit profiles and demonstrate their credit worthiness for accessing affordable homeownership and economic opportunities more broadly.

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 spurs 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.



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Finding solutions for international development through adequate and affordable housing

The United States government is a leader in global development; however it has not prioritized adequate housing in its development programs. In a rapidly urbanizing world, Habitat calls on federal leaders to gain a deeper understanding of housing and its relationship to global poverty reduction and to promote access to safe, healthy and affordable housing for all. Habitat's next global advocacy campaign will leverage the experience of Habitat's programs in 70 countries to change policies and systems that have otherwise prevented equitable access to adequate housing for people in informal settlements.