

Draft Federal Legislative Priorities

(not adopted) Draft last updated April 2021

The King County Affordable Housing Committee of the Growth Management Planning Council is charged with recommending actions and assessing regional progress toward advancing affordable housing solutions recommended by Regional Affordable Housing Task Force in December 2018. The Task Force estimated that by 2040 King County will need to add 244,000 affordable units to ensure that no low-income household pays more than 30 percent of its income on housing. To meet this need equitably and effectively, the Task Force recommended the region act with urgency to expand the resources available to build or preserve the first 44,000 units of housing affordable to households with incomes at or below 50% of area median income (AMI) by 2024.

The Affordable Housing Committee is committed to advancing efforts to implement untapped and generate new revenue sources sufficient to support the funding needed to meet this need and calls on the federal government to scale up its contributions to affordable housing to an amount commensurate with the need in King County.

Last year, the Affordable Housing Committee found that it will cost \$18 billion to build or preserve the 44,000 units. The total amount of funding available for affordable housing capital needs between 2019-2024 if affordable housing revenue funding stayed at current levels is only \$3 billion. Recent historical patterns show the federal government contributing approximately 69% of the funding to build affordable housing in King County, through programs such as the Low-Income Housing Tax Credit, HOME, and CDBG. For these federal contributions to scale at this rate, the federal government's share of the \$18 billion capital cost to build or preserve 44,000 units would be roughly \$12 billion.

The committee of 19 elected, nonprofit, and business leaders adopted these federal legislative priorities, which call for significantly increased federal investments in affordable housing to address the critical need for more affordable homes in King County.

2021 Federal Legislative Priorities

Ensuring a Long-Term Housing Recovery Act (Sponsored by Rep. Adam Smith): Recognizing that the pandemic will have long-term economic impacts on low-income people, Rep. Smith's bill provides for the allocation of \$25 billion in long-term housing assistance through one-time use Housing Choice Vouchers. In contrast to short-term eviction prevention aimed at resolving rental arrears, the stability of a voucher would provide ongoing affordable housing until a household no longer needs it. The \$25 billion would result in vouchers for 200,000 households nationally earning less than 80% of area median income (AMI).

Infrastructure Funding: Congress and the new administration have signaled a desire to pass a substantial infrastructure package to address the backlog of capital needs and accelerate the economic recovery. Housing is Infrastructure, and it should be recognized as such through the inclusion of funding for affordable housing development, preservation, and recapitalization programs, including:

- **Expansion of the Low-Income Housing Tax Credit Program (LIHTC):** LIHTC is the single largest driver of affordable housing production and preservation in the region. A national advocacy campaign is currently underway to include provisions from Sen. Cantwell and Rep. DelBene's soon to be re-released Affordable Housing Credit Improvement Act (AHCIA), including a lowering of the 50% Bond Test and an expansion of the 9% Credit. These changes would provide greater access to extremely competitive 4% housing credits in Washington State and provide additional funding for projects serving extremely low-income households.

- **\$45 Billion for the National Housing Trust Fund (NHTF):** The NHTF targets 75% of investments to projects serving extremely low-income households earning less than 30% of AMI. While the National HTF has rarely been funded at a high level, it offers an equitable and flexible avenue to accelerate the development of the preservation and construction of new affordable housing.
- **\$70 Billion for the Public Housing Capital Fund:** For decades, federal funding for housing capital repairs has fallen short of upkeep costs. Providing adequate funds to eliminate this gap will improve the viability of the local and national public housing inventory, ensuring that homes remain available for future generations. \$40 billion was included in the administration's American Jobs Plan.
- **HUD Community Development Programs:** In 2020, the House introduced a version of an infrastructure package that included **\$5 Billion** in the HOME Investment Partnerships Program (HOME) and a **\$10 Billion** competitive CDBG allocation available to local governments. AHC members should push for similar or greater allocation levels to be included in a future infrastructure package. The American Jobs Plan includes funding for the CDBG program.

As details from the administration's American Jobs Plan become clearer, the AHC may identify additional priorities to support in a final package. The [White House fact sheet](#) on the plan includes \$213 billion to produce, preserve, and retrofit more than two million homes and commercial buildings to address the affordable housing crisis, including:

- Produce, preserve, and retrofit more than a million affordable, resilient, accessible, energy efficient, and electrified housing units through targeted tax credits, formula funding, grants, and project-based rental assistance.
- Build and rehabilitate more than 500,000 homes for low- and middle-income homebuyers through a new Neighborhood Homes Investment Act, which calls for the creation of a new federal tax credit. The proposed tax credit would produce new equity investment dollars for the development and renovation of one-to-four family housing, creating a pathway for more families to buy a home and start building wealth.
- Eliminate exclusionary zoning and harmful land use policies through an innovative, new competitive grant program that awards flexible and attractive funding to jurisdictions that take concrete steps to eliminate such needless barriers to producing affordable housing.
- Address longstanding public housing capital needs through \$40 billion to improve the infrastructure of the public housing system in America.
- Put union building trade workers to work upgrading homes and businesses to save families money through block grant programs, the Weatherization Assistance Program, and by extending and expanding home and commercial efficiency tax credits.

FY 2022 THUD Appropriations Bill

The FY 2022 Federal Budget process will soon begin in earnest with the introduction of the administration's first budget proposal. Once the House and Senate begin marking up their own proposals, It is critical that Congress continue to increase funding for core affordable housing programs in the Transportation and Housing and Urban Development (THUD) appropriations bill.

THUD programs that the AHC should prioritize in FY 2022 include: **a)** full funding for renewal of existing Housing Choice Vouchers; **b)** full funding of the Public Housing Capital and Operating Funds to maintain existing services; **c)** request for additional incremental vouchers, including Mainstream vouchers that target non-elderly people with disabilities, and VASH vouchers that serve veterans experiencing homelessness; **d)** increases to the HOME and CDBG programs; and **e)** increases to McKinney-Vento Homeless Assistance Grants.