



U.S. HOUSE COMMITTEE ON FINANCIAL SERVICES
– RANKING MEMBER MAXINE WATERS –
FACT SHEET: THE HOUSING CRISIS RESPONSE ACT OF 2023

Bill Summary: The Housing Crisis Response Act of 2023 would provide more than \$150 billion in fair and affordable housing investments, representing the single largest investment in affordable housing in our nation’s history. These funds would create nearly 1.4 million affordable and accessible homes, help 294,000 households afford their rent, and address the racial wealth gap through the first-ever national investment in homeownership for first-time, first-generation homebuyers. This bill is similar to the housing title of the Build Back Better Act, which the House passed last Congress.

Need for Legislation: Our nation is in the midst of a worsening affordable housing crisis. U.S. renters are now paying more than 30% of their income on rent—the highest cost-burden level in at least 20 years. Over the last three years, single-family home prices have skyrocketed by 40%—reaching historic highs and pushing the dream of homeownership further out of reach for millions of families across the country. With households increasingly unable to keep up with rising housing costs, the risk of evictions and foreclosures threatens to push more families into homelessness. Currently, over 582,500 individuals are experiencing homelessness each night in the U.S., with some of the fastest growing rates in rural America. The undersupply of fair and affordable housing is a primary driver of these increasing housing costs, which are, in turn, playing a major role in driving up overall inflation.

In fact, today, there is no state in the U.S. that has an adequate supply of affordable housing for the lowest income renters. There is a nationwide shortage of nearly 14 million rental housing units for rent and purchase. Our public housing stock, which houses over 1.6 million people and has an estimated capital needs backlog of \$70 billion, is also in dire need of investment to ensure that it can continue to provide safe and decent living conditions for the families who live there. In March 2023, housing made up half of annual CPI inflation.

Neglecting the worsening housing and homelessness crises not only hurts families and communities, but it is a lost opportunity to create jobs, boost our economy, and reduce inflation. According to the National Association of Home Builders, building 2,000 homes for rent and purchase generates nearly 4,200 jobs and over \$166 million in state, local, and federal taxes and revenue.

The Solution: This bill would address our nation’s affordable housing crisis, chronic undersupply of housing, and bolster an equitable economy by providing over \$150 billion in critical investments to support public housing, the creation and preservation of affordable and accessible housing, equitable community development, and expand homeownership opportunities. In addition, the bill includes provisions to improve equitable planning and development processes that affirmatively advance fair housing, including requiring grantees to report on fair housing outcomes and increasing housing accessibility requirements. This legislation would make the investments needed to increase housing supply, decrease housing costs, end homelessness, and create jobs across the country. Here is a brief breakdown of the bill.

Helping America Access and Afford Housing

- **Tenant-Based Rental Assistance:** The bill provides \$24 billion to fund Housing Choice Vouchers and supportive services, \$7.1 billion of which is provided to serve people experiencing or at risk of homelessness or survivors of domestic violence and human trafficking. This is the largest one-time expansion of the Housing Choice Voucher program since its creation in 1974 and is expected help more than 260,000 families over the next eight years.

- **Project-Based Rental Assistance:** The bill provides \$1 billion for the first new project-based rental assistance contracts since 1983, providing 7,000 housing units that will be affordable to extremely low-income renters.

Preserving and Upgrading Our Essential Public and Assisted Housing Stock

- **Public Housing Investments:** The bill includes \$65 billion to repair the nation's public housing, preserving and improving over 500,000 public housing units, making public housing safer and healthier for millions of residents.
- **Revitalization of Distressed Multifamily Properties:** The bill provides \$1.6 billion to revitalize multifamily properties, improving 21,000 severely distressed assisted housing units.
- **Rural Rental Housing:** The bill provides \$2 billion in funding for the USDA Sections 514, 515, and 516 programs, which will preserve, create or repair 27,000 rental homes for farmworkers and rural low-income, disabled, and elderly families. The bill also provides \$100 million for rural rental assistance, helping 27,000 rural renters afford their housing costs.

Increasing and Preserving the Supply of Affordable, Accessible, Energy Efficient, and Climate Resilient Housing

- **Affordable Housing Production:** The bill provides \$25 billion to fund the construction, purchase, or rehabilitation of affordable homes for low-income people. \$10 billion will be invested in HOME to create or preserve 173,000 homes for low-income renters and homeowners, as well as provide assistance to 46,000 prospective and current homeowners to purchase or repair their homes. \$15 billion will be used to construct or preserve 141,000 rental housing units for the lowest-income families.
- **Housing Investment Fund:** The bill provides \$750 million for the Housing Investment Fund, which will be used by our nation's Community Development Financial Institutions (CDFIs) to fund the development of 13,000 rental and homeownership housing units.
- **Supportive Housing for Seniors and People with Disabilities:** The bill provides \$500 million to develop supportive housing for people with disabilities, creating 5,000 rental housing units. The bill also provides \$500 million to develop supportive housing for our nation's seniors, creating 7,000 rental housing units. The bill would also increase accessibility and visitability standards for federally funded housing to promote equitable housing opportunity for people with disabilities.
- **Investments in Native American Housing:** \$1 billion to Native American, Alaska Native, and Native Hawaiian communities to address their most pressing housing and community development needs.
- **Increased Affordable Housing Program:** The bill requires the Federal Home Loan Banks to contribute 15% of their net income to their Affordable Housing Program, which will lead to the creation, rehabilitation, or purchase of 98,000 affordable rental or homeownership units.
- **Improving Energy Efficiency or Water Efficiency or Climate Resilience of Affordable Housing:** The bill provides \$2 billion for energy efficient and climate resilient upgrades to federally assisted housing, improving 51,000 homes.

Expanding Opportunity Through Healthy Homes and Equitable Community Development

- **Community Development Block Grant:** \$3.05 billion in CDBG funding for affordable housing and community infrastructure upgrades, creating approximately 88,000 homes for low-income families, including allocations for the Colonias and manufactured housing communities.
- **Addressing Lead-Based Paint and Other Hazards:** The bill provides \$5 billion to address lead-based paint and other health hazards in low-income family housing across the country, making 276,000 housing units safer for families and children.
- **Unlocking Possibilities Program:** The bill provides \$1.75 billion in competitive grants to States, units of general local government, and Indian tribes to incentivize the elimination of exclusionary, restrictive zoning and land uses to advance fair housing and support the creation of affordable housing in every community.
- **Community Restoration and Revitalization Fund:** This bill provides \$3 billion for HUD to establish a competitive grant program to create affordable, accessible housing and economic redevelopment in neighborhoods experiencing underinvestment and cycles of blight and abandonment.

Making Good on Our Nation's Promise of Fair Housing

- **Fair Housing Initiatives Program:** The bill provides \$700 million to strengthen and expand local fair housing oversight and enforcement capacity to ensure housing and community development investments are administered equitably.
- **Fair Housing Assistance Program:** The bill provides \$100 million to bolster intergovernmental enforcement of the Fair Housing Act.

Investing to Expand the American Dream of Homeownership

- **Promoting First-Generation Homeownership:** \$10 billion in first-time, first-generation homebuyer downpayment, closing cost, and interest-rate buydown assistance to help an estimated 273,000 individuals become homeowners and begin building wealth.
- **LIFT Home Loan Program:** The bill includes \$5 billion to provide an estimated 163,000 first-time, first-generation homebuyers with an affordable 20-year FHA or USDA mortgage product so that they can build equity in their homes faster.
- **Investments in Rural Homeownership:** The bill provides \$900 million to assist approximately 18,000 rural homeowners with repairing their homes.
- **HUD-Insured Small Dollar Mortgage Demonstration Program:** The bill provides \$100 million for HUD to carry out a pilot program to expand small-dollar lending options for an estimated 75,000 qualified homebuyers seeking to purchase affordable homes priced at \$100,000 or less.

Improving Federal Agency Oversight, Technical Assistance, and Community Capacity Building

- **Program Administration, Technical Assistance, Capacity Building, and Oversight:** The bill provides \$1 billion to assist HUD with program administration, technical assistance, and capacity building, as well as funding for the Office of Inspector General for HUD, Treasury, and USDA.
- **Community-Led Capacity Building:** This bill provides \$100 million in competitive grants to nonprofit entities to provide technical assistance and capacity building to community development corporations,

community housing development organizations, community land trusts, and other mission-driven and nonprofit organizations.

Bolstering the Resilience of the National Flood Insurance Program (NFIP)

- **NFIP debt forgiveness:** The bill forgives \$20.5 billion in debt carried by the NFIP. Currently, policyholders' premiums are diverted to the Treasury so that FEMA can service its debt. This provision will free up those funds for mapping, claims payments, and other investments that will strengthen the long-term resilience of the NFIP.
- **Investments in Flood Mapping:** The bill directs \$600 million toward updating and modernizing flood maps, ensuring that the federal government can make infrastructure investments in the underlying package with a strong understanding of where flood risk is increasing, and allowing prospective homeowners to have a full picture of their flood risk.
- **Making Flood Premiums More Affordable:** The bill invests \$600 million for FEMA to create a new affordability program for low-and-median income NFIP policyholders. Policyholders earning up to 120 percent of area median income will be eligible for discounts on their flood insurance policies, which will encourage more participation in the NFIP and help some homeowners deal with projected costs associated with FEMA's new risk rating methodology.

Stakeholder Support: National Rural Housing Coalition, National ADAPT, National Coalition for the Homeless, Louisiana Fair Housing Action Center, OnTrack WNC, National Low Income Housing Coalition, National Alliance to End Homelessness, National Fair Housing Alliance, Up for Growth Action, National Women's Law Center, National Urban League, National Housing Conference, National Education Association, Catholic Charities USA, Habitat for Humanity International, National Alliance on Mental Illness, National Association of Counties, National Community Reinvestment Coalition, PolicyLink, Arc of the United States, Mayors and CEOs for U.S. Housing Investment, UnidosUS, The Leadership Conference on Civil and Human Rights, Housing Assistance Council, National Association of Social Workers, National Partnership for Women and Families, National Housing Law Project, National Association of Housing and Redevelopment Officials, LeadingAge, Local Initiatives Support Corporation, Hispanic Federation, National Association for County Community and Economic Development, Grounded Solutions Network, National Community Development Association, Council of Large Public Housing Authorities, National Network to End Domestic Violence, Enterprise Community Partners, National Housing Trust, Fahe, Consortium for Citizens with Disabilities Housing Task Force, Low Income Investment Fund, Corporation for Supportive Housing, Church World Services, Coalition on Human Needs, National Association for Latino Community Asset Builders, National Association of Local Housing Finance Agencies, National Housing Resource Center, RESULTS, Public Citizen, Prosperity Now, National Organization for Women, Professional Association of Social Workers in HIV/AIDS, National Housing & Rehabilitation Association, National Domestic Violence Hotline, National Health Care for the Homeless Council, National Coalition for Housing Justice, ROC USA, National Association of Affordable Housing Lenders, National Coalition for a Civil Right to Counsel, Funders Together to End Homelessness, Consumer Action, Collaborative Solutions Inc., Coalition of Labor Union Women AFL-CIO, American Muslim Health Professionals, National Alliance of Community Economic Development Associations, Jewish Women International, HerStory Ensemble, African American Health Alliance, Americans for Financial Reform, Community Solutions, Public Housing Authorities Directors Association, Food Research & Action Center, National Alliance of HUD Tenants, National Center for Housing and Child Welfare, National Coalition for Asian Pacific American Community Development, National Homelessness Law Center, National Council of Jewish Women, Center for Disability Rights, Justice in Aging, National Disability Rights Network, National Council for Independent Living, Treatment Communities of America, Center for Community Progress, Asian Real Estate Association of America, American Association of Service Coordinators, Community Change Action, National Coalition for Latinx with Disabilities, Poverty & Race Research Action Council, National WIC Association,

Partnership for the Homeless, Unitarian Universalist for Social Justice, National Innovation Service, National Association of Statewide Independent Living Councils Inc., CommonSpirit Health, ICNA Council for Social Justice, National Consumer Law Center (on behalf of its low-income clients), National Rural Housing Coalition, Americans for Financial Reform Education Fund, HPP CARES CDE, Hudson County Housing Resource Center, GS Community Ventures, California Housing Partnership, EK Sattler Assoc., LLC, Massachusetts Affordable Housing Alliance, Lawrence CommunityWorks, Consumer Credit and Budget Counseling, Inc d/b/a National Foundation for Debt Management, HomesFund, SouthFair Community Development Corporation, Spanish Coalition for Housing (SCH), Long Island Housing Services, Inc., HomeOwnership Center, inc., HomeFree-USA, Community Housing Development Corporation, Housing Action Illinois, Greater Phoenix Urban League, Lifelines Counseling Services, Administration of Resources & Choices, Community Development Network of MD, Fair Housing Advocates of Northern California, Rockaway Development & Revitalization Corporation, Reinvestment Partners, National Coalition for Asian Pacific American Community Development (National CAPACD), The Bronx Neighborhood Housing Services CDC Inc, Community Coalition, Southern California Association of Nonprofit Housing, WSRAR, National Council of State Housing Agencies, Low Income Investment Fund (LIIF), PHADA, Liberation in a Generation, Center for NYC Neighborhoods, Capital Magnet Fund Coalition, Center for Responsible Lending, Council of State Community Development Agencies, The Kelsey, Covenant Faith Outreach Ministries / Covenant CDC, Compass Working Capital.

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