

1 **COMMUNITY, ECONOMIC AND WORKFORCE DEVELOPMENT STEERING COMMITTEE**

2
3 **PROPOSED RESOLUTION ON HOUSING INFRASTRUCTURE**

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5 **Issue:** Support the inclusion of affordable housing investments in any federal infrastructure package.

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7 **Proposed Policy:** The National Association of Counties (NACo) urges Congress to include affordable
8 housing investments in any federal infrastructure package to provide counties with the resources
9 necessary to create and preserve more affordable homes in the United States.

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11 **Background:** The Trump Administration along with Congressional leadership have introduced
12 infrastructure plans over the last year. Notably missing from these plans is the expansion of affordable
13 housing infrastructure. Affordable housing is a vital component to infrastructure investment, and the
14 construction and preservation of our country's affordable housing stock will strengthen productivity and
15 economic growth, promote economic mobility, and provide greater household stability and improved
16 wellness outcomes.

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18 In order to achieve comprehensive economic impact through infrastructure reform, significant
19 affordable housing investments must be incorporated. The shortage of affordable housing in major U.S.
20 cities costs our economy \$2 trillion a year in lower wages and productivity and prevents low-income
21 households from moving to areas with more economic opportunities. A lack of affordable housing
22 access prevents families from increasing their earnings and causes a slower gross domestic product
23 (GDP) growth. It is estimated that between 1964 and 2009, the GDP growth would have been 13.5%
24 higher if there were more affordable housing options for families. This translates into a \$1.7 trillion
25 increase in income overall and \$8,775 in additional wages per worker. Affordable housing infrastructure
26 additionally helps local economies and creates jobs by leveraging public and private funds to increase
27 earnings, increase tax revenue, and put people to work. According to the National Home Builders
28 Association, building just 100 affordable rental homes can generate \$11.7 million in local income, \$2.2
29 million in taxes and other revenue, and can create 161 local jobs in the first year of construction.

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31 Moreover, access to affordable housing improves numerous aspects of a family's quality of life.
32 Research shows that when a family has access to affordable housing, there is an increase in their
33 economic mobility. Additionally, children receive numerous benefits from living in an affordable housing
34 community in high opportunity areas. These children earn 31% more as adults, live in better
35 neighborhoods as adults, and are less likely to become a single parent. These children also do better in
36 school and have greater opportunities to learn outside the classroom.

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38 There is no community in the United States where a family with one full-time worker earning the
39 minimum wage can afford the local fair-market rent for a two-bedroom apartment. According to the
40 Department of Housing and Urban Development (HUD), an estimated 12 million renter and homeowner
41 households spend more than 50 percent of their annual incomes on housing. Families who pay more
42 than 30 percent of their income for housing are considered cost burdened and will likely have difficulty
43 paying for necessities such as food, clothing, transportation and medical care. The problem is likely to
44 exacerbate in the coming years. Analysts expect that over the next ten years over 400,000 new renter
45 households will enter the rental housing market, many of these households being low-income. The pace
46 the rental housing industry is developing new units is significantly slower than the number of rental
47 housing needed in the next ten years, meaning the gap in rental housing supply vs. the demand for
48 rental homes is only going to widen.

1 Even the nearly 2.2 million households in the U.S. that receive housing vouchers to subsidize their rent
2 have issues finding affordable housing under current market conditions. Families under the Housing
3 Choice Voucher Program must secure an apartment in the private market within sixty days of receiving a
4 voucher. The rent for their apartment must fall within the Fair Market Rent guidelines established by
5 HUD, but for many communities, the Fair Market Rent threshold allows families to rent homes in only a
6 handful of neighborhoods. If a voucher holder fails to find housing at or below the Fair Market Rent
7 amount, they must return the voucher at the end of the 60-day period. In many markets, this has caused
8 high return rates of the vouchers as families are unable to find affordable housing in their communities.
9 New York, for example, has almost a 50 percent return rate due to the lack of affordable housing
10 available to voucher holders. The affordable housing crisis has left low and moderate income families
11 financially on edge and has compromised their ability to afford food, maintain a stable environment for
12 their children, and find and retain employment.

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14 As affordable housing becomes more difficult to access and rents continue to increase, the creation of
15 more affordable homes is necessary. With the affordable housing crisis affecting every state, county,
16 and city in the nation, it is critical now more than ever for Congress to invest in affordable housing
17 infrastructure. These investments will help counties preserve and build up our country's affordable
18 housing stock, strengthen the U.S. economy, and provide more stability to families.

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20 **Fiscal/Urban/Rural Impact:** The investment in the country's affordable housing infrastructure is crucial
21 to state and local governments that provide housing to communities at the grassroots level.

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23 **Sponsor:** Patricia Ward, Tarrant County, TX