



## Affordable HOME (Housing Opportunities Made Equitable) Act

### The Problem

Every American should have a home they can afford. Yet working and middle-class families are struggling to find housing they can afford within a reasonable commute of their jobs. Homeownership rates are declining for today's young adults. Chronic homelessness endangers the health and well-being of hundreds of thousands of people a year and is impacting quality of life for communities all over Oregon, and across America.

In the wealthiest nation on earth, no one should have to sleep on the streets or commute for hours every day just to afford a safe and decent place to call home.

### By The Numbers

- **7 million units:** The gap between our affordable housing supply and American families' needs.
- **580,466:** The number of people experiencing homelessness at a single point in time during March of 2021.
- **4.2 times:** The price-to-income ratio of buying a home in 2017. The typical price of a single-family home in 2017 was more than four times greater than median household income, compared to 3.3 in 2011 or 2.8 in 1973.
- **8 million:** The number of the lowest income renters that pay at least half of their income on rent, leaving them without the resources they need to put food on the table, purchase needed medications, or make ends meet.

### The Solution

Solving the nation's housing crisis starts with a **national commitment to make sure every American has a home they can afford.** That means:

- 1) **Lowering the cost of housing** so everyone can afford a place to live;
- 2) **Building a 21<sup>st</sup> century housing supply** that meets the needs of all Americans;
- 3) Providing housing and supportive services to **reduce chronic homelessness**;
- 4) Directly reckoning with and intentionally working to **address the legacy of America's history of racially discriminatory federal housing policies**, which has greatly diminished the ability of African Americans and other racial minorities to build wealth and get a fair shake in the housing market; and
- 5) Building a more **straightforward and fast-acting emergency housing program** to quickly deploy federal housing resources in large scale disasters, like wildfires or the pandemic.

The *Affordable HOME Act* is a bold, comprehensive bill to address all five objectives because in America, everyone should have a home they can afford, no matter where they live, what they look like, or how much they earn.

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## How the Affordable HOME Act Works

### Lowering the Cost of Housing

In recent years, it's become clear that the market alone will not ensure that affordable housing options are available to all or even most American families. Pew Research has found that nearly 40% of American renters are rent burdened, spending more than 30% of their pre-tax income on rent. The share of renters who are severely rent burdened—spending more than half their monthly income on rent—rose by 42 percent between 2001 and 2015, to nearly one in five renters. Meanwhile, many housing developers focus new development on the luxury end of the market, where profits are the highest.

We need to strengthen and expand programs that ensure a full range of options and give all Americans access to homes they can afford.

- **Expanding access to flexible rental and homeownership assistance.** This legislation addresses urgent, short-term housing needs by expanding access to programs that help renters and homeowners bridge the gap between their incomes and available housing. This will help families make ends meet and ensure that they aren't spending unsustainably high portions of their income on housing while our nation works to put in place long-term solutions.
- **Empowering renters.** It's critical to counteract the power imbalance that leaves many renters—especially single parents, lower income renters, fixed-income families, and people in tight markets—at the mercy of unscrupulous landlords. This bill significantly limits no-cause evictions, and incentivizes expanding local Right to Counsel programs for people facing evictions or foreclosure.
- **Guaranteeing long-term affordability.** To address affordable housing needs over the long term, the legislation dramatically expands permanently affordable land assets through the Community Land Trust model. This approach guarantees permanent affordability and slows displacement in gentrifying neighborhoods by putting real estate in the hands of non-profit trusts.
- **Putting homeownership in reach.** Homeownership is the greatest wealth-building tool the middle class has ever known. Homeownership helps ensure that families have predictable, affordable monthly payments and can stay in their own neighborhoods if rents rise. While homeownership may not be right for every family, we should ensure that all families who want the stability and wealth-building power of homeownership have a path to get there. With matching funds for down payment savings and a new mortgage tax credit for families who don't make enough to itemize their taxes, this legislation makes sure that the federal government supports all Americans—not just the wealthy—in pursuing homeownership.

### Building a 21<sup>st</sup> Century Housing Supply

Our current housing crisis results from historical underproduction of affordable housing. For years now, the markets have prioritized McMansions over housing that working people can afford.

Reversing the affordable housing deficit will require both persistent long-term efforts to fill this housing gap, plus short-term solutions while America builds new housing.

- **Eliminating the affordable housing gap through the National Housing Trust Fund.** The National Housing Trust Fund (HTF) is the only federal program exclusively targeted to help build, preserve, rehabilitate and operate housing affordable to people with the lowest incomes, yet it has been severely underfunded relative to America's need for affordable housing. This legislation creates a 10-year pathway to eliminate America's affordable housing gap by completely overhauling how we fund the HTF and dedicating billions in new resources to address the affordable housing gap.
- **Supporting affordable, available rural housing.** This legislation creates a new National Rural Housing Trust Fund to support new construction of multi-family housing for lower-income families in

rural areas. It also strengthens USDA's Rural Housing Preservation Program so current affordable housing in rural America doesn't leave the program.

- **Protecting affordable manufactured housing.** Manufactured housing fills a critical gap in the housing market for many working families. This legislation creates incentives to preserve affordable manufactured housing parks while strengthening protections for residents.
- **Investing in public housing.** Public housing is a key source of stable, affordable housing for over 1.2 million families. This legislation would repeal the Faircloth Amendment and authorize much needed funding to the Department of Housing and Urban Development (HUD) to address the massive public housing repair backlog.

### *Reducing Chronic Homelessness, Creating Thriving Communities*

Homelessness is an increasingly significant problem in many communities across America, and particularly in Oregon, with tents popping up under overpasses and vast encampments taking root in some places.

We need innovative, ambitious, and compassionate Housing First solutions that provide supports and shelter so nobody needs to sleep on the streets.

- **Investing in permanent supportive housing and innovative supportive tiny homes.** Permanent supportive housing has a significant track record of success in addressing homelessness, but many jurisdictions across the country don't have the resources to fully employ these tools where they are needed. This legislation makes significant capacity building investments in both permanent supportive housing and supportive tiny home villages that can fill a key missing link between homelessness and stable housing.
- **Ensuring individuals don't fall through the cracks.** Often, individuals experiencing homelessness may be close to securing stable housing when an unexpected event or hardship knocks them off course. This bill creates a Homeless Navigation Center Pilot Program that would work to quickly and effectively stabilize people who are just one or two steps away from securing housing, keeping them from falling through the cracks at this critical moment, and freeing up capacity to provide intensive supportive services to people with more significant barriers to stable housing.

### *Working To Address the Legacy of Federal Housing Discrimination*

For many decades, federal policy promoted segregation and redlining. No housing plan would be complete without policies to ensure that all American families, from all races and backgrounds, can thrive—despite the continuing legacy of those discriminatory policies.

The continuing effects of these racially motivated policies are plainly visible in the data on housing instability. For example, African Americans are just 13 percent of the population, but represent 40 percent of all people experiencing homelessness. During the Great Recession, Latino families lost nearly four times as much wealth as white families did—largely driven by inequities in the housing market.

Since housing instability and homelessness does not impact all Americans equally, this legislation explicitly establishes priority in certain programs for people who were victimized personally or whose immediate relatives were impacted by racially discriminatory housing policies, particularly redlining and the federal Department of Housing and Urban Development (HUD)'s urban renewal projects.

- **Assisting families to return to their historic communities.** This legislation creates the Office of Restorative Housing Justice within HUD solely focused on assisting people displaced by discriminatory federal governmental policies and actions or their descendants to return to their communities.
- **Defining and recognizing the legacy of discrimination.** In recognition of ongoing, inter-generational impacts of housing discrimination, this bill creates a standardized set of criteria defining people impacted by federal discriminatory policies like redlining and urban renewal projects.

- **Working to combat the ongoing legacy of discrimination.** This legislation works to counteract continuing disparities resulting from discrimination by establishing preference for people impacted by federal discriminatory policies. This legislation would ensure that individuals most impacted by racial discrimination and its legacies will be the first to benefit from down payment assistance, matched savings accounts, Community Land Trusts, and the new Emergency Rental Assistance Voucher expansion.

*Building an Effective Emergency Housing Response*

The COVID-19 pandemic and the resulting economic crisis have brought to light the fundamental role housing plays in people’s lives, and its precariousness in moments of crisis. Even before the pandemic, natural disasters and other economic downturns highlighted the federal government’s slow and often inequitable response to supporting families experiencing homelessness or struggling to pay the rent or mortgage as a result of an unanticipated event.

Throughout the COVID-19 pandemic, an estimated 30-40 million Americans were at risk of eviction, with people of color experiencing disproportionately high eviction rates. Renters of color reported having less confidence in their ability to pay rent and experienced greater difficulties staying current on rent compared with their white counterparts.

Stable housing is a fundamental right, and particularly important in times of crisis. A fast-acting federal housing response to an unanticipated public crisis would help ensure that housing stability is one less thing a family needs to worry about during an emergency.

- **Establishing a straightforward and fast-acting federal housing response to economic, public health, and natural disasters.** This legislation would ensure that the emergency housing program is automatically triggered if the President declares a disaster or there is a state-wide disaster under the Stafford Act, when unemployment reaches 8%, or if the Secretary of Housing and Urban Development (HUD) declares a state- or nation-wide housing emergency. Funding is pre-authorized to ensure a fast federal response when an initiating event occurs.
- **Multiple housing programs to assist a wide-range of families.** In recognition of the vast impact natural disasters and economic downturns can have on housing, this legislation pre-authorizes funding for a wide range of housing programs, including the National Housing Trust Fund, Community Development Financial Institutions, USDA Rural Development Housing Services, Emergency Vouchers, grants under the McKinney-Vento Homeless Assistance Act, and Community Development Block Grant Disaster Recovery funds.
- **Helping families pay rent during emergencies.** Building on successful models during the pandemic, this legislation establishes a permanent emergency rental assistance program that can be quickly activated and deployed to help people pay the rent during short-term emergencies.