

HISTORIC HOUSING INVESTMENTS IN THE BUILD BACK BETTER ACT



Thanks to strong and effective advocacy from nearly 1,800 HoUsed campaign members and our congressional champions, including House Financial Services Committee Chair Maxine Waters (D-CA), Senate Banking Committee Chair Sherrod Brown (D-OH), House Speaker Nancy Pelosi (D-CA), Senate Leader Chuck Schumer (D-NY), Congressmembers Ritchie Torres (D-NY) and Pramila Jayapal (D-WA), and many others, the Build Back Better Act invests \$150 billion in affordable housing.

These investments include significant funding for the HoUsed campaign's top priorities: \$25 billion to expand rental assistance to hundreds of thousands of additional households through Housing Choice Vouchers and project-based rental assistance; \$65 billion to preserve public housing for 2.5 million residents, and \$15 billion to build and preserve more than 150,000 homes for people with the greatest needs through the national Housing Trust Fund. Together, these resources are critically needed to address the housing needs of America's lowest-income and most marginalized households.

RENTAL ASSISTANCE

The Build Back Better Act expands rental assistance by \$25 billion, including \$22.1 billion to provide Housing Choice Vouchers and \$1 billion for project-based rental assistance. Of the amount provided for vouchers, \$7.1 billion is set aside for people experiencing or at risk of homelessness, and survivors of domestic violence and trafficking; \$15 billion is set aside for households with extremely low incomes. Altogether, these investments would serve 300,000 households. See how many vouchers your state would receive [here](#).

Rental assistance is a critical tool for helping the lowest-income people afford to keep roofs over their heads, and the program has a proven track record of reducing homelessness and housing poverty. This investment is an important first step toward fulfilling President Biden's [goal](#) to make rental assistance available to all eligible households.

Rental assistance addresses a major cause of our nation's affordable rental housing crisis: the mismatch between growing housing costs and stagnant wages for people with the lowest incomes. Nationwide, [8 million](#) of the lowest-income renters pay at least half of their income on rent, leaving them without the resources they need to make ends meet. Despite the clear need, only [1 in 4](#) eligible households receive any help and some households spend years on [waitlists](#) due to inadequate funding by Congress.

The bill includes funding for tenant protection vouchers (\$1 billion), mobility services (\$300 million), and landlord outreach (\$230 million).

PUBLIC HOUSING

The Build Back Better Act provides \$65 billion to preserve public housing for future generations and to protect the health and safety of its 2.5 million residents. This investment will help remediate immediate health hazards in public housing, increase energy efficiency, and ensure the nation's public housing stock is resilient to climate change and natural disasters.

Of the amount provided, \$10 billion is set aside for the Public Housing Capital Fund and \$53 billion is provided for priority investments, as determined by the HUD Secretary.

Public housing is critical to ensuring people with the greatest needs have an affordable and accessible place to call home, and the preservation of this community asset is key to any strategy to address America's housing crisis. Congress has divested from public housing for decades, resulting in over \$70 billion in unmet capital backlog needs. As a result, our nation loses 10,000 to 15,000 units of public housing every year to obsolescence or decay and other units fall into disrepair. With a \$65 billion investment, the Build Back Better Act will significantly address capital needs in public housing.

HOUSING TRUST FUND

The Build Back Better Act includes \$15 billion for the national Housing Trust Fund, which could build or preserve more than 150,000 rental homes affordable to households with extremely low incomes. See NLIHC's breakdown of how much HTF funding each state would receive [here](#).

The resources are provided through a set-aside within the HOME Investment Partnership Program for Housing Trust Fund activities and grantees.

The Housing Trust Fund is the first new federal housing resource in a generation exclusively targeted to build and preserve rental homes affordable to people with the lowest incomes. It is also the only federal housing production program targeted to address the underlying cause of America's housing crisis: the severe shortage rental homes that are affordable and available to people with the lowest incomes. Nationally, there is a shortage of [7 million homes](#) affordable and available to the nation's extremely low-income renters. For every 10 of these households, there are fewer than 4 homes affordable and available to them. No state or congressional district has enough supply to meet this demand.

OTHER PROVISIONS

The Build Back Better Act also includes, among other investments:

- \$10 billion for down payment assistance;
- \$10 billion for the HOME Investment Partnership Program;
- \$5 billion to address lead hazards and ensure healthy housing;
- \$3.05 billion for Community Development Block Grants;
- \$3 billion for a Community Restoration and Revitalization Fund;
- \$2 billion for green preservation of HUD multifamily housing;
- \$2 billion for rural housing;
- \$1.75 billion to address zoning barriers to affordable housing;
- \$1.6 billion to address health and safety concerns in HUD homes;
- \$1 billion for tribal housing;
- \$800 million for fair housing activities;
- \$750 million for a new "Housing Investment Fund" through the Capital Magnet Fund;
- \$500 million for Section 202 Housing for the Elderly; and
- \$500 million for Section 811 Housing for Persons with Disabilities.

TAX PROVISIONS

The bill includes provisions related to the Low Income Housing Tax Credit (LIHTC), including: creating an 8% set-aside for properties serving ELI households, and a permanent expansion of a basis boost for some of these properties; a permanent 30% basis boost for properties located in Native American areas; a temporary 40% expansion of the 9% credit phased in over 4 years; and a lowering of the 50% test for bond financed properties for 5 years. The bill fixes the qualified contract loophole and modifies the right of first refusal.

For more information, contact:

NLIHC Vice President of Public Policy Sarah Saadian at ssaadian@nlihc.org