

New Deal for Housing Justice

A Housing Playbook for the New Administration

JANUARY 2021



**COMMUNITY
CHANGE**

About this Publication

New Deal for Housing Justice is the result of the input, expertise, and lived experience of the many collaborators who participated in the process. First and foremost, the recommendations presented in this document are rooted in the more than 400 ideas shared by grassroots leaders and advocates in response to an open call for input launched early in the project. More than 100 stakeholder interviews were conducted during the development of the recommendations, and the following people provided external review: Afua Atta-Mensah, Rebecca Cokley, Natalie Donlin-Zappella, Edward Golding, Megan Haberle, Priya Jayachandran, Richard Kahlenberg, Mark Kudlowitz, Sunaree Marshall, Craig Pollack, Vincent J. Reina, Sherry Riva, Heather Schwartz, Thomas Silverstein, Philip Tegeler, and Larry Vale. Additional information is available on the companion website: <http://www.newdealforhousingjustice.org/>

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The Housing Playbook Project

The Housing Playbook Project, an effort led by Community Change with support from the Ford Foundation, aims to reassert the federal role in housing in ways that fundamentally reframe and reimagine that role to be centered on racial equity and opportunity. The project will continue to engage a broader set of stakeholders to amplify the housing justice narrative and the importance of bolder federal action to address the housing crisis through print and digital media stories.

The Housing Playbook Project co-chairs and advisory committee members have served as critical thought partners in their particular areas of expertise to the senior fellow in shaping the guiding principles and overall framing used to guide the development of the project.



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Introduction

America is ready for a national conversation and action on housing. Despite the lack of debate around national housing policies, people nationwide see a clear role for government, including the federal government. The ongoing impacts of the pandemic and economic downturn combined with the amplified calls for racial justice further underscore the need to prioritize housing justice. Home is essential, but for far too many people a safe, stable, healthy home is completely out of reach.

Over the last several decades, the federal government failed to adequately address the systemic racism and inequality permeating the housing system in the United States. We now face an economic and health crisis worse than the Great Depression. It is time for a transformative federal housing agenda that not only reasserts the federal role in housing, but also fundamentally reframes and reimagines that role to be centered on racial equity and opportunity. It's time for a New Deal on Housing Justice.

Tens of millions of our neighbors face eviction and homelessness, or are relying on credit and loans to make rent each month. The longer we wait, the longer we risk our collective right to a safe place to call home. States and local governments cannot solve our national housing crisis alone – the time for the federal government to act is now. And the people agree: More than eight in 10 adults believe there is a national housing crisis, and nearly a third believe it's the federal government's job to fix it.

With the urgency of this moment in mind, Community Change launched the Housing Playbook Project in 2020 to advance housing justice by proposing a bold set of federal actions that respond to the housing crisis and chart a path for leveraging policymaking to build power in the most impacted communities.

Today, as many as 28 million renters are at risk of eviction thanks to federal inaction on COVID-19 relief. That is nearly three times as many as the 10 million people pushed out of their homes due to foreclosures in the Great Recession of 2008. And it adds to over 1 million people who were already living without a home. Pre-pandemic trends underlining our national housing crisis have made for an impossible situation for the average American: the cost of housing is climbing faster than wages in 80% of markets. Those working full-time at the federal minimum wage cannot afford to rent at market rate in any state in the country. And

It's time for a New Deal on Housing Justice.

to be clear, these issues are not limited to urban metros. This exacerbated housing crisis is being felt in communities of all sizes and geographies, including rural and suburban areas.

But it doesn't have to be this way. The federal government can make a difference with bold, large-scale action. As a nation, we have the power and resources to make sure that every one of us has a place to call home. And our federal government has a history of making significant investment in housing in the face of national crisis. Following the Great Depression and World War II, the government pushed forward with the New Deal and Federal Housing Administration and Veterans Administration home loans.

Of course, those policies very intentionally left out Black people, and the legacy of systemic exclusion endures. Black and Latinx families have spent decades locked out of home ownership: Today, they are twice as likely to rent rather than own homes, further denied the security and opportunity to generate wealth that ownership affords. With the dual health and economic crises, they are also more likely to have lost work or to be struggling to keep work amidst rising unemployment. Many who continue to work are low-wage “essential workers” at grocery stores, hospitals, and nursing homes, who struggled to pay the rent each month even before the pandemic hit.

It is these same communities that stand to lose the most in the coming wave of evictions and foreclosures. Without a race-conscious and federally headed response that is informed by and provides direct relief to impacted communities, this will remain the case.

Guiding Principles

Access to safe, affordable, stable, and healthy housing is foundational to both individual and community well-being. It is also inextricably tied to the ability of every person to democratically participate in the economy and civil society. It is essential that inspiration and momentum for transformational change in all policy comes from the ground up, from those who are most impacted by an issue.

We need a new approach to federal housing policy that recognizes these fundamental truths and works to establish housing as an essential policy and budget priority for the new administration and those that come after. With those fundamental truths in mind, the ideas and recommendations presented throughout the Housing Playbook respond to a set of five guiding principles:

- Housing is a human right and housing policy must guarantee that everyone has a safe, affordable, healthy place to thrive.
- Housing policy must put people first by centering decision-making on the individuals and communities who are most impacted by federal housing policy.
- Housing is critical community infrastructure that must be planned, designed, operated, and budgeted for as a public good.
- Housing policy must embed and pursue approaches that are equity focused, anti-racist, and anti-discriminatory.
- Housing is a pathway for building and sustaining equitable outcomes for individuals and communities related to health, education, stability, resilience, economic opportunity, and more.

We believe these principles are essential for understanding the Housing Playbook Project and for making significant advancement on housing justice. They also provide an excellent foundation for a new approach to federal housing and should be adopted by the new administration and applied across agencies.



Using the Housing Playbook

The Housing Playbook identifies a robust and progressive housing agenda based upon a clear understanding of the necessary policy reforms and the mechanisms needed to make them, including administrative action, regulations, interagency partnerships, external partner collaborations, and actions requiring legislative and budgetary actions.

The document is organized into 11 sections. Sections one through 10 respond to specific policy questions, each of which touches on multiple topic areas and multiple actors in the federal government and beyond:

Section 1. How might the federal government advance housing policies and practices that end systemic racism and discrimination?

Section 2. How might the federal government advance housing policies that support individual and community resiliency in the face of a changing climate, natural and human-caused disasters, economic downturns, and global health crises?

Section 3. How might the federal government design housing policy that is intersectional in pursuing outcomes that positively impact physical and mental health, education, mobility, etc.?

Section 4. How might the federal government provide expanded support for housing and access to opportunity in rural areas?

Section 5. How might the federal government end and prevent homelessness?

Section 6. How might the federal government reimagine public and subsidized housing to better meet the needs of residents?

Section 7. How might the federal government reimagine housing finance systems to expand access to a broader range of housing opportunities?

Section 8. How might the federal government partner more effectively with grassroots leaders, state and local actors, philanthropy, and coalitions in the design and implementation of housing policy?

Section 9. How might the federal government address the racial wealth gap and ensure economic security and mobility across a broader range of pathways that include, but are not limited to, traditional home ownership?

Section 10. How might the federal government reimagine its approach to equitable and resilient communities?

The recommendations are framed in response to these policy questions in order to reinforce the guiding principles outlined above and to encourage a unified approach to embedding housing justice across federal agencies.

The final section of the document, Section 11, highlights an issue often overlooked in policy agendas—the people who implement them. There are recommendations on personnel and organizational structure made in response to the policy questions outlined above in each of the sections, but the final section of the Housing Playbook takes a deeper dive into how to embed a housing justice frame across the federal government using culture change, organizational structure, and personnel.

We believe that a federal housing justice agenda cannot and should not be advanced without clear alignment with grassroots leaders and a commitment to moving toward a co-governance approach with these leaders.

Throughout the Housing Playbook, the recommendations presented are designed to:

- focus primarily on actions that can be advanced in the first 200 days of the new administration;
- present approaches that apply across the federal government and not just at the U.S. Department of Housing and Urban Development;
- translate the big ideas into tangible, prioritized actions while acknowledging that the systemic issues being addressed took many decades (or longer) to become embedded in policy; and
- wherever possible, identify a lead agency or agencies, collaborating agencies, and external partners.

The process to develop this document drew on the diverse expertise of the co-chairs, senior fellow, advisory committee members, contributing authors, external reviewers, and many others. It is worth underscoring that the Housing Playbook is also rooted in the more than 400 ideas shared by grassroots leaders and advocates in response to an open call for input launched early in the project and more than 100 stakeholder interviews conducted during the development of the recommendations.

It is also important to note that the Housing Playbook incorporates, and in some cases builds upon, ideas from a range of sources, including existing housing policy platforms put forward by grassroots organizations. We believe that a federal housing justice agenda cannot and should not be advanced without clear alignment with grassroots leaders and a commitment to moving toward a co-governance approach with these leaders. This is also true of housing policy actions at the state and local levels which the Housing Playbook might also inform.

The Housing Playbook is designed to promote a comprehensive approach to housing justice in federal housing policy. The document is intended to be used as a whole, and many of the ideas are presented, with cross-references, across multiple sections of the document. The table on the next page provides a section by section guide to agencies identified in specific recommendations.

Policy recommendations for priority consideration by the new administration.

The remainder of the Housing Playbook focuses on the policy questions and proposed recommendations. The Housing Playbook suggests a diversity of approaches across the 118 included recommendations that could form the basis for a New Deal for Housing Justice in the new administration. The collaborators on this document encourage the review and consideration of all ideas contained within, but would especially highlight the above-listed recommendations. In addition, throughout the Housing Playbook there are a number of recommendations specifically aimed at reversing rules and executive orders issued since 2017 related to the Affirmatively Furthering Fair Housing rule and tools, fair housing enforcement more broadly, public charge, and more.

Policy Recommendations

- 1** **Deliver a COVID-19 relief package to remedy the housing insecurity of people of color**

- 2** **Create a refundable renter's tax credit**

- 3** **Establish a Presidential Commission on Reparations to Black people for a legacy of anti-Black federal housing policy**

- 4** **Make Housing Choice Vouchers universal**

- 5** **Set a new vision for ending and preventing homelessness and develop partnerships to support it**

- 6** **Increase the supply of public and subsidized housing and eliminate the backlog of repairs in existing public and subsidized housing**

- 7** **Research and pilot a universal basic income program**

Section 1.

How might the federal government advance housing policies and practices that end systemic racism and discrimination?

From the beginning, our nation's economy has been driven by systemic racism. In the nation's early years, a racial caste system grounded in white supremacy was assembled by the architects of our democracy and our economy, and it was intricately incorporated into the design of our nation's economic systems. To uphold these systems, the federal government has colluded with private entities--both historically and to this day--by developing and administering anti-Indigenous, anti-Black, and anti-immigrant policies that sap the wealth and health from people of color in order to enrich elite corporate institutions. These policies leverage racist narratives about Indigenous, Black, Latinx, and Asian people to create a racially stratified underclass ripe for theft, exploitation, and exclusion by those who control mainstream economic systems.

Housing policy is central to the perpetuation of systemic racism in the U.S. economy. For example, the nation's first anti-Indigenous and anti-Black housing policies were the mass genocide and relocation of Indigenous people, and the trans-Atlantic kidnapping and enslavement of African people. These two acts of state-sponsored violence were the antecedents to the government's control of the land and housing of the free labor that produced the nation's wealth over its first 200 years. Westward expansion brought with it more of the same, but also introduced many of the anti-immigrant policies that facilitated the warehousing and exploitation of immigrant labor from Mexico, Central America, and Asia.

White supremacy and systemic racism in the U.S. housing market has resulted in two intractable and defining features: racial residential segregation and systemic disinvestment in communities of color. This did not happen by accident. Rather, it is the result of centuries of public policy to create de jure segregation. This legal segregation, facilitated by the private financial structures, has resulted in massive private and public disinvestment in communities of color and the intentional withholding of wealth from households of color. There have been several moments when federal action has permanently segregated and systematically disinvested in communities of color. Here are a few of those policies:

- The passage of the Indian Removal Act of 1830, which forcibly removed hundreds of thousands of Indigenous people from their ancestral land to locations west of the Mississippi River.
- Federal government use of "redlining," beginning in 1933, which used color-coded maps to direct private mortgage lending, and to isolate Black and brown people

into racially segregated neighborhoods. The practice of redlining coincided with the enactment of the GI Bill, which jump-started wealth accumulation for white families, but discriminated against Black families legally eligible to receive the program's mortgage lending benefits.

- Between 1955 and 1966, federal "urban renewal" efforts flooded U.S. cities with money hostilely targeting Black communities. These anti-Black infrastructure projects used eminent domain to acquire private property, raze houses, and clear "slums," often replacing them with office buildings, large interstate highways, or new racially segregated high-rise public housing.
- Following the end of slavery to now, the federal government has colluded with financial institutions to systematically take farmland away from Black farmers in the South.^[1]
- Over decades, programs like the Low-Income Housing Tax Credit, HOPE VI, federal public housing rules, and others, have been used to concentrate and isolate low-income households of color in low-income, underinvested communities. This spatial isolation facilitates resource hoarding (e.g., through tax policy) by wealthier white communities that is enforced by the policing of communities of color (through program policies and law enforcement).

1. "The Great Land Robbery: The Shameful Story of How 1 million Farmers Have Been Ripped From Their Farms," Atlantic, September 2019, <https://www.theatlantic.com/magazine/archive/2019/09/this-land-was-our-land/594742/>

Addressing systemic racism is not only a moral but also an economic imperative: research has found that racial economic gaps cost the United States \$16 trillion.

This history of racial housing segregation has resulted in an array of safety, health, and wealth disparities between people of color and white households. Most prominently, that segregation has led to over-policing and mass incarceration, with 60% of the entire U.S. prison population being Black and Latinx.^[2] Systemic racism in the housing market has also caused people of color to lag behind in most economic metrics, especially wealth. The yawning racial wealth gap is driven in large part by a racial homeownership gap. According to a racial wealth audit conducted by the Institute on Assets and Social Policy and Demos, closing the homeownership gap would increase Black and Latinx net worth by about \$30,000.^[3] Finally, the health impacts of segregating people of color into unaffordable, insecure, unhealthy, and environmentally vulnerable housing may be the most debilitating result of racial housing segregation. According to PolicyLink, due to the location of their housing, Black, Latinx, and Asian Pacific Islander communities are at far greater risk of exposure to cancer-causing air pollution than white communities.^[4] Addressing systemic racism is not only a

moral but also an economic imperative: research has found that racial economic gaps cost the United States \$16 trillion.^[5]

The next presidential administration, through housing policy, must focus on reversing centuries of systemic racism. Below are recommendations on how the next administration can begin to create a more equitable housing market. These recommendations can either be completed or launched on day one, the first 100 days, or the first 200 days of the next administration, and fall into these three priority areas:

- Reimagine the housing market by undoing harm and centering on people of color.
- End discriminatory housing practices.
- Expand opportunities for people of color to rent and own safe, secure and affordable housing.

2. Breaking Down Mass Incarceration in the 2010 Census: State-by-State Incarceration Rates by Race/Ethnicity, Prison Policy Initiative, <https://www.prisonpolicy.org/reports/rates.html>

3. Racial Wealth Audit, Institute on Assets and Social Policy and Demos, <http://racialwealthaudit.org/cgi/>

4. National Equity Atlas, PolicyLink, <https://nationalequityatlas.org/indicators/Air-pollution#/>

5. Peterson, Dana, "Closing the Racial Inequality Gaps," Citi GPS: Global Perspectives and Solutions, September 2020, <https://www.colorlines.com/articles/economist-finds-cost-racial-bias-be-16-trillion-losses>

Priority 1.1

Reimagine the Housing Market by Undoing Harm and Centering on People of Color

Recommendation 1.1 - Deliver a COVID-19 relief package to remedy the housing insecurity of people of color.

The COVID-19 pandemic has overwhelmed communities of color, whose residents are more likely to get sick and die from the virus. People of color have also been disproportionately affected by the virus's economic fallout. One area of concern is a looming eviction and foreclosure crisis. Because of the economic impact of the pandemic, millions of households have been unable to make regular rent and mortgage payments. The national moratoria on evictions, ordered by Congress and the Centers for Disease Control (CDC), only delayed the burden on renters and in many cases may make it worse, as eventually the rent is going to come due. It's also important to note many local jurisdictions are ignoring the CDC guidelines on evictions and continue to evict tenants as COVID-19 cases and deaths rise. The next administration must act quickly to avoid the fallout of this crisis.

Stopping the spread of the virus and healing the pain it has caused are public health imperatives. Keeping people safely and adequately housed must be the highest priority in the administration's COVID-19 mitigation strategy. The next

administration must work with Congress to deliver a COVID-19 relief package that does two critical things: 1) keep people in their homes regardless of owner or renter status, and 2) gain community control of foreclosed and abandoned properties. This package should provide financial assistance to renters on the verge of eviction and homeowners in danger of foreclosure.

Rental assistance should be provided through states and localities directly to tenants (including undocumented immigrant tenants and tenants who earn their income in the informal economy). Mortgage assistance should come in the form of principal forgiveness for homeowners and small landlords (with a commitment to forgive unpaid rent) with GSE and other government-backed loans (direct assistance to homeowners and small landlords could be provided to people without government backed loans). Next, the administration should create a COVID-19 Relief Housing Acquisition Fund⁶ to acquire distressed housing in danger of hitting the speculative market. Most importantly it should allow municipalities and mission-driven developers to rapidly acquire, and put back into use as affordable housing, distressed properties before they hit the speculative market.

- *Lead Agency:* HUD and USDA
- *Collaborating Agencies:* Congress

6. The fund could be modeled after the acquisition fund proposed by Rep. Ilhan Omar in her Rent Cancellation and Reform Act.

Recommendation 1.1.2 – Establish a Presidential Commission on reparations to Black people to address a legacy of anti-Black federal housing policy.

The U.S. housing market is driven by centuries of anti-Black housing policy. These policies have intentionally segregated Black people into neighborhoods that keep them poor, degrade their health, strip their wealth, displace them further away from essential services, and make them vulnerable to a changing climate. To remedy generations of harm inflicted upon Black people by the federal government, the new administration should establish a presidential commission on reparations to Black people to address centuries of anti-Black federal housing policy. The commission's establishing documents should acknowledge and identify each harm that has been imposed upon Black people by the federal government, including but not limited to slavery, redlining, urban renewal, theft of Black-owned property (e.g., Black farmland), anti-Black public housing policies, and gentrification and displacement).

The commission should be made up of members of Congress, White House staff, relevant federal agency heads, representatives of philanthropy, homeowners and tenants, residents of public housing and other subsidized housing, people experiencing homelessness, civil rights organizations, Black-led nonprofit institutions, grassroots movement leaders, housing advocates, fair housing advocates, legal service providers, academics, state government representatives, municipal government representatives, Black-owned/led businesses (both large and small), and other relevant stakeholders. The commission should conclude its work by producing a report that does the following:

- Sets 10-year goals to undo the legacy of anti-Black federal housing policy.
- Makes policy recommendations to the administration and Congress that will deliver on the successful completion of those goals.
- Establishes long-term household, community, regional, and national metrics to track success in achieving the goals (e.g., dissimilarity index, homeownership, housing affordability, and net worth).
- Identify the agencies and congressional committees responsible for implementing and tracking actions toward fulfilling the recommendations.
- *Lead Agency:* White House
- *Collaborating Agencies:* Members of Congress (House Financial Services and Senate Banking members), HUD, USDA, FHFA, Treasury, OCC, Federal Reserve, FDIC, CFPB, and DOJ
- *External Partners:* Homeowners and tenants, residents of public housing and other subsidized housing, people experiencing homelessness, civil rights organizations, Black-led nonprofit institutions, grassroots movement leaders, housing advocates, fair housing advocates, legal service providers, academics, state governments, municipal governments, Black-owned/led businesses (both large and small), and other relevant stakeholders.

Recommendation 1.1.3 – Establish a Presidential Commission on social housing

Safe, secure, and permanently affordable housing is a human right. For far too many people of color, this fundamental human right has been deliberately withheld from reach. The private real estate market has proven time and time again that, if given the opportunity, it will exploit the vulnerability of people of color caused by systemic racism. Across Europe, social housing built to operate outside of the for-profit housing market has proven to be a powerful tool to help countries address rapidly growing housing shortages.⁷ In the United States, underfunded and racially segregated public housing and publicly assisted housing (operated by nonprofit housing providers) has been the primary form of housing operating outside of the for-profit housing market. Exploring a U.S. model of social housing, to serve as a public option in housing, could go a long way in removing systemic racism from our housing market.

The next administration should establish a presidential commission to explore a U.S. model of social housing. The commission should explore social housing options that could include building new units of social housing, expanding community ownership models (such as land trusts and cooperative housing), or revitalizing and expanding the current stock of public housing. Members of this commission should include representatives from Congress, the White House, tenants of private rental housing, manufactured housing, public housing and other subsidized housing, people experiencing homelessness, nonprofit developers, public housing authorities, fair housing advocacy groups, legal service providers, academics,

state governments, municipal governments, tribal government, and other relevant, noncorporate stakeholders. Also, there should be no members from the for-profit housing industry, as they are complicit in the harm perpetuated against people of color that social housing is meant to remedy. The commission should conduct research on, and learn from the experiences of, social housing models from around the world and it should draw on the expertise and experiences of housing experts and people who suffer from housing insecurity. The commission should conclude its work by delivering a report to the administration and Congress with a list of options and possibly recommendations for creating a U.S. model of social housing.

- *Lead Agency:* White House
- *Collaborating Agencies:* Members of Congress (House Financial Services and Senate Banking members), HUD, USDA, FHFA, and Treasury
- *External Partners:* Homeowners and tenants, residents of public housing and other subsidized housing, people experiencing homelessness, civil rights organizations, Black-led nonprofit institutions, grassroots movement leaders, housing advocates, fair housing advocates, legal service providers, academics, state governments, municipal governments, Black-owned/led businesses (both large and small), and other relevant stakeholders.

7. United Nations Economic Commission for Europe, Social Housing in the UNECE Region, 2015 https://www.unece.org/fileadmin/DAM/hlm/documents/Publications/Social_Housing_in_UNECE_region.pdf

Recommendation 1.1.4 - Center racial housing justice in the President's first budget

President Obama effectively used his first budget to launch new programs and initiatives, including a number of “innovation” initiatives, like the HUD Sustainable Communities Initiative, the Promise Neighborhoods Initiative, the Healthy Food Financing Initiative, and the Transportation Investment Generating Economic Recovery Initiative (TIGER). Many of these programs were created in response to the 2008 financial crisis and subsequent recession. The new initiatives launched by the next administration should address systemic racism in the housing market, and include the following innovation initiatives^[8]:

- *Community Wealth Innovation Initiative* – to support innovative community wealth building models (e.g., community land trust and cooperative housing).

- *Greenlining Innovation Initiative* – to support innovative approaches to addressing the legacy of redlining.
- *Black Homeownership Innovation Initiative* – to support innovative approaches to enhancing Black homeownership.
- *Local Policy Housing Grants* – to support planning grants that aid jurisdictions in eliminating exclusionary zoning, tenant protections, and/or anti-displacement.
- *Social Housing Planning Grant* – to support planning grants to municipalities to support community-led efforts to build new social housing.
- *Continue the Obama administration's Uplift America Initiative*^[9] – to allow CDFIs to receive and re-lend funds from the USDA Community Facilities Direct Loan Program for use in persistently poor rural communities (e.g., rural South, border communities, tribal land, and Appalachia).
- *Lead Agency*: HUD and USDA
- *Collaborating Agencies*: Congress, FHFA, and CDFI Fund

8. The Community Wealth, Greenlining Innovation, Black Homeownership Innovation, Local Policy Housing, and Social Housing Grants are new initiatives that will require either authorization or a funding appropriation by Congress. The Uplift America Initiative can be implemented through administrative action by the Secretary of Agriculture. The regulatory authority already exists and it would only need to be executed by USDA.

9. The Uplift America Initiative was launched by USDA Secretary Tom Vilsack and Undersecretary Lisa Mensah during the Obama administration to get unspent community facility funds deployed into persistently poor rural counties.

Priority 1.2

End Discriminatory Housing Practices

Recommendation 1.2.1 - Revive and strengthen fair housing enforcement and reverse the attack on the Fair Housing Act.

Over the last four years the current administration has dramatically rolled back enforcement of the Fair Housing Act of 1968. People of color deserve a government that protects their right to housing. The next administration should act swiftly to revive federal fair housing and lending enforcement by reversing the actions of the last four years. This can and should be done through a package of regulatory and administrative actions taken by HUD:

- Promulgate regulations that reinstate the Obama administration's Affirmatively Furthering Fair Housing Rule and improve on the prior regulations through added enforcement mechanisms and by incentivizing specific policy changes (such as through the exclusionary zoning initiative cited above).
- Promulgate regulations that reinstate the Obama administration's Disparate Impact Rule.
- Act administratively to restart the Obama administration's efforts to enforce the Fair Housing Act on behalf of people with criminal records.
- Act administratively to reinvigorate federal data collection, tracking, and reporting, by disaggregating housing data by race and ethnicity (including HMDA and the ACS).
- Act administratively by instructing HUD to conduct research on fair housing implications of artificial intelligence and the use of algorithms in lending and rental housing decisions.
- *Lead Agency:* HUD
- *Collaborating Agencies:* CFPB and DOJ
- *External Partners:* National and local fair housing advocates

Recommendation 1.2.2 - Reverse racist federal housing policy

Our nation's history is filled with anti-Indigenous, anti-Black, and anti-immigrant housing policy. The current administration has doubled down on that pernicious legacy by implementing racist policies of its own. These policies were developed with the malicious intent to cause harm to people of color. The next administration should act quickly to overturn these policies by taking the following actions:

- The Department of Homeland Security (DHS) should take regulatory action to overturn recent changes to the “Public Charge” rule, and ensure immigrants have access to the federal benefits they are eligible to receive, without fear of deportation.
- If enacted, HUD should take regulatory action to overturn a proposed rule prohibiting “mixed-status” households from living in public and HUD-assisted housing.^[1]
- If enacted, HUD should take regulatory action to reverse a proposed rule excluding transgender people from federal homelessness programs.^[2]
- HUD should take administrative action to recirculate Obama administration guidance on the treatment of people with criminal records seeking to access federal housing assistance.^[3]
- *Lead Agency:* DHS and HUD
- *Collaborating Agencies:* DOJ, HHS, and USDA

Recommendation 1.2.3 - Revive the CFPB's enforcement mission

Created by the Dodd/Frank Financial Regulatory Reform Act, the Consumer Financial Protection Bureau is charged with protecting the financial interest of U.S. consumers. It has a particularly important role in enforcing the nation's fair housing and lending laws. During the Obama administration, the CFPB returned \$12 million to American consumers who had been exploited by financial institutions. Unfortunately, current leadership at the CFPB has intentionally weakened its enforcement power by restructuring the agency and defanging its enforcement offices.

The next administration should act swiftly by nominating a new CFPB director with experience enforcing fair housing and lending laws. The CFPB should then take administrative action, under new leadership, to reinstall the Office of Fair Lending and Equal Opportunity to its original position within the Bureau. This will reinstitute its full authority to enforce violations of fair housing and fair lending laws. Finally, the new director should use the Bureau's regulatory authority to promulgate new regulations that increase the accuracy of credit reporting, remove racial bias in credit reporting, and establish new rules on the use of alternative data (such as rental payments, utility payments, and cell phone payments) when establishing credit scores.

- *Lead Agency:* CFPB
- *Collaborating Agencies:* HUD and DOJ
- *External Partners:* Center for Responsible Lending, Fair Housing Alliance, Americans for Financial Reform, National Community Reinvestment Coalition, National Consumer Law Coalition

1. Federal Register, FR-6124-P-01 Housing and Community Development Act of 1980: Verification of Eligible Status, 5/2019, <https://www.federalregister.gov/documents/2019/05/10/2019-09566/housing-and-community-development-act-of-1980-verification-of-eligible-status>

2. Santos, Theo, Mahowald, Lindsay, Gruberg, Sharita, The Trump Administration's Latest Attack on Transgender People Facing Homelessness., Center for American Progress 9/2020, <https://www.americanprogress.org/issues/lgbtq-rights/reports/2020/09/03/490004/trump-administrations-latest-attack-transgender-people-facing-homelessness/>

3. Department of Housing and Urban Development, Office of General Counsel Guidance on Application of Fair Housing Act Standards to Use Criminal Records by Providers of Housing Real Estate -Related Transactions., 4/2016 https://www.hud.gov/sites/documents/HUD_OGCGUIDAPPFHASTANDCR.PDF. Congress could also enfranchise people with a criminal record by acting legislatively by repealing Quality Housing and Work Responsibility Act of 1998.

Recommendation 1.2.4 - Research the role of private equity in causing the housing insecurity of people of color

An important lesson learned from the last recession is that there is an active market of real estate speculators working to acquire distressed properties in communities of color. Many are multinational corporations unaccountable to the communities where the properties they own are located. Their business model is to acquire property (often vacant) at the lowest price possible and sit on the property until they can resell it for the highest return on investment (which could be years). Additionally, when properties they own are occupied by tenants, they have been found to rapidly escalate rents thereby displacing tenants.^[4] The result for communities of color is increased housing and community blight, and less livable and affordable housing in their neighborhoods.

The next administration should respond to this problem by directing the Securities and Exchange Commission (SEC) to research the impact of private equity funds on communities of color, particularly their impact on the affordability of housing and neighborhood blight. The findings of this research should be made publicly available in a published report.

- *Lead Agency:* SEC
- *External Partners:* Academic research institutions

4. Mari, Francesca, "A \$60 Billion Housing Grab by Wall Street," New York Times, March 4, 2020, <https://www.nytimes.com/2020/03/04/magazine/wall-street-landlords.html>

Recommendation 1.2.5 - Conduct a racial wealth audit of federal housing programs.

The racial wealth gap is the product of centuries of intentional policy decisions made by the federal government. The legacy and impact of these policy decisions still affect today's housing market. For example, the largest federal housing subsidy is not the Section 8 voucher program (as might be popularly misunderstood), but rather the mortgage interest tax deduction, which disproportionately helps wealthy white homeowners. These historically inequitable policies exacerbate the racial wealth gap by building the wealth of elite white families while simultaneously reducing needed housing subsidies for low-income people of color.

The next administration should conduct a racial wealth audit of all federal housing programs, including housing tax programs (e.g., the mortgage interest deduction and state and local tax deduction). The audit should study how each program is either widening or closing the racial wealth gap. The scope of the audit should cover housing programs at HUD, USDA, FHFA, Energy, and Treasury (including the U.S. Tax Code). Audit reports should also offer recommendations to the administration and Congress on how these programs could be altered to close the racial wealth gap. Further, the administration should seek to partner with academics with experience conducting racial wealth audits.

- *Lead Agency:* OMB
- *Collaborating Agencies:* HUD, USDA, Treasury, FHFA, DOT, and Energy
- *External Partners:* Institute on Assets and Social Policy, Demos

Priority 1.3

Expand Opportunities for People of Color to Rent and Own Safe, Secure, and Affordable Housing

Recommendation 1.3.1 - Commit to a Federal Homes Guarantee.

Safe, quality, and affordable housing is a human right. Unfortunately, the for-profit housing market has failed to deliver this economic right to all. In fact, the corporate entities that control the housing market have actively oppressed and exploited people of color in order to expand their profits and grow their wealth. The Federal Homes Guarantee reimagines a different future for the U.S. housing market. Developed by People's Action, in partnership with tenants, residents of public and subsidized housing, and people experiencing homelessness, the Homes Guarantee would provide safe, accessible, sustainable, and permanently affordable housing to families that need it the most. If enacted, the Federal Homes Guarantee⁵ would:

- Build 12 million social housing units and eradicate homelessness;
- Reinvest in existing public housing;
- Protect renters (e.g., through national tenant bill of

rights, national rent cap/control, tenant screening protections, right to legal counsel, and right to form tenant associations) and bank tenants (homeowners);

- Pay reparations for centuries of racist housing policies; and
- End real estate speculation and decommodify housing.

In essence it would create a viable public alternative for the disproportionate number of people of color suffering from housing insecurity. To pay for this critical investment the federal government should issue bonds to create a new \$1 trillion revolving loan fund available to PHAs and municipalities.

- *Lead Agency:* White House
- *Collaborating Agencies:* Senate Banking Committee & House Financial Services Committee, FHFA, HUD, and Treasury
- *External Partners:* People's Action

5. Reps. Ocasio-Cortez, Pressley, Omar, Talib, Jayapal, Blumenauer, and Garcia have all introduced housing justice legislation that aligns with elements of the Homes Guarantee. Also, the housing plan introduced by Sen. Bernie Sanders during the Democratic primary contained elements of the Homes Guarantee.

Recommendation 1.3.2 - Bolstering Indigenous housing justice.

About 1 in 200 American Indian and Alaska Native (AIAN) people are homeless, compared with 1 in 1,000 people in the U.S. population overall.⁶ Housing justice for Indigenous people (including Native Americans, Native Alaskans, and Native Hawaiians) is critically needed for those living both on and off of tribal lands.

The next administration must utilize its administrative powers to bolster Indigenous housing justice. First, by providing COVID-19 relief to tribal communities hard hit by the virus, either in the first budget or in a recovery package, by providing new emergency funding through the Indian Housing Block Grant, Indian Community Block Grant, Native Hawaiian Housing Block Grant, and Native CDFI Initiative. Further, the administration should use the first budget to create an Indigenous Housing Innovation Grant to help local jurisdictions identify innovative solutions to address the housing insecurity of Indigenous people not living on tribal land. Second, the next administration should create a White House Council on Indigenous Communities to coordinate interagency Native American policy and reinstitute the White House Tribal Nation's conference to facilitate high-level engagement. The secretaries of HUD and USDA should serve prominently in the leadership of these two efforts.

- *Lead Agency:* HUD, USDA
- *Collaborating Agencies:* Treasury and Indian Affairs
- *External Partners:* Tribal and municipal governments and Native CDFIs and Native housing developers

Recommendation 1.3.3 - Make mortgage credit available to more borrowers of color.

The unavailability of mortgage credit is one of the many causes of the racial homeownership gap and the growing racial wealth gap. FHA loans are an important tool in creating homeownership opportunities for borrowers of color. However, outdated underwriting standards and expensive mortgage insurance premiums have made FHA loans inaccessible to many borrowers of color.

The next administration should act quickly to issue new guidance to FHA issuers instructing them to consider alternative underwriting indicators for credit worthiness, such as cell-phone payments, rent payments, and utilities. Additionally, the next administration should end the use of mortgage insurance premiums on all FHA loans.

- *Lead Agency:* FHA

6. Pindus, Nancy, Kingsley, G. Thomas, Biess Jennifer, Levy, Diane, Simington, Jasmine, Hayes, Christopher, Housing Needs of American Indians and Alaskan Natives in Tribal Areas, Urban Institute, 1/2017, <https://www.urban.org/research/publication/housing-needs-american-indians-and-alaska-natives-tribal-areas>

Recommendation 1.3.4 - Reform Community Reinvestment Act to ensure financial institutions are accountable to addressing racial segregation in the housing market.

The Community Reinvestment Act of 1977 (CRA) was passed to offset the impact of redlining. The law requires that financial depository institutions demonstrate that they are meeting the lending, service, and investments needs of the geographic locations in which they operate. Unfortunately, the race-neutral application of CRA policy has failed to deliver on the promise of its original purpose for people of color.

The next administration should use its regulatory authority to promulgate new CRA rules that will affirmatively undo the legacy of redlining and racial segregation. This rulemaking process should bring into practice new methods of using the lending, investment, and service tests to disrupt patterns of racial segregation and affirmatively build the wealth of households of color. The rules should establish new examination outcome metrics that hold financial institutions accountable for delivering on CRA's original purpose. Finally, these new rules should be integrated into the CRA "Questions and Answers" that inform financial institution examinations.

- *Lead Agency:* OCC, Federal Reserve, and FDIC

Recommendation 1.3.5 - Increase Black, Indigenous, Latinx, and low-income Asian immigrant and refugee homeownership.

Historically, through both public policy and private markets, homeownership has been denied to people of color. The homeownership gap between households of color and white households is one of many driving factors of the racial wealth gap. Only 41% of Black, 47% of Latinx, 59% of Asian, and 54% of Native American households own their home, compared to 72% of white households.^[7]

The next administration must make it a priority to increase

homeownership among Black, Indigenous, Latinx, and low-income Asian immigrant and refugee households. A number of common-sense actions can be taken to accomplish this goal, but it will require working with members of Congress to create new homeownership programs targeting people of color. Potential interventions could include:

- Creating new down-payment assistance modeled after a program proposed by Sen. Warren in the Democratic primary campaign to provide down-payment grants to people who grew up or had a parent who grew up in formerly redlined communities.
- Create new federal programs to support community ownership models, such as community land trusts and cooperative housing.
- Creating an FHA mortgage product modeled after the VA mortgage loan.
- Amend the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 by adding "communities of color" as an underserved market. This action would add communities of color (with rural, manufactured housing, and housing preservation) as communities that Fannie Mae and Freddie Mac have a "duty to serve" through the secondary mortgage market.
- *Lead Agency:* White House
- *Collaborating Agencies:* Senate Banking Committee & House Financial Services Committee, FHFA, and FHA

Recommendation 1.3.6 - Create a refundable renter's tax credit.

Over 55% of Black and Latinx renters are cost burdened (meaning they spend more than 30% of their income on rent). Currently, unless you are a public or subsidized housing resident there is no relief available to those who rent. However, homeowners get a federal subsidy, through the MID, to offset the cost of their mortgage to a tune of nearly \$70 million a year.^[8] This tax credit is almost entirely used by high-income households; nearly 77% of those who claim the MID earn more than \$100,000 per year.^[9] The new administration should create a refundable renter's tax credit for households whose housing costs (rent and utilities) exceed 30% of their income.^[10]

7. Prosperity Now Scorecard, Homeownership Rate, Prosperity Now, <https://scorecard.prosperitynow.org/data-by-issue#housing/outcome/homeownership-rate>

8. Fischer, Will, Chye-Ching Huang, Mortgage Interest Deduction is Ripe for Reform, Center for Budget and Policy Priorities, 6/2013 https://nlhc.org/sites/default/files/MID-Report_0817.pdf

9. *ibid*

10. Sen. Harris's Rent Relief Act is a potential model for this tax credit. That legislation was co-sponsored by Sens. Blumenthal (D-CT) and Hassan (D-NH) and was endorsed by the Low-Income Housing Coalition.

Section 2.

How might the federal government advance housing policies that support individual and community resiliency in the face of a changing climate, natural and human-caused disasters, economic downturns, and global health crises?

Years of repeated and worsening natural disasters have demonstrated the economic and social cost of climate change, particularly on society's most vulnerable people and communities. Past federal actions have led many of these communities to be exposed to pollution and toxins at disproportionately high rates. They have also overburdened and destroyed natural ecological systems and encouraged unsustainable development patterns that drive up greenhouse gas emissions and are hard to efficiently support during times of recovery. The COVID-19 pandemic has laid bare the deepening racial and economic inequality that pervades our society. It has also shown the inadequacy of our institutions and social safety net to care for those who are homeless, disabled, or elderly, and those working in low-wage jobs deemed to be essential to the economy but who aren't provided living-wage incomes, health care benefits, or paid sick leave.

Across all types of disasters – affecting both urban and rural areas – we see increasing housing insecurity. People who are homeless or in substandard housing have no place to go for emergency shelter and cannot access recovery funds. Renters face the threat of eviction when they can't make payments because their places of employment are closed, yet they are ineligible for many federal recovery assistance programs that prioritize homeowners. The current approach to disaster assistance and recovery is skewed to support those with more resources. For instance, after Hurricane Harvey, FEMA denied almost half of the approximately 61,000 claims from homeowners with incomes below \$15,000 for its Individual Assistance Program, but only 14% of the approximately 190,000 claims from homeowners making over \$45,000 per year.^[1] Simply put, we must recenter and redesign federal disaster recovery and emergency assistance programs to prioritize the needs of society's most vulnerable. Housing must be a guarantee – not

a luxury or a right that can be taken away – before and after disaster strikes.

In the federal government's approach to preparation, response, and recovery, racial and income disparities must be addressed to ensure better health, housing, and economic outcomes for all. This includes accelerating investments in energy efficiency and weatherization for single-family, and multi-family housing, including federal affordable housing, accessible housing, and all types of infrastructure funded by the federal government.

In October 2020, the Trump administration stepped forward to support states, U.S. territories, tribal governments, and local governmental agencies in undertaking a range of pre-disaster mitigation efforts to prepare for future disasters,^[2] reduce the potential for damage through use of nature-based solutions,^[3] and create local integrated networks, for example,

1. Yentel, Diane. "Testimony of Diane Yentel, President and CEO, National Low Income Housing Coalition Presented to the Committee on Transportation and Infrastructure Subcommittee on Economic Development, Public Buildings, and Emergency Management." United States House of Representatives Hearing on "Experiences of Vulnerable Populations During Disaster" July 28, 2020 <https://www.congress.gov/116/meeting/house/110927/witnesses/HHRG-116-PW13-Wstate-YentelD-20200728.pdf>

2. Federal Emergency Management Administration. "Fiscal Year 2020 (FY20) Hazard Mitigation Assistance (HMA) Notices of Funding Opportunities (NOFOs) for the Flood Mitigation Assistance (FMA) grant program and the new Building Resilient Infrastructure and Communities (BRIC) pre-disaster mitigation grant program." October 15, 2020. <https://www.fema.gov/grants/mitigation/fy2020-nofo>

3. Federal Emergency Management Administration. Building Community Resilience with Nature-Based Solutions: A guide for local communities. RiskMAP, August 2020. https://www.fema.gov/sites/default/files/2020-08/fema_riskmap_nature-based-solutions-guide_2020.pdf

Across all types of disasters – affecting both urban and rural areas – we see increasing housing insecurity.

Community Lifelines. However, substantially more federal investment in mitigation is needed and must be targeted to communities with the fewest resources who face the greatest threats. Research done by the National Institute of Building Sciences finds that every dollar the federal government spends on flood mitigation is worth six dollars it spends on recovery.^[4]

Millions of Americans are struggling: from the families and businesses in Louisiana hit by Hurricane Laura in August 2020, to those whose homes and communities were devastated by wildfires raging across California and Oregon in September 2020, to cities and towns in Puerto Rico that, three years after Hurricane Maria, still do not have stable housing, dependable utilities, or basic infrastructure repaired, including schools. The COVID-19 pandemic has compounded the nationwide affordable housing crisis disproportionately hurting Black, Latinx, Indigenous, and other people of color, and those with disabilities.^[5] Substandard housing and homelessness are on the rise as extreme weather events damage and destroy homes – and emergency shelters cannot sufficiently house people over the long-term.

We have the opportunity and the imperative to chart a new, more resilient, and more just course. The federal approach to disaster recovery should be informed by a shared set of equitable metrics of climate resiliency applied across all communities and all types of recovery efforts. Achieving this requires the federal government to reimagine and refocus its approach to disaster recovery and mitigation. Recommendations in this section are organized into two priority areas:

- Refocus federal disaster recovery to prioritize the needs of the most vulnerable, and accelerate recovery and prevention strategies to “build back better.”
- Recommit to green housing and communities.

4. <https://www.nibs.org/page/mitigationsaves>

5. National Low-Income Housing Coalition. The Gap: A shortage of Affordable Homes. March 2020. https://reports.nlihc.org/sites/default/files/gap/Gap-Report_2020.pdf

Priority 2.1.

Refocus Federal Disaster Recovery to Prioritize the Needs of the Most Vulnerable

America needs a bold new vision for disaster housing recovery – one that places the housing needs of its lowest-income survivors, including people of color, people with disabilities, and other vulnerable groups, at its center regardless of whether they own a home or not. Our country also needs a massive funding infusion to enable states, regions, local governments, and property owners to make critically needed investments that bring infrastructure up to a basic state of repair. We must also focus our approach to support vulnerable populations who lack financial resources and supportive services.

Years of research and experience across different parts of the country and types of disaster have supplied us with plenty of data to reform federal disaster recovery. Following Hurricane Sandy, the federal government developed a detailed rebuilding roadmap^[6] and new approaches were tested through initiatives like Rebuild by Design, a planning and design competition to

promote resilience launched in partnership with philanthropic, academic, and national nonprofit organizations.

Within its first 100 days, the administration must begin the hard but important work to create and implement a new federal disaster recovery approach. Hundreds of billions of dollars are being spent helping communities recover from tornadoes, wildfires, hurricanes, and flooding. These disasters are becoming more common, more extreme, and more expensive. Yet despite Congress authorizing disaster recovery funds, billions remain unspent and millions of Americans remain in need. This is inexcusable. Housing justice demands quick, decisive action by our federal government. Starting on day one, the administration must prioritize relief for the millions of Americans who are suffering without a stable place to call home.

6. Hurricane Sandy Rebuilding Task Force. Hurricane Sandy Rebuilding Strategy: Stronger Communities, A Resilient Region. U.S. Department of Housing and Urban Development, August 2013. <https://www.hud.gov/sites/documents/HSREBUILDINGSTRATEGY.PDF>

Recommendation 2.1.1 - Work with Congress to appropriate at least \$1.25 trillion to accelerate national mitigation and recovery, including the permanent authorization of the Community Development Block Grant Disaster Recovery Program.

Given the scale and scope of suffering across the country – resulting from the COVID-19 pandemic and large-scale natural disasters hitting the Gulf and West Coasts in 2020 – there is an urgent need for an infusion of capital to help communities recover. Puerto Rico is still waiting for recovery, with only \$100 million of its more than \$20 billion in HUD grant dollars expended so far just related to Hurricanes Maria and Irma.

The administration must request a substantial infusion of dollars into existing programs across federal agencies including, but not limited to: FEMA's Building Resilient Infrastructure and Communities (BRIC) program; the Economic Development Administration's (EDA) Economic Adjustment Assistance program; USDA's Water and Environmental programs, Rural Rental Housing programs, and its Community Facilities and Community Connects programs; HUD's CDBG, HOME, and Capital Fund programs; and EPA's Clean Water State Revolving Fund. Additional federal funding is needed to provide operations support for legal aid organizations to better serve disaster survivors throughout the recovery process. Given the scope and variety of rural development disaster programs, a portion of the overall \$1.25 trillion request should be specifically dedicated

and authorized for disaster recovery in rural communities with a population below 200,000. USDA should also work with FEMA and HUD to create a universal baseline application process that makes it easier and quicker for smaller communities that lack staffing capacity to respond and recover. The appropriation request should include an amendment to the Stafford Act, which allows FEMA to prioritize the lowest income and otherwise vulnerable disaster survivors for assistance.

Funding should be made available within 90 days of enactment to accelerate local recovery efforts and to fund local and state resiliency and mitigation plans. The government must identify a single point of application for all federal post-disaster resources, including FEMA Individual Assistance (IA), the Small Business Administration's post-disaster homeowner loans, and CDBG-DR funds. Prioritize those actions that help people with the greatest need to access permanent housing (e.g., those who are homeless, people with disabilities, older adults, and families with children, regardless of their homeownership status) and bring public infrastructure up to a basic standard. It is also important to note that people sometimes acquire disabilities as a result of disasters, or existing disabilities are exacerbated.^[7] An individual may have additional access needs that require remediation or accommodation and these costs should be covered.

FEMA should create individual savings accounts, including for federally supported affordable housing residents, that can enable quicker online banking and disaster payments. A substantial maintenance backlog exists across rural and public housing.^[8] Mitigation and recovery resources should prioritize modernizing and retrofitting rural and public housing to address this backlog and ensure long-term affordability.

7. Rejane Frederick, Rebecca Cokley, Hannah Leibson, and Eliza Schultz. "Serving the Hardest Hit: Centering People with Disabilities in Emergency Planning and Response Efforts." Center for American Progress. September 14, 2018 <https://www.americanprogress.org/issues/disability/reports/2018/09/24/458467/serving-hardest-hit/>

8. Andrews, Jeff. "Affordable Housing in Crisis. Is public housing the solution?" Curbed. January 13, 2020. <https://archive.curbed.com/2020/1/13/21026108/public-housing-faircloth-amendment-election-2020>

Within its first 100 days, the administration must begin the hard but important work to create and implement a new federal disaster recovery approach.

For communities receiving support for mitigation implementation, the priority should be on those who meet the Economic Development Administration's economic distress criteria or on communities of color and rural communities that have faced multiple disasters but that have been unable to implement their recovery and mitigation plans because of poor municipal bond ratings or lack of local funding resources. Federal agencies should coordinate and work in partnership to develop competitive grants, and consult with the Interagency Regional Equity and Innovations Task Force and the Presidential Commission on Reparations to Black People for a Legacy of Anti-Black Federal Housing Policy⁹ to identify the potential to align efforts to support larger goals to remedy past wealth extraction and racial segregation of Black and Indigenous peoples.

- *Lead Agency:* HUD
- *Collaborating Agencies:* White House, OMB, and relevant interagency task forces, FEMA, Commerce - EDA, EPA, USDA
- *External Partners:* A wide range of national and local stakeholders needs to be engaged enact a bold recovery and mitigation funding program that restores a level of basic infrastructure across communities: National Low-Income Housing Coalition, Centers for Independent Living, Housing Assistance Council, and Enterprise Community Partners, to name only a few

9. Neither the Interagency Regional Equity and Innovations Task Force nor the Presidential Commission on Reparations to Black People for a Legacy of Anti-Black Federal Housing Policy currently exist. Both are included in other sections of the Housing Playbook.

Recommendation 2.1.2 - Refocus FEMA's approach to, and goals for, disaster recovery.

FEMA leadership must provide clear direction across the agency and to its recipients that centers recovery response on longer-term economic and environmental resiliency and climate mitigation, and on fair housing, environmental justice, accessibility, and Title VI goals. This requires a clear statement of values and principles to recenter FEMA's approach to prioritize supporting the most vulnerable. The goal of disaster recovery should be to help as many people as possible who are eligible for assistance, and to ensure they have access to resources they are entitled to, regardless of homeownership status, race, ethnicity, or disability. The priority should be to assist lower-income residents and communities with recovery.

The eradication of the disability integration coordinators has resulted in seniors and disabled people not having their needs met in disaster recovery efforts. These positions need to be re-established and a National Commission on Disability

Rights and Disasters should be convened to study the needs of individuals with disabilities, older adults, and others with access and functional needs.^[10] The Commission should make recommendations for best practices at the local, state, and federal levels to ensure that older adults and people with disabilities are included in all aspects of disaster management.

Across the government, agencies have created environmental justice plans. FEMA's approach should be aligned with these plans so that its disaster recovery approach enables local communities and federal agencies to address environmental disparities in the rebuilding process.

Similarly, communities should be required to prioritize fair housing needs in their short-term and long-term recovery and rebuilding implementation strategies. Local land use or regulatory barriers that perpetuate segregation, discrimination, and environmentally unsound community building need to be removed as part of the condition for recovery funding. FEMA's approach should be informed by the core principles created by the Disaster Housing Recovery Coalition^[11] to re-focus federal disaster recovery to prioritize a survivor-centered approach.^[12]

10. Congressional leaders have introduced The Real Emergency Access for Aging and Disability Inclusion for Disasters Act (REAADI) and The Disaster Relief Medicaid Act (DRMA) to address specific needs and challenges faced by people with disabilities during disasters. <https://reaadi.com/what-is-reaadi/>

11. The Disaster Housing Recovery Coalition (DHRC) comprises more than 850 local, state, and national organizations and is staffed by the NLIHC.

12. Mickelson, Sarah Saadian, Noah Patton, Adam Gordon and David Rammner. Fixing America's Broken Disaster Housing Recovery System, Part One: Barriers to a complete and equitable recovery. Disaster Housing Recovery Coalition, care of NLIHC, p. 21. 2019. https://nlihc.org/sites/default/files/Fixing-Americas-Broken-Disaster-Housing-Recovery-System_P1.pdf

FEMA can also build upon and amplify approaches being developed locally, such as North Carolina’s focus on climate justice,^[13] the use in Harris County, Texas of the Centers for Disease Control and Prevention’s (CDC) Social Vulnerability Index,^[14] and the Climate Vulnerability Assessment Tool developed by the Natural Resources Defense Council^[15] and tested in Los Angeles.

FEMA should accelerate opportunities to train and hire local workers, many of whom may be unemployed because of disaster impacts, in the recovery process. This includes not only those who can work to rebuild, but workers that provide the civic and social infrastructure also necessary during times of recovery and trauma response. FEMA should research and partner with non-governmental and philanthropic partners to restore and rebuild the national and community civic infrastructure and resilience work corps to help communities heal, recover and build resiliency. Section Nine of the Playbook includes additional detail on strengthening workforce opportunities, and the group Resilience Force has also created detailed policy proposals to

build a Resilience Corps to help recover from the COVID-19 pandemic and other disasters.

- *Lead Agency:* FEMA
- *Collaborating Agencies:* HUD, EPA, USDA, and White House Council on Environmental Quality
- *External Partners:* The NLIHC-led Disaster Housing Recovery Coalition can be a conduit to engage with a wider set of state and local organizations involved in direct community planning, recovery, and rebuilding assistance. Sen. Bob Casey has been leading Congressional efforts to address disaster needs for people with disabilities. Other partners could include AARP, Centers for Independent Living, Resilience Force, and partners involved in creating a National Trust for Civic Infrastructure

13. <https://www.rebuild.nc.gov/resiliency>

14. Barry E. Flanagan, Elaine J. Hallisey, Erica Adams, and Amy Lavery. “Measuring Community Vulnerability to Natural and Anthropogenic Hazards: The Centers for Disease Control and Prevention’s Social Vulnerability Index.” Published in final edited form as: *J Environ Health*. 2018 June; 80(10): 34–36.

15. Declet-Barreto, Juan, Marissa J. Ramirez, and Kristi Pullen-Fedinick. Guide to Community Climate Vulnerability Assessments. Natural Resources Defense Council. September 2020, R: 20-03-B <https://www.nrdc.org/sites/default/files/guide-community-climate-vulnerability-assessments-report.pdf>

Recommendation 2.1.3 - Issue a presidential executive order requiring federal agencies involved in disaster response and recovery to coordinate and align programs, regulations, and data efforts to improve transparency, simplify and reduce administrative burden for recipients to access funds, and ensure equity goals for the most vulnerable populations.

Direct FEMA, HUD, USDA-RD, and other federal agencies to create a universal application to make the process easier, quicker, and more flexible, reducing administrative burdens and ensuring that provisions are included to enable smaller communities – including those in rural areas, tribal governments, and communities of color – the ability to effectively and equitably compete for funding. The America COMPETES Act^[16] allows government agencies to use competition to drive innovation. Greater cross-agency collaboration of the grant process – from developing funding opportunities to reviewing grant applications to aligning funding requirements and oversight, to developing shared technical assistance, data tools, and evaluation methods – is an effective way for federal resources to leverage broader private resources and amplify their return on investment while building partnerships and capacity. This was a strategy utilized well by past administrations and HUD initiatives like the National Disaster Resilience Competition^[17] and the Sustainable Communities Regional Planning grants.^[18]

The application process must be designed to ensure that non-English speakers, those experiencing housing instability, communities with limited broadband access, and people with disabilities are provided resources and information in an accessible format. In executing the presidential executive order, agencies can utilize strategies that more directly engage, and provide resources to, community-based organizations (CBOs) that work with these populations. FEMA must also make risk data available and easily accessible at the address level for people to accurately know the risk level of the home they live in or may purchase. The federal government is the only entity that has the resources and the authority to provide a single website for identifying all climate hazards and making this information easy for the public to access. This information should also be used by the federal government to make investment decisions regarding new construction.

- *Lead Agency:* White House Council on Environmental Quality (or the Interagency Regional Equity and Innovations Task Force and Deputy Assistant to the President for Regional Equity and Innovations– both called for in Section 9 of the playbook)
- *Collaborating Agencies:* FEMA, HUD, EPA, USDA, EDA
- *External Partners* – Enterprise Community Partners, Local Initiatives Support Corporation (LISC) and other HUD Section 4 intermediaries involved in disaster recovery; Natural Resources Defense Council and other environmental groups involved in disaster recovery; NLIHC-led Disaster Housing Recovery Coalition

16. <https://www.congress.gov/110/plaws/publ69/PLAW-110publ69.pdf>

17. https://www.hud.gov/program_offices/economic_development/resilience/competition

18. https://www.hud.gov/program_offices/economic_development/sustainable_communities_regional_planning_grants

Recommendation 2.1.4 - Explore the feasibility of including a federal evictions moratorium as a standard element when a federal disaster declaration is made, or other strategy to counter both local eviction and price gouging practices.

The COVID-19 pandemic and ensuing economic crisis have demonstrated with alarming clarity exactly how vulnerable our current housing system is, especially for renters. Low-income renters have been especially hard hit. They confront a confusing mosaic of state eviction moratoriums enacted to try to stem a major housing crisis. The actions by the federal government to intervene through legislation, presidential powers, and the public health authorities of the CDC to enact a federal eviction moratorium create a powerful legal precedent. The CARES Act covered about 12.3 million renters in apartments and single-family homes that were financed by mortgages backed by the federal government.^[19] The current CDC moratorium applies

regardless of how a rental property is financed. Both recognize the essential connection between housing stability and public health and economic stability. However, they have created significant confusion for states and localities, and for renters and landlords, and even within the legal field regarding exactly who is protected and under what situations.

The Department of Justice should work with HUD, FEMA, USDA, and other federal agencies to explore the feasibility of including a federal eviction moratorium as a standard tool that can be triggered for a certain number of days or months after a federal disaster area is declared. This should include an exploration of how emergency rental assistance can also be an explicitly eligible funding use, not only of HUD funds but more broadly across other federal programs including those at USDA and HHS.

- *Lead Agency:* DOJ
- *Collaborating Agencies:* HUD, FEMA, USDA, HHS, White House
- *External Partners:* Legal aid organizations and other national, state, and local agencies involved in eviction protections

19. Berger, Rob. "President Trump's Eviction Moratorium To Protect 43 Million Renters," Forbes, Sept. 2, 2020, <https://www.forbes.com/sites/robertberger/2020/09/02/cdc-eviction-moratorium/#2c9daa0a53b1>

Recommendation 2.1.5 - Identify best state and local innovative housing stability practices implemented during the COVID-19 crisis using CARES Act and other federal, state, philanthropic, and local funding sources.

From the response to COVID-19, we have seen that federal and local agencies are capable of moving quickly to activate resources. HUD should develop a research agenda to identify lessons learned from local COVID-19 recovery responses to spur innovation for emergency housing needs and local business supports. This should include conducting a regional listening tour (virtual or in-person), done in partnership with HHS, to gather state and local best practices to provide innovative housing assistance efforts with CARES Act funding and to identify the challenges faced by localities and individuals needing housing assistance to access federal resources.

Engaging HUD's International and Philanthropic Division will enable alignment between the research and implementation agenda and local community needs to accelerate implementation. HUD should then align its technical assistance and guidance to grantees on best practices for communities to utilize existing vacant housing, units not currently occupied for non-disaster reasons including motels, hotels,^[20] or accessory dwelling units, and to provide funds to bring substandard units to code for their use during environmental, economic, and/or public health crises.

- *Lead Agency:* HUD in partnership with HHS as an action of the HUD-HHS Task Force proposed in Section 3 of this playbook to coordinate housing and health care initiatives during pandemics.
- *Collaborating Agencies:* FEMA
- *External Partners:* National and local disaster recovery and housing philanthropy; CARES Act housing grantees; National League of Cities, National Association of Counties, National Conference of Mayors, NLIHC and other housing stakeholders, HUD Section 4 technical assistance providers.

20. Brey, Jared. "Missoula hopes motel purchase will solve short- and long-term housing problems," Next City. April 28, 2020. <https://nextcity.org/daily/entry/missoula-hopes-motel-purchase-will-solve-short-long-term-housing-problems>

Recommendation 2.1.6 - Eliminate barriers to receiving federal disaster aid for those with alternative homeownership models.

Thousands of people have lost their homes due to tornadoes, wildfires, or flooding, yet remain unable or severely challenged to access FEMA resources for which they should be eligible. FEMA consistently denies these resources to low-income disaster survivors by requiring they provide title documentation to prove their eligibility for funding, including the Individual Assistance program. Across administrations, FEMA has biased its recovery aid against those with alternative homeownership models, even though its own guidance on individual and household assistance specifically allows alternative documentation of ownership. Low-income homeowners, residents of manufactured housing, renters without written leases, and other individuals frequently lack such documentation or the ability to quickly procure proper documents. For instance, many Black homeowners in the South have legacy home titleship as family homes are passed down through generations. This is an issue that has impacted low-income disaster survivors, particularly in rural communities, since at least 1995.^[21]

FEMA must immediately roll back the recent federal prohibition on permitting alternative title documentation for owners of manufactured houses and residents with informal, heirship, and other title issues. FEMA cannot wait to take action to reverse its approach. Over 77,000 survivors of Hurricane Maria were denied assistance and are still facing housing instability.^[22] In southern Oregon, 170,000 homes were destroyed this fall in 15 manufactured housing parks. Residents of manufactured housing frequently do not have access to proper or updated title documentation for their homes, and it can be extremely challenging to track down title records.^[23] In addressing this issue, FEMA must also examine its approach to appraisals that severely devalue the replacement costs for modern mobile homes, as well as broader appraisal practices by FEMA-funded contractors that devalue homes owned by people of color.^[24]

- *Lead Agency:* FEMA
- *Collaborating Agencies:* HUD and DOJ
- *External Partners:* Partner groups involved in housing justice issues, manufactured housing, and rural disaster recovery, including NLIHC-led Disaster Housing Recovery Coalition, which has been working to address this barrier for many years.

21. Mickelson, Sarah Saadian, Noah Patton, Adam Gordon and David Rammler. Fixing America's Broken Disaster Housing Recovery System, Part One: Barriers to a complete and equitable recovery. Disaster Housing Recovery Coalition, care of NLIHC, p. 9. 2019. https://nlihc.org/sites/default/files/Fixing-Americas-Broken-Disaster-Housing-Recovery-System_P1.pdf

22. Ibid.

23. Michael Spotts interview with Doug Ryan of Prosperity Now, October 15, 2020.

24. Perry, Andre. "Discriminatory housing practices are leading to the devaluation of Black Americans," Brookings Institution. February 13, 2020. <https://www.brookings.edu/blog/the-avenue/2020/02/13/discriminatory-housing-practices-are-leading-to-the-devaluation-of-black-americans/>

Recommendation 2.1.7 - Provide funding resources to CBOs serving seniors, homeless, LGBTQ, people with disabilities, Indigenous peoples and communities of color to help with local recovery efforts.

Resources and guidance should be directed to community-based networks that have trusted relationships with these communities to develop and execute sheltering and emergency evacuation plans that reach all survivors. In recent years, FEMA has been doing more to acknowledge and resource local organizations providing front-line assistance to people and businesses as they recover, and to provide emergency shelter. For instance, FEMA's most recent BRIC notice of funding opportunity, its program guidance and online toolkits include specific emphasis on developing Community Lifelines of networked local public agencies and CBOs.^[25] Numerous groups such as the NLIHC-led Disaster Housing Recovery Coalition and Enterprise Community Partners^[26] have testified on the need for HUD to go further in working with and directly resourcing CBOs that are working with vulnerable populations.

There is no rural equivalent to HUD's Section 4 program, and sustained disinvestment in USDA Strategic Economic and Community Development funding and its Rural Community Development Initiative program, as well as in HUD Rural Housing

and Economic Development and Rural Capacity Building programs, has depleted the number of rural CBOs. Increased funding should be provided in these programs to specifically support and expand rural CBOs. When allocating CDBG funds, HUD should identify opportunities to incentivize local governments and housing intermediaries to subgrant to CBOs, and to provide specific funding for rural technical assistance programs.

Requests for proposals and federal grant applications should include language requiring specific strategies to engage vulnerable populations during disaster recovery and rebuilding efforts and identify within proposed budgets a percentage of funding to support this work. This can also be an opportunity to advance recommendations from the Task Force on Housing for a Competitive and Equitable Workforce, referenced in Section 9 of this playbook. HUD's International and Philanthropic Division should also be engaged to leverage opportunities to broaden impact and align technical assistance and guidance that can be supported by philanthropy.

- *Lead Agency:* HUD
- *Collaborating Agencies:* FEMA
- *External Partners:* Philanthropy, national, state and local housing advocates particularly those involved in the Disaster Housing Recovery Coalition who have called for this reform.

25. https://www.fema.gov/sites/default/files/2020-08/fema_bric-partnership-activities_support_document_08-2020.pdf

26. Maria Zimmerman interview with Marion McFadden of Enterprise Community Partners. McFadden has testified multiple times before Congress to both permanently authorize CDBG-DR funds and to more directly engage CBOs.

Recommendation 2.1.8 - Grow number and capacity of Disadvantaged Business Enterprise (DBE) contractors trained in disaster recovery and mitigation.

Given current problems that have been raised by the public and by state agencies and local governments regarding poor business practices and illegal actions by home repair contractors involved in recovery and response, FEMA and HUD need to better train, monitor, and regulate federally funded contractors. But more broadly, disaster recovery should be an opportunity to build and grow community-owned businesses and minority-owned businesses to provide mitigation and recovery services.

HUD should create a targeted program within its Section 4 program, or as a new section of a permanently authorized CDBG-DR program, to specifically train and certify DBE contractors for disaster assessments, auditing, and recovery efforts to help diversify and expand the pool of qualified contractors while also providing greater oversight. This should include requesting a \$10 million appropriation to create a directory of certified contractors; the directory should note any who have been disqualified or fired from state or local projects that were federally funded. HUD's

Office of Policy Development and Research should publish best practices and model regulations that can be used by state and local agencies. HUD, FEMA, and other agencies responsible for procurement should offer preferences to local businesses and contractors to maximize the funding reinvested in impacted communities. Special effort should be made to train and certify contractors who are proficient in languages other than English, and who have experience with resiliency and green building standards, or in repairing and retrofitting manufactured housing. Emergency response, long-term recovery, and mitigation efforts should maximize the use of local contractors and workers and build the capacity of CBOs, targeting as much federal funding as possible toward the impacted economy and survivors.^[27]

- *Lead Agency:* HUD
- *Collaborating Agencies:* FEMA, Energy, and EPA through their resiliency and energy efficiency programs
- *External Partners:* Opportunities to partner with DBE business associations and the building trades organizations; Center for American Progress can be a liaison with environmental organizations working to support contracting efforts for energy efficiency and green building; and Resilience Force is advocating for the creation of a Resiliency Corps.^[28]

27. Saadian, Sarah, Noah Patton, Adam Gordon and David Rammler. Fixing America's Broken Disaster Housing Recovery System, Part Two: Policy Framework Reform Recommendations. Disaster Housing Recovery Coalition, care of National Low-Income Housing Coalition, p. 13. July 28, 2020

28. <https://resilienceforce.org/wp-content/uploads/2020/04/1-coronavirus-resilience-corps-1t.pdf>

Priority 2.2

Recommit to Green Housing and Communities

Energy efficiency is a housing justice issue. Research shows that low-income households, especially households of Black, Hispanic, and Native American people, and people with disabilities, pay a much larger portion of their annual household budget on energy bills than middle-class white households. Based on 2017 data, the American Council for an Energy Efficient Economy found that one in four American households have disproportionately high energy burdens, paying more than 6% of their income on heating and cooling bills. The median energy burden for white households is 2.8%. It is 4.2% for Native American households, 4.1% for Black households, and 3.5% for Hispanic households.^[29] The COVID-19 crisis has made this disparity worsen, as people are paying higher energy and electric bills.

A climate justice housing framework needs to focus on energy use and consumption, housing location and community design, climate resiliency, and healthy homes. To achieve these goals, programs and resources must be directed toward the areas most impacted by disasters, to the people who are most vulnerable to the impacts of climate change, and to those who bear a disproportionate public health and energy cost burden.

The federal government must reframe its current piecemeal resiliency and energy efficiency approach. Many different funding programs exist across numerous federal agencies, and it is difficult and confusing to access them, especially for communities that lack grant writing resources and staff, or for low-income and senior homeowners. New approaches are needed to standardize federal programs and guidance, fund regional climate and energy innovation, and support comprehensive climate rehab and weatherization for low-income homeowners and multi-family property owners. The latter is especially important as the high cost of making energy and resiliency improvements can be a factor in landlords increasing rents, avoiding making efficiency improvements that lower costs for renters, or displacing existing tenants.^[30]

29. Drehabl, Ariel, Lauren Ross, and Roxana Ayala. How High Are Household Energy Burdens? An assessment of national and metropolitan energy burdens across the United States. American Council for Energy Efficient Economy. September 2020 <https://www.aceee.org/sites/default/files/pdfs/u2006.pdf>

30. Mariia Zimmerman interview with Susan Kruse, director of Community Climate Collaborative. October 6, 2020

Recommendation 2.2.1 - Establish forward-looking resilience standards that can be used across all federal agencies.

The White House Council on Environmental Quality should lead a cross-agency effort to require that all substantial construction and new construction funded by the federal government meet national climate and energy efficiency goals for decarbonization and resiliency. This should include creating a system to track performance of federally sponsored projects to meet these standards. Over the past several years, HUD and FEMA have been developing standards for disaster recovery funds they oversee, but standards should be expanded to cover all infrastructure and construction types funded by the federal government. For instance, in projects using CDBG-DR funding, HUD requires elevation of critical facilities, such as nursing homes and hospitals, above the base flood elevation when they are in flood plains.^[31] HUD should work with Congress to codify these standards for CDBG-DR, non-disaster CDBG, and other federal grant funds, since the need for mitigation is based on the risk of future harm, not the source of funds used for construction.

Where environmental reviews of projects are required, they must include information on the social vulnerability of the community and provide context on the overall project in simple engineering

terms so that the community itself can understand the risks it faces. HUD should prioritize resources to improve federal energy performance, to save taxpayer dollars and to ensure that the projects it funds advance local environmental and climate justice goals. These projects should include provisions, where possible, to prioritize funding local contractors and meeting local workforce goals for low-income and minority populations, to surpass federal DBE procurement goals. They should also generate additional community benefit agreements informed through an authentic community engagement process that includes CBOs.

- *Lead Agency:* White House Council on Environmental Quality
- *Federal Partners:* HUD, FEMA, DOT, Energy, EPA, USDA
- *External Partners:* Organizations such as the Natural Resources Defense Council, Enterprise Community Partners, American Council for an Energy Efficiency Economy, the American Institute of Architects, and National Academy of Sciences are among the many that have been developing standards. HUD has used and promoted LEED green building and Enterprise Community Partners Green Communities standards. Proponents of the Green New Deal also call for strong, standardized green building standards applied across federal agencies and funding.

31. McFadden, Marion Mollegen, Senior Vice President for Public Policy & Senior Advisor, Resilience Enterprise Community Partners. "House Financial Services Subcommittee on Oversight and Investigations Hearing on the Administration of Disaster Recovery Funds in the Wake of Hurricanes Harvey, Irma, and Maria." March 26, 2019. <https://financialservices.house.gov/uploadedfiles/hrg-116-ba09-wstate-mollegen-mcfaddenm-20190326.pdf>

Recommendation 2.2.2 - Elevate Green Civic Infrastructure within HUD's approach to fair housing.

The Commission on the Practice of Democratic Citizenship of the American Academy of Arts and Sciences has called for creating a National Trust for Civic Infrastructure, with a focus on bold and targeted strategies to invest in an infrastructure that supports “bridging social capital.”^[32] Civic infrastructure includes people and places that create community resiliency and build democratic networks. Green civic infrastructure is a component of this powerful concept focused on equitable access to community parks and open space to bridge social capital and support climate resiliency for the surrounding community. The city of Detroit, for instance, incorporated high-quality public spaces into its citywide Strategic Neighborhood Fund.^[33] In California, LA THRIVES and Los Angeles Regional Open Space and Affordable Housing (LA ROSAH), are connecting environmental conservation and urban greening investment systems with low-income housing investment.^[34] Both efforts underscore the growing need for, and transformative potential of, reframing affordable housing within a broader concept of community resiliency that considers, enables, restores, and invests in people and green spaces through place-making and in networks of people and organizations serving traditionally marginalized residents.

On December 31, 2015, HUD issued the Assessment of Fair Housing (AFH) Tool, which included an Environmental Health Index. In restoring the Obama administration's Affirmatively Furthering Fair Housing (AFFH) rule, HUD should include a metric for access to parks and green space in the Fair Housing Assessment tool. HUD should also fund research to continue capturing and sharing best practices for building green civic infrastructure and to more strongly link affordable housing and its residents with open space and park planning and access. HUD should also engage in national conversations to promote the creation of a National Trust for Civic Infrastructure, potentially modelled on the National Endowment for Democracy. HUD should seek appropriations to help communities use and apply the AFH Tool.

- *Lead Agency:* HUD
- *Collaborating Agencies:* Changes to the AFFH do not require coordination with other federal agencies. However, the creation of a National Trust for Civic Infrastructure is a cross-agency initiative, which HUD could help to lead.
- *External Partners:* The American Academy of Arts and Sciences, philanthropic and local partners engaged in the Reimagining the Civic Commons^[35] initiative, and numerous other local partners.

32. National Trust for Civic Infrastructure. “Concept Note,” May 2020 <https://www.amacad.org/ourcommonpurpose/recommendation-4-1>

33. <https://civiccommons.us/detroit/>

34. Yee, Thomas, Sissy Trinh, and Natalie Zappella. Pathway to Parks and Affordable Housing Joint Development. LA THRIVES, Low Income Investment Fund, Southeast Asian Community Alliance, Enterprise Community Partners. 2019 https://d3n8a8pro7vhmx.cloudfront.net/lathrives/pages/172/attachments/original/1541797472/Pathway_to_Parks_and_Affordable_Housing.pdf?1541797472

35. The JPB Foundation, Knight Foundation, Kresge Foundation, and William Penn Foundation are the joint national funders of Reimagining the Civic Commons which currently has demonstrations in 10 U.S. cities. See <https://civiccommons.us> for more details.

The federal government must reframe its current piecemeal resiliency and energy efficiency approach.

Recommendation 2.2.3 - Create a cross-agency Comprehensive Housing Climate Rehab pilot program.

Many communities do not fully understand the risks they face from disasters, especially flooding. Navigating the different types of federal and state mitigation and housing rehab funding programs is extremely challenging. HUD, USDA, and EPA should coordinate to create and fund a program that is targeted to low-income homeowners and property owners of affordable multifamily housing (e.g., with rents that are affordable to households earning below 50% area median income, whether subsidized or market-rate) to undertake resiliency audits and make needed improvements to improve energy efficiency, and reduce exposure to mold, flooding, and pests, as well as other potential mitigation investments. This effort should be aligned with the Regional Equity and Innovation Challenge detailed in Section 9 of this playbook. At the local level there are numerous grassroots efforts emerging to more creatively approach weatherization, community resiliency, and energy efficiency.

A Comprehensive Climate Rehab program would be administered locally through HUD, USDA, EDA, and EPA regional offices. It should include training for CBOs, local nonprofits, and regional resiliency officers and create programs to engage and train assessors, auditors, and inspectors on providing comprehensive resiliency audits. The trainees would then serve as intake specialists to help identify potential public funding resources (federal, state, local) that can be used by low-income homeowners and affordable multifamily providers to make needed structural improvements.

- Lead Agency: HUD Office of Community Planning and Development; HUD Office of Multifamily Housing; with potential transfer to new HUD Office of Equitable and Resilient Communities
- Collaborating Agencies: EPA, Energy, USDA, EDA
- External Partners: American Climate Communities Challenge recipients, including the Center for Neighborhood Technology, which has been piloting a similar approach with the city of Chicago and local funders.

Recommendation 2.2.4 - Retooling the Consolidated Plan Rule to advance climate justice.

HUD should enforce and provide technical assistance to help states and local governments implement the Consolidated Plan rule, which includes requirements to consider climate resilience and household energy efficiency burden. Research suggests that FEMA flood maps only account for one-third of buildings at risk of serious flooding.³⁶ Additionally, grantees should examine and report on exposure to flooding, whether from repetitive urban flooding or location on a federally identified floodplain. HUD should include a requirement to have information disaggregated by race, age, and income in Consolidated Plan documents.

HUD should require that states include in their Consolidated Plan proposed actions to address mold, mildew, and moisture hazards that can result from roof leaks, flooding, or other issues of water infiltration. They should also propose actions to reduce the energy burden for low-income households. Addressing these issues is critical to climate resilience efforts. Plans should include reporting on achievement of energy efficiency and resiliency

strategies identified in past plans. HUD should monitor progress toward climate justice to ensure that communities and residents that are most vulnerable to the impacts of climate change, health impacts, or excessive energy burdens are prioritized in the allocation of federal housing, energy efficiency, and resiliency funds.

HUD can provide additional technical assistance to educate communities about the use of Section 108 loan guarantees for income-producing resilience projects. HUD should explore opportunities to expand its technical assistance program to directly resource CBOs to provide outreach and education to tenants, low-income communities, and other traditionally marginalized communities.

- *Lead Agency:* HUD
- *External Partners:* HUD Section 4 technical assistance providers, American Climate Cities Challenge recipients, public housing authorities, local governments, and a broad group energy efficiency and green building partners such as Natural Resource Defense Council.

36. Mariia Zimmerman interview with Drew Williams, Center for Neighborhood Technology, September 25, 2020.

Recommendation 2.2.5 - Reestablish the Multifamily Energy Innovation Fund.

There is a growing, unmet need to fund rehab efforts for affordable multifamily housing including both subsidized and privately owned, unsubsidized units. The Multifamily Energy Innovation Fund was discontinued after 2016 and should be re-established. HUD should work with the OMB and Congressional leaders to restore the program. Funding levels should be increased to an annual budget of \$500 million so that at least 1 million low-income homes can be retrofitted annually by 2024. HUD should lift the per-unit cap on retrofits to \$65,000 per unit to ensure deep retrofits yielding real climate benefits and also to raise wages for weatherization assistance program implementers.

Local affordable housing and energy efficiency partners are busy piloting innovative approaches. In Charlottesville, Virginia, for instance, they are exploring ways to modify the rural electric cooperative funding model to enable property owners of rental housing to make energy improvements that are then paid for using on-bill financing, so that landlords do not need to carry the full cost of retrofit nor are renters penalized through increased rents or higher electric bills.^[37] This work could be paired with innovative approaches being supported through funding by JP Morgan Chase, Low Income Investment Fund, and other national funders and intermediaries to fund housing preservation, particularly of 2-to-5-story rental units and energy efficiency in multifamily housing. HUD's International and Philanthropic Division should work with philanthropy and CDFIs to increase their work in rural America to ensure that affordable multifamily

housing stock serving low-income residents, many of whom are in Black and brown communities, are not left behind. Many rural southern communities have been overlooked by philanthropy, yet they face some of the greatest housing challenges, including extremely high utility rates that are disproportionately born by people of color.^[38]

In restoring the Multifamily Energy Innovation Fund, HUD should explore providing a deeper level of retrofit funding support to those multifamily landlords who agree to accept housing choice vouchers and maintain affordable rents for at least a five-year period. Additionally, DOE and HUD should coordinate, and seek Congressional authorization if needed, to enable automatic eligibility for all HUD-assisted and eligible properties, including recipients of HUD's Lead Hazard Control grants to receive energy innovation funding.

- *Lead Agency:* HUD Office of Multifamily Housing Programs (or the proposed new Office of Rental Housing in Section 6)
- *Collaborating Agencies:* DOE
- *External Partners:* Congressional appropriators. HUD and DOE have established a diverse set of nonprofit and industry partners through the past 12 years of working on energy efficiency that can be tapped to help advocate, implement, and do outreach to potential applicants. The Green New Deal includes proposals to increase energy efficiency for multifamily housing with a significant investment to catalyze innovative strategies supported by groups like People's Climate Movement and People's Action.

37. Mariia Zimmerman interview with Susan Kruse, director of Community Climate Collaborative. October 6, 2020

38. Schlegel, Ryan and Stephanie Peng. "As the South Grows: So Grows the Nation" National Committee for Responsive Philanthropy. June 2018. <https://www.ncrp.org/publication/as-the-south-grows-so-grows-the-nation>

Section 3.

How might the federal government design housing policy that is intersectional in pursuing outcomes that positively impact physical and mental health, education, mobility, etc.?

Housing is a clear social determinant of health, and is directly tied to school quality and economic well-being. There is growing evidence of the positive impacts of high-quality, affordable housing, well-resourced neighborhoods, and supportive services on adults and children. The COVID-19 pandemic has thrown into stark relief long-standing racial and income inequalities, from overcrowded housing conditions, to exposure to environmental toxins, to the health risks of homelessness. Yet, despite an increased focus on the importance of housing to health, education, and economic mobility, the federal government has too often missed opportunities to formalize cross-discipline policy connections to further racial and housing justice. By coordinating policies across agencies and lifting up proven local innovations, the next administration can transform housing policy to help reduce racial and economic inequalities in the United States.

Consistent with the 2015 Affirmatively Furthering Fair Housing rule, the next administration should support healthy, upwardly mobile communities where families currently live while also investing in and providing more options for families to move to higher-opportunity areas. The new administration should establish interagency partnerships to conduct place-based work at the intersection of housing, health, education, and mobility, with a focus on policies that create greater access to affordable and accessible housing and neighborhoods associated with positive health, education, and mobility outcomes

The recommendations in this section focus on executive actions but also include legislative goals requiring increased funding. Residents should be involved in co-creation of these policies to ensure they have meaningful power in setting the agenda and in decision making, as detailed in Section 6 of this playbook, which covers public and subsidized housing. By restructuring the way our federal agencies work together and building new allies in other sectors, we can transform housing policy to reflect its importance on a wide variety of aspects of American life.

Well-maintained, affordable, and stable housing is critical for health, child development, and upward mobility. Mold and pest infestations are correlated with worse health outcomes, including higher rates of asthma,^[1] and lead paint can permanently damage a child's brain and nervous system.^[2] Cold indoor conditions are tied to an increased risk of cardiovascular disease, and overcrowding has been linked to respiratory infections and tuberculosis.^[3] High rent burdens are associated with increased risk of depression and poor health for children and adults, and higher rates of residential instability due to evictions and displacement are also associated with poor physical and mental health. Evictions can cause significant disruptions to social networks, employment, and education (see Sections 1 and 5 for additional recommendations related to evictions).^{[4],[5]} Moreover, homelessness can have lasting long-term negative health and educational outcomes for children.^[6]

Neighborhoods also matter for the long-term health, educational outcomes, and economic well-being of low-income families. Data from the Moving to Opportunity for Fair Housing Demonstration

1. Institute of Medicine, *Clearing the Air: Asthma and Indoor Air Exposures*, 2000, <https://doi.org/10.17226/9610>.

2. Ruth A. Etzel et al., "Screening for Elevated Blood Lead Levels," *Pediatrics* 101, no. 6 (June 1, 1998): 1072–78, <https://doi.org/10.1542/peds.101.6.1072>.

3. "Housing and Health," RWJF, May 1, 2011, <https://www.rwjf.org/en/library/research/2011/05/housing-and-health.html>.

4. "Housing And Health: An Overview Of The Literature | Health Affairs," accessed October 16, 2020, <https://www.healthaffairs.org/doi/10.1377/hpb20180313.396577/full/>.

5. Matthew Desmond, *Evicted: Poverty and Profit in the American City*, First Edition (New York: Crown, 2016).

6. "A Threat to America's Children: The Trump Administration's Proposal to Gut Fair Housing Accountability," House Committee on Oversight and Reform, February 5, 2020, <https://oversight.house.gov/legislation/hearings/a-threat-to-america-s-children-the-trump-administration-s-proposal-to-gut-fair>.

Yet, despite an increased focus on the importance of housing to health, education, and economic mobility, the federal government has too often missed opportunities to formalize cross-discipline policy connections to further racial and housing justice.

Program showed that young children who moved from high-poverty to low-poverty areas earned 31% more than their peers from high-poverty areas, when they reached adulthood, and were more likely to attend college and less likely to become single parents as adults.^[7] They also had lower rates of hospitalization and lower hospital spending.^[8] Adults in these programs also experienced lower rates of diabetes, obesity, and psychological distress.^[9]

Because of racist federal policies that segregated our cities and regions, low-income children of color are disproportionately likely to live in concentrated poverty, which negatively impacts economic outcomes and health outcomes.^[10] Indeed, poverty is also a cause and a consequence of disability.^[11] Higher levels of racial segregation in housing also create racially and economically segregated schools and correspondingly fewer educational resources, negatively impacting educational attainment.^[12] Exposure to higher rates of violent crime,

furthermore, can lead to negative child outcomes, including lower vocabulary and reading assessments, as well as lower self-regulation, attention, and impulse control.^[13] These inequalities between neighborhoods were the explicit creation of a system of white supremacy that limited neighborhood choice while disinvesting in communities of color – a legacy that the next administration’s housing policy should address through a bold set of housing policy reforms.

7. Raj Chetty, Nathaniel Hendren, and Lawrence F. Katz, “The Effects of Exposure to Better Neighborhoods on Children: New Evidence from the Moving to Opportunity Experiment” (National Bureau of Economic Research, 2015), <http://www.nber.org/papers/w21156>.

8. Craig Evan Pollack et al., “Association of Receipt of a Housing Voucher With Subsequent Hospital Utilization and Spending,” *JAMA* 322, no. 21 (03 2019): 2115–24, <https://doi.org/10.1001/jama.2019.17432>.

9. “Housing Mobility Programs And Health Outcomes | Health Affairs,” accessed October 2, 2020, <https://www.healthaffairs.org/doi/10.1377/hpb20180313.616232/full/>.

10. “A Threat to America’s Children.” Many of the health citations in this introduction are from Dr. Megan Sandel’s testimony.

11. “Disability Is a Cause and Consequence of Poverty,” accessed November 4, 2020, <https://talkpoverty.org/2014/09/19/disability-cause-consequence-poverty/>.

12. Heather Schwartz, “Housing Policy Is School Policy: Economically Integrative Housing Promotes Academic Success in Montgomery County, Maryland,” *The Century Foundation*, 2010.

13. Patrick Sharkey, “The Acute Effect of Local Homicides on Children’s Cognitive Performance,” *Proceedings of the National Academy of Sciences* 107, no. 26 (June 29, 2010): 11733–38, <https://doi.org/10.1073/pnas.1000690107>; Patrick T. Sharkey et al., “The Effect of Local Violence on Children’s Attention and Impulse Control,” *American Journal of Public Health* 102, no. 12 (December 2012): 2287–93, <https://doi.org/10.2105/AJPH.2012.300789>.

Recommendation 3.1 - Make Housing Choice Vouchers universal.

Millions of low-income families who qualify for the Housing Choice Voucher program do not receive benefits due to limited federal funding. The next administration should guarantee all low-income families a home by passing legislation to make housing choice vouchers an entitlement for eligible families. The next administration could scale it up first by creating 500,000 new vouchers for families with children under age six by passing the Family Stability and Opportunity Vouchers Act, which phases in vouchers over five years.^[14] The administration should also provide mobility counseling services as part of the new vouchers through an additional \$50 million allocation to ensure families

have access to neighborhoods linked to improved outcomes.^[15] ^[16] This initiative would eliminate homelessness for families with young children and help children grow up in neighborhoods associated with positive long-term outcomes. It should be paired with the landlord recruitment initiative proposed below (recommendation 3.3), which the next administration should expand to recruit 400,000 additional units if the Family Stability and Opportunity Vouchers Act is passed by Congress.

- *Lead Agency: HUD (Office of Housing Choice Vouchers)*
- *Collaborating Agencies: HHS (Supportive Services)*
- *External Partners: national advocates, technical partners, foundation support*

14. "Senate Bill Aims to Cut Intergenerational Poverty by Expanding Families' Housing Opportunities," Center on Budget and Policy Priorities, December 18, 2019, <https://www.cbpp.org/blog/senate-bill-aims-to-cut-intergenerational-poverty-by-expanding-families-housing-opportunities>.

15. Galvez and Oppenheimer, "Taking Neighborhood Mobility to Scale through the Housing Choice Voucher Program."

16. "Helping Young Children Move out of Poverty by Creating a New Type of Rental Voucher | Center on Budget and Policy Priorities," accessed October 2, 2020, <https://www.cbpp.org/research/housing/helping-young-children-move-out-of-poverty-by-creating-a-new-type-of-rental-voucher>.

Recommendation 3.2 - Create a pathway to universal vouchers by expanding the current Housing Choice Voucher program and eliminating administrative barriers.

Administrative barriers in the Housing Choice Voucher program are a significant obstacle for voucher holders interested in moving to a different neighborhood. In addition to prohibiting source-of-income discrimination, the next administration should make a series of administrative reforms to expand choice in the Housing Choice Voucher program. These changes can be implemented through HUD administrative and rule-making actions, reforms of the SEMAP^[17] scoring system,^[18] reforms of the Housing Choice Voucher Administrative Fee formula, and funding waivers. These changes will improve the voucher program now while paving the way for a more efficient program if vouchers become an entitlement as proposed in recommendation 3.1. This recommendation should be coordinated within the White House-led task force on Upward Economic Mobility (recommendation 3.5) and complemented with efforts to increase the supply of units in opportunity neighborhoods through the landlord recruitment effort (recommendation 3.3) as well the “Race to the Top for Affordable Housing” proposal to address zoning in the chapter on resiliency. By scaling up best-practices that eliminate barriers to voucher holders finding housing and living in the neighborhood of their

choice, these changes will have positive impacts on health, education and economic outcomes, particularly among children. This section builds on recommendations in Section 6 of this playbook.

- *Small Area Fair Market Rents*: Expand the mandate of SAFMRS for a selected group of metropolitan areas to make more neighborhoods affordable for families – including neighborhoods in gentrifying areas where HUD subsidies may not be keeping pace with rising prices. Current voucher holders should be “held harmless” by this policy to ensure families can remain in their current neighborhoods. HUD should help reduce the administrative burden of setting up and implementing such programs with funding and technical assistance.
- *Eliminate barriers to portability through regional coordination*: Allow and incentive PHAs to form a regional or partial-regional consortium of vouchers, including a single funding contract with HUD,^[19] or mandate that PHAs automatically absorb ports into their jurisdictions,^[20] or incentivize PHAs to enter into agreements to administer vouchers in each other’s jurisdictions.
- *Incentivize PHAs to provide mobility counseling services or contract with nonprofit providers to do so, and require post-move counseling to support resident mental and physical well-being*. Housing mobility programs like those in Seattle/King County, Baltimore, Dallas, and Chicago have a proven track record of helping families move to

17. https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/semap/semap_FAQs

18. “Federal Policy Changes Can Help More Families with Housing Vouchers Live in Higher-Opportunity Areas,” Center on Budget and Policy Priorities, August 30, 2018, <https://www.cbpp.org/research/housing/federal-policy-changes-can-help-more-families-with-housing-vouchers-live-in-higher>.

19. “Housing Choice Voucher Program: Oversight and Review of Legislative Proposals,” Center on Budget and Policy Priorities, April 16, 2018, <https://www.cbpp.org/housing/housing-choice-voucher-program-oversight-and-review-of-legislative-proposals>.

20. “A Vision for Federal Housing Policy in 2021 and Beyond (PRRAC, July 2020) - PRRAC — Connecting Research to Advocacy,” accessed October 2, 2020, <https://prrac.org/a-vision-for-federal-housing-policy-in-2021-and-beyond/>.

higher opportunity areas.^[21] Yet, most housing authorities provide no counseling of any kind, leaving families who would consider an opportunity to move without the necessary support. By directly funding and strongly incentivizing PHAs to provide mobility services or contract with a nonprofit provider to do so, the next administration can ensure that families have true choice in the voucher program. Crucially, these programs would be completely voluntary and require post-move supports for families that move to new communities.^[22] PHAs should engage with current voucher families to determine interest in the program and deeply involve voucher families in its design and implementation. Innovative models like NestQuest Houston’s “master leasing” model could potentially be scaled to facilitate opportunity moves.^[23]

- *Provide funding flexibility for non-MTW agencies to use voucher funding to support those mobility counseling services.* Only MTW agencies (1% of PHAs) currently have the ability to use voucher funding for non-rent services such as security deposit assistance and housing mobility counseling services. HUD should provide waivers to PHAs to use their funds more flexibly to fund these services, which increase the success rate of vouchers and help families move to higher opportunity areas. This would likely

require a slight change in appropriations language to not limit HAP expenditure to rent, accompanied by a budget report explaining what HAP can be used for, and guidance from HUD. Making these waivers conditional on adopting mobility services and/or regional consortia could motivate PHAs to take advantage of this enhanced flexibility.

- *Enable regional pooling of project-based rental assistance.* In the past, HUD has funded demonstrations to test regional mobility strategies, like the Regional Housing Initiative in Chicago. By more directly incentivizing these collaborations, HUD could better promote regional opportunity. Allowing partial consortia and/or finalizing the regional Moving to Work Rule would reduce the administrative burdens of such effort. This should be coordinated with the broader Regional Equity and Innovations proposal on encouraging regional pooling of project-based assistance in the chapter on the racial wealth gap.
- *Lead Agency:* HUD
- *External Partners:* Technical partners (e.g., Enterprise, Mobility Works, Opportunity Insights)

21. Peter Bergman et al., “Creating Moves to Opportunity: Experimental Evidence on Barriers to Neighborhood Choice,” Working Paper, Working Paper Series (National Bureau of Economic Research, August 2019), <https://doi.org/10.3386/w26164>.

22. Interview with David Williams and Sebi Devlin-Foltz of Opportunity Insights, October 1, 2020.

23. Sophie Dulberg, “Master Leases Provide Relief to Voucher Holders Discriminated against in Search for Decent Housing,” Texas Housers, November 1, 2018, <https://texashousers.net/2018/11/01/master-leases-provide-relief-to-voucher-holders-discriminated-against-in-search-for-for-decent-housing/>.

Recommendation 3.3 - Launch a White House initiative to recruit 100,000 new units to the voucher program in 2021 to fight homelessness during the COVID-19 pandemic.

A White House-led initiative, established through an executive action, should be formed to recruit 100,000 units through landlords, create incentives for landlord participation in high opportunity areas, and implement PHA reforms. This policy could fight homelessness, increase access to opportunity areas, and help small landlords who have been impacted by the COVID-19 pandemic. Streamlining landlord recruitment through a new White House led initiative would better prepare the voucher program if it becomes an entitlement later in the administration (recommendation 3.1), when far more landlords will be required to house families. It would also complement the broader set HUD reforms put forward in recommendation 3.2. This new initiative should be directed by the White House-led task force on Upward Economic Mobility (recommendation 3.5), and coordinated with the HUD-HHS initiative proposed below (recommendation 3.6), due to the need to house families in the area of COVID-19.

Although the federal government spends billions of the Housing Choice Voucher program each year, an estimated 30% of many families that receive a voucher are unable to use it.^[24] While

voucher holders face a variety of obstacles to using their vouchers, a primary barrier is that too few landlords are willing to take them.^[25] In addition to discriminating based on race, source of income, age, and family status, landlords often reject the program due to inefficient practices and bureaucratic red tape common at public housing authorities. These barriers are primarily flawed inspection processes and a lack of advocates for tenants at housing authorities that can serve as a direct liaison to landlords.^[26] These inefficiencies forced many families to continue to live in shelters despite having been awarded a voucher, putting increased strain on shelters and increasing health risks during the COVID-19 pandemic. A lack of stable housing, as noted above, also creates other health, educational, and economic risks for families. In addition, there is a particular dearth of landlords in higher opportunity areas, meaning voucher holders often are forced to live in areas of concentrated poverty, with negative impacts on adult and child outcomes. Considering that COVID-19 “long haulers” are experiencing long-term disabilities including paralysis, cardiac and respiratory issues, and blood clots, incentives to promote the inclusion of accessible units are also needed.^[27]

This White House-led effort should recruit 100,000 units in 2021 from areas without an existing concentration of landlords to diversify neighborhood choice in the program and increase access to opportunity. Also, the initiative should recruit landlords in areas with naturally occurring affordable housing near transit (as referenced in Section 10 of this playbook), if those areas do not already have a concentration of voucher holders. CARES

24. “Housing Voucher Success and Utilization Indicators, and Understanding Utilization Data,” Center on Budget and Policy Priorities, March 1, 2019, <https://www.cbpp.org/research/housing/housing-voucher-success-and-utilization-indicators-and-understanding-utilization>.

25. Teresa Wiltz, “Getting a Section 8 Voucher Is Hard. Finding a Landlord Willing to Accept It Is Harder.,” Stateline, Pew Charitable Trusts, August 31, 2018, <https://pew.org/2MEKafp>.

26. Interview with Philip Garboden, October 16, 2020.

27. Rebecca Cokley, “Repealing the ACA Would Create Chaos for the Disability Community During a Pandemic,” Center for American Progress, October 9, 2020, <https://www.americanprogress.org/issues/disability/news/2020/10/09/491428/repealing-aca-create-chaos-disability-community-pandemic/>.

These inequalities between neighborhoods were the explicit creation of a system of white supremacy that limited neighborhood choice while disinvesting in communities of color – a legacy that the next administration’s housing policy should address through a bold set of housing policy reforms.

act funding already provided some flexibility for PHAs to use that funding for landlord recruitment – this flexibility should be made permanent.^[28] And the federal government should explore requiring that developers accept vouchers as a condition of receipt of federal grant, loan, or loan guarantee for any rental housing, including the GSEs and Low-Income Housing Tax Credit (LIHTC). Additionally, as noted in Recommendation 2, HUD could grant PHAs flexibility with landlord incentives, including assistance with security deposits and mitigation funds to help families move;^[29] improve and streamline inspection procedures and paperwork, and dedicate resources to customer service to provide landlords a direct point of contact; improve marketing materials; dedicate staff to landlord outreach;^[30] and require developments receiving federal funding to take vouchers. Each

PHA should be assigned landlord recruitment goals based on its voucher pool size. To measure success, HUD could partner with existing real estate websites to work with PHAs across the country to track the increase of landlords in areas that do not already have high concentrations of landlords willing to rent to Section-8 tenants.^[31]

- *Lead Agency:* HUD (Office of Housing Choice Vouchers and PD&R to track success)
- *Collaborating Agencies:* White House (DPC), HHS
- *External Partners:* national research partners, real estate partners and local nonprofits and PHAs with expertise in landlord recruitment, tenant associations, and listings websites like Zillow and GoSection8.com.

28. “Notice CPD-20-08: Waivers and Alternative Requirements for the ESG Program Under the CARES Act - HUD Exchange,” accessed October 16, 2020, <https://www.hudexchange.info/resource/6135/notice-cpd-20-08-waivers-and-alternative-requirements-for-the-esg-program-under-the-cares-act/>.

29. “Housing Choice Voucher Reform: A Primer for 2021 and Beyond (PRRAC, August 2020),” (blog), August 13, 2020, <https://prrac.org/housing-choice-voucher-reform-agenda/>; “Property Managers,” *Creating Moves to Opportunity* (blog), accessed October 2, 2020, <http://creatingmoves.org/property-managers/>.

30. Martha M. Galvez and Sarah Oppenheimer, “Taking Neighborhood Mobility to Scale through the Housing Choice Voucher Program,” Urban Institute, October 7, 2020, <https://www.urban.org/research/publication/taking-neighborhood-mobility-scale-through-housing-choice-voucher-program>.

31. Interview with Philip Garboden.

Recommendation 3.4 – Launch a White House-led initiative to expand place-based economic mobility workforce programs to help low-income families increase earnings and build savings.

Place-based employment and savings programs are essential aspects of the federal government’s toolbox to help low-income families in public housing and the voucher program increase earnings and build savings. The next administration should build off efforts begun during the Obama administration in the Domestic Policy Council^[32] to launch a coordinated federal government effort to expand best practices of programs like Family Self-Sufficiency, Jobs Plus, and Mobility Mentoring. This initiative should elevate evidence-based versions of these programs and continue to improve upon them in new pilots and evaluations to determine the most effective and scalable policies for public housing residents and voucher holders to be upwardly mobile in place. This recommendation should be coordinated within the White House-led task force on Upward Economic Mobility (recommendation 3.5.)

- *Expand proven versions of the Family Self-Sufficiency (FSS) Program.* With a history of strong bi-partisan support, the FSS program is a promising but underutilized federal program to help increase upward mobility for

low-income families. FSS provides coaching, service coordination, and access to job training and education as well as escrow savings accounts to low-income families with Housing Choice vouchers and those who live in public housing and project-based rental assistance units. While evaluations of FSS have been mixed,^[33] versions of FSS that have proven effective – such as those that provide financial work incentives^[34] and other models with promising evidence of success building assets^[35] – should be scaled. While the program has failed to achieve its full potential partly due to lack of federal funding, the next administration could scale up FSS to allow hundreds of thousands of low-income families in HUD-assisted housing to increase their earnings and savings and leverage their housing assistance as a platform for economic mobility. A next administration could elevate the most promising models of FSS through new pilots, such as a demonstration of an opt-out model and through increased funding in the president’s next budget.

- *Scale up the Jobs Plus Program to provide workforce development to public housing residents.* Jobs Plus is a place-based workforce development program designed to encourage upward economic mobility for public housing residents by providing job training, rent-based work incentives, and community support for work. Evaluations of the program have determined that versions of the program that implement all components of the Jobs Plus model increase resident earnings.^[36] HUD has been scaling up Jobs Plus over the last decade, from more sites in New

32. Elisabeth Babcock, Interview with EMPATH, November 3, 2020.

33. Jim Riccio, Interview with MDRC, November 3, 2020.

34. Inna Kruglaya, “Work Rewards,” Text, MDRC, September 19, 2017, <https://www.mdrc.org/project/work-rewards>.

35. “The FSS Program,” Compass Working Capital, accessed November 4, 2020, <https://www.compassworkingcapital.org/fss>.

36. James Riccio, “Sustained Earnings Gains for Residents in a Public Housing Jobs Program,” Text, MDRC, July 6, 2012, <https://www.mdrc.org/publication/sustained-earnings-gains-residents-public-housing-jobs-program>; Jim Riccio, Interview with MDRC, September 1, 2020.

York City, to an additional 24 sites around the country.^[37] While an impact assessment is still ongoing, based on evidence from that impact assessment, the White House-led task force should potentially scale Jobs Plus to other public housing sites across the country.

- *Scale up Mobility Mentoring services that help families move upwards out of poverty.* HUD should also allocate resources to scale up more comprehensive services to help families become upwardly mobile. EMPATH's "Mobility Mentoring" Program provides a host of services, including addressing family stability, well-being, financial management, education and training, and employment and career services. Outcomes reported by these programs – which are set to be more rigorously evaluated starting in 2020– include an increase in rates of stable housing; increased credit scores; higher college graduation rates; and increased earnings. Over 350 organizations across the country have adopted the model and served 225,000 individuals.^[38] EMPATH's Mobility Mentoring program has also been integrated into a Choice Neighborhoods development in Boston, indicating that a closer connection between these place-based economic mobility counseling services and public housing could help families receiving housing assistance rise out of poverty.^[39]
- *Lead Agency:* White House (DPC or NEC)
- *Collaborating Agencies:* HUD, Energy, DOL
- *External Partners:* EMPATH (Mobility Mentoring), Compass Working Capital (FSS), MDRC (Jobs Plus), public housing resident leaders

Recommendation 3.5 – Launch a White House-led task force on upward economic mobility.

The next administration should prioritize efforts to help low-income families move up the economic ladder by appointing a task force led by the DPC- or the National Economic Council to coordinate these efforts across the federal government. This task force would work across agencies to coordinate efforts to further upward economic mobility, including a focus on providing vouchers to families with young children (recommendation 3.1), housing mobility efforts in the overhaul of the Housing Choice Voucher program (recommendation 3.2), recruiting more units to the voucher program (recommendation 3.3), place-based workforce development programs (recommendation 3.4) and creating more economic integration in housing and schools (recommendation 3.8). This task force should also coordinate with efforts in the chapter on closing the racial wealth gap focused on regional equity and innovations.

- *Lead Agency:* White House (DPC or NEC)
- *Collaborating Agencies:* HUD, Energy, DOL
- *External Partners:* Opportunity Insights, EMPATH, Compass Working Capital, MDRC

37. Inna Kruglaya, "HUD's Jobs Plus Pilot Program for Public Housing Residents," Text, MDRC, December 18, 2019, <https://www.mdrc.org/publication/hud-s-jobs-plus-pilot-program-public-housing-residents>.

38. Kruglaya.

39. "Whittier Street Project," EMPATH, accessed October 2, 2020, <https://www.empathways.org/direct-services/housing-partnerships/whittier>.

Recommendation 3.6 - Launch a HUD-HHS task force to expand housing and health care initiatives to address racial and health equity during the COVID-19 pandemic and in the future.

While there is increasing evidence about the direct connections between housing and health, there is a chronic lack of federal funding for housing and health policy at the federal level, as well as a lack of coordination. The next administration should overcome these barriers through a HUD-HHS partnership formed through an executive action on day one. This HUD-HHS task force should first immediately convene hospitals, health insurers, housing advocates, community development professionals and other community partners to make recommendations to the administration on how to increase funding and scale housing-health initiatives, including in a next stimulus bill. Given the myriad federal funding streams and barriers facing community development professionals and housing developers in building projects incorporating health and housing goals, the federal government should convene working groups with local partners and leaders to learn how federal policy can streamline these processes.^[40] These working groups could expand on best practices from community efforts to explore innovative funding mechanisms being tried around the

country, like braided and blended funding to support health and housing projects, and efforts to address veteran homelessness with services paid for by Veteran Affairs systems.^[41] This task force should coordinate the regional listening tour proposed in Section 10: Resilient Communities to learn about best practices from CARES Act funding. It should be housed within the Office of Equitable and Resilient Communities as discussed in Section 10. Proposals the task force should consider include:

- *Expand the number of community wellness team workers in subsidized housing for people with physical and mental health disabilities as defined by HUD.* HUD has funded a variety of supportive services for elderly residents through Section 202, though funding has been limited and usually only serves the elderly. HUD also has an ongoing evaluation of supportive services through its Integrated Wellness in Supportive Housing (IWISH) program.^[42] HUD could expand supportive services for physical and mental health to all subsidized housing residents who need them, funding part-time wellness coordinators at public housing and affordable housing sites. Research shows these services can provide critical benefits for those with health challenges, including reducing hospital visits. Options for broadening the reach of these programs include expanding targeted rental assistance and leveraging Medicaid and Medicare to provide services for supportive housing.^[43] The use of telemedicine during the COVID-19 pandemic offers lessons that could enable scaling low-cost solutions

40. Interview with Kathy O'Regan, October 1, 2020.

41. Anne de Biasi Vinu Ilakkuvan, "Examples of Braiding and Blending to Support Community Health: A Compendium of Resources," Text, Urban Institute - Pay for Success Initiative (Urban Institute - Pay for Success, October 3, 2018), <https://pfs.urban.org/pay-success/pfs-perspectives/examples-braiding-and-blending-support-community-health-compendium>.

42. "On-Site Health Care Could Help Seniors Stay at Home," accessed November 4, 2020, <https://pew.org/2kBOZJA>.

43. "Supportive Housing Helps Vulnerable People Live and Thrive in the Community," Center on Budget and Policy Priorities, May 31, 2016, <https://www.cbpp.org/research/housing/supportive-housing-helps-vulnerable-people-live-and-thrive-in-the-community>.

to expand access to health services, but they must comply with accessibility and privacy law.^[44] The Build Healthy Places network and, in particular, the Healthy Communities Initiative are efforts to create deeper collaboration between community development and public health. HUD should elevate and fund best practices around the country in community development incorporating mental health services.^[45]

- *Initiate audit of all HHS and health-related federal programs to determine how to better incorporate stable and healthy housing.* This audit should include a White House-led, OMB-implemented initiative to score savings to Medicaid and Medicare through housing policy interventions, as a first step toward determining whether health funding should be used to pay for housing. There is disagreement among activists and experts about whether health care funding should pay for long-term housing costs, like rent. Part of the problem with making this case is that the federal government does not accurately track how much money housing interventions save the health care system. A White House-led effort through this HUD-HHS task force to determine cost savings would be an important first step toward addressing this “wrong-pocket” problem.^[46] Such a health and social savings study could be conducted by the Assistant Secretary for Planning and Evaluation at HHS and could be paired with other efforts to use health care funding in the short term for non-ongoing
- housing costs, like transitional housing for medically/behaviorally complex housing.^[47]
- *Incorporate supportive housing into LIHTC developments to directly integrate health services into new housing developments.* Housing developers and PHAs are partnering with local hospitals and other community groups across the country to more directly integrate health services into housing developments. LISC has started a \$200 million Health Future fund to develop Federally Qualified Health Centers and create affordable housing that takes advantage of Low-Income Tax Credit Equity to fund affordable housing incorporating health care programs. Integrating supportive housing into LIHTC through state Qualified Allocation Plans (QAPs) with funding from for-profit and nonprofit health insurers and health care systems could enable HUD to scale up these programs to more directly coordinate new housing and health care services.^[48]
- *Reform LIHTC siting by directly incorporating health criteria and balancing investments near health facilities with investments in higher opportunity areas.* Incorporating health care into QAP priorities faces the difficulty that health services are sometimes located in areas of concentrated poverty, which often have negative health impacts.^[49] In line with the balanced approach of the Affirmatively Furthering Fair Housing (AFFH) provision of the Fair Housing Act, QAP priorities should

44. Nicole Rapfogel and Azza Altiraifi, “The Coronavirus Pandemic Has Exacerbated Existing Weaknesses in Telemental Health,” Center for American Progress, October 19, 2020, <https://www.americanprogress.org/issues/healthcare/news/2020/10/19/491855/coronavirus-pandemic-exacerbated-existing-weaknesses-telemental-health/>.

45. “Announcing a New and Exciting Factsheet Series,” *Build Healthy Places Network* (blog), July 23, 2020, https://www.buildhealthyplaces.org/whats-new/factsheet_mental-health/.

46. Luke Tate, Interview with Luke Tate, November 3, 2020.

47. Interview with Megan Sandel, October 16, 2020.

48. Interview with Megan Sandel, October 16, 2020.

49. Interview with Craig Pollack, October 16, 2020.

be streamlined to prioritize both development in high-opportunity areas and place-based tax credits that take health services into account as part of robust community revitalization plans. Ideally in both tracks, the federal government should also require that environmental conditions, including hazards like toxic waste sites and exposure to air pollution associated with negative health outcomes, are taken into account by states in LIHTC siting. Other health criteria such as those used by the Healthy Neighborhood Equity Fund could also be used.^[50] States have significant discretion in setting criteria for QAPs when awarding Low Income Housing Tax Credits. Some states, like North Carolina, have allocated points for projects far from environmental hazards. Treasury could mandate or strongly incentivize these changes to state QAPs.^[51]

- *Reform HUD housing quality standards in the voucher program to encompass neighborhood housing quality.* By reforming its Housing quality standards for the voucher program to include, The HUD-HHS partnership could elevate health considerations in housing by reforming its housing quality standards in the Housing Choice Voucher Program to include measures of significant lead in the air and soil, significant air pollution and other asthma triggers in the neighborhood, and child exposure to violence.^[52]
- *Pilot ideas to infuse more funding into housing from banks and health insurers.* Banks and health insurers have not provided as much resources for housing funding as they could. First, banks could receive Community Reinvestment Act credit “as of right” if they invest alongside hospitals in community development projects like affordable housing consistent with the Hospitals Community Health Needs Assessments required by the IRS every three years. This recommendation would increase incentives for banks to collaborate with hospitals. Second, the federal government

could require health insurers to put 1% of their risk-based capital into affordable housing at below-market rates, cheaper equity, or loan fund returns.^[53] In order to determine efficacy, these programs should be piloted before being scaled. These options and others should be explored to expand the already shrinking pool of funding usually available in housing; the health care industry should be involved in supporting housing that has positive impacts on health outcomes.

- *Require and fund PHAs to complete health monitoring to determine exposure to harmful toxins that cause conditions like asthma, and adopt Integrated Pest Management practices throughout public housing developments.* Community-based studies have shown that pest management interventions, including the adoption of nontoxic pesticides, can reduce asthma in children in public housing.^[54] These programs are particularly effective when they use environmentally friendly products, for example gel bait to remove cockroaches.^[55] Yet despite strong evidence of their efficacy, these programs are neither required nor heavily funded by HUD. The new administration should explore alternative funding sources from the health care sector that would improve health outcomes while potentially reducing costs, create a HUD hotline for tenants to report dangerous living conditions, launch an advertising campaign, and require that this information be included in leases.^[56]
- *Lead Agency:* HUD-HHS (joint)
- *Collaborating Agencies:* Treasury and EPA
- *External Partners:* Hospitals, health insurers, housing developers, community developers, and community advocates

50. “Eligibility & Screening,” Healthy Neighborhoods Equity Fund I LP, accessed November 4, 2020, <https://www.hnefund.org/new-page-2>.

51. Ingrid Gould Ellen et al., “Effect of QAP Incentives on the Location of LIHTC Properties,” 2015.

52. Megan T. Sandel and Allison Bovell-Ammon, “Associations Between Federal Rental Housing Assistance and Childhood Asthma—A Renewed Call for Investing in Housing for Health,” *JAMA Pediatrics* 174, no. 6 (June 1, 2020): 525–26, <https://doi.org/10.1001/jamapediatrics.2019.6272>.

53. Interview with Megan Sandel.

54. “Healthy Public Housing Initiative,” accessed October 2, 2020, <https://content.sph.harvard.edu/hphi/>.

55. Elizabeth Matsui, Interview with Elizabeth Matsui, October 27, 2020.

56. Comment from Marion McFadden, n.d.

Recommendation 3.7 – Pilot a program to replace part of the work of public housing police with mental health services and social workers in situations where police services are not required.

The Black Lives Matter movement has shined a light on the unnecessary over-policing of communities of color. Police respond to many types of incidents that they are ill-equipped to handle, especially mental health issues.^[57] A model in Oregon replaced 20% of 911 calls involving homelessness, drug abuse, or mental illness with case workers; the program has resulted in far fewer violent incidents and saved the town money.^[58] Public Housing Authorities often have police forces that respond to incidents in public housing. A voluntary pilot program with interested PHAs could test replacing some portion of PHA police with mental health service providers and social workers. Any pilot would need to be developed through deep community engagement with local PHA residents.

- *Lead Agency:* HUD
- *Collaborating Agencies:* HHS, DOJ
- *External Partners:* Criminal justice advocates, PHA residents

Recommendation 3.8 - Launch a HUD-ED initiative to promote economic integration in housing and schools to ensure every child receives a high-quality education.

Over 65 years have passed since *Brown vs Board of Education*, yet America's schools are only becoming more segregated. Indeed, the share of students enrolling in intensely segregated minority schools has more than tripled in the last 30 years, leading to both increased racial and economic segregation.^[59] While school and housing segregation are inextricably linked, efforts to promote economic integration in schools are rarely coordinated with housing policy. Only by directly linking housing policy to school policy in creative ways can we move the needle on equal access to educational opportunity. Using executive action, a new HUD-ED task force should be formed to address the common goal of improving access to higher-performing schools by addressing housing segregation and school segregation simultaneously and improving educational outcomes for all children. Task force recommendations should be complemented with continued increases in support for schools in low-income neighborhoods to ensure every child can attend a high-quality school in their own neighborhood as well as increased school choice. All initiatives should be adjusted to fit the local context of the school district. This effort would build off a Department of Education effort started under the Obama administration to promote socioeconomic integration in

57. Alisa Roth, "A Worried Mom Wanted the Police to Take Her Mentally Ill Son to the Hospital. They Shot Him.," Vox, May 30, 2018, <https://www.vox.com/the-big-idea/2018/5/30/17406900/police-shootings-mental-illness-book-vidal-vassey-mental-health>.

58. Roge Karma, "4 Ideas to Replace Traditional Police Officers," Vox, June 24, 2020, <https://www.vox.com/2020/6/24/21296881/unbundle-defund-the-police-george-floyd-rayshard-brooks-violence-european-policing>.

59. P. R. Lockhart, "65 Years after Brown v. Board of Education, School Segregation Is Getting Worse," Vox, May 10, 2019, <https://www.vox.com/identities/2019/5/10/18566052/school-segregation-brown-board-education-report>.

schools,^[60] as well as the House-passed Strength in Diversity Act, which includes incentives for education-housing collaboration to promote economic integration.^[61] This new task force should be housed within the Office of Equitable and Resilient Communities as discussed in Section 10 of this playbook. This recommendation should also coordinate with the White House-led task force on Upward Economic Mobility (recommendation 3.5). A HUD-ED task force should be convened to consider policies including:

- *Promoting school integration through school construction incentives, with state dollars covering a higher percentage of school costs if schools are economically integrated.* Housing segregation often aligns with school district boundaries. However, in many larger cities, school districts themselves are quite segregated, which research shows reinforces the achievement gap. By working with the Department of Education, the new administration could develop policies to provide incentives to school districts to fund a large portion of school construction costs (e.g., 80%) if those schools are built in a way that promotes economic integration, both in terms of siting and recruitment, with only 30% of costs covered if schools are not built to promote economic integration.^{[62], [63]}
- *Promoting voluntary regional school choice programs through even larger school construction incentives; consider incorporating these policies as part of a revised*

AFFH rule. In many metropolitan areas, fragmentation of school districts – shaped by municipal boundaries – allows wealthy families to self-segregate, hoarding school resources. Disparities in resource levels closely track race, disability, and class differences, reinforcing intergenerational inequality. In a number of regions, however, voluntary school choice programs pair cities with surrounding suburban areas to allow children to go to school in other municipalities that volunteer for those programs. The federal government could offer to cover 90% of school construction costs if a district agrees to a voluntary regional school choice plan.^[64] A voluntary regional school choice plan could also be included as one of the policy tools available to municipalities engaging in an Assessment of Fair Housing through a revised AFFH rule (Recommendation 3.9), though it would not substitute for policies to integrate housing patterns.

- *Incentivizing municipalities to adopt “controlled choice” plans that promote choice and economic integration within school districts.* Controlled choice plans require that schools balance students along socioeconomic status to promote economic integration.^[65] Part of the analysis of the AFFH rule was providing equal access to educational opportunities. Through a revised version of the AFFH rule (Recommendation 3.9), HUD should encourage municipalities and housing authorities to coordinate with local departments of education to adopt controlled choice

60. “Acting Education Secretary Champions Economic, Racial Integration - The American Prospect,” accessed November 4, 2020, <https://prospect.org/education/acting-education-secretary-champions-economic-racial-integration/>.

61. Marcia L. Fudge, “H.R.2639 - 116th Congress (2019-2020): Strength in Diversity Act of 2020,” webpage, September 16, 2020, 2019/2020, <https://www.congress.gov/bills/116th-congress/house-bill/2639>.

62. Interview with Heather Schwartz, October 5, 2020.; see also PRRAC, State Support for Local School Construction: Leveraging Equity and Diversity, <https://prrac.org/pdf/school-construction-equity-and-diversity.pdf>

63. Interview with Richard Kahlenberg, October 7, 2020.

64. Interview with Richard Kahlenberg.

65. “A New Wave of School Integration,” The Century Foundation, February 9, 2016, <https://tcf.org/content/report/a-new-wave-of-school-integration/>.

plans to promote equal opportunity in schools.

- *Reframing and scaling up Choice Neighborhoods to promote economically diverse schools, as well as economically diverse communities.* Despite the mixed-income approach of Choice Neighborhoods that aims to transform areas of concentrated poverty into inclusive areas (without displacement), transforming local schools have not been the focus of the program. One proposal is to more directly incentivize the creation of magnet schools in Choice Neighborhoods in order to create economically and racially integrated schools on site.^[66] Any such policy should ensure that local public housing residents can attend the local school through a community preference and integrate classrooms to ensure that segregation is not replicated at the classroom level. This effort also must avoid past efforts to create economically integrated schools that have not earned the trust and buy-in from local public housing residents by involving current residents in co-creating the new schools from the beginning. Models of attempts to improve schools at public housing redevelopment sites such as Drew Charter School in East Lake in Atlanta should be studied to learn from past efforts.
- *Referring clients with vouchers who applied to charter schools, magnet schools, or voluntary regional school choice programs, but were not accepted, to local PHA mobility counseling programs.* Many low-income families living in areas with low-performing schools attempt to enroll their children in higher-performing schools, whether through charter schools, magnet schools, or voluntary

regional school choice plans. However, due to limited availability, many families do not receive a slot in these programs. For those families who are interested and do not receive a slot in their preferred school, HUD could incentivize housing authorities or nonprofits with mobility counseling efforts to connect with local school districts to provide services to interested families with vouchers about moving to areas with higher-performing schools. This type of coordination could be piloted in areas with voluntary regional school choice programs and housing mobility programs, like Boston and Hartford. To run as a pilot, this program could target those students who apply for, but are not accepted to “diverse by design” charter schools or magnet schools that are explicitly committed to diversity as part of their mission.^[67]

- *Requiring information on school quality be provided to new voucher holders and those who are moving.* Most PHAs do not provide any information to families about schools in the area. To enable voucher holders to make informed decisions, housing authorities should be required to provide references to school quality websites to help families find the neighborhood and unit that is right for them.
- *Lead Agency:* HUD and ED
- *External Partners:* researchers and advocates working at the nexus of these issues, such as The Century Foundation’s Bridges Collaborative and PRRAC, as well as housing and education advocates working on housing and school segregation, respectively.

66. “Housing-School Nexus,” PRRAC — *Connecting Research to Advocacy*, accessed October 2, 2020, <https://prrac.org/housing-school-nexus/>.

67. “Diverse-by-Design Charter Schools,” The Century Foundation, May 15, 2018, <https://tcf.org/content/report/diverse-design-charter-schools/>.

Recommendation 3.9 - Re-issue 2015 AFFH rule, data and maps, hold convening of stakeholders, and release improved AFFH assessment tool.

The new administration should not only revive AFFH, but strengthen it. HUD should re-issue the 2015 AFFH rule on day one. Also on day one, the new administration should update and make available the AFFH data and maps currently taken down from the AFFH tool and convene all the agencies that had submitted strong fair housing plans under the original rule to share best practices around a new version of the AFFH assessment tool.^[68] This convening should include health and education stakeholders as described in the previous sections. It should also elevate green civic infrastructure proposals forwarded in the resiliency section to include a focus on access to parks and green space in the fair housing assessment tool. Then, HUD should work to revise the AFFH assessment tool

– which contains much of the details of AFFH implementation but is not subject to rulemaking – and receive public comment, per the Paperwork Reduction Act.^[69] Improvements such as incentivizing regional collaboration, strengthening enforcement, and increasing technical assistance to help jurisdictions that can be implemented through the assessment tool should be considered. The new AFFH assessment tool should be reissued within the first 200 days.^[70] More ambitious efforts to create a more robust, cross-sectional rule, including tying AFFH compliance to CBDG funding and transportation funding, as well as involving DOT, EPA, and other agencies in the AFFH process, should also be considered for a future revised AFFH rule.

- *Lead Agency:* HUD (PD&R)
- *Collaborating Agencies:* ED, HHS, EPA
- *External Partners:* Technical partners (e.g., Enterprise) and Fair Housing and Community Development advocates.

68. Interview with Kathy O'Regan.

69. Email with Kathy O'Regan, November 4, 2020.

70. Margery Austin Turner et al., "Federal Tools to Create Places of Opportunity for All," Urban Institute, October 15, 2020, <https://www.urban.org/research/publication/federal-tools-create-places-opportunity-all>.

Recommendation 3.10 - Facilitate these cross-sector partnerships through staffing and recruitment changes at HUD.

The siloed nature of appropriations and agencies can make these interdisciplinary efforts more difficult. The new administration should recruit health, education, and upward mobility experts to work within HUD to facilitate the integration of these issues. For example, in the Obama administration, PD&R hired health experts in the social determinants of health.^[71] Other changes that could be pursued include:

- *Increasing funding for the Presidential Management Fellowship (PMF) to recruit talent to federal agencies and facilitate cross-agency collaborations while increasing funding to recruit diverse talent to federal agencies.* The PMF program not only allows talented professionals to enter agencies at a high level – it also has a *cross-detailing* function where PMFs are posted to other agencies. These cross-agency postings can be critical for facilitating

interdisciplinary work.^[72] However, the PMF program is predominantly white and middle-class, and a future administration should increase funding to recruit diverse talent to staff federal agencies.

- *Create an Office of Accessible and Universal Design at HUD* to promote innovative and inclusive design in housing, promoting the ability of seniors to age in place and disabled people to access housing in their communities. This office should coordinate across agencies and be home to staff with diverse lived experiences.
- *Bringing back career staff to HUD lost in the last four years – at least for a short stint.* This could be accomplished through Interagency Personnel Agreements. Combined with the above recommendation, a new administration could bring back former officials from related agencies, like HHS and ED to work at HUD.^[73]
- *Lead Agency:* HUD
- *Collaborating Agencies:* HHS, ED

71. Interview with Kathy O'Regan.

72. Interview with Kathy O'Regan.

73. Interview with Kathy O'Regan.

Section 4.

How might the federal government provide expanded support for housing and access to opportunity in rural areas?

The pull of public perception and policy attention draws toward areas where there are larger populations and/or exceptionally high housing costs. However, an agenda for addressing housing needs and access to opportunity must focus on the full breadth of the United States, including rural areas.

Estimates of the rural population vary by definition, but can range from 14% to 34% of the total U.S. population.^[1] Using a definition that includes all nonmetropolitan area counties, rural areas have been experiencing a decline in overall population growth, out-migration of young residents, and a demographic shift toward an aging population (rural areas were home to 25% of the nation's seniors as of 2010).

Rural circumstances and challenges are diverse. While some areas (including agricultural areas) are declining in population, others (suburban areas, rural areas neighboring metropolitan regions, manufacturing areas, and retirement/recreational areas) are experiencing growth.^[2] However, rural economies have tended to lag behind metropolitan areas in general, with devastating consequences for many rural areas:

- *Structural employment challenges:* Despite changes in the energy sector that have contributed to economic growth in some rural areas, a higher share of jobs and

income are in declining or variable sectors such as agriculture, manufacturing, and mining. USDA found that for every employment sector other than agriculture, earnings in urban areas are higher than in nonmetro areas.^[3] Employment rates in nonmetro counties have not recovered since the Great Recession.^[4]

- *Unequal opportunities for wealth creation through homeownership:* According to Zillow, between 2010 and 2015, home value growth in urban areas was more than four times greater than in rural areas.^[5]
- *Poverty:* As of 2010, there were 395 “persistent poverty counties” (poverty rates of 20% or more for over 30 years), home to 21 million people. Nearly 60% of residents in these counties are racial and ethnic minorities.^[6] Over 80% of these counties are rural,^[7] most evident in Central Appalachia, the Lower Mississippi Delta, the southern Black Belt, the Colonias region along the U.S.-Mexico border, Native American lands, and areas with a large number of migrant and seasonal farmworkers.^[8]

1. Scally, Corianne Payton, et al. Rental Housing for a 21st Century Rural America: A Platform for Production. 24 Sept. 2018, <https://www.urban.org/research/publication/rental-housing-21st-century-rural-america>. Page 1.

2. Scally, et al. Page 3.

3. Scally, et al. Page 4.

4. Ajilore, Olugbenga, and Zoe Willingham. The Path to Rural Resilience in America. Center for American Progress, Sept. 2020, <https://www.americanprogress.org/issues/economy/reports/2020/09/21/490411/path-rural-resilience-america/>.

5. Fuller, Cody. “Rockin’ the Suburbs: Home Values and Rents in Urban, Suburban and Rural Areas.” Zillow Research, 29 Jan. 2016, <https://www.zillow.com/research/urban-suburban-rural-values-rents-11714/>.

6. George, Lance, et al. Rental Housing for a 21st Century Rural America - USDA's Rural Rental Housing Portfolio: A Platform for Preservation (Preservation). Housing Assistance Council, Sept. 2018, <http://www.ruralhome.org/sct-information/mn-hac-research/mn-rrr/1602-rpt-platform-for-preservation>. (Pages 68-69).

7. Housing Assistance Council, “HAC: Building Rural Communities, Annual Report 2017.” December 2017. <http://www.ruralhome.org/about-hac-sect/menuabout-hac/cat-about-hac-reports>.

8. George, et al. (Preservation), Pages 68-69.

Rural economies have tended to lag behind metropolitan areas in general, with devastating consequences for many rural areas.

Given the geographic, cultural, and socioeconomic diversity of rural America, local and regional interventions necessary to address housing needs, reduce poverty, and expand access to opportunity will not succeed with a one-size-fits-all approach.⁹ However, many rural areas face some common challenges, particularly related to scale and capacity. Moving forward, rural challenges are likely to be exacerbated by the COVID-19 crisis and the resulting economic downturn. For those who fall ill, geographic isolation can create barriers to accessing quality health care, and a lack of reliable broadband can limit access to telemedicine, education, and employment. At the same time, some rural areas are essential to the COVID-19 response. For example, these areas serve as critical links in the agricultural system and food/resource supply chains. As such, the challenges and inequities faced in rural areas are not isolated to those communities. While the specific policy mechanisms to address housing needs and economic opportunity will often be different in rural areas, a concerted focus on the most vulnerable households and marginalized communities should benefit households regardless of location and circumstance.

Recommendations to address rural housing challenges and access to opportunity are organized under the following five priorities:

- Expand access to capital in rural areas.
- Build the capacity of affordable housing and community development nonprofits and mission-oriented entities in rural areas.
- Preserve and expand affordable rental housing in rural areas.
- Improve housing stability, wealth creation, and access to homeownership.
- Advance geographic equity in general purpose programs and processes.

9. Ajilore, Olugbenga, and Zoe Willingham. The Path to Rural Resilience in America. Center for American Progress, Sept. 2020. <https://www.americanprogress.org/issues/economy/reports/2020/09/21/490411/path-rural-resilience-america/>.

Priority 4.1

Expand Access to Capital in Rural Areas

The structures of U.S. public and private capital systems are oriented toward scale and replicability. Small and often dispersed populations, lower property values, and smaller project sizes create barriers to scale and inhibit rural access to capital. Absent specific incentives and requirements, low volumes and loan amounts make the costs of underwriting less economical to private lenders. For home mortgages and homeowner rehabilitation loans, federally backed products such as FHA and VA loans are critical, though gaps in the market still exist. Similar scale-related challenges exist for multifamily capital. Allocations of federal resources rarely flow directly to rural communities and are instead administered by state entities.

A lack of access to capital contributes to disinvestment and creates a destructive cycle in which this lack of investment begets lower property values, thus making further investment even less attractive to profit-oriented lenders. However, the need for investment in rural America is substantial. An Urban Institute analysis created an index of housing need based on factors such as population change, poverty, vacancy, cost burden, etc., and found that approximately 41% of rural counties had rental housing production needs that could be characterized as “moderately severe” or “most severe.”^[10]

A new administration should focus on the following opportunities to expand capital access for rural households, community developers, and housing nonprofits:

Recommendation 4.1.1 - Create a “public option” postal banking pilot program to encourage small-dollar lending.

Small-dollar loan and mortgage products are critical to investment in many rural communities. This issue is addressed in more detail in the discussion on housing finance (Section 7). In addition to addressing the issues outlined therein, the administration should work with Congress to authorize and fund a “public option” postal banking pilot program to provide enhanced financial services and low-interest loans in persistent-poverty communities and Native American communities. This effort would be a test case for the broader expansion of postal banking envisioned in the Postal Banking Act.^[11] To address concerns that postal banking suffers from a lack of a capital buffer and financing expertise, the pilot should be robustly funded, limited to a small number of communities at first, and include partnerships with experienced financial partners. For example, state housing finance agencies (HFAs) and/or Community Development Financial Institutions (CDFIs) could partner with USPS in selected communities to provide home loan products in hard-to-serve areas of the state.

- *Lead Agency:* USPS and Treasury
- *Collaborating Agencies:* HUD, USDA, CFPB
- *External Partners:* State HFAs, CDFIs

10. Scally, et al. Page 43.

11. Office of Kristen Gillibrand, U.S. Senator for New York. Senators Gillibrand And Sanders Reintroduce Postal Banking Act To Fund United States Postal Service And Provide Basic Financial Services To Underbanked Americans. 17 Sept. 2020, <https://www.gillibrand.senate.gov/news/press/release/senators-gillibrand-and-sanders-reintroduce-postal-banking-act-to-fund-united-states-postal-service-and-provide-basic-financial-services-to-underbanked-americans>.

Recommendation 4.1. 2 - Strengthen CDFIs and other mission-driven lenders.

CDFIs have a mission orientation that extends beyond scale and profit, and many are already active in rural communities. In significantly underbanked areas, CDFIs fill the gap left by major lending institutions. A 2014 analysis showed that one-third of housing loans in 13 Mississippi Delta counties were made by local CDFIs, substantially more than large national banks in the region and compared to a national CDFI share of approximately 1%.^[12] Strengthening existing CDFIs can provide access to capital and financial services for both individual households and community development entities. A straightforward way for the administration to support CDFIs is to support and expand existing programs, such as the Treasury's CDFI Fund, CDFI Bond Guarantee, and the Capital Magnet Fund. Increased allocations should be paired with a set-aside for persistent poverty counties, rural areas, and Native American communities. In addition, the administration should work to restart and open the FHA Section 542(b) HFA risk share program to CDFIs, for the purpose of financing smaller multifamily mortgages.

In addition, FHFA should act more aggressively in establishing and enforcing Duty-to-Serve obligations to meet underserved markets in rural and tribal areas. To meet these obligations, Fannie Mae and Freddie Mac should identify high-performing CDFIs and other financial entities serving persistent-poverty counties, rural areas, and Native American communities and increase loan purchasing volume from these entities. Increased purchases can be facilitated by reducing the administrative burden for processing less-risky smaller loans, paying lenders more on such loans, and removing any other barriers in the Selling Guide. Additional focus areas should include expanding capital access for preserving Section 515 rental properties and providing capital products for owners of manufactured homes, each of which will be discussed in following recommendations. Lessons learned from this effort should be used to further expand GSE activity in the rural and small dollar loan market.

- *Lead Agency:* HUD, FHFA, Treasury
- *External Partners:* GSE's (Fannie Mae, Freddie Mac)

12. Trimarco, James. "YES! Magazine Special Report: Banking on Justice." YES! Magazine, <http://reports.yesmagazine.org/banking-on-justice/index.html>. Accessed 15 Oct. 2020.

Interview with Doug Ryan, Prosperity Now

Recommendation 4.1.3 - Adopt housing tax expenditure provisions that better serve rural communities.

Tax expenditures provide some of the largest financial supports for housing and community development activities. For rental housing production, the Low-Income Housing Tax Credit (LIHTC) is particularly important. LIHTC is often a crucial piece of the financing puzzle for preserving existing affordable rental properties, such as those initially financed through USDA Section 515 capital (see below).¹³ Recent legislative changes have established a floor rate for competitive (9%) LIHTCs, increasing the amount of private investment in affordable rental housing. However, noncompetitive (4%) LIHTC rates continue to be tied to interest rates. In a low interest rate environment, this reduces the value of the program, creating a larger financing gap for projects utilizing this resource. Rural areas may struggle to fill this gap, given already lower pricing in these areas. Establishing a 4% floor for noncompetitive LIHTCs could bring additional capital into the program.

In addition, more capital would be available to rural communities if LIHTC-financed developments in persistent poverty communities and Native American Lands received an automatic 30% basis boost. Finally, the annual LIHTC allocation should be increased in recognition of substantial unmet need and increased pressure put on the program by other programs (such as RAD) that shift legacy HUD properties into the LIHTC financing structure.

The administration should also support the creation of a single-family rehabilitation tax credit, such as that proposed in the Neighborhood Homes Investment Act. With a structure similar to the LIHTC, this program could attract private capital to address housing quality challenges for existing single-family properties.

In terms of the personal tax code, restructuring the Mortgage Interest Deduction as a credit could provide better support for rural homeownership, given lower property values, loan amounts, and income tax obligations in rural communities.

- *Lead Agency:* IRS (congressional action necessary)
- *Collaborating Agencies:* HUD, OMB
- *External Partners:* NCSHA and individual housing finance agencies

13. George, et al. (Preservation), Page 88.

Priority 4.2

Build the Capacity of Housing and Community Development Nonprofits and Mission-oriented Entities in Rural Areas

The diversity of rural needs makes centralized interventions and service delivery more difficult. Rural nonprofits often suffer from the scale and capital access that enables urban/suburban counterparts to expand impact and improve self-sufficiency. As appropriated resources have waned, local capacity has also eroded.

In the absence of local nonprofits, some rural affordable housing and community development activities are conducted by larger national or regional entities. These efforts from nonlocal entities are still desirable. However, such entities may be less directly connected to local needs, and the local area misses out on the economic spillover/recycling effects of such investment (development sector jobs, local sourcing, etc.).

In order to empower rural residents and more effectively direct long-term, committed investment in rural communities, it is important to establish and/or strengthen the affordable housing and community development entities dedicated to place-based efforts serving specific geographies and/or serving harder-to-house populations, such as farmworkers. Such investment in capacity is critical to ensure that the expanded capital resources

envisioned in the prior category are effectively administered. Capital and capacity are mutually reinforcing. Capital is necessary to develop and administer services. Organizations that successfully develop and administer services are able to gain experience, boost capacity, and more efficiently deploy capital. As such, in addition to the efforts to expand capital listed above, the administration should commit to working with Congress to substantially expand critical housing and community development programs, including but not limited to the HOME and CDBG programs under HUD CPD and the Section 515 and Mutual Self-Help Housing programs under USDA RD. We recommend distributing these resources with a priority for persistently poor communities and Native American communities, consistent with the “10-20-30” rule of spending 10% of program funds in communities with 20% poverty for 30 years or more.

In addition to providing core funding, the administration should focus on the following opportunities to boost the capacity of the rural affordable housing, community development, and service provision sector:

Recommendation 4.2.1 - Facilitate formation of rural consortia to increase amount of HUD formula grants and homelessness resources flowing directly to rural areas, rather than state agencies.

Direct provision of resources to rural areas provides the consistency and certainty necessary to build durable programs and mission-focused nonprofits. HUD should encourage and provide capacity building support for the creation of consortia serving rural communities. To facilitate effective administration given fewer economies of scale and the lower dollar amounts received, HUD should also increase the 10% administrative cap and provide resources on an as-needed basis, rather than after-the-fact cost reimbursement.

In areas without an existing Participating Jurisdiction or Entitlement Community to directly receive funds, HUD should also consider amending rules/seeking legislative change to allow local communities to authorize Community Action Agencies (CAAs), CDFIs, and/or other community-oriented nonprofits to directly receive and administer formula and Continuum of Care funds. To illustrate why this arrangement might be helpful, in some cases CAAs are already direct recipients of various federal funding sources, including the Community Service Block Grant and Weatherization Assistance Program. Permitting CAAs to access HUD resources allows for vertical integration and potential economies of scale. From a programmatic perspective, CAAs could also create a local/regional locus for community development activity and facilitate intersectional investments in housing, health and wellness, education, etc.

- *Lead Agency:* HUD
- *Collaborating Agencies:* USDA RD, HHS
- *External Partners:* National intermediaries and technical assistance providers.

Recommendation 4.2.2 - Expand resources and commitment to providing technical assistance and capacity building support to entities directly involved in housing activities.

Many federal technical assistance (TA) and capacity building programs are provided to block grant recipients (predominantly states, entitlement communities, and participating jurisdictions) and focus on compliance. Some existing federal resources, such as HUD's Section 4 and Rural Capacity Building programs, provide direct programmatic TA to the nonprofits that conduct the work on the ground. HUD should revisit its priorities for allocating TA resources to redirect a greater proportion to facilitating more effective program activities. For example, some rural nonprofits have difficulty recruiting and retaining experienced project managers for multifamily development activities, given the high demand for such skills and higher wages in urban centers. A program activity-oriented TA program could focus on skill development trainings, establishing rural communities of practice, and facilitating peer-learning opportunities for junior nonprofit affordable housing development professionals.

- *Lead Agency:* HUD
- *Collaborating Agencies:* USDA Rural Development
- *External Partners:* National intermediaries and technical assistance providers; anchor institutions (such as land grant universities in rural areas) with capacity to support training, technical assistance, and capacity building efforts.



Recommendation 4.2.3 - Increase HUD and USDA home and field office staffing and capacity.

In recent years, underfunding and attrition have limited the presence and capacity of both HUD and USDA field office staff experienced in direct programmatic activities. This document calls for a significant increase in direct provision of resources and specific efforts to increase the number and expand the capacity of rural organizations directly engaging in local community development activities. Expansion of activities will also require cultural competency and direct knowledge of the specific needs of a given region.

To ensure that new resources are effectively administered and that community development organizations have the support of agency staff with detailed local/regional knowledge, both HUD and USDA RD should commit to building out field office staff with a focus on experienced community development and finance practitioners. Field office staff for both agencies should coordinate within their areas of overlap to better facilitate the blending of HUD and USDA resources.

Priority 4.3

Preserve and Expand Affordable Rental Housing in Rural Areas

Properties financed under legacy rural housing finance programs such as the USDA Sections 515 and 514/516 are at risk of loss due to prepayment or expiration of use restrictions. These properties often serve extremely low-income households. There are over 13,000 USDA rental properties serving over 415,000 households with an average income of \$13,600.^[14]

Preservation of existing housing is particularly important given the difficulty of developing new housing and the capital access challenges described in the first section. Between 2001 and 2016, 28,475 units were lost from the USDA portfolio, and the balance of the portfolio is aging.^[15] Preservation of the USDA rental portfolio also is important for racial equity – a recent analysis by the Housing Assistance Council found that units at most risk of loss from the USDA affordable portfolio disproportionately serve minorities, compared to the portfolio in general.^[16]

The most straightforward approach to preserving USDA 515 rental properties is to recommit to funding and effectively administering the core program. Various practitioners have spoken to the need for low-cost capital that Section 515 provides. Significantly expanding USDA 515 capital can facilitate restructuring and preservation. If sufficient resources are

available, Section 515 resources also could provide the debt capital necessary to create new rural rental units (paired with LIHTC equity). To advance preservation, USDA should work with appropriators to allocate resources and extend the USDA pilot program for nonprofit purchase. Finally, Section 515 properties generally require rental assistance contracts to support deeply affordable rents for very low-income tenants and ensure that there are adequate operating resources. Section 521 rental assistance contracts have traditionally served this role. A comprehensive and universal approach to providing rental assistance as an entitlement, as recommended in Sections 3 and 6 of this playbook, would largely resolve challenges related to renewal of Section 521 rental assistance contracts for 515 (and 514/516 farmworker) properties. However, if that change is not tenable, more resources should be dedicated to renewing and extending Section 521 contracts. The period of time for such contracts should be extended to 20 years, to provide greater certainty to property owners.

- *Lead Agency:* USDA RD
- *Collaborating Agencies:* HUD
- *External Partners:* State housing finance agencies

14. George, Lance, et al. (Preservation).

15. George, et al. (Preservation), Page 44.

16. George, et al. (Preservation), Page 61.

Priority 4.4

Improve Housing Stability, Wealth Creation, and Access to Homeownership in Rural Areas

Lower housing costs and property values in many rural areas would theoretically represent a lower barrier to entry for homeownership, but that benefit is at least partially offset by a lack of access to capital. In addition to creating a more broadly equitable system, federal leadership can help address difficult housing challenges present more often, though not exclusively, in rural communities.

Recommendation 4.4.1 - Create a comprehensive federal strategy for protecting heirs' property.

Several states have property title and inheritance laws in place that enable predatory and discriminatory behaviors. One example is “heirs’ property,” which is a legal approach for addressing the inheritance of property that has often led to the dispossession of land from Black individuals and families.^[17] Lack of clear title for heirs’ property also creates challenges when providing natural disaster relief and services. As part of the racial justice and reparations agenda described in Section 1 of this playbook, the federal government should take a leadership role remedying the past injustices related to heirs’ property. Specific actions could include:

- Create a concerted outreach and research program to identify land that was taken in this manner and compensate the victims.
- In a more robust form, the administration should establish a program within DOJ to investigate and prosecute claims of land theft due to heirs’ property/title issues.
- Create an outreach and legal assistance program for landholders to more firmly establish their property rights within existing state law (and/or fund local groups when such entities already exist).
- Create incentives for states to address the underlying laws that facilitate legalized theft of land.
- *Lead Agency:* DOJ
- *External Partners:* Legal aid groups and other nonprofits such as the Heirs’ Property Retention Coalition.

17. Presser, Lizzie. “Their Family Bought Land One Generation After Slavery. The Reels Brothers Spent Eight Years in Jail for Refusing to Leave It.” ProPublica, July 15, 2019. <https://features.propublica.org/black-land-loss/heirs-property-rights-why-black-families-lose-land-south/>. Breitenbach, Sarah. “Heirs’ Property Challenges Families, States.” Pew Stateline, 15 July 2015, <http://bit.ly/1Jg8qqk>. Presser, Lizzie. “How to Close Heirs’ Property Loopholes.” ProPublica, 15 July 2019, https://www.propublica.org/article/what-can-heirs-property-owners-do-to-protect-their-land-loss?token=PrSqc58cn7gW-eRA_isLN03ygBJN8E84.

Recommendation 4.4.2 - Create a comprehensive pilot program to sustainably convert mobile home parks to resident-owned cooperatives.

Manufactured housing is a major source of naturally occurring affordable housing throughout the country, with 6.7 million occupied units comprising 6% of the overall stock. Rural areas are home to more than half of the manufactured housing stock.^[18] Approximately 40% of the manufactured housing stock is in “land lease communities,” in which the homeowner does not hold title to the underlying land.^[19] The Housing Assistance Council estimates that two-thirds of manufactured homes are financed with “high costs” loans, often in the form of chattel (personal property) loans that generally have shorter terms, higher interest rates, and fewer borrower protections (including access to disaster relief)^[20] than a typical home mortgage. The percentage of rural Black or African-American manufactured homeowners with high-cost loans approaches 90%.^[21] Across all housing types, when controlled for tenure the residents of manufactured and mobile homes have the lowest median household income and lowest median monthly housing costs. If issues related to capital access, land title, building quality, and infrastructure can be addressed, rural homeowners may have opportunities for more stable housing and wealth generation.

As an interim step to achieving these goals the administration should take action to implement previous Congressionally authorized activities:

- Hire a Deputy Assistant Secretary for Manufactured Housing at HUD.
- Promulgate regulations to enforce the statute requiring that participating jurisdictions and states address manufactured housing in their consolidated plans for HUD funding.
- Work to implement the recommendations that were developed by the Manufactured Housing Consensus Committee of consumers, lenders, and manufacturers.

- Require that GSE investment in purchases of manufactured home communities protect affordability for existing leaseholders in order to receive credit toward meeting FHFA Duty-to-Serve requirements.^[22]

Beyond these steps, HUD should work with Congress to establish a pilot program and interagency task force to support sustainable conversion of mobile home parks to resident-owned cooperatives in which the mobile park owners (or a designated nonprofit) own and operate the underlying parcels. This group should include the Manufactured Housing Consensus Committee, HUD, USDA, FHFA, and EPA to address the full range of issues facing manufactured home communities. The task force should have limited authority to waive regulatory provisions or expend resources to test specific approaches.

The Task Force should work to identify and pilot solutions in several key categories:

- Acquisition of underlying land
- Creating a safe, scalable home mortgage product for manufactured home acquisition
- Providing technical assistance for ongoing property management and operations
- Rebuilding inadequate and/or unsafe water and sewer infrastructure.

This model can build upon and potentially work in conjunction with the ROC USA model of providing capital and TA for conversion of existing parks to resident owned cooperatives. Based on this pilot, the respective agencies should adopt permanent changes that can apply outside of the cooperative conversion process. For example, FHFA could emphasize manufactured home mortgage lending under its duty to serve requirements.

- *Lead Agency:* HUD, USDA, FHFA
- *Collaborating Agencies:* EPA, GSEs
- *External Partners:* ROC USA, CDFIs, other nonprofits engaged in supporting investment in and preservation of manufactured home communities.

18. George, Rural Research Brief: Manufactured Housing (Manufactured Housing). Page 2.

19. George, (Manufactured Housing), Page 4.

20. Choi, Jung Hyun, and Laurie Goodman. “22 Million Renters and Owners of Manufactured Homes Are Mostly Left Out of Pandemic Assistance.” Urban Institute, 21 Aug. 2020, <https://www.urban.org/urban-wire/22-million-renters-and-owners-manufactured-homes-are-mostly-left-out-pandemic-assistance>.

21. Lipsetz, David. Housing Assistance Council Comments on Proposed 2021 Underserved Market Plans and 2020 Modifications. 23 Oct. 2020.

22. Manufactured Housing Action. Leader Testimony to FHFA. 2 Dec. 2019.

Priority 4.5

Advance Geographic Equity in General Purpose Programs and Processes

Funding decisions, programmatic structures, and regulatory processes are often designed with economies of scale or the “most common users” in mind. This approach sometimes disadvantages areas with fewer people, resources, and/or projects. Given that rural areas often lack scale across these factors, it is important to intentionally consider geographic equity in program design to ensure that people living in these areas do not continue to be underserved. Increasing this focus can be accomplished in the following ways:

- *Lead Agencies:* USDA RD, HUD, and FHFA
- *Collaborating Agencies:* Interior, HHS, EPA, Commerce, ED, and DOT
- *External Partners:* Nonprofit technical assistance providers and intermediaries.
- *Resource and Budgetary Implications:* Some coordination could occur within existing capacities, but additional appropriations for staffing and research could facilitate greater impact.

Recommendation 4.5.1 - Create a Rural Opportunity Task Force to address regulatory barriers.

The administration should work with Congress to authorize a Rural Opportunity Task Force to identify and address barriers to effective rural program implementation. Core areas of focus can include, but are not limited to:

- Financial packaging and blended finance
- Addressing rural-specific challenges to baseline program requirements, such as setting rents on a percentage of AMI that is not reflective of rural market needs, addressing logistical challenges in conducting homelessness point-in-time counts, and providing emergency shelter in rural areas.
- Identifying opportunities for “reciprocity” – for example, jointly accepting single inspections, environmental assessments, etc.
- Developing more equitable funding formulas/resource allocation procedure

The authorizing language should empower task force members to enter into memos of understanding (or other arrangements) to pilot specific changes that would improve coordination and capacity.

Recommendation 4.5.2 - Support data collection for more informed rural decision making.

Effective policy requires strong data. Unfortunately, the quality of rural data lags behind comparable data for suburban and urban communities. This is in part due to smaller and more remote populations, which make sampling and survey techniques more difficult and costly. To address these challenges, the administration should request resources to increase ACS sampling to create more accurate estimates for rural areas in between decennial censuses, make better use of administrative data for research and programmatic purposes, and identify/obtain other sources of rural data.

In addition, the administration should work with Congress to strengthen Home Mortgage Disclosure Act and Homeless Management Information System data reporting and collection.

- *Lead Agency:* Census
- *Collaborating Agencies:* HUD, USDA RD
- *External Partners:* Universities and research institutions

Section 5

How might the federal government end and prevent homelessness?

The first 200 days of a new administration is critical for setting a new tone for the federal government’s work to end homelessness. The administration should model a dignity-based approach to ending homelessness by partnering with experts – especially people with *lived* experience – centering racial justice and equity, supporting evidence-based interventions, creating space for innovation, and focusing on safe and affordable housing with appropriate supports as the solution to homelessness.

The administration’s early actions will help to quickly reform key programs and policies. It will also set the timetable for the long-term systems transformation needed to achieve racial and housing justice and to create stronger communities that support neighbors at risk of homelessness and housing instability. With affordable housing at the center of the administration’s strategy to ensure that everyone in America has a safe place to call home, important services and supports can be more efficiently deployed to help individuals, families, and young adults overcome the challenges they face that can lead to homelessness.

Comprehensive actions launched in the first 200 days of a new administration must take into account the impacts of historic policies that have discriminated against and disinvested from communities of color, the health and economic impacts of COVID-19, increasing rates of unsheltered and chronic homelessness among people with disabilities, diminishing federal and philanthropic support for rural and tribal communities, instability among families with children, and dwindling economic opportunities for young people and future generations. These challenges may seem daunting. However, with the right federal support and investment, communities have demonstrated that they can, and will, solve homelessness.

Like many other fields, the homelessness services sector takes cues from the federal government’s messaging and

communications. Therefore, it is vital that the new administration quickly develop a vision for ending homelessness as part of a broader racial and housing justice agenda. Principles that will drive the work to prevent and end homelessness across federal agencies include:

- Ending homelessness is an administration-wide priority and led by people at the highest levels of government.
- Housing is a human right and is the solution to homelessness.
- People experiencing homelessness and housing instability must be treated with dignity and respect.
- Because people of color and other historically marginalized populations are disproportionately impacted by homelessness, our approach to ending homelessness must be grounded in racial justice and equity principles.
- True partnership with people with lived experience should drive the development of solutions and innovation.
- Access to economic and educational opportunities must be increased for people experiencing homelessness and housing instability.
- Policies and programs aimed at addressing homelessness should respond to *systemic and structural failures* rather than create programs that require people experiencing homelessness to comply with paternalistic and arbitrary standards to prove they deserve housing.



In addition to the principles above, the administration should ensure that people with lived experience are centered and included in developing and implementing the federal response to homelessness. As part of the national *Framework for an Equitable COVID-19 Homelessness Response project*,^[1] the National Innovation Service conducted eleven listening sessions with more than 60 people from historically marginalized communities who have lived experience of homelessness. Four themes emerged to help guide the work of the new administration:

- Current congregate emergency shelter options are inadequate and cause harm, both in normal circumstances and in a public health crisis.
- Dignity-based services led by the communities most impacted by homelessness should be designed and supported in a post-COVID-19 environment.
- Adequate affordable housing options and support (e.g., long-term rental assistance, affordable housing development, services) must be developed and targeted to those most impacted by structural inequity.
- Because of the trauma created by these activities, communities should end practices that criminalize people experiencing homelessness, and police should not be included as a core component of homelessness response.

If homelessness is caused by structural inequities and failures within our systems, it can be solved only by using practices based in equity and liberation, and with the partnership of those systems and people who have experienced homelessness. Racial and housing justice can be achieved only when everyone is housed in safe, affordable and permanent housing of their choice.

In order to pursue housing justice and end homelessness in the United States, this playbook recommends actions that address the following priorities:

- Set a vision, share power, and align partnerships to ensure that everyone in America has a place to call home
- Ensure access to safe, affordable, permanent housing for individuals, youth, and families
- Equitably serve people who experience homelessness by strengthening and right-sizing the homelessness crisis response system
- Prevent housing crises and homelessness whenever possible.

1. <https://housingequityframework.org/>

Priority 5.1

Set a Vision, Share Power, and Align Partnerships to Ensure that Everyone in America Has a Place to Call Home

Recommendation 5.1.1 – Set a new vision and develop partnerships to support it.

A bold, new vision for preventing and ending homelessness in America – one rooted in housing justice and crafted to build public and private will – is critical. To support this vision, a clear and swift commitment by the highest levels of government and across the administration will be necessary early in the term.

Partnerships must be built and, in some cases, rebuilt with new federal leadership, career civil servants, people with lived experience, including young adults, and national, state, local, faith-based and philanthropic partners. This work should begin immediately. Within the first 100 days, the administration should also identify the metrics needed to dramatically reduce

homelessness, including unsheltered homelessness, in the first term, and should require agencies to make concrete commitments that would ensure accountability to these metrics. In addition to experts positioned within the White House Domestic Policy Council and USICH, advisory teams should be established within HUD, HHS, VA, ED, and DOJ, whose primary focus will be to guide and ensure accountability for agencies' targeted efforts to prevent and end homelessness.

- *Lead Agency:* White House (DPC)
- *Collaborating Agencies:* USICH Council member agencies.
- *External Partners:* National advocates, including those representing young people, philanthropic partners, faith-based providers, people with lived experience, state and local governments, and homelessness service providers.

Therefore, it is vital that the new administration quickly develop a vision for ending homelessness as part of a broader racial and housing justice agenda.

Recommendation 5.1.2 – Commit to the principles of Housing First.

The administration should work quickly to commit to and establish the principles of Housing First as the underpinning of its efforts to prevent and end homelessness.^[2] Housing is widely viewed as a protective factor that mitigates risk and harm and increases households' health and educational outcomes and well-being.^{[3][4]} The administration should require all federal programs targeting people experiencing or at risk of homelessness, including those newly created, to operate using Housing First principles and to use their policy and program levers to require their grantees to do the same.

- *Lead Agency:* White House (DPC), USICH and HUD
- *Collaborating Agencies:* USICH Council member agencies.
- *External Partners:* National advocates, philanthropic partners, people with lived experience, state and local partners, homelessness service providers, researchers.

2. "Deploy Housing First Systemwide." U.S. Interagency Council on Homelessness, 15 August 2018, <https://www.usich.gov/solutions/housing/housing-first/>.

3. Committee on an Evaluation of Permanent Supportive Housing Programs for Homeless Individuals. "Permanent Supportive Housing: Evaluating the Evidence for Improving Health Outcomes Among People Experiencing Chronic Homelessness." National Academies of Sciences, Engineering, and Medicine. Washington, DC: The National Academies Press, 2018, <https://www.nap.edu/read/25133/chapter/1#ii>.

4. "Housing: Why Educators, Health Professionals and Those Focused on Economic Mobility Should Care About It – Lessons Learned from the MacArthur Foundation's Investment in Housing Research." MacArthur Foundation, 16 November 2017, <https://www.macfound.org/press/article/lessons-learned-housing-research/>.

Recommendation 5.1.3 – Commit to reducing the disparate impact of homelessness on Black, Indigenous, and People of Color (BIPOC).

To end homelessness in America, we must commit to anti-racist policy-making that dismantles racism within housing, health, justice, child welfare, education, and beyond, and addresses the disparate impact of homelessness on Black and Indigenous^[5] communities, particularly BIPOC trans women, and other communities of color. The administration, in partnership and consultation with BIPOC with lived experience, should work to immediately develop 100-day metrics for reducing the disparate impact of homelessness on BIPOC; develop incentives for ensuring inclusive leadership for grantee organizations; and should establish short- and long-term goals aimed at dismantling racist policies and practices across agencies' programs and envision a new way of operating. The recent federal messaging^[6] and Executive Order^[7] that suggests prohibition of federal agencies and contractors from conducting training and engaging in workplace dialogue related to racial equity, diversity, and inclusion is counter to these efforts and should be rescinded, and a new Executive Order should be developed that requires such training in the federal workplace and among its grantees.

5. This includes Indigenous people on and off tribal lands and those who are not affiliated with a federally recognized tribe.

6. Vaught, Russell T. "Ending Employee Trainings that Use Divisive Propaganda to Undermine the Principle of Fair and Equal Treatment for All." Executive Office of the President Office of Management and Budget, 28 September 2020, <https://www.whitehouse.gov/wp-content/uploads/2020/09/M-20-37.pdf>.

7. Trump, Donald J. "Executive Order on Combating Race and Sex Stereotyping." The White House, 22 September 2020. <https://www.whitehouse.gov/presidential-actions/executive-order-combating-race-sex-stereotyping/>.

HUD's Office of Policy Development and Research, in conjunction with Community Planning and Development and the Office of Native American Programs, should conduct research that studies the diversity of staff focusing on homelessness across federal agencies and among their grantees, and review grant-making vehicles for a focus on racial equity. Additional investment should be made to reform data systems to better understand disparities and to advance the goals of racial equity; design more just and equitable housing and services assessment and prioritization processes; and advance innovative practices that would support future best practices for advancing racial equity through a demonstration program.

- *Lead Agency:* White House (DPC)
- *Collaborating Agencies:* HUD, USICH Council member agencies.
- *External Partners:* People with lived experience; national advocates, including those representing young people; philanthropic partners; state and local partners; homelessness service providers.



Recommendation 5.1.4 – Ensure that the federal response is guided by authentic collaboration with people with lived experience.

People with lived experience must be equal partners in the federal work to prevent and end homelessness. As such, USICH’s statutory language should be revised through legislative action to establish no fewer than two seats on the Council for people with lived experience, one of whom must be a young adult, and establish a permanent advisory body for people with lived experience. This group should establish liaison roles to other USICH interagency working groups. Federal agencies with targeted dollars for housing or to serve people experiencing homelessness, including HUD, VA, HHS, ED, DOL, DOJ, and USDA, should improve hiring practices to attract and retain

people with lived experience and establish processes for ongoing, formal consultation with people with lived experience on planning efforts and ongoing program implementation. These agencies should also identify and execute regulatory revisions to institutionalize participation of people with lived experience in local and federal program and policy design. People with lived experience should receive appropriate compensation for all services and consultation.

- *Lead Agency:* USICH
- *Collaborating Agencies:* USICH Council Member Agencies. In particular, agencies with funding targeted to people experiencing homelessness, including HUD, VA, HHS, ED, DOL, DOJ, and USDA.
- *External Partners:* People with lived experience, national advocates.

Recommendation 5.1.5 – Build a more just U.S. Interagency Council on Homelessness (USICH).

Significant work is needed to quickly refocus the Council on effective cross-agency collaboration aimed at evidence-based solutions to ending homelessness that are rooted in racial and housing justice; rebuild the agency by securing new leadership; develop and release a new federal strategic plan; revise the agency’s structure; reestablish a team of experts; and regain the trust of the public. To fully mobilize the vision set forth here, the USICH Executive Director should have a seat on the DPC to elevate their role and ability to enact change across government. HUD should be immediately designated as Council Chair. USICH’s newly established charter^[8] and current Council membership should be dissolved while the administration reassembles the agency’s leadership, the Council, and its structure. The administration should detail a qualified career SES to act as interim USICH Executive Director to lead it through transition planning.

- *Lead Agency:* White House (DPC) in partnership with new USICH leadership.
- *Collaborating Agencies:* USICH Council member agencies.
- *External Partners:* National advocates, including those representing young people, philanthropic partners, people with lived experience, state and local governments, and homelessness service providers.

8. “U.S. Interagency Council on Homelessness Charter.” U.S. Interagency Council on Homelessness, March 2020, https://www.usich.gov/resources/uploads/asset_library/USICH_Charter_March_2020.pdf.

9. “The Framework for an Equitable Response. What We Heard about COVID-19, Homelessness, and Services for People with Lived Experience.” National Innovation Service. 2020. <https://www.nis.us/covid-19-response-introduction>

Recommendation 5.1.6 – Collect and use data, reports, and evaluations to ensure that the federal response is driven by, and responsive to, current evidence.

A variety of data sources, research, and program evaluations help to inform a comprehensive, evidence-based approach to preventing and ending homelessness for all people. The administration should immediately scan newly available data and reports, including research summarizing the experiences of historically marginalized communities like National Innovation Service’s Framework for an Equitable Response.^[9] This information should be compiled and used to inform key priorities and actions within the first 200 days of the term. The administration should also conduct a scan of administrative actions taken between 2016–2020 that impact the federal government’s ability to serve people effectively. This scan should be documented and assessed for other immediate, necessary actions.

Each federal funding stream dedicated to homelessness should be re-oriented towards specific outcomes and goals that measure reductions in homelessness. HUD’s Homeless Management Information Systems guidance can also be updated to reflect new data collection and sharing needs at the federal and local levels.

- *Lead Agency:* HUD (PD&R) and HHS (ASPE)
- *Collaborating Agencies:* USICH Council member agencies.
- *External Partners:* Researchers, national advocates, philanthropic partners.

Priority 5.2

Ensure Access to Safe, Affordable, Permanent Housing for Individuals, Families, and Youth

Recommendation 5.2.1 – Establish universal housing vouchers as an entitlement for extremely low-income households and dedicate vouchers to people experiencing homelessness.

Research shows that access to affordable housing leads to substantial benefits in reducing food insecurity and educational mobility and improves outcomes for adults and children. Affordable housing also reduces the likelihood of child separation, domestic violence, and psychological distress.^[10]

Sections 3, 4 and 6 of this playbook describes how programs like the national Housing Trust Fund, Housing Choice Vouchers (HCV), public housing, Section 202, HOME, USDA rural (515) and farmworker (514/516) housing and project-based rental assistance must be expanded and, in some cases, reformed to adequately meet the housing needs of households with extremely low incomes. More specifically, the HCV program should be reformed to ensure that it is a fully funded entitlement to all people who need it. Such reforms should ensure that families currently assisted under the HCV program continue to receive assistance, thereby preventing them from having worst case housing needs or facing homelessness; reduce the number of individuals experiencing homelessness with disabilities,

families with children, veterans, and youth; and provide better housing opportunities and greater access to areas of opportunities for very low- and extremely low-income families.

People without housing should be prioritized as part of the phase-in of a universal voucher program. Alternatively, voucher set-asides should be requested as an incremental approach towards universal housing vouchers and be reflected in the FY2022 budget request. HUD's Office of Public and Indian Housing (PIH), or the proposed new Office of Rental Housing (Section 6), should issue guidance that ensures increased access to all affordable housing options for people experiencing homelessness.

The administration should develop new guidance, training, and communication to help communities engage with landlords and to overcome landlord biases. Additional landlord outreach and recruitment strategies, including incentives like risk mitigation funds, are described in Section 3 of this playbook.

- *Lead Agency:* HUD
- *Collaborating Agencies:* White House (DPC), HHS, USICH, ED
- *External Partners:* State and local governments, people with lived experience, homelessness service provider, national advocates, including those representing young people, philanthropic partners.

10. Gubits, Daniel et al. "Family Options Study: Three-year Impacts of Housing and Services Interventions for Homeless Families," U.S. Department of Housing and Urban Development, October 2016. <https://www.huduser.gov/portal/publications/Family-Options-Study.html>.

Recommendation 5.2.2 – Tailor permanent housing and services solutions for subpopulations as needed.

Using a targeted universalism approach, the universal goal of ending homelessness can be achieved by deploying targeted approaches that address the needs and circumstances of subpopulations and therefore improve housing and homelessness response systems for all. Permanent housing solutions, including affordable housing, rapid re-housing, and permanent supportive housing, should be rooted in Housing First principles, promote participant choice, and tailored to meet the specific service needs of the individuals, youth, and families who are seeking them.

Special attention should be given to designing and scaling permanent housing paired with services for survivors of domestic violence, youth and young adults (including pregnant and parenting youth), older adults, and people with disabilities (including people with behavioral health needs who are seeking recovery support). Communities should be equipped to offer these households meaningful choices for both housing and service interventions. These services should be person-centered and designed through authentic collaboration with people with lived experience. The administration should also focus on providing guidance, capacity building, and program support to build the capacity of rural and tribal communities. This should include focus on strengthening culturally responsive data collection and management.

The HUD–HHS task force to coordinate housing/healthcare initiatives (referenced in this playbook) should include specific

focus on scaling permanent supportive housing for people experiencing homelessness with disabilities; adapting permanent supportive housing for older adults with higher service needs; and reducing unnecessary institutionalization across populations. Specifically, the task force should develop or strengthen state-level partnerships aimed at aligning housing, including new universal vouchers, Medicaid, Medicare, and behavioral health resources to scale and enhance supportive housing. This must be accompanied by a significant resource investment to develop 1.1 million new permanent supportive housing units nationwide.^[11]

Additionally, the HHS Centers for Medicare and Medicaid Services (CMS) should develop and release a series of case studies and templates for Medicaid 1115 waiver applications or state plan amendments that cover tenancy support services in order to help states better leverage Medicaid’s ability to sustainably fund supportive housing services for beneficiaries. CMS should also release additional information related to how states have utilized authorities granted to them under the Medicaid program’s Home & Community Based Services (HCBS) (1915(i) and 1915(c)) waivers to support strategies and activities that, in partnership with housing resources, promote housing stability, reduce costs, and improve health outcomes for people experiencing or at risk of homelessness.^[12]

- *Lead Agency:* HUD, HHS, ED, and DOJ
- *Collaborating Agencies:* USICH Council member agencies
- *External Partners:* People with lived experience; national advocates, including those representing young people; people with behavioral health needs, and survivors of domestic violence; researchers; state and local government; philanthropic partners; and homelessness service providers

11. National Needs Assessment, Corporation for Supportive Housing. https://d155kunxf1aozz.cloudfront.net/wp-content/uploads/2019/05/TOTAL_web.pdf

12. “Increasing Collaboration Between Health Care and Housing Programs to Improve Outcomes and Reduce Costs: Report to Congress from the U.S. Interagency Council on Homelessness.” U.S. Interagency Council on Homelessness, March 2019, https://www.usich.gov/resources/uploads/asset_library/Report-to-Congress-Increasing-Collaboration-Between-Health-Care-and-Housing-Programs-2019.pdf.

Recommendation 5.2.3 – Modernize HUD-VASH.

Homelessness among Veterans has decreased significantly due, in large part, to strong cross-government collaboration and resource investments targeted for this population. HUD-VA Supportive Housing (HUD-VASH) in its current form was designed in 2008–2009 when the program was much smaller and the progress towards ending Veteran homelessness was in its early stages. With annual appropriations over the last 12 years, the program has outgrown its current program design and should be modernized to account for the varying needs of Veterans experiencing homelessness, including those who do not need intensive supportive housing. HUD and VA should work together to update the program design and increase utilization to better serve Veterans experiencing homelessness and make changes consistent with broader progress towards a universal housing voucher program.

To fully operationalize these recommendations, HUD and VA should undertake efforts to ensure a fully coordinated internal operating structure for their homelessness assistance programs.

- *Lead Agency:* VA and HUD
- *Collaborating Agencies:* USICH and DoD
- *External Partners:* National advocates focusing on veterans experiencing homelessness, state and local partners, homeless service providers, people with lived experience.

Priority 5.3

Equitably Serve People Who Experience Homelessness by Strengthening and Right-sizing the Homelessness Crisis Response System

Recommendation 5.3.1 – Develop and implement an administration-led initiative for ending unsheltered homelessness in partnership with state and local leaders.

Unsheltered homelessness is a national disaster that the administration must immediately prioritize. The administration should begin by releasing the HUD Community Planning and Development (CPD) Notice of Funding Availability for addressing unsheltered homelessness. It should also develop an initiative that immediately targets and reengages states and communities with the highest rates of unsheltered homelessness and high-cost, low vacancy rates housing markets to support swift short- and long-term interventions that would address the safety, health, and housing needs of people who are unsheltered. Emergency measures should be taken to move people out of unsheltered locations to interim housing options such as hotels/motels, or with family or friends when safe to do so. The initiative to end unsheltered homelessness will rely upon the implementation of other recommendations included in the Playbook to establish universal housing vouchers with preferences for people experiencing homelessness and to scale permanent supportive housing through additional resource investments. Both interim housing and permanent

housing interventions brought online to address unsheltered homelessness must be paired with housing-related services. DHS/FEMA, CDC, hospitals, and local crisis and public health responders should be early and equal partners in this initiative. Partnerships should also be developed with philanthropic and private stakeholders to support national and local innovation.

As part of this new initiative, the administration should also request an infusion of resources to scale housing-focused outreach efforts aimed at engaging with and connecting people with health and behavioral health needs to safer bridge housing or permanent supportive housing. Outreach teams should be multidisciplinary, including peers, social workers, behavioral health providers, and healthcare providers. HUD should also request funding for a study to identify the most effective interventions that end homelessness for unsheltered people, especially as evidence suggests that about half of unsheltered people do not have substantial behavioral or physical health challenges. A randomized controlled trial of rent subsidies (differing in duration) could help to identify new models to assist unsheltered people who do not need supportive housing.

- *Lead Agency:* White House (DPC) and HUD
- *Collaborating Agencies:* USICH, VA, ED, DOJ, HHS.
- *External Partners:* State and local partners, homelessness service providers, national advocates, philanthropic partners, people with lived experience

Recommendation 5.3.2 – Reimagine emergency shelter and other temporary accommodations for all who need it.

Emergency shelter has long played a role in providing safety and respite to individuals and families experiencing housing crises or fleeing domestic violence, dangerous or inhospitable living situations, or natural disasters, and can be an important bridge to permanent housing or back to a safe living situation. However, far too many emergency shelters continue to place arduous and arbitrary demands on people seeking their services and discriminate against people based on actual or perceived sexual orientation, gender identity or marital status. As such, emergency shelters can be dangerous and traumatizing environments for individuals, particularly young people and people who are LGBTQ+. COVID-19 has also shown that congregate emergency shelters are not safe options during a pandemic or other types of disease outbreaks.

The administration should prioritize efforts to reimagine emergency shelters, particularly congregate shelters. These efforts should be tied directly to the administration's early work to address unsheltered homelessness and should prioritize working with people with lived experience to design and implement dignity-based models to support people experiencing

a housing crisis. Specific attention should be given to rural and tribal communities, where shelter and interim housing options are often more limited.

Transformation efforts should also focus on partnerships with DOJ's Office of Violence Against Women (OVW)-funded shelters, faith-based shelters, and other emergency shelter and temporary accommodations funded by states and municipalities. Further, the VA's Grant and Per Diem (GPD) program should be reviewed and modernized to address short- and medium-term needs for veterans.

This work should also inform processes referenced in Section 2 of this playbook to better respond to special needs populations during and after disasters.

- *Lead Agency:* USICH and HUD
- *Collaborating Agencies:* HHS, DOJ, VA, Homeland Security, FEMA, White House (Office of Faith-Based and Neighborhood Partnerships)
- *External Partners:* People with lived experience, homelessness service providers, including faith-based organizations, national advocates, state and local governments.

Recommendation 5.3.3 – End the criminalization of homelessness and remove law enforcement from core homelessness service interventions.

While the role of law enforcement in responding to people living unsheltered, including in encampments, has varied in communities across the country, there is growing consensus that law enforcement *must* be removed from core homelessness service interventions due to rampant police violence and brutality, as well as practices that result in further disenfranchisement of people experiencing homelessness. The administration should disincentivize recipients of federal program funding from implementing activities that promote or actively criminalize the experience of homelessness. The administration should also act quickly to release joint guidance from DOJ and HUD that discourages a primary role for law enforcement in homelessness service systems and advances alternatives to criminalization. The Attorney General should partner with other members of the cabinet to ensure that, as the administration works to quickly address unsheltered homelessness, it decriminalizes the experience of homelessness by ensuring specific Constitutional protections for people experiencing or at risk of homelessness. DOJ should also move to further codify the 2019 Supreme Court decision to preserve the 9th Circuit’s ruling that protects people experiencing homelessness from being punished for sleeping outside,^[13] and should expand protections to include other activities such as storing personal items outside.

- *Lead Agency:* DOJ
- *Collaborating Agencies:* USICH, HUD, HHS, VA, ED, DOT
- *External Partners:* State and local governments, people with lived experience, homelessness service providers, national advocates.

Recommendation 5.3.4 – Re-establish the 2016 Equal Access Rule.

HUD’s 2016 Equal Access Rule ensured fair and equal access to housing for all Americans, regardless of their sexual orientation, gender identity, nonconformance with gender stereotypes, or marital status. In 2020, the Trump administration issued a proposed rule that would allow single-sex programs to discriminate against transgender and nonbinary people at program entry. More than 66,000 public comments were submitted to HUD by the deadline date of September 22, 2020.

At this time, HUD has not issued a final rule based on the 2020 proposed changes.

- If HUD issues a final rule prior to inauguration: quickly rescind the new rule and reissue the 2016 rule as interim, including seeking public comment on how to strengthen it.
- If HUD does not issue a final rule prior to inauguration: on Day One, the new administration should rescind the current proposed rule and issue a statement re-affirming the government’s commitment to protecting the rights of transgender and nonbinary people. This may be done in conjunction with other federal agencies with similar rules.

New messaging should also be released that emphasizes established protections for all people seeking shelter.

- *Lead Agency:* HUD.
- *Collaborating Agencies:* White House (DPC) and USICH should support messaging and amplification.
- *External Partners:* National advocates, state and local governments, homelessness service providers.

13. Letona, Crys. “Supreme Court Lets Martin v. Boise Stand: Homeless Persons Cannot Be Punished for Sleeping in Absence of Alternatives.” National Homelessness Law Center, 16 December, 2019. <https://nlchp.org/supreme-court-martin-v-boise/>



Recommendation 5.3.5 – Review Current ESG-CV Guidance.

As earlier indicated, people experiencing homelessness are among those most vulnerable to the negative health impacts associated with COVID-19. Homelessness service systems continue to work around the clock to take the necessary steps to reduce risk of transmission and illness among people experiencing homelessness.

Within the first 30 days, all ESG-CV and related guidance and messaging should be reviewed and updated to ensure that program dollars are used more effectively to serve people experiencing and at risk of homelessness, and re-released (if needed).

- *Lead Agency:* HUD
- *Collaborating Agencies:* USICH should support messaging and amplification.
- *External Partners:* National advocates, state and local governments, homelessness service providers.

Priority 5.4

Prevent Housing Crises and Homelessness Whenever Possible

Recommendation 5.4.1 – Create an internal COVID-19 response working group that operates and manages the design and implementation of eviction moratorium/emergency rental assistance resources for eviction prevention, and coordinate with other related funding streams necessary for preventing homelessness.

To support and strengthen efforts to address the coronavirus pandemic and prevent mass evictions, HUD should create an internal COVID-19 response working group, modeled on the Sandy Task Force created during the Obama administration, and include the CDC as a key partner. This working group would be responsible for designing and implementing the eviction moratorium and emergency rental assistance/eviction prevention funds available through COVID-related funding streams.

This working group should also consult with and gather input from FEMA, HHS, and USICH. Particular attention should be given to at-risk sub-populations, including low-wage workers over the age of 50, people with disabilities and people with chronic health conditions.

USICH should coordinate homelessness prevention activities across its member agencies.

- *Lead Agency:* HUD
- *Collaborating Agencies:* HHS, CDC, FEMA, USICH, ED
- *External Partners:* People with lived experience, national advocates, researchers, state and local governments, homelessness service providers.

Recommendation 5.4.2 – Implement a cross-agency working group to develop program and policy solutions to reduce the inflow from other systems, including institutional settings, into homelessness.

A cross-agency working group should be created to develop policy and programmatic solutions for reducing the risk of homelessness while households are engaged with or transitioning from mainstream systems such as child welfare, hospitals, behavioral health care facilities, nursing homes, jails, and prisons. This work should be two-pronged.

First, agencies should determine whether existing mainstream programs^[14] such as Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI), Medicaid and Medicare, and Housing Choice Vouchers are designed and utilized to reach and best serve those most in need, including people experiencing and at risk of homelessness, and whether these services are achieving

positive outcomes for this population. If not, agencies should determine whether additional targeting efforts, eligibility criteria, waivers, or preferences are needed to reach individuals, young people, and families experiencing or at risk of homelessness. Metrics should be set early in the term to hold agencies accountable to these targeting efforts.

Second, agencies should establish universal housing assessments that can be used across programs to identify people at risk of homelessness or housing instability engaged in programs or prior to discharge from other systems. The administration's efforts to advance access to a living wage for all will provide a critical platform for preventing and ending homelessness.

- *Lead Agency:* USICH
- *Collaborating Agencies:* Primary agency partners: HHS, DOJ, HUD (PIH/Housing/SNAPS), and DoD Advisory partners: DOL and ED.
- *External Partners:* People with lived experience, national advocates, researchers, state and local governments, homelessness service providers.

14. "Enlisting Mainstream Resources and Programs to End Homelessness." U.S. Interagency Council on Homelessness, July 2016. https://www.usich.gov/resources/uploads/asset_library/Enlisting_Mainstream_Resources_2016.pdf

Section 6.

How might the federal government reimagine public and subsidized housing to better meet the needs of residents?

All housing is already subsidized. In fact, itemized property taxes and home mortgage interests are subsidies that overwhelmingly benefit high-income taxpayers. And the more incomes rise, the more the value of the subsidies rises. While an overwhelming number of earners in the top 1% take advantage of these subsidies, fewer than one in 20 of the bottom 40% of earners will ever benefit from them.^[1] For this chapter, we are focusing on public housing and subsidized housing that serves low- and moderate-income Americans. Centering housing justice ensures that they will benefit from it as well.

It is a near-universal understanding that the public and subsidized housing system is broken after decades of disinvestment that some have called “demolition by neglect.” Public housing in cities and USDA rural housing are equally neglected and in disrepair. However, when it comes to fixing the system, affordable housing experts and policymakers are not aligned on how to do this in a way that centers residents. An incoming administration must take a stance on prioritizing public and subsidized housing residents.

Long before the COVID-19 pandemic unleashed its fury on the world, public and subsidized housing and its residents were struggling with long-standing physical, economic, and social challenges. Introducing COVID-19 into the mix has exacted – and will continue to exact – a particularly harsh price on both the system and its residents. The pandemic will continue to affect the over 4 million people who live in subsidized and public housing. Three million people alone live in 1.5 million public and USDA rural housing units throughout the country – with overcrowding inside apartments, limited open spaces, infrastructure issues, a large aging population, pre-existing health conditions and disabilities, limited remote learning access, and job losses exacerbating existing vulnerabilities. In New York City, the top nine employers of public housing residents are the public systems that keep New York City running, with the healthcare sector following close behind. Many New York City

Housing Authority residents are frontline, essential employees during this pandemic.

The long-term health and well-being of over 4 million Americans – and the country’s political economy – are at risk. Given the vulnerability of public and subsidized housing, both the institution and its residents, these are risks we cannot afford. In some public and subsidized housing, residents suffer from health issues and disabilities directly related to their housing – lead paint, black mold, rats and roaches have created unlivable conditions jeopardizing the health of four million Americans. And with a repair backlog toppling \$75 billion, the country must act now with direct interventions to combat the deep, historical inequities that have exacted this level of malign neglect.

This moment provides us with an opportunity to examine the present-day impacts and deep, historical racial, class, ethnic, disability, LGBTQI status, and gender/sex – and other inequities – fiscally, policy-wise, and politically – and chart a course for the federal government to reimagine, value, and invest in public and subsidized housing to better meet the needs of residents.

To truly ensure that every person in the United States is stably and safely housed, the federal government must provide enough homes directly to people who have been marginalized by the current housing market and systemic inequity.

1. Iselin, John and Philip Stalworth. 2016. *Who Benefits from Tax Subsidies for Home Ownership*. Tax Policy Center: Urban Institute and Brookings Institution. <https://www.taxpolicycenter.org/taxvox/who-benefits-tax-subsidies-home-ownership>

It is a near-universal understanding that the public and subsidized housing system is broken after decades of disinvestment that some have called “demolition by neglect.”

Recommendation 6.1 – Establish a Commission to Restore Trust

There is a severe trust deficit between people who live in federally supported affordable rental housing and public housing authorities, landlords, and HUD. It has been fortified by decades of systemic oppression and racism; neglect; disinvestment; a lack of transparency; and resident engagement that does not center resident self-determination, lacks continuous feedback loops, and is in desperate need of a process of authentic co-creation and dialogue. For many housing authorities where trust between residents and landlords does exist, an extreme lack of resources has prevented the robust development of new engagement strategies. This trust deficit is exacerbated during a crisis like the COVID-19 pandemic, but unfortunately it is also part of the everyday dynamic of public and subsidized housing experienced by many in the “system” and residents alike and has grown as public and subsidized housing face an existential crisis and continuous lack of investment. Bluntly put, many residents equally fear and depend on the public and subsidized housing system, and aspects of the system equally fear and depend on residents. It will be impossible to build an equitable housing policy platform in the United States if this relationship does not change, so we must start here.

A more detailed description of a reparations commission can be found in Section 1 of this document. It is within the reparations commission that this commission sits. On day one of the administration, the President announces the reparations process, including a commission to restore trust among public housing residents, public housing authorities, other residents of federally subsidized housing, landlords, and HUD. Because this is a national dialogue and process, stakeholders from urban, rural, and tribal communities will all participate. The commission itself will be led by a chair – someone respected by public and subsidized housing stakeholders – appointed by the President. The members of the commission should represent the broad landscape and sectors of public and subsidized housing, including residents. The commission will conduct hearings at appropriate locations to maximize the opportunity for residents to share stories of harm directly with local, state and federal housing agencies and have those harms acknowledged by the government. Based on these hearings, the commission will produce a report summarizing their findings as well as recommendations to be shared with the President and Congress.

- *Lead Agency:* HUD
- *Collaborating Agencies:* DOJ
- *External Partners:* public housing authorities, governors, mayors, philanthropy, grassroots movement leaders, residents.

Recommendation 6.2 – Use Federal Levers to Ensure that Residents are Central to Housing Policy Decision-Making at the Local Level

All across the country, from rural to urban to indigenous settings, public and subsidized housing residents are subject to decision-making about their housing, behavior, and other aspects of their communities and lives; however, they are rarely part of the decision-making process in a meaningful way. Whether those decisions are about the selection of developers and capital construction, or decisions regarding the governance structure of tenant associations or budget allocation decisions, both the engagement process and the role of residents in decision-making requires a reframe. The federal government must ensure an approach to engagement that centers co-creation, co-design and co-stewardship and results in residents' self-determination.^[1] It is important to note that because of the trust deficit discussed under Recommendation 6.1, the government may not be the best entity to conduct the engagement itself; it may require partnering with the non-profit sector to carry out any engagement process.

Every locality is different, so the decisions and exact engagement process will reflect the unique challenges and opportunities of a particular place. But the federal government can set standards and reporting requirements, and fund the efforts through grants – or tie funding to the demonstration of resident decision-making to “ensure that tenant involvement is properly integrated and resourced and values of the compact are embedded

throughout the government. Tenant involvement should be part of mainstream housing services, not a bolt-on, and responding to tenants' views should show through all landlord activities as part of the government's culture and the way it delivers those services.”^[2]

- Mandate that all redevelopment processes must include residents as central decision-makers throughout the process from feasibility to developer selection to design process.
- Ensure that any change in the management structure of public housing authorities is planned and implemented in consultation with residents.
- Mandate that local housing authorities demonstrate how they have taken resident consultation into account when reaching a decision about their housing.
- Fully fund the Office of Resident Engagement at HUD and staff with leaders qualified and experienced in deep resident engagement and community organizing.
- Implement a participatory budgeting system, so tenants have power over decision-making.^[3]
- Restructure and re-instate Choice Neighborhoods NOFA.
- Work with grassroots leaders and residents to create Tenants Bill of Rights.^[4]
- *Lead Agency:* HUD
- *External Partners:* public housing authorities, mayors, nonprofit sector (particularly organizations and initiatives with innovative approaches to engagement like the Reimagining the Civic Commons and Hester Street), legal services, residents.

1. Gaynor, Gillian; Treskan, Mark; Schilling, Joseph; Velasco, Gabriella. *Reimagining the Civic Commons: Civic Assets or More Equitable Cities*. The Urban Institute. <https://civiccommons.us/2020/08/civic-assets-equitable-cities/>

2. Citizens Housing Planning Council of New York City. 2019. *Public Housing Revolution: Lessons from London*. https://chpcny.org/wp-content/uploads/2019/10/Public-Housing-Revolution-Report_CHPC.pdf

3. <https://elizabethwarren.com/plans/protecting-empowering-renters>

4. <https://peoplesaction.org/2019/09/breaking-peoples-action-unveils-plan-to-win-a-national-homes-guarantee/>

Recommendation 6.3 – Increase the Supply and Support of Public and Subsidized Housing

The total number of public housing units has fallen by 250,000 since the mid-1990s. To further demonstrate the severe lack of supply, the median public housing waitlist in the United States is nine months, and in some cases the wait list is up to eight years. Public and subsidized housing exists in a system that has relegated its value to “demolition by neglect”. Other subsidized and affordable housing is equally scarce. The prospect of public housing residents moving to other affordable housing units thereby freeing up units to move households off the interminable wait lists, or the construction of new affordable housing units to meet the demand across the country – neither of these things is happening right now. The bottom line is that the country needs more affordable housing, and there are several ways to do that, including targeted investments in rural communities.^{[5],[6]} All programs should include civil rights criteria to ensure they do not replicate past harms such as segregation and that any redevelopment effort ensures strong resident protections. Specific actions could include:

- *Repeal the Faircloth Amendment.* This 1998 amendment to the 1937 Housing Act prohibits public housing from being built if it results in a net increase to a PHA’s overall stock of housing. Enabling the federal government to build new units of public housing will dramatically change the landscape of the affordable housing market, increasing the supply of affordable housing directly and allowing federal dollars to be spent effectively at scale.

- *Expand the Housing Trust Fund.* The Housing Trust Fund (HTF) targets building, rehabilitating, preserving, and operating rental housing for extremely low-income people. In 2020, the HTF allocated \$322,564,268 to states across the country. The HTF currently does not allocate funds to build new units of public housing. A \$20 billion increase to the HTF will enable the construction of more public housing units.^[7]
- *Make the Housing Choice Voucher Program Universal.* The Housing Choice Voucher program targets “hardest-hit” households in an effort to “increase housing mobility, help de-concentrate poverty and combat racial segregation.” Currently only 25% of eligible households receive vouchers. As detailed in Section 3 of this document, the program should be scaled to ensure that every individual and family that needs a voucher gets one.
- *Establish an Office of Rental Housing at HUD.* Current policy is often designed based on HUD’s competing silos instead of what is in the best interest of residents. With the Rental Assistance Demonstration, the distinction between assisted housing and public housing has been blurred. HUD should remove its internal silos to better meet the needs of residents by establishing an Office of Rental Housing. The new office would be created by combining the OAMPO arm of the Office of Multifamily and the Office of Public and Indian Housing (the FHA side of Multifamily should remain with Housing/FHA). This initiative should be launched at the beginning of a new administration so that an Assistant Secretary for Rental Housing, instead of an Assistant Secretary for Public and Indian Housing, could be nominated. Alternatively, a PIH Assistant Secretary nominee could be solicited that understands the intent of

5. <https://elizabethwarren.com/plans/protecting-empowering-renters>

6. Economic Innovation Group. *Distressed Community Index*. <https://eig.org/dci>

7. Office of Community Planning and Development Program Formula Allocations for FY2020 webpage at <https://bit.ly/2IEGGpT>

the change and would help facilitate it.

- *Increase Accessible Units and Prioritization.* Currently there are no databases of accessible affordable units. This has resulted in situations where units are distributed on a first come, first served basis, and people with disabilities and health issues are not prioritized in the assignment of accessible units. Of households that use HUD assistance, 20% have people disabilities, but only 5% of new units are required to be accessible.^[8]
- *End Source of Income Discrimination.* The federal government needs to enact laws against source of income discrimination, as many states and localities have done already. These laws protect people from discrimination based on income sources, and protect families against discrimination from using vouchers to subsidize their rent. These anti-discrimination laws are, in fact, resulting in a decrease in the number of landlords refusing to accept vouchers.^[9]
- *Lead Agency:* White House, HUD
- *External Partners:* public housing authorities, developers, landlords, philanthropy.

Recommendation 6.4 – Eliminate the Backlog of Repairs in Public and Subsidized Housing

Currently, there is a \$75.6 billion dollar repair backlog for public housing and rural subsidized housing in the United States. Toxic mold, lead paint, and other toxic conditions have a devastating effect on the health of families living in subsidized and public housing; rates of asthma and other preventable and chronic diseases are exacerbated by the conditions of the buildings and the backlog of repairs. Eliminating the backlog of repairs is a housing justice and equity issue; it is consistently the top concern of residents – predominantly people of color – who are paying to live in substandard housing with little or no recourse. Specific actions could include:

- *\$75.6 Billion Funding Request to Address the Repair Backlog.* A one-time request of \$75.6 billion will eliminate the current backlog of repairs in public and rural subsidized housing. Public Housing Authorities have been underfunded for decades and cannot fill the capital budget gaps alone; cities and states either cannot or will not fill the gap. The federal government must act now.^[10]
- *Upgrade all Units of Public Housing.* Lower long-term costs in public housing by upgrading every, single unit – including energy efficiency and sustainability: \$5 billion over eight years.
- *Revise Public Housing: Physical Needs Assessments.*^[11] Re-engage this Obama-era HUD rule on public housing rolled back in 2016. Revise regulations governing physical needs assessments (PNAs) by PHAs by requiring them to project repair needs over a 20-year period rather than a 5-year period. This coincides better with the useful life of individual properties, building components, and systems.
- *Fully Fund Public Housing Authorities.* End the pro-ration of funding to public housing authorities. This will require coordination between advocates, elected officials, public housing authorities of all sizes in all jurisdictions, Congress, and HUD.
- *Fund and require PHAs to complete health monitoring of its public housing in order to determine exposure to harmful toxins that cause conditions like asthma and adopt Integrated Pest Management best practices.* Community-based studies have shown that interventions into pest management reduction, including the adoption of non-toxic pesticides, can reduce the incidence of asthma in children in public housing. Yet despite this strong evidence, these programs are neither required nor heavily funded by HUD. Explore alternative funding sources from the healthcare sector that would improve health outcomes while potentially reducing costs. Create a HUD hotline for tenants to report dangerous living conditions, an advertising campaign, and a requirement that this information be included in leases.
- *Lead Agency:* HUD
- *Collaborating Agencies:* HHS
- *External Partners:* public housing authorities, developers.

8. https://www.huduser.gov/portal/pdredge/pdr_edge_research_092815.html
https://www.hud.gov/program_offices/fair_housing_equal_opp/disabilities/accessibilityR

9. Prohibiting Discrimination Against Renters Using Housing Vouchers Improves Results; https://www.huduser.gov/publications/pdf/freeman_impactlaws_assistedhousingrcr06.pdf

10. Connect this with job training opportunities for residents of public housing and with the Section 3 requirement for larger-scale construction, which may be triggered by repairs.

11. 76 FR 43219, July 20, 2011

Recommendation 6.5 – Provide Fair Housing to All

Housing is a basic human right and should be a guarantee. With public housing waiting lists ranging anywhere from 13 months to 8 years, and only a fraction of families eligible for housing vouchers actually receiving them, public and subsidized housing is a scarce and precious commodity. Being evicted or denied access to housing because of a criminal record (or because a family member has a criminal record), because of immigration status, or because of the inability to pay rent is devastating and further destabilizes vulnerable families. This can be prevented through actions including:

- *Ensuring that Returning Citizens have Access to Affordable Housing.* Prohibit the discrimination of returning citizens so they have access to public and subsidized housing, and stop the eviction or punishment of families who accept returning citizens into their homes.^[12]
- *Fully Staffing HUD's Office of Fair Housing and Equal Opportunity.* Anti-discrimination is grossly under-enforced due to a lack of resources and investment in this office. Staff it up.
- *Reversing the HUD Notice Tightening Regulations against Undocumented Immigrants and Eliminate Requirements to Considering Citizenship Status.* This HUD notice makes it

illegal for undocumented immigrants to live in subsidized housing units. By eliminating requirements to consider citizenship status, eligibility for housing increases for farm workers, and many others.

- *Protect Tenants from Eviction.* Evictions are devastating for families. Evictions from public and subsidized housing often result in long-term homelessness and further destabilization of already vulnerable families. Residents must have the right to counsel when facing an eviction.^[13] Implement right-to-counsel legislation (with funding for counsel) for landlord-tenant disputes and support mediation between parties that can connect tenants to social services as needed to address underlying problems that may have triggered non-payment. In addition, create a Tenant Protection Bureau at HUD to protect tenants from illegal landlord activities; establish a one-stop shop to report and seek action against landlords engaging in illegal activities; and provide grants for community organizing and information dissemination efforts to ensure tenants know their rights and available resources.
- *Lead Agency:* HUD
- *Collaborating Agencies:* Indian Affairs, DOJ
- *External Partners:* public housing authorities, grassroots leaders and advocacy organizations

12. <https://www.vera.org/projects/nycha-family-reentry-pilot-reuniting-families-in-new-york-city-public-housing/related-work>; https://www.nytimes.com/2016/06/21/opinion/a-home-after-prison.html?_r=0; <https://www.wsj.com/articles/permanent-ban-policy-in-public-housing-under-review-1464343201>

13. Majority While James. E Clyburn and Senator Michael Bennet's proposed Legal Assistance Act of 2020 provides access to legal assistance for residents facing eviction

Recommendation 6.6 – Implement Policy Changes to Better Leverage PHA Resources to Advance the Housing Playbook Recommendations Related to Regional Equity and Innovations

There are many studies documenting the historic racial segregation patterns of public housing resources, the resulting hardships, and even the value to children when their families use Housing Choice Vouchers to seek new opportunities. While HUD has expanded its focus on supporting families with Housing Choice Vouchers to seek new housing opportunities, the focus of the below recommendations is to also encourage local leaders to use a portion of those vouchers each year to increase the supply of housing in those neighborhoods that already have highly resourced schools and good jobs but insufficient affordable housing. Given existing federal voucher formulas that tend to perpetuate the segregation, and the widespread discrimination lower-income households and people of color still face, it is critical to better integrate and align the relevant resources, policies and communications strategies. In addition to the Regional Equity and Innovations Challenge (Section 9 of this document), there are specific strategies that HUD can deploy to better leverage housing authority resources to promote economic opportunity and bridge the racial wealth gap.

Finalize Regional Moving to Work Rule. Allow regional PHAs to work together on housing mobility with less administrative burdens, and to benefit from the flexibilities available to the

larger MTW PHA. Update statute to allow PHAs to work as a partial consortium for the purpose of regional mobility or other targeted initiatives, so they can collaborate on discrete initiatives without merging entirely. PHAs with large numbers of families living in high-poverty neighborhoods should be given the authority to administer vouchers regionally. This will require Congressional action.

- Reform Administrative Fees, so that there are incentives for PHAs to encourage voucher use in low poverty areas.
- Allow Family Self-Sufficiency Program participants to remain in the program if they move to a voucher (from public housing unit) through RAD.
- Incentivize (and mandate in additional metro areas) broader use of Small Area Fair Market Rents, to increase ability of vouchers to be used in opportunity neighborhoods.
- Revisit HCV allocation formula to better reflect poverty, job and population trends.
- Expand HCV search times, especially in higher-cost areas for families searching in low-poverty areas.
- Assist families with security deposits, application and broker fees, and other barriers to entry in higher-cost areas (would require a minor change in annual appropriations language).
- *Lead Agency:* HUD
- *Collaborating Agencies:* HHS, Congress
- *External Partners:* public housing authorities, metropolitan planning organizations

Section 7.

How might the federal government reimagine housing finance systems to expand access to a broader range of housing opportunities?

Housing should be a core priority of the next administration, particularly reducing the racial wealth and homeownership gaps that have persisted nationwide over time. Our system of housing finance and policy requires bold transformative change that disentangles the legacy of structural barriers that have disadvantaged people of color and fed a long history of housing inequality and persistent housing and wealth gaps. Federal, state, and local government policy all play a critical role in our housing finance system and its regulation. The primary and secondary mortgage markets that make up our housing finance system include a plethora of rules and practices that disadvantage non-white Americans from becoming homeowners; this outcome can be traced to the legacy of discriminatory housing practices discussed in the Section 1 of this playbook. When slavery ended, systemic bias quickly took its place, and Black Americans in particular have been segregated into lower-opportunity neighborhoods, denied credit, starved of investment capital, and targeted for products with higher costs to finance – and these issues persist. Major housing finance systems change will be required to ensure housing affordability, sustainability, and equity for homeowners and renters of all races at all income levels.

The recommendations in this section are organized under five priority areas:

- Implement COVID-19 relief measures for homeowners and renters
 - Expand and preserve the supply of affordable housing
 - Expand access to credit and move forward with credit reforms
 - Create a more equitable federal housing finance system
 - Ensure adequate staffing and implement review of executive orders, legislation, and regulation
-

Priority 7.1

Implement COVID-19 Relief Measures for Homeowners and Renters

The administration should swiftly move to bring critical relief to the people and places hardest hit by the economic fallout from COVID-19. Households of color are disproportionately impacted by the current health crisis. According to the Bureau of Labor Statistics, the white unemployment rate in Q3 2020 was 7.9%, compared to the Black unemployment rate of 13.2% and Hispanic unemployment rate of 11.2%. Millions of households will have endured prolonged periods of income loss and depleted savings, rendering them unable to make rent or mortgage payments. They will subsequently face eviction and foreclosure once moratoria are lifted.

Prioritizing income and housing relief programs in the first 100 days of the new administration is critical to thwarting a repeat of the prolonged and uneven recovery experienced after the last housing crisis and recession. A COVID-19 relief bill should be finalized quickly. This bill must cover critical rental housing funding for tenants and landlords, additional support for homeowners exiting forbearance plans, and targeted support for the 30% of mortgages outstanding that were not covered by the initial CARES Act stimulus. Housing relief packages passed thus far have largely addressed mortgage plans with missed payments being deferred to the end of a mortgage term or mitigated via loan modification and will significantly thwart foreclosures. Renters have few to no options for making up missed and deferred rental housing payments, which will lead to a wave of evictions in very short order. All of this must be done in a way that protects renters regardless of immigration status. The new administration should take these immediate steps:

- Have the Treasury work directly with Congress to quickly pass the HEROES Act 2.0 with sufficient negotiated stimulus funding provisions for housing-related relief.
- Expand eviction and foreclosure moratoria with emergency funding relief authorization for renters and landlords who need to maintain properties and remain housed.
- To augment rental relief and direct stimulus payments to tenants, implement a rental payment relief program that forgives rents that are past due as a result of COVID-19 related hardships (health or income related).
- Extend homeowner forbearance programs and timelines and ensure that the options at the end of forbearance periods provide affordable long-term repayment options. A similar measure should be taken on the rental side to ensure that renters can pay debts accumulated during the eviction moratoria.
- To address the tightening credit box that has blocked homeowners, especially homeowners of color, from refinancing to historically low interest rates, implement a large-scale streamlined refinance plan as a loss mitigation strategy, akin to the Home Affordable Refinance Program (HARP) of the prior housing crisis. Remove underwriting requirements for non-cashout refinance transactions (e.g., eliminate tests for income or credit score). The risk is already owned at the higher rate and payment. Reducing that risk is a better position for borrowers and should not require the costly re-underwriting and time-consuming processing. This is not to suggest not to document borrower circumstances and re-pull credit, but rather

Our system of housing finance and policy requires bold transformative change that disentangles the legacy of structural barriers that have disadvantaged people of color and fed a long history of housing inequality and persistent housing and wealth gaps.

not use those tests for refinancing based on a favorable rate-term payment reduction. This extra savings creates more housing security for households and could also offer economic stimulus and spur normal spending and consumption.

- Support expansion of housing and credit counseling, including more targeted funding for renter counseling, adding capacity and funding to housing counseling agencies and nonprofits of at least \$500 million.
- Establish an emergency program through Treasury using a racial equity framework to help housing markets that have been hardest hit by COVID-19 to keep people housed and to support distressed housing markets.^[1] Leveraging well-established programs and state housing finance agencies, and using measures that factor in hard-hit households and racial equity measures, can help target limited housing relief funds during the COVID-19 housing crisis.
- Support funding for a targeted outreach campaign to reach the hardest-hit states experiencing high delinquencies and distressed populations whom mortgage servicers have had trouble reaching. An example is the “Not ok? That’s ok!” consumer campaign, organized by industry leaders in coordination with the Consumer Financial Protection Bureau to reach people who are eligible for forbearance but remain needlessly delinquent.^[2]
- *Lead Agency:* Treasury, HUD, FHA, CDC, Federal Reserve
- *Collaborating Agencies:* CFPB, FHFA, OCC
- *External Partners:* State HFAs, housing counselors, servicers, consumer advocacy organizations.

1. McCargo, Choi, Walsh, August 2020. A State Framework for Delivering Targeted Housing Assistance to People and Places Hit Hardest by Covid-19, <https://www.urban.org/research/publication/state-framework-delivering-targeted-housing-assistance-people-and-places-hit-hardest-covid-19>.

2. Neal, Michael and Laurie Goodman, October 2020, A Broader Outreach Strategy Would Help 400,000 Needlessly Delinquent Mortgage Borrowers, <https://www.urban.org/urban-wire/broader-outreach-strategy-would-help-400000-needlessly-delinquent-mortgage-borrowers>

Priority 7.2

Expand and Preserve the Supply and Demand of Affordable Housing

The nation's housing supply hit an all-time low at the end of September 2020, with only a 2.7-month supply left, according to the National Association of Realtors. This lack of supply is a significant contributor to record high home prices, a particular problem with respect to the most affordable homes, whose prices have increased faster than other homes between 2000 and 2019.^[3] Additionally, the demand and need for affordable housing has increased significantly in today's environment of record-low mortgage rates. Potential actions for addressing affordable housing supply concerns should include actions to encourage land use reforms including removing zoning and building code barriers to affordable housing (especially affordable multifamily housing), protecting and rehabilitating homes in poor condition within distressed neighborhoods, mitigating down payment barriers, increasing the availability of small-dollar mortgages to ensure that affordable homes are accessible for low-income homeownership opportunity, and increasing funding for production of affordable housing through multiple channels, including funding for HUD and USDA programs and for Community Development Financial Institutions (CDFIs).

In order to immediately support and implement these actions, the incoming administration should implement the following recommendations, which address affordable housing supply and demand issues:

Recommendation 7.2.1 – Support passage of the Neighborhood Homes Investment Act (NHIA).

This legislation would revitalize distressed neighborhoods with federal income tax credits by mobilizing private investment to build and rehabilitate 500,000 homes for low- and moderate-income homeowners over the next decade. The NHIA tax credits would cover the cost gaps between building or renovating homes and their sales prices, as well as fuel rehabilitation of deteriorated single-family homes with the potential to attract \$100 billion in development activity to distressed communities.^[4] The NHIA should also have protections to ensure renters and low-income homeowners aren't displaced due to these investments, and to prioritize tenant, community land trust (CLT), nonprofit ownership of the homes being rehabbed and sold.

3. Choi, Jung, Walsh, John, and Goodman, Laurie, May 2020. Why the Most Affordable Homes Increased the Most in Price Between 2000 and 2019, <https://www.urban.org/research/publication/why-most-affordable-homes-increased-most-price-between-2000-and-2019>

4. Neighborhood Homes Investment Act, H.R.3316, <https://neighborhoodhomesinvestmentact.org/>.

Recommendation 7.2.2 – Direct support for a restorative Neighborhood Stabilization Program.

After the housing crisis, many investors were able to purchase foreclosed properties, changing the makeup of neighborhoods once owner-occupied to single family rental, creating a housing recovery without many new homeowners. To avoid a repeat scenario, the administration should focus on opportunities to preserve the nation's most affordable housing stock, purchase distressed properties before investors do, and consider expanding new laws designed to protect communities.^[5] The program should support:

- Distressed homeowners at risk of displacement by providing rehabilitation assistance, weatherization, reasonable accommodations and improved housing accessibility, energy-efficiency improvements, refinancing and loss mitigation options, and property tax relief.
- The purchase, redevelopment, and/or subsidization of abandoned or distressed properties to create opportunities for affordable homeownership, rental housing, shared equity programs, and mixed-use property programs.
- Demolishing abandoned or distressed structures, if part of

a strategy that incorporates new construction and efforts to increase affordable housing and homeownership.

- Enabling “first look” programs that support programs that give homeowners opportunities in neighborhoods where bulk investor sales are prevalent to enable low-income, existing residents in community’s priority purchase options.
- Establishing a Housing Equity and Preservation (HEP) Fund to address future housing needs of the country, with an emphasis on promoting ownership, wealth building, and resilient and sustainable communities. This fund can be reserved to help states, cities and people during economic events that threaten housing security, such as natural disasters or global pandemics. Specifically, the Housing Equity Fund would be able to provide housing assistance, rent or mortgage relief, or emergency redevelopment funds in response to local and national crises. In addition, HEP could target investment and revitalization efforts aimed at disenfranchised, distressed and devalued neighborhoods, with a focus on historically minority census tracts, communities of high segregation among Black, Latinx, Asian, and Indigenous communities, and the many cost-burdened communities still suffering from effects of the Great Recession, the current pandemic, and the devastating effects of climate change.

5. Refer to and apply California’s SB 1028 to other states, which is designed to prevent investors from buying foreclosed properties en masse, https://www.google.com/url?q=https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id%3D201920200SB1079&sa=D&ust=1604352704693000&usq=AOvVaw03waM77Im8RUhuuyu_g52V

Recommendation 7.2.3 – Support expansion, research, and regulation for shared equity housing models.

The administration can prevent displacement and wealth-stripping of homeowners with COVID-19-related hardships by adding a loss mitigation solution that grows the stock of shared equity homes. This should include creating a loss mitigation option that avoids displacement via short sale or foreclosure. Distressed homeowners who have exhausted forbearance options would have an option to stay in their home by (a) converting it to a shared equity model, (b) using federal government grant dollars to CLTs and other shared equity programs who can conduct maintenance and bring down mortgage payment to an affordable amount, or (c) extending an option to repurchase property when homeowner regains financial stability. In addition, the administration should launch a full-scale research effort within HUD through PD&R and external policy research firms and academics that defines safe shared equity models and provides some guardrails for consumer protection and long-term affordability. Finally, a regulatory framework for shared equity models should be developed that provides guidelines and standards for consumer protection and some oversight of shared equity models.

Recommendation 7.2.4 – Increase production for manufactured housing and expand access to financing.

Manufactured housing is an increasingly affordable housing type, 35-47% cheaper per square foot than new or existing site-built housing. Yet the number of manufactured homes shipped each year has reduced from averaging 242,000 per year between 1977 and 1993 to below 100,000 every year since the financial crisis.⁶ Manufactured and factory-built homes, including accessory dwelling units, can provide quality housing that would help ease the affordable housing crisis, and the administration should consider the following to support more development and accessibility of these housing types to help reduce the crisis in affordable housing supply crisis:

- The federal government should create new incentives for local housing markets to eliminate restrictive zoning and land use laws that make it more difficult to build new manufactured housing communities in areas with good schools, jobs, and public transportation. Restrictive zoning also drives up land costs, which is a large part of the reason few new manufactured home communities have been built since 2000. Moreover, these restrictions impede using manufactured homes as affordable housing tools in urban and suburban areas, which helps explain why a disproportionate amount of manufactured housing is in rural and unincorporated areas.
- Increase traditional mortgage financing for manufactured housing and replace chattel loans, which tend to have less favorable consumer protections, lower balances and

6. Goodman, Golding, McCargo, Ganesh, Jan 2018, Manufactured homes could ease the affordable housing crisis. So why are so few being made?, Urban Institute. <https://www.urban.org/urban-wire/manufactured-homes-could-ease-affordable-housing-crisis-so-why-are-so-few-being-made>.

shorter terms, and carry higher interest rates. Work with Congress to pass federal legislation or encourage all states to pass laws that allow manufactured homes to be titled as real estate rather than personal property, which not all states currently have enacted. The lack of access to financing, particularly for small mortgage loans, and the higher costs to consumers for chattel lending, increases the price of manufactured homes, which also stymies demand.

- Evaluate appraisal processes that would encourage higher appreciation rates for manufactured homes, similar to those for site-built homes. Lower appreciation for manufactured housing may be because of the lack of financing options available for older manufactured homes, which affects resale value.
- Implement and provide increased funding for the GSEs' Underserved Market Plans and Duty to Serve Obligation, which focuses on manufactured housing. Also, continue to work with HUD and its renewed focus on manufactured housing by identifying ineffective regulations that should be modified or replaced.

Recommendation 7.2.5 – Create new homeownership opportunities through direct investment into households.

Securing enough cash for closing and down payment costs is a significant barrier to homeownership.^{[7][8]} New homeownership opportunities can be created by providing direct capital flow to people in the form of down payment assistance funds, tax credits, direct lending and long-term savings programs. To deal with these issues, a new administration should:

- Implement a large-scale national down payment tax credit program that offers up to 10% of purchase price in direct down payment or closing costs, or reserve accounts for first-time buyers to help more low- and moderate-income households (LMI) and households of color (up to 150% LMI) safely access mortgages and build housing equity.
- Streamline the delivery of federal and state down payment programs to improve efficiency, making them more easily accessible and standardized. This would mean that housing counseling, real estate, legal aid, lenders and trusted advisors who work with first-time buyers are able to understand eligibility requirements, qualify and expand reach to diverse populations with these programs.
- Support legislation like the bipartisan Senate-proposed American Dream Down Payment Act of 2020, which supports more long-term savings of up to 20% down payment by creating special tax-advantaged savings accounts for eligible housing costs similar to 529 plans for education.^[9]

7. More than half of renters view a down payment as the major obstacle to buying a home. This in part reflects the incorrect assumption of many renters that they must put down 20% to buy a home, whereas in fact, as of 2018, 8% of GSE mortgages, 81% of FHA mortgages, and 85% of VA mortgages were originated with only 5% or less down. Nevertheless, down payments can remain a substantial barrier, especially for Black and Latinx families who are unable to access the intergenerational wealth transfers – often funds – available to white homebuyers. See: Goodman, Laurie, Alanna McCargo, Bing Bai, Edward Golding, and Sarah Strohach, 2018, “Barriers to Accessing Homeownership: Down Payment, Credit, and Affordability – 2018,” Urban Institute Housing Finance Policy Center. <https://www.urban.org/research/publication/barriers-accessing-homeownership-down-payment-credit-and-affordability-2018>

8. Charles, Kofi Kerwin, and Erik Hurst. 2002. “The Transition to Home Ownership and the Black-White Wealth Gap.” Cambridge, MA: MIT Press Journals.

9. American Dream Down Payment Act of 2020, H.R. 8176, <https://www.gardner.senate.gov/newsroom/press-releases/gardner-jones-introduce-the-american-dream->

Recommendation 7.2.6 – Support a more robust small-dollar mortgage market for the most affordable single-family (1-4 unit) housing.

Research on lending in low-cost housing markets across the U.S. shows that access to small-dollar mortgage loans needs to be expanded. Many national discussions on housing are geared toward rising costs and decreasing affordability in very high-cost or middle-cost markets. However, on the low end, there remain swaths of properties that could provide opportunities for homeownership to low-income households, but these are currently not owner-occupied because these households are unable to access cash and cannot access the traditional mortgage market.

To address these issues, the new administration should take the following actions:

- Make safe and affordable small dollar mortgage and home improvement lending a priority for government lending programs, including those of the GSEs.
- Remove all GSE FICO/LTV loan level price adjustments (LLPAs) for small dollar mortgage loans for properties under \$85,000 and offer incentive pricing option of 1-point negative LLPA to encourage more lending in this segment of the market.
- Work with bank regulators, state housing finance agencies, and the CDFI Fund to reduce the cost and increase the availability of small dollar mortgage and home improvement loans.
- Offer a restorative, streamlined, no-closing-cost refinance

program, bringing loan interest rates down to 2% and reducing monthly payments on loans originated to households of color at higher (nonprime) rates. Compared to white households, Black households in particular are paying higher costs for mortgage interest payments, insurance premiums, and property taxes.^[10]

- Give a direct capital infusion of up to \$25,000 to households in majority Black, highly segregated neighborhoods that are devalued to cover repairs, renovation, and deferred maintenance to help improve housing quality and neighborhood value for homes valued under \$125,000.^[11]
- Advance consumer-friendly shared-equity housing models in higher-cost markets and more structured CLT models that put more low- and moderate-income renter households on a sustainable path to ownership and equity building.
- Address regional disparities alongside the racial disparities that occur in rural area financing, especially in persistent poverty counties. The system tends to concentrate wealth and opportunity in suburban and urban locations at the expense of nearly 20% of the population living in small towns and rural areas.
- *Lead Agency:* HUD, GSEs, FHA, USDA, VA
- *Collaborating Agencies:* Bank and credit union regulators, CDFI Fund, CFPB
- *External Partners:* State Housing Finance Agencies, HFAs, CDFIs, FHLBs and minority-owned depository institutions (MDIs) can play a larger role in servicing people and communities more directly with small dollar mortgage programs as well as private programs that assist with down payments.

down-payment-act-of-2020

10. Aronowitz, Golding, Choi, 2020, "The Unequal Costs of Black Homeownership." MIT Golub Center for Finance and Policy, <https://gcfp.mit.edu/mortgage-cost-for-black-homeowners/>

11. The Biden housing plan calls for additional capital into low-income communities to spur the development of low-income housing through the New Markets Tax Credit. The administration plans to expand the program to provide \$5 billion in support every year and will make the program permanent so communities can take the credit into account in their long-term planning. See: <https://joebiden.com/housing/#>

Priority 7.3

Expand Access to Credit and Move Forward with Credit Reforms

Access to mortgage credit tightened significantly following the 2008 financial crisis and has tightened even further since the start of COVID-19.^[12] Because of entrenched structural barriers that have made the traditional credit and banking products less accessible to Black and Hispanic people, households of color are more likely than white families to have lower credit scores or thin or no credit files.^[13] Without credit history on file, it is nearly impossible to obtain a mortgage. To safely expand access to credit, the administration should consider the following:

- Ensure the extension of the GSEs' qualified mortgage (QM) patch before it expires in January 2021 and move forward with implementing the QM rule proposed by the CFPB.^[14]
- Remove Debt-to-Income calculations and limits, as evidence suggests that DTI is not as reliable a predictive measure of risk as some other factors are, and it is often inaccurate in capturing the full income that may not be used or allowed to qualify.
- Task the CFPB with ensuring that rental, utility, and other payments that are indicative of a person's ability and willingness to meet their financial obligations related to housing are included in credit files and credit scores, and work with the federal mortgage entities, including the GSEs, to include these expanded models in mortgage underwriting.
- Expand use of alternative credit scoring and history models for mortgage markets to serve the most possible people who may be credit invisible or not have a robust traditional credit history, and ensure use of the most current models adapted by credit scoring agencies are being used.
- Establish an Equal Access to Credit Task Force aimed at expanding credit access for Black, Latinx, immigrant and low-income populations through, among other things, more expansive and improved credit scoring models; consideration of all sources of household income; more effective strategies to understand self-employment, gig, part-time, and seasonal employment and credit data; and mortgage products and servicing practices that accommodate variable income flows.
- Level the playing field in conventional lending opportunities for people of color. The GSEs today, and historically, have served minority communities very poorly. Where they have served them, it has often come at a higher price. The incoming administration should reprioritize the GSEs' goals, scorecards, and ESG efforts in the following ways to promote affordable housing:
- Restore a direct focus on serving Black and Hispanic people and communities by providing more liquidity and access through conventional affordable financing.

12. Urban Institute Housing Finance Policy Center, 2020. "Housing Credit Availability Index."

13. Patrick Bayer, Fernando Ferreira, & Stephen L. Ross, 2018. "What Drives Racial and Ethnic Differences in High-Cost Mortgages? The Role of High-Risk Lenders." *Review of Financial Studies*, Vol. 31(1), pp. 175–205.

14. Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, mortgage lenders are required to make a "reasonable, good faith determination" of each borrower's ability to repay; one way to meet this requirement is by originating a "qualified mortgage" as defined by the 2014 QM rule. Under the rule, QM borrowers must have a debt-to-income (DTI) ratio of 43% or less; however, to expand access to credit, the GSE QM patch was created, which allows borrowers with DTIs greater than 43% to qualify if their mortgage is eligible for purchase by the GSEs. This patch, which is beneficial in particular for lower-income borrowers, borrowers of color, and first-time homebuyers, is set to expire in January 2021. Therefore, the administration should expand the patch as soon as possible while details of the final rule are considered and finalized. In June 2020, the CFPB proposed eliminating the DTI cap altogether. Given that DTI is a weak predictor of default compared to other factors, this policy would safely expand the credit box without much of an increase in risk.

Consider the following:

- Evaluate and test all automated underwriting algorithms for fair lending and fair housing improvements.
- Expand the credit box for conventional loan financing by removing DTI requirements, expanding alternative credit options like use of rental payment history for thin file borrowers.
- Acceptance of down payment assistance as equal to cash when underwriting.
- Expanding innovation in products to protect borrowers against unexpected shocks or unemployment through reserve insurance programs.
- Strengthen and fully fund housing assistance programs, as well as create transparent housing goals by race and income that expand to include community and neighborhood investments and other ESG activities the agencies pursue, with direct focus on the contribution to bringing more equity to conventional financing markets.
- Finally, direct the Federal Housing Finance Agency (FHFA) to scale the successful initiatives started in the Duty to Serve rule and work to bring more liquidity and lending to underserved markets and help restore affordability through housing preservation efforts.
- Abolish all risk-based mortgage pricing. Get rid of all GSE FICO/LTV LLPAs and enforce pooled/average pricing mechanisms and models.
- *Lead Agency:* CFPB, GSEs, FHFA
- *Collaborating Agencies:* HUD, Treasury, bank and credit union regulators
- *External Partners:* Major credit bureaus, scoring agencies (FICO and Vantage), mortgage lenders, and data aggregators

Priority 7.4

Create a More Equitable Federal Housing Finance System

America's current housing finance system has enormous disparities by race in homeownership rates, the stability and wealth-building benefits homeownership confers, and the opportunity to own a home in an amenity-rich neighborhood of each household's choosing.

The federal government participates in the housing finance system in three primary ways: (1) through lending, guarantees, and insurance by federal agencies, primarily the FHA, VA, and USDA through issuer Ginnie Mae, and also, in the case of disasters, FEMA and the SBA disaster home loan program;^[15] (2) through the government-sponsored enterprises (primarily Fannie Mae and Freddie Mac, but also the Federal Home Loan Bank System) and their regulator, the FHFA; and (3) through regulation and supervision by the bank and credit union regulators and the CFPB. All parts are interconnected and effective consideration of the future of housing finance requires simultaneous consideration of these.

The next administration should:

- Immediately establish a commission to create an Equitable Housing Finance System. This commission, which would include representatives of all parts of the government involved in the system, representatives of state and local government, the private sector, consumers and communities, would be tasked with developing an actionable set of recommendations for an equitable housing finance system. This commission would also make recommendations for eligibility and directing funding from the HEP Fund discussed in recommendation 7.2.2 above. The Commission's report would be due a year from establishment, and recommendations should be actionable, with specific timelines.^[16]
- Slow down and reconsider removing GSEs out of conservatorship with a focus on the mission of these entities. The GSEs have a core public mission of expanding market access to mortgages, providing liquidity and stability in a countercyclical role, buying loans, and being present in the market at all times through all economic cycles. Their Duty to Serve requires them to support financing for the manufactured housing market and rural

15. U.S. Small Business Administration Disaster Home/Sole Proprietor Loan Application, <https://www.sba.gov/document/sba-form-5c-disaster-home-loan-application>

16. The Commission could refer to the structure of the Millennial Housing Commission for funding costs and resources. The Commission needs to be brought into the Administration and established as early as possible. See: <https://govinfo.library.unt.edu/mhc/MHCReport.pdf>

housing, invest in communities through partnerships with community development financial institutions (CDFIs), and preserve affordable housing. The rush to release the agencies from conservatorship in the midst of the recession caused by COVID-19 should be slowed down, and recent regressive proposals for capital rule changes re-evaluated.

- Immediately enhance the technology and staffing of FHA, VA and USDA and explore ways to optimize federally funded technology systems in other parts of housing for all of housing. One example is having the GSEs directly support FHA and VA in developing automated underwriting systems and servicing non-performing loans and the default and foreclosure processes.^{[17][18]} These are the primary channels supporting access to mortgages for Black and Hispanic families and rural housing loans in lower-income tracts. The federal government should explore opportunities to re-platform, digitize and more directly integrate critical infrastructure across housing agencies as well as connecting these agencies to the more advanced technology and processes of the GSEs.
- Through the Treasury Department, the incoming administration should establish a Housing Equity Fund to

address the future housing needs of our country, with an emphasis on promoting ownership, wealth building, and closing racial equity gaps to advance racial equity across the American economy. This fund can be directed at hardest hit states, cities, and populations during economic events that threaten housing security, such as natural disasters or national pandemics. Specifically, the Housing Equity Fund would be able to offer housing assistance, rent or mortgage relief, or emergency redevelopment funds in response to local and national crises. The funds could be deployed through various existing vehicles, like state HFAs, CDBG or ESG or a new and more efficient fund distribution could be established using Treasury mechanisms for making direct payments including through CDFI and CDC bond programs.

- *Lead Agency:* HUD (FHA, Ginnie Mae), USDA, VA, FHFA, Treasury
- *Collaborating Agencies:* Bank and credit union regulators, CFPB, FEMA
- *External Partners:* State and local governments (including state Housing Finance Agencies), mortgage industry, community and consumer representatives.

17. Kaul, Goodman, McCargo, Jones, *Reforming the FHA's Foreclosure and Conveyance Processes*, March 2018, Urban Institute, <https://www.urban.org/research/publication/reforming-fhas-foreclosure-and-conveyance-processes>.

18. Kaul, Goodman, McCargo, Jones, *Options for Reforming the Mortgage Servicing Compensation Model*, April 2019, Urban Institute, <https://www.urban.org/research/publication/options-reforming-mortgage-servicing-compensation-model>

Priority 7.5

Ensure Adequate Staffing and Implement Review of Executive Orders, Legislation, and Regulations

Recommendation 7.5.1 – Ensure critical housing finance positions across the federal government.

As outlined above, the federal government’s role in housing finance involves many agencies, with interconnected mandates and activities. These include HUD, VA, FHA, and the Rural Housing Service at USDA, as well as GNMA and FHFA agencies whose core or primary mission is housing finance. Filling the senior positions in these agencies quickly with capable, experienced people who share a vision of a more equitable housing finance system will be critical. However, we will make faster strides toward housing equity if, in filling the following positions, the administration looks for people who are experienced and understand their agencies’ role in housing and housing finance and are committed to greater housing equity:

- Secretary of the Treasury
- Director of the Consumer Financial Protection Bureau (CFPB)
- Comptroller of the Currency (OCC)
- Members of the Federal Reserve Board, the FDIC, and the NCUA
- Administrator of Federal Emergency Management Agency (FEMA)

Recommendation 7.5.2 – Review existing legislation in the pipeline.

There are several pieces of existing legislation in the pipeline that would advance housing justice if passed. The administration should review the following:

- The HEROES Act 2.0. The House passed this COVID-19 relief bill in early October 2020. It includes \$59.1 billion in rent relief and other housing services. It also extends existing eviction moratoria to all renters and homeowners with covered mortgage loans.
- The Neighborhood Homes Investment Act (NHIA). This legislation would revitalize distressed urban, suburban and rural neighborhoods with federal income tax credits, mobilizing private investment to build and rehabilitate 500,000 homes for low- and moderate-income homeowners over the next decade.
- The Jobs and Neighborhood Investment Act. The legislation would invest \$17.9 billion in eligible community development financial institutions (CDFIs) and Minority Depository Institutions (MDIs) with capital, liquidity, and operational capacity. The goal of the legislation is to expand the flow of credit into underserved, minority, and historically disadvantaged communities.
- The American Dream Down Payment Act of 2020. The legislation would help prospective homeowners save for

a traditional 20% down payment by creating special tax-advantaged savings accounts for eligible housing costs. These accounts would be similar to the popular 529 Plan accounts that encourage people to save post-tax money to pay for future education expenses.

- The Economic Justice Act. This legislation allocates \$350 billion in funding to address systemic racism and historic underinvestment in communities of color. This bill includes several housing-specific investments, including \$40 billion in down payment tax credits for new homeowners, \$30 billion to reduce rent and utilities to 30% of income for low-income individuals and families and to build new low-income rental properties, and \$115 billion in infrastructure investments including affordable housing.
- The Fair Access to Financial Services Act. This legislation would prohibit banks and other financial institutions from discrimination in providing goods or services on the basis of race, color, religion, national origin, sex, gender identity, or sexual orientation. The Civil Rights Act of 1964 outlawed discrimination in certain places of public accommodations but did not cover banks and other financial institutions.

Recommendation 7.5.3 – Take actions by executive order.

- Either extend or replace EO 13878 *Establishing a White House Council on Eliminating Regulatory Barriers to Affordable Housing*. If extended, replace all existing members of the council with new personnel who will commit to the mission and functions of the order. If replaced, ensure that the new initiatives are undertaken immediately with a similar focus on eliminating regulatory barriers.
- Repeal EO 13950 *Combating Race and Sex Stereotyping*, which effectively prohibits certain types of diversity training which “promote(s) race or sex-stereotyping or scapegoating.” The EO would lead to serious regressions in promoting African Americans and minorities to leadership positions within the federal housing agencies and across the mortgage industry. Letters of opposition have already been signed by hundreds of associations, representing thousands of businesses, universities, advocates, and NGOs; a variety of organizations are also considering legal action to enjoin implementation or enforcement of the EO’s provisions once the actual impact becomes clearer.
- Use an Executive Order to establish a task force for the Neighborhood Stabilization Program discussed in recommendation 7.2.2.
- Use an Executive Order to create an equal access to credit commission to begin exploration of necessary reforms to credit systems discussed in recommendation 7.3.

Recommendation 7.5.4 – Take regulatory and nonregulatory actions.

Regulatory actions should include increased oversight of discriminatory practices in financial technology (fintech) and public housing, expanding the Community Reinvestment Act, capital risk requirements for Federal Home Loan Banks, and HUD's interpretation of the Fair Housing Act's disparate impact standard. More coordinated regulation of pricing for the many related costs of homeownership, including the pricing of homeowner's insurance, hazard insurance (flood, fire, wind), mortgage insurance, title insurance, appraisal fees, inspection fees, and real estate fees. New regulations through Congressional Review Act Resolutions could include:

- Reinstating the 2015 Affirmatively Furthering Fair Housing (AFFH) rule. The rule set a legal requirement that federal agencies and federal grantees actively address and work to eliminate housing discrimination and segregation but was suspended in 2017. Furthermore, reinstating AFFH should include renewed focus in communities that are working toward racial housing equity, greater transparency on data collection, and continuous feedback on what policies and practices are most effective.
- Repeal or improve the OCC's recently finalized new Community Reinvestment Act regulations which put banks

ahead of communities.^[19] CRA regulations should ensure the goals of the CRA statute are aligned with its execution and should evaluate banks on the importance of a bank's activities to the local community, not on the importance of the activity to the bank.

- Repeal the Trump-era HUD rule preventing undocumented immigrants from receiving federal housing assistance by reinstating the previous practice of allowing public housing to be obtained without revealing citizenship status.
- Stop data collection pull backs under the Home Mortgage Disclosure Act (HMDA) and raise data-reporting thresholds.

Nonregulatory actions should include loan-level pricing adjustments (LLPAs), appraisal waivers, and setting consistent MI standards across lending agencies, as well as:

- Eliminate all GSE FICO/LTV LLPAs and give small loans a 1-point negative LLPA.
- Expand appraisal waivers which come with little risk to the GSEs and could save homeowners money on their annual mortgage payment and help homeowners find payment flexibility amid pandemic-induced economic struggles.^[20]
- Set consistent mortgage insurance standards across all lending agencies and ensure households of color are not paying disproportionately higher costs for mortgage insurance.

19. Goodman, Seidman, Zhu, July 2020. The OCC's Final CRA Rule Improves Upon the Proposed Rule but Remains Unsatisfactory, Urban Institute. https://www.urban.org/sites/default/files/publication/102515/the-occs-final-cra-rule-improves-upon-the-proposed-rule-but-remains-unsatisfactory_0.pdf

20. Neal, Goodman, *Appraisal Waivers Have Helped Homeowners Find Payment Flexibility Amid Pandemic-Induced Economic Struggles*, October 2020, Urban Institute. <https://www.urban.org/urban-wire/appraisal-waivers-have-helped-homeowners-find-payment-flexibility-amid-pandemic-induced-economic-struggles>

Recommendation 7.5.5 – Allocate enough budget to housing.

There are incredible shortfalls in federal housing assistance, which is a critical component of the safety net. Federal housing assistance ensures those who receive it get access to decent, safe and affordable housing; yet housing assistance is not an entitlement like many other key safety net programs are, so benefits are not made available to all who qualify. Only one in five renter households who qualify for housing assistance receive it.^[21] More funding is needed to support renters and homeowners, particularly those with low incomes. Consequently, more funding should be allocated to HUD, particularly for Section 8 housing vouchers, which support very low-income renters. As recommended throughout this Playbook, the administration should also mandate universal housing voucher acceptance and abolish this source of income discrimination through stronger fair housing enforcement.

HUD should also receive increased funding for affordable housing production, as well as additional departments, such as the CDFI fund. Finally, the FHA in particular should receive additional funding to deal with its persistent technology issues and modernize its practices, including ensuring a full review and rewrite of automated underwriting to remove historical and algorithmic bias, incorporate stronger fair lending and fair housing tests using AI, and overhauling very costly and cumbersome servicing and default practices, including their property and claims processes and improving the loss mitigation options available to FHA borrower to strengthen sustainability.

- *Lead Agency:* HUD, FHA, Treasury, OCC, FHFA
- *Collaborating Agencies:* Federal Reserve

21. Kingsley, Thomas. 2017. Trends in Housing Problems and Federal Housing Assistance. Washington, DC: Urban Institute. <https://www.urban.org/sites/default/files/publication/94146/trends-in-housing-problems-and-federal-housing-assistance.pdf>

Section 8.

How might the federal government partner more effectively with grassroots leaders, state and local actors, philanthropy, and coalitions in the design and implementation of housing policy?

Government alone cannot solve all problems or come up with, and implement, solutions to the challenges facing our country, states, and communities. When it is disconnected from local and community engagement and problem solving, federal policy reinforces the notion – and often the reality – that the federal government is, at best, out of touch with the people and places it is supposed to serve. At worst, this disconnection--intentional or not--undermines and invalidates the expertise and lived experiences of people and communities affected by federal government policy. This causes harm and maintains an inequitable distribution of power and investment. How can we change this?

Collaboration and partnership require trust, transparency, authentic relationships, and accountability.^[1] If the federal government is committed to building equitable and authentic partnerships and collaborations, particularly with grassroots movement leaders and residents, it is imperative that engagement begins before policy is developed.^[2] Partners need a seat at the table from the onset, so that they have the power of decision-making and self-determination. The methods to do this are based in co-creation, rather than extraction, and they value the experience of people who will be affected by the policy.

The mission of the federal government benefits when effective, diverse partnerships are in place. This playbook argues that those partnerships must include a broader set of partners including grassroots leaders and residents, as well as philanthropy, nonprofit organizations, mission-oriented developers, and others. The recommendations in this playbook are intended to chart a pathway to establishing, or re-establishing, those partnerships.

Recommendation 8.1 - Reframe and elevate the Housing Justice Narrative

Housing policy – all policy, in fact – as well as development and implementation is shaped, influenced, and prioritized by strong narratives and effective messengers. This is an issue of equity: when a narrative is rooted and created in community and local leadership, and then is adopted and amplified by multi-sector partners – including government – policy design and implementation itself is more equitable. Housing, particularly public and subsidized housing, is not a tier 1 issue at the federal level.

- *Embed Key Findings of the Housing Justice Narrative Project in the Administration.* There is a growing body of research on effective messaging for housing and housing justice. Community Change, Race Forward, and Policy Link have partnered on the Housing Justice Narrative Project and the findings from the research phase of that work could greatly inform the messaging

1. <https://www.huduser.gov/portal/sites/default/files/pdf/Place-Based-Funders-Convening-Report.pdf>

2. <https://www.hud.gov/sandyrebuilding/rebuildbydesign>

https://www.hud.gov/program_offices/economic_development/resilience/competition

in the new administration from day one. These evidence-based messages should be embedded across all federal government agencies engaged in housing policy work.

- *Launch a Public Campaign to Shift the Narrative of Public and Subsidized Housing tied to addressing the backlog of repairs and chronic underfunding of operations.* There is a hierarchy within the affordable housing system and its dominant narrative. Public and subsidized housing is often not included in that narrative; rather, it is seen as separate or as “less than.” This has deep roots in systemic racism and oppression. An important aspect of effective partnership is identifying credible messengers and then elevating those messengers and their narratives. A multi-sector collaborative effort can leverage the power of its members – and the collective itself – to shift the narrative of public and subsidized housing to influence equitable policy development and implementation that combats decades of systemic racism and oppression. This does not happen automatically; it requires narrative development and amplification to be a central strategic feature of collaborative work. HUD should lead this effort in partnership with public housing authorities, grassroots leaders and residents, and philanthropy.
- *Lead Agency:* White House
- *Collaborating Agencies:* HUD, all agencies with housing-related programs
- *External Partners:* Community Change, Policy Link, and Race Forward, Rural Assembly, grassroots organizations, public housing authorities, other local and state actors, and coalitions, philanthropy, national and local media outlets

Recommendation 8.2 - Federal government makes partnerships and collaboration a priority

The federal government needs to prioritize and activate partnerships and multi-sector collaboration both within government and outside of government with grassroots leaders, philanthropy, state and local leaders, research institutions, the nonprofit sector, and the private sector. When the federal government recognizes, and participates in, the country’s very active decentralized system and robust nonprofit, grassroots, civic, and philanthropic sectors, opportunities abound for collaborative efforts that can inform housing policy and implementation. Activities to advance this recommendation could include:

- *Build capacity in HUD’s Office of Congressional and Intergovernmental Relations to engage in expanded collaborations^[3].* This office is naturally positioned to advance a collaborative approach to policy development that engages a broader range of leaders at all levels of government – federal, state, regional, local, and tribal – to help develop policies across governmental agencies and across sectors. Given the range of new housing-oriented interagency and multi-sector commissions, working groups, and task forces that are likely to be established as part of a new administration, it will be essential to have a dedicated team at HUD focused on ensuring the success of these efforts internally and externally. CIR can do this by:
 - Designing institutional mechanisms to promote intergovernmental and intersectoral solutions, effective practices, and lessons learned
 - Improving the intergovernmental/intersectoral

3. www.napawash.org

- partnership and develop mutual accountability
 - Educating and training intergovernmental and intersectoral leaders
 - Identifying the laws, regulations, and policies that significantly impede intergovernmental and intersectoral collaboration
 - Assessing new public problem-solving mechanisms^[4]
 - Creating an interagency task force.
- *Establish and track partnership and engagement accountability measures.* HUD should develop requirements and metrics to track partnership and authentic engagement. These requirements should apply to any federally funded initiative and require state and local government partners to engage with stakeholders, including residents, in an authentic and deep way. These metrics should be co-created in a process that involves, and pays, grassroots leaders from across the country, in different regions, as the needs of different areas vary greatly.
- *Increase provision of technical assistance to allow housing justice organizations greater capacity to benefit from government and philanthropic funding.* The federal government is a huge and valuable resource for nonprofit housing organizations seeking funding to do their work. However, governmental assistance is incredibly difficult to secure, and it requires a lot of resources to navigate. The result is that smaller organizations are typically unable

to participate in HUD granting opportunities. This is especially troubling because organizations that approach this issue from a housing justice framework tend to be smaller and less well resourced. The result is that housing justice organizations are usually unable to secure valuable government funding that could help them accomplish their goals. HUD should increase and make more accessible and understandable HUD technical assistance and its ability to help organizations navigate the government funding process. HUD should consider providing or partnering with philanthropy to embed development personnel who can provide additional capacity to housing justice organizations to secure these resources. Philanthropy could directly fund community organizing specific to HUD programs; for example, expand organization of HCV voucher tenants or public housing residents. For smaller organizations seeking technical assistance and support, HUD Technical Assistance and research contractors should include subcontracts for housing justice organizations and community-based organizations.

- *Lead Agency:* HUD
- *Collaborating Agencies:* HHS, ED, Energy, FEMA, DOT
- *External partners:* National Academy of Public Administration, grassroots movement leaders, other local and state actors, housing justice organizations, philanthropy

4. All of these actions are taken directly from research and written documents of www.napawash.org

Recommendation 8.3 - Pilot a co-governance approach to engagement

Co-governance moves beyond community engagement activities that have a binary definition of either “top-down” or “bottom-up”. Instead, co-governance is informed by network theory and process-oriented approaches that center local actors as experts, innovators, and problem-solvers. Co-governance moves away from the practice of centering government as the dominant voice in problem solving and expertise. In traditional “engagement” practices, residents, grassroots leaders and other local actors are engaged after a policy or solution has been created for feedback, but not at the beginning of the creation process. A co-governance process also puts forth the belief that local action moves in a more fluid and nimble way that “enables it to impact... and inform governmental priorities”. Thus, the power dynamic of co-governance is distributive, not centralized.^[5] Co-governance initiatives may be community-led or can be facilitated by an external entity. This external entity sits in the network between government and the local entity to facilitate the process of co-creation and collaboration. By definition, co-governance centers social justice and inclusion as features of its model.

Moving to a co-governance approach would represent a sea-change in the way the federal government currently engages with any partners – especially grassroots leaders and residents. Therefore, co-governance must be a stated priority for a new administration and this could be signaled by directing the Domestic Policy Council to lead an initiative aimed at embedding co-governance models in the White House. A new administration could further demonstrate its commitment to housing justice and racial equity by directing HUD to begin developing a deeper understanding of co-governance models and implementing a pilot of co-governance approaches to assess how these models could be more widely adopted across the federal government. This work would be housed in the newly created Innovation Hub (described Section 11 of this Playbook) and begin as soon as that hub is created and staffed. The Innovation Hub would

partner with PD&R to conduct a process evaluation of the pilot and support the program offices in exploring and selecting the best initiatives for the pilot. The Innovation Hub would provide technical support, hold the process accountable to established metrics and ensure that the decisions made by participating program offices and local partners are upheld in policy development and implementation.^[6]

Embed staff expertise and a training pipeline established to pilot and train other parts of the federal government in co-governance. As a White House initiative, the co-governance approach is then an administrative priority. That means that the White House can hold other federal agencies accountable to adopting the approach, and also relieves the HUD Secretary from being the only federal leader being held accountable to a co-governance pilot process, approach and metrics.

Reform the Federal Advisory Committee Act (FACA)^[7]. Passed by Congress in 1972 and administered by the U.S. General Services Administration (GSA), FACA recognizes the need for the government to seek the input and advice of citizens through a formal committee process and structure. FACA regulates this process and ensures its compliance. While the spirit of this legislation appears to encourage deep engagement and collaboration, its administration is very restrictive. The practical reality of FACA is that it sets the hurdles extremely high for public servants to call on outside expertise. In many instances, it makes inviting a small group of experts to meet regularly illegal. In many cases, HUD staff must go to great lengths with GSA to establish the right to host the meetings. The recommendation is to reform FACA so that agency staff do not have to go through such pains and an inefficient process simply to host a meeting. Public servants need to have the ability to meet with, and speak freely with, stakeholders.

- *Lead Agency:* White House (DPC) and HUD
- *Collaborating Agencies:* GSA in reforming FACA
- *External Partners:* Philanthropy, nonprofit sector, local and state government, grassroots leaders, residents

5. Journal / Co-governance: building a stronger spirit of collaboration

6. Journal / Co-governance: building a stronger spirit of collaboration

7. <https://www.gsa.gov/policy-regulations/policy/federal-advisory-committee-management/advice-and-guidance/the-federal-advisory-committee-act-faca-brochure>

Section 9.

How might the federal government address the racial wealth gap and ensure economic security and mobility across a broader range of pathways that include, but are not limited to, traditional home ownership?

Though racial discrimination became illegal in the housing market more than 50 years ago, the nation's racial wealth and homeownership gaps are greater today than they were when housing discrimination was still a legal practice. These disparities existed before the calamitous effects of COVID-19, which has decimated the health and wealth of people of color at a significantly greater rate than for whites.^[1] The pandemic has also been a sobering reminder that the racial wealth gap is caused not only by explicit racial discrimination, but also by exclusionary zoning and any number of policies and practices that adversely affect people of color.^[2] Reducing the racial wealth gap is not only about righting past wrongs, but also about recapturing the cost of these inequities. In 2019, McKinsey and Co. estimated that real gross domestic product could be 4-6% higher by 2028 if the racial wealth gap were erased.^[3]

So, what will it take to realize these moral and economic objectives of achieving housing justice and greater economic prosperity? Given the severity and persistence of historic housing discrimination that has caused poverty and segregation for generations of BIPOC families,^[4] it is essential to address the most basic elements of housing as well as the broader structural issues that influence what makes a place home.

Homeownership is not the only definition of home or way to build wealth, but it is perhaps the most common and most encouraged pathway to intergenerational asset-building and economic mobility. In the United States, home equity is the largest portion of family wealth portfolios, and the racial disparities are dramatic.

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1. Lopez, Mark Hugo, et al. "Financial and health impacts of COVID-19 vary widely by race and ethnicity." *FactTank*, Pew Research Center, May 5, 2020, www.pewresearch.org/fact-tank/2020/05/05/financial-and-health-impacts-of-covid-19-vary-widely-by-race-and-ethnicity/
 2. Capps, Kriston. "What the Supreme Court's 'Disparate Impact' Decision Means for the Future of Fair Housing." *Bloomberg CityLab*, June 2015, www.bloomberg.com/news/articles/2015-06-25/what-the-supreme-court-s-disparate-impact-decision-means-for-the-future-of-fair-housing
 3. Noel, Nick, et al. "The Economic Impact of Closing the Racial Wealth Gap." McKinsey, August 134, 2019, <https://www.mckinsey.com/industries/public-and-social-sector/our-insights/the-economic-impact-of-closing-the-racial-wealth-gap>
 4. Fulwood III, Sam. "The United States' History of Segregated Housing Continues to Limit Affordable Housing." Center for American Progress, December 15, 2016, www.americanprogress.org/issues/race/reports/2016/12/15/294374/the-united-states-history-of-segregated-housing-continues-to-limit-affordable-housing/

	1960 Homeownership Rates	2010s Homeownership Rates	2016 median net worth (per family)	Median wealth IF public policies eliminated racial disparities in homeownership rates ^[5]
White ^[6]	65%	72%	\$171,000	
Black	38% ^[7]	42% ^[8]	\$17,150 ^[9]	\$49,263
Hispanic	NA	48% ^[10]	\$21,000	\$44,213
Native American	NA	56% ^[11]	\$39,719 ^[12]	NA

Becoming a homeowner does not guarantee a path to prosperity, especially in primarily Black communities, where not even the home appraisal process is colorblind. This bias, well documented in both a nationwide analysis^[13] and an Atlanta metropolitan area study,^[14] is common in regions throughout the country.

Furthermore, the last foreclosure crisis served as a reminder that homeownership is not the appropriate outcome for everyone. Sweeping foreclosure activity is likely on the horizon again following the pandemic, especially for those without adequate savings or the support of intergenerational wealth.

5. Dietrich, Lars, et al. "The Racial Wealth Gap: Why Policy Matters." Demos, June 2016, www.demos.org/research/racial-wealth-gap-why-policy-matters

6. Choi, Jung Hyun. "Breaking Down the Black-White Homeownership Gap." *Housing and Housing Finance*, Urban Institute, www.urban.org/urban-wire/breaking-down-black-white-homeownership-gap

7. *ibid.*

8. *ibid.*

9. "Hispanic-White Racial Wealth Gap Infographic." *Asset Building Policy Network*, Sep. 201, www.assetbuildingpolicynetwork.org/resources/hispanic-white-racial-wealth-gap-infographic-2019/

10. Murray, Mike. "Hispanic Homeownership Rate Increases for Fifth Consecutive Year." *NAHREP*, Feb. 2020, www.rismedia.com/2020/02/20/nahrep-hispanic-homeownership-rate-increases-for-fifth-consecutive-year/

11. Kunesh, Patrice H. "Creating a Clear Path to Native American Homeownership." *Federal Reserve Bank of Minneapolis*, Aug. 2015, www.minneapolisfed.org/speeches/2015/creating-a-clear-path-to-native-american-homeownership

12. Mokhiber, Zane, and Valerie Wilson. "2016 ACS shows stubbornly high Native American poverty and different degrees of economic well-being for Asian ethnic groups." *Economic Policy Institute*, Sep. 2017, www.epi.org/blog/2016-ac-s-shows-stubbornly-high-native-american-poverty-and-different-degrees-of-economic-well-being-for-asian-ethnic-groups/

13. Harshbarger, David, et al. "The Devaluation of Assets in Black Neighborhoods: The case of Residential Property." *The Brookings Institution*, November 2018

14. Mock, Brentin. "Why Black Businesses and Homeownership Won't Close the Wealth Gap." *Bloomberg CityLab*, Feb. 2020, www.bloomberg.com/news/articles/2020-02-25/how-to-actually-close-the-racial-wealth-gap

Reducing the racial wealth gap is not only about righting past wrongs, but also about recapturing the cost of these inequities

For the many Americans who choose not to own a home, or who are not financially ready and/or stable enough, renting is the right choice. A sound housing framework needs to focus on the rental landscape, not only addressing the extreme shortage of rental housing options for lower-income households,^[15] but also examining the location and condition of current and future rental opportunities so as not to exacerbate the country's racial segregation trends.^[16] The pandemic has further surfaced the importance of exploring guaranteed income options such as universal basic income and/or baby bonds, and implementing emergency rental policies that respond to the tragic increase in evictions and homelessness, which again disproportionately affects people of color.^[17]

The location, stability, and affordability of a family's home fulfills the most basic and personal of needs, yet working families and people of color typically need to choose between a home they can afford that is far away from good jobs and good schools, or a home that consumes the majority of their income in a neighborhood with an education system that positions their children to thrive. As a result, the nation's job centers are typically unaffordable to 70% of the workforce, exacerbating the nation's traffic problems and contributing to workforce instability.^[18]

Although many disparities can be remedied through fair housing and other law enforcement mechanisms, or through direct reparations strategies and emergency assistance, the racial wealth gap is intertwined with a housing delivery system that is technically and politically complex, inefficient, and inequitable. Just as the racial wealth gap was created and sustained by public policy, its eradication requires policy tools that facilitate systemic change and systemic repair.

Many of the solutions proposed to address the racial wealth gap focus on tools and resources for individuals. To comprehensively take on this disparity, however, another factor that must be countered is the segregation that perpetuates and exacerbates the racial wealth gap.^[19] To address both of these approaches, supporting individuals and place-based solutions, the recommendations in this chapter fall into two broad themes: (1) reforming the very structures that have perpetuated the racial wealth gap via exclusionary zoning and other policies, and (2) building wealth through specific policies, partners and programs.

The executive branch, at the direction of the president, can (a) provide the incentives, tools and accountability mechanisms for local, regional, and state leaders to implement their own tactics to reduce the racial wealth gap, as well as (b) implement federal-level policies and programs that directly work to build wealth and address past discriminatory policies.

15. America's Rental Housing 2020." *Joint Center for Housing Studies at Harvard University*, President and Fellows of Harvard College, 2020, www.jchs.harvard.edu/americas-rental-housing-2020

16. *ibid.*

17. Greene, Solomon and Alanna McCargo. "New Data Suggests COVID-19 is Widening Housing Disparities by Race and Income." *The Urban Institute*, May 29, 2020, www.urban.org/urban-wire/new-data-suggest-covid-19-widening-housing-disparities-race-and-income.

18. Florida, Richard. "Blue-Collar and Service Workers Fare Better Outside Superstar Cities." *Bloomberg CityLab*, May 2019, www.bloomberg.com/news/articles/2019-05-21/housing-costs-drive-inequality-in-superstar-cities

19. Pavel, M. Paloma. "Breaking Through to Regional Equity." *Reimagine RP&E Journal*, Vol. 15 No. 1, Fall 2008, reimagineerpe.org/node/2754. Accessed Nov. 2020, www.reimagineerpe.org/node/2754

Priority 9.1

Reform the Structures that have Perpetuated the Racial Wealth Gap via exclusionary zoning and other local policies.

Recommendation 9.1.1 – Design and launch an interagency Regional Equity and Innovations Challenge.

Recognizing that a child's home zip code is perhaps the most accurate indicator of her or his ultimate economic opportunities^[20] provides a wake-up call that the country's racial wealth gap cannot be addressed one town at a time. Historic patterns of racial and economic segregation are perpetuated by the capacity challenges – and the local, state and federal policies and politics – that interfere with local leaders' ability to address local housing needs and overcome local barriers. Reducing the racial wealth gap – integrating housing plans and development patterns within the context of jobs and schools, healthcare and open space, transportation and public safety – requires both a regional lens and the flexibility to coordinate the range of funding sources needed to tailor place-based solutions.

Metropolitan Planning Organizations (MPOs) and Regional Transportation Planning Organizations (RTPOs) can focus both on reinvestment in higher poverty areas lacking many needed amenities as well as on the accessibility of low-poverty

opportunity areas to lower-income households and people of color. In regions where neither of these public sector entities are either available or able, private nonprofits and other collaborations can and do play this role.

Based on lessons learned from the Canadian Truth and Reconciliation work^[21] with First Nations people, and the related reparations, such local leadership is necessary to ensure that the injustices identified are not addressed solely through symbolic gestures and remuneration. In order to achieve lasting change in both equity and equitable communities, it is imperative for federal leaders to establish clear goals and guidance for local leaders to succeed through regional planning and transparent accountability mechanisms,^[22] and to provide the regulatory flexibility needed to braid together various federal funding sources for comprehensive place-based solutions.

To facilitate this approach, the President should:

- Sign an executive order that creates an interagency Regional Equity and Innovations Task Force, including all the federal agencies that fund place-based activities,

20. *The Opportunity Atlas*. Opportunity Insights, 2018. <https://www.opportunityatlas.org/>.

21. Canada, Crown-Indigenous Relations and Northern Affairs. "Truth and Reconciliation Commission of Canada." Feb. 2019, <https://www.rcaanc-cirnac.gc.ca/eng/1450124405592/1529106060525>.

22. Interview with Anishinaabe/Mohawk Kim Wheeler of Winnipeg, a journalist and former producer of Canadian Broadcasting Corporation's Revision Question.

directing them to allocate a portion of their budgets to create, fund and track a highly coordinated and flexible Regional Equity and Innovations Challenge in order to promote actions that reduce the economic and racial segregation that causes much of the nation's racial wealth gap.

- Appoint a new Deputy Assistant to the President for Regional Equity and Innovations position that guides this Task Force, reports to both the Domestic Policy Council and the National Economic Council, and serves as a liaison to the Presidential Commission on Reparations to Black people for a Legacy of Anti-Black Federal Housing Policy,^[23] to a newly formed Tribal Intergovernmental Advisory Committee, to the National Rural Housing Coalition, the League of United Latin American Citizens, and the new Task Force on Upward Economic Mobility.^[24]
- Reach out to Congress to encourage the creation of a Congressional Caucus dedicated to Regional Equity and Innovations.

This Regional Equity and Innovations Challenge, a competitive application process, will encourage urban, suburban, rural and tribal leaders to (a) align their objectives related to housing and jobs, education and land use, transportation and economic mobility; (b) advance regional equity through plans and implementation strategies that eliminate exclusionary zoning and that advance the equitable development criteria per Section 10 of this playbook along with other wealth building strategies;

and (c) work with their MPO, RTPO, or equivalent to pursue interagency and interjurisdictional solutions, as well as public-private partnerships that increase access to opportunity for lower-income residents and places through scaled, collaborative, and flexibly funded solutions.^[25]

Also essential to this effort will be capturing lessons learned and outcomes to inform policies and programs at every level of government.^[26] For example, past experience underscores the value of a high capacity regional “quarterback” to forward momentum at a regional scale, despite the inevitable challenges of gaining and maintaining consensus amid the changing landscapes within every jurisdiction. Other early indicators of success seem to be equity-centered committees and outcome objectives, right from the beginning, as well as employer engagement.^[27]

Among the initial activities will be crafting the request for proposals, for planning and implementation efforts, using funds from all the participating federal agencies, and:

- Encouraging states applying to the fund to promote statewide consistency and coordination with their MPOs and RTPOs (or equivalents) and to modify Qualified Allocation Plans and comprehensive plans to support regional equity and innovations with production and allocation policies and goals, and related technical assistance.^[28]

23. As described in Chapter 1 of this Playbook.

24. As described in Chapter 3 of this Playbook.

25. Berube, Alan, and Sarah Jackson. “The GOP and the Next War on Poverty.” *Brookings*, Jan. 2014, www.brookings.edu/blog/the-avenue/2014/01/16/the-gop-and-the-next-war-on-poverty/

26. This proposal builds upon the Sustainable Communities Initiative led by HUD, DOT and the EPA, but has been expanded to reflect lessons learned and to focus on reducing the racial wealth gap.

27. Arias, Juan Sebastián, et al. “The Impacts of the Sustainable Communities Initiative Regional Planning Grants on Planning and Equity in Three Metropolitan Regions.” *Cityscape: A Journal of Policy Development and Research*, Vol.10 No. 3, 2017

28. Greene, Solomon and Gould, Ingrid. “Breaking Barriers, Boosting Supply.” Urban Institute, September 25, 2020, www.urban.org/research/publication/breaking-

Just as the racial wealth gap was created and sustained by public policy, its eradication requires policy tools that facilitate systemic change and systemic repair.

- Coordinating with public housing authorities to ensure that their collaborations, innovations and resources to reduce the racial wealth gap are included in the challenge, as per the final recommendation in Section 6 of this playbook.
- Examining the feasibility and implications of modifying the HUD Reform Act, to promote greater efficiency within multi-agency solutions.
- Finding ways to better engage non-entitlement communities and ways CDBG formulas and priorities can increase affordable housing opportunities in low-poverty areas
- Working with the OCC to expand the Community Reinvestment Act to include pension funds, insurance companies, investment firms and other depository and financial institutions^[29] and to provide ample incentive for financial institutions to invest in housing opportunities for Low and Moderate Income (LMI) individuals in non-LMI communities and formerly redlined neighborhoods
- Creating a shared, potentially public database of recent and pending place-based investments, supplementing the binders currently used in efforts to leverage investments across departments
- *Lead Agency:* Led by a newly appointed Deputy Assistant to the President for Regional Equity and Innovations, the Task Force should be co-chaired by the leaders of HUD, DOT, ED, DOL, USDA, and EPA.
- *Collaborating Agencies:* Aside from the co-chairs and OMB, membership should include Congressional representatives and representation from all agencies that already have the estimated \$80+ billion of funding dedicated to place-based programs.
- *External Partners:* A broad set of philanthropic, non-profit and industry partners, including representatives from the new Task Force on Housing for a Competitive and Equitable Workforce, the U.S. Conference of Mayors, the Association of Metropolitan Planning Organizations, the National Council of State Housing Agencies, school districts, National Education Association, National Association of Housing and Redevelopment Organizations, American Public Transportation Association, the CDFI Coalition, and the Council of Large Public Housing Authorities.

barriers-boosting-supply

29. Theodos, Brett, et al., "Building the Double Bottom Line: How a New Corporate Compact Could Birth a Community Development Renaissance." Urban Institute, October 2020, www.urban.org/research/publication/building-double-bottom-line-how-new-corporate-compact-could-birth-community-development-renaissance

Recommendation 9.1.2 – The Solutions Showcase: Modernize, update and expand effective housing policy and program tools to link online with existing mapping tools and market typologies.

For many communities, regions, and states, even if the will exists to take proactive steps toward addressing the racial wealth gap, efforts fall short – or never even begin – due to lack of capacity or experience with these issues. Existing federal mapping tools provide easy access to an understanding of local market trends and unmet needs, but providing equally easy access to proven housing tools that are effective in similar markets or for addressing similar needs will better position local leaders for success. Guided by the Deputy Assistant to the President for Regional Equity and Innovations, OMB can support HUD in leading a cross-agency initiative to update and expand housing tools and tactics, aligning them with a new analysis of market typologies, all linked online with existing federal mapping tools. This will enable local leaders to assess their needs, identify potential remedies and track the impact of the strategies deployed. This Solutions Showcase will build on resources that already exist such as the Regulatory Barriers Clearinghouse and the Prosperity Playbook, including those related to Affirmatively Furthering Fair Housing, and bring in new aspects such as additional cross-agency tactics learned through the Regional Equity and Innovations Challenge and identifying which tools work best in which market types.

The Solutions Showcase would not only feature newer tools and tactics (e.g. city and state reparations and “right of return” models, equitable development scoring criteria, racial and health

equity assessments, and universal basic income initiatives), but also proven strategies such as accessible dwelling units, land banks, land trusts, shared equity models, naturally occurring affordable housing (NOAH) and other housing preservation mechanisms,^[30] State “fair share policies,” equitable Transit-Oriented Development,^[31] healthy housing, employer-assisted housing, overlay districts, inclusionary housing, Smart Growth School Cost Reimbursements,^[32] tenant protections, tenant councils, fair housing enforcement and mobility counseling and financial literacy. This would entail editing and updating existing case studies from HUD User, as well as other “housing best practices” that surfaced through other federal agencies such as the Federal Transit Authority’s New Starts and Small Starts Program or through past efforts such as the Sustainable Communities Initiative, Strong Cities, Strong Communities (SC2), Promise Neighborhoods, Healthy Homes, etc. While OMB and HUD will gather and update these tools and tactics, Congress should also serve as the repository for this information.

- *Lead Agency:* Directed by the new Deputy Assistant to the President for Regional Equity and Innovations, OMB and HUD should have primary responsibility.
- *Collaborating Agencies:* Each agency involved in the Regional Equity and Innovations Task Force will participate in this effort. Congress to be the information repository.
- *External Partners:* A broad set of philanthropic, nonprofit, and industry partners, including representatives from the new Task Force on Housing for a Competitive and Equitable Workforce and Task Force on Upward Economic Mobility, the U.S. Conference of Mayors, the Association of Metropolitan Planning Organizations, the National Council of State Housing Agencies, National Association of Housing and Redevelopment Organizations, American Public Transportation Association, The CDFI Coalition, and the Council of Large Public Housing Authorities.

30. Poethig, Erika, et al. “Envisioning a National Preservation Strategy.” Urban Institute, September 14, 2020, www.urban.org/research/publication/envisioning-national-preservation-strategy

31. Anderson, Susan. “Equitable Transit-Oriented Development.” *Enterprise*, 2020, www.enterprisecommunity.org/solutions-and-innovation/equitable-transit-oriented-development

32. United States, Massachusetts Department of Revenue. “Smart Growth School Cost Reimbursement Procedures.” Aug. 2008, <https://www.mass.gov/regulations/830-CMR-40s11-smart-growth-school-cost-reimbursement-procedures#:~:text=%284%29%20Reimbursement%20Procedure%20and%20Schedule%20%20,vehicle%20excises%20...%20%205%20more%20rows%20>

Recommendation 9.1.3 – Conduct an audit to eliminate the barriers and encourage the tools related to equitable development and other interagency place-based solutions.

Using that information, encourage all federal agencies to reward all federal funding applicants working to reduce the racial wealth gap through equitable development and other interagency place-based solutions. Independent of the competitive Regional Equity and Innovations Challenge, this mandatory audit recognizes that segregation patterns, exclusionary zoning, and development decisions are persistent factors in furthering the racial wealth gap. To compel local, regional, and state leaders to take action to increase racial and economic equity, the Deputy Assistant to the President for Regional Equity and Innovations will work with HUD and OMB on a cross-agency audit of:

- The preferential points, discretionary funding and technical assistance strategies that each federal agency can deploy in order to encourage local leaders' analysis and utilization of tools deployed from the Regional Equity and Innovations Solutions Showcase
- The regulatory and statutory barriers each agency identifies as preventing activities designed to move the needle on the racial wealth gap, such as interagency collaboration (e.g., limitations with DOT-funded MPO work related to transportation-oriented development housing Technical Assistance, or with CDBG funding and interjurisdictional collaboration).

This effort should begin with the Department of Transportation, given its track record with the Transportation Infrastructure Finance and Innovation Act, the Federal Transit Administration's

New Starts Program and Transit-Oriented Development Planning program, which all have had similar objectives of promoting more equitable communities.

Based on the above analysis and discussion, the Deputy Assistant to the President for Regional Equity and Innovations and the Task Force will turn the recommendations into an action plan to put rewards into place no later than as part of year two budgets. Barriers requiring statutory attention should be brought to the new Congressional Caucus on Regional Equity and Innovations. Rewards will depend upon what this work surfaces, but may include preferential points for discretionary funding streams (including non-housing dollars such as transportation and infrastructure),^[33] and/or grants such as those utilized in past administrations.

- *Lead Agency:* The Deputy Assistant to the President for Regional Equity and Innovations, assisted by HUD and OMB, will work with each federal agency that invests in place-based initiatives, beginning with DOT.
- *Collaborating Agencies:* Each agency involved in the Regional Equity and Innovations Task Force will participate in this effort.
- *External Partners:* A broad set of philanthropic, nonprofit, and industry partners, including representatives from the new Task Force on Housing for a Competitive and Equitable Workforce and Presidential Commission on Reparations to Black People for a Legacy of Anti-Black Federal Housing Policy, the U.S. Conference of Mayors, the Association of Metropolitan Planning Organizations, the National Council of State Housing Agencies, National Association of Housing and Redevelopment Organizations, American Public Transportation Association, and the Council of Large Public Housing Authorities.

33. Greene, Solomon and Gould, Ingrid. "Breaking Barriers, Boosting Supply." Urban Institute, September 2020.

Priority 9.2

Implement Federal Policies that Directly Build Wealth and Address Discriminatory Policies

Recommendation 9.2.1 – Convene a Task Force on Housing for a Competitive and Equitable Workforce.

Bridging the racial wealth gap will require new and engaged champions. The Deputy Assistant to the President for Regional Equity and Innovations should appoint a Task Force on Housing for a Competitive and Equitable Workforce to build a network of employers focused on addressing the racial wealth gap by supporting and investing in workforce housing solutions, especially near high-performing schools, jobs, transportation and other amenities. The Task Force should (a) gather employer input and galvanize employer support for priority initiatives included in this Playbook; and (b) leverage employer investment in workforce housing through employer-assisted housing and other initiatives. Engaging employers as advocates and investors in housing solutions for frontline workers and low-wage employees is critical to building a competitive workforce, advancing equity and fulfilling the promise of corporate citizenship.

Initial activities of the Task Force would focus on identifying and quantifying incentives that would resonate with employers and motivate them to become engaged in housing and equity efforts, such as:

- Amendments to IRS code 132(f), which allows employers to offer payroll tax savings for transportation assistance or otherwise subsidizing part of their employees' commute costs, by (a) including live-near-work investments such as matched savings, down payment assistance programs, or rental subsidies; and (b) doubling that fringe benefit exclusion from \$270/month to \$540/month.
- Creation of “Live Near Work” Tax Credit for employer investment in housing solutions serving households earning below 120% of the Area Median Income, with additional tax credits available for employers' investments supporting local efforts to overcome segregation trends
- A grants program for technical assistance providers, nonprofit housing organizations, or local governments for their support of certain employer-assisted housing program costs, including helping employers design, monitor, and implement programs^[34] supporting housing counseling, down payment or rental assistance, matched savings, and/or other programs
- Expansion of the Community Reinvestment Act to apply to pension funds, insurance companies, investment firms, and other depository and financial institutions beyond the current set of banks to which it applies^[35]
- Creation of a Community Pillar Responsibility standard, requiring that large businesses be required to deploy 1% of company profits toward bettering their local employment

34. Based on HR 764, Housing America's Workforce Act of 2017, <https://www.congress.gov/bill/115th-congress/house-bill/764>

35. Theodos, Brett, et al., “Building the Double Bottom Line: How a New Corporate Compact Could Birth a Community Development Renaissance.” Urban Institute, October 2020, www.urban.org/research/publication/building-double-bottom-line-how-new-corporate-compact-could-birth-community-development-renaissance

footprint^[36]

- Revision of ERISA to consider broader community benefit, including environmental, community health, and social outcomes rather than solely financial outcomes.^[37]
- *Lead Agency:* White House
- *Collaborating Agencies:* HUD, Treasury, DOL, DOT, IRS, Commerce/EDA
- *External Partners:* Key industry groups like the Society of Human Resource Management (SHRM), the Black Economic Alliance, the Anchor Institutions Task Force, the US Chamber of Commerce, the CDFI Coalition and the U.S. Conference of Mayors. Individual CEOs, representing the different industries and company sizes, should also be included, along with a representative from the Task Force on Upward Economic Mobility.

Recommendation 9.2.2 – Invest in public equity to strengthen communities.^[38]

Exacerbating historic racial disparities, due to the current public health crisis, “Black and Hispanic households have been more likely to lose income and experience difficulty making rent or mortgage payments.”^[39] In addition to the other playbook recommendations on this topic – such as reforming the credit system to expand access to credit and increasing resources for direct down payment assistance, tax credits and other resources that build sustainable homeownership – it is essential to prepare for the anticipated need for a neighborhood stabilization strategy that is even more robust than the federal government’s response to the 2008 housing crisis. To bridge the racial wealth gap and promote equitable and resilient affordable housing, this next program needs to prioritize the retention and increase of individual property and collective ownership among community organizations and residents, so that communities don’t lose more affordable housing to more nimble private equity funds.

A new funding source should be (a) allocated to cash-strapped state and local government partners, including interjurisdictional municipal collaborations; and (b) available through competition to larger, experienced nonprofit housing providers, CDFIs, quasi-governmental land banks, and, along with technical assistance, to some smaller, community-based nonprofit agencies to:

36. *ibid*

37. *ibid*

38. SPARCC, <http://www.sparcchub.org/>. Accessed Oct. 2020.

39. Cornelissen, Sharon and Alexander Hermann. “A Triple Pandemic? The Economic Impacts of COVID-19 Disproportionately Affect Black and Hispanic Households.” *JCHS Housing Perspectives*, Joint Center for Housing Studies at Harvard University, July 7, 2020, www.jchs.harvard.edu/blog/a-triple-pandemic-the-economic-impacts-of-covid-19-disproportionately-affect-black-and-hispanic-households

- prevent the foreclosure of existing single-family homeowners, multifamily housing providers, and neighborhood commercial properties
- fund an aggressive public purchase program aimed at rental properties in high-opportunity communities
- purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon
- support new and operating land banks and land trusts dedicated to cross-jurisdictional efforts that build capacity, community ownership, and wealth building while advancing local and regional priorities
- demolish and redevelop or repurpose blighted structures and vacant properties
- test new models of community ownership and wealth building.
- *Lead Agency:* HUD working with Congress
- *Collaborating Agencies:* DOL, Commerce/EDA, Treasury/CDFI Fund
- *External Partners:* Grounded Solutions, Center for Community Progress, SPARCC, Alliance for Housing Justice, Presidential Commission on Reparations to Black People for a Legacy of Anti-Black Federal Housing Policy.

Recommendation 9.2.3 – Pursue direct cash payment strategies, beginning with a universal basic income program pilot and a thorough assessment of “baby bonds.”

Wealth in the U.S. is unequally distributed by race, and people of color are more likely to be economically insecure.^[40] Cash payment strategies could help reduce this disparity. A universal basic income (UBI) is a system where regular cash payments, usually monthly, are given to individuals with no requirements from the recipient. These payments vary in amount, often ranging from \$500 to \$1,000 per month. Baby bonds provide a similar amount, but on an annual basis (\$1,000 per year) beginning as an investment when a child is born, and might vary depending on the family income.

Although an economic support program like this may not be a conventional housing strategy, the connection between income and housing stability is obvious, especially during national crises like the Great Recession and COVID-19. Without economic security, the ability to stay in one’s home or apartment can be lost, often at a large scale across the country, thus rocking the entire housing landscape and causing great peril to the individual households at a great expense to the nation.

HUD’s Office of Policy Development and Research (PD&R) should lead a multi-year demonstration pilot on UBI to understand how direct cash payments can help lower-income households remain housed, build wealth, start businesses,

40. Hanks, Angela, et al. “Systemic Inequality: How America’s Structural Racism Helped Create the Black-White Wealth Gap.” Center for American Progress, February 21, 2018, <https://www.americanprogress.org/issues/race/reports/2018/02/21/447051/systematic-inequality/>.

etc. The department should work with the FEMA to design and implement this pilot, as FEMA already has mechanisms to provide cash to individuals. Program design details such as eligibility criteria, payment amounts, mechanisms for distribution, and participation requirements would be evaluated during this pilot. With UBI, households would have the ability to meet basic needs such as food and shelter, as well as a cushion in case of emergency. Furthermore, higher incomes are closely related to better health, better school production, and decreased likelihood of committing a crime.⁴¹ The pilot could also be formatted to explore as a Pay for Success Model with philanthropic and other patient investors interested in seeing how a UBI Program would save on other costs such as homelessness prevention, criminal justice, etc.

On a parallel track, HUD and FEMA can also study both international experience and academic research related to baby bonds, to determine the viability of a longer-term pilot or investment initiative.

- *Lead Agency:* HUD and FEMA
- *Collaborating Agencies:* Treasury (IRS), DOL
- *External Partners:* Philanthropy, academic and research institutions, Mayors for a Guaranteed Income, the Jain Family Institute, the Economic Security Project, the Stanford Basic Income Lab, the Magnolia Mothers Trust.

Recommendation 9.2.4 – Disseminate, implement, and expand on the recommendations of the Presidential Commission on Reparations to Black People for a Legacy of Anti-Black Federal Housing Policy.

This interagency commission, detailed in Section 1 of this playbook, will acknowledge the federal government’s role and responsibility for administering anti-Black housing policy, racial housing segregation, and the wealth stripping of Black people, and it will recommend to the Administration and Congress policy actions that will undo this legacy. Resulting policies may include efforts to reinvest in formerly redlined communities, improving access to credit for Black households, creating down payment and rental assistance programs, or reducing mortgage principal or offering other loan modifications to struggling homeowners.

The recommendations that come out of this Commission will represent meaningful steps toward reducing the racial wealth gap and as such should be prioritized as a national imperative. Toward that end, HUD and its partners should embed the goals, recommendations, and metrics of that Commission into existing and new policies and programs.

Recognizing that Indigenous, Latinx, and many immigrant communities also endure tremendous housing insecurity, including discrimination, rental burdens, access to credit and overcrowding, an Advisory Committees should also be convened to understand and address the unique needs and priorities of these communities in addition to the many common challenges identified in this playbook.

- *Lead Agency:* HUD
- *Collaborating Agencies:* All of those participating in the Commission, along with the Deputy Assistant to the President for Regional Equity and Innovations.
- *External Partners:* Members of this Commission as identified upon formation.

41. “Universal Basic Income: An Effective Policy for Poverty Reduction?” *The Centre for Social Justice*, 2 Aug. 2018, www.centreforsocialjustice.org.uk/library/universal-basic-income-an-effective-policy-for-poverty-reduction.

Section 10.

How might the federal government reimagine its approach to equitable and resilient communities?

The qualities and characteristics of a community or neighborhood impact the cost and quality of life and housing. Social and economic resiliency requires more integrated approaches centered on housing justice that explicitly recognize the intersection of housing with transportation, land use, racial equity, and broader climate, public health, and economic resiliency goals. Place-based interventions are necessary, as is resourcing community-based organizations and socio-economic networks centered on resilient places and people.

Resiliency speaks to the ability of households to withstand or even avoid economic hardships and the ability to recover more quickly when they do occur. Other sections of this playbook, notably Section 2 and Section 3, describe the connection of housing to environmental resiliency and intersectionality goals with public health, education, and economic mobility. This section builds upon these ideas and the broader concept of housing as more than just a home but the community in which it is located. Housing justice requires confronting systemic racism that is often borne out in local land use policies, environmental justice impacts, and in the trade-offs many households make between housing and mobility.

In considering the cost of housing, most families include their monthly utility and transportation costs, often making trade-offs. Together, transportation and housing account for approximately half of the average household budget.^[1] Combined housing and transportation costs reflect the built environment and the zoning and land use policies that shape our communities, thereby influencing the ability of people to access jobs, health care, education, and basic amenities, including parks and open spaces.

At the local level, exclusionary zoning and discriminatory, sprawl-inducing land-use policies add to continued racial segregation of Black and brown people into neighborhoods with the greatest exposure to environmental and public health risks, even if they would like to move. Conversely, inclusionary zoning policies and mixed-use, walkable communities enable communities to better withstand system shocks, be they economic, public health, or natural disasters. For example, the pandemic has made it very clear that access to neighborhood green space is vitally important for the physical and mental health and the resiliency of local neighborhood businesses and restaurants.^[2]

Yet, we've also seen over the last several years the displacement of low-income residents, Black, brown, Indigenous, and other people of color from these types of resilient communities.^[3] The needs of existing residents, especially those living in or needing affordable housing, have not been met. In the process of gentrification, the cultures of Black, Latinx, Asian, and Indigenous people are often appropriated, and community wealth further extracted. We need proactive, intentional policies and investments to ensure that a greener future for community development does not perpetuate economic and racial segregation.

In both urban and rural communities, the ways communities are designed to enable more resiliency and equity matters to housing justice and environmental justice. Throughout its long history, beginning with its creation, HUD's role to support local communities and regions coordinate housing with other essential infrastructure through regional planning and local planning efforts has shifted and evolved.

The Partnership for Sustainable Communities was one recent approach by federal agencies to better coordinate programs and policies to achieve shared national goals. The following recommendations focus on opportunities for improved cross-agency collaboration and place-based approaches to create more equitable and resilient communities. In addition to crucial place-based investments, the next administration should take a bold approach to incentivizing states to overcome barriers to housing production and exclusion, and to encouraging innovative and integrated approaches to advance racial equity and resiliency.

1. Center for Neighborhood Technology. Transportation and Affordability Index. <https://htaindex.cnt.org/>

2. Olin, Andy. "In the COVID-19 era, a renewed appreciation of our parks and open spaces." Rice Kinder Institute for Urban Research, April 10, 2020. <https://kinder.rice.edu/urbanedge/2020/04/10/covid-19-era-renewed-appreciation-our-parks-and-open-spaces>

3. Zuk, Miriam, Ariel H. Bierbaum, Karen Chapple, Karolina Gorska, and Anastasia Loukaitou-Sideris. "Gentrification, Displacement and the Role of Public Investment." *Journal of Planning Literature*. July 12, 2017. <https://journals.sagepub.com/doi/abs/10.1177/0885412217716439?journalCode=jplb>

Recommendation 10.1 – Issue a presidential executive order to create equitable development scoring criteria

Federal agencies allocate billions of dollars annually in funding to communities, yet no priority exists to ensure these resources support equitable development goals. Building upon interagency efforts to address environmental justice and racial reparations, a set of equitable development scoring criteria or principles should be established for agencies to use in allocating discretionary funds.

Such criteria will prioritize projects that advance racial equity development goals, demonstrate authentic community involvement in their design and ownership models, are informed by racial and health equity assessments, expand or preserve affordable housing, and demonstrate private-sector and community-centered partnership. This recommendation should align with recommendations from other sections of the playbook, including addressing the racial wealth gap and recommendations developed by the newly created Presidential Commission on Reparations to Black People for a Legacy of Anti-Black Federal Housing Policy discussed in Section 1, and federal green and resilient building and mitigation standards described in Section 2.

- *Lead Agency:* White House Council on Environmental Quality, or the new Deputy Assistant to the President for Regional Equity and Innovations.
- *Collaborating Agencies:* HUD, FEMA, DOT, HHS, ED, Commerce/EDA, EPA, USDA, Interior, Energy, CDC
- *External Partners:* Among the organizations that can help to inform this process are non-profits like Policy Link, The Partnership for Southern Equity, and Demos, along with philanthropic organizations who themselves have been developing and realigning their investment decisions to support these principles.

4. Over time its name changed to the Office of Economic Resilience and, later, the Office of Economic Development when it was moved into CPD when sustainable communities grant funding ended. The office has since been disbanded.

Recommendation 10.2 – Create an Office of Equitable and Resilient Communities at HUD

In FY2010, Congress appropriated funding to create the Office of Sustainable Housing and Communities at HUD, which included \$200 million for grants and research, but neither the program nor the office survived changes in political leadership.⁴ However, substantial bipartisan support existed for the program, especially at the local level, where HUD grantees leveraged 10 local dollars for every one federal dollar invested, much of which came from private and philanthropic resources. The program was especially valuable to rural communities that otherwise lacked funding to support regional innovation and planning.

The need remains for HUD to take a more integrated approach and restate the need for an office dedicated to equity and resiliency, both of which are critical for HUD to achieve its mission. The new office should be directed to work in coordination with other federal agencies involved with resiliency, livable communities, and sustainability programs, and other place-based initiatives where there is, or should be, a strong nexus with housing. This involves identifying specific opportunities to streamline funding and align regulatory requirements and reporting when blending federal funds.

To elevate its role and catalyze more coordinated local and regional approaches to housing, economic development, and mobility, the office will manage two new grant programs and coordinate with the Office of Policy Development and Research to advance local and regional planning strategies that integrate economic, climate, housing, and infrastructure resiliency investments and regulatory frameworks. The focus of the office is on reducing racial and economic disparities in health, mobility, workforce, and housing outcomes for vulnerable populations. The new administration should work with Congressional leaders to fund the Regional Equity and Innovations Challenge, for

both planning and implementation grants to be administered by this office. These are targeted at spurring local and regional innovation to address climate, health and economic resiliency. This includes reducing the racial wealth gap and unequal cost burden across areas of housing, energy, mobility, and health that people of color, those with disabilities and low-income households disproportionately bear. A portion of grant funding should be specifically eligible to rural and tribal communities. These grants can also be an opportunity to catalyze engagement by regional employers and motivate them to become engaged in housing and equity efforts.

As proposed in Section 3 of this playbook, the next administration should establish specific federal task forces to coordinate housing initiatives related to health and education. The proposed new HUD-HHS Task Force is focused on addressing the housing-health crisis of COVID-19 and beyond, by directly integrating health considerations and best practices into housing development, including supportive services, criteria for low-income housing tax credits (LIHTCs), innovative health-housing funding models, improved environmental conditions in public housing, and pilot programs to replace police involvement with mental health care. The proposed HUD-ED Task Force promotes integration between housing and schools through regional partnerships, leveraging school construction dollars, and creating connections between programs in housing and

education that aim to help low-income families access high-quality schools. These partnerships should be coordinated through the new Equitable and Resilient Communities office, providing the cross-sector flexibility and holistic perspective to implement these changes.

- *Lead Agency:* HUD
- *Collaborating Agencies:* White House, OMB, newly created Deputy Assistant to the President for Regional Equity and Innovations. In developing the grant funding opportunities and reviewing competitive grants, the following agencies should be engaged: DOT; HHS; Commerce/EDA EPA; USDA; Energy; Task Force in coordination with HHS and ED.
- *External Partners:* A broad set of philanthropic, non-profit and industry partners strongly supported the Partnership for Sustainable Communities and its grant programs at HUD. Among the strongest advocates were Policy Link, Smart Growth America, American Planning Association, National Association of Development Organizations, CDFIs, local Chambers of Commerce, Institute for Sustainable Communities, and public health and education stakeholders.

Recommendation 10.3 – Create a “Race to the Top” for affordable housing

For decades, exclusionary zoning has been used by localities to deny housing opportunity to people of color and low-income families. Through the new Office of Equitable and Resilient Communities, the next administration should provide strong federal initiatives to overcome state-level barriers to affordable housing production. Building off the Obama Administration’s \$4 billion “Race to the Top” education initiative,^[5] and based upon recommendations by the Urban Institute,^[6] the next administration should adopt a “Race to the Top” affordable housing initiative. The initiative would provide incentives targeted to accelerating state legislative reforms for increasing housing production and affordable housing preservation, strengthening tenant protections, preventing residential development in climate vulnerable areas and, specifically, to overturning exclusionary housing practices.

HUD should work with OMB to request funding competitive grants to states offered through a “contest to qualify.” To qualify for eligibility to the program, a state must demonstrate it has taken state-level actions within the last four years to remove exclusionary zoning or other regulatory barriers that prevent multi-family or manufactured housing. In competing for the federal grant money, states would have to set housing production goals for the state, enact “fair-share” distribution requirements to ensure all housing is distributed across communities, and adopt broad zoning reforms such as bans on single-family zoning,

enabling modest multifamily housing to be built in all residential areas, or zoning-override initiatives like the Massachusetts 40B system.^[7] HUD should also explore, through its Office of Policy Development, the opportunity to engage and leverage philanthropy to provide additional funding support and technical assistance to states that enables additional state innovation, and partnership with statewide and community-based housing and racial equity stakeholders.

- *Lead Agency:* HUD – newly created Office of Equitable and Resilient Communities and PD&R.
- *Collaborating Agencies:* Interagency review of grant applications, specifically to align with transportation, environmental, health and education goals.
- *External Partners:* Urban Institute; Brookings Institution; American Planning Association; Urban Land Institute; affordable housing, transportation and environmental advocates; close collaboration with state and local governments.

5. <https://obamawhitehouse.archives.gov/issues/education/k-12/race-to-the-top>

6. Brown, K. Steven, Kilolo Kijakazi, Charmaine Runes, and Margery Austin. Confronting Structural Racism in Research and Policy Analysis Charting a Course for Policy Research Institutions. Urban Institute, February 2019. https://www.urban.org/sites/default/files/publication/99852/confronting_structural_racism_in_research_and_policy_analysis_0.pdf

7. (Greene & Ellen, 2020)

Recommendation 10.4 – Fund local housing policy grants to support local communities’ efforts to eliminate exclusionary housing

In its first budget request, the Administration should propose \$300 million for a new local Housing Policy Grant^[8] program to provide states and localities with technical assistance and planning support to eliminate exclusionary zoning policies, enact policies to mitigate residential displacement, strengthen tenant protections, and address other regulatory barriers to building multi-family housing, mixed use communities, and coordinating housing with transportation, economic development, education and public health. A portion of funding (at least \$50 million) should be allocated to support efforts in rural and tribal communities, including policies to preserve and modernize manufactured housing. The new grant program could be administered by the Office of Community Planning and Development. HUD should revise CDBG guidance to require recipients to report annually on the extent to which they are removing discriminatory land use policies and implementing inclusive and affordable housing and anti-displacement policies. States and counties oversee CDBG funding for many suburban and rural communities. They must report on statewide actions being taken to remove exclusionary housing barriers, including removal of covenants and deed restrictions that are racially based or prohibit manufactured or modular housing, among other considerations.

HUD can provide technical assistance through its Section 4 program to engage national and local non-profit planning partners in this work and directly resource community-based organizations working with and in Black, brown, Indigenous and rural communities most impacted by current exclusionary policies through its Community Compass Technical Assistance Awards. HUD should work to align CDBG guidance with new guidance developed by DOT regarding metropolitan planning and transit-supportive communities.

- *Lead Agency:* HUD
- *Collaborating Agencies:* DOT

8. Advances ideas found in Biden housing platform and in Reps. Heck (D-WA) and Hollingsworth (R-IN) HR 4351 “The Yes In My Backyard (YIMBY) Act,” supported by numerous partner organizations with advocacy led by Up for Growth; and the HOMES Act of 2019 by Rep. Clyburn and Sen. Booker, which calls for investing \$300 million in local housing policy grants to eliminate exclusionary zoning and other discriminatory regulations.

Recommendation 10.5 – Funding and policy commitments by the U.S. Department of Transportation to equitable, transit-supportive communities^[9]

An Office of Transit-Supportive Communities at DOT should be created to make grants, provide technical assistance, coordinate housing-transit policies across the federal government, and incorporate strategies to promote equity for under-represented and under-served communities. DOT and the Federal Transit Administration (FTA) should take administrative actions to advance the goals of this new office even prior to its creation, including leveraging existing grant capacity of the TOD Planning program administered by FTA and the Transportation Innovative Financing Investment Act (TIFIA) and Railroad Rehabilitation Improvement Act (RRIF) loan programs administered by the Office of the Secretary and Federal Railroad Administration (FRA).

DOT should work with Congress to allow eligibility of these loan programs to CDFIs and other community-based financial intermediaries, so that they can pool funding, making it easier for affordable housing projects to access and bundle funding for equitable transit-oriented development projects including community-land trusts. DOT could expedite a series of TIFIA and RRIF loans within the first 100 days, specifically to support acquisition of transit-adjacent affordable housing properties that are at risk of foreclosure given the economic crisis created by the COVID-19 pandemic. This could include specific regulatory actions and waivers to enable communities to blend federal funding more easily from HUD and DOT for ETOD projects that

explicitly include anti-displacement provisions and no net loss or right of return policies.

DOT should establish an Equitable Transit Oriented Development (ETOD) policy that provides clear eligibility guidance, and rapidly deploy and leverage billions of dollars in existing loan authority to support ETOD projects that lead to more mixed-income housing, stabilize neighborhoods from displacement, and provide new revenue streams for public transportation and a stronger COVID-19 recovery.

In the second half of its term, the FTA should revise its New Starts Policy Guidance to require project sponsors to secure a commitment of supportive housing land use policies and tenant protections to proactively counter displacement pressures. Additional points should be given to projects that include greening transit infrastructure. FTA should include evaluation criteria to consider the degree to which under-represented and impacted communities and low-income transit riders are involved in the project development process.

- *Lead Agency:* DOT (Office of the Secretary, Federal Transit Administration, Federal Railroad Administration)
- *Collaborating Agencies:* HUD
- *External Partners:* Up for Growth, LISC, Smart Growth America/LOCUS, Day One Project.

9. Several members of Congress have introduced related legislation with provisions included in the House-passed INVEST Act and HEROES Act: Reps. DeFazio (D-OR), Smith (D-WA), García (D-IL), Watson Coleman (D-NJ), Cohen (D-TN), Blumenauer (D-OR), DeSaulnier (D-CA), Peters (D-CA), Rodgers (R-WA), Heck (D-WA), Hollingsworth (R-IN), Sen. Wicker (R-MS), Sen. Young (R-IN)

Recommendation 10.6 – Elevate racial equity and housing goals within federal transportation planning requirements and guidance

The Federal Highways Administration (FHWA) and FTA should issue guidance to state departments of transportation (DOTs) and metropolitan planning organizations (MPOs) for the inclusion in long-range transportation plans of racial and health equity assessments, including a holistic evaluation of the feasibility of housing development and affordable housing preservation near transit corridors, transit station areas, mobility hubs and major multi-modal centers.

This should include best practices to identify and redevelop underutilized publicly owned parcels adjacent to transportation corridors, mobility hubs, and multimodal centers that may be suitable for affordable housing and other community-serving development projects, including through community land trusts. Guidance should be provided to encourage MPOs and DOTs to allocate at least 10% of long-range planning budgets to resource community-based organizations to help lead community outreach with BIPOC, and historically under-represented communities and transportation users including those with disabilities and non-English speakers.

DOT should issue all new guidance on civil rights that specifically address structural racism's legacy within transportation planning and investments. FTA and FHWA have their own

set of Title VI rules which are based on outdated approaches and racist values. A common approach that applies across modes and is based on addressing systematic racism, rather than prevention of discrimination, would be much more effective. The MPO certification process should be evaluated, significantly overhauled, and potentially eliminated. The process is broken, providing little incentive or requirement for improved planning processes or equity actions while adding additional administrative burden to MPOs that achieves few tangible results.

Guidance and training should be developed on transit network redesign and public engagement strategies that prioritize mobility and accessibility improvements for low-income riders and communities of color. This is critical, as transit agencies are working to recover from the current ridership and funding crisis created by COVID-19. In its FY2022 budget, DOT should request resources to fund regional planning pilots to demonstrate the process and value of a more racially centered MPO and transit planning process.

- *Lead Agency:* DOT
- *Collaborating Agencies:* HUD, EPA
- *External Partners:* Smart Growth America/LOCUS, Local Initiative Support Cooperation (LISC), Low-Income Investment Fund, Enterprise Community Partners, Policy Link, Up for Growth, Transportation for America, American Public Transportation Association, Transit Center, and American Planning Association, and many local community-based organizations.

Recommendation 10.7 – Establish a tax credit for preservation and rehabilitation of affordable transit-oriented development housing

Demand for walkable neighborhoods, particularly around transit, is at an all-time high, putting market pressure on much of the “naturally occurring” affordable housing (NOAH) located near high-capacity transit, both rail and high-frequency bus corridors. The preservation of NOAH housing is a challenge in many communities. This includes multi-family housing ranging from larger-scale properties with over 100 units, mid-size properties with fewer than 50 units, or small-scale, multi-family units with duplex, triplex, and four-plex units that built up in the last century around key transit corridors in many older cities. Much of the NOAH stock needs investment to modernize and improve energy efficiency; yet these types of improvements can either prove too costly for landlords, forcing them to sell their properties, or their cost may drive up rents for existing tenants. Because most NOAH properties are privately owned and do not use public subsidies, it is challenging for local communities to create sufficient incentive to maintain affordable rents.

Creating a federal tax credit for the preservation and

rehabilitation of affordable transit-oriented housing would create an important new incentive. The tax credit should be structured to ensure a commitment for long-term affordability, tenant protections and greater acceptance of housing choice vouchers by landlords. The administration should research the feasibility and structure of a federal ETOD NOAH tax credit.

- *Lead Agency:* Treasury
- *Collaborating Agencies:* HUD and DOT
- *External Partners:* Smart Growth America has previously recommended a TOD tax credit; numerous CDFI's and local affordable housing advocates are involved in NOAH preservation issues.

Recommendation 10.8 – Update and finalize HUD’s Environmental Justice Strategic Plan

During the Obama administration, EPA led a cross-agency Environmental Justice Task Force that resulted in a number of important policy and programmatic changes across federal agencies to advance environmental justice. In 2016, HUD released its Environmental Justice Strategy,^[10] which committed the agency to a set of actions. HUD should renew its commitment to environmental justice with a focus on the following areas: meaningful engagement of community-based organizations in the decision-making process; clear processes for filing environmental justice complaints to HUD; clear guidance and protections related to displacement; better training for HUD staff on environmental justice issues; and better dissemination of information both digitally and in non-digital formats.

This may include requiring that environmental conditions associated with negative health outcomes, including hazards like toxic waste sites and air pollution, are considered by states in allocating LIHTCs. States have significant discretion in setting criteria for their Qualified Action Plans to award LIHTC resources. Some states, like North Carolina, have allocated points for projects designed to alleviate exposure to environmental hazards.^[11]

Additionally, there is significant need to strengthen environmental justice provisions within HUD’s approach to disaster recovery, as noted in Section 2 of this playbook. This includes mapping existing HUD-supported assets against environmental pollution concentrations and climate threats, and evaluation under a newly created federal equitable development screen. More accessible information and data needs to be provided to local communities that enable low-income and other vulnerable community members to easily understand what recovery resources are available, what can be specifically funded by different federal programs, how many people in the community are facing housing instability or environmental threats, and who in the community has been supported by past recovery investments. HUD and EPA should pursue a joint technical assistance program to support frontline communities in green transformations without displacement and identify new federal and philanthropic resources for investing in EJ communities, including rural and tribal areas.

- *Lead Agency:* HUD
- *Collaborating Agencies:* EPA and Treasury on LIHTC allocations.
- *External Partners:* HUD should engage the diverse set of stakeholders that helped to inform its previous EJ plan, but also engage with new climate justice allies.

10. <https://files.hudexchange.info/resources/documents/HUD-Environmental-Justice-Strategy.pdf>

11. (Ellen et al., 2015)

Section 11.

Culture Change, Personnel, and Organizational Structure

This playbook offers a number of personnel-related recommendations that relate to specific policy areas. In addition to those recommendations, this section takes a deeper dive into issues related to culture change, organizational structure, and personnel. Specifically, this section offers recommendations in three priority areas:

- Reinvigorate and reengage HUD staff and strengthen the commitment to housing justice
- Better organize HUD and create new positions to best support the goals of achieving housing justice
- Ensure consistency across agencies, so that housing justice is properly situated within a broader framework for justice and integrated into related efforts.

A new administration presents an exciting opportunity to signal a renewed commitment to employee morale, engagement, and investment in retaining career staff. This is truly a moment for culture change to take root, but a new administration must be strategic and thoughtful in engaging remaining civil servants. Changes must be meaningful, implemented quickly, and reflect a deep understanding of the challenges employees have faced. New leadership will have to balance the competing needs to quickly implement changes so staff believe that the commitment is genuine but also to seek input from employees so new changes are responsive to employee concerns rather than feeling like top-down edicts.

The process of selecting and hiring political appointees will be critical to this process. The administration will need to recruit appointees who come in with a healthy respect for agencies and civil servants as well as an understanding of the trauma that needs to be healed for continuing staff. Appointees will need to have a higher than usual aptitude for navigating the relationship between political and career staff and be intentional about bringing career staff in, appreciating and deferring to their expertise, and integrating the existing priorities of each

department into newly identified priorities. This is particularly important because the challenges of remote work raised by COVID-19 mean there will be fewer organic opportunities for people to get to know each other. Considering appointees who have previous work experience at federal agencies with a housing focus and existing working relationships with career staff will be beneficial.

Communication will also be key. The new administration should resist the urge to limit communication about new initiatives, changes, and goals until they are finalized and ready for roll out. Instead, this new culture should feel participatory, interactive, and iterative to allow for staff buy-in at every level, to build trust, and to result in changes that meet the needs of the staff and reflect the same values and principles internally as those HUD and other housing-related agencies are committed to externally. This is particularly important for the HUD and other housing-related field staff across the country. The new administration should be proactive and intentional about involving field staff in new initiatives and programs, and over-communicating to staff outside of headquarters to avoid staff feeling out of the loop.

Priority 11.1

Reinvigorate and Reengage HUD Staff and Strengthen the Commitment to Housing Justice

The work of HUD starts and stops with its people. HUD employees are the most mission-driven of federal employees and often describe wanting to work at HUD because of personal experiences and passion for the work the agency does. This is one of the agency's greatest resources: the people who do HUD's work believe in and are committed to HUD's work. But it also can raise a challenge: when people feel disconnected from HUD's mission, it impacts the work and productivity of the agency deeply.

This administration will begin after a period where this agency has suffered from understaffing and a lack of strong political leadership, and been deprioritized by the current administration. Staffing has steadily decreased while responsibilities have increased. The agency was already being asked to do more with less, and it has been exacerbated over the last four years. Further, COVID-19 has created challenges that have likely resulted in staff burnout: HUD's COVID-19 funding responsibilities have resulted in higher workloads and shorter timelines without additional staff, and remote work has made the work more challenging. Repeated natural disasters have also required HUD intervention with an already overtaxed natural disaster response budget and team.

The morale at the agency will likely be severely low, and people will need to be reassured that this change of leadership will

result in their feeling more respected and valued, and in being given more agency to do their jobs. Moreover, the most recent administration's hostility to focusing on racial and social justice has likely had a particularly damaging impact on an agency like HUD. Because economic, racial, and social justice form such a core part of HUD's mission, it will be important to reprioritize those issues. This will necessarily involve integrating these issues into internal processes and systems at HUD.

Recommendation 11.1 – Host listening sessions and create other mechanisms for career staff to provide feedback and voice concerns directly to the Secretary and political leadership.

Career staff should have the opportunity to speak directly to political leadership to voice concerns about internal decisions that have been made in preceding years. These recommendations should receive response with suggestions being implemented where appropriate, issues being elevated or prioritized – and, where suggestions are not incorporated, a reason should be supplied.

Recommendation 11.1.2 – Convene a series of town halls for the Secretary to publicly address the issues that were raised in the listening session.

During the first several months of the administration, the Secretary should host several all-agency town hall events to report back on the learnings from the listening sessions and provide transparency for how requests and ideas are being addressed, prioritized, and implemented. The President and/or the Vice President should attend one of these events, as it would provide a huge morale boost for HUD staff.

Recommendation 11.1.3 – Create a priorities working group to ensure ongoing work spearheaded by career staff is integrated into new agency priorities.

Over the last several years, career staff has been creatively developing and carrying out the work of the agency in a climate that has sometimes been politically hostile to the mission of HUD. The work that has been ongoing should be celebrated and allowed to continue with the support of a new administration. This task force will be charged with identifying this work, elevating it where appropriate, and ensuring that it is integrated into the priorities of the agency. Additionally, the talent of those staff members who spotted and filled gaps should be recognized and cultivated through promotions, additional opportunities, and leadership development.

Recommendation 11.1.4 – Host trainings focused on the role that racial, economic, and social justice plays in housing justice.

As civil unrest continues across the country in response to ongoing and long-standing deep structural racism, HUD staff confronts these issues both as civil servants and as members of communities that are being impacted by the unrest and the injustices that caused it. To ensure that staff are able to properly situate the mission of HUD within the framework of these broader fights for justice, a new administration can focus on helping make these connections. This can include:

- Inviting field offices dealing with community civil unrest to present on the impact it is having in communities, and spotlight offices that have found ways to respond to the protests and unrest in a way that has empowered HUD communities.
- Reintroducing talks, trainings, and presentations focused on racial justice, critical race theory, the role of systemic racism in housing injustice, and other relevant issues that allow HUD staff to feel more daily connection to the agency's mission.

Recommendation 11.1.5 – Empower affinity groups to participate in substantive work of the agency.

HUD has an incredible resource in the identity groups that exist to provide community and fellowship for underrepresented people at the agency. These groups are powerful mechanisms to create safe spaces for HUD staff, host cultural events, and create community and fellowship for staff. These groups should continue to see support within the agency including financial support and respect of leadership. However, they should be further engaged to contribute to HUD's substantive work. This should include involvement in identifying policy priorities to pursue, connecting and building partnerships with stakeholder groups, and providing critical resources and education to ensure that HUD is serving all communities well.

Recommendation 11.1.6 – Create a partnership with AmeriCorps for a new fellowship around COVID-19 response and reengage existing programs that provide staff new and diverse opportunities.

Details, rotations, and fellowships are critical for retaining career staff and keeping enthusiasm for the work. Additionally, giving staff diverse experiences that give them a more global look at the agency and the federal government improves the work and ability to work cohesively. However, these opportunities are often mired in bureaucracy and are difficult to access. Increasing accessibility of these opportunities will go a long way in increasing staff retention, morale, and efficacy. In order to do this, a new administration should:

- Create a new fellowship with AmeriCorps designed to detail HUD employees to communities that have been hardest hit by COVID-19 to help with place-based response and recovery work.
- Reengage existing programs including details, rotations, the Presidential Management Fellowship, and other opportunities to make them more common and easier to participate in. Further, frontline supervisors should be able to recommend their staff for these opportunities and have those recommendations be respected and honored.

Priority 11.2

Better Organize HUD and Create New Positions to Best Support Achieving Housing Justice

In order to reframe the work of HUD around achieving housing justice, the agency will need to be reordered to support transformative change. Housing justice is about more than housing. It understands housing as a human right and lynchpin need in order for people to be able to make a life for themselves and their families. Housing must be affordable, so housing justice is economic justice. Housing must be safe and healthy, so housing justice is health equity and climate justice. Housing must be fair and communities must be strong, diverse, and full of opportunity. Housing justice is racial justice and community empowerment. These issues cannot be separated and, accordingly, the way we do this work cannot be siloed.

This focus will require integrating the work between offices and allowing teams to operate on more cross-department working groups to better align the way HUD engages in its work with the way HUD residents access that work. Further, this same principle will require cross-agency work and more collaboration, which will be addressed in more detail in the recommendations under Priority 3 in this section.

In order to respond to this shift, HUD will need to be nimble and able to respond quickly to political opportunities as they arise. The agency will need to be well organized and staffed to be efficient and effective, and armed with new roles and capacities to do work creatively and quickly.

Recommendation 11.2.1 – Recruit appointees who have professional and lived experience in priority areas for HUD.

This administration should appoint people, particularly to roles at HUD and the White House, who have professional and lived experience in the areas where HUD works. This includes people who have worked in these areas but also people who have experienced homelessness and housing insecurity, reentering communities following incarceration, living in public or HUD-assisted housing, and other relevant experiences that would equip them to advise on these issues. To facilitate this, this administration should look to the Youth Homeless Demonstration Program (YHDP) for guidance on how to ensure selection of people with relevant lived experience.

Recommendation 11.2.2 – Ensure that HUD appointees are fairly compensated by benchmarking the salaries of Assistant Secretaries at a more appropriate level.

Currently, because of a rider that caps Assistant Secretary salaries, often senior advisors and deputy assistant secretaries are compensated at a higher level than Assistant Secretaries who have more responsibility and are Senate-confirmed. To more appropriately compensate these positions and attract high-quality talent, that rider should be lifted.

Recommendation 11.2.3 – Create cross-department working groups to spearhead agency priorities.

Approaching more issues collaboratively will create more opportunity for cross-department work. Working groups should be established to spearhead these projects, and leading these working groups can present a leadership opportunity for staff ready to step up and take on additional responsibilities.

Recommendation 11.2.4 – Create engagement liaisons to ensure that career staff needs are prioritized at leadership levels.

To ensure that needs and concerns of the career staff are consistently addressed, a new administration should create positions to sit in the front office of each department who are charged with advocating on behalf of career employees to political leadership to ensure that priorities, work, best thinking, and recommendations are being elevated. In addition to sitting in the front office, the liaison positions should report up through the White House Liaison at each agency. This would ensure that career staff concerns are reported to the person best able to ensure future political appointees are aware of and take seriously the issues being raised.

Recommendation 11.2.5 – Streamline and modernize processes.

To ensure that HUD is operating as effectively as possible, a new administration must streamline approvals processes (hiring, reorganizing, project approval, etc.) to better empower teams to make the decisions to improve their work without having to navigate a massive bureaucracy. A number of good ideas and improvements are never implemented simply because it takes too long to approve and implement them. This destroys motivation and trust in staff. To benefit from the best thinking of staff recommendations, it is critical that these processes be modernized, streamlined, and expedited. Further, frontline supervisors should be given increased authority to sign off on promotions, reorganizations, and other critical decisions as long as they fall within existing priorities and directions.

Recommendation 11.2.6 – Create an Innovation Hub at HUD by utilizing a Transformation Initiative-like funding stream.

In 2010, through HUD’s Fiscal Year Appropriations Act, Congress enacted the Transformation Initiative (TI). TI was available for five years and had four categories of activity that touched all aspects of HUD: 1) demonstration projects; 2) technical assistance and capacity building; 3) information technology; and 4) research, evaluation and program metrics. TI not only provided HUD with financial resources but also the flexibility to innovate across the agency. A funding mechanism like TI could be used to drive housing justice innovation across HUD and possibly other agencies. Renamed the “Innovation Hub,” this mechanism could specifically focus on embedding a housing justice frame through interagency collaboration; exploration and piloting of partnership models with grassroots organizations, state and local actors, philanthropy, and the private sector; dedicated housing justice research and demonstration funding; and technology improvements specifically designed to enable more accessible communications, data, and tools. The Hub could be chaired by a Chief Innovation Officer housed in either the Secretary or Deputy Secretary’s office to ensure the work emanating from this unit takes a global approach.

Recommendation 11.2.7 – Build HUD staff capacity to recognize the expertise of housing justice organizations.

The federal government provides huge opportunities for advocacy organizations to further the reach of their work. Organizations that employ a housing justice framework are typically smaller and not as well resourced, and, as a result, are usually not the primary organizations that HUD views as partners and stakeholders in its work. HUD should better equip staff to recognize the expertise of these organizations so they will be included in coalitions, stakeholder engagement, and other opportunities to work directly with the agency. This expertise could be housed in FHEO, which should be strengthened and better equipped to navigate and recognize the value of newly forming housing justice organizations instead of focusing solely on older and more well-established organizations.

Priority 11.3

Ensure Consistency Across Agencies to Properly Situate Housing Justice within a Broader Justice Framework and Ensure Integration into Related Efforts Including at the White House

As described above, housing justice is deeply connected to other issues including criminal justice, social safety net, health, community strength and safety, education, and many other intersecting policy areas. The fight for housing justice cannot be separated from the related fights that impact and are impacted by it. To develop housing policy using this framework, we must de-silo housing and embed housing expertise at other agencies to ensure a cross-government commitment to this work. For residents of government-funded and assisted housing, there should be seamless integration of all programs and consistency across programs, so that all government-funded housing is similarly situated and operated.

Additionally, housing assistance should be part of an integrated and thoughtful social safety net that assesses the needs of a family holistically and streamlines application for, and receipt of, public benefits in a way that makes sense. This could justify an entire reworking of the way public benefits are applied for and provided across the entire government. This could include streamlining that requires recipients to fill out a single, integrated form and benefits assessments that automatically calculate the most advantageous benefits package for recipients without unintended consequences that allow qualification for one benefit to detrimentally impact qualification for another

relied-upon benefit. It would transform public benefits and create a partnership with state and local leaders and other relevant federal agencies to ensure that housing assistance, Medicaid benefits, SNAP, WIC, TANF, and other related benefits are provided in an integrated and seamless way that minimizes confusion and conflict between these programs and makes receiving benefits straightforward for families.

This type of conversion could include wraparound services and an integration that would be powerful but would also require a much bigger government-wide effort. Instead, these recommendations will focus on housing related programs.

Recommendation 11.3.1 – Create consistency and integration across government-sponsored housing programs.

Assess consistency for all government-funded housing: conduct an audit of all government-funded housing, regardless of overseeing agency, to determine differences in how benefits are structured and received, and make changes so there is consistency and the programs are straightforward and easy to access for residents. These audits can be conducted by HUD staff detailed to other agencies. They will be in the best position to determine where collaboration and consistency is missing, and it will create another body of work where details will be necessary. Where appropriate after this audit, a new administration should embed housing staff at agencies that have housing needs so there is expertise that exists across silos in various agencies.

Recommendation 11.3.2 – Create additional interagency commissions.

There are a number of high-priority issues where a standing commission is appropriate to address a persistent and high-profile issue. There should be additional commissions created and formalized by a new administration, and staffed by relevant agencies that convene to address specific cross-agency problems. These should include:

- A task force staffed by HUD, ED, and DOT to address school segregation.
- A task force staffed by HUD, DOJ, and Labor to address the ability of returning citizens to effectively reenter their communities.
- A task force staffed by HUD and HHS to respond to housing insecurity and homelessness that has been caused or exacerbated by the COVID-19 crisis.

Appendix: A

A Section by Section Guide to Agencies Identified in Specific Recommendations

Agency Implicated	Section										
	1	2	3	4	5	6	7	8	9	10	11
Centers for Disease Control and Prevention (CDC)											
U.S. Census Bureau (Census)											
Consumer Financial Protection Bureau (CFPB)											
U.S. Department of Commerce/ Economic Development Administration (Commerce/EDA)											
U.S. Department of Defense (DoD)											
U.S. Department of Justice (DOJ)											
U.S. Department of Labor (DOL)											
U.S. Department of Transportation (DOT)											
U.S. Department of Education (ED)											
U.S. Department of Energy (Energy)											
Environmental Protection Agency (EPA)											
Federal Deposit Insurance Corporation (FDIC)											
Federal Reserve System (Federal Reserve)											
Federal Emergency Management Agency (FEMA)											
Federal Housing Finance Agency (FHFA)											
General Services Administration (GSA)											
Government National Mortgage Association (Ginnie Mae)											
Fannie Mae and Freddie Mac (GSEs)											
U.S. Department of Health and Human Services (HHS)											
U.S. Department of Homeland Security (Homeland Security)											
U.S. Department of Housing and Urban Development (HUD)											
Bureau of Indian Affairs (Indian Affairs)											
U.S. Department of the Interior (Interior)											
Internal Revenue Service (IRS)											
Office of the Comptroller of the Currency (OCC)											
Office of Management and Budget (OMB)											
Securities and Exchange Commission (SEC)											
U.S. Department of the Treasury (Treasury/CDFI Fund)											
U.S. Department of Agriculture (USDA/Rural Development)											
U.S. Interagency Council on Homelessness (USICH)											
United States Postal Service (USPS)											
U.S. Department of Veterans Affairs (VA)											
White House											

Appendix B:

Acronyms

AFFH - Affirmatively Furthering Fair Housing Rule
BRIC - Building Resilient Infrastructure and Communities program through FEMA
CARES - Coronavirus Aid, Relief, and Economic Security (CARES) Act
CBO - Community-Based Organization
CDBG - Community Development Block Grant
CDC - Centers for Disease Control and Prevention
CDFI - Community Development Financial Institutions
CFPB - Consumer Financial Protection Bureau
DBE - Disadvantaged Business Enterprise
DHS - U.S. Department of Homeland Security
DOD - U.S. Department of Defense
DOE - U.S. Department of Energy
DOJ - U.S. Department of Justice
DOL - U.S. Department of Labor
DOT - U.S. Department of Transportation
DPC - Domestic Policy Council
DTI - Debt-to-Income Ratio
ED - U.S. Department of Education
EDA - Economic Development Administration
EPA - Environmental Protection Agency
ESG - Environmental, social, and governance (ESG) criteria
FDIC - Federal Deposit Insurance Corporation
FEMA - Federal Emergency Management Agency
FHFA - Federal Housing Finance Agency
GSA - General Services Administration
GSEs - Fannie Mae and Freddie Mac
HHS - U.S. Department of Health and Human Services
HUD - U.S. Department of Housing and Urban Development
IRS - Internal Revenue Service
LIHTC - Low-Income Housing Tax Credit
LISC - Local Initiatives Support Corporation
LLPA - Loan Level Price Adjustment
NEC - National Economic Council
OCC - Office of the Comptroller of the Currency
OMB - Office of Management and Budget
PD&R - Office of Policy Development & Research with HUD
PHA - Public Housing Agencies
SEC - Securities and Exchange Commission
USDA - U.S. Department of Agriculture
USICH - U.S. Interagency Council on Homelessness
USPS - United States Postal Service
VA - U.S. Department of Veterans Affairs