

HOUSING

LOW INCOME HOUSING TAX CREDIT PROGRAM

An unprecedented 11 million renter households – more than one in four of all renters in the United States – spend more than half of monthly income on rent. With that cost burden, there is little left for the other necessities of life, such as food, health care, education and transportation to employment. The implications of this on the lives of low-income renters are staggering and extend well beyond housing.

The Low Income Housing Tax Credit (Housing Credit) Program is the nation's most successful tool for encouraging private investment in the production and preservation of affordable rental housing. Since its creation in 1986, the Housing Credit has financed nearly 3 million affordable rental units, providing homes to roughly 6.5 million low-income households while transferring risk from the government to the private sector.

The Partnership calls for ensuring the Housing Credit remains intact and in place as part of any tax reform plan and supports increasing the amount of the Housing Credit available to help address Iowa's affordable housing needs.

NATIONAL HOUSING TRUST FUND

Beginning in 2016, the National Housing Trust Fund (NHTF) was set to provide Iowa with a minimum \$3 million to be used almost exclusively for providing rental housing for Extremely Low Income households. These funds complement the \$6 million State Housing Trust Fund allocation from the Iowa Legislature. These funds are critical to helping house a growing service workforce that is currently underserved and cost burdened.

The Partnership supports increased funding of the NHTF from profits of Fannie Mae and Freddie Mac and also supports substituting a similar funding stream in the event housing finance reform replaces these government-sponsored organizations.

HOME INVESTMENT PARTNERSHIP PROGRAM

The HOME Investment Partnership Program (HOME) serves as the only federal block grant program for state and local governments designed exclusively to produce affordable housing for low-income families. Since 1992, the HOME program has created more than 1.2 million affordable homes and helped provide direct rental assistance to over 270,000 low-income families. HOME is also cost effective – according to the U.S. Department of Housing and Urban Development (HUD) data, each HOME dollar

leverages more than four dollars in additional public and private resources. The need for affordable housing has never been greater, but despite this need, funding for HOME has fallen dramatically. Over the last several years, HOME funding has been cut nearly in half, from \$1.8 billion in 2010 to \$950 million in 2016. The Partnership supports an increase in investment of the HOME program.

HOUSING ASSISTANCE PAYMENTS

The funding for Housing Assistance Payments (HAP) does not currently meet the increasing needs in the community. HAP funding increases are only based on utilization from the prior year and an inflation factor set by HUD. The inflation factors used do not necessarily meet the increased market rents for the community or increased HAP costs for individuals and families. The result is not having the funding to support increasing the number of Voucher participants. Program waiting remains long and costly to manage and maintain. Therefore, The Partnership supports increased in HAP funding.

HOUSING CHOICE VOUCHER PROGRAM

The Des Moines Municipal Housing Agency is not sufficiently funded and its proration of its Administrative fee is estimated at 80 percent. In order for the Des Moines Municipal Housing Agency to sufficiently administer the Section 8 Housing Choice Voucher (HCV) program, a proration of 89 percent is needed to cover administrative costs to meet all regulatory requirements.

HUD is asking Congress for a substantial increase in administrative fees under a new version of an administrative fee formula used to calculate proration. HUD currently lacks the authority to unilaterally change the administrative fee formula. The Partnership supports the Housing Agency's stance that Congress should not rush to give HUD the authority to unilaterally change the formula until there is a well-developed formula that takes into account all the costs of administering a HCV program and a formula that accurately captures all costs associated with running a HCV program.

CROSS SECTOR COLLABORATION

Success for low-to-moderate-income households depends on many federal, state and local resources. In order to improve outcomes for these individuals and families The Partnership supports efforts that link housing to health, education and workforce readiness.

FEDERAL ROLE IN HOUSING

The Partnership recognizes and respects the federal role in housing and community development and encourages elected officials to protect and adequately fund essential

programs that make housing affordable for all Central Iowa households.

Therefore, The Partnership also supports:

- Homeownership and rental housing incentives in the current tax code, specifically the deductions for mortgage interest and state and local property taxes as well as provisions that encourage development of affordable housing.
- Resources and programming to address the 4,411 people who experienced homelessness in Polk County in 2015. Local programs include permanent supportive housing, which often collaborates with private landlords and a variety of supportive, health and mental health organizations. McKinney-Vento funds are especially designed to implement federal policy articulated in the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act.
- Allowing local Public Housing Authorities the ability to provide separate tenant selection criteria and the ability to require support services in order to not terminate assistance within the Public Housing portfolio to allow for unique assisted housing opportunities and address homelessness issues within local communities.
- An improvement of HUD's process for establishing Fair Market Rents.
- Increases in the Public Housing program for operating subsidies and capital improvements.
- Expansion of the Moving to Work Program.
- Funding for the Family Self-Sufficiency program to link HUD assisted households with job training, child care, transportation, financial literacy and other supportive services, and help build assets through interest-bearing escrow accounts.
- Increased funding for Healthy Homes to make it a "stand alone" program. Currently Healthy Homes funding can only be used in homes that qualify for lead remediation. As a result, HUD has identified 29 health hazards in the home that are not addressed.