



UP FOR GROWTH®

Up for Growth Proposed Policy Response to the COVID-19 Pandemic: Secure the Safety and Soundness of the Housing Ecosystem, and Drive Economic Recovery through Critical Reforms to Address our National Shortage of Homes

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As Congress considers legislation to address the impact of COVID-19 on public health and safety and on the economy, there must be provisions and resources to help ensure housing needs continue to be met in the near- and long-term. The nation is already in a housing crisis and continued shortage of available and affordable homes will have lasting, negative effects.

Up for Growth's legislative guidance is created with two main policy priorities: 1) protecting families and individuals in their housing needs as they face large, constantly evolving public health and economic risk and uncertainty; and 2) ensuring the housing and construction industries have the resources to continue production to mitigate the negative impact of the crisis on households, jobs, and the economy.

Public health and economic environments are rapidly changing, and Up for Growth works to be a trusted resource for information to our members and an advocate at the federal level, engaging actively with lawmakers as stimulus packages and bills are introduced. Because of the dynamic nature of the crisis, this policy priority list will be continuously updated as more information and ideas emerge.

Thank you for your engagement with Up for Growth. Our mission to tackle the housing crisis with innovative solutions that makes housing more available and affordable remains more critical than ever before as we face short- and long-term uncertainty.

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Section I: Measures to Protect Renters, Homeowners, and Vulnerable Populations

1. Expand Unemployment Insurance to cover all workers

Unemployment Insurance (UI) is a critically important resource for ensuring financial stability as millions of people face job loss because of the COVID-19. UI payments are critical in protecting housing and ensuring that people can still buy essential goods. Because the UI mechanism already exists, it is the best mechanism for delivering critical support to families and individuals. In order to maximize support for struggling households, UI must be expanded in three key ways. First, current UI does not cover self-employed workers or independent contractors. UI must be expanded to cover both of these groups who represent a large share of the workforce. Secondly, the minimum UI payment must be increased to \$240 per week – the amount necessary to reach the federal poverty line, and a maximum monthly cap of \$4,000 should be implemented. Finally, UI should be extended for 6-months beyond the end of the national emergency to ensure that people are protected during the post-crisis recovery.

2. Emergency funding assistance to renter households

As a result of the nation's housing crisis, many renter households are already cost-burdened. The average renter household pays more than 42% of its income toward housing alone, and the problem is most acutely felt among low-income renters. The economic fallout of COVID-19 will put these already cost-burdened renters into very precarious situations. The federal government stimulus response must include short-term emergency rental assistance for families and individuals. Providing rental assistance is critical for ensuring that thousands of renters do not lose their homes.

3. Mortgage forbearance

As COVID-19 puts deep financial and health stress on households, protecting housing is absolutely critical. Both individual homeowners and owners of rental properties will suffer from loss of income. Federally mandated mortgage forbearance should be implemented to ensure that homeowners and rental property owners can weather the financial burden. Providing property owners with forbearance will give owners the financial protection necessary as they face uncertain financial stress and will lower eviction rates as the crisis continues.

4. Funding for emergency shelter for housing insecure and homeless people

People experiencing homelessness and housing insecurity are particularly vulnerable during the COVID-19 crisis. Many of these individuals who rely on shelters and communal living are under serious public health threat. Those who have insecure housing are in deep risk of losing their already precarious housing. Federal stimulus packages should include funding for shelters to house people in hotels and temporary shelter. Additionally, shelters and homeless service agencies are facing massive challenges as they scramble to help the most vulnerable populations. Federal legislation must include funding to support this work.

5. Eviction Protection

As more Americans face health and financial insecurity, the threat of losing their homes to eviction is very real. Already, many state and local governments have implemented eviction moratoriums to help protect renters during this crisis. We recommend that the federal government implement a nationwide moratorium on eviction. In order to buffer rental property owners from the loss of income, we recommend that eviction protections be means-tested and that renters demonstrate a loss of employment or income. Providing eviction protection to those who need it most is critical for protecting public health, ensuring housing stability, and buffering the impact of the crisis.

6. Expanding funding for Housing Choice Vouchers

Emergency rental assistance is critical as more renters face financial and health uncertainty, but long-term interventions are critical during post-crisis recovery. The Housing Choice Voucher program is an established, successful program that gives low-income renters critical financial assistance for housing. Currently, Housing Choice Vouchers are HUD's largest program for rental assistance. The program is critical for helping low- and moderate-income renters find housing, and it should be expanded as part of the federal COVID-19 response package. Long-term economic recovery will require that low-income renters have continued access to high quality, affordable homes in opportunity-rich areas.

Section II: Measures to Protect the Supply of Housing and to Preserve and Create Jobs

1. Create a federal-level mandate that exempts construction from shelter in place requirements

The nation is already experiencing a major housing shortage, and a complete halt to residential construction will be detrimental to renters who are already pressed to find affordable housing. In order to ensure that housing needs continue to be met, we recommend a federal-level exemption from shelter in place orders for residential construction. The exemption should include provisions for safe social distancing precautions but ensuring that construction continues during this time is critical to both renter households and to construction-related workers, a large portion of the labor force. As California and Oregon have implemented wide shelter-in-place orders, they have identified construction as critical employment.

2. Establish emergency by-right approvals for projects in ½ mile of federally funded transit stations and in Opportunity Zones

As the impacts of the Coronavirus outbreak continue to threaten public safety and economic wellbeing, we must ensure that housing is constructed in high opportunity, transit-rich areas. Short- and long-term economic recovery depends on continued construction of units in high-opportunity areas. The federal stimulus package should include provisions that mandate by-right development for projects in Opportunity Zones and in areas that are within ½ mile of federally funded fixed guideway, commuter rail, light rail, and bus rapid transit stations. By-right development allows areas to be up zoned without undergoing special review and approval processes. By-right development reduces time, cost, and uncertainty in development and helps expedite the creation of more housing units. Establishing by-right development in these areas will increase available units to renter households, while at the same time

ensuring that the housing and construction industries can continue to create critical housing and continue to employ workers through the crisis and during recovery.

3. Establish a resource database to facilitate continued residential construction

A lack of planners, engineers, and zoning authorities at the local level is a major contributor to delays in delivering critical housing. In the pre-COVID-19 environment, local governments were pressed to review and approve new projects, which led to increase in project delays and cost and to a decrease in net production of housing. We recommend legislation that funds the creating of a federal network that connects architects, engineers, planners, and other practitioners to serve as resources to localities to help expedite the permitting and approval process and to accelerate project review and approval. This resource bank is critical for ensuring the housing production continues and for spurring job protection during economic crisis and uncertainty.

4. Eliminate the bond cap on private activity bonds

Private Activity tax-exempt housing bonds are important for creating affordable housing. These bonds finance a large portion of all affordable housing in the country, but the volume cap limits their ability to spur the development of units. In order to buffer the economic impact of COVID-19 on the creation of affordable units, we recommend that the government eliminate the bond volume cap for all projects within ½ mile of federally funded transit systems. A national reallocation pool should also be established so that states may capitalize on unused bonds.