

The webinar will begin momentarily

Restoring Neighborhoods Task Force

September 25, 2019

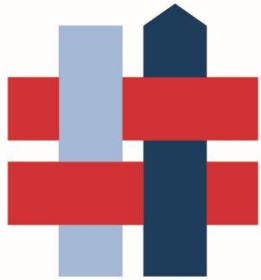
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Restoring Neighborhoods Task Force Meeting Agenda

September 25, 2019

- **Welcome and Introductions**
- **The National Housing Crisis**
David Dworkin and Tristan Breaux, *National Housing Conference*
- **Q&A**

Save the Date!



SOLUTIONS *for* AFFORDABLE HOUSING

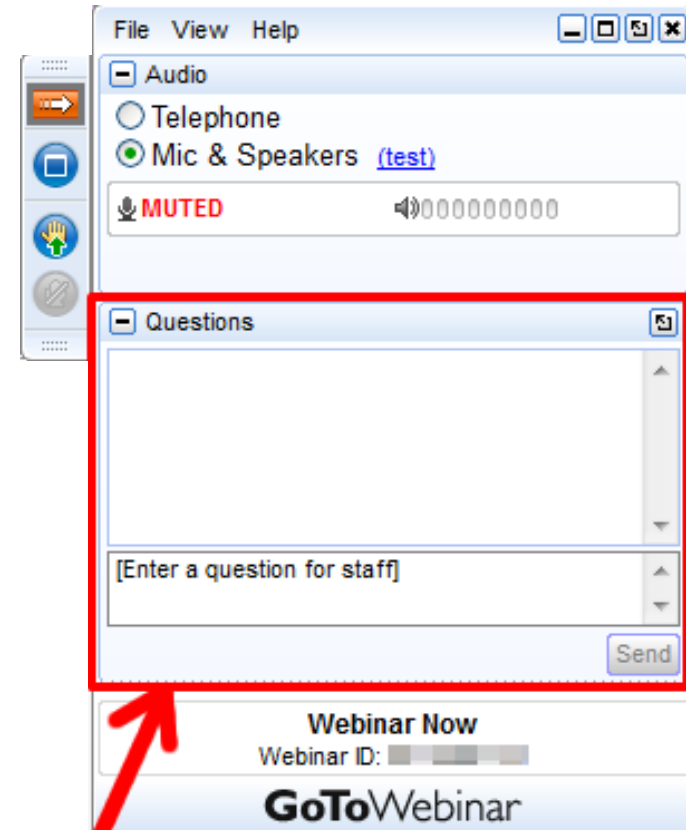


2019 CONVENING | DECEMBER 3–4 | WASHINGTON, DC | NATIONAL PRESS CLUB

Sign up for updates at www.nhc.org/solutionspolicy

Questions and technical details

- A link to view the presentation and download slides will be emailed to everyone who registered
- Ask us questions via the Questions box in your GoToWebinar module
- Use the Help menu or visit <http://support.citrixonline.com/> for support



The National Housing Crisis

AND THE NEED FOR A COMPREHENSIVE NATIONAL HOUSING ACT

David Dworkin, President and CEO

Tristan Breaux, Policy Director

Who We Are

266 Members and growing

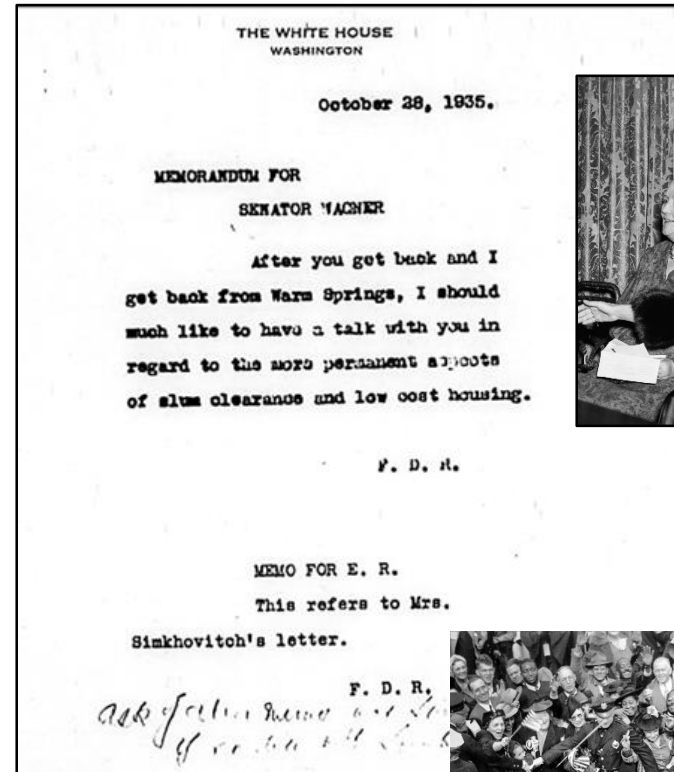
Council of Federal Home Loan Banks
Federal Home Loan Bank of Chicago
JP Morgan Chase
Wells Fargo Bank
Bank of America
Mortgage Bankers Association
National Alliance for Fair Housing
National Association of Affordable Housing Lenders
National Association of Home Builders
National Council of State Housing Agencies

National Multifamily Housing Council
National Low Income Housing Coalition
National Association of REALTORS
Center for Responsible Lending
Enterprise Community Partners
Low Income Support Corporation
National Association of Real Estate Brokers
Low Income Investment Fund
...and over 200 more!



What We Do

- 1933 – FDIC and HOLC
- 1934 – FHA
- 1937 – Public Housing
- 1938 – Fannie Mae
- 1946 – VA Loan Program
- 1949 – Urban Renewal
- 1965 – Dept. of Housing and Urban Development
- 1968 – Fair Housing Act, GNMA, TILA, HUD 235
- 1977 – Community Reinvestment Act
- 1987 – McKinney Homeless Assistance Act
- 1990 – Cranston-Gonzalez (HOME, HOPE)
- 1992 – Federal Housing Enterprises Financial Safety and Soundness Act
- 2008 – Housing and Economic Recovery Act (HERA)
- 2009 – Dodd Frank Act



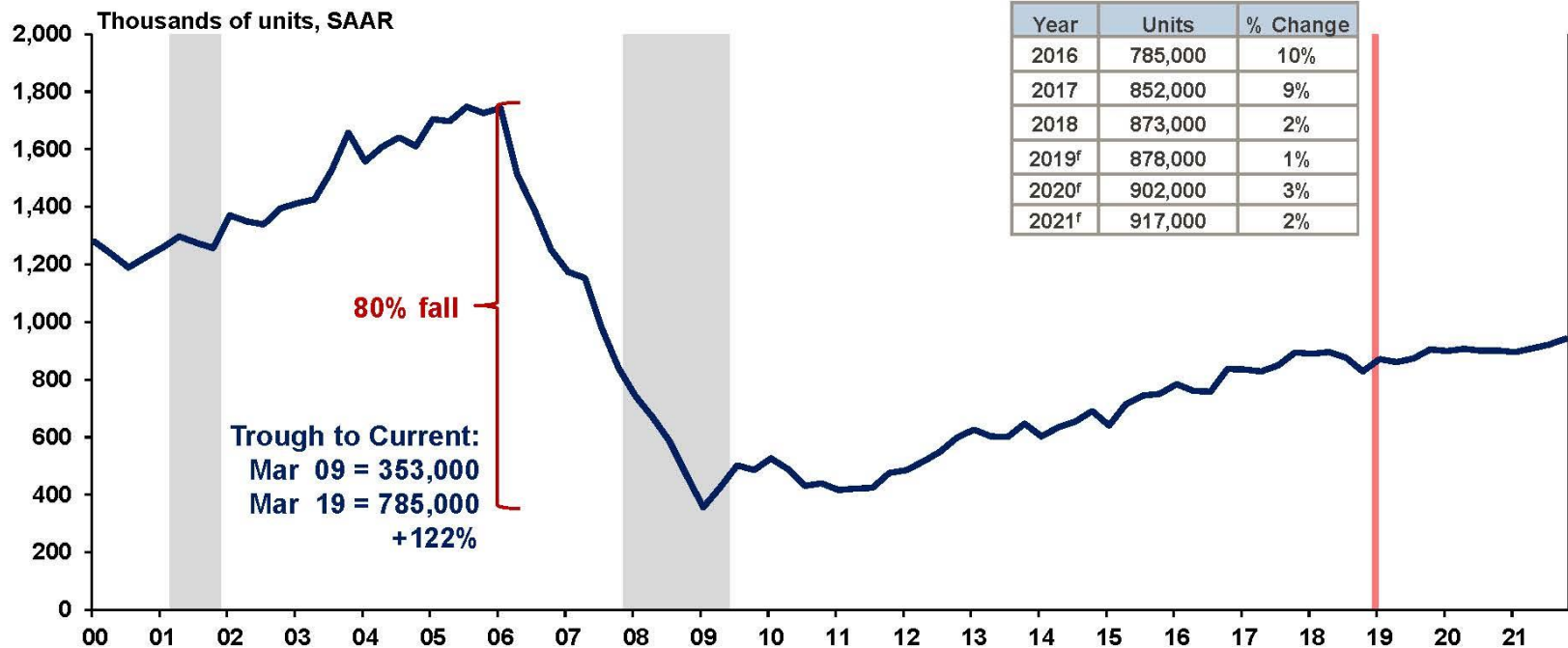
WHERE WE ARE

Affordable Homeownership

Housing Supply Shortage

/ Single-Family Starts

Limited growth as economy slows

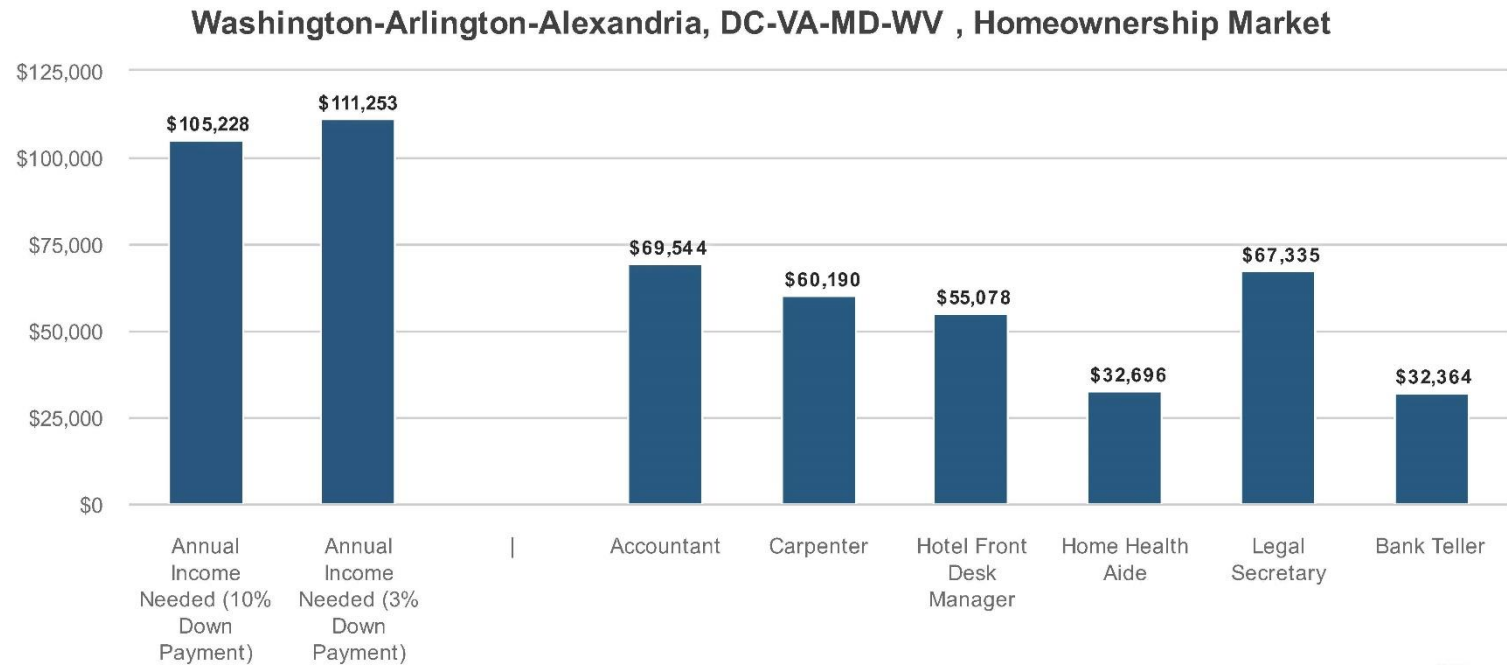


Source: U.S. Census Bureau (BOC) and NAHB forecast



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Housing Supply Shortage

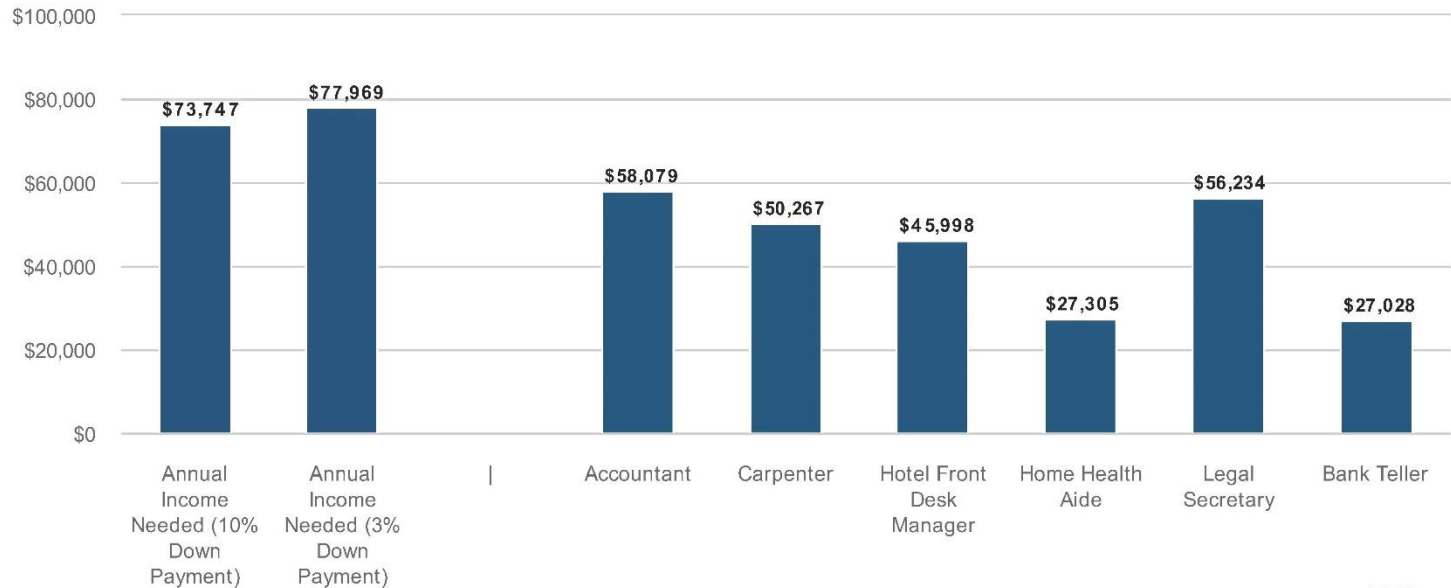


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Housing Supply Shortage

Nashville-Davidson--Murfreesboro--Franklin, TN , Homeownership Market

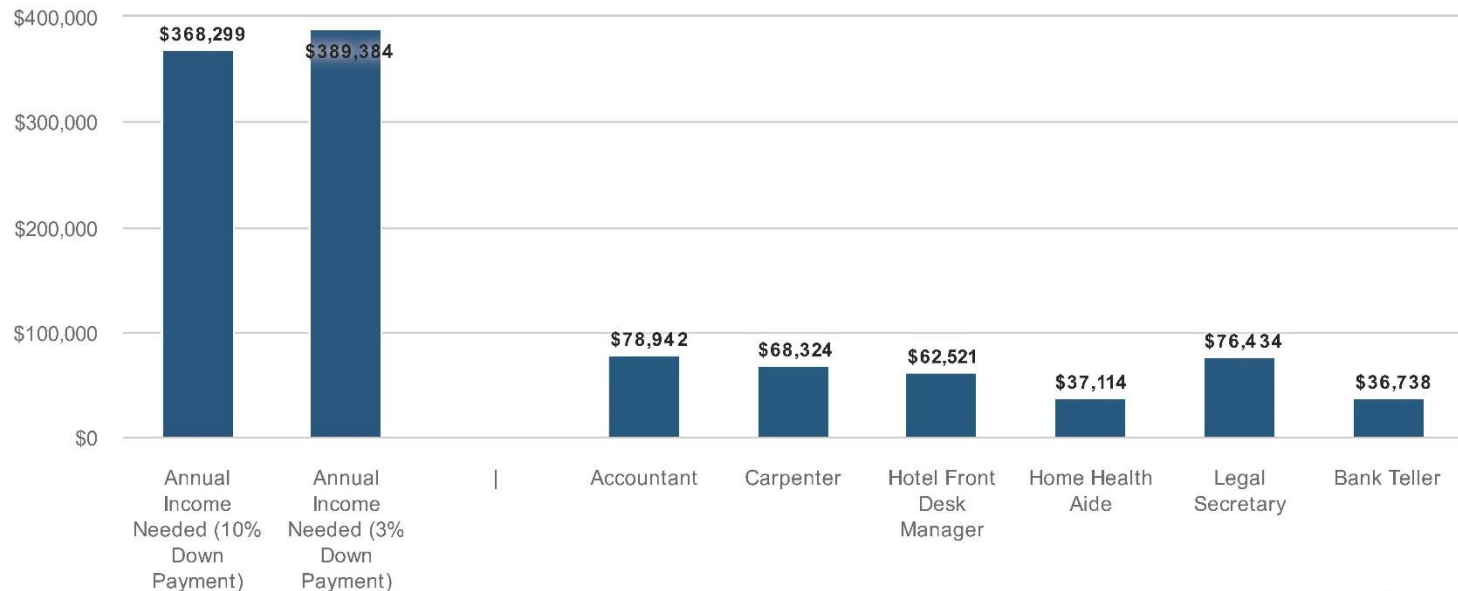


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Housing Supply Shortage

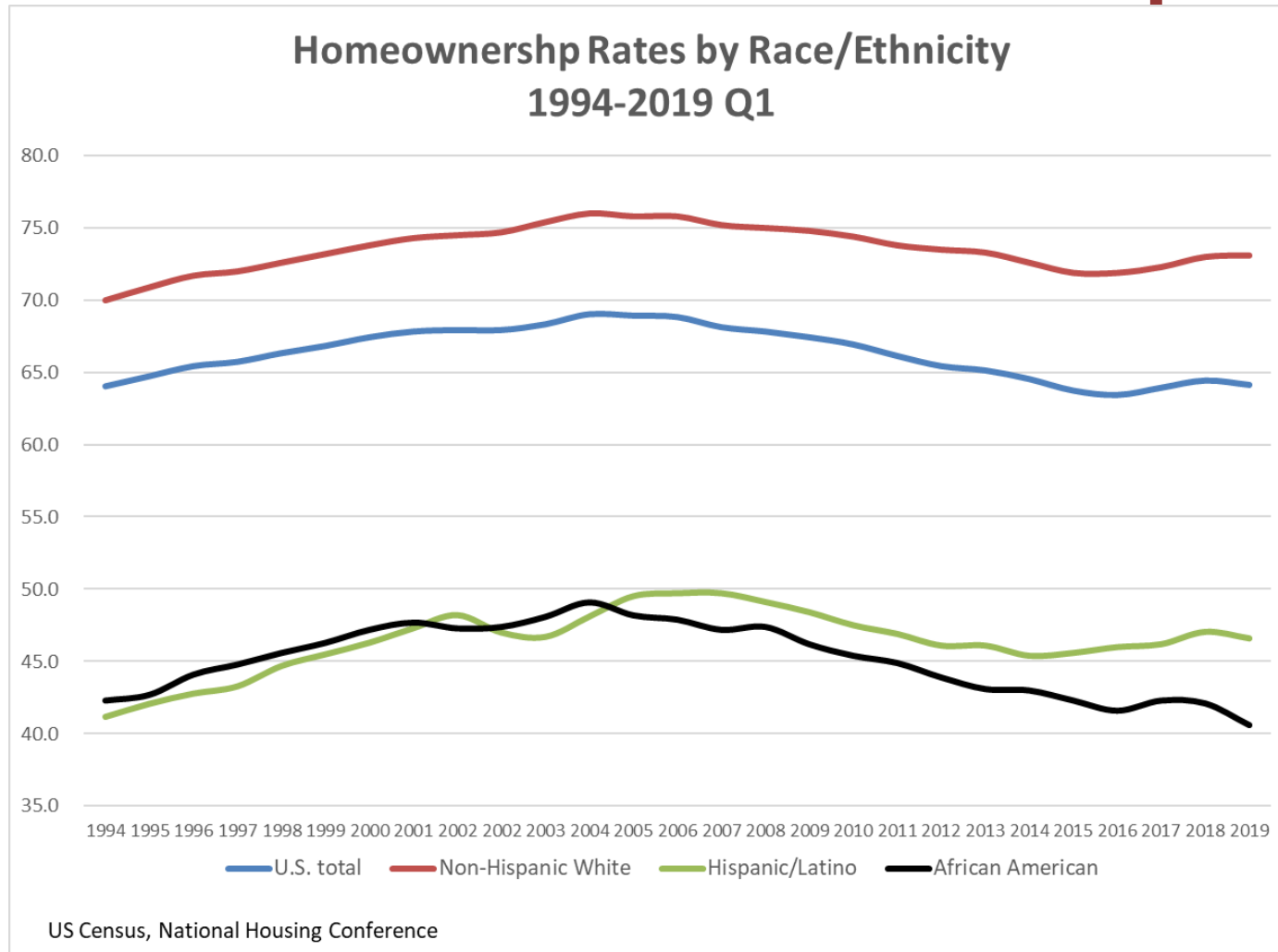
San Francisco-Oakland-Hayward, CA , Homeownership Market



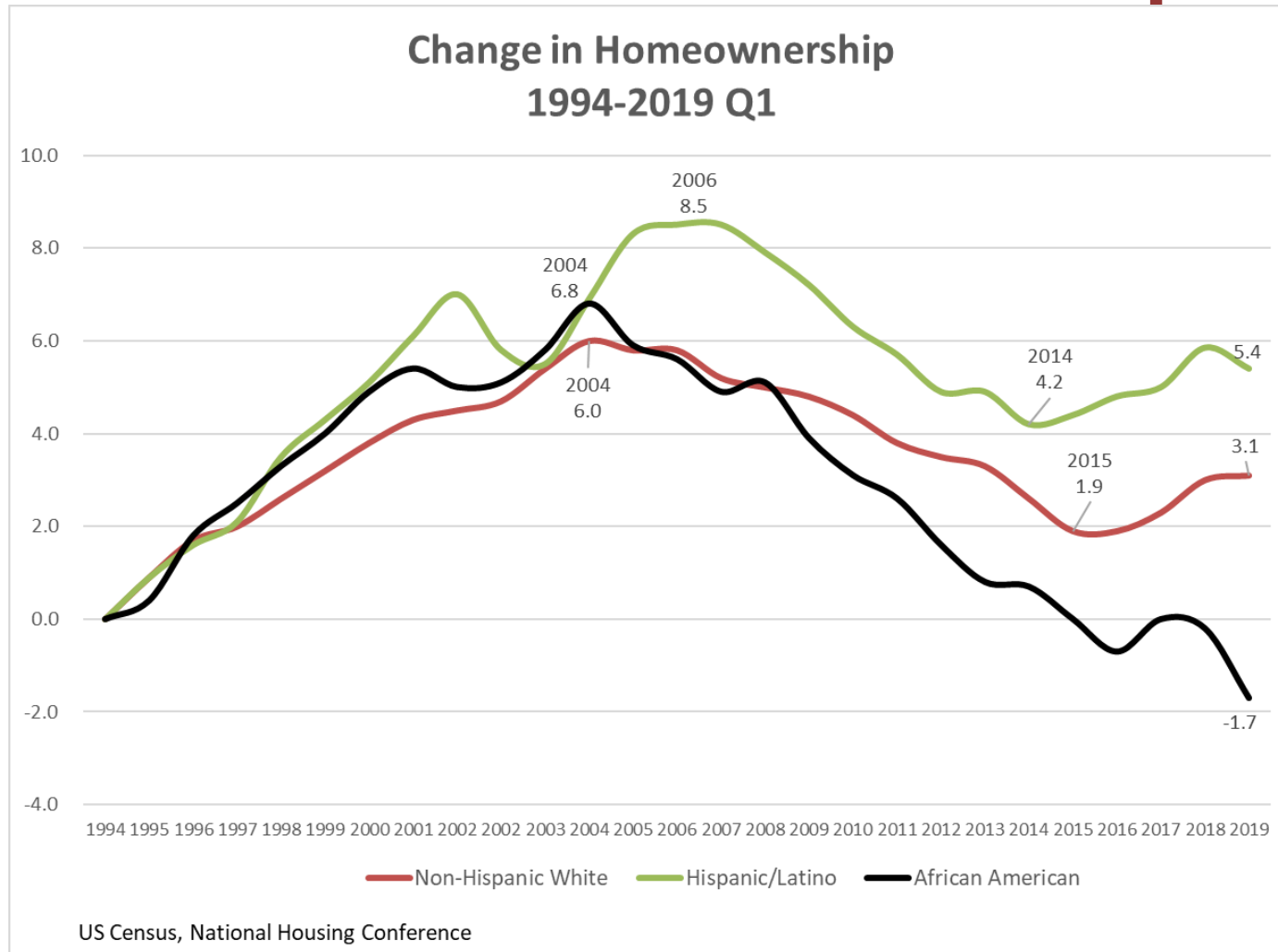
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Affordable Homeownership



Affordable Homeownership



Black Homeownership

- NHC's Black Homeownership Working Group has compiled various contributing factors to the gap and possible ways to address them.
- The root causes of the Black and minority homeownership gap are multifaceted, as are the solutions. There is no silver bullet.
- Many African Americans who lost their homes were refinanced out of good mortgages into bad ones.
- The worsening recession leveraged these trends, as did concentrations of foreclosures in poor, historically African-American neighborhoods which drove up vacancy and blight, feeding the cycle.

Black Homeownership

- The NHC Working Group has begun to identify and explore a wide range of strategies to address this crisis in Black homeownership, including:
 - changes in mortgage underwriting
 - reducing the costs of originating and servicing lower dollar loans
 - improving FHA and conventional rehab loans
 - increasing production of affordable housing
 - changes in how we conduct homeownership counseling – both before and after purchase
 - modernizing our approach to marketing to underserved communities, and
 - advancing housing finance reform so FHA, Fannie Mae and Freddie Mac can better serve communities of color.

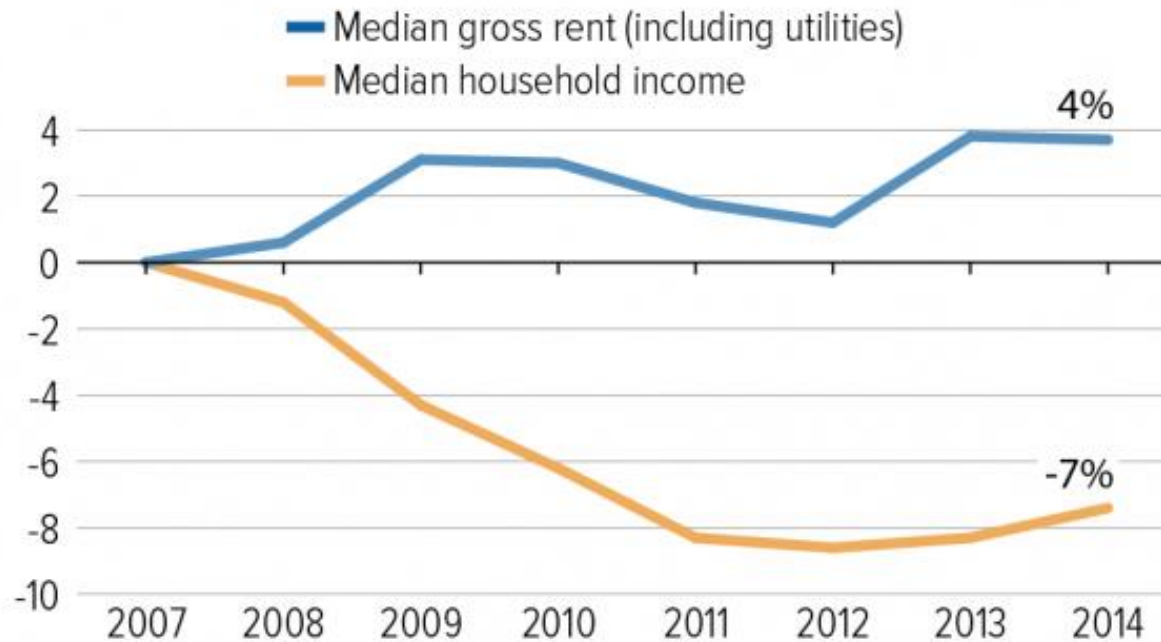
WHERE WE ARE

Affordable Rental Housing

Affordable Rental Housing

Household Incomes Have Not Kept Pace With Rental Costs

Percent change since 2007, adjusted for inflation



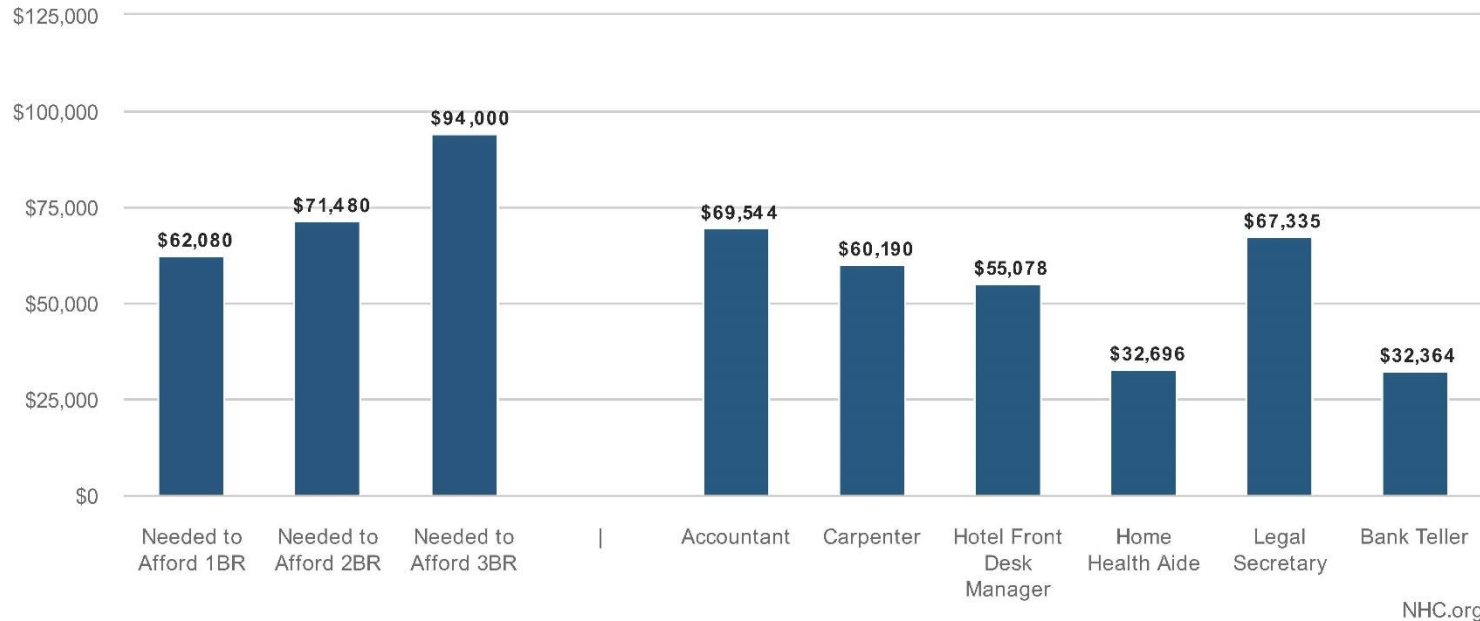
Source: CBPP analysis of Census Bureau American Community Survey.

CENTER ON BUDGET AND POLICY PRIORITIES | CBPP.ORG

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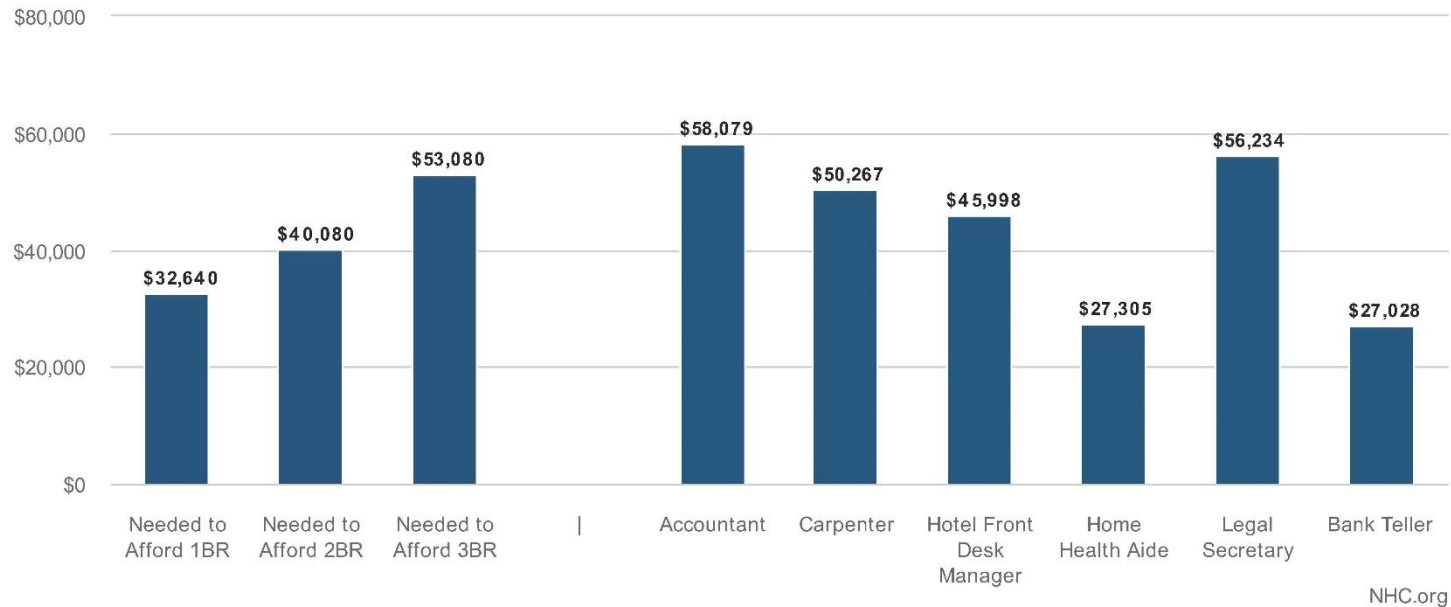
Housing Supply Shortage

Washington-Arlington-Alexandria, DC-VA-MD-WV , Rental Market



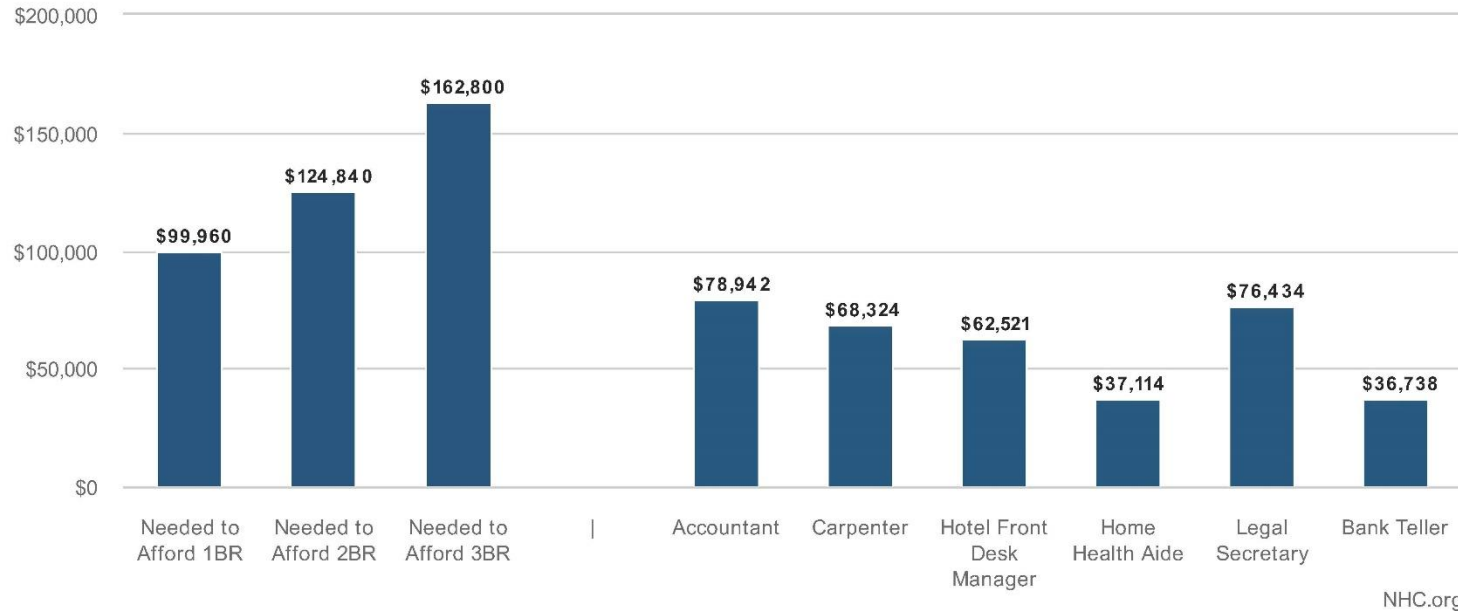
Housing Supply Shortage

Nashville-Davidson--Murfreesboro--Franklin, TN , Rental Market



Housing Supply Shortage

San Francisco-Oakland-Hayward, CA , Rental Market

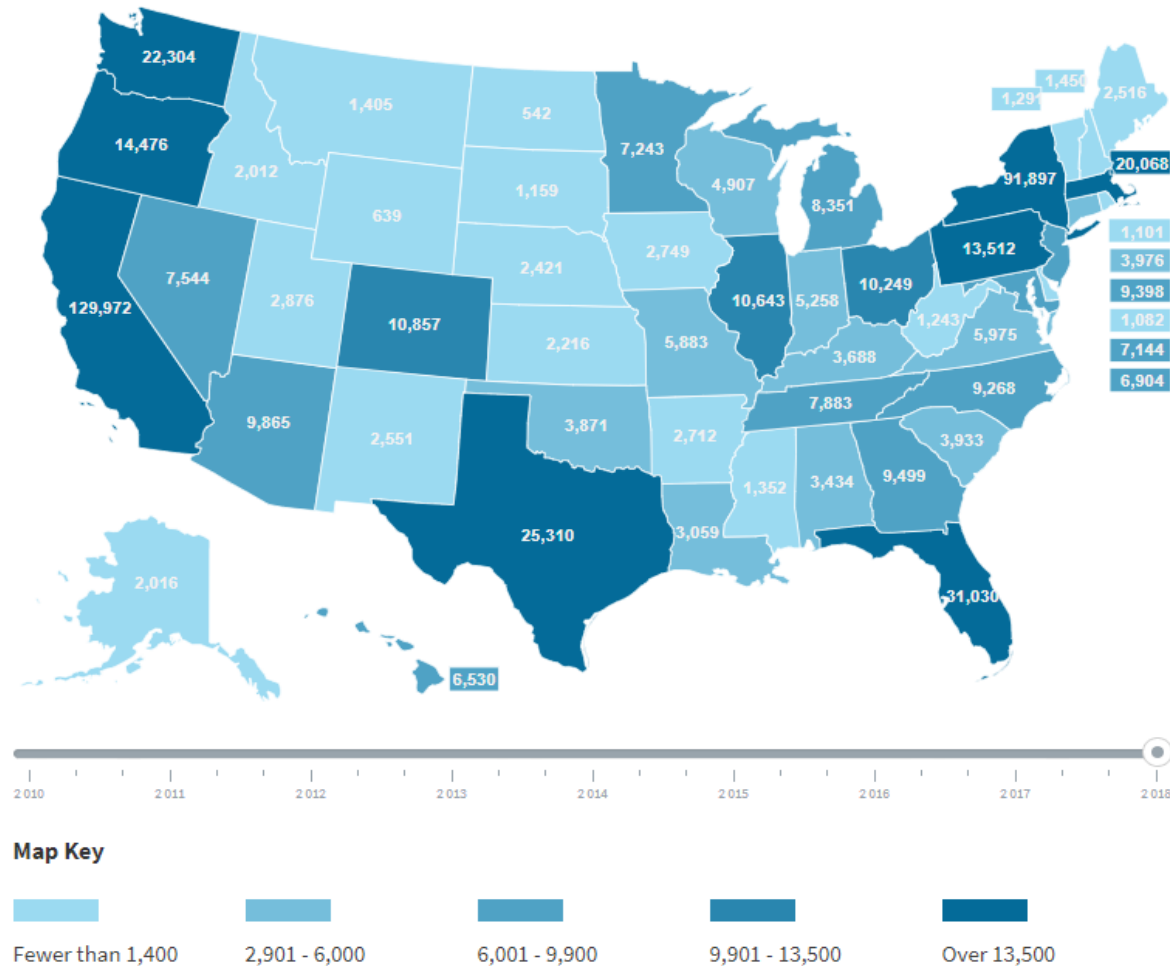


WHERE WE ARE

Ending Homelessness

Ending Homelessness

Total People Experiencing Homelessness

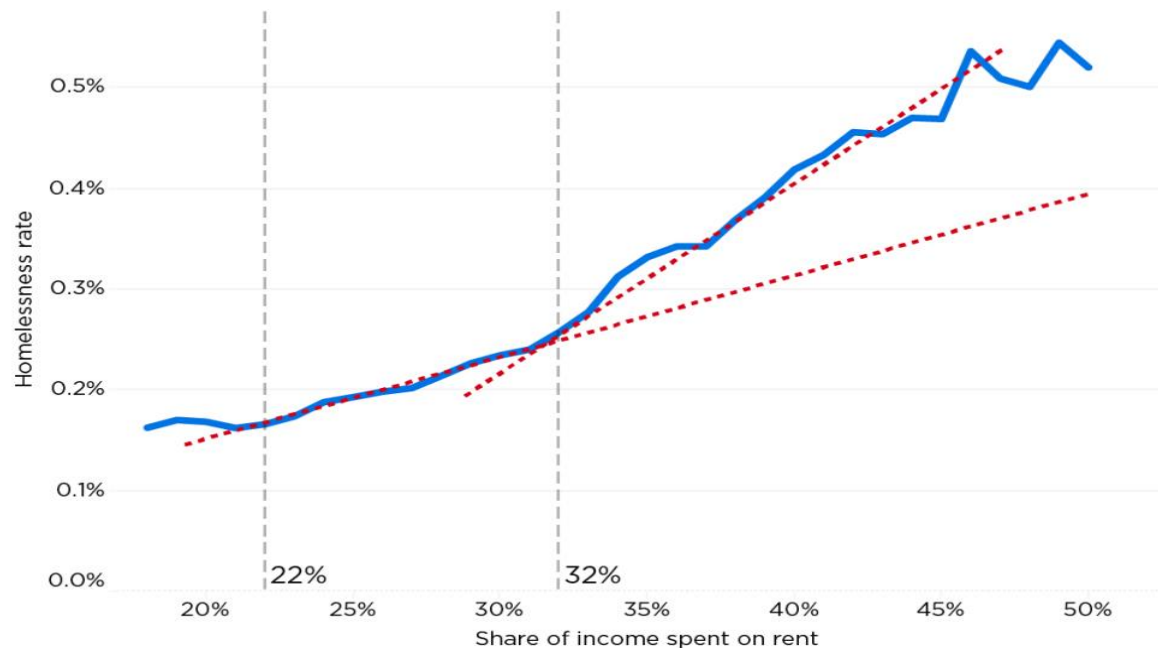


Source: United States Interagency Council on Homelessness, 2019

Ending Homelessness

Homelessness climbs faster when rent affordability reaches 22% and 32% thresholds

An uptick in rent affordability beyond 22 percent translates into more people experiencing homelessness. Beyond 32 percent means a faster-rising rate of homelessness — which could mean a homelessness crisis, unless there are mitigating factors within a community.



Zillow Economic Research | Source: An analysis by Zillow Research Fellow Chris Glynn of the University of New Hampshire, Thomas Byrne of Boston University and Dennis Culhane of the University of Pennsylvania.

Ending Homelessness

- A chronically homeless person costs the taxpayer an average of **\$35,578 per year**
- Supportive housing costs on average **\$12,800**
- Supportive housing reduces the cost of the chronically homeless to taxpayers by **49.5% on average**

Source: *National Alliance to End Homelessness*

Ending Homelessness

In 2018, there were **88,640 individuals experiencing chronic homelessness**

Cost of chronically homeless to taxpayer

$$88,640 \times \$35,578 = \text{\$3.1 billion}$$

Cost of supportive housing for chronically homeless

$$88,640 \times \$12,800 = \text{\$1.1 billion}$$

Cost savings of ending chronic homelessness

\$2 billion

Source: U.S. Department of Housing and Urban Development

WHERE WE ARE

Community Development

Community Development

- Secretary Mnuchin predicted the Opportunity Zones would take in **\$100 billion of investments a year.**
- According to NCSHA Opportunity Zone Fund Directory, as of July 2019 there are **163 funds seeking to raise a total \$43 billion.**
- **Reporting requirements** for Opportunity Zones are inadequate to make an informed assessment of OZ impact.
- Potential for incenting significant displacement of low and moderate income residents remains significant.

Community Development

- Zoning restrictions make segregation worse:
 - Income segregation has risen in the past four decades
 - Towns with exclusionary zoning are less dense and wealthier
- Residents who oppose new housing and attend local zoning and planning meetings are often:
 - Older
 - White
 - Men
 - Homeowners
 - Longtime residents

Sources: Lens, Michael and Paavo Monkkonen, “Do Strict Land Use Regulations Make Metropolitan Areas More Segregated by Income?” *Journal of the American Planning Association*, 2015.

Gyourko, Joseph et al., “A New Measure of the Local Regulatory Environment for Housing Markets,” *The Wharton School*, 2008.

Einstein, Katherine et al., “Who Participates in Local Government?” *Perspectives on Politics*, 2018.

Community Development

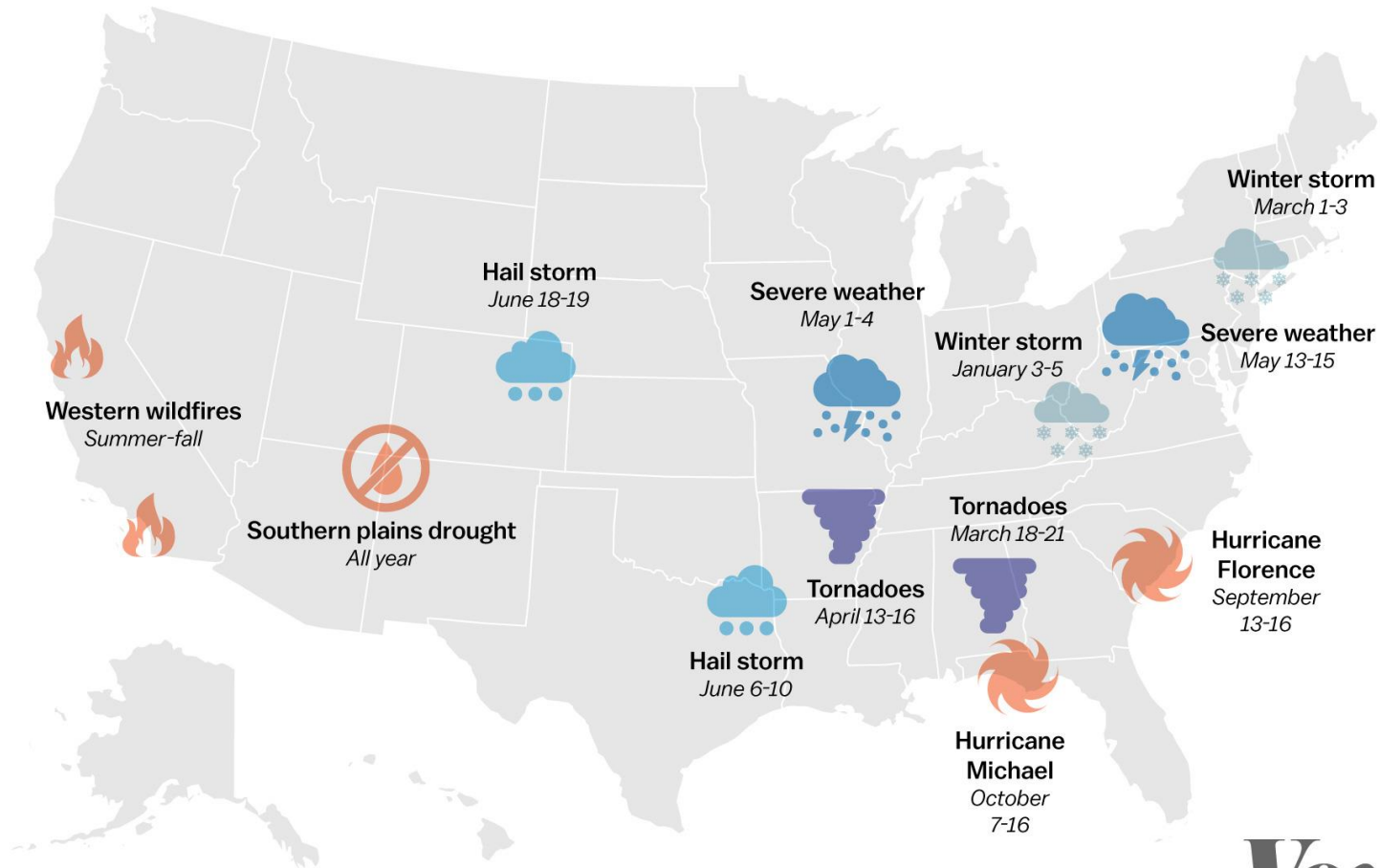
- Cities and states debating changes to exclusionary zoning rules:
 - California – *bill died in committee again, May '19*
 - Oregon – *banned single-family zoning, July '19*
 - Massachusetts
 - Seattle – *upzoned 27 neighborhood hubs, May '19*
 - Minneapolis – *banned single-family zoning, Dec '18*
 - New York City
- Bipartisan support for federal incentives to address local regulations and zoning.

WHERE WE ARE

Climate Impact

Climate Impact

Billion-dollar weather disasters in the US in 2018



Source: NOAA

Vox

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Climate Impact

In 2019:

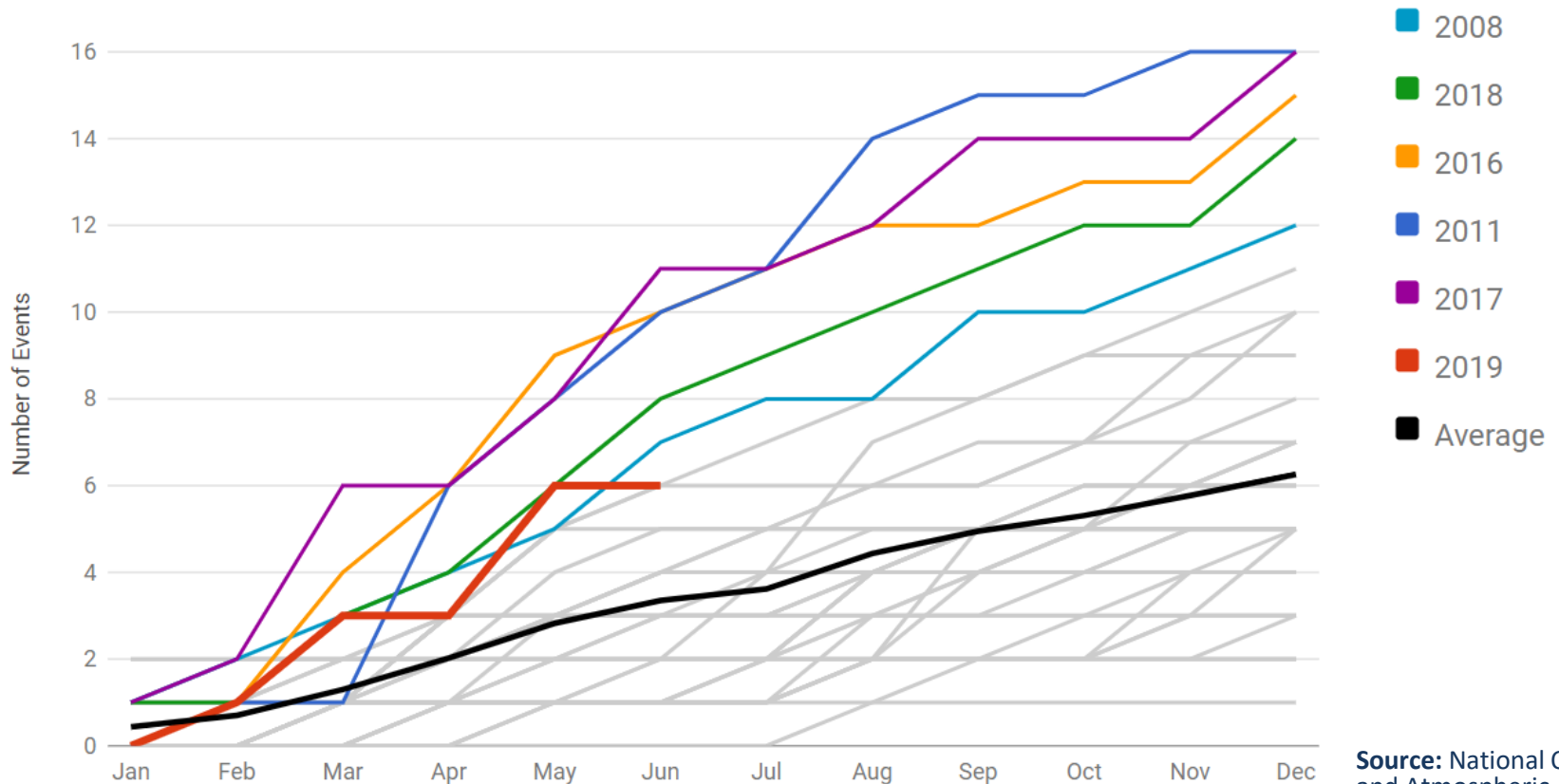
- As of July there have been 6 events that caused over \$1 billion: 2 flood events and 4 severe storm events
- Midwest experienced record flooding of over 150 consecutive days
 - Affected 14 million people
 - Estimated costs of \$12.5 billion

Sources: AccuWeather;
National Oceanic and Atmospheric Administration

Climate Impact

1980-2019 Year-to-Date United States Billion-Dollar Disaster Event Frequency (CPI-Adjusted)

Event statistics are added according to the date on which they ended.



Statistics valid as of July 9, 2019.

Source: National Oceanic and Atmospheric Administration

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Climate Impact

- Every \$1 invested in disaster mitigation saves \$6 in disaster recovery costs
- Federal agencies disproportionately fund post-disaster mitigation efforts compared to pre-disaster mitigation
 - 90% of federal flood risk reduction funds are tied to specific presidential disaster declarations
 - 84% of FEMA mitigation funding occurs post-disaster

Sources: “The Natural Hazard Mitigation Saves,” *National Institute of Building Sciences*, 2018;
“FEMA Provides Most Mitigation Assistance After a Disaster,” *The Pew Charitable Trusts*, 2018;
Kousky, Carolyn and Leonard Shabman, “Federal Funding for Risk Reduction in the US,” *Water Economics and Policy*, 2017.

WE WANT YOU!

- Affordable Homeownership
- Affordable Rental Housing
- Ending Homelessness
- Community Development
- Climate Impact



Email Nathan Park at npark@nhc.org if you'd like to participate in any of our National Housing Act working groups.

National Housing Act

Subgroup I: Affordable Homeownership

- Co-Chairs, **Steve Thomas (FHLB/C)** and **Kris Siglin (NCST)**

Subgroup II: Affordable Rental Housing

- Co-Chairs, **Buzz Roberts (NAAHL)** and **Rachel Fee (NYHC)**

Subgroup III: Ending Homelessness

- Co-Chairs, **Nan Roman (NAEH)** and **Kathryn Monet (NCHV)**

Subgroup IV: Climate Impact

- Co-Chairs, **Marion McFadden (Enterprise)** and **Seana O' Shaughnessy (CHIP)**

Subgroup V: Community Development

- Co-Chairs, **Matt Josephs (LISC)** and **Wendy Jackson (Kresge Foundation)**

Email Nathan Park at npark@nhc.org if you'd like to participate in any of our National Housing Act working groups.

National Housing Act

3rd Quarter 2019

- Finalize the Co-Chairs for each Subgroup and confirm their assigned staff participation. **DONE**
- Assemble each Co-Chair and Subgroup for a brainstorming session on the root issues, statistics, past legislation and set up a calendar for meetings. **UNDERWAY**

4th Quarter 2019

- NHC Staff will draft a baseline policy guide for each Subgroup to work from, in consultation with the housing report by the Bipartisan Policy Center, Millennium Housing Commission and the work of the Black Homeownership, Opportunity Zone and Housing Finance Reform subgroups.
- Conclude Small Group meetings and begin process for NHC Policy Committee to develop legislative outline for Board approval during March meeting.

1st Quarter 2020

- Board discussion, debate and approval of legislative outline
- Public launch, potentially in primary state.
- 2nd Quarter 2020
- Advocacy on Hill and in Platform Committees.

Thank You!

Does your organization have or know of a good example of community development-related work? Let us know!

Nathan Park, npark@nhc.org