



UP FOR GROWTH[®]

- action -

TO: TRANSITION TEAM FOR PRESIDENT-ELECT BIDEN

A Plan To **Build Back Better** With Pro-Housing Policy

November 2020

Dear President-elect Biden and Vice President-elect Harris:

Congratulations on your successful campaign and historic election. We are encouraged to see that housing is central to your “Build Back Better” policy imperatives for economic recovery, racial equity, and climate change.

For nearly three years, Up for Growth Action[®] has advocated to shrink America’s housing deficit through **Accessible Growth** — a place-based approach to housing policy that drives job creation, creates economic resilience, achieves housing equity, and advances climate goals.

Our organization’s agenda shares your goals to **eliminate barriers to housing that perpetuate discrimination, limit housing options, and contribute to urban sprawl**. Our work provides a path forward, built on bipartisan, cross-sector consensus, that has already garnered broad support in Congress despite deep partisan divides.

We look forward to working with your new administration and the 117th Congress to enact common sense and bipartisan pro-housing policies to address America’s severe housing crisis and advance *Accessible Growth*.

WHO WE ARE

Formed in 2018, Up for Growth Action is a 501(c)(4) federal legislative advocacy campaign focused on advancing policies that achieve housing equity, eliminate systemic barriers, and create more homes. Up for Growth Action, in concert with Up for Growth[®], an affiliated 501(c)(3)

pro-housing policy and research member network, builds and engages with a diverse network of members and stakeholders to shape pro-housing policies, develop evidence-based housing policy research and analysis, and to directly advocate for federal policy.



1875 K Street NW, 4th Floor
Washington, DC 20006
202-716-2064 | upforgrowthaction.org
support@upforgrowth.org

Mike Kingsella
Executive Director
202-716-2064 x1
mkingsella@upforgrowth.org

WHAT WE BELIEVE

Up for Growth Action was formed to respond to our nation's severe shortage of homes. Over the past two decades, the country fell more than 7.3 million homes short of meeting housing needs. Twenty-two states and the District of Columbia experienced shortages; and no corner of the country was spared. Small, large, rural, and urban — the housing crisis was, and continues to be truly national in scope.

State and local exclusionary zoning laws and other artificial barriers to housing and in particular, to more affordable housing — parking minimums, impact fees, minimum lot sizes, to name a few — have led to a severe shortage of the type, location, and affordability of housing available to everyone, but especially low-income Americans. These limitations exacerbate existing inequities as new housing production is particularly stymied in neighborhoods located near job centers, transportation options, public infrastructure, and good schools.

Now is the time for the federal government to lead a new, more inclusive approach to housing. *Accessible Growth* prioritizes housing production, and especially more diverse and affordable housing, in areas of high economic opportunity, neighborhoods rich in transportation and infrastructure, and in places where jobs already exist.

THE BENEFITS OF ACCESSIBLE GROWTH

The administration should lead the way towards solving our nation's shortage of affordable and quality housing options. Prioritizing housing through an *Accessible Growth* strategy will ensure that Americans have a safe, secure, and affordable place to live while making headway into other significant public policy concerns. *Accessible Growth* can:

REDUCE COST BURDENING FOR ALL AMERICANS. COVID-19 exposed the deep vulnerability of American families living paycheck to paycheck. More than twenty-million Americans were cost-burdened prior to the COVID-19 public health and economic crises. The ongoing crisis has forced an estimated eight million more Americans into poverty since May, significantly worsening housing instability, particularly among people of color and those who were already struggling.

DRIVE ECONOMIC RECOVERY. By one estimate, from 1964-2009, constraints on housing production lowered aggregate economic growth by 36 percent. Research shows that building 7.3 million homes over the next 20 years will deliver \$2.3 trillion in cumulative GDP above the baseline economic forecast.

ADVANCE RACIAL EQUITY BY REVERSING PATTERNS THAT PERPETUATE INEQUITY. Racial equity cannot be achieved without housing equity. To achieve equal opportunity, we must reverse racist patterns embedded in our housing system and replace exclusionary policies with ones that prioritize inclusion and opportunity.

IMPROVE ENVIRONMENTAL SUSTAINABILITY. Building more homes in areas where people want to live, including more affordable housing near transit, can reduce sprawl and vehicle miles traveled by as much as 28 percent, significantly reducing CO2 emissions in the process and providing cleaner air. Further, by adopting an *Accessible Growth* approach, we can meet housing needs with just 25 percent of the land required under current growth patterns.

A PLAN TO ADVANCE ACCESSIBLE GROWTH THROUGH FEDERAL POLICY

The table below identifies specific legislative and regulatory changes that could be incorporated into new or existing programs to **eliminate systemic barriers** and **create more homes** and ultimately achieve **Accessible Growth**. These are ready-made proposals that could be implemented through administrative action or enacted very quickly in the 117th Congress. Many of them enjoy strong bipartisan and bicameral support.

PROPOSAL	PROBLEM	SOLUTION	RESULT
Reinstate and enhance the Affirmatively Furthering Fair Housing rule.	Despite the Fair Housing Act of 1968's mandate that all levels of government affirmatively further fair housing, millions of renters and homeowners face inequitable and inadequate access to housing.	Reinstate and enhance the 2015 AFFH Rule to reverse racial discrimination embedded in land use and housing policies. HUD should also work to tie federal dollars, including infrastructure, to the removal of barriers to housing.	Reinstatement and enhancement of the rule will empower local governments to identify and implement concrete actions to eliminate systemic barriers and increase housing production.
Create transparency in local government land use and zoning policy decisions.	There is no structured information collection to understand what policies local governments have implemented to eliminate barriers to housing.	Require federal CDBG grant recipients to respond to a 21-point checklist of pro-housing policies as part of their consolidated plan reporting.	Adding rigor and standardizing barriers to housing question in consolidated plan reporting will increase transparency and encourage more thoughtful and inclusive development practices.
Leverage transit grants to incentivize more transit-oriented housing production.	Transit agencies do not consider feasibility of housing development during the fixed guideway planning process, resulting in a lack of corresponding housing production as transit is built.	New Starts applicants receive priority review and bonus points in exchange for evaluating feasibility of housing and securing commitments of land use supportive of housing needs.	Better alignment of land use and zoning policies with infrastructure investments will increase housing availability and affordability in high opportunity, transit served locations.
Establish a new grant program to incentivize removal of barriers to affordable housing.	Local governments often have scarce resources to fund community infrastructure, often resorting to rapidly increasing impact fees, which are proven to suppress housing production.	Establish a new competitive \$10 billion grant program to incentivize local governments to responsibly streamline housing approvals, reduce barriers, and fund community infrastructure.	Shifting infrastructure funding to federal government will lessen the burden placed on new development; and, in conjunction with streamlining and removal of barriers, will maximize housing production.
Connect transportation funding to state and local governments eliminating exclusionary zoning.	Exclusionary zoning and barriers to infill development create pressure on localities to expand their land area over time, requiring additional transportation investment.	To incentivize communities to use land more efficiently and to break the cycle of road expansion, enact legislation requiring any state receiving federal dollars through STBG to eliminate exclusionary zoning.	Building more infill housing that leverages existing infrastructure results in using 25% of land area versus a status quo approach, and reduces VMT by 28%, requiring less infrastructure investment over time.
Boost capital for affordable housing production.	America's shortage of homes is most acute in the 60% AMI and below affordability level. There is a shortage of capital to produce needed affordable housing.	Enact the Affordable Housing Credit Improvement Act, boosting the Housing Credit allocation by 50% and setting a minimum 4% rate.	Boosting the Housing Credit will help keep production going during this crisis, with the credit producing an estimated 610,000 affordable homes in communities of all types across the U.S.
Create a tax credit to rehabilitate existing distressed housing to increase availability in disinvested urban and rural areas.	Many once thriving urban and rural communities face a shortage of quality and affordable homes. Dilapidated homes cannot be rehabilitated because of disinvestment and asset devaluation.	The Neighborhood Homes Investment Act would create a new financing tool to solve the "appraisal gap" and enable the rehabilitation of exiting homes to add back to housing supply.	Leveraging locally driven place-based community development efforts, more homes will be built in distressed neighborhoods in places near existing community infrastructure and jobs.
Increase funding to the National Housing Trust Fund to ensure a sustainable capital source for affordable housing production.	Created through the Housing and Economic Recovery Act of 2008, the National Housing Trust Fund is a critical source of funds for affordable housing production. However, far more resources are required to meet the scale of affordable housing funding that is needed.	As part of comprehensive GSE reform, set aside a percentage of Federal Home Loan Mortgage Corporation and Fannie Mae total single-family new business purchases to allocate as dedicated funding for the National Housing Trust Fund.	Establishing a higher level of funding for the National Housing Trust Fund could raise \$20 billion to \$60 billion over a period of 10 years, significantly increasing resources available for the production of affordable housing.

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Federal Affairs

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upforgrowthaction.org | 202-716-2064

1875 K Street NW, 4th Floor | Washington, DC 20006

 @up4growth