

HOUSING IS INFRASTRUCTURE ACT OF 2020

DECEMBER 24, 2020.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Ms. WATERS, from the Committee on Financial Services,  
submitted the following

R E P O R T

together with

MINORITY VIEWS

[To accompany H.R. 5187]

[Including cost estimate of the Congressional Budget Office]

The Committee on Financial Services, to whom was referred the bill (H.R. 5187) to facilitate the development of affordable housing, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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The amendment is as follows:

Strike all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE.**

This Act may be cited as the “Housing is Infrastructure Act of 2020”.

**SEC. 2. FINDINGS.**

The Congress finds the following:

(1) Affordable housing is a critical part of the national infrastructure of the United States but there is a severe shortage of affordable housing in the United States and the existing stock is badly in need of repair.

(2) According to a 2010 study sponsored by the Department of Housing and Urban Development, there was a \$26 billion backlog of capital needs for public housing; that figure is likely higher today, with some groups estimating the backlog of capital needs for public housing to be as high as \$70 billion.

(3) There are 14,000 units supported by Rural Rental Housing Loans under section 515 of the Housing Act of 1949 and Farm Labor Housing Loans under section 514 of the Housing Act of 1949. According to National Rural Housing Coalition, it would take an estimated \$1 billion in the Multi-Family Housing Revitalization Demonstration Program (MPR) funding to fully address the capital backlog for rural housing properties.

(4) Federal investment in housing helps to create jobs and stimulate the economy.

(5) When the American Recovery and Reinvestment Act of 2009 (Public Law 111-5) was enacted, which included funding for public housing, researchers found that for each \$1.00 in direct spending on public housing, there was an additional \$2.12 of indirect and induced economic activity nationwide for a total economic impact of \$3.12 for each \$1.00 in direct spending on public housing.

(6) According to the National Association of Home Builders, building 100 affordable rental homes generates \$11.7 million in local income, \$2,200,000 in taxes and revenue for local governments, and 161 local jobs.

(7) Researchers estimate that the growth in the gross domestic product from 1964–2009 would have been 13.5 percent higher if families had better access to affordable housing, which in turn could have led to an additional \$1.7 trillion increase in income, equivalent to \$8,775 in additional wages for each worker.

**SEC. 3. PUBLIC HOUSING CAPITAL FUND.**

(a) **IN GENERAL.**—There is authorized to be appropriated for the Capital Fund under section 9(d) of the United States Housing Act of 1937 (42 U.S.C. 1437g(d)) \$70,000,000,000 and any amounts appropriated pursuant to this subsection shall remain available until the expiration of the 5-year period beginning upon the date of such appropriation.

(b) **REQUIREMENTS.**—The Secretary of Housing and Urban Development (in this Act referred to as the “Secretary”) shall—

(1) distribute not less than 35 percent and not more than 75 percent of any amounts appropriated pursuant to subsection (a) under the same formula used for amounts made available for the Capital Fund for fiscal year 2020; and

(2) make available all remaining amounts by competition for priority investments, including investments that address lead hazards, other urgent health and safety concerns, and such other priorities as the Secretary may identify.

(c) **TIMING.**—The Secretary shall obligate amounts—

(1) made available under subsection (b)(1) within 30 days of enactment of the Act appropriating such funds; and

(2) made available under subsection (b)(2) within 12 months of enactment of the Act appropriating such funds.

(d) **LIMITATION.**—Amounts provided pursuant to this section may not be used for operating costs or rental assistance.

(e) **USE OF FUNDS.**—Not more than 0.5 percent of any amount appropriated pursuant to this section shall be used by the Secretary for costs associated with staff, training, technical assistance, technology, monitoring, travel, enforcement, research, and evaluation.

(f) **SUPPLEMENT NOT SUPPLANT.**—The Secretary shall ensure that amounts provided pursuant to this section shall serve to supplement and not supplant other amounts generated by a recipient of such amounts or amounts provided by other Federal, State, or local sources.

(g) **WATER AND ENERGY EFFICIENCY.**—In distributing any amounts pursuant to subsection (b), the Secretary shall give priority to public housing agencies located in States and localities that have a plan to increase water and energy efficiency when developing or rehabilitating public housing using any amounts distributed.

**SEC. 4. RURAL MULTIFAMILY PRESERVATION AND REVITALIZATION DEMONSTRATION PROGRAM.**

(a) **IN GENERAL.**—There is authorized to be appropriated for carrying out the Multifamily Preservation and Revitalization Demonstration program of the Rural Housing Service (as authorized under sections 514, 515, and 516 of the Housing Act of 1949 (42 U.S.C. 1484; 1485; 1486)) \$1,000,000,000 and any amounts appropriated pursuant to this section shall remain available until expended.

(b) **WATER AND ENERGY EFFICIENCY.**—Not less than 10 percent of all amounts made available pursuant to this section shall be used only for activities relating to water and energy efficiency and, at the Secretary's discretion, other strategies to enhance the environmental sustainability of housing production and design.

**SEC. 5. FLOOD MITIGATION ASSISTANCE GRANT PROGRAM.**

(a) **IN GENERAL.**—There is authorized to be appropriated for carrying out the Flood Mitigation Assistance Grant Program under section 1366 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104c) \$1,000,000,000 and any amounts appropriated pursuant to this section shall remain available until expended.

(b) **MULTIFAMILY RESIDENCES AND ATTACHED AND SEMI-ATTACHED HOMES.**—With regard to any structure that is a multifamily residence or an attached or semi-attached residence, the Administrator shall consult with the Secretary of Housing and Urban Development and establish alternative forms of mitigation.

(c) **DEFINITIONS.**—For the purposes of this section, the term “multifamily residence” has the same meaning as in the Flood Disaster Protection Act of 1973 and the National Flood Insurance Act of 1968.

**SEC. 6. HOUSING TRUST FUND.**

(a) **IN GENERAL.**—There is authorized to be appropriated for the Housing Trust Fund under section 1338 of the Housing and Urban Development Act of 1992 (12 U.S.C. 4568) \$5,000,000,000 and any amounts appropriated pursuant to this subsection shall remain available until expended. The Secretary shall ensure that priority for occupancy in dwelling units assisted with amounts made available pursuant to this section that become available for occupancy shall be given to persons and households who are homeless (as such term is defined in section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302)) or at risk of homelessness (as such term is defined in section 401 of such Act (42 U.S.C. 11360)).

(b) **WATER AND ENERGY EFFICIENCY.**—Not less than 10 percent of all amounts made available pursuant to this section shall be used only for activities relating to water and energy efficiency and, at the Secretary's discretion, other strategies to enhance the environmental sustainability of housing production and design.

**SEC. 7. SINGLE-FAMILY HOUSING REPAIR LOANS AND GRANTS.**

(a) **IN GENERAL.**—There is authorized to be appropriated for carrying out single family housing repair loans and grants under section 504 of the Housing Act of 1949 (42 U.S.C. 1474) \$100,000,000 and any amounts appropriated pursuant to this section shall remain available until expended.

(b) **WATER AND ENERGY EFFICIENCY.**—Not less than 10 percent of all amounts made available pursuant to this section shall be used only for activities relating to water and energy efficiency and, at the Secretary's discretion, other strategies to enhance the environmental sustainability of housing production and design.

**SEC. 8. NATIVE AMERICAN HOUSING BLOCK GRANT PROGRAM.**

(a) **IN GENERAL.**—There is authorized to be appropriated for carrying out the Native American housing block grant program under title I of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4111 et seq.) \$1,000,000,000 and any amounts appropriated pursuant to this section shall remain available until expended.

(b) **WATER AND ENERGY EFFICIENCY.**—Not less than 10 percent of all amounts made available pursuant to this section shall be used only for activities relating to water and energy efficiency and, at the Secretary's discretion, other strategies to enhance the environmental sustainability of housing production and design.

**SEC. 9. HOME INVESTMENT PARTNERSHIPS PROGRAM.**

(a) **IN GENERAL.**—There is authorized to be appropriated for carrying out the HOME Investment Partnership Program under title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12721 et seq.) \$5,000,000,000 and any amounts appropriated pursuant to this section shall remain available until expended.

(b) **WATER AND ENERGY EFFICIENCY.**—Not less than 10 percent of all amounts made available pursuant to this section shall be used only for activities relating to water and energy efficiency and, at the Secretary's discretion, other strategies to enhance the environmental sustainability of housing production and design.

**SEC. 10. PROGRAM FOR SUPPORTIVE HOUSING FOR PERSONS WITH DISABILITIES.**

(a) **IN GENERAL.**—There is authorized to be appropriated \$2,500,000,000 for project rental assistance under the program for supportive housing for persons with disabilities under section 811(b)(3) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013(b)(3)) for State housing finance agencies and any amounts appropriated pursuant to this section shall remain available until expended.

(b) **WATER AND ENERGY EFFICIENCY.**—Not less than 10 percent of all amounts made available pursuant to this section shall be used only for activities relating to water and energy efficiency and, at the Secretary's discretion, other strategies to enhance the environmental sustainability of housing production and design.

**SEC. 11. PROGRAM FOR SUPPORTIVE HOUSING FOR THE ELDERLY.**

(a) **IN GENERAL.**—There is authorized to be appropriated \$2,500,000,000 for—

(1) capital advances pursuant to section 202(c)(1) of the Housing Act of 1959 (12 U.S.C. 1701q(c)(1)), including amendments to capital advance contracts for housing for the elderly as authorized by section 202 of such Act;

(2) project rental assistance for the elderly under section 202(c)(2) of such Act, including amendments to contracts for such assistance and renewal of expiring contracts for such assistance for up to a 1-year term;

(3) senior preservation rental assistance contracts, including renewals, as authorized by section 811(e) of the American Housing and Economic Opportunity Act of 2000 (12 U.S.C. 1701g note); and

(4) supportive services associated with housing assisted under paragraph (1), (2), or (3).

(b) **AVAILABILITY OF AMOUNTS.**—Any amounts appropriated pursuant to this section shall remain available until September 30, 2023.

(c) **WATER AND ENERGY EFFICIENCY.**—Not less than 10 percent of all amounts made available pursuant to this section shall be used only for activities relating to water and energy efficiency and, at the Secretary's discretion, other strategies to enhance the environmental sustainability of housing production and design.

**SEC. 12. CAPITAL MAGNET FUND.**

(a) There is authorized to be appropriated for the Capital Magnet Fund under section 1339 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4569) \$2,500,000,000 and any amounts appropriated pursuant to this subsection shall remain available until expended.

(b) **WATER AND ENERGY EFFICIENCY.**—Not less than 10 percent of all amounts made available pursuant to this section shall be used only for activities relating to water and energy efficiency and, at the Secretary's discretion, other strategies to enhance the environmental sustainability of housing production and design.

**SEC. 13. COMMUNITY DEVELOPMENT BLOCK GRANT FUNDING FOR AFFORDABLE HOUSING AND INFRASTRUCTURE.**

(a) **AUTHORIZATION OF APPROPRIATIONS.**—

(1) **IN GENERAL.**—Subject to the provisions of this section, there is authorized to be appropriated for assistance under the community development block grant program under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) \$10,000,000,000 and any amounts appropriated pursuant to this section shall remain available until expended.

(2) **ADMINISTRATIVE AND PLANNING COSTS.**—Not more than 15 percent of any amounts appropriated pursuant to paragraph (1) may be used for administrative and planning costs.

(b) **ELIGIBLE ACTIVITIES.**—Amounts made available for assistance under this section may be used only for—

(1) the development and preservation of qualified affordable housing, including the construction of such housing;

(2) the responsible elimination or waiving of zoning requirements and other requirements that limit affordable housing development, including high density and multifamily development restrictions, off-street parking requirements, and height limitations; or

(3) any project or entity eligible for a discretionary grant provided by the Department of Transportation.

(c) **LIMITATION.**—With respect to amounts used pursuant to subsection (b)(2), the Secretary shall ensure that recipients of amounts provided pursuant to this section are not incentivized or otherwise rewarded for eliminating or undermining the intent of the zoning regulations or other regulations or policies that—

(1) establish fair wages for labors;

(2) ensure the health and safety of buildings for residents and the general public;

- (3) protect fair housing;
  - (4) provide environmental protections;
  - (5) prevent tenant displacement; or
  - (6) protect any other interest that the Secretary determines is in the public interest to preserve.
- (d) **COMPETITION.**—Amounts made available for assistance under this section shall be awarded to States, units of general local government, and Indian tribes on a competitive basis, based on the extent to which the applicant—
- (1) demonstrates that the applicant is responsibly streamlining the process for development of qualified affordable housing;
  - (2) is eliminating or reducing impact fees for housing within boundaries of the State, unit of local government, or Indian tribe, as applicable, and other assessments by State or local governments upon the owners of new housing development projects that offset governmental capital expenditures for infrastructure required to serve or made necessary by the new housing developments, except for fees that are invested exclusively for housing; and
  - (3) provides assurances that the applicant will supplement assistance provided under this section with amounts from non-Federal sources for costs of the qualified affordable housing or infrastructure eligible under subsection (b) to be funded with assistance under this section, and the extent of such supplemental assistance to be provided.
- (e) **WATER AND ENERGY EFFICIENCY.**—Not less than 10 percent of all amounts made available for assistance pursuant to this section shall be used only for eligible activities relating to water and energy efficiency and, at the Secretary's discretion, other strategies to enhance the environmental sustainability of housing production and design.
- (f) **QUALIFIED AFFORDABLE HOUSING.**—For purposes of this section, the term “qualified affordable housing” means a housing development that—
- (1) is either—
    - (A) funded in any part by assistance provided by the Department of Housing and Urban Development or the Rural Housing Service of the Department of Agriculture; or
    - (B) includes a qualified low income building as such term is defined in section 42 of the Internal Revenue Code of 1986; or
  - (2) consists of 5 or more dwelling units of which 20 percent or more are made available—
    - (A) for rental only by a low-income family (as defined in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)));
    - (B) at a monthly rent amount that does not exceed 30 percent of the monthly adjusted income (as defined in such section 3(b)) of the tenant low-income family; and
    - (C) maintains affordability for residents who are low-income families for a period of not less than 30 years.
- SEC. 14. INCLUSION OF MINORITY AND WOMEN'S BUSINESS ENTERPRISES.**
- (a) **DUTY.**—It shall be the duty of each relevant agency head—
- (1) to consult and cooperate with grantees and recipients, when utilizing funds made available pursuant to this Act, to promote the inclusion of minority and women's business enterprises, as defined in subsection (b) including to establish—
    - (A) special consideration to increasing grantee and recipient outreach to minority and women's business enterprises to inform such businesses of hiring opportunities created through such funds; and
    - (B) procurement goals for the utilization of minority and women's business enterprises; and
  - (2) to convene meetings with leaders and officials of State and local governments, tribal entities, and public housing authorities for the purpose of recommending and promoting funding opportunities and initiatives needed to advance the position of minority and women's business enterprises when competing for funds provided in this Act.
- (b) **DEFINITIONS.**—For the purposes of this section, the following definitions shall apply:
- (1) **MINORITY.**—The term “minority” has the meaning given such term in section 308(b) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1463 note) and also includes any indigenous person in the United States or its territories.
  - (2) **MINORITY AND WOMEN'S BUSINESS ENTERPRISE.**—The term “minority and women's business enterprise” means a business at least 51 percent owned and controlled by minority group members or women.

(3) RELEVANT AGENCY HEAD.—The term “relevant agency head” means, with respect to funds made available pursuant to any section of this Act, the head of the Federal agency responsible for administering the program under which such funds are to be expended.

#### PURPOSE AND SUMMARY

On November 20, 2019, Rep. Maxine Waters introduced H.R. 5187, the “Housing Is Infrastructure Act of 2019,” which would authorize \$100 billion in federal investments for the nation’s affordable housing infrastructure, including public housing, supportive housing for seniors and people with disabilities, housing affordable to the lowest-income people, and rural and Native American housing.

#### BACKGROUND AND NEED FOR LEGISLATION

According to the National Low Income Housing Coalition, nationwide there is a shortage of more than 7 million rental housing units that are affordable and available to the lowest income families.<sup>1</sup> In fact, no state in America has an adequate supply of affordable housing for the lowest income renters. Further, our limited stock of existing affordable housing is aging and in need of repairs. For example, our public housing stock, which houses 1.9 million Americans, has an estimated capital needs backlog of \$70 billion.<sup>2</sup>

Other federally assisted housing is also facing significant capital investment needs that have been exacerbated by decreased federal funding or lack of new federal funding for key programs like the Community Development Block Grant (CDBG) program, the Native American Housing Block Grant (NAHBG) program, and the rural Multifamily Housing Preservation and Rehabilitation (MPR) demonstration program. For example, the U.S. Department of Agriculture’s multifamily housing portfolio, which provides much needed affordable rental housing for low income rural residents, has an estimated reserves deficit of \$5.6 billion over the next 20 years.<sup>3</sup> According to a report from the National Congress of American Indians, of the 60,000 homes being maintained by federal housing assistance programs serving Native Americans, it is estimated that 70 percent, or 42,000 homes are in need of retrofitting (including windows, insulation, efficient furnaces/air, elder/handicap conversion, etc.).<sup>4</sup>

As a result of the lack of investment into the affordable housing infrastructure, many families pay unaffordable rents or live in substandard conditions. Nearly 50 percent of all U.S. renters are cost burdened and spend 30 percent or more of their income on housing.<sup>5</sup> The share of renter households that were severely rent burdened—spending 50 percent or more of monthly income on rent—increased by 42 percent between 2001 and 2015.<sup>6</sup> 71 percent, or 7.8

<sup>1</sup>National Low-Income Housing Coalition, “The Gap: A Shortage of Affordable Homes,” March 2020.

<sup>2</sup>Public Housing Authority Directors Association, “The Advocate,” Spring 2019.

<sup>3</sup>USDA Rural Development, “Multi-family Housing Comprehensive Property Assessment,” March 1, 2016.

<sup>4</sup>National Congress of American Indians, Policy Research Center, “Investing in Tribal Governments: An Analysis of Impact and Remaining Need under the American Recovery and Reinvestment Act,” March 2010.

<sup>5</sup>Chris Salvati, “2018 Cost Burden Report: Despite Improvements, Affordability Issues Are Immense,” Renteconomics, September 21, 2018.

<sup>6</sup>Pew Charitable Trust, “American Families Face a Growing a Rent Burden,” April 2018.

million of the nation’s extremely low-income renter households are now severely housing cost-burdened and spend more than half of their incomes on rent and utilities.<sup>7</sup> Additionally, only one in four households who qualify for federal housing assistance receive it.<sup>8</sup> According to HUD’s most recent report to Congress on “worst case housing needs”—which are defined as households that are very low-income renter households who receive no housing assistance and pay more than 50 percent of their income for rent or live in severely inadequate units—the number of households in the United States experiencing worst case needs was 8.3 million in 2015, up from 7.7 million in 2013 and nearly as many as the record high of 8.5 million in 2011.<sup>9</sup> Low income American Indians and Alaska Natives face some of the worst housing conditions in the United States with disproportionately high rates of overcrowding and substandard housing conditions.<sup>10</sup>

H.R. 5187 represents substantial new investment into our affordable housing infrastructure in order to address this ongoing affordable housing crisis. Like roads and bridges, affordable housing is a component of the nation’s infrastructure and a long-term asset that helps communities and families by connecting them to resources and opportunities.<sup>11</sup> Similar to investments into other infrastructure projects, investments into affordable housing infrastructure generate construction activity and jobs that stimulate the economy.<sup>12</sup> For example, according to the National Association of Home Builders, building 100 affordable rental homes generates 297 jobs, \$28 million in wages and business income, and \$11 million in taxes and revenue for state, local, and federal governments.<sup>13</sup> According to the Council of Large Public Housing Authorities (CLPHA), every \$1 million spent on capital investments into public housing generates \$1.89 million in economic activity and supports 11 full-time jobs.<sup>14</sup> Further, similar to disinvestment in other infrastructure, disinvestment in affordable housing infrastructure can hamper economic growth.<sup>15</sup> For example, one study found that the shortage of affordable housing in major metropolitan areas costs the American economy about \$2 trillion a year in lower wages and productivity.<sup>16</sup> Another study estimated that the growth in GDP between 1964 and 2009 would have been 13.5 percent higher if families had better access to affordable housing, and<sup>17</sup> would have led to a \$1.7 trillion increase in total income, or \$8,775 in additional wages per worker.<sup>18</sup>

<sup>7</sup>National Low Income Housing Coalition, “The Gap, A Shortage of Affordable Homes,” March 2019.

<sup>8</sup>See *e.g.* Urban Institute, “One in four: America’s housing assistance lottery” May 28, 2014.

<sup>9</sup>HUD, “Worst Case Housing Needs: 2017 Report to Congress”

<sup>10</sup>See *e.g.* HUD Office of Policy Development and Research, “Housing Needs of American Indians and Alaska Natives in Tribal Areas: A Report from the Assessment of American Indian, Alaska Native, and Native Hawaiian Housing Needs,” January 2017, citing Urban Institute Household Survey 2013–2015, American Housing Survey 2013.

<sup>11</sup>See *e.g.* the Campaign for Housing and Community Development Funding (CHCDF) 1-pager entitled “Affordable Housing Infrastructure”

<sup>12</sup><http://www.nahbhousingportal.org/>.

<sup>13</sup>*Id.*

<sup>14</sup>CLPHA, “The Economic Impact of Public Housing,” October 2018.

<sup>15</sup>Chicago Policy Review, “All Growth is Local: Housing Supply and the Economics of Mobility,” February 2, 2016.

<sup>16</sup>*Id.*

<sup>17</sup>Chang-Tai Hsieh & Enrico Moretti, “Housing Constraints and Spatial Misallocation,” *American Economic Journal: Macroeconomics*, 2019.

<sup>18</sup>*Id.*

H.R. 5187 would authorize the following investments into our affordable housing infrastructure:

- \$70 billion to fully address the public housing capital backlog.<sup>19</sup>
- \$1 billion to fully fund the backlog of capital needs for the Section 515 and 514 rural housing stock;<sup>20</sup>
- \$1 billion to support mitigation efforts that can protect communities from future disasters and reduce post-disaster federal spending;<sup>21</sup>
- \$5 billion for the Housing Trust Fund to support the creation of new units of housing that would be affordable to the lowest income households;<sup>22</sup>
- \$100 million to help low income elderly households in rural areas age in place;
- \$1 billion for the Native American Housing Block Grant Program to address substandard housing conditions on tribal lands;<sup>23</sup>
- \$10 billion for a CDBG set-aside to incentivize states and cities to eliminate impact fees and responsibly streamline the process for development of affordable housing;<sup>24</sup>
- \$5 billion for the HOME Investment Partnership Program to fund affordable housing activities such as building, buying, and rehabilitating affordable homes for low-income people;<sup>25</sup>
- \$2.5 billion for the Supporting Housing for Elderly (Section 202 Program);<sup>26</sup>
- \$2.5 billion for Supportive Housing for persons with disabilities (811 Program); and<sup>27</sup>
- \$2.5 billion to the Capital Magnet Fund for competitive grants to Community Development Financial Institutions to fi-

<sup>19</sup>Public Housing Authority Directors Association, “The Advocate,” Spring 2019.

<sup>20</sup>The National Rural Housing Coalition estimates that it would take \$1 billion in Multifamily Housing Preservation & Revitalization (MPR) program funding to fully address the capital backlog for Section 515 and 514 properties, which are USDA-backed affordable multifamily properties.

<sup>21</sup>According to the CBO, every dollar of pre-disaster mitigation spending saves an average of \$3.00 in future losses. Since the 2017 hurricane season, Congress has provided more than \$25 billion in CDBG-DR funding to help people recover their losses and rebuild after natural disasters.

<sup>22</sup>FSC staff estimate that \$5 billion in new funding for the HTF would result in nearly 60,000 new units.

<sup>23</sup>According to a report from the National Congress of American Indians, the Indian Housing Block Grant Program (IHBG) would have received nearly \$1 billion if funding had it kept pace with inflation since 1996.

<sup>24</sup>According to the CDBG Coalition, every \$1.00 of CDBG funding leverages another \$4.09 in public and private funding. The CDBG set-aside funding in the bill includes new incentives that would help reduce the regulatory barriers and cost in producing affordable housing beyond the units that are directly funded by this bill. This responds to research from the National Home Builders Association, regulations account for 30 percent of the cost for the development of multifamily housing.

<sup>25</sup>According to the HOME Coalition, every \$1 of HOME leverages \$4.38 in additional investments. FSC staff estimate that \$5 billion in new HOME funds would produce 136,653 new affordable housing units.

<sup>26</sup>According to a 2019 report from the Harvard Joint Center for Housing Studies, the number of cost-burdened households age 65 and over grew to a new high of nearly 10 million in 2017, an increase of 200,000 households from the year before. About half of these households are severely cost burdened, meaning they are spending more than 50 percent of their income on rent. However, only one in three seniors who are eligible for housing assistance receive it. FSC staff estimate that \$2.5 billion in new funds for the Section 202 Program would produce an additional new 54,850 units.

<sup>27</sup>According to the Technical Assistance Collaborative, nearly five million non-elderly adults with significant and long-term disabilities have Supplemental Security Income levels equal to only 20% of AMI and cannot afford housing in the community without federal housing assistance. FSC staff estimate that \$2.5 billion in new Section 811 funds would produce 27,000 new units.

nance affordable housing and community revitalization efforts.<sup>28</sup>

H.R. 5187 is supported by the Association of State Floodplain Managers, Capital Magnet Fund Coalition, Consortium for Citizens With Disabilities Housing Task Force, Corporation for Supportive Housing, Council of Large Public Housing Authorities, Council of State Community Development Agencies, Enterprise Community Partners, Housing Assistance Council, LeadingAge, Local Initiatives Support Corporation, Mayors and CEOs for U.S. Housing Investment, National Alliance on Mental Illness, National Apartment Association, National Association for County Community and Economic Development, National Association of Counties, National Association of Home Builders, National Association of Housing and Redevelopment Officials, National Coalition for Asian Pacific American Community Development, National Community Development Association, National Housing Conference, National Housing Law Project, National Housing Trust, National Low Income Housing Coalition, National Multifamily Housing Council, National Community Reinvestment Coalition, National Urban League, PolicyLink, Public Housing Authorities Directors Association, UnidosUS, and Up for Growth Action.

#### SECTION-BY-SECTION ANALYSIS

##### *Section 1. Short title*

This section provides that H.R. 5187 may be cited as the “Housing is Infrastructure Act of 2019.”

##### *Section 2. Findings*

This section highlights the most recent data on the capital needs of federally-subsidized housing and the positive effects affordable housing construction has on the U.S. economy.

##### *Section 3. Public Housing Capital Fund*

Subsection (a) of this section authorizes \$70 billion over five years for the Public Housing Capital Fund.

Subsection (b) provides that the HUD Secretary distribute not less than 35 percent and not more than 75 percent of funds provided under this section using the same formula used to distribute amounts made available for the Capital Fund for fiscal year 2019. It also provides that the Secretary shall make all remaining amounts available by competition for priority investments, including investments to address lead hazards, other urgent health and safety concerns, and other priorities identified by the Secretary.

Subsection (c) requires that funds be expeditiously spent. Subsection (d) provides that funds may not be used for operating costs or rental assistance, and subsection (e) provides for use of funds for administrative purposes. The Committee intends that for public housing agencies that are designated as troubled and who receive funds provided under this section, the Secretary shall provide additional oversight and monitoring of those agencies.

<sup>28</sup> According to the Community Development Financial Institution Fund, the Capital Magnet Fund (CMF) generated \$20 of additional investment for every \$1 of award funding. FSC staff estimate that \$2.5 billion in new funding for CMF would produce an additional 449,615 new units. FSC staff estimate that \$2.5 billion in new funding for CMF would produce an additional 449,615 new units.

Subsection (f) provides that the Secretary shall ensure that amounts provided pursuant to this section supplement and not supplant other sources of funding, including Federal, State, or local sources. Subsection (g) provides that in distributing funding made available under this section, the Secretary shall give priority to public housing agencies located in States and localities that have a plan to increase water and energy efficiency when developing or rehabilitating public housing using any amounts distributed.

*Section 4. Rural Multifamily Preservation and Revitalization Demonstration Program*

This section authorizes \$1 billion for the Multifamily Preservation and Revitalization Demonstration program of the Rural Housing Service to remain available until expended. This section provides that not less than 10 percent of all amounts made available under this section must be used only for activities related to water and energy efficiency and other strategies to reduce emissions.

*Section 5. Flood Mitigation Assistance Grant Program*

This section authorizes \$1 billion for the Flood Mitigation Assistance Grant Program to remain available until expended. For multifamily residences and attached and semi-attached homes, this section provides that the FEMA Administrator shall consult with the HUD Secretary and establish alternative forms of mitigation.

*Section 6. Housing Trust Fund*

This section authorizes \$5 billion for the national Housing Trust Fund to remain available until expended. This section provides that the HUD Secretary shall ensure that people at risk of or experiencing homelessness are given priority to move into units assisted with funds made available under this section. This section also provides that not less than 10 percent of all amounts made available under this section must be used only for activities related to water and energy efficiency and other strategies to reduce emissions.

*Section 7. Single-Family Housing Repair Loans and Grants*

This section authorizes \$100 million for the Section 504 Single-Family Housing Repair Loans and Grants program to remain available until expended. It also provides that not less than 10 percent of all amounts made available under this section must be used only for activities related to water and energy efficiency and other strategies to reduce emissions.

*Section 8. Native American Housing Block Grant Program*

This section authorizes \$1 billion for the Native American Housing Block Grant program to remain available until expended. It also provides that not less than 10 percent of all amounts made available under this section must be used only for activities related to water and energy efficiency and other strategies to reduce emissions.

*Section 9. HOME Investment Partnerships Program*

This section authorizes \$5 billion for the HOME Investment Partnerships program to remain available until expended. It also provides that not less than 10 percent of all amounts made avail-

able under this section must be used only for activities related to water and energy efficiency and other strategies to reduce emissions.

*Section 10. Program for Supportive Housing for Persons with Disabilities*

This section authorizes \$2.5 billion for Section 811 Supportive Housing for People with Disabilities program for state housing finance agencies to remain available until expended. Not less than 10 percent of all amounts made available under this section must be used only for activities related to water and energy efficiency and other strategies to reduce emissions.

*Section 11. Program for Supportive Housing for the Elderly*

This section authorizes \$2.5 billion for the Section 202 Supportive Housing for the Elderly program for capital advances for new construction, project rental assistance, and supportive services. Funds authorized under this section are to remain available until 2023. It also provides that not less than 10 percent of all amounts made available under this section must be used only for activities related to water and energy efficiency and other strategies to reduce emissions.

*Section 12. Capital Magnet Fund*

This section authorizes \$2.5 billion for the Capital Magnet Fund to remain available until expended. It also provides that not less than 10 percent of all amounts made available under this section must be used only for activities related to water and energy efficiency and other strategies to reduce emissions.

*Section 13. Community Development Block Grant funding for affordable housing and infrastructure*

Subsection (a) authorizes \$10 billion for the Community Development Block Grant (CDBG) program to remain available until expended. Subsection (b) provides that amounts made available under this section may be used only for: (1) developing or preserving qualified affordable housing, including construction; (2) the responsible elimination or waiving of zoning requirements and other requirements that limit affordable housing development; or (3) any project or entity eligible for a discretionary grant provided by the Department of Transportation.

Subsection (c) provides that the HUD Secretary shall ensure recipients of funds made available under this section are not incentivized or rewarded for eliminating or undermining regulations that establish fair labor wages, ensure the health and safety of buildings for residents and the general public, protect fair housing, provide environmental protections, prevent tenant displacement, or protect any other public interests as determined by the HUD Secretary.

Subsection (d) provides that CDBG funds be awarded to States, units of general local government, and Indian tribes on a competitive basis, based on the extent to which the applicant (1) demonstrates that the applicant is responsibly streamlining the process for development for qualified housing; (2) is eliminating or reducing impact fees for housing or other assessments, except fees that in-

vested exclusively for housing; and (3) provides assurances the applicant will supplement assistance provided under this section with non-Federal sources.

Subsection (e) provides that not less than 10 percent of all amounts made available under this section must be used only for activities related to water and energy efficiency and other strategies to reduce emissions. Subsection (f) defines “qualified affordable housing” for purposes of this bill.

*Section 14. Inclusion of minority and women’s business enterprises*

This section requires each relevant agency head to consult and cooperate with grantees when utilizing funds made available the Act to promote the inclusion of minority and women’s business enterprises, and convene meetings with leaders and officials of State and local governments, tribal entities, an public housing agencies to recommend and promote funding opportunities and initiatives needed to advance the position of minority and women’s business enterprises when competing for funds provided by the Act.

HEARINGS

For the purposes of section 103(i) of H. Res. 6 for the 116th Congress, the Committee on Financial Services held a hearing on April 30, 2019, entitled “Housing in America: Assessing the Infrastructure Needs of America’s Housing Stock” to consider a discussion draft of H.R. 5187. Testifying before the Committee were: Diane Yentel, President and CEO of the National Low Income Housing Coalition; Adrienne Todman, CEO of the National Association of Housing and Redevelopment Officials; Steven Lawson, Chairman of The Lawson Companies and representative from the National Association of Home Builders; and Daryl Carter, Founder, Chairman and CEO of Avantha Capital, on behalf of the National Multifamily Housing Council and the National Apartment Association.

COMMITTEE CONSIDERATION

The Committee on Financial Services met in open session on February 27, 2020 and ordered H.R 5187 to be reported favorably to the House with an amendment in the nature of a substitute by a vote of 33 ayes and 25 nays, a quorum being present.

COMMITTEE VOTES AND ROLL CALL VOTES

In compliance with clause 3(b) of rule XIII of the Rules of the House of Representatives, the Committee advises that the following roll call votes occurred during the Committee’s consideration of H.R. 5187:

Present	Representatives	Ayes	Nays
	Ms. Waters, <i>Chairwoman</i>		X
	Mrs. Maloney		X
	Ms. Velázquez		X
	Mr. Sherman		X
	Mr. Meeks		X
	Mr. Clay		X
	Mr. Scott		X
	Mr. Green		X
	Mr. Cleaver		X
	Mr. Perlmutter		X
	Mr. Himes		X
	Mr. Foster		X
	Mrs. Beatty		X
	Mr. Heck		X
	Mr. Vargas		X
	Mr. Gottheimer		X
	Mr. Gonzalez (TX)		X
	Mr. Lawson		X
	Mr. San Nicolas		X
	Ms. Thieb		X
	Ms. Porter		X
	Ms. Axne		X
	Mr. Casten		X
	Ms. Pressley		X
	Mr. McAdams		X
	Ms. Ocasio-Cortez		X
	Ms. Wexton		X
	Mr. Lynch		X
	Ms. Gabbard		X
	Ms. Adams		X
	Ms. Dean		X
	Mr. Garcia (IL)		X
	Ms. Garcia (TX)		X
	Mr. Phillips		X
34			
	Mr. McHenry, <i>Ranking Member</i>	X	
	Mrs. Wagner	X	
	Mr. Lucas	X	
	Mr. Posey	X	
	Mr. Luetkemeyer	X	
	Mr. Huizenga	X	
	Mr. Stivers	X	
	Mr. Barr	X	
	Mr. Tipton	X	
	Mr. Williams	X	
	Mr. Hill	X	
	Mr. Emmer	X	
	Mr. Zeldin	X	
	Mr. Loudermilk		
	Mr. Mooney	X	
	Mr. Davidson	X	
	Mr. Budd	X	
	Mr. Kustoff	X	
	Mr. Hollingsworth	X	
	Mr. Gonzalez (OH)	X	
	Mr. Rose	X	
	Mr. Steil	X	
	Mr. Gooden	X	
	Mr. Riggleman	X	
	Mr. Timmons	X	
	Mr. Taylor	X	
26			

**Committee on Financial Services**  
Full Committee  
116th Congress (2nd Session)

Date: 2/27/2020

Measure H.R.5187

Amendment No. 7b

Offered by: Mr. Huizenga to Waters ANS

Agreed To	Yes	No	Prsnt	Wdrn
Voice Vote	Ayes		Nays	

Record Vote	FC
	25 Ayes-33 Noes

Present	Representatives	Ayes	Nays
	Ms. Waters, <i>Chairwoman</i>		X
	Mrs. Maloney		X
	Ms. Velázquez		X
	Mr. Sherman		X
	Mr. Meeks		X
	Mr. Clay		X
	Mr. Scott		X
	Mr. Green		X
	Mr. Cleaver		X
	Mr. Perlmutter		X
	Mr. Himes		X
	Mr. Foster		X
	Mrs. Beatty		X
	Mr. Heck		X
	Mr. Vargas		X
	Mr. Gottheimer		X
	Mr. Gonzalez (TX)		X
	Mr. Lawson		X
	Mr. San Nicolas		X
	Ms. Thib		X
	Ms. Porter		X
	Ms. Axne		X
	Mr. Casten		X
	Ms. Pressley		X
	Mr. McAdams		X
	Ms. Ocasio-Cortez		X
	Ms. Wexton		X
	Mr. Lynch		X
	Ms. Gabbard		X
	Ms. Adams		X
	Ms. Dean		X
	Mr. Garcia (IL)		X
	Ms. Garcia (TX)		X
	Mr. Phillips		X
34			
	Mr. McHenry, <i>Ranking Member</i>	X	
	Mrs. Wagner	X	
	Mr. Lucas	X	
	Mr. Posey	X	
	Mr. Luetkemeyer	X	
	Mr. Huizenga	X	
	Mr. Stivers	X	
	Mr. Barr	X	
	Mr. Tipton	X	
	Mr. Williams	X	
	Mr. Hill	X	
	Mr. Emmer	X	
	Mr. Zeldin	X	
	Mr. Loudermilk		
	Mr. Mooney	X	
	Mr. Davidson	X	
	Mr. Budd	X	
	Mr. Kustoff	X	
	Mr. Hollingsworth	X	
	Mr. Gonzalez (OH)	X	
	Mr. Rose	X	
	Mr. Steil	X	
	Mr. Gooden	X	
	Mr. Riggleman	X	
	Mr. Timmons	X	
	Mr. Taylor	X	
26			

**Committee on Financial Services**  
Full Committee  
116th Congress (2nd Session)

Date: 2/27/2020

Measure H.R.5187

Amendment No. 7c

Offered by: Mr. Budd to Waters ANS

Agreed To	Yes	No	Prsnt	Wdrn
Voice Vote	Ayes		Nays	

Record Vote	FC
	25 Ayes-33 Noes

Present	Representatives	Ayes	Nays
	Ms. Waters, <i>Chairwoman</i>		X
	Mrs. Maloney		X
	Ms. Velázquez		X
	Mr. Sherman		X
	Mr. Meeks		X
	Mr. Clay		X
	Mr. Scott		X
	Mr. Green		X
	Mr. Cleaver		X
	Mr. Perlmutter		X
	Mr. Himes		X
	Mr. Foster		X
	Mrs. Beatty		X
	Mr. Heck		X
	Mr. Vargas		X
	Mr. Gottheimer		X
	Mr. Gonzalez (TX)		X
	Mr. Lawson		X
	Mr. San Nicolas		X
	Ms. Tlaib		X
	Ms. Porter		X
	Ms. Axne		X
	Mr. Casten		X
	Ms. Pressley		X
	Mr. McAdams		X
	Ms. Ocasio-Cortez		X
	Ms. Wexton		X
	Mr. Lynch		X
	Ms. Gabbard		X
	Ms. Adams		X
	Ms. Dean		X
	Mr. Garcia (IL)		X
	Ms. Garcia (TX)		X
	Mr. Phillips		X
34			
	Mr. McHenry, <i>Ranking Member</i>	X	
	Mrs. Wagner	X	
	Mr. Lucas	X	
	Mr. Posey	X	
	Mr. Luetkemeyer	X	
	Mr. Huizenga	X	
	Mr. Stivers	X	
	Mr. Barr	X	
	Mr. Tipton	X	
	Mr. Williams	X	
	Mr. Hill	X	
	Mr. Emmer	X	
	Mr. Zeldin	X	
	Mr. Loudermilk		
	Mr. Mooney	X	
	Mr. Davidson	X	
	Mr. Budd	X	
	Mr. Kustoff	X	
	Mr. Hollingsworth	X	
	Mr. Gonzalez (OH)	X	
	Mr. Rose	X	
	Mr. Steil	X	
	Mr. Gooden	X	
	Mr. Riggleman	X	
	Mr. Timmons	X	
	Mr. Taylor	X	
26			

**Committee on Financial Services**  
Full Committee  
116th Congress (2nd Session)

Date: 2/27/2020

Measure \_ H.R.5187

Amendment No. 7a

Offered by: Mr. Stivers to Waters ANS

Agreed To	Yes	No	Prsnt	Wdm
Voice Vote	Ayes		Nays	

Record Vote	FC
	25 Ayes-33 Noes

Present	Representatives	Ayes	Nays
	Ms. Waters, <i>Chairwoman</i>	X	
	Mrs. Maloney	X	
	Ms. Velázquez	X	
	Mr. Sherman	X	
	Mr. Meeks	X	
	Mr. Clay	X	
	Mr. Scott	X	
	Mr. Green	X	
	Mr. Cleaver	X	
	Mr. Perlmutter	X	
	Mr. Himes	X	
	Mr. Foster	X	
	Mrs. Beatty	X	
	Mr. Heck	X	
	Mr. Vargas	X	
	Mr. Gottheimer	X	
	Mr. Gonzalez (TX)	X	
	Mr. Lawson	X	
	Mr. San Nicolas	X	
	Ms. Tlaib	X	
	Ms. Porter	X	
	Ms. Axne	X	
	Mr. Casten	X	
	Ms. Pressley	X	
	Mr. McAdams	X	
	Ms. Ocasio-Cortez	X	
	Ms. Wexton	X	
	Mr. Lynch	X	
	Ms. Gabbard		
	Ms. Adams	X	
	Ms. Dean	X	
	Mr. Garcia (IL)	X	
	Ms. Garcia (TX)	X	
	Mr. Phillips	X	
34			
	Mr. McHenry, <i>Ranking Member</i>		X
	Mrs. Wagner		X
	Mr. Lucas		X
	Mr. Posey		X
	Mr. Luetkemeyer		X
	Mr. Huizenga		X
	Mr. Stivers		X
	Mr. Barr		X
	Mr. Tipton		X
	Mr. Williams		X
	Mr. Hill		X
	Mr. Emmer		X
	Mr. Zeldin		X
	Mr. Loudermilk		X
	Mr. Mooney		X
	Mr. Davidson		X
	Mr. Budd		X
	Mr. Kustoff		X
	Mr. Hollingsworth		X
	Mr. Gonzalez (OH)		X
	Mr. Rose		X
	Mr. Steil		X
	Mr. Gooden		X
	Mr. Riggleman		X
	Mr. Timmons		X
	Mr. Taylor		X
26			

**Committee on Financial Services**  
Full Committee  
116th Congress (2nd Session)

Date: \_\_\_\_\_ 2/27/2020

Measure \_\_ H.R.5187

Final Passage

Agreed To	Yes	No	Prsnt	Wdrn
Voice Vote	Ayes		Nays	

Record Vote	FC
	33 Ayes-25 Noes

STATEMENT OF OVERSIGHT FINDINGS AND RECOMMENDATIONS OF THE  
COMMITTEE

In compliance with clause 3(c)(1) of rule XIII and clause 2(b)(1) of rule X of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in the descriptive portions of this report.

STATEMENT OF PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause (3)(c) of rule XIII of the Rules of the House of Representatives, the goals of H.R. 5187 are to address the shortage of affordable housing in the US by providing substantial new federal investments in our country's housing infrastructure.

NEW BUDGET AUTHORITY AND CBO COST ESTIMATE

Pursuant to clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974, and pursuant to clause 3(c)(3) of Rule XIII of the Rules of the House of Representatives and section 402 of the *Congressional Budget Act of 1974*, the Committee has received the following estimate for H.R. 5187 from the Director of the Congressional Budget Office:

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
*Washington, DC, December 22, 2020.*

Hon. MAXINE WATERS,  
*Chairwoman, Committee on Financial Services,  
House of Representatives, Washington, DC.*

DEAR MADAM CHAIRWOMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 5187, the Housing is Infrastructure Act of 2020.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Elizabeth Cove Delisle.  
Sincerely,

PHILLIP L. SWAGEL,  
*Director.*

Enclosure.

At a Glance			
H.R. 5187, Housing is Infrastructure Act of 2020			
As ordered reported by the House Committee on Financial Services on February 28, 2020			
By Fiscal Year, Millions of Dollars	2021	2021-2025	2021-2030
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	3,189	87,794	not estimated
Statutory pay-as-you-go procedures apply?	No	<b>Mandate Effects</b>	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2031?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

The bill would

- Authorize the appropriation of funds for housing and community development programs

Estimated budgetary effects would primarily stem from

- Spending of appropriations authorized for existing housing programs

Areas of significant uncertainty include

- Predicting the types of activities that grantees would carry out with the authorized funds
- Estimating the pace at which housing providers would renovate, build, or acquire housing

Bill summary: H.R. 5187 would authorize the appropriation of \$100.6 billion for fiscal year 2021 for housing and community development programs. In addition, the bill would authorize the appropriation of whatever amounts are necessary for capital and operating subsidies for new housing, which CBO estimates would total \$855 million over the 2021–2025 period. CBO estimates that H.R. 5187 would authorize appropriations totaling \$100.7 billion in 2021 and \$101.5 billion over the 2021–2025 period. The Congress appropriated \$20.8 billion for those programs in 2020.

The amounts specifically authorized by the bill for housing and community development programs include:

- \$70 billion for the Public Housing Capital Fund to improve, finance, or construct public housing;
- \$10 billion for the Community Development Block Grant Program to construct and maintain affordable housing, support changes to zoning requirements, and support transportation infrastructure projects;
- \$5 billion for the Housing Trust Fund to construct or repair housing that is affordable for low-income households;
- \$5 billion for the HOME Investment Partnerships program to build, buy, or rehabilitate housing, or to provide rental assistance for low-income households;
- \$2.5 billion for the Supportive Housing for Persons with Disabilities program to provide rental subsidies to property owners who make housing and supportive services available to low-income people with disabilities;

- \$2.5 billion for the Supportive Housing for the Elderly program to fund housing and supportive services for low-income elderly people;
- \$2.5 billion for the Capital Magnet Fund to make grants to financial institutions to incentivize private investment in affordable housing and related economic development activities;
- \$1 billion for the Multifamily Preservation and Revitalization Demonstration Program to provide grants and loans to preserve and revitalize multifamily rental housing;
- \$1 billion for the Native American Housing Block Grant Program to provide funding for tribes to acquire, construct, rehabilitate, or manage affordable housing for low-income Native American families;
- \$1 billion for the Flood Mitigation Assistance Grant Program to reduce the risk of flood damage to communities participating in the National Flood Insurance Program; and
- \$100 million for the Department of Agriculture to provide loans or grants to low-income homeowners in rural areas to repair or improve their homes.

Based on historical spending for those activities, CBO estimates that implementing H.R. 5187 would cost \$87.8 billion over the 2021–2025 period, assuming appropriation of the estimated and authorized amounts. The remainder of the amounts authorized over that period would be spent after 2025.

Estimated Federal cost: The estimated budgetary effect of H.R. 5187 is shown in Table 1. The costs of the legislation fall within budget functions 450 (community and regional development) and 600 (education, training, employment, and social services).

TABLE 1.—ESTIMATED INCREASES IN SPENDING SUBJECT TO APPROPRIATION UNDER H.R. 5187

	By fiscal year, millions of dollars—					
	2021	2022	2023	2024	2025	2021–2025
Public Housing Capital Fund:						
Authorization .....	70,000	0	0	0	0	70,000
Estimated Outlays .....	1,400	14,000	21,000	18,900	7,000	62,300
Community Development Block Grant:						
Authorization .....	10,000	0	0	0	0	10,000
Estimated Outlays .....	50	500	1,500	2,000	2,500	6,550
Housing Trust Fund:						
Authorization .....	5,000	0	0	0	0	5,000
Estimated Outlays .....	50	600	1,400	1,250	750	4,050
HOME Program:						
Authorization .....	5,000	0	0	0	0	5,000
Estimated Outlays .....	0	550	1,100	1,400	1,050	4,100
Housing for Persons With Disabilities:						
Authorization .....	2,500	0	0	0	0	2,500
Estimated Outlays .....	450	1,250	175	50	75	2,000
Housing for the Elderly:						
Authorization .....	2,500	0	0	0	0	2,500
Estimated Outlays .....	525	1,575	225	75	50	2,450
Capital Magnet Fund:						
Authorization .....	2,500	0	0	0	0	2,500
Estimated Outlays .....	75	150	625	825	825	2,500
Multifamily Preservation and Revitalization Demonstration:						
Authorization .....	1,000	0	0	0	0	1,000
Estimated Outlays .....	100	500	400	0	0	1,000
Native American Housing Block Grants:						
Authorization .....	1,000	0	0	0	0	1,000
Estimated Outlays .....	380	280	140	170	20	990

TABLE 1.—ESTIMATED INCREASES IN SPENDING SUBJECT TO APPROPRIATION UNDER H.R. 5187—Continued

	By fiscal year, millions of dollars—					
	2021	2022	2023	2024	2025	2021–2025
Flood Mitigation Assistance:						
Authorization .....	1,000	0	0	0	0	1,000
Estimated Outlays .....	50	100	200	250	300	900
Loans for Repairs of Single-Family Housing:						
Authorization .....	100	0	0	0	0	100
Estimated Outlays .....	55	30	14	0	0	99
Operating Funds for New Units:						
Estimated Authorization .....	38	78	120	163	208	607
Estimated Outlays .....	38	78	120	163	208	607
Capital Funds for New Units:						
Estimated Authorization .....	16	32	49	66	85	248
Estimated Outlays .....	16	32	49	66	85	248
Total Changes:						
Estimated Authorization .....	100,654	110	169	229	293	101,455
Estimated Outlays .....	3,189	19,645	26,948	25,149	12,863	87,794

Basis of estimate: For this estimate, CBO assumes that H.R. 5187 will be enacted near the start of fiscal year 2021 and that the authorized and estimated amounts will be appropriated in each year. Except as noted below, estimated outlays are based on historical spending patterns for each program.

Public Housing Capital Fund: The bill would authorize the appropriation of \$70 billion for 2021 to improve, finance, or construct public housing. The Congress appropriated \$2.9 billion for that purpose in 2020. Using information from a study by Abt Associates and accounting for capital needs that have accumulated since 2010 and for inflation, CBO expects that about \$60 billion of the amount authorized for capital grants would be used to rehabilitate public housing units; the remaining \$10 billion would be used to build or acquire new public housing units.

Operating and capital funds for new units: CBO expects that public housing agencies would be eligible to receive funds from the Department of Housing and Urban Development (HUD) for operating and capital needs for the new units; those estimated authorizations are shown in Table 1. A study by Abt Associates found that the average cost to develop a unit funded by the Low-Income Housing Tax Credit Program—a program used to develop housing for low- and moderate-income households—was about \$182,000 in 2016. After accounting for inflation, CBO estimates that the cost to develop or acquire a public housing unit would be about \$230,000 in 2021. CBO expects that public housing agencies would develop the units over a five-year period; therefore, CBO estimates that HUD would provide operating and capital funds for about 8,000 new units in 2021 and a total of 40,000 new units in 2025.

In 2017, outlays for the operating and capital subsidies were \$4.3 billion and \$1.8 billion, respectively. According to data on public housing households from HUD, about 980,000 households lived in public housing in an average month in the same year. Based on that information and after accounting for inflation, CBO estimates that HUD would provide an operating subsidy of \$4,400 and a capital subsidy of \$1,800 for each new public housing unit in 2021. CBO estimates that spending subject to appropriation would in-

crease by a total of \$607 million and \$248 million for operating and capital costs, respectively, over the 2021–2025 period.

Uncertainty: CBO’s estimate of spending for this bill is based on costs and historical spending patterns for similar programs or types of assistance. However, CBO cannot precisely predict the pace of program implementation. Spending under H.R. 5187 could be faster or slower than CBO’s estimate for two reasons:

- Grantees could carry out different activities than they have historically. For example, if a larger share of grantees than expected uses funds to provide rental assistance directly to households or property owners, funds will probably be spent faster than CBO projects.
- Grantees might take longer than expected to renovate, acquire, or build housing. CBO’s estimate reflects the expectation that grantees will renovate public housing, and build new housing, at a pace that is consistent with historical spending patterns. However, if grantees expand their programs more slowly than CBO expects, total spending could be slower.

The cost of implementing the bill could be higher or lower than CBO estimates depending on the number of units that grantees build or acquire using funds authorized in the bill.

Pay-As-You-Go considerations: None.

Increase in long-term deficits: None.

Mandates: None.

Estimate prepared by: Federal costs: Elizabeth Cove Delisle (housing assistance provisions), Jon Sperl (community development provisions); Mandates: Rachel Austin.

Estimate reviewed by: Sheila Dacey, Chief, Income Security and Education Cost Estimates Unit; H. Samuel Papenfuss, Deputy Director of Budget Analysis; Theresa Gullo, Director of Budget Analysis.

#### COMMITTEE COST ESTIMATE

Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison of the costs that would be incurred in carrying out H.R. 5187. However, clause 3(d)(2)(B) of that rule provides that this requirement does not apply when the committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the *Congressional Budget Act*.

#### UNFUNDED MANDATE STATEMENT

Pursuant to Section 423 of the *Congressional Budget and Impoundment Control Act* (as amended by Section 101(a)(2) of the *Unfunded Mandates Reform Act*, Pub. L. 104–4), the Committee adopts as its own the estimate of federal mandates regarding H.R. 5187, as amended, prepared by the Director of the Congressional Budget Office.

#### ADVISORY COMMITTEE

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation

## APPLICATION OF LAW TO THE LEGISLATIVE BRANCH

Pursuant to section 102(b)(3) of the *Congressional Accountability Act*, Pub. L. No. 104-1, H.R. 5187, as amended, does not apply to terms and conditions of employment or to access to public services or accommodations within the legislative branch.

## EARMARK STATEMENT

In accordance with clause 9 of rule XXI of the Rules of the House of Representatives, H.R. 5187 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as described in clauses 9(e), 9(f), and 9(g) of rule XXI.

## DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee states that no provision of H.R. 5187 establishes or reauthorizes a program of the Federal Government known to be duplicative of another federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111-139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

## CHANGES TO EXISTING LAW

H.R. 5187 does not make any changes to existing law, so no document is required in order to comply with clause 3(e) of rule XIII of the Rules of the House of Representatives,

## MINORITY VIEWS

Democrats want to throw hundreds of billions of dollars at outdated and ineffective public housing programs, while Republicans believe modernizing and improving these programs will be necessary to address Americans' housing needs.

The Department of Housing and Urban Development's (HUD) public housing programs require significant reforms to strengthen America's housing supply. Committee Republicans want to bring HUD's programs into the 21st century to help households move toward a model of opportunity and self-sufficiency, instead of keeping low-income families in areas of concentrated poverty.

Democrats' H.R. 5187 authorizes approximately \$100 billion but fails to modernize any of the housing programs—trapping struggling Americans in outdated low-income housing programs. The COVID-19 pandemic has only proven the inefficiency of these programs as millions of families struggle with housing insecurity, unsafe conditions, and even homelessness.

HUD's housing programs should be modernized with proven solutions. Republicans offered three commonsense amendments during Committee markup that would have addressed the shortfalls of H.R. 5187—every amendment was rejected by Democrats:

- Rep. Budd offered an amendment to require states or localities to provide non-federal matching funds to increase the impact and local oversight of these funds. The cost of repairs to aging local housing stock cannot be the responsibility of the federal government alone.
- Rep. Huizenga offered an amendment to stop funds under the bill from going to any housing authority that has committed fraud with federal funds or has used federal funding to violate fair housing laws. Without enhanced oversight and accountability measures, taxpayers are at risk of bailing out the same troubled housing authorities whose mismanagement wasted previous spending. In fact, two of the nation's largest housing authorities—NYCHA and the City of Los Angeles—were each sued by and settled with HUD for fraud, failure to enforce federal laws, and repeated tenant safety violations.
- Rep. Stivers offered an amendment that would increase the utilization of the bipartisan Rental Assistance Demonstration, which injects private capital into public housing.

Each of these amendments would have dramatically improved H.R. 5187 by increasing local accountability and flexibility in how best to meet the 21st century housing needs of individuals.

History has repeatedly shown increasing funding alone will not solve our housing challenges. Republicans remain ready to work on bipartisan reforms to modernize the ineffective and outdated programs of HUD.

For these reasons, Committee Republicans oppose H.R. 5187.

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