

HOUSING AND INFRASTRUCTURE

HOUSING

Safe, decent, and affordable housing is critical to the well-being of America’s families, communities, and businesses. The COVID-19 pandemic has intensified the nation’s persistent housing crisis, prompting The Roundtable to mobilize with our national real estate organization partners and jointly advocate for policies that increase housing supplies to serve the causes of equity, resiliency, job growth, and modernizing our nation’s critical infrastructure.

The affordable housing crisis is even more pronounced in communities of color, where the economic fallout from COVID-19 has exacerbated systemic barriers to equal housing opportunities and inter-generational wealth creation that have plagued our nation for far too long.

As Congress developed a series of emergency relief packages over the past year, The Roundtable urged policymakers to assist Americans facing

financial hardship and housing instability. Our data-driven recommendations have likewise supported property owners to meet their own financial obligations to their employees, tenants, and lenders. Now that we are reaching the other side of the pandemic, The Roundtable continues to advance our housing policy mission through opportunities presented by comprehensive infrastructure legislation.

Roundtable Testifies to Congress on the Importance of the “Rent Obligation Chain”

In September 2020, Roundtable President and CEO Jeffrey D. DeBoer testified before the Senate Committee on Banking, Housing and Urban Affairs to impress the need for emergency relief to support both residential and business tenants in meeting their contractual rent obligations. Rents paid by tenants support a “virtuous cycle” as those revenues are then used by building owners to

INCREASED HOUSING PRODUCTION REDUCES HOUSING PRICES, WHICH INCREASES PERSONAL INCOME AND SPENDING, WHICH INCREASES GDP, WHICH CREATES MORE JOBS



Source: Up for Growth, Holland Government Affairs, and ECONorthwest



United States Secretary of Transportation Pete Buttigieg discussed various aspects of infrastructure policy that will bring jobs to the American people, boost the economy, and enhance the U.S.' global competitiveness.

pay their own employees' salaries and retirement savings, avoid mortgage defaults, pay utility bills, and invest in their assets to keep them efficient and safe. Moreover, tenants' rents flow "up the chain" for real estate owners to pay the property taxes that state and local governments need to support essential workers and critical community infrastructure. The Roundtable's testimony urged Congress to:

- Establish an emergency residential rent assistance fund to help tenants financially aggrieved by COVID-19, that renders the flawed federal eviction moratorium unnecessary;
- Provide mortgage forbearance opportunities for property owners that have suffered economic hardship during the pandemic;
- Extend the Paycheck Protection Program administered by the Small Business Administration, to maintain workers' salaries to pay residential rents and support businesses in paying their commercial rents; and
- Avoid any proposal for federal rent control that would further skew supply and demand in affordable housing markets.

The Roundtable Continues to Press the Message that "Affordable Housing IS Infrastructure"

Infrastructure legislation presents a key opportunity to address the nation's housing crisis. In The Roundtable's view, housing itself is infrastructure. Its availability and affordability are critical to the long-term economic growth and livability of urban, suburban, and rural communities across the nation.

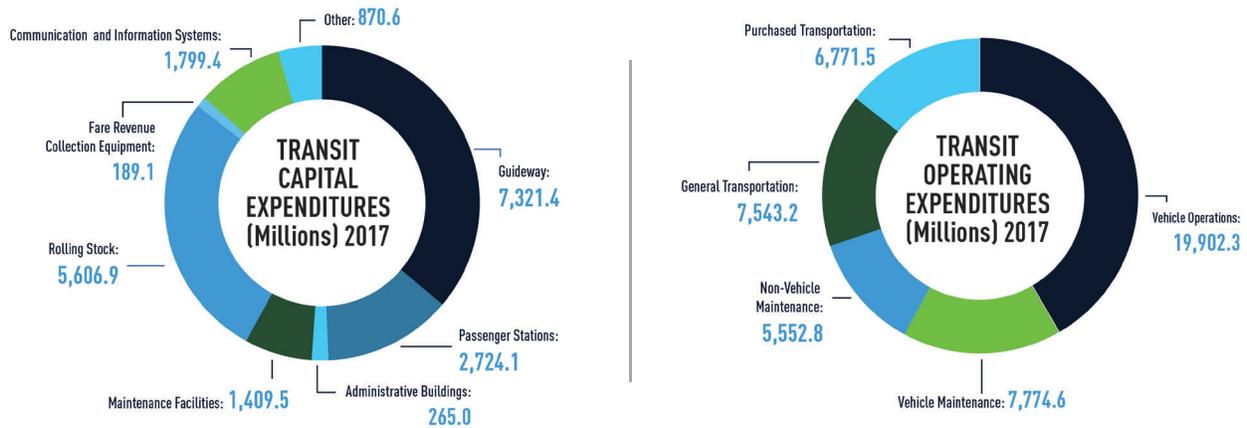
Our advocacy message, particularly in coalition with other real estate partners, has urged greater direct federal spending and financial support to increase low-and middle-income housing supplies. We have also urged Congress and the Administration to incentivize cities and counties to reduce the obstacles they have created that impede high-density, affordable housing projects.

Whether as part of a comprehensive infrastructure package, other legislative vehicle, or as appropriate through executive actions, The Roundtable has and will continue to urge:

- Expansion of the Low-Income Housing Tax Credit program, and support for a similar tax incentive tailored to increase housing supplies for America's middle class;
- More resources and reforms for the Section 8 housing choice voucher program, with more funding to reduce wait-lists and minimize bureaucratic procedures;
- Continued refocus of the missions of Fannie Mae and Freddie Mac on liquidity in the mortgage markets for low and middle-income home buyers and renters;
- Greater opportunities for private sector investments to help finance and manage the development and rehabilitation of public housing;



WHERE PUBLIC TRANSIT EXPENDITURES GO



Source: Up for Growth, Holland Government Affairs, and ECONorthwest

- Restructuring federal economic and transportation grants and loans to spur cities and counties to enact “Yes In My Backyard” land-use policies that favor high density and multifamily projects;
- Removal of the GSEs’ “green financing” programs from its overall multifamily loan purchasing caps, to boost the development of affordable housing that better manages climate and other environmental risks;
- Clarifying existing regulations under the Community Reinvestment Act (CRA) so banks can receive “credit” in serving the mortgage and other lending needs of middle-class households and geographies;
- Promote greater production of manufactured housing as a high quality, less costly alternative to site-built homes;
- Direct the General Services Administration to prioritize increasing affordable housing supplies when it disposes surplus and under-utilized federal properties; and

- Oppose market restrictions like rent controls that skew housing market supply-and-demand and increase housing costs over the long term.

INFRASTRUCTURE

Real estate and infrastructure are interdependent and have a “two-way relationship.” Property taxes paid by real estate finance the infrastructure systems upon which communities depend. And, in turn, safe, efficient, and reliable infrastructure enhance the value of nearby properties.

One of The Roundtable’s priorities is to advance legislation that promotes modernization to the nation’s “physical” infrastructure assets. For America to stay globally competitive, Congress and the Administration must provide the funding and permit reforms that are needed to expediently and efficiently modernize our roads, bridges, mass transit, water delivery systems, broadband, and power grids.

We have delivered this message in coalition with leading business groups and one-on-one through our own direct communications with key members of Congress, Administration officials, and their staffs.

The Roundtable Continues to Advocate for Policies to Modernize the Nation's Infrastructure

In December 2020, The Roundtable, joined by 12 prominent organizations, sent then President-elect Biden and Vice President-elect Harris recommendations to prioritize infrastructure repair and modernization. A number of the recommendations have been reflected in the American Jobs Plan proposal released this spring.

The Roundtable continues to engage with Congress and the Administration on its critical infrastructure priorities, including:

- Repeal the Foreign Investment in Real Property Tax Act (FIRPTA) to bring foreign investment capital into the U.S. for infrastructure;
- Develop reliable revenue streams to sustain the Highway Trust Fund (HTF) – the country's main funding source for roads, bridges, and mass transit for the long term. Solutions such as responsible increases to the "pay at the pump" user fee (not raised since 1993), and a Vehicle Miles Travelled pilot program should be on the table;



Director of the National Economic Council of The White House Brian Deese discussed the Administration's perspectives on an infrastructure package – as a key vehicle to "Build Back Better" and create well-paying green jobs.



As a member of the Senate Commerce, Science and Transportation, Homeland Security and Governmental Affairs; Small Business and Entrepreneurship Committees, Sen. Jacky Rosen (D-NV) briefed The Roundtable on the ongoing COVID-19 recovery, and its effects on the hospitality sector, infrastructure developments, and housing policy.

- Further improve and expand the successful TIFIA loan program, that has fostered dozens of public-private partnerships to improve surface transportation projects;
- Expand on the TIFIA model as the basis for a "climate bank" that encourages greater private sector investments in building rehabs, electric grid modernization, and upgrades to district thermal energy systems;
- Seriously commit to improvements in the nation's high speed, inter-city rail system; and streamline permitting processes, with the goal of a 2-year target for all project approvals.

As a key regulatory achievement, The Roundtable successfully urged the new Administration to reverse prior policies that restricted awards of federal mass transit grants (with no re-payment obligation) to a locality that also received a Department of Transportation (DOT) loan (that must be re-paid). This important change in policy can assist large-scale, transit-oriented development projects that have national significance, impact GDP, and keep the U.S. competitive with other countries that are massively investing in their own infrastructure.