

The Bipartisan “Physical” Infrastructure Deal

Issue

On August 10, 2021, President Biden signed into law the *Infrastructure Investment and Jobs Act (IIJA)*. In a rare show of bipartisan consensus, the House and Senate cleared the measure with Democratic and Republican support.

The *IIJA* is an historic, \$1.2 trillion bill that allocates \$500 billion in new spending to improve the nation's physical infrastructure (transportation, water, sewer, electric grid, and broadband systems). The Roundtable strongly backed the *IIJA* as it moved through the legislative process. The Biden Administration estimates it will create about 2 million jobs per year over the next decade. The law is a down-payment on the long-term investments our country must make to productively move people, goods, power, and information from home to work, business to business, community to community, and building to building.

Talking Points

- ***Investments in infrastructure make our local communities safe, productive, and support healthy real estate markets.*** Investments in infrastructure and the strength of real estate markets have a synergistic, two-way relationship. Our tenants and employees depend on safe and efficient roads, bridges, and mass transit to commute. Our buildings depend on reliable supplies of water, power, and broadband to function. In turn, infrastructure depends on healthy real estate markets. Property taxes are the main revenue source for local investments in roads, schools, etc. Higher property values mean more tax revenues to help pay for more infrastructure.
- ***The IIJA helps the U.S. to play “catch-up” on infrastructure investments:*** The U.S. ranks 13th in the world when it comes to the quality of our infrastructure. Public investments in infrastructure as a share of the economy have fallen more than 40% since the 1960s – when the Interstate Highway System was built. If we want to stay globally competitive, increase GDP, create jobs, and out-compete China, the U.S. has to invest in infrastructure in a serious, significant way.
- ***The IIJA will boost Public-Private Partnerships (P3s):*** Private sector capital must be tapped to help finance public infrastructure. There are simply not enough taxpayer resources to foot the entire bill for all of our nation's infrastructure needs. The *IIJA* will support programs that deploy taxpayer “seed money” to leverage far greater amounts of private sector investments in a variety of infrastructure asset classes. Provisions of the *IIJA* are geared to boost P3 investments in road, transit, rail, broadband, electric grid, and carbon sequestration projects.
- ***The IIJA will make our roads and bridges safer.*** The largest category of *IIJA* expenditures is \$110 billion to modernize roads and bridges. It represents the single largest dedicated bridge investment since the construction of the interstate highway system.



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Talking Points (Continued)

- ***The IIJA helps build the high speed rail network of tomorrow.*** The new law makes the largest investment in intercity passenger rail since the creation of Amtrak. It devotes funds specifically to improve the Northeast Corridor route between D.C. and Boston.
- ***The IIJA makes a massive investment in broadband.*** It devotes \$65 billion with the goal to ensure that every American has access to reliable high-speed internet.
- ***The IIJA makes the largest single investment in the electric grid in history.*** \$65 billion goes to new transmission lines that facilitate widespread adoption of solar, wind, etc., so clean energy can be transported over long distances.
- ***The IIJA makes investments to replace the nation’s lead pipes.*** \$55 billion is designated to provide clean drinking water for all Americans and eradicate the nation’s remaining lead pipes. Every \$5K investment to replace lead pipes results in \$22K in avoided health care costs, as per the White House.
- ***The IIJA invests in public transit.*** The new law’s mass transit investments total over \$39 billion to help modernize bus, commuter rail, and subway networks. Most of the money would go directly to support local transit agencies.
- ***The IIJA kicks-off federal investments in EV charging stations.*** \$7.5 billion is for construction of a national network of electric vehicle refueling properties. The goal is to make EV chargers as common as gas stations to minimize travelers’ “range anxiety” and provide greater surety that “clean cars” can be easily re-charged and travel over long distances.
- ***The IIJA helps streamline the cumbersome federal review process to approve projects.*** The new law codifies a 2-year federal permitting goal, and establishes a “One Federal Decision” process to coordinate the environmental reviews of multiple agencies.

Additional Information

- [White House Fact Sheet, “The Bipartisan Infrastructure Deal \(Nov. 6, 2021\)](#)
- [Roundtable Weekly \(Nov. 12, 2021\)](#)



Bridging the Housing Gap and GSE Reform

Issue

There is a chronic shortage of housing in the U.S. that is driving up housing prices and making it more difficult for lower-income individuals to find safe, affordable housing. Housing production in the U.S. is not keeping pace with the expanding housing needs. The underbuilding gap in the U.S. now totals more than 5.5 million housing units.¹ The impact of this growing problem of an under supply of affordable housing is far reaching and undermines economic growth - particularly in urban areas. In addition, the government sponsored enterprises (GSEs) Fannie Mae and Freddie Mac – one of the primary funding sources for housing in the U.S. – have been in conservatorship for over a dozen years. Debate over reforms continues.

Talking Points

- 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 will help to increase housing supplies, grow jobs, and modernize our nation's critical infrastructure.
- Having a robust housing finance system is critical to expanding America's housing infrastructure to help meet the nation's longstanding goal of ensuring decent and affordable housing for all. Current efforts have failed to keep pace with the growing need for affordable housing.
- Reform must appropriately balance taxpayer protections and establish an efficient marketplace with a strong, efficient, and sustained financing environment for homeownership, rental housing, and sustained mortgage liquidity.
- As the gap between the number of lower-income renters and the supply of affordable units continues to grow, it is critical for the GSEs to provide support for mortgages to aid low and moderate income families – for homeownership and rental housing – as well as underserved areas.
- As American households increasingly turn to the rental market for their housing, a strong housing finance system should support not only homeowners but aid the expansion of rental housing.
- The Roundtable continues to work to enact measures that will meet the nation's longstanding goal of ensuring decent and affordable housing for all.

¹[Housing is Critical Infrastructure: Social and Economic Benefits of Building More Housing](#), Kenneth T. Rosen, June 2021

