

FACT SHEET: The American Jobs Plan Will Produce, Preserve, and Retrofit More Than 2 Million Affordable Housing Units and Create Good-Paying Jobs

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Even after the COVID-19 pandemic, tens of millions of Americans will struggle to access affordable, safe, energy efficient, and resilient housing. Across the country, 11 million families pay more than half their income on rent, 3 million families with children under six reside in homes with lead paint, thousands of working families are displaced every year as a result of extreme weather fueled by climate change, and millions of families cannot afford to purchase their own homes. These challenges are even more severe in low-income communities and communities of color, many of which have been segregated, excluded, and neglected for generations.

The Biden-Harris Administration is proposing a bold investment in America's housing infrastructure and make housing more affordable for working and middle-class families. The American Jobs Plan pairs \$213 billion in direct funding with more than \$100 billion in new and expanded tax credits with bipartisan support to build and modernize housing across the country. Together with new incentives for zoning reform, these investments will produce, preserve, and retrofit more than two million affordable and sustainable places to live in more – and higher opportunity – communities. This includes more than 500,000 new and rehabilitated homes for low- and moderate-income homebuyers and homeowners.

Along the way, these investments would create and sustain hundreds of thousands of good-paying jobs – the majority of which won't require a college degree – with a free and fair choice

to join a union and bargain collectively. As President Biden has said, we need a blue-collar blueprint to rebuild our economy and ensure that all Americans have the opportunity to share in its prosperity. These investments will ensure local community members, including workers of color, can fill these jobs, and they will provide employment and economic opportunities for residents of assisted housing. Stable, affordable housing serves as the foundation on which working families build their lives and invest in their children's future. The American Jobs Plan would:

- Create good, middle-class jobs for local community members. The housing investments in the American Jobs Plan will create tens of thousands of good jobs, with a free and fair choice to join a union, for workers around the country as they build, upgrade, and retrofit homes in their communities. Employers will be required to pay workers prevailing wages; enter into project labor, community workforce, and local hire agreements; and use workers from registered apprenticeships and other labor or labor-management training programs. Employers receiving funding would also be required to remain neutral when their employees seek to organize a union and bargain collectively and may not require their employees to agree to mandatory individual arbitration. And, the American Jobs Plan includes \$10 billion to provide federal enforcement agencies with the tools they need to ensure employers are providing workers with good jobs – including jobs with fair and equal pay, safe and healthy workplaces, and workplaces free from racial, gender, and other forms of discrimination and harassment.
- Expand access to federal subsidies that will enable the construction or rehabilitation of more than 1 million affordable rental housing units. In addition to expanding LIHTC, President Biden's American Jobs Plan would bolster funding for successful housing subsidy programs that pair with LIHTC to produce and preserve housing that is affordable for very- and extremely-low income renters. This includes a \$35 billion investment in the HOME Investment Partnerships program, \$45 billion for the Housing Trust Fund, and \$12 billion for the Capital Magnet Fund. The President is also proposing authorizing \$2 billion in new project-based rental assistance agreements for the first time in more than 20 years to help even more working families access affordable housing. Together, these investments will produce, preserve, and retrofit more than a million affordable, rental housing units in big cities and small towns across the country.

- Build and rehabilitate more than 500,000 homes for low- and middle-income homebuyers and homeowners. Across the country, millions of homes sit empty and in poor condition with values too low to support new construction or substantial renovation. To address this problem, the American Jobs Plan proposes creating a new federal tax credit, based on the innovative, bipartisan Neighborhood Homes Investment Act. The tax credit will make homeownership and wealth-building possible for low- and moderate-income families by encouraging the construction and rehabilitation of homes in and for underserved communities.
- Expand and strengthen the Low-Income Housing Tax Credit. Financing the construction or rehabilitation of affordable rental housing for low-income households is challenging. The Low-Income Housing Tax Credit (LIHTC) reduces financing barriers by offering federal income tax credits to private investors in exchange for equity investments in affordable rental housing. As the federal government's primary tool for financing affordable housing, LIHTC currently produces an estimated 100,000 units per year. President Biden's plan will build on this success by proposing to invest an additional \$55 billion in tax credits, enabling the creation of tens of thousands more units each year, including more units in high opportunity neighborhoods.
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- Address longstanding public housing capital needs. Nearly two million people across the country live in public housing—families with children, older Americans, and people with disabilities. Like roads, schools, and power grids, public housing is critical infrastructure that directly impacts the health and viability of our communities. Yet nearly half of the nearly 1 million units of public

housing are over 50 years old and many contain lead paint, mold, and other health hazards. The American Jobs Plan calls for a transformative investment of \$40 billion to rehabilitate and preserve public housing, addressing residents' critical health and safety concerns. This is not just a safety issue but a racial justice issue, as approximately three in four public housing residents are people of color.

- Remove lead-based paint from homes. Over three million homes with children under six years of age have lead-based paint hazards, including more than 1 million low-income households. The American Jobs Plan proposes a \$3 billion investment to fund the inspection and removal of lead-based paint from 175,000 housing units.
- Incentivize the removal of exclusionary zoning and harmful land use policies. For decades, exclusionary zoning laws – like minimum lot sizes, mandatory parking requirements, and prohibitions on multifamily housing – have inflated housing and construction costs and locked families out of areas with more opportunities. President Biden's plan seeks to help jurisdictions reduce barriers to producing affordable housing and expand housing choices for people with low or moderate incomes. The American Jobs Plan will create a \$5 billion incentive program that awards flexible and attractive funding to jurisdictions that take concrete steps to reduce barriers to affordable housing production.
- Support and sustain homeownership and renting opportunities in rural America. Rural communities face unique housing needs that are not always fulfilled by traditional federal housing programs. The American Jobs Plan proposes investing \$2 billion to build and rehabilitate housing across rural America. This includes additional Section 502 loans that would enable thousands of low-income individuals in federally declared disaster areas to use funds for new construction of single-family homes. The plan would also provide new resources through Section 504 to enable existing low-income rural homeowners to make energy efficiency improvements to their homes. And, this proposal would support the construction and rehabilitation of thousands of multifamily units, including units that would provide affordable, sustainable housing to farmworkers and their families.

- Develop and operate affordable housing for older Americans. More than half of renters over the age of 65 are cost-burdened, meaning they spend more than 30 percent of their income on housing expenses. The American Jobs Plan would invest \$2 billion in HUD's Section 202 program, increasing the supply of affordable housing with supportive services for very low-income older Americans.
- Meet tribal communities' housing needs. Tribal communities face outsized housing shortages and a dire need for infrastructure. The American Jobs Plan will invest \$2 billion to expand the development and rehabilitation of affordable housing, build supportive infrastructure, and spur green, climate resilient community development in Indian Country.
- Create more climate-resilient communities. Every year, thousands of American families are displaced in the wake of extreme weather events fueled by climate change. The Biden-Harris Administration has proposed a more than \$2 billion investment for a new Community Development Block Grant Program for resilience activities in communities vulnerable to climate change. HUD would target funding to low- and moderate-income areas with increased risk from climate related disasters..
- Make housing more energy efficient and resilient for millions of families. Millions of single-family and multifamily housing were built decades ago and are less energy efficient and resilient than modern technologies and practices allow. The American Jobs Plan would seek to address this problem through a historic investment in building upgrades. This includes an \$17.5 billion investment in the Department of Energy's Weatherization Assistance program and \$500 million in grants and low-interest loans to help renovate multifamily homes. The American Jobs Plan also proposes a new, \$10 billion consumer electrification rebate program modeled on the bipartisan HOPE for HOMES Act. And, the American Jobs Plan would extend and expand existing home efficiency tax credits for working families. These investments will make housing more energy and water efficient and more resilient to extreme weather events, creating jobs, improving public health, and saving families money along the way.
- Build affordable housing and supportive infrastructure in small towns all across America. Many of America's small towns face shortages of affordable housing for households experiencing poverty

and for lower-wage workers. The American Jobs Plan would devote \$250 million towards a new Main Street Revitalization Program that would provide grants to communities for renovating their downtown business districts and adding units of affordable housing while, retaining the area's traditional and historic character.

- Revitalize the physical assets that build community connectedness and spark innovation. Across the country, too many low-income communities and communities of color have suffered from years of disinvestment. The American Jobs Plan proposes investing \$10 billion to support community-led redevelopment projects that create innovative shared amenities, spark new economic activity, provide services, build community wealth, and strengthen social cohesion. The proposed Community Revitalization Fund would support a wide range of transformational places to work and gather, including but not limited to: upgrading access to natural areas, restoring vacant buildings to provide low-cost space for services and community entrepreneurs, and removing toxic waste and building new parks, greenways, and community gardens.

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