

Affordable Housing Infrastructure



Policymakers from both sides of the aisle agree that a significant investment in infrastructure should be a top priority for the next Administration. To maximize the impact on long-term economic growth, any infrastructure package should include resources to increase the supply of affordable housing for families with the lowest incomes. Investing in affordable housing infrastructure—through new construction and preservation—will:

1. Bolster productivity and economic growth.

Research shows that the shortage of affordable housing in major metropolitan areas costs the American economy about \$2 trillion a year in lower wages and productivity. The lack of affordable housing acts as a barrier to entry, preventing lower-income households from moving to communities with more economic opportunities. Without the burden of higher housing costs, these families would be better able to move to areas with growing local economies where their wages and employment prospects may improve.

High housing costs constrain opportunities for families to increase earnings, causing slower GDP growth. In fact, researchers estimate that the growth in GDP between 1964 and 2009 would have been 13.5% higher if families had better access to affordable housing. This would have led to a \$1.7 trillion increase in income, or \$8,775 in additional wages per worker.¹

2. Provide a long-term asset that connects low-income families to communities of opportunity and promote economic mobility.

Like roads and bridges, affordable housing is a long-term asset that helps communities and families thrive. Without access to affordable housing, investments in transportation and infrastructure will fall short of creating vibrant communities. Increasing the supply of affordable housing—especially in areas connected to good schools, well-paying jobs, healthcare, and transportation—helps families climb the economic ladder and leads to greater community development.

Groundbreaking research shows that access to affordable housing increases long-term economic mobility; children living in affordable housing in communities of opportunity earn 31% more as adults, are more likely to live in better neighborhoods as adults, and are less likely to become a single parent. Other research shows that children living in stable, affordable homes are more likely to thrive in school and have greater opportunities to learn inside and outside the classroom.²

3. Support local job creation and increased incomes.

Each dollar invested in affordable housing infrastructure boosts local economies by leveraging public and private resources to lift resident earnings and local tax revenue, as well as to support job creation and retention. In fact, building 100 affordable rental homes generates \$11.7 million in local income, \$2.2 million in taxes and other revenue for local governments, and 161 local jobs in the first year.³

1. <http://faculty.chicagobooth.edu/chang-tai.hsieh/research/growth.pdf>

2. https://www.macfound.org/media/files/Affordable_Housing_Child_Enrichment_Stronger_Cognitive_Development.pdf

3. https://www.nahb.org/~media/Sites/NAHB/Economic%20studies/1-REPORT_local_20150318115955.ashx?la=en

A COMPREHENSIVE INVESTMENT IN HOUSING INFRASTRUCTURE SHOULD INCLUDE:

- An expansion of the national **Housing Trust Fund**, a new tool exclusively focused on increasing the supply of affordable homes for those with the greatest needs;
- An expansion of **Housing Choice Vouchers** to help connect families to areas of opportunity;
- Resources to rehabilitate **public housing** stock to preserve this asset for current tenants and future generations; and
- Allowing affordable housing developments to be eligible for **loans and equity investments** through a national infrastructure bank.

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