



# **Industry Snapshot: Affordable Housing Policy**

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**DEC. 2023**

# Overview

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**Key Market Trends**



**Policy Priorities -  
Biden Administration**



**Policy Priorities -  
Congress**



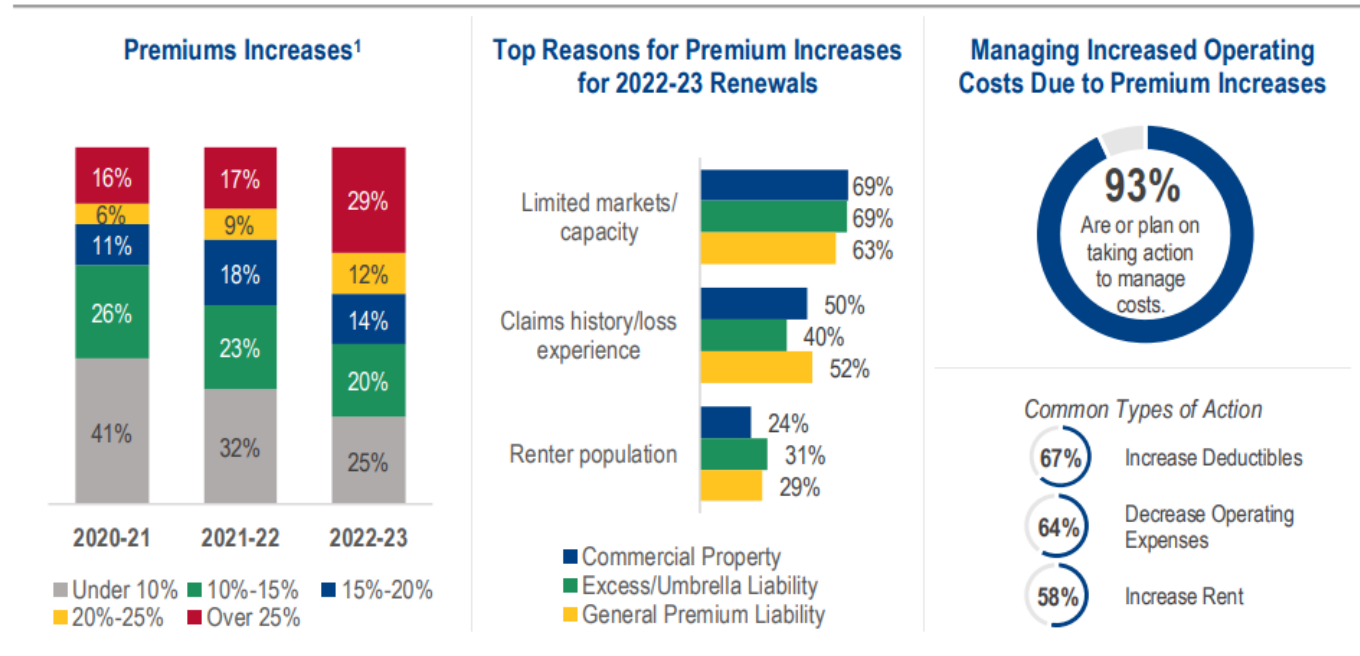
**Conclusion**



# Increased Insurance Costs for Affordable Housing Providers

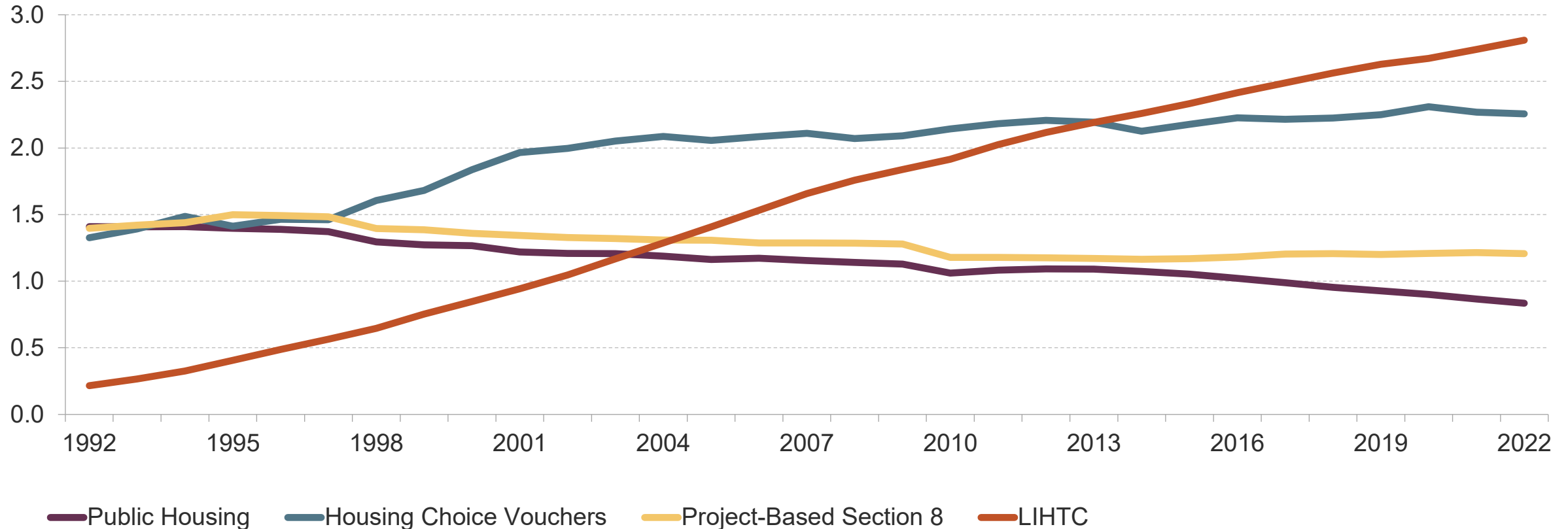
- Premium Increases:** Affordable housing providers are experiencing higher premiums across multiple lines of insurance. For 2022-23 policy renewals, 29% of housing providers experienced premium increases of 25% or more compared to 17% in the prior year.
- Top Reasons for Premium Increases:** Limited markets and capacity are the top reason for premium increases for housing providers across lines of insurance, followed by claims history and loss experience, and renter population.
- Managing Increased Operating Costs due to Premium Increases:** Over 93% of housing providers indicated that they would take action to mitigate cost increases due to higher insurance premiums. Three most common actions are increasing insurance deductibles, decreasing operating expenses, and increasing rent.

(Source: [Increased Insurance Costs for Affordable Housing Providers Report](#), Oct. 2023, NLHA)



# Figure 28: Rental Subsidies Have Increasingly Shifted to Tenant-Based Assistance and Tax Credits

Occupied Units (Millions)



Notes: LIHTC occupancy is based on the 98.6% rate reported by Novogradac in 2021. LIHTC units include low-income units only.  
Source: JCHS tabulations of HUD, Picture of Subsidized Housing Reports and Low-Income Housing Tax Credit Database; Robert Collinson, Ingrid Gould Ellen, and Jens Ludwig, Low-Income Housing Policy, NBER Working Paper, 2015.

# Biden Administration Priorities

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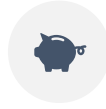
Pandemic



Climate



Racial Equity



Economy



Healthcare



Immigration



Global  
Standing

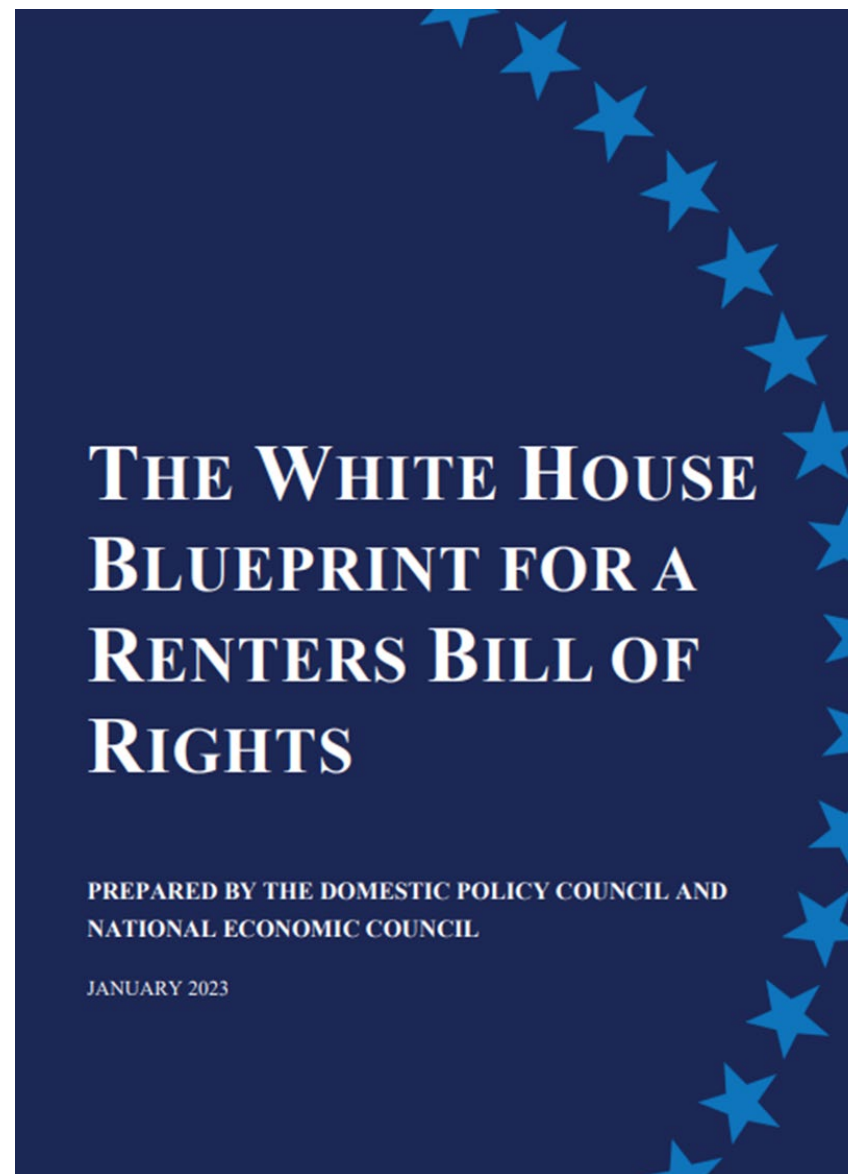




# Blueprint for a Renters Bill of Right: *Five Principles*

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- **Safe, Quality, Accessible, and Affordable Housing:** Renters should have access to housing that is safe, decent, and affordable.
- **Clear and Fair Leases:** Renters should have a clear and fair lease that has defined rental terms, rights, and responsibilities.
- **Education, Enforcement, and Enhancement of Renter Rights:** Federal, state, and local governments should do all they can to ensure renters know their rights and to protect renters from unlawful discrimination and exclusion.
- **The Right to Organize:** Renters should have the freedom to organize without obstruction or harassment from their housing provider or property manager.
- **Eviction Prevention, Diversion, and Relief:** Renters should be able to access resources that help them avoid eviction, ensure the legal process during an eviction proceeding is fair, and avoid future housing instability.
- Over 25 Agency Actions



# Blueprint for a Renters Bill of Right



## HUD Announces Proposed "30-Day Notice" Rule for Nonpayment of Rent

*Proposed rule would provide residents of public housing or in properties receiving project-based rental assistance 30 days notice to cure lease violations for nonpayment of rent*

## HUD Rule Changes Will Ease Housing Barriers for Tenants with Criminal History, Officials Say

By Tatyana Turner. Published April 26, 2023

Through updated policies, HUD will require landlords—including public housing authorities like NYCHA, and property owners who accept HUD-affiliated housing vouchers—to take a more holistic approach when vetting potential renters.



# Housing Supply Action Plan

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- **May 2022:** White Houses launches Housing Supply Action Plan to close the housing supply shortfall in five years, with the creation and preservation of hundreds of thousands of affordable housing units in the next three years:
  - Using federal transportation funds to incentivize jurisdictions to reduce restrictive local zoning laws;
  - Supporting manufactured housing, accessory dwelling units, and small-scale developments; and
  - Streamlining federal financing and funding sources to help lower costs and speed development, including financing close to **1 million affordable homes** through the expansion of LIHTC and the Neighborhood Homes Tax Credit.
- **October 2023:** White House Releases **Guide To Create More Affordable Housing by Converting Commercial Properties to Residential Use**
  - Please find the White House [Fact Sheet](#) and [Guidebook](#), and HUD [press release](#) available.





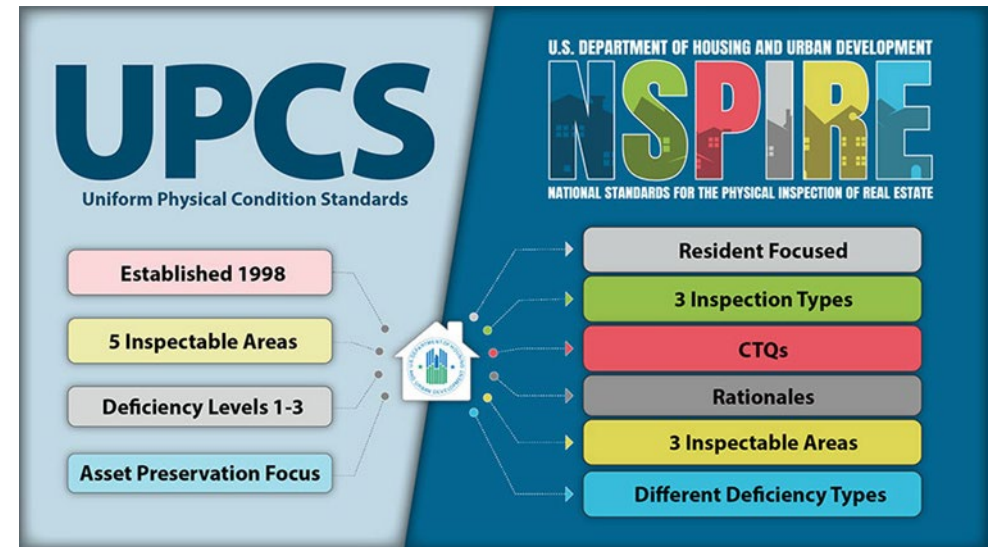
# Other Regulatory Action

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- **Inflation Reduction Act Implementation (Dept. of Energy, Treasury, HUD, EPA)**
  - [FACT SHEET](#): Biden-Harris Administration Takes Action to Cut Energy Bills, Housing Costs and Climate Pollution
  - HUD [Funding Navigator Tool](#) (Find Funding Opportunities)
  - [Climate Resources for Housing Supply Framework](#)
  - HUD [Green and Resilient Retrofit Program](#)
  - Better Climate Challenge - Multifamily ([Factsheet](#) and [Website](#))
  - HUD Launches [Free Energy and Water Benchmarking Service](#) for HUD-Assisted Multifamily Properties
- **Bipartisan Infrastructure Law ([Broadband/Closing Digital Divide](#))**
  - HUD [Announces Expansion of the ConnectHomeUSA Initiative](#) to Bridge the Digital Divide for HUD-Assisted Families
  - [HUD and FCC Partner to Promote Affordable Internet Access for Low-Income Communities](#)
- **American Rescue Plan ([ERAP](#) & [State and Local Fiscal Recovery Funds](#))**
  - [FACT SHEET](#): New Treasury Department Data Illustrates How American Rescue Plan Resources Are Expanding Access to Affordable Housing and Keeping Families in their Homes
  - [PLAYBOOK](#): Treasury Recovery Programs Supporting Housing Stability and Supply

# HOT Regulatory Topic: NSPIRE

- **May 2023:** HUD Publishes NSPIRE Final Rule. The [Final Rule](#) includes the following changes:
  - NSPIRE companion publications of the **final Standards Notice** on June 22, the **Administrative notice** on June 30, and the **final Scoring Notice** on July 7.
  - The rule has distinct effective dates for the start of physical inspections using the NSPIRE Standards:
    - **July 1, 2023** – Public Housing Inspections Began
    - **October 1, 2023** – Inspections Started for HUD Multifamily Programs
    - HUD extended the compliance date for Community Planning and Development programs (CDBG, HOME, HTF) and Housing Choice Vouchers(HCV) and Project-based Vouchers(PBV) until Oct. 1, 2024
- Properties inspected by REAC will receive a 28-day notification before an inspection.
- Inspectors working for Servicing Mortgagees and/or State Housing Finance Agencies should receive NSPIRE training before conducting the inspection.
- The REAC team provides training that includes a combination of PowerPoint presentations, infographics and [instructional videos](#) that will be posted on the [NSPIRE website](#).



# HOT Regulatory Topic: HOTMA

- **February 2023**, HUD published the HOTMA final rule. The agency provided links to dedicated HOTMA websites for both program offices: Multifamily Housing ([https://www.hud.gov/program\\_offices/housing/mfh/hotma](https://www.hud.gov/program_offices/housing/mfh/hotma)) and Public and Indian Housing ([https://www.hud.gov/program\\_offices/public\\_indian\\_housing/hotmaresources](https://www.hud.gov/program_offices/public_indian_housing/hotmaresources))
- This Final Rule covers Sections 102, 103, and 104 of HOTMA:
  - **Section 102:** Changes requirements related to income reviews for the Public Housing, HCV and Section 8 PBRA programs.
  - **Section 103:** Modifies the continued occupancy standards of Public Housing residents (does not apply to Multifamily Housing programs).
  - **Section 104:** Sets maximum asset limits for eligibility and continued assistance in the Public Housing, HCV, Section 8 PBRA programs.
- **Oct. 2023, HOTMA Implementation Guidance** - You can read the guidance [here](#).
- **HOTMA Implementation Training** - HUD-MF intends to provide implementation training for property owners and agents, residents, and performance-based contract administrators. See HOTMA webpage for information coming soon.
- **Questions/Feedback** - any suggestions, questions, or comments, please do not hesitate to reach out to our team at [MFH\\_HOTMA@hud.gov](mailto:MFH_HOTMA@hud.gov).



# Other Notable Guidance

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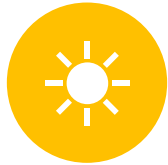
- The National Council of State Housing Agencies (NCSHA) recently published the [2023 Update to Recommended Practices in Housing Credit Administration](#). According to NCSHA, the Recommended Practices are “consensus standards that guide each state’s administration of the federal LIHTC program.”
- **October 2023:** USDA RHS-Office of Multifamily Housing (MFH) published a [proposed rule](#) to update current regulation for MFH insurance coverage and deductible requirements. The Agency is seeking comments on the Proposed Rule may be submitted via the [Federal eRulemaking Portal](#) until **December 26, 2023**.
- HUD Announces **Proposed “30-Day Notice” Rule for Nonpayment of Rent**. Proposed rule would provide residents of public housing or in properties receiving project-based rental assistance 30 days notice to cure lease violations for nonpayment of rent. Access the proposed rule [here](#) and the Comment Deadline: January 30, 2024.
- **OCAFs for 2024:** available [HERE](#) (13.1% decrease nationally)

# Congress Policy Priorities

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PANDEMIC



CLIMATE



ECONOMY



FUNDING



GLOBAL  
STANDING



# Congress – Divided Government & Uncertainty

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- **Legislative Outlook:** Unclear/Stalled (Democrats control Senate and Republican control House of Representatives, slim majorities)
  - Delays Due to Infighting between House Majority (Rs) on electing new House Speaker, Mike Johnson (R-LA) elected House Speaker
  - **Concern:** FY24 full-year funding bill needed by early 2024, as current funding only runs until mid-Jan. 2024
  - Focus remains on **Bipartisan Legislation**
    - [Housing Affordability Coalition Letter Calling for Bipartisan Solutions](#) (May 2023)
    - **LIHTC:** Affordable Housing Credit Improvement Act (AHCIA) [H.R. 3238](#) and [S.1557](#). The bill would expand and reform LIHTC.
    - **Rental Assistance:** Choice in Affordable Housing Act ([S.32/H.R.4606](#)). Encouraging landlords to participate in rental assistance programs and lower affordability hurdles facing potential tenants.
    - **Rental Assistance:** DEPOSIT Act ([S.1814/H.R.1087](#)). Expand federal support for essential moving costs, like security deposits, for Section 8 voucher holders and other low-income renters
    - **Rural:** Rural Housing Service Reform Act ([S.1389](#)). To improve federal rural housing programs, cut red tape, and preserve the supply of affordable housing.



# Congressional Committees Hold Insurance Hearings

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## Senate Hearing (Sept. 7<sup>th</sup> )

- U.S. Senate Committee on Banking, Housing, and Urban Affairs held a hearing titled “[Perspectives on Challenges in the Property Insurance Market and the Impact on Consumers](#).” The witnesses testifying included: Douglas Heller, Director of Insurance of the Consumer Federation of America (CFA); Michelle Norris, EVP of External Affairs and Strategic Partnerships for National Church Residences; and Jerry Theodorou, Policy Director, Finance, Insurance and Trade for the R Street Institute

## House Hearing (Oct. 24)

- [The Factors Influencing the High Cost of Insurance for Consumers](#) ; House Finance Service Committee, Subcommittee on Housing and Insurance. This hearing focused on the status of our domestic insurance markets, particularly recent developments that have led to higher costs and lower availability for property and casualty insurance. Topics to be covered will include the overall high cost of insurance, current challenges in individual state markets, and the impact of federal and international regulatory developments. The Committee will explore these dynamics and their impact on consumers

# Additional Information

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- **Campaigns to Highlight the Need, including:**
  - Campaign for Housing and Community Development Funding: [LINK](#)
  - The ACTION Campaign: [LINK](#)
  - Opportunity Finance Network (OFN): [LINK](#)
- **Policies by the Administration:**
  - White House [Housing Supply Action Plan](#)
  - White House [Blueprint for Tenant Bill of Rights](#)
- **Family Self Sufficiency Programs**
  - Bridging the Wealth Gap (HUD): [LINK](#)
  - Certified Organization for Resident Engagement & Services: [LINK](#)
- **Research & Other Notable Programs**
  - [JCHS](#), [HUD PD&R](#), [Better Buildings Challenge](#), [Thriving Communities](#), [Choice Neighborhoods](#), [HUD Green and Resilient Retrofit Program](#), [Rental Assistance Demonstration](#) (RAD), [USDA-Rural Housing Service](#)

# Contact Info

# Thank You!

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