

# DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

## American Jobs Plan

The American Jobs Plan proposes to invest \$147.3 billion in an array of HUD programs to bolster the nation's housing infrastructure and create jobs. Highlights of the Plan include proposals to:

**Address longstanding public housing capital needs.** Most of the public housing stock is over 50 years old and persistent disinvestment means much of it is in disrepair. The American Jobs Plan invests \$40 billion to address critical life-safety concerns, mitigate imminent hazards to residents, undertake energy efficiency measures which will significantly reduce ongoing operating expenses, and preserve these affordable housing units for the future. In addition to public housing being fundamentally part of the country's infrastructure, these improvements will contribute to reversing the negative impacts of racism and discrimination by improving housing for women, people of color, and people with disabilities, all of whom are over-represented among people with low incomes and in public housing.

**Produce, preserve, and retrofit affordable, resilient, accessible, energy efficient, and electrified housing units.** Families face a severe shortage of affordable housing options. Approximately 11 million families pay more than half their income on rent, which leaves little for other bills like utility payments.<sup>1</sup> However, people with low incomes often live in housing that is energy inefficient and therefore face more expensive gas or electric bills. The plan will help address the growing cost of rent and create jobs that pay prevailing wages, including through project labor agreements with a free and fair choice to join a union and bargain collectively. Through formula funding, grants, and project-based rental assistance, the plan will extend affordable rental opportunities to underserved communities nationwide, including rural and tribal areas.

**Eliminate exclusionary zoning and harmful land use policies.** The American Jobs Plan pairs historic investment in affordable housing with an innovative new program to reduce exclusionary zoning laws and other barriers to affordable housing, which can drive up the cost of construction and keep families from moving to neighborhoods that may have more opportunities for them and their children. 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, especially renters, out of some neighborhoods. These harmful land use policies have contributed to the over concentration of renters, especially renters of color, in low- or moderate-income neighborhoods. The plan proposes a new competitive grant program that awards flexible and attractive funding to jurisdictions that take concrete steps to eliminate such needless barriers to the production of affordable housing.

**Remediate and redevelop idle real property, and spur the buildout of critical physical, social, and civic infrastructure in distressed and disadvantaged communities.** Through investments in the Main Street Program and the Community Revitalization Fund, the plan will bring communities new critical physical, social, and civic infrastructure. The Community Revitalization Fund will support innovative, community-led redevelopment projects that can spark new economic activity, provide services and amenities, build community wealth, and close the current gaps in access to the innovation economy for communities of color and rural communities that have suffered from years of disinvestment.

**Invest in housing and expand economic and community development in Indian Country.** There are substantial unmet housing infrastructure needs in Indian Country. A 2017 study on Tribal housing found that 68,000 units of new affordable housing are needed to replace substandard or

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<sup>1</sup> *Worst Case Housing Needs: 2019 Report to Congress*. HUD, Office of Policy Development and Research. See Appendix A, Table A-1A. (<https://www.huduser.gov/portal/sites/default/files/pdf/worst-case-housing-needs-2020.pdf>).

overcrowded units, and that the lack of or poor quality infrastructure was the largest barrier to housing development on Tribal Lands.<sup>2</sup> Housing on Tribal Lands often needs updated water, sewer, and electrical systems and, in many cases, the housing itself needs to be redeveloped. The AJP will fund tribal efforts to expand affordable housing, improve housing conditions and infrastructure, and increase economic opportunities for low-income families.

**Safeguard critical infrastructure and services and defend vulnerable communities from the effects of climate change.** Millions of Americans feel the effects of climate change each year when their roads wash out, airport power goes down, or schools are flooded. Last year alone, the United States faced 22 extreme weather and climate-related disaster events with losses exceeding \$1 billion each – a cumulative price tag of nearly \$100 billion. People of color and low-income people are more likely to live in areas most vulnerable to flooding and other climate change-related weather events. They also are less likely to have the funds to prepare for and recover from extreme weather events. In the wake of Hurricane Harvey, Black and Hispanic residents were twice as likely as white residents to report experiencing an income shock with no recovery support. The plan invests in vulnerable communities through the Community Development Block Grant program, which will provide targeted CDBG funds for resilience-building activities.

**SUMMARY OF RESOURCES BY PROGRAM**

(Dollars in Thousands)

| Budget Activity                                 | 2020 Budget Authority | 2019 Carryover Into 2020 | 2020 Total Resources | 2020 Obligations | 2021 Appropriation | 2020 Carryover Into 2021 | 2021 Total Resources | 2022 President's Budget |
|---|-----------------------|--------------------------|----------------------|------------------|--------------------|--------------------------|----------------------|-------------------------|
| Public Housing                                  | -                     | -                        | -                    | -                | -                  | -                        | -                    | 40,000,000              |
| Indian Housing Block Grant                      | -                     | -                        | -                    | -                | -                  | -                        | -                    | 2,000,000               |
| Main Street Program                             | -                     | -                        | -                    | -                | -                  | -                        | -                    | 250,000                 |
| HOME Investment Partnerships                    | -                     | -                        | -                    | -                | -                  | -                        | -                    | 35,000,000              |
| Housing Trust Fund                              | -                     | -                        | -                    | -                | -                  | -                        | -                    | 45,000,000              |
| Community Development Block Grants - Resilience | -                     | -                        | -                    | -                | -                  | -                        | -                    | 2,500,000               |
| Community Revitalization Fund                   | -                     | -                        | -                    | -                | -                  | -                        | -                    | 10,000,000              |
| Zoning Reform Program                           | -                     | -                        | -                    | -                | -                  | -                        | -                    | 5,000,000               |
| Project-Based Rental Assistance                 | -                     | -                        | -                    | -                | -                  | -                        | -                    | 2,000,000               |
| Multifamily Housing Retrofit Grants             | -                     | -                        | -                    | -                | -                  | -                        | -                    | 500,000                 |
| Housing for the Elderly (Section 202)           | -                     | -                        | -                    | -                | -                  | -                        | -                    | 2,000,000               |
| Lead Hazard Control and Healthy Homes           | -                     | -                        | -                    | -                | -                  | -                        | -                    | 3,000,000               |
| <b>Total</b>                                    | -                     | -                        | -                    | -                | -                  | -                        | -                    | <b>147,250,000</b>      |

<sup>2</sup> Housing Needs of American Indians and Alaska Natives in Tribal Areas: A Report From the Assessment of American Indian, Alaska Native, and Native Hawaiian Housing Needs (<https://www.huduser.gov/portal/publications/HNAIHousingNeeds.html>)