



# FEDERAL POLICY PROJECT

(SUMMARY)

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## FPP Partners

California Housing  
Authority Association  
(CHAA)

California Coalition for  
Rural Housing  
(CCRH)

Housing Authority  
Association of  
Southern California  
(HAASC)

NAHRO Northern and  
Southern California  
Chapters

NonProfit Housing  
Association of  
Northern California  
(NPH)

Northern California  
Nevada Executive  
Directors' Association

Southern California  
Association of  
Nonprofit Housing  
(SCANPH)

The San Diego  
Housing Federation

## California Advocates Propose New Stimulus Spending on Affordable Homes

*On November 18, fifty-five nonprofit and public housing agency leaders from across California gathered in Speaker Pelosi's San Francisco district to develop a bold plan to stimulate the economy through new federal investment in preserving and creating affordable homes for lower income Americans.*

### A. Capital Spending Proposals

#### 1. \$5 billion for public housing preservation and revitalization jobs.

- Fund the preservation of existing public housing via construction work identified in HUD-approved 5-year capital plans, distributed using the existing formula for public housing capital.
- Fund high impact public housing revitalization projects able to start construction in 12 months, allocated via HOPE VI method based on merits and readiness of projects.

#### 2. \$5 billion in HOME to save affordable housing-related construction jobs.

- Distribute HOME funds to Participating Jurisdictions using the TCAC allocation formula to reinforce the link to LIHTC projects (smaller jurisdictions would apply through state programs).
- Funding committed to projects that fail to start construction in a timely manner will be recaptured to the national pool.
- Applicants with substantial "Green" elements will receive a funding advantage.

### B. Low Income Renter Protections / Homeless Prevention Proposals

1. **\$200 million in HOME funding** to local governments for assisting low-income renters evicted from foreclosed homes and to prevent and address homelessness.
2. **\$500 million in Emergency Public Housing Operating Funding** to ensure that PHAs can continue to provide a safety net for lower income households.
3. **\$143 million in Emergency Administrative Housing Choice Voucher Fees** for PHAs to operate this critical safety net program.
4. **Funding for 200,000 Incremental Housing Choice Vouchers** to address the documented impact of the mortgage foreclosure crisis on low-income renters.

### C. Mortgage Assistance Proposals

1. **A 180-day moratorium on all foreclosures of owner occupied properties** is necessary to allow Congress and the new Administration time to provide better tools and incentives so that more loans can be modified, reducing the number of foreclosures.
2. **Allow mortgage term renegotiation via bankruptcy** until Congress and the new Administration have the time to review and modify existing mortgage programs.
3. **Extend the current FHA "high cost limit"** which is set to expire December 31st, 2008.
4. **A new round of Neighborhood Stabilization Program funding** to enable local governments, including Housing Authorities, to purchase foreclosed homes for the preservation of affordable rentals.

### D. Debt & Equity Market Liquidity Improvement Proposals

1. **Refundable Low Income Housing Tax Credit for Investors** with an exemption of the refund from federal taxes.
2. **Five-year Carry Back of Tax Credits**, allowing investors to claim credits in 10 years out of a 15 year period.

### E. Debt Market Liquidity Improvement Proposals

1. **Expand Community Reinvestment Act (CRA)** requirements for investing in rental housing for financial institutions accepting Treasury investments.
2. **Standardize fees and programs for Fannie Mae and Freddie Mac** guarantees.
3. **Expand the use of Federal Home Loan Bank (FHLB)** letters of credit (LOC).