Enterprise Community Partners

Public Policy Priorities

February 2022

Enterprise

Enterprise Community Partners is pleased to share our current policy priorities, which build on the recommendations we released at the start of 2021 for the incoming Biden administration and the 117th Congress. Making Home and Community Places of Pride, Power and Belonging laid out 47 policy priorities to address a wide range of challenges facing the nation, from solutions on how to address the Covid-19 housing disaster – in which the U.S. hit a new record of 24 million adults reporting little or no confidence in their ability to make rent payments – to eliminating racial disparities in the housing market. Many of these priorities were applicable to state and local governments also, and Enterprise spent the past year engaging across all levels of government to make our recommendations a reality.

Enterprise is pleased that progress has been made on each and every one of these policy priorities:

- The federal government made an historic $46 billion investment in the newly created Emergency Rental Assistance Program to keep renters safely housed during the pandemic
- Enterprise's top tax and appropriations priorities were included in landmark House-passed **legislation**
- Proposed fiscal year 2022 affordable housing funding levels are strong, the Senate included the Reforming Disaster Recovery Act in its annual Transportation, Housing, and Urban Development appropriations bills, and HUD has taken steps to restore the Affirmatively Furthering Fair Housing requirement
- In 2021, we advocated for tenant site lease protections on all Government Sponsored Enterprise (GSE)-backed manufactured housing community loans, which have now been put in place at Freddie Mac and Fannie Mae

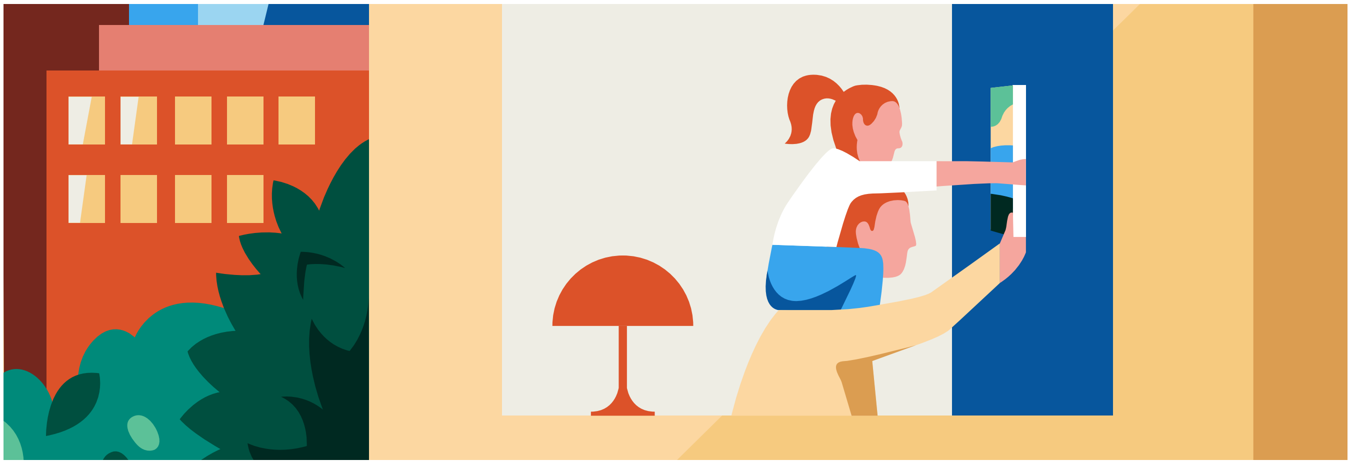
These accomplishments have gone a long way to address the negative impacts of Covid-19 and to help us recover, but even with much of the $47 billion in Emergency Rental Assistance funds disbursed, as of mid-December **more than 15 million American adults still reported no or slight confidence in their ability to pay their next month's rent.** Even after the pandemic subsides, we must still address the underlying shortage of affordable housing and the needs of both renters and providers to keep people stably housed both now and in the next national emergency.

That is why Enterprise is drawing on our strength as an end-to-end housing platform, providing solutions, capital and community development under one roof, to continue our advocacy and policy development around the issues we have traditionally led on while simultaneously expanding our efforts in emerging areas. Each of these policy solutions supports one or more of Enterprise's three organization-wide priorities: to increase housing supply, to advance racial equity, and to build resilience and upward mobility. As you'll see reflected in our priorities below, our federal, state and local team works to advance those three organization-wide priorities through advocacy to:

- Increase investments in federal programs that create and preserve affordable housing.
- Address climate change and improve disaster recovery and resilience.
- Ensure housing finance reforms and CRA modernization efforts strengthen and expand affordable housing investments.
- Address systemic racial inequities and end cycles of poverty.
- Support investments in housing in infrastructure and Covid-19 relief legislation.
- Ensure equitable and effective delivery of aid.

As always, Enterprise will work to advance our policy priorities through a coordinated approach that includes our policy experts advocating at the federal, state and local levels for the creation and funding of programs, and then shaping those policies with thousands of government, nonprofit and private sector partners. Our vertically integrated approach to public policy allows us to utilize the expertise of our network of state and local policy staff to inform and amplify our efforts on Capitol Hill, while also leveraging our federal policy presence to support our state and local partners in their endeavors.

Working at all levels of government also allows us to support our partners in developing innovative, transformative and systemic change in the housing industry. We look forward to continuing our partnerships with the Biden administration, Congress, state and local elected officials and affordable housing stakeholders to protect, expand and improve critical housing programs.



Policy Priorities

Increase investments in federal programs that create and preserve affordable housing

Enterprise will leverage the visibility and support gained for our tax priorities in 2021 to advocate for legislation to expand and strengthen the Low-Income Housing Tax Credit (also called the Housing Credit), make the New Markets Tax Credit (NMTC) a permanent and equitable resource for communities, and establish the Neighborhood Homes Tax Credit to create more opportunities for homeownership in distressed communities.

Expanding and strengthening the Housing Credit

The Housing Credit is the nation's largest and most successful tool for encouraging private investment in the production and preservation of affordable rental housing. Since 1986, the Housing Credit has financed the development of approximately 3.6 million apartments and provided affordable homes to about 8 million low-income families. The development of these apartments has supported 5.68 million jobs for one year and has generated $643 billion in wages and business income and $223 billion in federal, state and local tax revenues. However, the need for this resource continues to grow and outpace the supply, with 10.5 million households continuing to pay more than half of their monthly income toward rent. Adding to this urgency to increase supply, we are at risk of losing a significant number of units that typically serve the most vulnerable and hardest to serve populations over the next decade due to the expiration of the 12.5% increase in Housing Credit authority at the close of 2021, which was originally enacted through the Consolidated Appropriations Act of 2018.

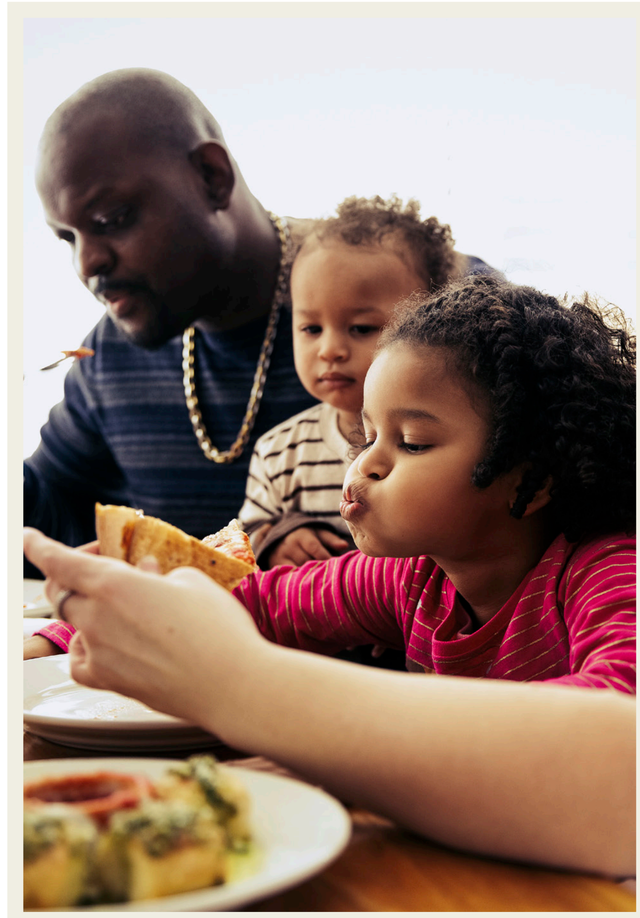
The Affordable Housing Credit Improvement Act (AHCIA), S. 1136 and H.R. 2573, introduced in April 2021, is bipartisan, bicameral legislation that would both strengthen and expand the Housing Credit. In fact, it is estimated that the three main production provisions in the AHCIA would finance over an additional two million affordable rental homes over 10 years. In our capacity as co-chair of the **ACTION Campaign**, the largest national coalition of Housing Credit advocates, Enterprise will convene stakeholders to build support for legislation to expand the affordable rental housing supply.

Qualified contracts and the right of first refusal

Advocating for reforms to the Qualified Contract (QC) and the Right of First Refusal (ROFR) provisions in Housing Credit law is an urgent and top policy priority for Enterprise, in order to protect our nation's affordable housing supply and ensure federal investment in the Housing Credit is preserved for no less than 30 years.

Under current law, a Housing Credit property owner may, as early as 14 years after being placed in service, request a QC from the Housing Credit allocating agency, beginning a one-year period during which the agency must find a qualified buyer to purchase the property in order to maintain affordability. While the original intent was to create a limited return and some liquidity for investors when the Housing Credit was a new, unproven program, for some properties it has come to function as a nearly automatic affordability opt-out due to the statutory QC formula price, which in nearly all cases significantly exceeds the market value of the property as affordable housing due to market changes since the law's enactment. If the allocating agency fails to identify a qualified buyer within one year, the property is released from the affordability requirements and the owner is free to either sell the property at market value, without any deed restriction, or to continue to own and manage the property while charging market rents after a three-year rent protection period for existing tenants. The QC process is resulting in the premature loss of well over 10,000 low-income units annually and, as of 2020, approximately 93,300 units nationwide had already been lost.

The issues surrounding the ROFR are also jeopardizing the long-term affordability of Housing Credit financed properties. For most of the program's history, the vast majority of participating nonprofit sponsors have exercised their ROFR, allowing them to secure full ownership of the property after 15 years, and to continue to operate it as affordable housing in accordance



with their missions. However, outside sources of capital have recently begun acquiring control of investor partnerships at Year 15, challenging general partners' project transfer rights. Recognizing that nonprofit general partners often do not have the resources to litigate these issues in court, these investors leverage a profitable cash payment on the sale of the affordable property in return for leaving the partnership, undermining the long-term viability of the properties and diverting precious resources for resident services, maintenance and other related housing initiatives.

Enterprise will continue our advocacy to close the QC loophole and enact ROFR changes that enable the Housing Credit program to function as Congress intended, and to protect our federal investment in affordable rental housing.

Making the NMTC a permanent and equitable resource for communities

The NMTC has delivered more than $110 billion to economically distressed rural and urban communities, financed more than 7,000 businesses and community-driven projects, and created over one million jobs since its inception in 2000. Establishing the NMTC as a permanent part of the tax code will provide certainty for both investors and communities, diversifying the investor market and promoting greater efficiency in delivering patient, flexible capital to low-income and marginalized communities, creating jobs and increasing economic opportunity. Enterprise will continue to advocate for the NMTC Extension Act of 2021, H.R. 1321 and S. 456, bipartisan, bicameral legislation introduced in February 2021 to make the NMTC a permanent part of the tax code, indexing it to inflation and providing an exception from the Alternative Minimum Tax.

In addition to advocating for the NMTC Extension Act, Enterprise supports efforts to promote policies that will lead to greater equity in awards and NMTC investments. One example is an additional allocation to serve tribal communities and U.S. territories, which was included in federal legislation in 2021. We will also continue our efforts to increase NMTC awards to Minority Community Development Entities.

Establishing the neighborhood homes tax credit

The Neighborhood Homes Tax Credit is a proposed tax credit that aims to mobilize private equity investment to develop or renovate one-to-four family housing in once-thriving urban, suburban and rural communities that now have distressed, blighted neighborhoods and low homeownership rates. Modeled after the Housing Credit, the program covers the "value gap" between the cost of building or renovating a home and the price at which it can be sold to lower-and middle-income homeowners, providing more equitable opportunities for homeownership and upward economic mobility. Enterprise will continue to build support for the bipartisan, bicameral Neighborhood Homes Investment Act, S. 98 and H.R. 2143, through our tax advocacy work and as a member of the Neighborhood Homes Investment Act Coalition.

Maximize federal appropriations for affordable housing and community development

Enterprise will continue our advocacy to ensure the highest possible levels of federal funding for affordable housing and community development programs across several federal agencies.

U.S. Department of Housing and Urban Development

The HOME Program

No program is better suited to address the wide range of housing challenges we face as a nation than the HOME program, which is our country's most flexible and proven affordable housing program for delivering resources to urban, suburban and rural communities. Not only is HOME central to efforts that combat the affordable rental housing crisis, but it also meets critical homeownership needs by allowing states and localities to provide down-payment assistance to credit-worthy home-buyers, lower mortgage interest rates, and assist with homeowner rehabilitation.

In 2021, the administration and Congress made clear that HOME is also a key priority of theirs. In addition to providing funding for this critical program in coronavirus pandemic relief bills, the president's fiscal year 2022 budget request proposed $1.9 billion for HOME, $550 million above the level enacted for fiscal 2021. The House offered a similar amount in their bill, providing $1.85 billion for HOME, $500 million above fiscal 2021 enacted levels. The Senate came in slightly lower but still offering an increase to $1.45 billion for HOME, $100 million above fiscal 2021. Enterprise will continue to work towards robust increases and provisions for the program through annual appropriations and reconciliation processes.

Enterprise also calls on Congress to modernize and reauthorize the HOME program. Initially authorized in the Cranston-Gonzalez National Affordable Housing Act of 1990, HOME was last reauthorized in the Housing and Community Development Act of 1992, which lapsed in 1994. Since then, Congress has been funding HOME through annual appropriations, leaving the fate of the program precarious. Enterprise urges Congress to reauthorize the HOME program and increase the HOME authorized funding level, taking into consideration inflation and affordable housing need. In modernizing the HOME program, Congress should also consider common sense reforms such as eliminating the 24-month commitment deadline, codifying a provision that has been included in appropriations legislation since fiscal 2017. This deadline in some instances does not provide participating jurisdictions sufficient time for the proper oversight and vetting of properties. Moreover, HOME also has a four-year project completion deadline, which ensures timely outcomes for the program, making the commitment deadline unnecessary.

The Community Development Block Grant (CDBG)

CDBG is a critical resource for communities nationwide to invest in low-and moderate-income neighborhoods, producing and preserving home-owner and rental housing, providing fundamental infrastructure, vital public services and public improvements, and spurring economic development and public-private partnerships at the local level. The flexible nature of these funds also allows them to address a wide range of challenges faced by both small rural towns and major metropolitan areas, making it an effective tool for localities in their effort to stabilize and maintain affordable housing and vibrant communities. These funds are commonly also used for water and sewer, sidewalks and other community infrastructure projects.

The Community Development Fund, the appropriations account for CDBG, received $3.8 billion in the president's fiscal 2022 budget request, $320 million above the fiscal 2021 enacted level. The House allocated $4.69 billion, $1.21 billion above fiscal 2021 levels. The Senate also came in well above the amount appropriated in fiscal 2021, providing $4.19 billion for the fund in its proposal. Enterprise will continue to advocate for the highest possible funding for CDBG in appropriations legislation.

Section 4

HUD's Section 4 capacity building program enhances the technical and administrative capacity of community development corporations (CDCs) and community housing development organizations (CHDOs) so they can help strengthen rural and urban communities across the nation by developing affordable housing, financing small businesses, revitalizing commercial corridors and helping address local healthcare, childcare, education and safety needs. In addition, Section 4 leverages more than $20 for every $1 invested through public-private partnerships, making it very cost-effective. Many CDCs continue to experience losses in revenue as a result of the pandemic, while simultaneously attempting to meet surging demand for their services. With Covid-19 continuing to spread nationwide, Section 4's flexible resources have never been more important to communities facing diminished health and economic outcomes.

In order to increase the capacity of these critical nonprofit organizations and bolster their impact and ability to serve communities across the country, Section 4 must be a priority. The Section 4 Capacity Building Program received level funding in both the president's budget request and the Senate's spending bill for fiscal 2022. The House provided $45 million for Section 4, $4 million above fiscal 2021 enacted levels. Enterprise urges Congress to boost annual funding for the Section 4 program to at least the level offered in the House's fiscal 2022 proposal.

U.S. Department of Agriculture Rural Housing Service

Enterprise advocates for increased funding for the USDA's Rural Housing Service programs, which provide housing opportunities for low-income households in rural communities.

Section 515 Rural Rental Housing Loan Program

Section 515 provides low-cost, long-term loans to developers for the construction or rehabilitation of rural rental housing targeting those with the greatest need. In many rural communities, the rental housing financed by the USDA – mostly through its Section 515 Rural Rental Housing program – is the only affordable housing.

According to a 2016 USDA report, the cost to preserve and maintain this portfolio of some 400,000 units over 20 years totals $5.6 billion. A recent report by the Housing Assistance Council showed that over 700 developments face maturing mortgages between 2016 and 2027, which equates to close to 18,000 units per year. Over the next four to five years, maturities will accelerate, averaging up to 3,000 developments and up to 92,000 units, with that trend continuing through 2050. When these units enter the private market, rent for thousands of families could increase dramatically, putting many at risk of displacement and homelessness. Enterprise will continue to advocate for strong funding levels for USDA rural housing service programs, and a fix to the maturing mortgage challenge.

U.S. Department of Treasury

Enterprise advocates for higher funding and provides support and guidance for housing and community development programs at the Treasury Department.

Community Development Financial Institutions (CDFI) Fund

CDFIs finance a range of essential activities in low-income communities, from consumer and small business credit to affordable housing and community facilities that support health and education. Strong funding provides debt relief, working capital and consumer loans to small business and nonprofit borrowers and expands CDFIs' capacity to generate economic growth and opportunity that would not otherwise be available in some of our nation's most distressed communities. Enterprise will continue to advocate for increases in funding for the CDFI fund in annual appropriations, as seen in both the House and Senate fiscal 2022 funding legislation. Enterprise will also continue to support the creation of a Housing Investment Fund, to provide competitive grants to CDFIs and nonprofit developers to build and preserve affordable housing.

Address climate change and improve disaster recovery and resilience

Enterprise will continue our advocacy to maximize investments in recovery and mitigation and build on previous policy wins. We applaud the federal government's commitment of nearly $3.5 billion for FEMA's Hazard Mitigation Grant (HMG) program and $1.1 billion for FEMA's Building Resilient Infrastructure and Communities (BRIC) program to increase resilience to the impacts of climate change nationwide. This is in addition to the funds allocated to HUD's CDBG Disaster Recovery program and the resilience investments in the Infrastructure Investment and Jobs Act. These crucial resilience investments must be accompanied by a systemic change in the disaster recovery process and attention to the unique needs of lower-income Americans.

Permanently authorize HUD's Community Development Block Grant-Disaster Recovery (CDBG-DR) program

Enterprise strongly supports the permanent authorization of CDBG-DR through the bipartisan Reforming Disaster Recovery Act, S.2471, which would improve outcomes for families across the country by providing long-term recovery funds to disaster-stricken communities in a more efficient and equitable way.

CDBG-DR is the only source for federal long-term disaster housing recovery funding. When disaster strikes, local teams are the first responders, then FEMA steps in to provide critical emergency aid, including offering funds to individuals and families for basic support, short-term rental housing (often hotel rooms), and temporary repairs. Once disaster survivors are out of immediate danger, HUD's CDBG-DR program serves as a safeguard for filling any unmet needs left after funding from insurance proceeds, FEMA grants and other homeowner loans have been insufficient to repair their homes or get them to stable new housing. The CDBG-DR program is crucial as a long-term disaster recovery program to rebuild homes and restore livelihoods for people of modest means.

Although nearly **$90 billion** has been appropriated by Congress for CDBG-DR grants since it was first used in 1993, the program is not permanently authorized. FEMA, SBA, and other federal agencies have standing resources to serve communities when disasters strike. However, HUD only receives disaster recovery funding when Congress passes special appropriations for CDBG-DR. This creates major delays in the flow of funds, as well as frustration and confusion for governmental grantees, because HUD writes a new set of waivers and alternative requirements to guide state and local grantees every time. The **Urban Institute** found that it takes an average of 20 months after a disaster for CDBG-DR housing funds to begin reaching impacted property owners, which puts the most marginalized families at a disadvantage.

In addition to speeding up this process through permanent authorization, the Reforming Disaster Recovery Act includes provisions to engage with stakeholders in the impacted areas and requires federal agencies to share data, with the goal of improving coordination of the disaster recovery process and increasing oversight and data transparency. The legislation also includes protections to ensure that disaster funding reaches all disaster survivors, especially the lowest income and most marginalized, since the program mandates that 70% of the federal recovery funds benefit low-and moderate-income people.

In addition to continuing our advocacy work around the Reforming Disaster Recovery Act, Enterprise urges Congress and the administration to:

- **Increase awareness and accessibility of information on foreseeable risks communities face.** Enterprise recommends that the federal government increase awareness about the actual hazards communities face by providing the best available science and data on climate risk uniformly across the country, at the address level. Many communities and homeowners do not fully understand their current and future risk of hazards, especially from flooding, which causes the most significant economic damage. Research suggests that FEMA flood maps only account for a third of buildings at risk of serious flooding. Understanding and interpreting risk data for communities on the front line is a critical and fundamental first step in helping communities prepare for, adapt to and mitigate risk.
- **Improve and harmonize federal infrastructure requirements.** Enterprise recommends increasing alignment and coordination between agencies at all levels of government to create the right incentives to develop resilient infrastructure, including affordable multifamily housing, and a federal framework for rating resilient infrastructure.

- **Encourage strong building codes through federal incentives and tax credits.** A study released in November 2021 by FEMA, Building Codes Save: A Nationwide Study of Loss Prevention, shows that modern building codes continue to be one of the most cost-effective ways to safeguard against natural disasters, and if all new construction adopts I-codes, it could result in a $600 billion loss avoidance by 2060. Despite this, 65% of ounties, cities and towns across the country still have not adopted modern building codes.
- **Invest in resilient infrastructure through flexible predevelopment funding.** FEMA's Building Resilient Infrastructure and Communities (BRIC) program has allowed states to implement projects that will strengthen our collective resilience in the long term. However, state and local needs far exceed available funding, which exemplifies the need to expand predevelopment funding. Recent studies by the **International Council of Sustainable Infrastructure** and the **Milken Institute** emphasized that catalytic predevelopment capital has the potential to close the funding gap that prevents projects moving from concept to construction. The federal government should also assess whether the proposed project takes into consideration future risk prior to providing the funding. Prioritizing projects that incorporate resiliency criteria, such as Enterprise Green Criteria, would incentivize grantees to integrate resilience standards in order to receive the funding.
- **Create a U.S. Green Bank to further private investments in resilience.** We strongly support the National Green Bank Act proposed to support the rapid deployment of low-and zero-emission technologies and invest in nonprofit financing institutions designed to support projects that reduce or avoid emissions by leveraging investment from the private sector. It is critical to ensure that any creation of a U.S. Green Bank carves out a portion of the investments to benefit low-income and disadvantaged communities, including through affordable housing.

Ensure housing finance reforms and CRA modernization efforts strengthen and expand affordable housing investments

Enterprise has long advocated for ensuring that capital is available for the development and preservation of affordable homes in their multiple forms. In 2021, we provided comments on the Federal Reserve Board's Advance Notice of Proposed Rulemaking for the Community Reinvestment Act (CRA) that emphasized modernization with a focus on a more equitable housing finance system. We also joined with coalition partners to seek recission of the Office of the Comptroller of the Currency's (OCC) 2020 CRA rule, which eliminated the standalone community development test and emphasized dollar volumes over impact. We were very pleased to see banking regulators commit to a unified rulemaking process going forward, and the late 2021 recission of the OCC rule.

Legislation-based reforms of Fannie Mae and Freddie Mac (the Government Sponsored Enterprises, or GSEs), which are still in conservatorship more than a decade after the Great Recession, were off the table in 2021, and will likely remain so. However, 2021 saw a major shift in how the GSEs would be regulated when Sandra Thompson, who had long overseen the Division of Mission Housing and Goals, was appointed acting director of the Federal Housing Finance Agency (FHFA). Since June, strengthening and expanding the GSEs' mission-related activities have been an agency priority, as reflected in requests for input on new equitable housing finance plans (EHFP) and climate resilience, and a renewed commitment to fair housing. Enterprise provided comments on both requests. The GSEs also submitted their 2022-24 Duty to Serve (DTS) plans, on which we commented at length.

Looking forward, we will continue to monitor developments in the housing finance space, engaging with the GSEs and FHFA on a regular basis to ensure the continued availability of capital for affordable housing, with a focus on the needs of renters, residents of manufactured housing communities, and climate resilience. We are also active members of the Underserved Mortgage Markets Coalition, which will track progress on DTS and EHPF activities and provide regular feedback to FHFA and the GSEs on how the activities can be strengthened. Within the coalition, Enterprise is leading the working group dedicated to preserving affordable multifamily housing.

Address systemic racial inequities and end cycles of poverty

Fair housing

Housing has an enormous impact on shaping racial disparities, in large part due to past policies that actively and legally fostered racial segregation and limited access to opportunities for many Black, Indigenous and other People of Color (BIPOC) communities. To undo these disparities will require direct and purposeful policy actions to advance racial equity in housing and non-housing outcomes. These include:

- Expand funding for and acceptance of housing choice vouchers and other rental subsidies that allow low-income households – who are disproportionately BIPOC – to live in secure and affordable housing.
- Combat source-of-income discrimination at the state and local level to support the inclusion of additional protected classes under the federal Fair Housing Act.
- Create incentives for municipalities and local housing jurisdictions to remove exclusionary zoning ordinances that exacerbate segregation of different housing types (and households that occupy them).

Central to any effort to advance racial equity through housing policy will be a renewed commitment to enforcing and expanding fair housing protections. The reinstatement of the Affirmatively Furthering Fair Housing (AFFH) rule in 2021 mandates that jurisdictions receiving HUD funding through CDBG, HOME and other programs provide annual assessments of their fair housing impediments and plans to reduce racial disparities. To fully realize the potential of the Fair Housing Act will require more than just self-certification of compliance. For one, grantees that receive federal funding should be required to not only attest to, but to document their status and progress towards reducing residential segregation in their communities. HUD should act quickly to develop updated tools for this purpose that provide grantees with clear and consistent definitions and metrics to track these efforts, along with technical support to reduce the burdens on administrators seeking to complete these actions.

The definition of conditions covered under the federal Fair Housing Act should also be expanded to include receipt of non-traditional sources of income, including government assistance, veterans' status, sexual orientation and gender identity, and how involvement with the justice system is considered. The omission of such provisions prevents many BIPOC households from accessing suitable housing.

With these additions, however, there needs to be greater attention and resources committed to enforcing fair housing and legal support for plaintiffs, including in disparate impact claims. Only with a robust set of protections and the tools to administer them can BIPOC households realize an even playing field for housing access.

Economic mobility

Housing policy must better help people move out of poverty at a systemically consequential scale, incentivize individual economic progress and break intergenerational cycles of poverty. Enterprise is increasing its focus on addressing these opportunities in federal housing policy and advocating for the transformation required to make the housing system a durable and equitable pathway out of poverty. Enterprise's new economic mobility policy priorities center around tenant protections, economic sustainability supports for residents, land use policy and community ownership.

Federal tenant protections

Enterprise supports access to counsel for legal proceedings with implications for housing status, and federal source of income protections to protect people from discrimination. Enterprise also supports the enactment of a national tenant bill of rights, with priority components to include tenant screening protections for people with criminal records seeking access to housing, just-cause eviction criteria and the right to form tenant associations, while ensuring that owners and operators can generate sufficient revenue to meet the operational and maintenance needs of their buildings and thus maintain affordability.

Economic sustainability supports for residents

Enterprise supports the expanded use of the Earned Income Disregard, which allows individuals and families receiving housing assistance to keep more of their earned income for up to two years following an increase in employment income. Enterprise will also continue its advocacy around increased funding for key programs such as the Family Self-Sufficiency (FSS) and Jobs Plus programs, and increased access to Mobility Mentoring/coaching, service coordination, job training and education, and escrow savings accounts to low-income families supported by federal rental assistance programs. These programs allow families to build foundations for economic security, resilience and independence by improving prospects for employment, access to supportive services and opportunities for saving money.

Land use

Enterprise will pull from its presence at the federal, state and local level to work to increase funding and influence program design to implement zoning changes that add to affordable housing production density. This includes the Unlocking Possibilities Program, which would provide communities with resources and incentives to assess housing needs, shape strategies and implement policies to eliminate exclusionary zoning and reduce artificial barriers, ultimately boosting production of homes. The program would target areas where significant imbalances between the number of jobs and the amount of available housing exist. This will be paired with efforts to induce local housing policy changes through requirements and/or incentives such as ranking criteria in federal grant programs and Equitable Transit-Oriented Development.

Community ownership

In addition to Enterprise's manufactured housing priorities (below), Enterprise supports community ownership, shared equity and other ownership models for affordable housing preservation, community stabilization and wealth building programs. This includes community land trusts, in which nonprofit, community-based organizations acquire land and maintain permanent ownership of land on which housing, retail and commercial space can be leased to tenants on a perpetually affordable basis.

Manufactured housing

Manufactured homes are a vital component of the nation's unsubsidized affordable housing, and account for 6% of the overall housing stock. Roughly 40% of manufactured housing units are located in **lot-lease manufactured housing communities (MHCs)** where tenants own their manufactured homes but rent the land beneath their homes from a community owner. This arrangement can place MHC residents at greater risk of financial burden and involuntary displacement and threatens the supply of affordable housing.

State and local governments play a pivotal role in ensuring protections for renters and homeowners. In another new focus for Enterprise, we are investing **$1 million to support state and local policy** and related efforts to provide MHC residents with robust housing protections and to preserve the long-term affordability of this critical housing stock. This work will build off our successful advocacy at the federal level to make tenant site lease protections mandatory on all GSE MHC mortgages. In tandem with our local partners and through a series of grants, we will work to prevent eviction and displacement, advance tenant protections and resident-owned communities, preserve the long-term affordability of MHCs, and improve the health, safety and quality of manufactured housing across the country. We will also actively support and engage in the work of the Center for Manufactured Housing Research and Policy at the Lincoln Institute of Land Policy, which includes policy and research briefs, data snapshots and advocacy tools.

Support investments in housing in infrastructure and Covid-19 relief legislation and ensure equitable and effective delivery of aid

Housing is fundamental to our national infrastructure. The growing shortage in our affordable housing supply has been on full display during the pandemic, resulting from soaring real estate prices and **rental properties being converted** for other, more lucrative opportunities such as **short-term and vacation properties**. While Covid-relief legislation over the last two years endeavored to assist struggling Americans with housing through innovative relief programs, the long-term remedy is to provide more robust investments in our nation's housing infrastructure. With the pandemic showing signs of acceleration and recent natural disasters ravaging a number of states housing supply, Enterprise will pursue additional opportunities to build up the affordable housing infrastructure through Covid-19 and disaster relief and recovery packages.

Enterprise will continue urgent, persistent advocacy for infrastructure and relief legislation that provides the robust investments required to build up our affordable housing infrastructure, as well as incentivize community development investments for towns and cities struggling with jobs creation and lack of community services, especially those plagued by high rates of poverty and unemployment even prior to the pandemic. While we continue to engage with Congress and the administration on future infrastructure and relief legislation, we will also continue our engagement with states and localities to ensure already appropriated federal funds are used effectively and efficiently.

The historic $1.9 trillion investment of the American Rescue Plan Act (ARPA) answered the call of many state and local governments, some of which implemented dramatic budget cuts and staff layoffs as the economy took a downturn in 2020. That investment came on the heels of the $2 trillion CARES Act and the Consolidated Appropriations Act of 2021. While the investments were critical, they also posed major challenges to local governments already implementing new large-scale programs, many of which lacked the staff, information technology infrastructure and local nonprofit capacity to absorb such large sums of capital. With tight spending deadlines and the safety and well-being of millions at stake, state and local governments embarked upon a momentous nationwide effort to distribute hundreds of billions in aid in 2021.

State and local governments are now well equipped with the experience and systems necessary to deliver emergency assistance at scale and to swiftly respond to any relief or social spending package that Congress may pass. Enterprise is working closely with federal officials to ensure that new funding through federal programs is flexible and efficient, allowing resources to quickly reach our most vulnerable communities. We also continue to engage our state and local partners, preparing them to rapidly respond by leveraging existing infrastructure and capacity created as a result of the 2021 crisis response.

Conclusion

As Enterprise celebrates our 40th anniversary, we will draw on the expertise that comes from our involvement in every aspect of affordable housing. Our residents, our staff, our partners and our board work together to allow us to advocate for a broad range of policy initiatives, from those that expand resources to those that address climate change and those that tackle systemic racial inequities and end cycles of poverty – all with the goals of increasing housing supply, advancing racial equity and building resilience and upward mobility across the country. We look forward to working at all levels of government together with our partners to ensure homes become places of power, pride and belonging for all.