



## Sen. Warren Introduces Robust Affordable Housing Legislation

*By Trenton Sabo, junior communications associate*

On September 25, Senator Warren (D-MA) introduced a new bill titled the American Housing and Economic Mobility Act, which looks to reinvest 450 billion dollars into affordable housing programs over the course of ten years. A bulk of those funds will go toward the construction and repair of 3.2 million new housing units for low-income families. Additional funding will go toward:

- Down payment grants for first-time homebuyers living in lower income, formerly redlined or segregated areas
- A competitive grant system for local communities to invest in infrastructure projects like roads, parks or schools.
- Assistance for borrowers who have negative equity on their mortgages from the 2008 financial crisis

Mehrsa Baradaran, author of *The Color of Money: Black Banks and the Racial Wealth Gap*, told The Atlantic that the legislation, especially the down-payment assistance program, would help recover lost wealth from the 2008 financial crisis—specifically in formerly redlined or segregated communities.

The legislation isn't only designed to support formerly redlined communities, but also offers support to rural housing initiatives. The National Rural Housing Coalition wrote a letter to the Warren office endorsing the bill.

Conservatives are largely against the legislation. Joel Griffith, a research fellow at *The Heritage Foundation*, a conservative research institution, said in a statement: “We do not believe it is the federal government’s role to be jumping in there and trying to, in effect, almost bribe these local governments into changing the laws by pouring money into their infrastructure.”

The funding for the legislation comes from a proposed increase in the estate tax to pre-Bush administration levels. An independent report from Moody Analytics claimed that the increase in the estate tax will completely cover the cost of the legislation.



Outside of the increased funding for affordable housing, the legislation also strengthens the Community Reinvestment Act (CRA) to include credit unions and non-bank mortgage lenders. Additionally, the bill bolstered penalties on financial institutions that failed to follow CRA regulations. Strengthened CRA regulation will almost certainly increase funding for both urban and rural housing initiatives without taking money out of tax dollars.

The fortification of the CRA was coupled with a relaxing to housing voucher policy by increasing the availability of vouchers for neighborhoods with well-funded school systems and higher wage jobs. Under the new policy tribal housing authorities are also given permission to administer their own voucher programs.

Lastly, the bill expands the Fair Housing Act to prohibit housing discrimination on the basis of sexual orientation, gender identity, marital status and source of income.

It is unlikely Sen. Warren's legislation will pass anytime soon as conservatives have largely opposed the policy. However, if there are any changes to majority status in the House of Representatives or Senate, it is possible that the legislation could arise on the docket sometime next year.