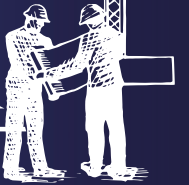
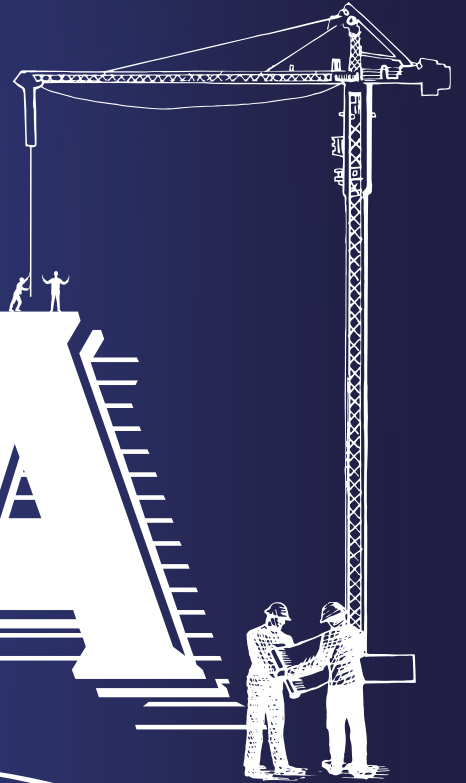


THE

HFA

Story





☆ ☆ ☆

THE HFA *Story*



— IS —

AMERICA'S STORY

It's a story about young people buying their first homes.

It's about families finding rental homes they can afford where they want to live and work.

And, it's about seniors, persons with disabilities, and others with special needs receiving the support they deserve in their homes.

HFAs have been writing this story for decades, providing millions of people access to affordable and sustainable housing, while strengthening lives, communities, and the economy.

Congress has helped HFAs achieve these results by entrusting to their administration key federal housing resources, including the Low Income Housing Tax Credit, private activity tax-exempt Housing Bonds, and the HOME Investment Partnerships program.

But, much more is needed if HFAs are to make serious headway against the nation's growing affordable housing need.

That's why HFAs are asking Congress, as it takes further steps to reform the tax and housing finance systems and allocate scarce federal funds, to protect and strengthen the critical programs HFAs run, increase the resources available to HFAs, and invest in them in new ways.



THE HFA STORY is a strong and steady one. For decades, HFAs have provided housing help to people of modest means who need it.

Operating in every state, HFAs service the full spectrum of need, from homelessness to ownership. They have established an outstanding record of success by pursuing their common mission with business skill and never wavering from safe and sound lending practices.


HFAs GREATLY EXPAND their impact through powerful partnerships with the public and private sectors. They help revive communities and drive the economy by generating jobs and tax revenue.

HFAs are proven specialists in first-time home buyer lending, achieving consistently strong loan performance. They are equally effective in creating affordable rental homes, financing both the production of new homes and the preservation of existing ones.

Recognizing HFAs' capacity and commitment, Congress has repeatedly turned to them to manage federal housing resources, including Housing Bonds, the Housing Credit, HOME, and Section 8. HFAs accomplish much of their work through the effective use of these programs.

HFA EFFORTS ARE NEEDED more now than ever, as already huge affordable housing need has grown even more in the wake of the recent economic crisis.

Despite the strengthening housing recovery, many first-time home buyers—especially minorities—still cannot access affordable credit. Many young people saddled with student debt are putting off homeownership indefinitely.




The estimated one-year
**IMPACTS OF BUILDING
100 SINGLE-FAMILY HOMES**
IN A TYPICAL LOCAL AREA INCLUDE

- \$28.7 million in local income
- \$3.6 million in taxes and other revenue for local governments
- 394 local jobs

— — — — —

The estimated one-year
**IMPACTS OF BUILDING
100 RENTAL APARTMENTS**
IN A TYPICAL LOCAL AREA INCLUDE

- \$11.7 million in local income
- \$2.2 million in taxes and other revenue for local governments
- 161 local jobs¹




**FIRST-TIME HOME BUYERS
ACCOUNTED FOR ONLY**

31%

*of all home sales in 2015 compared to
40% on average annually*

**THE LOWEST SHARE IN NEARLY
30 YEARS²**



THE NUMBER OF
MINORITY FAMILIES

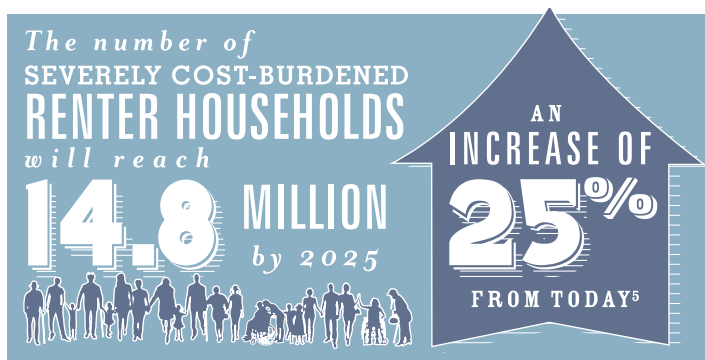
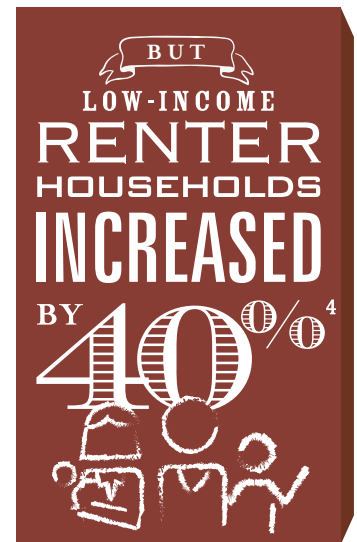
IS GROWING **2X** FASTER THAN THE NUMBER OF NON-HISPANIC WHITES

BUT THEY ARE **2X** MORE LIKELY TO BE DENIED MORTGAGE CREDIT³

AS MORE AND MORE PEOPLE turn to the rental market, they find a severe shortage of affordable homes. Those available to very and extremely low-income people are especially scarce.

With need on the rise, the supply of affordable rental homes is shrinking. The number added to the low-cost inventory each year—mostly through the Housing Credit—does not even make up for those lost to conversion and deterioration.

This growing shortage is forcing increasing numbers of renters to pay exorbitant portions of their incomes for rent, leaving little left for other living essentials. The number of severely burdened renters will increase dramatically over time if the shortfall is not addressed.



FORTUNATELY, CONGRESS HAS GIVEN HFAs THE TOOLS to respond to these growing needs—well-designed programs that work and allow them to decide how to best answer their housing challenges.

But, the resources available to HFAs through these programs are woefully insufficient, especially given increasing demands on them, created in part by reductions in other federal housing resources.

A STRONG CASE IN POINT is the Housing Credit, the greatest and virtually only producer of affordable rental homes. Though the need for Credit-financed housing has long vastly exceeded its supply, Congress has not increased Credit authority in 16 years. Yet, the federal government has repeatedly turned to the Credit in recent years to finance its preservation and other housing priorities without proposing any new Credit authority.

Funding cuts to HOME in just the last five years have reduced its annual production of affordable homes by nearly 60 percent. Congress' decision this past year to increase HOME funding slightly is headed in the right direction but does not begin to restore the 50 percent decline in funding HOME has suffered since 2010.



Congress can reverse these alarming trends. It can make serious affordable housing gains by investing strategically in HFAs and the proven programs they run.

**CONGRESS CAN HELP WRITE THE NEXT CHAPTER OF
★ THE HFA STORY ★
— ONE OF OPTIMISM, PROGRESS, AND A BRIGHTER FUTURE —
AMERICA'S STORY**



HFAS CALL ON
CONGRESS

— TO —

PRESERVE and strengthen the Housing Credit and expand its authority so HFAs can more fully respond to rapidly growing affordable rental housing need and increasing demands on the Credit.

SUPPORT the Housing Bond program so HFAs can continue to provide affordable and sustainable mortgages to first-time home buyers and low-cost financing to Housing Credit and other rental developments.

RESTORE HOME funding so HFAs can continue to address their states' unique housing needs and extend the reach of the Housing Credit and Bonds to especially low-income households.

FULLY FUND Section 8 rental assistance so HFAs can continue to provide a housing safety net for very and extremely low-income people and those at risk of homelessness.

ENSURE dedicated funding for the Housing Trust Fund so HFAs can provide more housing help to people with especially low incomes.

DESIGN a housing finance system that gives HFAs continued access to affordable capital so they can operate their lending programs in all places and at all times.

FOR MORE INFORMATION ON NCSHA'S REQUESTS OF CONGRESS, VISIT NCSHA.ORG





National Council of
State Housing Agencies

State Housing Finance Agencies – known as HFAs – share a public purpose mission to provide affordable housing help to the people of their jurisdictions who need it.

The National Council of State Housing Agencies – known as NCSHA – is a national nonprofit, nonpartisan association that advocates on behalf of HFAs before Congress and the Administration for affordable housing resources. It represents the HFAs of the 50 states, the District of Columbia, New York City, Puerto Rico, and the U.S. Virgin Islands.

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Footnotes: ¹National Association of Home Builders, *The Economic Impact of Home Building in a Typical Local Area*, 2015; ²National Association of Realtors®, *First-time Buyers: 32 Percent of Residential Sales in December 2015, 2016*; ³Mortgage Bankers Association, *Housing Demand*, 2015;

⁴Harvard Joint Center for Housing Studies, *America's Rental Housing*, 2015; ⁵Harvard Joint Center for Housing Studies and Enterprise Community Partners, *Projecting Trends in Severely Cost-Burdened Renters: 2015-2025*, 2015; ⁶Urban Institute, *One in Four: America's Housing Assistance Lottery*, 2014.