



# THE HOUSING SUPPLY FUND ACT

## *S. 3928 – sponsored by Senator Sherrod Brown*

The U.S. has an estimated shortage of at least 4.3 million homes.<sup>1</sup> For extremely low-income families, it is estimated that there is a shortage of 7.3 million affordable and available rental homes.<sup>2</sup> In addition to the existing shortage, the current stock of affordable rental housing is declining across the country.<sup>3</sup> Amidst this shortage, rental housing costs are outpacing what many renters earn. In 2022, more than 22 million renters – half of all renters – were paying more than 30 percent of their incomes towards housing costs, with more than 12 million paying more than half of their incomes towards housing.<sup>4</sup> Despite the need, federal housing assistance programs are only able to reach about one-in-four eligible households at current funding levels.<sup>5</sup> Potential homebuyers and homeowners, including homeowners in manufactured housing communities, are also struggling to find homes they can afford. Nineteen million homeowners – more than one-in-five – are cost burdened, including more than a quarter of senior homeowners.<sup>6</sup> In many communities that could provide affordable housing options for homeowners, deep-pocketed investors are buying up affordable homes and manufactured housing communities, outbidding families trying to put down roots and raising manufactured housing community rents on seniors on fixed incomes who depend on manufactured housing as their most affordable housing option.

The Housing Supply Fund provides resource to Community Development Financial Institutions (CDFIs) and nonprofit affordable housing organizations to increase the supply of affordable homes and expand housing options for renters and homeowners. Grantees can use funds for development, preservation, rehabilitation, financing, or purchase of affordable housing and related economic development and community facilities. Activities would primarily serve renters with incomes below 80 percent of area median income and homeowners with incomes up to 120 percent of area median income.

These flexible funds would allow mission-based organizations to move quickly on opportunities to create and preserve affordable housing. These investments will allow organizations to expand innovative housing initiatives, including:

- Making smaller, less-profitable mortgage loans for starter homes
- Financing resident-owned manufactured housing communities to preserve communities that might otherwise be purchased by out-of-town investors
- Converting commercial properties to affordable housing
- Creating affordable housing and community facilities in transit-oriented developments that help connect workers to jobs, homes, and services like day care.

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1 “Affordability crisis: United States needs 4.3 million more homes,” Zillow, June 22, 2023, available [here](#).

2 “The Gap: A Shortage of Affordable Rental Homes,” National Low Income House Coalition, available [here](#).

3 “The State of the Nation’s Housing 2023,” The Harvard Joint Center for Housing Studies, page 36, available [here](#).

4 Id.

5 “The State of the Nation’s Housing 2023,” pg. 40.

6 Id. pgs. 26-27.