

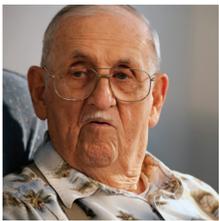
MERCY HOUSING 2015 PUBLIC POLICY PRIORITIES



Mercy Housing continues to occupy a unique position of being able to directly communicate a practitioner's viewpoint with three decades of experience developing, financing and managing affordable housing.

The goal of our Public Policy & Advocacy efforts is to communicate and inspire action to address prevailing narratives and resource availability regarding how safe, decent, affordable rental housing positively impacts poverty, health outcomes, the needs of the workforce, and America's aging population.

PRIORITY ONE



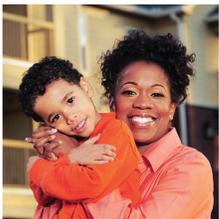
Advocate proactively in support of funding for HUD and USDA Rural Development housing programs.

Our priorities are programs that:

- Preserve, support and sustain our existing subsidized housing portfolio, including Project Based Section 8 Rental Assistance, Section 202 for seniors, McKinney Vento Homeless Assistance grants, USDA Rental Assistance, and more.
- Expand affordable housing opportunities through new construction and preservation programs such as Section 202, HOME, CDBG, veterans housing programs, Choice Neighborhoods and the National Housing Trust Fund.

Based on our experience as practitioners, we will seek beneficial regulatory and legislative changes to multifamily affordable housing and community development programs.

PRIORITY TWO



Champion the Low Income Housing Tax Credit (LIHTC) and New Markets Tax Credit (NMTC) that are the foundation of affordable housing and community development.

The LIHTC has been the foundation of affordable housing development for nearly 3 decades, financing more than 2.5 million affordable apartment homes or about 9/10ths of new development. It creates and sustains 95,000 jobs annually, as well as spurring millions of dollars in increased community income and tax revenues that would not otherwise happen. It was created as part of the last bipartisan tax reform package in 1986. The Housing Credit has become important for a variety of uses, such as veterans housing, senior housing, tribal housing, preservation, mixed income housing, and meeting public housing capital needs, which has stretched resources thin. Mercy Housing, working through the ACTION campaign, will seek to expand the Credit while making sure it is preserved in comprehensive tax reform.

Mercy Loan Fund received its first New Market Tax Credit (NMTC) allocation in 2009. This tax credit helps revitalize economic growth, especially for small business in low income communities, by attracting investment to capital projects. The NMTC should be extended and made permanent to foster economic growth. There is also considerable demand for projects that combine New Markets with Housing Credits to expand community impact.



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PRIORITY THREE



Promote affordable housing as a platform for improved health.

Mercy Housing builds healthy communities through the provision of service enriched affordable housing. We have a long history of partnerships with healthcare providers and ample evidence that vulnerable low income people who live in service enriched affordable housing have better health outcomes than those who do not. Mercy Housing will advocate for the production of additional units of affordable housing and for funding to provide services in affordable housing.

The Affordable Care Act has created an environment which better serves low income people by increasing access to insurance, encouraging innovation and new models of care, and expanding the Medicaid program. We will continue to pilot projects that meet the triple aims of the ACA, which are increased access to care; lower costs; and healthier people. We will share the results of those pilots with funders and policy makers in order to increase the resources available to meet the need for high quality, affordable, service enriched housing.

Through the lending capabilities of the Mercy Loan Fund, we will continue to support the creation of Community Health Facilities to ensure that community based care is accessible in low income communities.

PRIORITY FOUR



Improve federal support for Community Development Financial Institutions like Mercy Loan Fund by advocating for more resources, participation and access, and improvements to the CDFI operating environment.

In 2013, MLF was given its first "Policy Plus" rating by CARS, the CDFI ratings agency, a rating given only to CDFIs that lead initiatives to change government policy to benefit the community development finance industry or disadvantaged people and communities. MLF will engage with CDFI policy through the Opportunity Finance Network's CDFI Opportunity Agenda and the CDFI Coalition. We will advocate for resources such as CDFI Fund appropriations, the Capital Magnet Fund, and extension or permanent reauthorization of the New Markets Tax Credit. We will weigh in on policy discussions about the financing of Community Health Facilities with examples from our increasing numbers of community health facility loans. In addition, we will use our new position as a member of the Federal Home Loan Bank system to establish a strong track record that will help increase CDFI access to the FHLB's long term capital.

PRIORITY FIVE



Promote the availability of community capital to support a robust affordable rental housing sector, including reform of the GSEs or successor entities.

America needs a continuum of housing that is affordable to people no matter how much money they make or the circumstances of their lives. The secondary housing finance market not only makes the traditional 30 year mortgage possible, it also makes rental housing possible through its multifamily business, affordable housing goals, and affordable housing production funds through the Federal Home Loan Banks. Mercy Housing supports a balanced housing policy that provides affordable options for both homeowners and renters. Accomplishing this will necessitate a government guarantee, to promote the continued flow of capital to lower income borrowers and multifamily developments. It will also require concrete, challenging affordable housing goals and funding for the National Housing Trust Fund and Capital Magnet Fund.

CONTACT US

For more information about Mercy Housing's Public Policy and Advocacy work, visit www.mercyhousing.org/advocacy

