



November 28, 2022

The Honorable Nancy P. Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Charles E. Schumer
Democratic Leader
U.S. Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Republican Leader
U.S. House of Representatives
Washington DC 20515

The Honorable Mitch McConnell
Republican Leader
U.S. Senate
Washington DC 20510

Dear Speaker Pelosi, Senator Schumer, Representative McCarthy, Senator McConnell:

We are a diverse and broad coalition of nonprofits, real estate trade groups, lenders, civil rights advocates, and state housing agencies urging you to include the Neighborhood Homes Investment Act in any end of the year tax or budget legislation.

As you well know, a constricted supply of affordable starter homes is thwarting homeownership opportunity and contributing to rising housing costs and inflation. Moreover, in many communities throughout the country – in both urban and rural areas – the absence of quality homes undermines both neighborhood stability and the opportunity for families to build wealth. Too often the major impediment to building new homes or rehabilitating abandoned or deteriorated ones in these communities is that the cost exceeds the homes' market value upon completion.

NHIA would build and rehabilitate 500,000 homes to address this problem through a tax credit covering a portion of development costs. The new tax credits would be administered by state agencies through annual competitive application rounds. Tax credits would be targeted to modestly priced homes in communities characterized by high poverty, low incomes, and low home values. The credit could be claimed only after the construction is completed and an eligible homeowner occupies the home.

NHIA has attracted bipartisan support in both the House and the Senate in the 117th Congress, with 23 cosponsors in the Senate and nearly 100 in the House. NHIA aligns market incentives with important priorities on economic and racial justice and climate change. Sixty three percent of NHIA eligible census tracts are majority minority, and NHIA will help these communities retain and attract the families that neighborhoods need to thrive. NHIA would generate \$100 billion in new investment, creating nearly 800,000 jobs paying \$43 billion in wages. NHIA would fight climate change by encouraging energy-efficient investment in compact communities with underutilized infrastructure and access to transit. NHIA will help revitalize the same low-income and high-poverty neighborhoods that COVID has disproportionately hurt. Finally, NHIA would generate \$29 billion in federal, state, and local tax revenue, more than its federal budget cost.

With your support, this carefully crafted and targeted incentive can revitalize neighborhoods across the country and expand homeownership for people who have traditionally been shut out of our main path to build assets and wealth. More information is available at neighborhoodhomesinvestmentact.org.

Sincerely,

THE NEIGHBORHOOD HOMES COALITION

American Bankers Association
BPC Action
Center for Community Progress
Community Preservation Corporation
Enterprise Community Partners
Grounded Solutions Network
Habitat for Humanity International
Home by Hand
Homeownership Alliance
Housing Assistance Council
Housing Partnership Network
Independent Community Bankers of America
Local Initiatives Support Corporation
Low Income Investment Fund
Mortgage Bankers Association
National Alliance of Community Economic Development Associations
National Association of Affordable Housing Lenders
National Association of Hispanic Real Estate Professionals
National Association of Real Estate Brokers
National Association of Realtors
National Association of the Remodeling Industry
National Association of State and Local Equity Funds
National Community Reinvestment Coalition
National Community Stabilization Trust
National Council of State Housing Agencies
National Fair Housing Alliance
National Housing Conference
National NeighborWorks Association
National Urban League
Next Step Network
Prosperity Now
Structured Finance Association
UnidosUS
Up For Growth Action

CC: Senate Finance Committee leaders
Ways and Means Committee leaders