



September 10, 2021

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 Richard Neal
Chairman
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Ron Wyden
Chairman
Committee on Finance
U.S. Senate
Washington, DC 20510

Dear Speaker Pelosi, Leader Schumer, Chairman Neal, and Chairman Wyden:

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 the budget reconciliation package.

As you well know, a constricted supply of affordable starter homes is thwarting homeownership opportunity, especially for minority families. 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, and it is part of the Biden-Harris administration's Build Back Better plan. NHIA aligns with important priorities on economic and racial justice, climate change, and COVID relief. Sixty three percent of the 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
Center for Community Progress
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: Treasury Secretary Janet Yellen
HUD Secretary Marcia Fudge
National Economic Council Director Brian Deese
Domestic Policy Council Director Susan Rice