



March 17, 2021

The Honorable Joseph R. Biden, Jr.
The White House
1600 Pennsylvania Avenue, N.W.
Washington DC 20500

Dear President Biden:

We are a diverse and broad coalition of nonprofits, real estate trade groups, lenders, and civil rights advocates, brought together by a shared belief that we need a policy solution that expands homeownership opportunities for families by increasing the supply of affordable properties and upgrading our aging single-family housing stock. We are writing to urge you to include the Neighborhood Homes Investment Act, part of your “Build Back Better” agenda, in your infrastructure proposal to Congress. We will be reaching out to your team to set up a call to discuss this critically important homeownership initiative.

As you well know, 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 through homeownership. 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.

The Neighborhood Homes Investment Act (NHIA) would address this problem by providing a tax credit to cover a portion of the construction and rehabilitation costs of homes for owner-occupancy. The new tax credits would be administered by state agencies through annual competitive application rounds. Tax credits would only be available for modestly priced homes in communities characterized by high poverty, low incomes, and low home values. The credits could not be claimed until the construction is completed and the home is occupied by an eligible homeowner.

NHIA has attracted bipartisan support in both the House and the Senate in the 116th Congress, and it passed the House last summer as part of H.R. 2, the “Moving Forward Act”. It has been reintroduced in the Senate as S.98 in this Congress, again with bipartisan cosponsors. NHIA aligns with your priorities on economic and racial justice, climate change, and COVID relief. 63% of the NHIA- eligible census tracts are majority

minority, and NHIA will help these communities retain and attract the families that neighborhoods need to thrive. NHIA is also helpful in the battle against climate change because in many cases, it encourages investment in places that already have infrastructure and access to transit. This can help reduce traffic congestion and vehicle miles travelled. In addition, priority is provided for homes that will be sustainable, including through energy efficiency. Finally, COVID has disproportionately hurt the low-income and high-poverty neighborhoods that NHIA will help revitalize.

We estimate that NHIA would support the development and rehabilitation of homes for 500,000 homebuyers over 10 years, many likely to be first time and minority homebuyers. In addition, NHIA would generate \$100 billion in new investment, create nearly 800,000 jobs paying \$43 billion in wages, raise nearby property values, and generate \$29 billion in federal, state, and local tax revenue.

With your support, this carefully crafted and targeted incentive can revitalize neighborhoods across the country and create new homeowners from people who have traditionally been shut out of our main path to build assets and wealth. More information is available at neighborhoodhomesinvestmentact.org. The Neighborhood Homes Coalition will shortly be reaching out to White House, Treasury Department and HUD staff to arrange meetings to discuss this proposal.

Sincerely,

THE NEIGHBORHOOD HOMES COALITION

American Bankers Association
Center for Community Progress
Enterprise Community Partners
Grounded Solutions Network
Habitat for Humanity
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
Quicken Loans
Structured Finance Association
UnidosUS
Up For Growth Action

CC: The Honorable Janet Yellen
The Honorable Marcia Fudge
Brian Deese
Susan Rice