



September 27, 2021

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

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

Honorable Charles E. Schumer
Democratic Leader
U.S. Senate
Washington, DC 20515

Honorable Ron Wyden
Chairman
Committee on Finance
U.S. Senate
Washington DC, 20515

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

The Black Homeownership Collaborative (the Collaborative) is a diverse coalition of organizations that have developed a 7-Point Plan to create 3 million Black homeowners by 2030. The Black Homeownership Collaborative Steering Committee members are the National Housing Conference, Mortgage Bankers Association, National Association of Real Estate Professionals, National Association of REALTORS™, National Fair Housing Alliance, National Urban League, NAACP, with research by the Urban Institute. The 7-Point Plan, detailed on our website www.3by30.org, was developed by over 100 stakeholders from every aspect of the housing industry and advocacy organization. It includes seven categories of tangible, actionable, and scalable steps that will make it possible to reach our goal of increasing Black homeownership. These seven points are Homeownership Counseling, Downpayment Assistance, Housing Production, Credit and Lending, Civil and Consumer Rights, Homeownership Sustainability, and Marketing and Outreach. These components are essential to materially increasing Black homeownership and will contribute to expanding homeownership for all people of color.

We are writing in support of the Neighborhood Homes Investment Act (NHIA) being included in the Budget Reconciliation Act because it is a critically important component of our initiative. NHIA aligns with our housing production recommendations, which aim to find rehabilitation solutions for dilapidated homes in distressed communities where vacant homes are underutilized. The cost of new construction or rehabilitation often exceeds what the house could sell for in these communities. This dynamic, known as the “value” or “appraisal” gap, discourages investment and perpetuates a downward spiral of declining home values in communities that have been left behind. Without economic interventions like NHIA in distressed communities, the shortage of decent, affordable entry-level homeownership opportunities will continue to pose a major barrier to Black homeownership

In addition, 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. NHIA would build and rehabilitate 500,000 homes to address this problem through a tax credit covering a portion of development costs. State agencies would administer the new tax credits through annual competitive application rounds. These 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 garnered bipartisan support in both the House and the Senate, and it is part of the Biden-Harris administration’s Build Back Better plan. 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.

The Black Homeownership Collaborative respectfully urges you to include the NHIA in budget reconciliation legislation.

Sincerely,

Black Homeownership Collaborative