

100 House Members pledge support to 'Neighborhood Homes Investment Act' to expand affordable homeownership opportunities and revitalize communities

500,000 homes could be constructed, renovated and sold under the bipartisan bill

WASHINGTON (November 29, 2022)— With Congress set to reconvene for a post-election legislative session, 100 members of the U.S. House of Representatives and 24 senators have now signed on to support a new tax incentive that would produce 500,000 starter homes in struggling communities over the next decade. The legislation would address the needs of families throughout the country that are struggling to find entry into the homeownership market, as costs continue to rise and the supply of homes is on the decline.

The Neighborhood Homes Investment Act (Neighborhood Homes), introduced in both the House (H.R. 2143) and the Senate (S.98) last year, is designed to address a difficult market reality: in many areas, the cost to build or rehab a home exceeds the price at which the home could be sold once completed. The new tax credit would help fill that “value gap,” up to 35 percent of eligible development costs for new homes, thus reducing the developer’s risk of loss and encouraging investments in new and rehabbed housing. This will in turn widen the entry-point for homeownership and support broader revitalization and economic development strategies in disinvested urban and rural communities.

With the 100th House member added to the legislation earlier this month, there are now 124 Members of the House and Senate from 37 different states, from Delaware to North Dakota to California, that have sponsored the bi-partisan legislation.

“The affordable housing crisis has touched every community in the country. The widespread, bipartisan support for the Neighborhood Homes Investment Act shows the desire for new tools to address the affordable housing shortage, invest in our neighborhoods, and create opportunities for first-time homeownership, especially among those who are historically left out,” said Congressman Brian Higgins (D-NY), the author of the House legislation. “Together with the skilled and diverse group of advocates in the Neighborhood Homes Coalition, we will continue to push for the bill’s passage this year.”

“It is critical that we get the Neighborhood Homes Investment Act over the finish line,” said Senator Rob Portman (R-OH), the lead Republican sponsor of the Senate legislation. “This bill would give us a critical new tool in the fight against rising housing costs, drive investment for more homes in the communities that need it most, and work alongside other powerful tools such as the New Markets Tax Credit, Opportunity Zones, and the Low-Income Housing Tax Credit to unleash investment and revitalize communities across the nation. I am thrilled that the support for this credit has continued to grow, now reaching 100 members in the House,

alongside the 24 of us in the Senate. With our partners in the Neighborhood Homes Coalition, we will continue the fight to pass this bill before the end of this Congress.”

Neighborhood Homes is particularly important given the nation’s deepening affordable housing crisis, much of it the result of insufficient housing investments in recent decades. Economists have pointed to the connection between housing availability and inflation, noting that the supply-demand mismatch has fueled rising costs and pushed both rents and homeownership beyond the means of many families.

A [recent study](#) by the Bipartisan Policy Commission (BPC)/Morning Consult found that a majority of adults expect the federal government to tackle these challenges head on: 81 percent said it’s important for the federal government to address high housing costs that are contributing to inflation, and 71 percent said that bipartisan legislation to grow the supply of homes and improve housing affordability should be a priority for Congress.

“Everyone deserves a safe and affordable place to call home. Our bipartisan tax credit builds on the success of the Low-Income Housing Tax Credit (LIHTC) and New Markets Tax Credit (NMTC) to attract investment and revitalize neighborhoods,” said Senator Ben Cardin (D-MD), the lead Democratic sponsor of the legislation in the Senate. “By creating this incentive in the tax code, we can create opportunities for families in Baltimore and across Maryland to build equity and wealth for their family.”

Under Neighborhood Homes, tax credits would be awarded to project sponsors through statewide competitions administered by state housing finance agencies, much as the successful Low Income Housing Tax Credit program does for rental housing. Sponsors—which could include developers, lenders, or local governments—would use the credits to raise capital for their projects, and the investors would claim the credits against their federal income taxes once the homes are sold and occupied.

“It is vital that we, as a country, make equitable investments in our housing infrastructure—both for the stability of our economy and the well-being of families and communities across the country,” said Kris Siglin, vice president of policy and partnerships for the National Community Stabilization Trust. “Neighborhood Homes encourages private investments in communities that would not otherwise have access to this kind of capital, creating new opportunities for families to put down roots in their own homes, strengthen their communities and build wealth for the future.”

The Neighborhood Homes Coalition estimates that the Neighborhood Homes legislation would support a substantial economic impact over the next 10 years. In addition to the 500,000 homes that would be rehabbed and \$100 billion in development activity, estimated impacts of this legislation include:

- 785,714 jobs in construction and construction-related industries
- \$42.9 billion in wages and salaries

- \$29.3 billion in federal, state, and local tax revenues and fees

About Us

The Neighborhood Homes Coalition is a national advocacy group comprised of 36 national organizations, including housing and community development nonprofits, financial institutions, and related trade associations—all supporting enactment of the Neighborhood Homes legislation. The Coalition recently sent a [letter to House and Senate leadership](#) calling for action on the Neighborhood Homes legislation before the end of the year.

Please visit <https://neighborhoodhomesinvestmentact.org/> for additional information.

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