



October 17, 2021

The Honorable Maxine Waters
Chairwoman
Financial Services Committee
United States House of Representatives
Washington, DC 20515

RE: Local Initiatives Support Corporation Letter of Support for Housing Provisions in the Build Back Better Act

Dear Chairwoman Waters,

The Local Initiatives Support Corporation (LISC) is pleased that the House Financial Services Committee (HFSC) is holding a hearing on how affordable housing is key to building back a better America. ***We write in support of Congress advancing a Build Back Better (BBB) Act with robust federal housing resources in order to address system disparities to accessing affordable and safe housing, while ensuring an equitable economic recovery.***

Established in 1979, LISC is a national nonprofit housing and community development organization dedicated to helping community residents transform distressed neighborhoods into healthy and sustainable communities of choice and opportunity. LISC mobilizes corporate, government, and philanthropic support to provide local community development organizations with loans, grants, and equity investments; as well as technical and management assistance. Our organization has a nationwide footprint, with local offices in 38 cities. LISC invests approximately \$2 billion each year in these communities. Our work covers a wide range of activities, including housing, economic development, building family wealth and incomes, education, and creating healthy communities.

General Comments

Since the President's 2021 State of the Union address, the Administration has been working with Congress to pass a once-in-a-generation domestic investment bill modeled on the president's American Jobs Plan and American Families Plan, which call for sizeable investments in affordable housing, child care, education, safety and justice, workforce and economic development programs, and income supports. It is clear that direct federal investments are required to strengthen the economic resilience of communities and households alike—especially given that COVID-19 has exacerbated longstanding inequities based on race, class and zip code.

The Build Back Better Act similarly recognizes that our largest national challenges can only be solved by tackling inequities from multiple fronts. This requires substantial investments that empower individuals, government agencies, and nonprofit organizations to address poverty, build wealth, and comprehensively increase financial stability in both urban and rural communities. ***For the Build Back Better Act to be successful, it must include robust affordable housing resources since housing serves as the platform***

for other federal investments to be successful. Access to safe, decent, and affordable housing stabilizes low-income families and furthers their health and economic well-being. The pandemic intensified and laid bare longstanding housing instability issues, and as a result, Congress is rightly considering a significant expansion in housing investments.

Many of LISC's top affordable homeownership priorities are included in the current housing portions of the BBB Act's funding and tax legislation, including a new downpayment assistance program for first-time homebuyers; homeowner rehabilitation resources; flexible affordable homeownership and civic infrastructure resources; and the Neighborhood Homes Investment Act, which would spur development and revitalization of homes in distressed communities. These measures would help low-income families purchase a home or improve their existing home, furthering housing stability while lessening racial gaps in homeownership rates and wealth.

The BBB Act also acknowledges the need to significantly increase federal investments in affordable rental housing. There is not a single state, county, or metropolitan area in the U.S. where a minimum-wage worker can afford a modest two-bedroom rental unit without spending more than 30 percent of their income on rent. High housing costs burden families and strain their ability to afford other essentials such as food, health care, child care, and transportation – keeping people trapped in poverty and leading to an increased risk of eviction and homelessness.

The current housing provisions in the BBB Act includes a significant expansion of rental assistance, both tenant-based and project-based, to make housing affordable for the poorest families in our country. There is also an historic commitment to additional housing production, including an expansion of the Low Income Housing Tax Credit that could bring over 1.3 million new housing units online over the next 10 years; increased funding for critical gap-filling programs like the HOME Investment Partnership program; and authorization of a new production program called the Housing Investment Fund that will be housed at the Treasury Department. In addition, the BBB Act rightly includes substantial capacity building resources to ensure that both the federal government and recipients of funding are able to successfully deploy this housing funding.

We thank you and the HFSC for holding this hearing highlighting why affordable housing resources must be included in the Build Back Better if we are to have an equitable recovery from the impacts of the Covid-19 pandemic. ***LISC fully supports Congress providing the highest amount of federal housing and community development resources as possible in the BBB Act.***

Please contact Mark Kudlowitz (mkudlowitz@lisc.org), LISC Senior Policy Director, if you need additional clarification on the recommendations provided in this letter.

Sincerely,



Matt Josephs
Senior Vice President for Policy