

TO: Members of the Wisconsin Congressional Delegation
FROM: Wisconsin Housing and Economic Development Authority
DATE: March 2023

NEIGHBORHOOD HOMES INVESTMENT ACT

The bipartisan Neighborhood Home Investment Act (NHIA), S.657, recently introduced by U.S. Senators Ben Cardin (D-Md.) and Todd Young (R-Ind.), would create a new housing tax credit to revitalize distressed urban, suburban, and rural neighborhoods. **WHEDA supports the NHIA because it will increase the supply of much-needed single family housing stock in Wisconsin communities through public-private partnerships.**

Provide pathways to homeownership: The severe shortage in single-family housing contributes to the difficulty and expense of purchasing a home – often making homeownership out of reach for many Americans. **The provisions in the NHIA would allow WHEDA to finance the building and rehabilitation of approximately 1,000 homes and create 1,300 jobs in Wisconsin in the first year alone.**

Build upon public-private partnerships: The funds provided by the tax credit incentive will allow private developers to build affordable housing at the level needed in communities across Wisconsin. The NHIA would allow project investors to purchase and claim the tax credit, which then covers the value gap in purchasing and rehabilitating the homes, making these projects financially feasible.

Target communities in greatest need: The NHIA is designed to target homes in communities where private sector investment is in greatest need. In Wisconsin, this program would mean more investment into our rural communities and distressed neighborhoods.

The NHIA would provide a critical new tool to fight against housing inflation, drive investment in workforce housing, and unleash revitalization in Wisconsin's communities that are in most critical need. Within the first year of the NHIA passing, WHEDA would have \$35.8 million in tax credits available to allocate for single family rehabilitation and development. The investment in neighborhood revitalization in the ten years following the passage of the NHIA is expected to produce 500,000 homes, \$100 billion in development activity, and 785,000 jobs across the nation.

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