

The Honorable JD Vance  
288 Russell Senate Office Building  
Washington, DC 20510

October 2023

Dear Senator Vance:

We, a coalition of housing and community and economic development advocates, are writing to ask you to cosponsor S. 657, the Neighborhood Homes Investment Act, re-introduced in Congress by Senators Todd Young (R-IN) and Ben Cardin (D-MD). This bill was originally introduced by former Senator Rob Portman, and currently has bipartisan co-sponsors in the Senate, including Senator Sherrod Brown.

As you are well aware, many rural, urban, and suburban communities throughout the state of Ohio lack quality, move-in-ready homes - a factor that both undermines community stability and the opportunity for families to build wealth through homeownership. The Neighborhood Homes Investment Act (NHIA) establishes a federal tax credit for the construction or substantial rehabilitation of affordable, owner-occupied housing located in distressed urban, suburban, and rural neighborhoods.

Because of unfair policies and practices in the housing market, the majority of low- and middle-income neighborhoods in cities and towns throughout the state struggle with vacant and abandoned properties that blight our communities. As a result, our neighborhoods have property values too low to support the costs necessary to renovate these homes, to build new homes in their place when they are demolished, or for existing homeowners to leverage the equity needed to make critical repairs to their homes. This creates a vicious cycle of disinvestment that destroys the fabric of our neighborhoods, discourages home ownership for working families, and encourages predatory activity by out-of-state and out-of-country investors.

Too often, the major impediment to building and rehabilitating homes in these communities is that the cost exceeds the homes' market value upon completion. The Neighborhood Homes Investment Act would offer an innovative solution to this market failure by providing a tax credit to cover the gap in construction and rehabilitation costs of homes for owner-occupancy. The new tax credits would be administered by state agencies through annual competitive application rounds and 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.

Ohio would benefit greatly from the Neighborhood Homes Investment Act, all across the state. The NHIA criteria fit Ohio particularly well, with 27 percent of Ohio census tracts qualifying for the credit as compared to 20 percent nationwide. Not only would this bill lower the cost of building new homes, rehabilitating vacant units, and supporting housing revitalization, but it would also encourage families and businesses to remain – and expand – in our state. The

unique nature of this program means it will be able to be utilized in many different regions across Ohio that have been left behind – from distressed neighborhoods in our industrial cities, to working-class suburbs, to small towns and rural areas in Appalachian Ohio. To see a map of qualifying census tracts, please visit [neighborhoodhomesinvestmentact.org](http://neighborhoodhomesinvestmentact.org). An additional 293 non-metropolitan census tracts in Ohio would be eligible to receive 20% of the state's credit authority.

At a time when higher interest rates, rising construction costs, and a historically low inventory of houses are contributing to rapidly rising housing prices, this bill would serve to combat inflationary pressures by increasing the supply of modestly-priced homes in communities across the state. Neighborhood Homes will provide a major economic development boost to Ohio's communities by spurring the development of quality, affordable homes that will be attractive to employers and their workforce.

We support the Neighborhood Homes Investment Act because it will break the vicious cycle of disinvestment and make it economically feasible to renovate vacant homes, construct new homes for homeowners, and for existing homeowners to reinvest in their homes. We strongly urge you to join your colleagues by co-sponsoring and supporting this important bill to make the housing market work better for Ohio's working families and their neighborhoods!

Sincerely,