Testimony of Dr. Akilah Watkins

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United States House of Representatives

Committee on Ways and Means

"NOWHERE TO LIVE: PROFITS, DISINVESTMENT, AND THE AMERICAN HOUSING CRISIS"

July 13, 2022

1. Introduction

Good afternoon, Chairman Neal, Ranking Member Brady, and Members of the Committee. Thank you for the opportunity to testify on America's housing unaffordability crisis, which has harmed communities and held American families back for generations. The economic impacts of the pandemic have only made housing more expensive, pushed homeownership further out of reach for millions of Americans, and widened historic racial gaps in income, family wealth, and homeownership.

I serve as the President and CEO of the Center for Community Progress, a national nonprofit founded in the aftermath of the 2008 housing crisis.[1] We exist because too many American communities – small and large, rural and urban – were facing an explosion of vacant properties that posed significant costs to public health, property values, local taxpayers, and more. Since 2010, Community Progress has benefited millions of people nationwide by helping them return vacant, abandoned, and deteriorated properties back to productive uses that meet community goals and priorities. We are honored to work with state and local governments, national partners, and resident leaders to reform vacant property systems, policies, and practices. And, we strive to make a better future where vacant, abandoned, and deteriorated properties no longer exist by addressing the legacy of unjust laws, policies, and systems that cause some communities to bear an unfair share of this burden. Learn more about our work at www.communityprogress.org and in the documents contained in the enclosed appendix.

In my testimony today, I will first address some of the housing and neighborhood stability challenges facing the disinvested communities we serve, including the racial wealth gap. Next, I will identify strategies for meeting these challenges learned through our experience on the ground, predominantly in small to mid-size cities. Finally, I will discuss concrete actions that lawmakers can take to increase the supply of safe, affordable, accessible housing by investing in proven interventions that equitably transform vacant spaces into vibrant places.

2. Challenges Disinvested Communities Face

Systemic Vacancy and Hypervacancy

Every neighborhood has some vacant properties. You're probably thinking of the boarded-up home you pass on the way to work, or a vacant, overgrown lot in your Congressional district. In a typical community where about half of the properties are owner-occupied, half are renter-occupied, and the housing market is working well, overall year-round vacancy rates tend to fall between 4% and 6%.[2] Some vacancy is normal – but *systemic* vacancy is property vacancy that is so widespread it changes the character of a neighborhood. It is a symptom of deeper issues such as concentrated poverty, economic decline, and market failure, which are often rooted in historically inequitable local, state, and federal policies.

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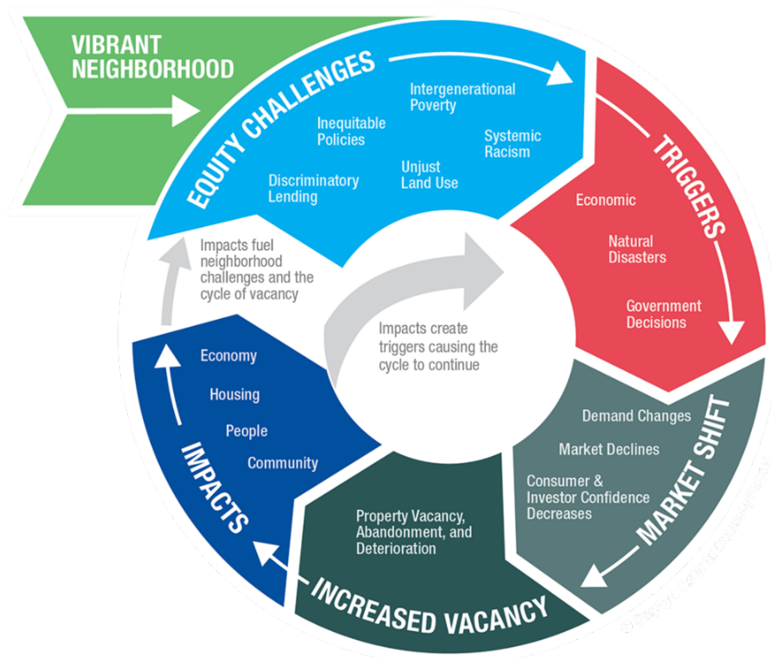
[1] Among the visionary leaders and thinkers that co-founded the Center for Community Progress over a decade ago is Rep. Dan Kildee, a sitting member of the Ways and Means Committee. While Rep. Kildee no longer has any professional affiliation with Community Progress, he has attended and spoken at past engagements and conferences hosted by our organization. Community Progress was founded in Flint, Michigan, where we maintain our headquarters.

[2] Mallach, A. (2018). *The Empty House Next Door*. Cambridge, MA: Lincoln Institute of Land Policy.

Communities experiencing systemic vacancy often become stuck in a negative cycle where vacant, abandoned, or deteriorated properties intensify poor living conditions impacting the local economy, community fabric, housing stock, and the local tax base. This in turn fuels neighborhood challenges and increases levels of vacant properties.[3] When we consider these neighborhood challenges, we must consider both the physical distress of land and property, and the resulting human distress – the impact on community residents as a result of the physical deterioration around them.

There are currently more than 5.7 million vacant units throughout the U.S., and those units are often concentrated in communities of color and small- and mid-size neighborhoods.[4]

Our nation's historic land ownership policies and their accompanying legal systems perpetuate this cycle of vacancy. Economic crises, inequitable government decision making, and natural disasters exacerbate systemic vacancy as well. This shift towards systemic vacancy can happen over years (e.g., after a major factory closes) or overnight (e.g., as happened in New Orleans with Hurricane Katrina).



(Copyright Center for Community Progress)

Hypervacancy, a term defined by Community Progress Senior Fellow Alan Mallach, describes a local area that has a 20% vacancy rate or higher. Many communities continue to face perennial hypervacancy, including Cleveland, Ohio (50.3% of tracts), St. Louis, Missouri (46.2%), and Gary, Indiana (51.6%).[5]

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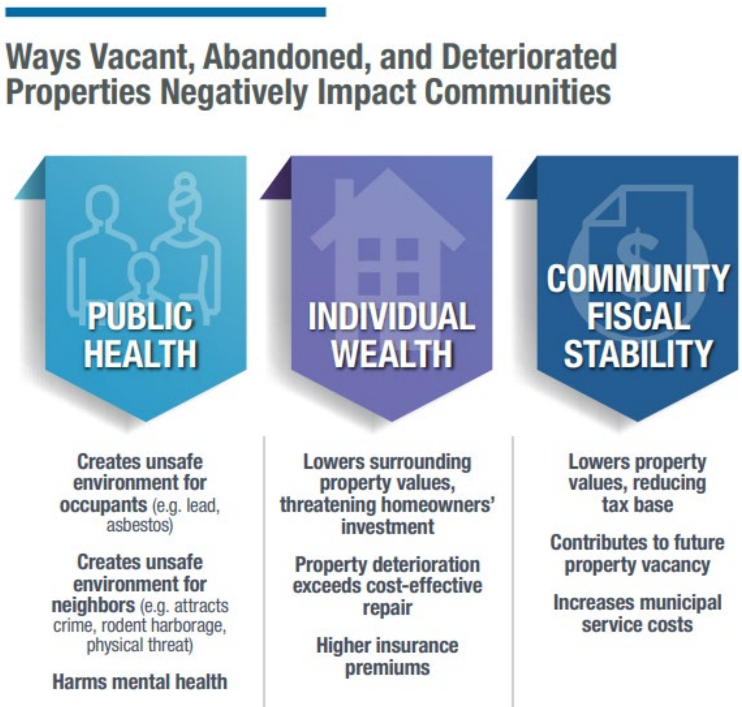
[3] Center for Community Progress. (2022). Systemic Vacancy. Retrieved from https://communityprogress.org/resources/vacancy/

[4] United States Census Bureau. (July, 6 2022). B25004 Vacancy Status. Retrieved from 2020 ACS 5-Year Estimates: https://data.census.gov/cedsci/table?q=Vacancy&tid=ACSDT5Y2020.B25004

[5] Kasakove, S., & Gebeloff, R. (2022, July 6). *The Shrinking of the Middle-Class Neighborhood*. Retrieved from The New York Times: https://www.nytimes.com/2022/07/06/us/economic-segregation-income.html

Systemic and hypervacancy are public burdens that cause calculable harm. A 2016 study in Toledo, Ohio, found that vacant properties cost the city $3.8 million per year in direct costs, $2.7 million per year in lost tax revenues from the vacant properties themselves, $98.7 million in lost property values, and $2.68 million in lost tax revenues from adjacent properties whose value was diminished by the presence of vacant properties.[6] A study in Austin, Texas found that "blocks with unsecured [vacant] buildings had 3.2 times as many drug calls to police, 1.8 times as many theft calls, and twice the number of violent calls" as blocks without vacant buildings.[7] The total costs of distressed vacant properties in the city of Atlanta, Georgia, range from $55 million to $153 million in lost property values. This translates into lost property tax revenues of $1 million to $2.7 million annually.[8] In Cleveland, Ohio, properties within 500 feet of a vacant, tax-delinquent, and foreclosed property lost 9.4% of their value.[9]



(Copyright Center for Community Progress)

[6] Immergluck, D., & Toering, S. (2016). "The Cost of Vacant and Blighted Properties in Toledo." Center for Community Progress.
[7] National Vacant Properties Campaign. (2005, August). "Vacant Properties: The True Costs to Communities." Available at https://files.hudexchange.info/resources/documents/VacantPropertiesTrueCosttoCommunities.pdf. See also, "The Costs of Vacant, Abandoned, and Deteriorated Properties" found in the attached Appendix.
[8] Immergluck, D. (2016, January). "The Cost of Vacant and Blighted Properties in Atlanta: A Conservative Analysis of Service and Spillover Costs." Center for Community Progress. Available at https://www.communityprogress.net/filebin/Cost_of_Vacant_and_Blighted_Immergluck_FINAL_02.17.16.pdf.
[9] Whitaker, S., & Fitzpatrick, T., (2011). "The Impact of Vacant, Tax-Delinquent and Foreclosed Property on Sales Prices of Neighboring Homes." Federal Reserve Bank of Cleveland.

The Housing Supply Shortage

Recent research estimates differ on the precise amount of the national housing undersupply, but uniformly agree that the U.S. is short millions of housing units. The National Low Income Housing Coalition estimates a shortfall of 7 million "rental homes affordable and available to extremely low-income renters" at or below 30% of area median income.[10] For buyers, in 2021, Freddie Mac's Chief Economist estimated the shortfall of homes to be 3.8 million,[11] and the National Association of Realtors released a report estimating the shortfall to be nearly 7 million homes.[12]

The impact of global supply chain shortages and global price inflation that has impacted every sector has not spared the housing and building industry, but these housing inventory shortfalls are not a new phenomenon. Decades of exclusionary and restrictive policies at the local, state, and federal levels and inequities in the homeownership ecosystem have collided with COVID-19-era shifts in the way families live and work. Without bold, meaningful investments in and incentives for the development of new housing supply generally, and in quality, accessible housing affordable to low- and moderate-income families in the places they plan to live specifically, this housing affordability crisis will undoubtedly persist.

The Appraisal Gap Challenge

Nationwide, thousands of formerly thriving communities – rural and urban – struggle with weak housing markets, distressed neighborhoods, and low homeownership rates. In many of these places, the housing stock is predominately aging single-family homes, many of which need substantial rehabilitation or, if beyond repair, demolition. These are most often the same communities where vacant, abandoned, deteriorated homes undermine neighborhood stability and depress the local tax base.

At the same time, these neighborhoods have a shortage of quality, safe starter homes and – for the homes that *are* available – first-time homebuyers cannot fairly compete with cash-in-hand investors. This places the American dream of homeownership – the primary means of building wealth and financial security – out of reach. These neighborhoods cannot retain or attract working families without quality homes, but property values are too low to support the ever-increasing, supply-chain dependent cost of building or substantially rehabilitating homes. Put simply, in too many housing markets, the cost to acquire and rehab properties into quality housing exceeds what that house could reasonably sell for. That difference – build/rehab cost minus sale value – is the "appraisal gap" or "value gap."

For housing developers in these markets, particularly mission-driven, nonprofit affordable housing developers seeking to create homeownership opportunities, the appraisal gap is only surmountable through subsidy, either directly through grants, or by taking on projects outside their mission that yield

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[10] National Low Income Housing Coalition. (2022) "The Gap" research portal. Accessed July 7, 2022 at https://nlihc.org/gap.

[11] Khater, S. (2021) "Housing Supply: A Growing Deficit." Freddie Mac. Available at: https://www.freddiemac.com/research/insight/20210507-housing-supply.

[12] Rosen, K., Bank, D., Hall, M., Reed, S., & Goldman, C. (June 2021) "Housing is Critical Infrastructure: Social and Economic Benefits of Building More Housing." Rosen Consulting Group for the National Association of REALTORS®. Accessed July 7, 2022 at https://www.nar.realtor/sites/default/files/documents/Housing-is-Critical-Infrastructure-Social-and-Economic-Benefits-of-Building-More-Housing-6-15-2021.pdf .

enough profit to balance out losses. This results in developers wasting time chasing subsidies and being unable to operate at a scale that truly transforms struggling neighborhoods and repairs weak markets.

The Small-Balance Mortgage Challenge

Then, there is the challenge many families face in getting a mortgage in low-cost housing markets. Although many communities across the U.S. have low-cost single-family homes available, including many of the rural areas and small and mid-size cities that Community Progress serves, what kind of average American has the cash on hand to buy a $70,000 home without some financial assistance? The lack of mortgage products available to owner-occupant buyers in these markets prevents far too many otherwise qualified families from achieving the dream of homeownership. All too often, those families and those communities are predominately Black and Brown.

While small-balance mortgages historically perform comparably to higher-balance mortgages and their borrowers have similar credit profiles, small-balance mortgages are perceived as "riskier."[13] (Labeling some areas as "riskier" from a lending perspective was a common justification used in redlining practices.[14])

In 2015, only approximately 25% of homes purchased at or below $70,000 were financed with a mortgage, as compared to nearly 80% of homes worth between $70,000 and $150,000. Fixed mortgage origination and servicing costs make small loans less profitable, and therefore less attractive, to lenders and servicers.[15] This creates fertile ground for investors to dominate many low-cost housing markets through cash purchases, leaving fewer and fewer homeownership opportunities in otherwise naturally affordable, low-cost housing markets.

The Racial Wealth and Homeownership Gap

As of the most recent Census data from the 2019 Survey of Income and Program Participation (SIPP), the racial wealth gap shows that White households possess more than ten times the wealth of Black households.[16] Home equity is a major contributor to this gap:

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[13] McCargo, A., Bai, B., George, T., & Strochak, S. (March 2019) "Small-Dollar Mortgages: A Loan Performance Analysis." Washington, DC: Urban Institute. Available at: https://www.urban.org/sites/default/files/publication/99906/small_dollar_mortgages_a_loan_performance_analysis_2.pdf.

[14] Mendez-Carbajo, D. (September 2021) "Neighborhood Redlining, Racial Segregation, and Homeownership." *Page 1 Economics*. Federal Reserve Bank of St. Louis. Retrieved from: https://research.stlouisfed.org/publications/page1-econ/2021/09/01/neighborhood-redlining-racial-segregation-and-homeownership.

[15] McCargo, A., Bai, B., George, T., & Strochak, S. (April 2018) "Small-Dollar Mortgages for Single-Family Residential Properties." Washington, DC: Urban Institute. Available at: https://www.urban.org/research/publication/small-dollar-mortgages-single-family-residential-properties.

[16] United States Census Bureau. (July 6, 2022) Wealth, Asset Ownership, & Debt of Households Detailed Tables: 2019. Retrieved from: https://www.census.gov/data/tables/2019/demo/wealth/wealth-asset-ownership.html.

Characteristic	Net Worth	Net Worth (Excluding Equity in Own Home)
White alone	$150,300	$56,250
White alone, not Hispanic	$187,300	$79,010
Black alone	$14,100	$3,630
Asian alone	$206,400	$76,740
Other (residual)	$37,850	$9,960
Hispanic origin (any race)	$31,700	$9,600
Not of Hispanic origin	$141,400	$54,230

In the fourth quarter of 2021, 74% of White adults owned a home, compared with 43% of Black Americans and 48% of Hispanic Americans. These disparities in homeownership have persisted over decades.

The median home price-to-income ratio was at an all-time high in 2021. The median sales price for existing homes last year was 5.3 times the median household income – a historic high and a notable increase from the previous peak of 4.9 in 2005. By comparison, price-to-income ratios averaged 3.9 in the 2010s, 4.1 in the 2000s, and just 3.1 in the 1980s.[17]

According to Zillow and the *Wall Street Journal*, in 477 U.S. cities the typical home value at the end of April 2022 was still below peak levels from the housing boom in the early 2000s that precipitated the mortgage collapse and Great Recession. According to Alan Mallach, "Wide disparities in home-price appreciation often exist within cities. The areas where home values have been stagnant are often historically Black homeowner-occupied areas."[18]

Further evidence from the National Community Reinvestment Coalition demonstrates that:

- After declining for much of the past 20 years, the national Black homeownership rate has persisted at 42% between 2016 – 2018, as low as it was in 1970, while the rate of white homeownership increased to 73% percent in 2019, a record high.
- A 20% – 30% gap between Black/white homeownership rates has persisted for more than 100 years, despite Black homeownership increases in the mid-1900s.
- Black Americans go into greater debt for less valuable homes and receive less of a return on homeownership than white Americans.

[17] Joint Center for Housing Studies of Harvard University. (2022). "The State of the Nation's Housing 2022." Cambridge, MA: Harvard University.
[18] Friedman, N., & Eisen, B. (June 2022) "Housing Boom Fails to Lift All Homes Above Previous Cycle's Peak." New York: *Wall Street Journal*. Retrieved from: https://www.wsj.com/articles/housing-boom-fails-to-lift-all-homes-above-previous-cycles-peak-11654335001

- If holding the current rates of Black homeownership formation and loss constant, then it would require approximately 165,000 additional new Black homeowners each year over the next 20 years to get to 60% Black homeownership by 2040.
- Bold new approaches to housing finance and investment in community development is required to get to a 60% homeownership rate for Black Americans.
- Even getting to a record-level Black homeownership rate of 60% will not bridge the Black and white wealth divide. Additional bold programs like baby bonds, full employment and reparations are needed to close the Black/white wealth divide in the foreseeable future.
- Black populations with moderate incomes in geographic areas with affordable housing and low Black homeownership rates offer strong opportunities to increase Black homeownership.[19]

3. Strategies for Meeting These Challenges

Land Banks: A Powerful Tool to Stabilize Communities

There is hope to meet these challenges. Since our founding, Community Progress has been a champion for land banks and land banking programs as one tool that, when appropriately used in the right places, can disrupt failed systems and weak markets. Land banks can uplift community control of the built environment, help local leaders think differently about land ownership and stewardship, and revitalize disinvested neighborhoods.

A land bank is a public entity with unique governmental powers, most often created through state-enabling legislation, that is solely focused on converting problem properties into productive use according to local community goals.[20] Driven by boards that include community members and operating pursuant to public transparency laws, land banks fundamentally support community development efforts. Land banks can maintain vacant structures until they can be restored and demolish those that cannot; assemble property for future reuse; turn tax-foreclosed properties into quality housing for all income levels; facilitate commercial and industrial property reuse; and work with residents to transform vacant land into parks, gardens, and other community spaces. Land banks exist in rural, suburban, and urban geographies, with a total of 250 land banks in 29 states today.[21]

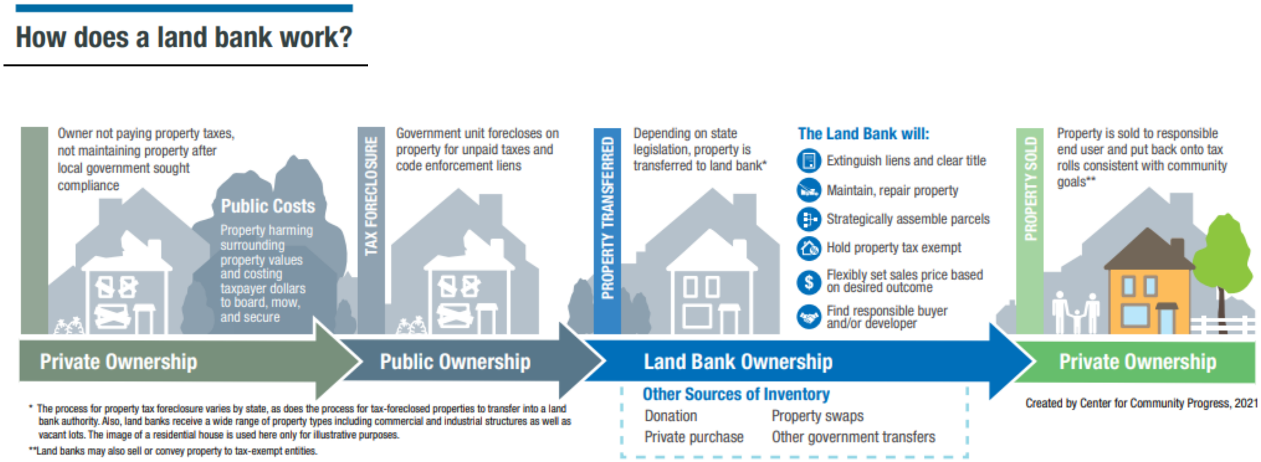
Through special powers granted typically by state-enabling legislation, land banks can more flexibly and efficiently obtain control of and transition problem properties than other governmental or nonprofit entities. A land bank can use the property tax and lien enforcement process to proactively acquire a property for substantially less than the amounts due on the property, extinguish past liens, hold property tax-exempt until it is sold, and transition that property to a purchaser for an end use that aligns

[19] Asante-Muhammad, D., Buell, J., & Devine, J. (2021) "60% Black Homeownership: A Radical Goal for Black Wealth Development." Washington, DC: National Community Reinvestment Coalition. Retrieved from: https://ncrc.org/60-black-homeownership-a-radical-goal-for-black-wealth-development/.

[20] Center for Community Progress. (2021) "Land Banks: A Tool for Addressing Problem Properties to Serve Community Goals" found in the attached Appendix.

[21] Center for Community Progress. (March 2022) National Land Bank Map. Retrieved July 7, 2022 from: https://communityprogress.org/resources/land-banks/national-land-bank-map/.

with community priorities. This approach offers an important alternative to a traditional tax foreclosure sale, prioritizing best local outcome over highest offer.



Land bank leaders cite access to sufficient, predictable funding as one of their greatest operational challenges – and yet these entities are still driving impressive impact in communities across the country. Land banks are funded through a variety of sources, which may include revenue from the sale of properties, general fund appropriations from local and county governments, federal and state grants, and foundation grants. Recognizing the critical role land banks play in community revitalization, some states have enabled land banks to receive a portion of fees collected through the property tax enforcement process or a portion of the new property taxes generated from properties sold by the land bank.

National Land Bank Network

In 2021, Community Progress launched an initiative called the National Land Bank Network (NLBN), a national campaign for education and land bank leadership development, capacity building, and technical assistance. Modeled after the pioneering work of statewide land bank associations that have formed in Michigan, Ohio, New York, Georgia, and Pennsylvania, NLBN provides a national platform and formalized network to advance the field and allow for peer-to-peer learning exchanges across state lines.

Community Land Trusts

Another approach to long-term housing affordability is the community land trust model. Although many variations on the model exist, community land trusts (CLTs) most often focus on providing permanently affordable housing. A CLT achieves this by separating the ownership of the land and structure. The CLT retains ownership of the land and enters into a 99-year renewable ground lease with the homeowner. The homeowner purchases the structure on the land at a subsidized price, pays the mortgage on the structure and is responsible for maintenance of the land and structure.

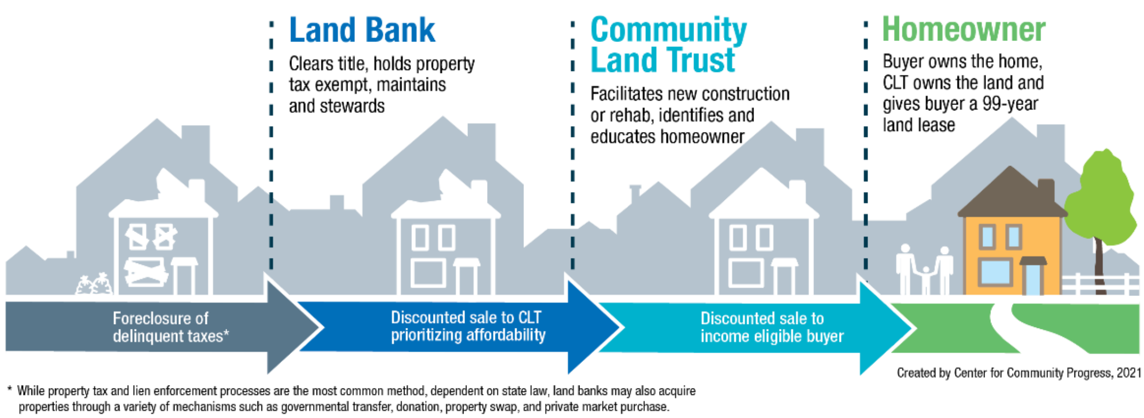
The CLT ground lease places limits on the future sales price of the property, while also providing an opportunity for owners to build wealth from the home sale, so that the home remains accessible to low- and moderate-income homebuyers at an affordable rate in perpetuity. Typically, the development, rehab, or purchase of CLT homes is subsidized through public or philanthropic funds, and this subsidy stays with the property forever, underwriting the purchase price again and again for generations of owners.

While CLTs are best known for providing affordable homeownership opportunities, CLTs can use their land for affordable single and multi-family rental opportunities, mixed-income and mixed-use developments, community-oriented commercial spaces, community gardens, and much more. Lasting affordability requirements are what set community land trusts apart from more traditional forms of affordable housing development.[22]

The median shared equity household accumulates approximately $14,000 through their participation in shared equity programs across housing market periods. By comparison, the median equity investment at purchase is $1,875. Even though some risk associated with homeownership remains, sellers overwhelmingly accumulate wealth.

CLT loans are stable, foreclosing less frequently than traditional mortgages, in part as a result of the supportive services offered by CLTs to achieve homeownership success.[23] Shared equity models are effective in providing stable housing and result in people staying in their homes longer – the average annual moving rate is 2.6%. By comparison, on average, 6.9% of all homeowners and 14% of all households nationwide moved each year during the same period. When shared equity households sold their homes and moved, the majority (58%) chose to purchase again.[24]

Working together, a land bank can leverage its unique property acquisition powers to provide a pipeline of land or structures for a CLT to convert into quality, permanently affordable housing.



[22] National League of Cities and Grounded Solutions Network. (2021) "Community Land Trusts: A Guide for Local Governments." Washington, DC: National League of Cities. Retrieved from https://www.nlc.org/resource/community-land-trusts-a-guide-for-local-governments/.

[23] Thaden, E. & Rosenberg, E. (October 2010) "Outperforming the Market Delinquency and Foreclosure Rates in Community Land Trusts." *Land Lines*. Cambridge, MA: Lincoln Institute of Land Policy. Retrieved from https://www.lincolninst.edu/publications/articles/outperforming-market.

[24] Wang, R., Cahen, C., Acolin, A., & Walter, R. J. (2019) "Tracking Growth and Evaluating Performance of Shared Equity Homeownership Programs During Housing Market Fluctuations." Cambridge, MA: Lincoln Institute of Land Policy. Retrieved from https://www.lincolninst.edu/publications/working-papers/tracking-growth-evaluating-performance-shared-equity-homeownership

4. Concrete Actions and Critical Investments

The National Land Bank Network Act

The Center for Community Progress urges lawmakers to pass the National Land Bank Network Act, which was introduced in the 116th Congress by Rep. Kildee and Rep. Ferguson. This groundbreaking program would provide direct federal investment to build and strengthen the NLBN, and more importantly, would create a grant program to build capacity across the land bank field. This grant program would support technical assistance not only to existing land banks, but also to communities working to get new land banks off the ground. And it could help fund the growing staffing, land stewardship, and technology needs of land banks in rural as well as urban communities.

In a survey conducted in 2021, land banks responded that 53% don't have adequate funding to cover basic expenses and 47% operate with **one or fewer full-time employees**. Particularly in land banks operating in rural counties in states like Georgia and West Virginia, land banks are doing so much with so little. The NLBN Act's grant program would provide a lifeline to allow these land banks to better operate at scale.

We thank Rep. Kildee and Rep. Ferguson for their vision and leadership, as well as the bipartisan group of co-sponsors who supported the NLBN Act in the 116th Congress, and look forward to working with this Congress to make the enactment of the National Land Bank Network Act a reality.

Neighborhood Homes Investment Act

To address many of the challenges discussed in my testimony, particularly the appraisal gap problem, a targeted tax credit program called the Neighborhood Homes Investment Act[25] (NHIA) would be transformative in the communities we serve. Led by Committee Members Rep. Brian Higgins and Rep. Mike Kelly, this proposal has overwhelming bipartisan support in both the House and Senate.

The goal of the Neighborhood Homes Investment Act is to create a financing tool for single-family housing, as powerful as the Low-Income Housing Tax Credit, to help transform neighborhoods across the country. This new financing tool would not only drive much-needed resources to investment-starved communities, but it would also enlarge and elevate the nascent affordable, single-family housing development industry that was catalyzed by events like Hurricane Katrina and the mortgage foreclosure crisis.

NHIA tax credits would provide a powerful incentive for the private sector to build and rehabilitate homes to lift up struggling neighborhoods. Unlike a grant program, the NHIA tax credit would pay only for "success" because the credit is only applied after construction is completed and a qualified homeowner occupies the house. In addition, the NHIA tax credit will fill only the *actual value gap,* as determined by the market. If a home sells for more than the cost of the development, no tax credits will be used. The private sector shoulders the key risks, such as the possibility that a project does not get completed or a qualified homeowner does not purchase it.

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[25] H.R. 2143 / S. 98, 117th Congress.

For a practical example of how a land bank could leverage NHIA tax credits, consider an actual 2021 single-family rehab project completed by the Lucas County Land Bank in Toledo, Ohio:

625 Collins – Without NHIA

LUCAS COUNTY Land Bank

Uses	
Acquisition Costs	$0
Construction Costs	$108,000
Soft Costs	$22,000
Staff Time	In-Kind
Total Uses	**$130,000**
Sources	
Sales Price	$85,000
Land Bank Subsidy	*$45,000*
Total Sources	**$130,000**
Net Return	**($45,000)**

Can we afford it??

Needs
New Roof, Foundation Wall Rebuild, Exterior Paint, Porch Rebuild, Window Repair, New HVAC, New Plumbing, New Electrical, Kitchen Gut, Bathroom Gut, New Driveway…

625 Collins – With NHIA

LUCAS COUNTY Land Bank

Uses	
Acquisition Costs	$0
Construction Costs	$108,000
Soft Costs	$22,000
Staff Time	In-Kind
Total Uses	**$130,000**
Sources	
Sales Price*	$95,000
NHIA (35%)	*$37,000*
Total Sources	**$132,000**
Net Return	**$2,000**

A win-win-win!

Instead of causing the land bank to absorb a $45,000 loss on 625 Collins Ave, a NHIA tax credit could have turned this project into a $2,000 net return. This would allow the land bank to scale up its operations, partner with more developers, and dedicated more time and resources to the work of transforming the neighborhoods it serves, from this:

To this:

We thank Committee Members Rep. Higgins and Rep. Kelly for championing NHIA, and, once enacted, we look forward to supporting the desperately needed, single-family, attainable housing development that it will jumpstart in the communities we serve.

5. Conclusion

The housing affordability crisis causes acute harm in the disinvested communities our organization serves – like Midwest communities that have lost populations over decades after the closing of a major factory, rural communities where vacant and deteriorated buildings dot the landscape, inner-city neighborhoods with long-boarded up storefronts and blocks of empty buildings that *could* be affordable homes. As we grapple with how best to increase the supply of quality, affordable housing for renters and owner-occupants, we must broaden our thinking about how land is owned, stewarded, and developed. To uplift disinvested communities, we must make hard decisions about how to create targeted investments and incentives that prioritize American families and community needs. And we must invest in strategies – like land banks, community land trusts, small dollar mortgage products, and tax credits – that equitably build wealth, promote homeownership, and close historic and shameful racial gaps.