



October 25, 2021

The Honorable Maxine Waters
Chairwoman
Committee on Financial Services
U.S. House of Representatives
2129 Rayburn House Office Building
Washington, DC 20515

The Honorable Sherrod Brown
Chairman
Committee on Banking, Housing, and Urban Affairs
U.S. Senate
534 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairwoman Waters and Chairman Brown:

As members of the Capital Magnet Fund (CMF) Coalition, we write to thank you for being stalwart advocates for increased affordable housing resources, and to request that you retain funding for the Housing Investment Fund (HIF) in any negotiated Build Back Better Act legislation. The CMF Coalition represents the interests of affordable housing stakeholders, and includes nonprofit affordable housing developers, community development financial institutions (CDFIs), affordable housing associations, and others interested in furthering affordable housing investment.

The HIF will provide funding that non-profit developers and CDFIs cannot find elsewhere—funding to do pre-development work, create affordable housing funds, for risk-sharing loans, establish loan loss reserves, and provide loan guarantees— which are all critical pieces of affordable housing and community development. HIF was developed to work in conjunction with the annual Capital Magnet Fund program operated by the Department of the Treasury, and designed to spur immediate stimulus investment in affordable housing. The HIF will provide the flexibility to attract other public and private funding for affordable housing, as well as related economic development activities and community service facilities. Importantly, the HIF will allow funding to be used for Acquisition Funds, Affordable Housing Funds and Affordable Housing Mortgage Funds that will enable communities to access resources for their local housing needs.

While we understand that tough choices are required in the on-going negotiations, allocating funding for the HIF will foster innovative solutions and allow mission-based housing organizations to leverage funding to address our nation's chronic affordable housing shortage. These investments will ensure that low-income families in communities across the United States will have access to resilient, energy and water efficient multifamily and single-family housing that meets their needs.

The need for more affordable housing in this nation is great; more than 11 million American families spend over half of their income on housing, and 38 million spend over 30 percent of their income on housing (the accepted standard for affordability). Fewer than four affordable rental homes exist for every 10 very low-income renters, contributing to a shortage of seven million affordable rental homes nationwide. In addition, recent market data suggests that at least one in six single-family homes is purchased by investors, increasing home prices while reducing affordability for low-income families. This also furthers our nation's racial wealth inequality, with Black homeownership rates currently at 42 percent, which is unchanged from 1968.

While the HIF is only one piece of the housing affordability puzzle, it will help fulfill President Biden's recent Executive Order on Administration actions to address the affordable housing supply. The members of the CMF Coalition stand with you in delivering the message that *Housing Is Infrastructure*. In light of the real and on-going funding difficulties, we urge you to truly *Build Back Better* by supporting innovative stimulus funding such as the HIF, alongside other housing programs.

Thank you again for your leadership in crafting a comprehensive plan to address the urgent needs for additional affordable housing. We look forward to working with both the House Financial Services Committee and the Senate Banking, Housing, and Urban Affairs Committee in the creation of the Housing Investment Fund.

Sincerely,

Capital Magnet Fund Coalition

Central Bank of Kansas City
Cinnaire
City First Enterprises
Enterprise Community Partners
Florida Community Loan Fund
Habitat for Humanity International
Homewise, Inc.
Housing Partnership Network
Housing Trust Silicon Valley
Legacy Bank and Trust
Leviticus Fund
Local Initiatives Support Corporation
Low Income Investment Fund

Mercy Community Capital
Mercy Housing
National Association of Affordable Housing Lenders
National Housing Trust
New West Community Capital
Novogradac
Ohio Capital Corporation for Housing
Ohio Capital Finance Corporation
Opportunity Finance Network
Preservation of Affordable Housing
Stewards of Affordable Housing for the Future
The Genesis Fund