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October 21, 2021

The Honorable Maxine Waters
Chairwoman
U.S. House Committee on Financial Services
Washington, DC 20515

The Honorable Patrick McHenry
Ranking Member
U.S. House Committee on Financial Services
Washington, DC 20515

Dear Chairwoman Waters and Ranking Member McHenry:

The National League of Cities (NLC) is the nation's foremost non-partisan resource and advocate for municipal governments and their leaders, representing all of America's 19,000 cities, towns, and villages. The reconciliation bill currently under consideration in Congress includes a number of priorities that local governments have been calling on Congress to address for years. A common bond among those municipal priorities is housing stability, which will determine to a large extent whether programs aimed at healthcare, families, and climate change can produce the outcomes Congress intends.

There is no question that significant federal investments in affordable housing are necessary. That was the case before COVID-19, and it remains the case today. The [data is conclusive](#) that housing is the single biggest factor impacting economic mobility for residents; and that stable housing is a prerequisite for lasting job security, climate resiliency, and health and well-being.

However, the gap between what local governments need to spend on housing in their communities and the amount of federal aid available for housing is widening. According to our [analysis](#) of intergovernmental aid for housing, state and federal governments have largely reduced direct aid to local governments for housing since the 1980s, with the one exception being the large pool of federal dollars recently provided through the CARES and ARPA emergency spending measures to address COVID-19 related harm. Our analysis finds that for every \$100 that state and federal governments invest in housing programs per person, cities have \$3 in additional housing spending needs per person. This means that cities have more than \$14 billion in additional needs for housing cumulatively just to get them back to historical levels of housing spending - which would still be insufficient to meet existing and future needs.

As a partner of the multi-jurisdictional Opportunity Starts at Home Campaign and Mayors and CEO's for U.S. Housing Investment, NLC has endorsed the following funding recommendations to bring an end to the affordable housing crisis:

- 1) Expand rental assistance by \$90 billion to serve an additional one million households;
- 2) Invest \$80 billion to repair cities public housing infrastructure for more than two million residents;
- 3) Invest \$37 billion in the National Housing Trust Fund (HTF) to build and preserve 330,000 affordable homes and help end homelessness.

From the outset of the pandemic, NLC's guidance to local governments has been to prioritize emergency spending for housing stability to minimize COVID-19 related declines. Unfortunately, as documented in NLC's [State of the Cities 2021](#) report, our polling of local leaders identified "affordable housing supply" as the single

most widely cited factor driving negative local outcomes over the past year.

Local governments are also recognizing that additional spending for affordable housing is only part of the solution. Cities and towns are reexamining land use policies and modernizing zoning ordinances to pave the way for more housing. Cities leading the way include Seattle, Washington which redesignated “Single-Family” Zones to “[Neighborhood Residential](#)”, and South Bend, Indiana which received the prestigious [Driehaus Award](#) for their new zoning ordinance that encourages the re-use of historic and other existing spaces and the creation of new multi-family housing.

The historic opportunity under the reconciliation bill to address the nations housing needs is coming at the right time to capitalize on the local movement to modernize zoning ordinances and would serve as a powerful incentive for more cities to undertake their own modernization process informed by robust community input.

Thank you for considering our urgent request for necessary housing aid in the reconciliation package. If NLC can be of further help to you, please contact Michael Wallace, NLC Legislative Director for Housing, Community, and Economic Development, at 202-626-3025 or wallace@nlc.org.

Sincerely,



Clarence E. Anthony
CEO and Executive Director
National League of Cities

CC: The Honorable Nancy Pelosi, Speaker, U.S. House of Representatives