



February 16, 2021

Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue NW  
Washington, DC 20551

**RE: Community Reinvestment Act Proposed Rule  
Docket No. R-1723 and RIN 7100-AF94**

To Whom It May Concern:

The A Call To Invest in Our Neighborhoods (ACTION) Campaign is a national coalition representing nearly 2,400 national, state, and local organizations and businesses advocating to expand and strengthen the Low-Income Housing Tax Credit (Housing Credit).

The Housing Credit is our nation's most successful tool for developing and preserving affordable rental housing. Since it was created in 1986, the Housing Credit has helped finance nearly 3.5 million affordable homes, providing 8 million low-income households in all 50 states and all types of communities – including urban, suburban, and rural – with housing they can afford. Without a subsidy like the Housing Credit, virtually no affordable rental housing production or preservation would occur, because rent levels affordable to low-income households are too low to cover total development costs and sustain a typical mortgage on the property. The infusion of equity by Housing Credit investors allows the developer to take out less debt on the property, which is then translated into lower rents. Total Housing Credit investment reached \$18.3 billion in 2019,<sup>1</sup> an estimated 73 percent of which was CRA-motivated.<sup>2</sup>

A strong Housing Credit investor market is critical to the health of our nation's affordable housing delivery system, especially now, when affordable rental housing is needed more than ever. An analysis of the 2019 one-year American Community Survey microdata indicates that nearly a quarter of all families who rent their homes – over 10.5 million households – spend more than half of their income on rent.<sup>3</sup> The affordable housing crisis impacts families across the nation in urban, rural, and suburban communities. At a time when our nation faces a severe affordability crisis and a growing shortage of affordable housing – which we expect will be exacerbated by the economic fallout of Covid-19 – we urge the Federal Reserve Board (Board) to ensure that any changes to CRA regulations do not have negative implications for the Housing Credit, but instead broaden CRA-motivated investor interest in the Housing Credit, including a broader geographic reach.

**The ACTION Campaign encourages the Board to ensure that the Housing Credit – our nation's primary affordable housing delivery system – remains a robust investment option in any modernized CRA regulatory system.** This will help ensure that the CRA is driving the most impactful community development loans and investments in this time when communities nationwide are sorely in need of safe, quality, affordable housing. Thank you for your consideration.

Sincerely,

Enterprise Community Partners  
National Council of State Housing Agencies  
**ACTION Campaign Co-Chairs**

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<sup>1</sup> CohnReznick, "Housing Tax Credit Monitor," (2020). Retrieved from: <https://www.cohnreznick.com/insights/housing-tax-credit-monitor>

<sup>2</sup> CohnReznick, "Housing Tax Credit Investments: Investment and Operational Performance," (2019). <https://www.cohnreznick.com/insights/2019-housing-tax-credit-investment-operational-performance>

<sup>3</sup> Enterprise Community Partners analysis of U.S. Census 2019 one-year American Community Survey public use microdata as provided by IPUMS USA, University of Minnesota, [www.ipums.org](http://www.ipums.org).