

June 12, 2024

House Housing Committee
Delaware General Assembly
411 Legislative Avenue
Dover, DE 19901

Dear Members of the House Housing Committee,

Thank you for the opportunity to provide comment on HB 442 to create an Affordable Housing Production Task Force ("Task Force"). Cinnaire strongly supports this legislation, which will help meet our State's unmet demand for affordable housing opportunities.

Cinnaire is a nonprofit, mission-driven community development financial organization working to bring private investment to affordable housing developments throughout the State of Delaware. Leveraging the federal Low-Income Housing Tax Credit (LIHTC) program, Cinnaire has raised more than \$282 million in private investment to create or preserve more than 4,900 quality, safe and affordable homes in Delaware, serving more than 10,000 residents.

As an organization working to finance critically needed affordable housing development in Delaware and eight states in the Mid-Atlantic and Midwest regions, we have seen how difficult it has become to increase housing supply over the past few years. Rising interest rates and 20-30% increases in the cost of materials and labor have threatened the feasibility of these impactful developments at a time when they're needed most.

Resources from the American Rescue Plan Act (ARPA) have been critical to preventing these projects from grinding to a halt, while also making even more affordable homes possible. While resources remain a critical part of the equation, they represent one component of the all-hands-on-deck approach we need to solving our state's housing affordability crisis. Reducing barriers to developing affordable housing, including reforms to land use and financing, would go a long way to helping us meet the housing needs of our state. We would be happy to provide additional comment and recommendations, especially based on our organization's experience in Delaware and across our footprint.

Thank you again for the opportunity to provide Cinnaire's perspective.

Respectfully submitted,



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