[Place on your letterhead or include your address block]

To: Carrie Holmes, Legislative Director, Office of Senator Jim Beall (carrie.holmes@sen.ca.gov)

Cc: Matt Schwartz, President and CEO, California Housing Partnership Corporation ([mschwartz@chpc.net](mailto:mschwartz@chpc.net))

*Please also submit to* [*https://calegislation.lc.ca.gov/Advocates/*](https://calegislation.lc.ca.gov/Advocates/%20) *(note that your organization will need to create a free account)*

[DATE]

The Honorable Jim Beall

California State Senate

State Capitol, Room 2082

Sacramento, CA 95814

**RE: Support for Senate Bill 9 (Beall)**

Dear Senator Beall:

[Your organization Name] strongly supports Senate Bill 9 (Beall), which would allow us to create more affordable homes through our state low-income housing tax credit by removing the sunset on certification and increasing the value of our tax credit program.

[Include 1-2 sentences to briefly describe your organization: *You may include how many people you serve and where, how many people you employ and where, etc.*]

**SB 9: Increase the Value of State Low-Income Tax Credit**

California’s state low-income tax credit is an existing, proven tool that creates badly-needed affordable homes in the Bay Area and around California. Nearly 70 percent of low-income and very-low income California renters and families spend more than 50 percent of their income on housing costs. On any given night about 134,000 Californians are experiencing homelessness.

**SB 9 makes permanent a provision to magnify the impact from our successful Low-Income Housing Tax Credit and effectively create affordable homes**

In 2016, the Legislature passed and the Governor signed legislation to magnify the impact of our low-income housing tax credit and create more affordable homes for our community members. The 2016 legislation permitted a developer who receives an award of state LIHTCs to sell the credits to an investor, without requiring the investor to be part of the project ownership. Under federal and state tax laws, tax credits that are bought by an investor are considered a payment of the investor’s tax rather than a reduction in his or her tax liability. This change gives potential buyers more incentive to invest in our program.

Making this change has increased the value of the state tax credit program by 14 cents, for a total of close to 80 cents on the dollar, when utilizing this new structure. This increased value has allowed our non-profit affordable housing developers to create more affordable homes without any additional costs to taxpayers.

Now that the program has demonstrated its ability to work as designated, SB 9 will allow lawmakers to lift the sunset from this restructuring provision and make permanent the tax credit’s ability to effectively and impactfully create more affordable homes for low-income Californians

We are grateful for your leadership on this issue and look forward to working with you to ensure this bill’s passage.

Sincerely,

Full Name

Title

[ORGANIZATION]