

September 30, 2021

The Honorable Speaker Nancy Pelosi
Longworth House Office Building
New Jersey & Independence Ave SE
Rm. 1236
Washington, DC 20515

The Honorable Dianne Feinstein
Hart Senate Office Building
Rm. 331
Washington D.C., DC 20510

The Honorable Alex Padilla
Russell Senate Office Building
Rm. B03
Washington, DC 20510

**Re: Prioritizing Affordable Housing in the Build Back Better Package:
Lowering the tax-exempt bond threshold test; Expanding the 9%
Low-Income Housing Tax Credit program; Providing vouchers and
rental assistance**

Dear Speaker Pelosi, Senator Feinstein, and Senator Padilla,

Thank you for your leadership in the reconciliation bill process and on affordable housing. We strongly support the Affordable Housing Credit provisions in the reconciliation legislation the House Ways and Means Committee approved last week – particularly our top priority of reducing the bond threshold from 50% to 25% to address California’s tax-exempt bond shortage – and the \$322 billion housing package passed by the Housing Financial Services Committee - particularly the \$90 billion of rental assistance. **We are seeking your assistance to ensure that the full Housing Credit and Rental Assistance provisions remain in the final reconciliation bill.**

Affordable Housing Credit Improvement Act

We are grateful to Senator Feinstein and Senator Padilla for [your joint statement](#) in support of the AHCIA requests.

As you know, the California affordable housing community’s most important priority is lowering the bond threshold test from 50% to 25% at which point

affordable housing developments utilizing tax-exempt private activity bonds qualify for 4% Low-Income Housing Tax Credits. California Governor Gavin Newsom [agrees](#) that access to tax-exempt bonds is the biggest bottleneck to increasing affordable housing production in California: **This is of utmost importance and the single biggest thing Congress can do to meet our dire affordable housing needs.** As Governor Newsom notes in his September 4th letter to Congressional Committee chairs, taking this one action is projected to create and preserve more than 170,000 affordable homes in California over the next 10 years. In addition, the California Legislature prioritized this fix when it unanimously adopted [SJR 6](#).

Our second highest priority for the AHCIA is to increase the effective amount of 9% Low-Income Housing Tax Credits that each state is allocated by 72%, by extending the 12.5% increase Congress enacted in 2018 and then adding inflation provisions for 2022-25 and 2026-2028. These tax credits have been oversubscribed every year since they were first available in 1987.

These two provisions account for the overwhelming majority of the 1.4 million additional affordable homes the Affordable Housing Credit Improvement Act would create over 10 years, including 228,000 in California alone.

The COVID pandemic and economic fallout has exacerbated housing instability for the millions of rent-burdened Californians, many of whom are the same low-wage, communities of color who have been serving on the frontlines during this pandemic. Those provisions will house hundreds of thousands of Californians that deserve our support and investment.

Housing Choice Vouchers and Project-Based Rental Assistance

We also strongly support the \$322 billion housing investment passed by the Housing Financial Services Committee in recognition of the critical importance of investing in decent, accessible affordable housing for those with the greatest needs – people experiencing homelessness and people with the lowest incomes. California especially needs the \$90 billion for rental assistance, including \$75 billion for Housing Choice Vouchers and \$15 billion for Project-Based Rental Assistance.

In the state of California, nearly 1/3 of all renters are severely rent burdened, paying more than 50% of their pretax income on rent. The state is home to more than half of the nation's unsheltered homeless population — each night about 114,000 Californians sleep outside or in their cars.

These direct support resources and vouchers would be game-changing for Bay Area and California communities, and critical to getting Americans back to work, getting and keeping people housed, and ensuring that we're prepared for the next emergency.

Wherever we look to lift up our community, having a safe place to call home is a crucial part of the solution.

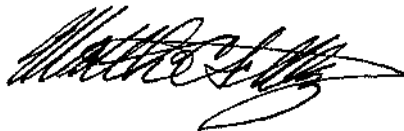
We are counting on the federal government to invest in our homes, our jobs and our future. **As we respond to and recover from COVID, housing stability must be embedded in our nation's solutions for our communities.**

The undersigned organizations and individuals urge you to catalyze affordable housing development and prioritize housing stability in California by ensuring the reconciliation bill includes these priority policies to produce, protect, and preserve housing solutions for all of our neighbors.

Thank you,



Amie Fishman, Non-Profit Housing Association of Northern California



Matt Schwartz, California Housing Partnership

For a full list of the more than 600 signatories, please view the spreadsheet attached to this email.

Sample of organizational signatories:

Mission Housing Development Corporation
Charities Housing
Contra Costa Housing Authority
First Community Housing
The Core Companies
The Kelsey
East Bay Housing Organizations
Community Economics, Inc
EAH Housing

Burbank Housing
Community Housing Development Corporation
Alta Housing
Eden Housing
Bridge Housing
Resources for Community Development
East Bay Asian Local Development Corporation
MidPen Housing
Tenderloin Neighborhood Development Corporation
Bay Area LISC
Mercy Housing California
California Housing Partnership Corporation
Destination: HOME
PEP Housing
Silicon Valley at Home Action Fund
Chinatown Community Development Corporation
Enterprise Community Partners, Inc.
All Home
Satellite Affordable Housing Associates (SAHA)
San Francisco's Mayor's Office of Housing
City and County of San Francisco