



December 12, 2022

The Honorable Jared Huffman
U.S. House of Representatives
1527 Longworth House Office Building
Washington, D.C. 20515

Dear Rep. Huffman:

Thank you for your support of the bipartisan Affordable Housing Credit Improvement Act (AHCIA) (H.R. 2573). I am writing to you to ask that you strongly support any effort to include the provisions of H.R. 2573 in any year-end legislative vehicle. As you know, the following provisions from the AHCIA to increase affordable housing production are especially critical now. This important affordable housing bill aligns with the City's 2022 Federal Legislative Platform Housing and Community Development priority area approved by the City Council on January 25, 2022.

According to the National Low-Incoming Housing Coalition, the United States has a shortage of 6.8 million affordable homes available to low-income renters. In our state, more than 1.4 million units are needed to address the affordable housing shortage. Prior to the pandemic, one in four renters spent half of their monthly income on rent, and nearly one million tenants were evicted each year.

The October 2017 fires exacerbated an already significant housing shortage in Santa Rosa and caused significant increases in home prices. Rising costs are causing many essential workers to live in overcrowded homes, commute long distances, or move away, making it harder for employers—including businesses, hospitals, schools, and local governments—to recruit and retain a skilled workforce, and impacting our ability to meet local climate goals.

First, please consider efforts to restore the cut to the housing credit by extending the 12.5 percent housing credit allocation increase that expired at the end of 2021. There is a pipeline of housing credit developments that are ready to go, but the program is vastly oversubscribed. In 2020, housing credit developers requested nearly 2.5 times as many housing credits as there was available authority for. Any restored or new resources can be deployed immediately by restoring and extending the 12.5 percent housing credit allocation increase.

Second, we need Congress to lower the "50 percent test" to 25 percent to decrease the amount of private activity bonds (PABs) needed to access the housing credit. Currently, to access 4

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percent housing credits, 50 percent of a development must be funded with private activity bonds.

Unfortunately, nearly half of all states have already reached their federally allocated PAB cap. Without further congressional action, state and local governments and affordable housing developers are limited in their ability to finance critical new housing stock. This barrier makes building affordable housing more costly and burdensome. Lowering the “50 percent test” would allow all states to more efficiently use their PAB cap and quickly unlock desperately needed resources for shovel-ready developments, which will produce more than one million new affordable homes over the next decade.

By enacting these two provisions, we can have a huge, positive impact on affordable housing production. I respectfully ask you to urge congressional leaders to enact these vital provisions by year-end. I appreciate your immediate consideration of these priority items.

Regards,

A handwritten signature in black ink that reads "Chris Rogers". The signature is written in a cursive style with a long, sweeping underline.

Chris Rogers, Mayor

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