

September 3, 2021

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

Re: Including lowering the bond threshold test and expansion of the 9% program in the reconciliation bill to catalyze affordable housing development in the Bay Area and nationwide

Dear Speaker Pelosi,

Thank you for your leadership in the reconciliation bill process. We want to make sure you are aware of, and seek your support in including the California affordable housing community's priority requests in the Ways and Means portion of the reconciliation bill. Both of which are critical provisions of the bipartisan Affordable Housing Credit Improvement Act (AHCIA).

Most important 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. Given that access to tax-exempt bonds is the biggest bottleneck to increasing affordable housing production in California, and one for which no end is in sight, this is of utmost importance and the single biggest thing Congress can do to meet our dire affordable housing needs. For instance, had the 50% bond test been lowered to 25% in January of this year, California would be in the process of building an additional 12,000 units of affordable housing representing 84 shovel-ready affordable housing developments throughout the state.

Our second priority is to increase the annual cap on 9% Low-Income Housing Tax Credits each state is allowed to award by 50%. The 9% tax credits program in California has been oversubscribed at least two to one, and often three to one, every year in recent memory.

These two provisions account for the overwhelming majority of the 2 million additional affordable homes the Affordable Housing Credit Improvement Act would create over 10 years, including 330,000 in California alone. Just last week, the California Legislature unanimously approved a resolution, [SJR 6](#), in support of the AHCIA and the 25% test in particular.

The undersigned organizations urge you to catalyze affordable housing development in California by ensuring the reconciliation bill includes these two priorities.

Thank you,



Amie Fishman

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