



April 15, 2020

The Honorable Richard E. Neal
Ways and Means Committee
U.S. House of Representatives
1102 Longworth House Office Building
Washington D.C. 20515

Dear Chairman Neal:

The above named housing authority industry groups are writing to seek your support for a legislative proposal being put forward by your fellow Bay Stater Rep. Katherine Clark. This proposal would provide an exception to the volume cap requirement for private activity bonds, which generate low-income housing tax credits used to finance the preservation, improvement, or replacement of certain federally-assisted buildings. In your home state of Massachusetts, we know that some public housing authorities, such as the Cambridge Housing Authority, are thwarted in their development and preservation efforts because Massachusetts reaches its bond cap on 4% credits very quickly every year while other states do not utilize their own volume cap. States such as New York and California face a similar problem to Massachusetts.

As you know, decades of disinvestment in the Public Housing Capital Fund has led to a serious reduction in the number of public housing units. HUD estimates that approximately 10,000 units are lost annually. Seniors, veterans, persons with disabilities and families with children rely on this irreplaceable resource, which houses nearly two million people across the nation. As we face the urgencies of responding to the COVID-19 crisis, the critical importance of a safe place to live is exposed in stunning relief.

The effects of this serious disinvestment in public housing, which the four groups estimate is represented by a capital backlog of \$70 billion, can be seen through the many alarming accounts of deteriorating public housing stock across the country.

Private activity bonds, together with 4% Low Income Housing Tax Credits, have been a useful tool in addressing the rehabilitation of existing units or production of new units. Private activity bonds and tax credits have also been critical for housing authorities in their portfolio repositioning and other recapitalization strategies utilizing programs such as the Rental Assistance Demonstration. Rep. Clarke's legislation would enhance these efforts at a time when housing authorities are critically challenged to meet the needs of their current residents as well as potentially millions of additional households facing serious economic and rent burdens due to COVID-19.

We hope that you will support this important legislation and that you will consider moving it through the Ways and Means Committee for approval by the full Congress.

Sincerely,

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NAHRO

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Executive Director
CLPHA

Timothy G. Kaiser
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