



JOHN CHIANG
TREASURER
STATE OF CALIFORNIA

November 9, 2017

The Honorable Kevin McCarthy
United States House of Representatives
Rayburn House Office Building, Room 2421
Washington, D.C. 20515

RE: Tax Reform and the Low-Income Housing Tax Credit

Dear Rep. McCarthy:

Last week you received a letter from me and other prominent signatories respectfully urging you to preserve the 4% Low-Income Housing Tax Credit (4% Housing Credit) and Private Activity Bond Program (Bond Program). The Tax Cuts and Jobs Act, introduced in the House of Representatives on November 2, proposes the elimination of the Bond Program and the effective elimination of the 4% Housing Credit.

I reiterate the vital role these programs play in building and preserving affordable housing throughout the nation, but especially in California where, as you know, we struggle with a housing crisis that is quickly metastasizing into a humanitarian and public health catastrophe. Today, the state's housing shortage stands at one and a half million units and is growing by an alarming 60,000 units each year. The 4% Housing Credit and Bond Program are the largest sources of funding for affordable housing in California, with \$2.2 billion worth of 4% housing credits last year and more than \$6 billion of private activity tax exempt bond funding for multifamily and single-family housing. Together, they created or preserved more than 20,000 affordable homes in 2016, nearly all of which were for low-income households, including veterans, seniors, persons with disabilities, and persons experiencing homelessness.

The purpose of this letter is to highlight the projects in your district that have received funding from these programs over the last four years. Attached is a spreadsheet with a list of the projects. Any projects listed in red have pending applications, and these projects could be brought to a halt by a sudden cessation of the programs.

As the list of projects shows, this is not an abstract issue, or one that impacts only one region or a small number of Californians. It is broad-based and affects constituents like yours and those in congressional districts across the state. We all have seen the tangible benefits of these vital programs; now we must come together to save them.

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I know you will agree with me that we cannot allow even more Californians to be driven into homelessness. That is why I strongly urge you to reject the elimination of the Bond Program and the 4% Housing Credit.

Sincerely,

A handwritten signature in blue ink, appearing to read "John Chiang", is written over a faint, light blue rectangular stamp. The signature is fluid and cursive.

JOHN CHIANG
California State Treasurer