

June 11, 2020

Sent via email



Dear Senator Romney,

The Utah Chapter of the National Association of Housing and Redevelopment Officials joins fellow advocates locally and nationally in urging you to support fixing a serious problem with the 4% Low Income Housing Tax Credit, the value of which has shrunk to 3.1%. This loss of value translates to a significant loss of capital for equity investment in affordable housing development, which can result in projects no longer "penciling out", and therefore less production of much needed rental housing.

This problem would be solved by passage of the Affordable Housing Credit Improvement Act (S.1703 and H.R.3077), bipartisan legislation that would establish a 4% minimum credit rate for certain housing projects and provide added flexibility in project financing. Congress took similar action by setting a minimum rate for the 9% LIHTC in response to the 2008 economic crisis, which proved effective in maintaining financing and production of affordable units during the recovery.

Enacting a minimum 4% housing credit rate would produce an estimated 126,000 additional affordable homes nationwide this decade. It would also generate economic activity that will contribute to a quicker, stronger and sustainable recovery from the pandemic-induced recession.

This is particularly important for Utah at this time, as the Legislature recently appropriated \$5 million in sales tax revenue to match with \$44.5 million in 4% credits and \$79.4 million in Multifamily Housing Bonds (Private Activity Bonds), for a total investment of \$128.9 million. This pool of equity capital will build approximately 780 units of affordable housing.

Utah NAHRO members are professionals providing and producing affordable housing, housing and homelessness assistance (including supportive services), and advocacy for tens of thousands of Utah's elderly, disabled, and low-income households statewide. We would be pleased to offer our assistance to you and your staff in matters of housing policy at any time. And we thank you for taking action to aid our most vulnerable people through this pandemic crisis and beyond.

Respectfully,

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