



October 24, 2021

The Honorable Ron Wyden
Chairman
Committee on Finance
United States Senate
Washington, DC 20510

The Honorable Sherrod Brown
Chairman
Committee on Banking, Housing, and Urban
Affairs
United States Senate
Washington, DC 20510

The Honorable Richard E. Neal Chairman
Chairman
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Maxine Waters
Chairwoman
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Wyden, Chairman Brown, Chairman Neal and Chairwoman Waters,

The FY 2022 Build Back Better reconciliation package currently under consideration offers the opportunity to make a historic investment in addressing our nation’s housing and homelessness challenges.

The budget framework aligns with President Biden’s vision to expand affordable housing production, specifically his September 1, 2021, announcement to create 100,000 homes over the next three years. This renewed sense of intergovernmental collaboration and partnership is needed for all of us to make meaningful progress in addressing our nation’s housing needs.

Both New York and California have developed robust housing plans and are well positioned to ensure that new funding is deployed quickly and strategically. With a handful of targeted changes to federal housing policy, both states can increase their production of affordable housing by tens of thousands of additional units each year, moving us meaningfully more quickly toward the President’s goal.

We therefore write to ask that the Build Back Better Act preserve to the greatest extent possible the following two key housing provisions in the current text as drafted by the Ways and Means and Financial Services committees.

Unleash affordable housing production by expanding State housing bond programs: The number one bottleneck to financing more affordable housing is the federally set limit on the amount of tax-exempt bonds we can issue every year. The easiest way fix this is through a

change in federal law to the so-called “50% test” to lower it to 25%. Reducing the amount of bonds required for each affordable housing project would directly address the biggest constraint to financing more affordable housing in states like California and New York. *This action would create or preserve over 250,000 additional affordable homes in both states over the seven-year duration of this provision.* This expansion of bond financing capacity is crucial to many of the other housing investments in the bill. For instance, bonds and tax credits generated by this proposal will build the new units for the formerly homeless that can be better supported through rental assistance. For this reason, it is vital that this provision remain in the final text.

Expand Project-Based Section 8 Vouchers: The Build Back Better Act also creates an opportunity to expand a proven tool to create and maintain long term housing affordability through housing choice vouchers, especially project-based rental assistance. That is why we are supportive of the House Financial Services Committee’s proposal in H.R. 5376 which dedicates \$75 billion for Housing Choice Vouchers, with \$24 billion dedicated to the needs of people experiencing homelessness and \$15 billion for project-based rental assistance. New York and California both especially need project-based rental assistance as it provides subsidy to keep rents low for individuals and families with very low or extremely low incomes and the subsidy stays with the unit and is likely to serve multiple families over the lifetime of the building. Expanding project-based vouchers will help keep thousands of families stably and affordably housed in the long run and is critical to maintaining a thriving and economically diverse.

We would also respectfully request that any budget reconciliation package ensures housing and homelessness funds are equitably distributed and directed to disadvantaged communities most impacted by housing insecurity. We thank you for your leadership and are committed to taking action to advance this crucial agenda.

Sincerely,

A handwritten signature in black ink, appearing to read "Lourdes", with a stylized flourish at the end.


Lourdes Castro Ramírez, Secretary, California Business, Consumer Services and Housing Agency

A handwritten signature in blue ink, appearing to read "Tiena Johnson Hall", with a stylized flourish at the end.

Tiena Johnson Hall, Executive Director, California Housing Finance Agency



Gustavo Velazquez, Director, California Department of Housing and Community Development



RuthAnne Visnauskas, Commissioner / CEO of New York State Homes and Community Renewal

cc: The Honorable Nancy Pelosi, Speaker, United States House of Representatives
The Honorable Janet L. Yellen, Secretary of the Treasury
The Honorable Marcia L. Fudge, Secretary of Housing and Urban Development
The Honorable Charles E. Schumer, Majority Leader of the Senate
The Honorable Dianne Feinstein
The Honorable Kirsten Gillibrand
The Honorable Alex Padilla
Members of the California Congressional Delegation
Members of the New York Congressional Delegation
Brian C. Deese, White House Director of the National Economic Council
Julie Chavez Rodriguez, White House Director of Intergovernmental Affairs