

November 30, 2021

The Honorable Charles Schumer
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Ron Wyden
Chairman, Finance Committee
U.S. Senate
Washington, DC 20510

Dear Leader Schumer and Chairmen Wyden:

The House-passed Build Back Better Act makes historic and critically needed investments in affordable housing programs, including in the Low-Income Housing Tax Credit (Housing Credit), our nation's most essential tool for encouraging private investment in the production and preservation of affordable rental housing. As we have noted in [previous communications](#) with you, our organizations strongly support the Housing Credit provisions in the Build Back Better Act, including not only those that would stimulate increased production, but also the two provisions that would protect against the early loss of Housing Credit properties currently in service.

The use of qualified contracts is resulting in significant premature losses to the affordable housing stock—over 93,300 units as of 2020; and abuse of the right of first refusal (ROFR) law is resulting in the extraction of hundreds of millions of dollars from nonprofit owned affordable housing. With affordable rental housing so desperately needed, we cannot continue to allow owners to terminate the affordability restrictions on these properties before the end of their long-term use agreements so as to convert them to market rate rents; nor can we permit investors to thwart mission-driven nonprofits that seek to exercise their statutory right to assume full ownership of the properties they have developed after 15 years to ensure lasting affordability.

These changes to the Internal Revenue Code would not only protect the taxpayer's investment in affordable housing through the Housing Credit, but they would also generate revenue. The Joint Committee on taxation scores closing the qualified contract provision as raising \$457 million in revenue over ten years, and reforming the ROFR provision as raising \$553 million in revenue over ten years.¹

Now that the Senate will take up consideration of the legislation, we urge you to ensure that the final bill includes these two critical provisions. Thank you for your continued leadership on these and other affordable housing issues.

Sincerely,

BRIDGE Housing
CAHEC
California Housing Partnership
Capital Impact Partners
Cinnaire
Citizens' Housing and Planning Association

¹ Estimated Budgetary Effects of the Revenue Provisions of Title XIII-Committee on Ways and Means, of H.R. 5376, the "Build Back Better Act," as Reported by the Committee on the Budget, with Modifications (Rules Committee Print 117-18), Joint Committee on Taxation, November 4, 2021, JCX-45-21

Community Economic Development Assistance Corporation
Council of Large Public Housing Authorities
CSH
Enterprise Community Partners
Evernorth
Florida Housing Coalition
Harborlight Community Partners
Homes for America
Housing Partnership Network
IFF
Klein Hornig LLP
LeadingAge
Local Initiatives Support Corporation/National Equity Fund
Low Income Investment Fund
Mercy Housing
Merritt Community Capital
Mountain Plains Equity Group, Inc.
Massachusetts Housing Investment Corporation
National Affordable Housing Management Association
National Affordable Housing Trust
National Association of Affordable Housing Lenders
National Association of Housing and Redevelopment Officials
National Association of Local Housing Finance Agencies
National Association of State and Local Equity Funds
National Council of State Housing Agencies
National Housing Conference
National Housing Law Project
National Housing Trust
National Low Income Housing Coalition
National NeighborWorks Association
Ohio Capital Corporation for Housing
Presbyterian Villages of Michigan
Preservation of Affordable Housing, Inc.
Public Housing Authorities Directors Association
Purpose Built Communities
Reinvestment Fund
Renewal Housing Associates
Retirement Housing Foundation
Stewards of Affordable Housing for the Future
Supportive Housing Network of New York
The Community Builders
The NHP Foundation
VCDC
Volunteers of America

Wesley Housing Development Corporation