Date

The Honorable Jesse Gabriel

1021 O Street, Suite 8230

Sacramento, CA 95814

**RE: AB 3160 - SUPPORT**

Dear Assemblymember Gabriel:

[**Name of Your Organization**] is pleased to support AB 3160, your bill to increase affordable housing production by making permanent the enhanced state Low-Income Housing Tax Credit (Housing Credit).

Not only is California failing to meet its affordable housing need, but it is also leaving billions of dollars in available federal Housing Credits on the table. The root cause for both is the lack of state subsidy for affordable housing development. Without state resources to fill financing gaps, such as the state Housing Credit, a developer cannot use the federal Housing Credits or proceed to construction.

Moreover, because it takes years to bring an affordable housing development to fruition, developers need certainty that funding will remain available. Unlike most tax credits that are permanent or even the film tax credits that is locked in for five years, the $500 million in enhanced state Housing Credits is subject to budget approval every year, creating troubling uncertainty and risk.

AB 3160 makes the $500 million in annual enhanced state Housing Credits permanent. This will not only create tens of thousands of new homes, each affordable for 55 years, but also will leverage a greater amount of federal Housing Credits as well as private mortgage financing. Moreover, whereas developers plan new developments years in advance, a permanent enhanced state Housing Credit will create the predictability that is so vital to the affordable housing development community. Thank you for authoring this critically important legislation.

Sincerely,

Your name and title