



Congress of the United States
House of Representatives

November 28, 2023

The Honorable Mike Johnson
Speaker
United States House of Representatives
568 Cannon House Office Building
Washington, DC 20515

The Honorable Hakeem Jeffries
Minority Leader
United States House of Representatives
2433 Rayburn House Office Building
Washington, DC 20515

The Honorable Jason Smith
Chairman
House Committee on Ways and Means
1011 Longworth House Office Building
Washington, DC 20515

The Honorable Richard Neal
Ranking Member
House Committee on Ways and Means
372 Cannon House Office Building
Washington, DC 20515

Speaker Johnson, Minority Leader Jeffries, Chairman Smith, and Ranking Member Neal:

I am reaching out as a strong supporter of H.R. 3238, the *Affordable Housing Credit Improvement Act* (AHCIA). I respectfully urge the inclusion of provisions to expand and strengthen Low-Income Housing Tax Credit in any tax package being negotiated. As you know, it is the most effective public-private federal tool for addressing our country's shortage of affordable housing, which is why it is the most bipartisan bill in Congress with 186 cosponsors, evenly divided by Republicans and Democrats. That support, which includes 79 percent of the Ways and Means Committee, is both an indication of its efficacy, but also the incredible need for affordable rental housing nationwide.

At the close of 2021, the United States had a shortage of 3.9 million homes due to underproduction and is short more than 7 million homes for severely low-income renters.^{1,2} We must act swiftly to enact AHCIA provisions to increase this critical resource in a tax package before the end of 2023. At a minimum I encourage you to advance AHCIA provisions that would expand the production of much-needed, shovel-ready housing in Missouri's 5th District and yours, including:

1. Provide an expansion of the Housing Credit by restoring the 12.5% expansion that expired in 2021 and making it permanent and enact a 50% increase phased in over the next two years.

2. Lower the 50% threshold for tax-exempt private activity bonds to 25%, allowing states more flexibility to use their bonds and creating cost efficiencies for Housing Credit projects.

Further, any tax package should include H.R. 3940, the *Neighborhood Homes Investment Act*, which would create the Neighborhood Homes Tax Credit, a tax credit modeled on the successful Housing Credit that would build and rehab half a million homes for low- and moderate-income homeowners and revitalize distressed communities over the next decade. It would fill a critical need in our federal toolbox to create homeownership opportunities for low- and moderate-income people and families and provide paths to build generational wealth for many who have been historically marginalized and discriminated against through redlining.

Thank you for all that you have done and will continue to do and please let me know if I can provide additional information on why advancing the AHCA, the Housing Credit, and Neighborhood Homes Tax Credit is urgently needed.

Sincerely,



Emanuel Cleaver, II
Ranking Member
Subcommittee on Housing and Insurance

CC: The Honorable Darin LaHood, House Committee on Ways and Means
The Honorable Mike Kelly, House Committee on Ways and Means
The Honorable Susan DelBene, House Committee on Ways and Means
The Honorable Brian Higgins, House Committee on Ways and Means

¹ Up For Growth, [Housing Underproduction in the U.S.](#), (2023).

² National Low Income Housing Coalition, [The Gap: A Shortage of Affordable Rental Homes](#), (March 2023).