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SJR-6 Affordable Housing Credit Improvement Act. (2021-2022)

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Senate Joint Resolution No. 6

CHAPTER 130

Relative to the Affordable Housing Credit Improvement Act.

[Filed with Secretary of State September 10, 2021.]

LEGISLATIVE COUNSEL'S DIGEST

SJR 6, Wiener. Affordable Housing Credit Improvement Act.

This measure would request the Congress of the United States to enact the Affordable Housing Credit Improvement Act and would request that President Joe Biden sign that legislation.

Fiscal Committee: no

WHEREAS, Housing is a basic need; and

WHEREAS, The single most important determinant of a person's opportunity for economic mobility, good health, and stability is where they grow up, and California has always held the promise of a place where people could build a future for themselves and their families; and

WHEREAS, Housing represents the largest single expenditure for almost all families, and 70 percent of low-income households and 90 percent of extremely low income households in California are now housing cost burdened, paying more than the recommended 30 percent of income for housing, putting this promise of opportunity in dire jeopardy; and

WHEREAS, According to Roadmap Home 2030, California needs to create 1.2 million new affordable homes to meet the housing needs of lower income households and those experiencing homelessness over the next 10 years, or 120,000 new affordable homes annually; and

WHEREAS, In 2020, California financed a record 19,000 new affordable rental homes but has averaged only 10,600 new affordable rental homes over the last five years; and

WHEREAS, Hundreds of affordable housing developments are shovel-ready but stuck in the queue for federal tax-exempt private activity bonds, which unlock federal 4-percent low-income housing tax credits critical to financial feasibility; and

WHEREAS, The oversubscription for federal tax-exempt private activity bonds is the single biggest impediment to increasing affordable housing production in California and is greatly exacerbated by the arbitrary federal requirement that an affordable housing development finance 50 percent of its aggregate basis with tax-exempt private activity bonds, known as the 50-percent test, in order to be eligible for the 4-percent low-income housing tax credits; and

WHEREAS, The bipartisan Affordable Housing Credit Improvement Act, S. 1136 and H.R. 2573, would reduce the 50-percent test to 25 percent and would make other beneficial improvements to the low-income housing tax credit program; and

WHEREAS, The Affordable Housing Credit Improvement Act would result in the construction of two million additional affordable rental homes nationally over 10 years, including 330,000 in California; now, therefore, be it

Resolved by the Senate and the Assembly of the State of California, jointly, That the Legislature requests that the Congress of the United States enact the Affordable Housing Credit Improvement Act, and further requests that President Joe Biden sign that legislation; and be it further

Resolved, That the Secretary of the Senate transmit copies of this resolution to the President and the Vice President of the United States, to the Speaker of the House of Representatives, to the Majority Leader of the Senate, to each Senator and Representative from California in the Congress of the United States, and to the author for appropriate distribution.