



Dear members of the NJ Congressional Delegation:

We, the undersigned New Jersey organizations concerned about the lack of affordable homes in our state, urge you to oppose the proposed federal tax reform plan, HR 1. As it is currently drafted, it will do tremendous damage to the residents and communities in our state by **severely reducing the future supply of affordable rental homes.**

There is a great need for more affordable rental homes in NJ. Almost 30 percent of all renters across New Jersey are "severely rent-burdened" -- paying more than half of their income on housing costs - and more than 8,500 New Jerseyans are still homeless. The federal tax reform plan would make New Jersey's housing crisis worse and stifle ongoing efforts to produce the affordable homes New Jerseyans need.

The tax reform plan - "[The Tax Cuts and Jobs Act \(HR 1\)](#)" - would eliminate tax-exempt private activity bonds, which generate as-of-right four percent low-income housing tax credits and reduce equity in the nine percent housing credit by lowering the corporate tax rate from 35% to 20%. In addition, the bill takes \$9.5 billion per year savings from reducing the mortgage interest deduction ceiling from \$1 million to \$500,000 for tax cuts to the rich instead of investing the saving in more affordable homes. Finally, the \$1.5 Trillion deficit that the tax plan generates will increase pressure to further cut other housing programs like rental assistance in the next budget.

The tax credit programs are critical to affordable housing development and preservation in New Jersey. The elimination of private activity multifamily housing bonds, or 'volume cap,' would be a devastating blow to affordable rental housing in New Jersey as well as to affordable homeownership opportunities. Additionally, changes proposed in the tax plan would cripple efforts to use the Rental Assistance Demonstration (RAD), a program which is critical to rehabilitating public housing across New Jersey.

This tax reform plan would take desperately needed affordable homes away from low-income New Jerseyans in all parts of our state. We urge you to oppose this misguided tax plan.

Signed by

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