

**Congress of the United States**  
**Washington, DC 20515**

November 26, 2018

The Honorable Charles Rettig  
Commissioner  
Internal Revenue Service  
1500 Pennsylvania Ave NW  
Washington, DC 20220

Dear Commissioner Rettig:

With nearly 20,000 structures—mostly homes—destroyed by wildfire in our districts in just the last 14 Months, we write to ask for your personal and immediate attention to an issue that is blocking the development of new affordable housing in our communities.

It has come to our attention that the IRS has reinterpreted the statute governing tax-exempt Private Activity Bonds (PABs) to preclude their use for projects serving veterans, farmworkers and other special populations. This unpublished policy decision to apply the General Public Use requirements is inconsistent with other portions of the statute and regulation, namely the General Public Use test applied to Low Income Housing Tax Credits, and only serves to block an effective method to finance much needed new housing in our districts.

To help expedite the construction of new affordable housing we ask that the IRS immediately issue new clarifying guidance on the applicability of the General Public Use criteria for affordable rental housing units serving targeted populations. This guidance should mimic the guidance and regulations governing the Low-Income Housing Tax Credit, which is almost always used in conjunction with tax exempt Private Activity Bonds, and explicitly allows for projects that serve special populations to qualify.


Even before the catastrophic fires that devastated the housing stock in the Northern California districts we represent, affordable housing was hard to come by. Now, with so many housing options taken off the market, we face a legitimate crisis. This no cost fix will help address the significant demand for affordable housing in our community and help our region recover from these devastating fires.

Thank you for your consideration and we look forward to working with you to help address the housing crisis in our districts.

Sincerely,

  
Doug LaMalfa  
Member of Congress

  
Mike Thompson  
Member of Congress

  
Jared Huffman  
Member of Congress