



The Honorable David Chiu  
California State Assembly  
State Capitol, P.O. Box 942849  
Sacramento, CA 95814

March 15, 2017

**RE: AB 71 (Chiu) – Income taxes: credits: low-income housing: farmworker housing.**

Dear Assemblymember Chiu:

On behalf of the 300 businesses, organizations and individuals that represent the San Francisco Housing Action Coalition (SFHAC) membership, I'm pleased to share our support of the intent and purpose of Assembly Bill 71.

The State of California has seen a steady decline in state and federal funding for subsidized affordable housing since the elimination of redevelopment agencies at the beginning of the decade. In our opinion, housing the most financially vulnerable Californians should always take priority over individuals purchasing a second (or vacation) home, and given the numerous demands on state resources, eliminating a deduction for second homes seems a reasonable way to help fund affordable housing. We understand that eliminating the vacation home mortgage interest deduction would provide a projected \$300 million for subsidized affordable housing, money the state desperately needs.

We recognize that eliminating this deduction will impact current owners of second homes, who may have based their purchases in part on this deduction. We suggest that phasing in the elimination of this tax deduction over a few years would be a fair approach, as the owners of these second homes made their purchase with the understanding that the tax deduction would be allowed and may therefore need sufficient time to sell their homes or make alternate arrangements.

We thank you for your leadership on the issue of making more resources available for critically-needed affordable housing. Please let us know how our advocacy can be helpful in the passing of this legislation with the foregoing suggested amendment.

A handwritten signature in blue ink that reads "Todd David".

Todd David  
Executive Director