

**LOCUS**



**Smart Growth America**  
Making Neighborhoods Great Together

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November 14, 2017

The Honorable Orrin Hatch  
Chairman, Committee on Finance  
United States Senate  
219 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Chairman Hatch,

The undersigned businesses and organizations, representing LOCUS, a national coalition of real estate developers and investors who advocate for sustainable, equitable, walkable development in America's metropolitan areas, are writing as the Committee on Finance begins consideration of the *Tax Cuts and Jobs Act* to reiterate our strong belief that this once in a generation tax reform process should be an opportunity to incentivize private sector investment in rebuilding our nation's communities.

In the first instance, we believe this means strengthening the community development provisions of the tax code. The Low-Income Housing Tax Credit, Rehabilitation Tax Credit, New Markets Tax Credit and private activity bonds have all been invaluable tools for encouraging development in communities of all sizes across the country. While we appreciate that the Chairman's mark is more generous with regard to these provisions that bill reported last week by the Ways & Means Committee, we respectfully urge you to consider restoring the Rehabilitation Credit, making New Markets permanent and taking this opportunity to consider ways to strengthen all of these incentives.

We support the proposals that have been introduced by members of the Committee, including yourself, to strengthen these programs. Furthermore, LOCUS has developed a proposal to convert the existing Rehabilitation Tax Credit under Section 47 into a Neighborhood Rehabilitation and Investment Credit. Finally, we recognize that reform involves trade-offs and have proposed ways to reduce existing real estate-related tax expenditures.

LOCUS members are among our nation's leading developers – representing billions of dollars of investment annually – and they see every day the pent-up demand for attainable residential and commercial development in communities with a great sense of place.

We urge you and the Committee to first do no harm – preserving the current law incentives for private investment in community development – and then, as part of this legislation or a future effort, consider how we can strengthen these vital tools for rebuilding our nation’s communities.

Thank you for your consideration and we look forward to working with you and your staff.

Sincerely,

cc: Ranking Member Wyden  
Members, Committee on Finance