



OHIO HOUSING AUTHORITIES CONFERENCE

PORTSMOUTH METROPOLITAN HOUSING AUTHORITY
410 COURT STREET
PORTSMOUTH, OHIO 45662
OFFICE: (740) 654-4547 • CELL: (740) 935-5109
PRICE@PMHA.US

June 11, 2018

PEGGY RICE
PRESIDENT

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SECRETARY

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TREASURER

The Honorable Sherrod Brown
United States Senate
713 Hart Senate Office Building
Washington, D.C. 20515

Re: Support S. 1117, the Consumer Financial Choice and Capital Markets Protection Act of 2017

Dear Senator Brown,

The Ohio Housing Authorities Conference (OHAC), on behalf of the 75 public housing authorities in Ohio, respectfully requests your support for the bipartisan Senate Bill 1117, which is currently pending in the Senate Banking, Housing and Urban Affairs Committee.

Ohio's housing authorities provide quality affordable housing in decent, safe, and nourishing neighborhoods throughout the state. Housing authorities work in partnership with public and private sectors to provide families with housing choices and opportunities without regard to race color, religion, sex, family status, handicap, or national origin. As such, it is critical to both housing authorities and the individuals they serve to have access to robust capital markets to finance affordable housing projects throughout our state.

Our access to capital markets is put at risk by the Securities and Exchange Commission (SEC) rule requiring certain money market funds (MMFs) to change their method of calculating their net asset value (NAV) from fixed to floating. Housing authorities use tax-exempt bonds to finance affordable housing construction projects, and MMFs are significant purchasers of tax-exempt obligations. After the rule went into full effect in October 2016, MMFs were no longer able to purchase such debt and became less attractive to investors. Because of this change, MMF investments in affordable housing in Ohio declined by over \$209 million. Specifically, the funds that invest in affordable housing are no longer allowed to offer a stable \$1 per share NAV. Without MMF investments in affordable housing, the cost of financing our projects has been incrementally more expensive, limiting our future growth.

The passage of S. 1117 is important for housing authorities in Ohio as it will restore our access to the most cost-efficient funding available to finance much-needed housing projects. As such, we urge your support of S.1117 to benefit not only Ohio residents that utilize affordable housing, but also local governments, business owners, developers, and the construction trades by preserving stable value money market funds for public infrastructure investment, economic development, and growth.

Thank you in advance for your consideration. OHAC, as always, greatly appreciates your support for our agencies and the families we serve.

Sincerely,

Peggy Rice, OHAC President

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