



Congress of the United States
House of Representatives
Washington, DC 20515

March 31, 2023

The Honorable Kay Granger
Chairwoman
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Rosa DeLauro
Ranking Member
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairwoman Granger and Ranking Member DeLauro:

I am requesting funding for Real Property Acquisition for the Natural Bridges Apartments Affordable Housing Project in Fiscal Year 2024. The entity to receive funding for this project is New Horizons Affordable Housing and Development, Inc., a nonprofit public benefit corporation established as an affiliate of the Housing Authority of the County of Santa Cruz, located at 2160 41st Avenue, Capitola, CA 95010. The funding would reimburse New Horizons for real property acquisition for which a federal environmental review has already been completed. New Horizons purchased the property on March 16, 2023, for \$1,530,000 from the Housing Authority of the County of Santa Cruz. There remains a significant gap in the funding for this project, which this funding would help to close.

The project is an appropriate use of taxpayer funds because the City of Santa Cruz severely lacks affordable housing. Data from the 2021 American Community Survey 5-Year Estimates indicate that 47.5 percent of renters in Santa Cruz pay 35 percent or more of their monthly income toward rent. HUD considers a household to be housing cost-burdened if it is paying more than 30 percent of its monthly income toward housing costs. However, the project is confronted with a funding gap of approximately \$4,750,000 due to rising construction costs. New Horizons purchased the real property at 415 Natural Bridges Drive for \$1,530,000; freeing the \$1,530,000 for construction costs will significantly help bridge the gap.

The project has a Federal nexus because the funding provided is for purposes authorized by 42 U.S.C. 5305(a)(1).

I certify that I have no financial interest in this project, and neither does anyone in my immediate family.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Panetta", with a stylized flourish at the end.

Jimmy Panetta
Member of Congress