



Affordable Housing Credit Improvement Act

EXECUTIVE SUMMARY

The Affordable Housing Credit Improvement Act is a bipartisan bill that strengthens the Low-Income Housing Tax Credit (LIHTC) to increase investment in affordable housing and build 2 million new homes across the country over the next decade, while supporting nearly 3 million jobs and adding \$120 billion in additional tax revenue and more than \$346 billion in wages and business income. This housing and the associated economic activity is more critical than ever to address our country's affordable housing crisis.

Since 1986, LIHTC has financed the development of over 3.6 million homes for more than 8 million low-income families. Over the past 30 years, the Housing Credit has generated approximately \$643 billion in wages and business income and \$223 billion in tax revenues, supporting approximately 5.7 million jobs. Without LIHTC, there would be virtually no private investment in affordable housing since it is fundamentally uneconomic to build housing that very low-income people can afford.

The Affordable Housing Credit Improvement Act would make the following changes to the LIHTC:

- Increases Low-Income Housing Tax Credit (LIHTC) allocations by 50% over current levels to help meet the vast and growing need for affordable housing.
- Accelerates implementation of the allocation increase from the previous 5 years to 2 years, taking into account the increased and urgent need for affordable housing.
- Makes the LIHTC a more effective tool for preserving the nation's existing affordable housing inventory by simplifying and aligning rules.
- Allows states to maximize affordable housing production and preservation by lowering the threshold of Private Activity Bond financing – from 50% to 25% – required to trigger the maximum amount of 4% Housing Credits, which is needed for financial feasibility.
- Enables the LIHTC to better serve hard-to-reach communities including rural, Native American, high-poverty, and high-cost communities, as well as low-income and formerly homeless tenants.
- Updates the casualty loss provision to allow for a longer rebuilding period after natural disasters if necessary, as determined by the state housing agency.

POLICY RECOMMENDATIONS

Pass the Affordable Housing Credit Improvement Act

Address the nation's shortage of affordable housing by protecting, expanding and strengthening the Low-Income Housing Tax Credit (LIHTC).

REQUEST

NLBMDA is asking House and Senate lawmakers to cosponsor and pass the Affordable Housing Credit Improvement Act when it is reintroduced in April.

For questions, contact Jacob Carter with NLBMDA at jacob@dealer.org