



## **Affordable Housing Credit Improvement Act**

### **EXECUTIVE SUMMARY**

The Affordable Housing Credit Improvement Act (H.R. 2573/S. 1136) is a bipartisan bill which would further strengthen the Low-Income Housing Tax Credit (LIHTC) to increase investment in affordable housing, build tens of thousands of new affordable units across the country, and better serve hard-to-reach communities.

Since 1986, LIHTC has financed the development of over 3 million apartments, providing affordable homes to roughly 7.2 million low to moderate-income families. The development of these apartments has supported 3.4 million jobs, and generated \$323 billion in local income and \$127 billion in federal, state and local tax revenues. Without LIHTC, there would be virtually no private investment in affordable housing. 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:

- Increase Housing Credit allocations by 50% over current levels to help meet the growing need for affordable housing.
- Enable the Housing Credit 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.
- Make the Housing Credit a more effective tool for preserving the nation's existing affordable housing inventory by simplifying and streamlining rules.
- Enable states to maximize affordable housing production and preservation by lowering the threshold of Private Activity Bond financing – from 50% to 25% – required to initiate the maximum amount of 4% Housing Credits, which is needed for financial feasibility.
- Accelerate implementation of the allocation increase from the previous five years to two years.
- Improve the Housing Credit student rule provision to clarify that formerly homeless youth and victims of human trafficking are eligible for affordable housing.
- Update 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 H.R. 2573/S. 1136 - 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 urges lawmakers to cosponsor and pass the Affordable Housing Credit Improvement Act in both chambers of Congress. The bill is sponsored by Rep. Suzan DelBene (D-WA) and Sen. Maria Cantwell (D-WA).

**For questions, contact Jonathan Paine with NLBMDA at [jonathan@dealer.org](mailto:jonathan@dealer.org)**