

Dear Congress: Please Strengthen the Low-Income Housing Tax Credit

Our membership of apartment managers and owners have the very important responsibility of preserving and advancing quality affordable rental housing for over two million residents. Created in the Tax Reform Act of 1986 and signed into law by President Ronald Reagan, the Low-Income Housing Tax Credit (LIHTC) program is the primary tool used to construct new affordable apartments. The LIHTC creates jobs in new construction and rehabilitation, and it provides low-income families and local communities with rent-restricted and income-restricted units. As Congress considers legislation to reform the U.S. Tax Code, NAHMA is adamant that the LIHTC must be preserved and enhanced as part of any comprehensive tax reform legislation.

How Can Representatives/Senators Support the LIHTC?

- Cosponsor or endorse the Affordable Housing Credit Improvement Act, once re-introduced in 115th Congress. This bipartisan bill from Senators Maria Cantwell (WA) and Orrin Hatch (UT) would expand the credit by 50 percent and provide additional reforms so that it may serve more people.
- Write the House Ways and Means and Senate Finance Committees' Chairs and Ranking Members in support of NAHMA's LIHTC priorities as they pursue tax reform proposals and that the LIHTC be preserved in any comprehensive tax reform legislation.

	House Ways and Means Committee	Senate Finance Committee
Tax Writing Committees	Chair Kevin Brady (R-TX) Ranking Member Richard Neal (D-MA)	Chair Orrin Hatch (R-UT) Ranking Member Ron Wyden (D-OR)

Low-Income Housing Tax Credit FACT SHEET

Portfolio Quick Facts

- **Nation's most successful tool for encouraging private investment in the production and preservation of affordable rental housing:** The Housing Credit is responsible for nearly all of the affordable housing built and preserved since the program was authorized in the Tax Reform Act of 1986.
 - The Housing Credit has financed nearly 3 million apartments since 1986
 - Provided roughly 6.7 million low income families, seniors, veterans, and people with disabilities homes they can afford.
 - Provided affordable housing to all 50 states and all types of communities, including urban, suburban, and rural.
- **Economic benefits for local communities:** The National Association of Home Builders (NAHB) estimates the program adds approximately 96,000 full time jobs per year across all U.S. industries, mostly in the small business sector.
 - NAHB estimates that after the LIHTC units are complete and occupied, 30 jobs remain in retail trade, eating and drinking establishments, local government, and in the health, education and social service sectors.
 - The Housing Credit has generated \$310 billion in local income and \$122 billion in tax revenues, and has supported approximately 3.25 million jobs over the past thirty years, according to the National Association of Home Builders

A Successful Private-Public Partnership

- The Housing Credit is “pay-for-success” – the federal government awards credits only after properties are successfully completed and occupied, and can recapture credits for non-compliance.
- Private sector investors – not taxpayers – bear the financial risk, and are closely involved in monitoring and oversight
- The Housing Credit is administered at the state level, and only the affordable housing developments that are most responsive to local housing priorities receive credits.

Housing Credit is an investment in our nation’s infrastructure

- Housing is as central to our nation’s infrastructure as transportation, energy, and water systems, and its development transforms communities while providing significant returns in terms of jobs and economic growth.
- NAHB estimates that about half of all jobs created from new housing development are in construction.
- Investment in the Housing Credit should be a component of any infrastructure plan.

Legislative intervention

NAHMA strongly urges Congress to protect the Housing Credit in tax reform, and make any adjustments necessary to sure that its production and efficiency are not compromised. Multifamily Housing Bonds provide critical financing to roughly 40 percent of Housing Credit developments, and their tax exemption must be retained in order to sustain the Housing Credit’s production potential.

NAHMA strongly supports the Affordable Housing Credit Improvement Act of 2016 (S.2962) and we urge Congress to pass this bill. The bill includes the following provisions:

- A 50 percent expansion of the LIHTC;
- Permanently establishing the 4 percent minimum credit rate for acquisition and for Housing Bond-financed properties;
- Permit income averaging within Housing Credit properties in order to preserve rigorous targeting while providing more flexibility and responsiveness to local needs;
- New incentives for projects that target homeless or extremely low income individuals and families; and
- Allowing LIHTC properties to claim clean energy credits such as the Energy Efficient New Homes Credit, the Energy Efficient Commercial Building Deduction, and the Energy Investment Tax Credit.