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Bill to Strengthen Affordable Housing Tax Credit Applauded by National Coalition

*Legislation would expand resources and strengthen proven tool to
incentivize affordable housing development*

Washington, D.C. – The Affordable Housing Tax Credit Coalition (AHTCC) today applauded the introduction of legislation in the U.S. House and Senate that strengthens an incentive program that has created millions of homes for low-income households across the nation.

The Affordable Housing Credit Improvement Act (AHCIA) of 2019, introduced today with bipartisan co-sponsors in both chambers of Congress, will phase in new incentives through the Low-Income Housing Tax Credit that will spur housing development in the U.S. at a time when the burden of rental costs impact a growing number of families.

“We are thrilled to see bipartisan support for legislation that will increase the development of affordable housing nationwide,” said AHTCC Executive Director Emily Cadik. “Housing costs and rents across the country continue to rise at an alarming rate, and rental housing is simply not produced fast enough to keep up with rising demand. With this legislation, Congress has the opportunity to provide more than 450,000 sorely needed affordable homes over the next decade through an effective housing solution that engages the public and private sectors.”

“More than 10 million households nationwide pay more than half of their monthly income on rent, leaving too little for other expenses like health care, transportation and nutritious food,” said AHTCC Board President Michael Gaber. “Changes proposed in the Affordable Housing Credit Improvement Act will make the financing and development of affordable housing more efficient and cost-effective at a time when our nation’s affordable housing challenges have reached crisis levels.”

S. 1703 and its companion, H.R. 3077, build on key provisions of last year’s AHCIA that earned widespread support in Congress and led to enactment of a 12.5 percent Housing Credit allocation increase for 2018-2021, as well as flexibility known as income averaging. The 2019 bill increases the Housing Credit allocation by 50 percent, phased in over five years, and proposes more than two dozen provisions to streamline and strengthen the program. One key provision would lock in the four percent tax credit rate for financing with housing bonds and tax credits. This parallels a nine percent tax credit rate lock already in place – a change expected to provide predictability to the marketplace and increase affordable housing production. The legislation would also make the Housing Credit more effective in hard-to-reach rural and Native American communities, and for populations like homeless veterans.

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About the Affordable Housing Tax Credit Coalition

Founded in 1988, AHTCC is a trade organization of housing professionals who advocate for affordable rental housing financed using the Low-Income Housing Tax Credit (Housing Credit). AHTCC’s for-profit and non-profit members—including syndicators, investors, lenders, developers, legal and accounting professionals and state allocating agencies—seek to preserve, expand and improve the Housing Credit and complementary programs through legislative outreach and education.

About the Low-Income Housing Tax Credit

Since 1986, the Low-Income Housing Tax Credit (Housing Credit) has financed more than three million homes for low-income households, including veterans, senior citizens, disabled individuals, and families with children. Virtually no new affordable housing can be constructed without the Housing Credit. Through public-private partnerships, the Housing Credit offers a proven track record of financing safe, decent affordable homes in communities where they are needed most.