



## **The ACTION Campaign Applauds Senators Cantwell and Hatch for Introducing the Affordable Housing Credit Improvement Act of 2016**

May 19, 2016

The A Call To Invest in Our Neighborhoods (ACTION) Campaign, representing over 1,300 national, state, and local affordable housing stakeholders, applauds the leadership of Senators Maria Cantwell (D-WA) and Orrin Hatch (R-UT) for introducing the Affordable Housing Credit Improvement Act of 2016. We also want to thank Senate Finance Committee Ranking Member Ron Wyden (D-OR) and Senator Charles Schumer (D-NY) for joining as original co-sponsors of this critical legislation.

The Affordable Housing Credit Improvement Act will make significant strides towards addressing our nation's severe shortage of affordable housing by expanding the Low-Income Housing Tax Credit (Housing Credit) and strengthening the program so that it can better meet our nation's affordable housing needs.

The Housing Credit is our most successful tool for encouraging private investment in the production and preservation of affordable rental housing. For 30 years, it has been a model public-private partnership program, bringing to bear private sector resources, market forces, and state-level administration. It has financed nearly 3 million apartments since 1986, providing roughly 6.5 million low-income families, seniors, veterans, and people with disabilities access to homes they can afford.

The Affordable Housing Credit Improvement Act would enable the development or preservation of up to 400,000 affordable homes over the next decade by increasing each state's Housing Credit allocation authority. Despite the growing need for affordable housing, Congress has not increased Housing Credit authority in 16 years, and viable and sorely needed Housing Credit developments are turned down each year because Housing Credit resources fall far short of the demand. For the more than 11 million low-income renter households who spend over half of their income on housing – choosing between paying the rent or their medical bills, making repairs to their cars, or enrolling in job training classes – an expansion of the Housing Credit cannot come soon enough.

This legislation also includes several changes that would significantly strengthen the Housing Credit. The minimum 4 percent credit rate for the acquisition of affordable housing and for multifamily Housing Bond-financed developments will streamline program administration, increase predictability, and empower states to allocate more Housing Credit equity to properties as needed for financial feasibility. In addition, the income averaging provision would preserve rigorous targeting while providing more flexibility and responsiveness to local needs.

The ACTION Campaign looks forward to working with Senator Cantwell and Senator Hatch to build support for this important legislation.