

The ACTION Campaign Calls on Congress to Support the Affordable Housing Credit Improvement Act of 2016 (S. 2962)

Our nation's affordable housing needs are vast and growing.

- Rising rents and stagnant wages have made most rental housing unaffordable to low-income households. There is currently no state in the U.S. where a full-time minimum wage worker can afford a modest, one-bedroom apartment.
- More than 11 million low-income households – roughly one in four renters – spend over half their income on rent, leaving too little for other necessary expenses like transportation, healthy food and medical bills. This number is expected to grow over the coming years as we lose affordable housing from our stock due to deterioration or conversion to market-rate, while more and more households enter the rental market.

The Housing Credit provides a proven solution to a problem that faces every community.

- The Low-Income Housing Tax Credit (Housing Credit) is our nation's most successful tool for encouraging private investment in the production and preservation of affordable rental housing.
- Nearly all affordable rental homes developed each year in the United States rely on the Housing Credit. It has financed nearly 3 million apartments since 1986, providing roughly 6.5 million low-income households with homes they can afford.
- Unlike many other tax expenditures, which subsidize activity that would occur at some level without a tax benefit, virtually no affordable rental housing development would occur without the Housing Credit.

The Housing Credit's unique public-private model fosters efficiency and accountability.

- For 30 years, the Housing Credit has been a model public-private partnership program, bringing to bear more than \$100 billion in private sector resources, market forces, and state-level administration.
- The Housing Credit is "pay-for-performance." Credits can be claimed only after properties are successfully completed and occupied, and can be recaptured for non-compliance. Private sector investors – not taxpayers – bear the financial risk, and are closely involved in monitoring and oversight.
- The Housing Credit is state-administered and reflects local priorities. Each state determines how to allocate Housing Credits to respond to specific local needs, directing resources where they are needed most. State allocating agencies also oversee a rigorous approval process for these developments and monitor properties for compliance with program rules after their completion.

Affordable housing improves lives and contributes to local economies.

- Affordable housing promotes financial stability and economic mobility. It leads to better health outcomes, improves children's school performance, and helps people gain employment and keep their jobs.
- Housing Credit development provides a financial return on our nation's investment by supporting 96,000 jobs and adding roughly \$3.5 billion in taxes and other revenues to local economies each year.
- Affordable housing also saves the federal, state, and local governments money through reduction in Medicare, Medicaid, and other spending.

Demand for the Housing Credit vastly exceeds supply.

- Despite the growing need for affordable housing, Congress has not permanently increased Housing Credit authority in 16 years.
- Viable and sorely needed Housing Credit developments are turned down each year because Housing Credit resources fall far short of the demand.
- On average, state Housing Credit allocating agencies receive applications requesting more than three times their available authority. There are also many worthy applications that are not even submitted in light of the competition.

We urge members of Congress to support the Affordable Housing Credit Improvement Act.

- The Affordable Housing Credit Improvement Act of 2016 would gradually expand the Housing Credit by 50 percent.
- This proposal would make a meaningful step towards addressing our nation's vast and growing affordable housing needs by enabling the creation or preservation of up to 400,000 more affordable homes over the next decade than would be possible under the current program.
- The Affordable Housing Credit Improvement Act has bipartisan support. It was introduced by Senator Maria Cantwell (D-WA) and Senate Finance Committee Chairman Orrin Hatch (R-UT), and the proposal to expand the Housing Credit by 50 percent has been endorsed by the Bipartisan Policy Center.