

United States Senate

WASHINGTON, DC 20510

Dear Colleague:

Since it was first created 30 years ago, the Low-Income Housing Tax Credit (LIHTC) has been the most effective tool for developing affordable housing across America, leveraging private sector investment to finance the development of nearly three million homes. Every year, nearly 100,000 additional affordable units are built for families using the LIHTC, and the program is responsible for approximately 90 percent of all new affordable housing development in the country.

However, despite these successes, the demand for affordable housing in this country continues to grow. Today, over eleven million renters spend more than half of their monthly income on rent. According to the National Low Income Housing Coalition, there is a nationwide deficit of approximately 7.4 million affordable and available units for extremely low income households, a 60 percent increase since 2000. At the same time, the years between 2005 and 2014 saw the lowest 10-year production rate of new rental housing since 1974. If Congress does not act, the number of severely rent-burdened households in this country could increase by up to 25 percent over the next ten years, to over 15 million families.

Despite this growing need and the record of success and effectiveness of the LIHTC, Congress has not increased the program's annual allocation in 17 years. That is why we have introduced S. 548, the Affordable Housing Credit Improvement Act, which increases the LIHTC's annual authority by 50 percent over the next five years. This change will allow for the creation of up to 400,000 additional affordable units relative to current law.

Additionally, the bill makes several much needed improvements to the LIHTC, including the establishment of a permanent minimum credit rate for rehabilitation projects and projects financed with housing bonds. The bill also creates a new income-mixing option to promote income diversity in LIHTC projects and to maintain financial feasibility while providing a deeper level of affordability.

Please join us in cosponsoring this important legislation to help address our Country's housing crisis by building more affordable rental housing nationwide.

Sincerely,



Maria Cantwell
United States Senator



Orrin Hatch
United States Senator