AFFORDABLE RENTAL HOUSING A.C.T.I.O.N.
A Call To Invest in Our Neighborhoods

SUPPORTING VETERANS WITH THE LOW-INCOME HOUSING TAX CREDIT

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. Since its inception in 1986, the Housing Credit has been used to develop or finance 3 million apartments, providing roughly 7 million households with homes they can afford.

The Housing Credit creates opportunities for veterans and their families by providing veteran-specific housing communities that foster prosperous, peer-driven environments. At least **30 states** incentivize developers to build housing for veterans, typically paired with a variety of supportive services, such as job-training, health care access and education, and community facilities. The number of homeless veterans peaked in 2008 at over 200,000, but it has dramatically reduced since then as a direct result of these services. However, additional support is needed, and because many veterans have extremely low or no incomes, it can be difficult to make properties for veterans financially feasible.

THE NEED FOR AFFORDABLE VETERANS' HOUSING

There are 39,741 veterans living on the streets or in shelters on a given night in the U.S., according to HUD. But this number underestimates thousands of other homeless veterans in temporary and unstable living arrangements. Millions more are at risk of homelessness because they pay so much of their income towards rent. One in four veterans spend more than 30% of their income on housing, amounting to roughly 5 million veterans and their families, and 1.5 million of these households pay more than 50% of their income on housing, meaning they are often one medical bill or unforeseen expense away from being unable to pay their rent. Increasing the supply of affordable housing is essential to ensuring that more of our nation's veterans return from military service to a stable home they can afford.

THE AFFORDABLE HOUSING CREDIT IMPROVEMENT ACT (S. 548)

Provisions to Support Affordable Housing for Veterans

The Affordable Housing Credit Improvement Act, introduced by Senator Maria Cantwell (D-WA) and Senate Finance Committee Chairman Orrin Hatch (R-UT), includes several provisions that make it easier to finance affordable rental housing for veterans using the Housing Credit.

Expand the Housing Credit. S. 548 would increase annual Housing Credit allocation authority by 50 percent, phased in over five years. This provision is estimated to finance an additional 400,000 affordable housing units over the next ten years, allowing states to address a wider range of housing needs, including additional developments for veterans.

Provide a Basis Boost for Properties Serving Extremely Low-Income (ELI) Tenants. S. 548 would allow states to provide up to 50 percent additional Housing Credit equity, known as a "basis boost," for developments serving extremely low-income tenants. While states are encouraged to give preference to developments that serve the lowest-income populations, it can be difficult to make these developments financially feasible without significant additional subsidy – especially when the population served requires extensive on-site supportive services, as veterans often do. The basis boost for ELI tenants would help make more properties serving extremely low-income residents financially feasible, and allow for the financing of community rooms, service providers and other features to support low-income veterans.

Allow Income Averaging within Properties. Housing Credit projects currently serve renters with incomes up to 60 percent of area median income (AMI), and rents are comparably restricted. Income averaging provides greater flexibility to serve a broader range of tenants, with higher-income households up to 80 percent of AMI paying higher rents that can offset lower rents for people with the lowest incomes. This allows the Housing Credit to reach more of the lowest income renters – such as homeless veterans.