The ACTION Campaign represents over 2,200 organizations and businesses working to address our nation’s severe shortage of affordable rental housing by supporting the Low-Income Housing Tax Credit.

www.rentalhousingaction.org

MULTIFAMILY HOUSING BONDS IMPACT IN MINNESOTA

HOUSING BONDS’ BENEFITS FOR LOW-INCOME FAMILIES & THE ECONOMY 1986 – 2017

- 23,196 affordable homes in MN have been financed using Housing Bonds
- 39.2% of Housing Credit homes in MN have been financed using Housing Bonds
- 54,047 low-income households served
- 26,211 jobs supported for one year
- $1 billion tax revenue generated
- $2.5 billion wages & business income generated

HOUSING BONDS AND THE 4 PERCENT HOUSING CREDIT RATE

The 4 percent Housing Credit can only be accessed when Housing Bonds are used to finance at least half of a development’s cost. Without Housing Bonds, about half of the annual affordable rental housing production would be lost, or nearly one million affordable homes over 10 years.

The 4 percent Housing Credit is much lower than Congress originally intended because the 4 percent Housing Credit rate fluctuates monthly based on a formula tied to federal borrowing rates. Setting a minimum 4 percent Housing Credit rate would allow additional affordable housing units to be built nationwide.

ADDRESSING OUR NATION’S SEVERE SHORTAGE OF AFFORDABLE HOUSING

- 1,206 additional affordable homes could be built in Minnesota over the next ten years by setting a minimum 4 percent Housing Credit rate

The Housing Credit and Housing Bonds are our nation’s most successful tools for encouraging private investment in affordable rental housing.

Multifamily Housing Bonds (Housing Bonds), a type of tax-exempt private activity bond, are used by state and local housing finance agencies, often in conjunction with the Low-Income Housing Tax Credit (Housing Credit) to acquire, construct, and rehabilitate affordable multifamily housing for low-income renters.

The ACTION Campaign calls on Congress to:

- Enact a minimum 4 percent Credit rate.
- Expand the Housing Credit to make a meaningful dent in our nation’s severe shortage of affordable housing.
- Strengthen the Housing Credit by making it more streamlined and flexible.
- Enhance multifamily Housing Bonds, which provide critical financing to about 50 percent of Housing Credit developments.

The ACTION Campaign represents over 2,200 organizations and businesses working to address our nation’s severe shortage of affordable rental housing by supporting the Low-Income Housing Tax Credit.

www.rentalhousingaction.org