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 and preserve more than 3 million homes nationwide. Today, there are more than 800,000 Housing Credit-developed homes with a head of household 62 or older. Many states prioritize and incentivize housing for seniors in their allocation of Housing Credits. Through specific set-asides or additional points awarded, projects are also encouraged to include elderly services, such as universal design elements and access to health facilities.

THE NEED FOR AFFORDABLE ELDERLY HOUSING
According to the Census Bureau, approximately 78 million Americans will be 65 years of age or older by 2035, representing 20 percent of the overall population. This unprecedented growth in the senior population will strain the existing supply of affordable housing, with the number of “severely cost-burdened” seniors who rent, those who spend more than half of their incomes on housing, projected to rise to by approximately 3 million by 2025. Given little wealth or savings to sustain them in retirement, low-income renters face the most acute housing difficulties as they age, and they are often forced to spend less on other necessities such as health care, food, and supportive services. The Housing Credit is a vital tool for addressing the current and forthcoming lack of housing affordability for senior communities.

The Affordable Housing Credit Improvement Act (S.1703/H.R. 3077)
The Affordable Housing Credit Improvement Act (AHCIA) of 2019, is sponsored by Senators Maria Cantwell (D-WA), Todd Young (R-IN), Ron Wyden (D-OR), and Johnny Isakson (R-GA), and Representatives Suzan DelBene (D-WA-1), Kenny Marchant (R-TX-24), Don Beyer (D-VA-8) and Jackie Walorski (R-IN-2). It includes several provisions to encourage the development of additional affordable housing for seniors using the Housing Credit:

**Expand the Housing Credit** by 50 percent, phased in over five years. This provision would allow states to address a wider range of housing needs. This additional allocation would increase affordable housing production over 10 years by over 384,000, allowing states to more adequately address the growing housing needs of the nation’s senior population.

**Provide a Basis Boost for Properties Serving Extremely Low-Income (ELI) Tenants**, allowing states to provide up to 50 percent additional Housing Credit equity, known as a “basis boost,” for developments serving extremely low-income tenants. Many seniors qualify as extremely low-income by virtue of living on fixed incomes like Social Security, and this provision would make more developments serving this population financially feasible.

**Provide Tenant Income Flexibility**. The AHCIA would allow existing tenants of federally assisted affordable housing projects that are subsequently recapitalized with Housing Credits to be considered low-income for purposes of determining eligibility. As 33 percent of federally assisted households are 62 years of age or older, this provision would help their displacement.

---