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 3.3 million apartments, providing roughly 8 million households with homes they can afford. Housing instability, caused by lack of affordability, often forces families to choose between paying for rent, utilities, food, or medical care, affecting families’ mental and physical health. A growing body of evidence shows that quality, affordability, and stability of housing, as well as the surrounding community, are directly linked to positive health outcomes and well-being. As the primary tool for increasing our nation’s supply of affordable homes, the Housing Credit can improve health outcomes for low-income families and communities.

**AFFORDABLE HOUSING SAVES PUBLIC HEALTH CARE COSTS.** High housing cost burdens are linked to poorer health outcomes, increased cost-related healthcare non-adherence, and higher food insecurity. Health begins at home, and without appropriate investment, unstably housed mothers and children are more likely to suffer health problems. A study by Children’s Health Watch estimates that unstably housed families with children will add an estimated $111 billion in avoidable health and education expenditures in the United States over the next ten years. A study conducted by the North Carolina Housing Finance Agency found that every $1 in Housing Credits saved as much as $3 in healthcare costs. Altogether, they found the Housing Credit may be responsible for up to $21 million per year in public health care savings in North Carolina alone.

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**THE AFFORDABLE HOUSING CREDIT IMPROVEMENT ACT (S. 1703/H.R. 3077)**

Provisions to Support the Health of Residents in Affordable Housing Development

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 that make it easier to finance affordable housing so that more families across the country can maintain a safe, affordable, quality home.

**Expand the Housing Credit.** The AHCIA would increase annual Housing Credit allocation authority by 50 percent, phased in over five years. This provision is estimated to finance an additional 384,500 affordable housing units over the next ten years, allowing more families to access healthy, stable housing.

**Provide a Basis Boost for Properties Serving Extremely Low-Income (ELI) Tenants,** allowing states to provide up to 50 percent more Housing Credit equity 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, which are critical to supporting tenant health. 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 the health and wellbeing of low-income families.

There are also many innovative initiatives already underway to improve health outcomes in affordable housing financed by the Housing Credit. State Housing Credit allocating agencies are increasingly establishing criteria for allocating Housing Credits that promotes the development of housing with set-aside units for individuals with special health needs, have on-site or nearby health related facilities, and/or incorporate supportive services into their projects.

Footnotes: