



Tax Reform Bill Preserves Essential Affordable Housing Programs

The A Call To Invest in Our Neighborhoods (ACTION) Campaign, representing over [2,150 national, state, and local affordable housing stakeholders](#) thanks House and Senate tax reform conferees for preserving both the Low Income Housing Tax Credit (Housing Credit) program and tax-exempt private activity multifamily Housing Bonds (Housing Bonds) in the tax code. In doing so, conferees recognized the critical importance of these programs in addressing our nation's severe affordable housing crisis.

The Housing Credit and multifamily Housing Bonds, working together, are our most successful tools for encouraging private investment in the production and preservation of affordable rental housing, and have been responsible for nearly all of the affordable housing built and preserved in recent decades. Since 1986, these programs have financed over 3 million affordable apartments, providing approximately 7 million low-income families, seniors, veterans, and people with disabilities homes they can afford. These successful public-private partnerships bring to bear private sector resources, market forces, and state-level administration to create quality homes for those most in need, while supporting job creation, generating tax revenue, and improving communities and local infrastructure.

The preservation of the Housing Credit and Housing Bond programs is a critical foundation from which we must build if we are to make progress towards meeting our country's great and growing housing crisis. Far too many low-income households pay half or more of their income just for rent, leaving little or nothing left for other necessities. The demand for affordable housing simply dwarfs its supply. Therefore, we urge Congress now to further strengthen these essential programs by passing the Affordable Housing Credit Improvement Act, S. 548 and H.R. 1661. This legislation would make the Housing Credit and Housing Bonds even more successful through common sense modifications, and in the case of the Senate version of the legislation, increasing Housing Credit authority by 50 percent. Already these bills have drawn strong bipartisan support in both the House and Senate.

We also urge Congress to ensure that the new tax environment established by the tax reform legislation does not reduce the production potential of the Housing Credit and Housing Bonds. In particular, the 21 percent corporate tax rate and the base erosion anti-abuse tax that will be implemented as part of tax reform, respectively, will reduce the amount of equity available to Housing Credit properties and make Housing Credit investment less attractive to certain investors who have long participated in the Credit program. We look forward to working with Congress to address both of these concerns in technical correction or other follow-on tax legislation in order to keep these programs whole.

Congress is taking an important step by preserving the Housing Credit and Housing Bond programs in this major tax reform bill, and ACTION strongly commends the conferees for their commitment to affordable housing.