

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

September 21, 2021

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Chuck Schumer
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Richard Neal
Chairman
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Ron Wyden
Chairman
Finance Committee
U.S. Senate
Washington, DC 20510

Dear Speaker Pelosi, Leader Schumer, and Chairmen Neal and Wyden:

We, the undersigned members of the Steering Committee of the [A Call to Invest in Our Neighborhoods \(ACTION\) Campaign](#), write to bring your attention to the historic investment in Low-Income Housing Tax Credit (Housing Credit) production passed by the Ways and Means Committee this week in its Build Back Better infrastructure reconciliation legislation. The Housing Credit is our nation's primary tool and proven model to finance the production and preservation of safe, affordable, and stable rental housing – a critical part of community and family infrastructure throughout the United States. As you know, the [ACTION Campaign membership includes over 2,400 businesses and organizations](#) at the state, local, and national level, and we have strongly advocated for the Housing Credit production proposals included in this legislation, which align closely with those contained in the [Affordable Housing Credit Improvement Act \(AHCIA\) of 2021, H.R. 2573](#), introduced by Ways and Means Committee members Reps. Suzan DelBene (D-WA), Jackie Walorski (R-IN), Don Beyer (D-VA), and Brad Wenstrup (R-OH) and [S. 1136](#) introduced by Sens. Maria Cantwell (D-WA), Chairman Wyden, Todd Young (R-IN), and Rob Portman (R-OH).

In particular, we were pleased to see the legislation passed by the Ways and Means Committee included the following expansions: the increase of the Housing Credit allocation by approximately 60 percent plus annual inflation adjustments over four years; the lowering of the 50 percent private activity bond financing threshold to 25 percent for seven years; the 50 percent basis boost and set-aside for serving extremely low-income (ELI) households; the flexibility for state housing agencies to provide a 30 percent basis boost for 4 percent credit properties over seven years, in addition to a 30 percent basis boost for rural and Native communities if needed for financial feasibility. These are all provisions with deep support from our members and would lead to a marked increase in the creation and preservation of affordable rental housing, aiding in our nation's economic recovery and encouraging prosperity in urban, suburban, rural communities and tribal lands alike.

If these production provisions are enacted an estimated 1.4 million additional affordable rental homes would be financed, housing more than 3.2 million low-income people. The positive impact of stable housing is well-researched, including positive outcomes for low-income tenants' education, physical and mental health, and job security. Further financing of these homes would support more than 2 million jobs, nearly \$235 billion in wages and business income, and \$81 billion in tax revenue.

Research also demonstrates Housing Credit development revitalizes low-income neighborhoods, increases home values, reduces crime, boosts local purchasing power, attracts diverse populations to growing areas of opportunity, and the increased availability of affordable housing in major metropolitan areas could increase U.S. economic growth by one-third. The positive aggregate effect of all these factors, now bolstered by the critical Housing Credit production investments provided in the Build Back Better legislation, means better stewardship of taxpayer resources and reduced pressure on resources to help the vulnerable like veterans, seniors, persons with disabilities, and persons struggling with homelessness.

Since its creation in the 1986 Tax Reform Act, the proven track record of the Housing Credit has financed nearly 3.5 million affordable rental homes, served over 8 million low-income households, generated \$214 billion in tax revenue, 5.5 million jobs supported and created \$617 billion in wages and business income. However, the pandemic has exacerbated our nation's ever deepening affordable housing crisis and the need for increased and swift investments in our housing infrastructure. The impact of the Housing Credit in the Ways and Means Committee's legislation could expand exponentially due to the Housing Credit production investments. The multiplier effect of positive outcomes from Housing Credit production and preservation will create significant economic returns over time through greater opportunity, economic empowerment, and quality of life. Safe, affordable, stable housing is an essential building block for thriving community and family infrastructure nationwide.

At present, 10.5 million renter households nationwide pay more than half of their monthly income on rent, leaving too little for other expenses like health care, transportation, and nutritious food. The proposed Housing Credit production provisions will significantly bolster our nation's affordable housing supply and address this cost issue helping millions of seniors, veterans, working families, and persons experiencing homelessness access affordable housing, especially in hard-to-reach communities, including rural, tribal, and high-cost areas.

The ACTION Campaign urges Congress to ensure the enactment of these essential expansions to Housing Credit production in the final reconciliation package.

Sincerely,

ACTION Campaign Co-Chairs & Steering Committee Members

ACTION Co-Chairs

Enterprise Community Partners
National Council of State Housing Agencies (NCSHA)

ACTION Steering Committee Members

Affordable Housing Tax Credit Coalition
Council for Affordable and Rural Housing
Council of Large Public Housing Authorities
CSH
Housing Advisory Group
Housing Partnership Network
LeadingAge
Local Initiatives Support Corporation/National Equity Fund
National Association of Affordable Housing Lenders
National Association of Housing and Redevelopment Officials
National Association of Local Housing Finance Agencies (NALHFA)

National Association of REALTORS®
National Association of State and Local Equity Funds
National Housing Conference
National Housing Law Project
National Housing and Rehabilitation Association
National Housing Trust
National Low Income Housing Coalition
Smart Growth America
Stewards of Affordable Housing for the Future
Volunteers of America