



Since its inception in 1986, the Housing Credit has been used to develop and preserve over 3.7 million homes nationwide. About 1.1 million Housing Credit homes (32 percent) include a resident 62 or older.¹ Many states prioritize and incentivize housing for seniors in their allocation of Housing Credits.² Through specific set-asides or additional points awarded, projects are also encouraged to include services for older adults, such as universal design elements and service coordination.

The Need for Affordable Senior Housing

Today, single adults over the age of 50 now make up half of the homeless population³ and more than 2.2 million older adult renter households with very low incomes spend more than half of their incomes for housing.⁴ According to the most recent data,

there has been an alarming 16 percent increase of “worst case housing needs” among older adult households between 2017 and 2019.⁵ Indeed, between 2009 and 2019, worst case housing needs among older adults increased 68 percent. Older adults face more acute housing difficulties as they age, and they are often forced to spend less on other necessities such as healthcare, food, and supportive services.⁶ The Housing Credit is a vital tool for addressing the current and forthcoming lack of housing affordability for older adults.

The Affordable Housing Credit Improvement Act (AHCIA), S. 1557 & H.R. 3238 Provisions to support Affordable Housing Development for Older Adults

The bill includes several provisions that make it easier to finance affordable housing through the Housing Credit that would be beneficial to meeting the housing needs of older adults.

Expand the Housing Credit. The Housing Credit is over-subscribed, meaning far more potential developments are submitted to receive Housing Credits than are available. Increasing the annual Housing Credit allocation by 50 percent, phased in over two years, would finance an additional 232,500 affordable rental homes over 2023-32, providing more housing for low-income individuals and families, including older adults.

Lower the Bond Financing Threshold for Receiving 4 percent Housing Credits. This provision will allow states to use their bond authority more efficiently and would free up funds for more housing developments.

Increase the amount of Housing Credits for developments serving extremely low-income (ELI) tenants.* Developing housing affordable to ELI tenants requires significant additional subsidy because the expected rents will be too low to pay off much debt on the property. These properties often also include critically needed supportive services, adding to the cost of the development. Providing additional Housing Credits for ELI properties (if needed for financial feasibility) would allow the Housing Credit to serve more ELI persons. *ELI households make at or below the greater of 30 percent of Area Median Income or the Federal Poverty Line.

Provide Tenant Income Flexibility. The bills 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.

Help Housing Credits Work Better in Rural Areas. The bill would provide a basis boost for rural projects, and standardize income eligibility for rural properties, both of which will help serve older adults in rural areas.

¹ HUD. (2017). *LIHTC Tenant Report 2017*. <https://www.huduser.gov/portal/sites/default/files/pdf/LIHTC-TenantReport-2017.pdf>

² LeadingAge. (2020). *Affordable Senior Housing: A Scan of State Housing Credit Allocation Plans*. <https://leadingage.org/affordable-senior-housing-a-scan-of-state-housing-credit-allocation-plans/>

³ Olivet, J. (2023). *Testimony of Jeff Olivet to the Senate Banking Committee's Subcommittee on Housing, Transportation, & Community Development*. <https://www.banking.senate.gov/imo/media/doc/Olivet%20Testimony%203-8-23.pdf>

⁴ HUD. (2021). *Worst Case Housing Needs 2021*. <https://www.huduser.gov/portal/publications/Worst-Case-Housing-Needs-2021.html>

⁵ *Ibid.*

⁶ Harvard JCHS. (2019). *Housing America's Older Adults 2019*. <https://www.jchs.harvard.edu/housing-americas-older-adults-2019>