Supporting Veterans

The Low-Income Housing Tax Credit (Housing Credit)



The Housing Credit is our nation's most successful tool for encouraging private investment in the production and preservation of affordable rental housing. Since 1986, the Housing Credit has been used to develop and preserve around 4.28 million homes nationwide, serving 9.97 million low-income households, including veterans of the armed forces.

The Need for Affordable Veterans' Housing In 2025, almost 32,500 veterans were without homes on a given night in the Unites States.[1] While this is a decrease from past years, this number remains far too high, demonstrating the need for Housing Credits combined with rental assistance programs, including the Veterans Affairs Supportive Housing program and Section 8 Housing Choice Vouchers. The growing shortage of affordable homes prevents communities across the country from adequately addressing veteran homelessness.

How the Housing Credit Serves Veterans Veterans served by Housing Credit properties often have extremely low or no income, meaning little, if any, similar-quality housing is affordable and available to them. Through the Housing Credit, states can incentivize developers to build veteran-specific affordable housing that includes special features to promote community, health, and well-being. Services may include connections to Department of Veterans Affairs health centers and case managers, peer support groups and counseling, food banks and health classes, and job-training and opportunities to engage with the wider community.

The *Affordable Housing Credit Improvement Act* (AHCIA, S. 1515 / H.R. 2725)

Provisions to support Affordable Housing Development for Veterans

The AHCIA includes several provisions that make it easier to finance affordable housing through the Housing Credit and better meet the needs of veterans experiencing homelessness.

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 167,000 affordable rental homes over 2025-34, providing more housing for low-income veterans.

Increase the amount of Housing Credits for developments serving extremely low-income (ELI) tenants.* Developing housing affordable to ELI tenants, including formerly homeless veterans, 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 and formerly homeless veterans. **ELI households make at or below the greater of 30 percent of Area Median Income or the Federal Poverty Line.*

Clarify the general public use rule and its application to veterans. To address potential confusion about whether Housing Credit units can be set aside for veterans, this provision adds specific language to Section 42 providing that a developer may set aside affordable units for veterans.

[1] U.S. Department of Housing and Urban Development. (2026, May). *2025 Annual Homeless Assessment Report: Part 1*. https://www.huduser.gov/portal/sites/default/files/pdf/2025-AHAR-Part-1.pdf