

August 9, 2017

In Response to the Senate Finance Committee Hearing on “America’s Affordable Housing Crisis: Challenges and Solutions” August 1, 2017

Members of the Senate Finance Committee,

The National Housing Conference thanks the Senate Finance Committee for holding a hearing on “America’s Affordable Housing Crisis: Challenges and Solutions,” and appreciates your attention to the challenge of housing affordability which affects too many American households. Much of the hearing focused on the Affordable Housing Credit Improvement Act, S. 548, which Senator Maria Cantwell (D-WA) and Senate Finance Committee Chairman Orrin Hatch (R-UT) introduced earlier this year. This crucial piece of legislation would increase Housing Credit authority, facilitate Housing Credit development in challenging markets and for hard-to-reach populations, support the preservation of existing affordable housing, and simplify program requirements. NHC is grateful to Senator Cantwell and Chairman Hatch for their leadership, and to the other Committee members—Ranking Member Ron Wyden (D-OR) and Senators Dean Heller (R-NV), Michael Bennet (D-CO), Rob Portman (R-OH), and Johnny Isakson (R-GA)—for their co-sponsorship support. NHC strongly urges the Committee to advance the Affordable Housing Credit Improvement Act as part of any tax legislation it considers.

The Housing Credit is a proven, effective solution to producing affordable housing; strengthening and expanding it will help create and preserve more rental homes for families and individuals, revitalize neighborhoods, and spur private sector investment.

- The Housing Credit has a remarkable track record, a model public-private partnership program that has financed more than 3 million affordable homes.
- The Housing Credit is a proven solution to meet a large and growing need; 11 million renter households are severely cost burdened and need affordable housing.
- The Housing Credit stimulates local economies and improves communities; Stanford University research shows Housing Credit investments reduce poverty, crime, and racial and economic isolation.
- The Housing Credit is state administered with limited federal bureaucracy.
- The Housing Credit is our primary tool to preserve and redevelop our nation’s current supply of affordable housing.
- The demand for Housing Credits exceeds the supply. In 2014, state Housing Credit allocating agencies received applications requesting more than twice their available Housing Credit authority.

To meaningfully grow our economy and address our nation’s growing affordable housing needs as part of tax reform, NHC urges Congress to increase the cap on Housing Credit authority by 50 percent which would support the preservation and construction of up to 400,000 additional affordable apartments over a ten-year period. We also call on Congress to retain the tax exemption on multifamily Housing Bonds. S. 548 would authorize such an expansion and has strong bipartisan support in the Senate and among Senate Finance Committee members. This legislation would also enact roughly two dozen changes to strengthen the program by streamlining program rules, improving flexibility, and enabling the program to serve a wider array of local needs.

An investment in the Housing Credit is an investment in people, communities, and the economy. It transforms the lives of millions of Americans, many of whom are able to afford their homes for the first time, and it helps transform their communities and local economies. NHC applauds the leadership the Senate Finance Committee has shown in support of the Housing Credit to date and urges the Committee to expand and strengthen the Housing Credit and multifamily Housing Bonds.

To discuss any of these comments in further detail, please contact Rebekah King, Policy Associate, National Housing Conference, (202) 466-2121 x248, rking@nhc.org.

Sincerely,



Chris Estes
President and CEO