

Tax-Exempt Bonds Finance Affordable Housing

New Hampshire Fact Sheet

The “Tax Cuts and Job Act” proposes to eliminate the tax exemption for multifamily and single-family mortgage revenue private activity bonds. Multifamily and single-family mortgage revenue private activity bonds play a critical role in ensuring that there is an adequate supply of affordable housing. State and local governments offer these bonds for private activities that are deemed to benefit the public, like affordable housing. From 2013 to 2015 these bonds supported the following breakdown of multifamily and single-family homes:

	Multifamily mortgage revenue bonds		Single-family mortgage revenue bonds	
	<i>Apartments</i>	<i>Dollar amount</i>	<i>Loans</i>	<i>Dollar amount</i>
2013	94	\$6,410,000		
2014		\$8,014,000		
2015				
Total	94	\$14,424,000		

The single-family mortgage revenue bonds provide below-market-interest-rate mortgages for qualifying first-time homebuyers. In order to qualify, first-time homebuyers must have an income below 115 percent of the area median income.

Similarly, the multifamily mortgage revenue bonds provide below-market-interest-rate mortgages for developers who set aside a percentage of their apartments for low-income families making below 60 percent of the area median income. Often, bond financing works with other resources to target even deeper.

Multifamily developments financed through private activity bonds are eligible for the 4 percent Low Income Housing Tax Credit (LIHTC). From 1987 through 2015, the 4 percent LIHTC has financed 3,294 affordable apartments in New Hampshire. In 2015, LIHTC helped to finance 1 affordable housing development with 30 apartments in New Hampshire. The breakdown by type of construction is below.

New Construction	Substantial Rehab	Acquisition and Rehab	Total Apartments
0	0	30	30

NHC and our members believe that the tax bill should retain the exemption for multifamily and single-family mortgage revenue private activity bonds and retain the LIHTC while improving it through the Tiberi-Neal Affordable Housing Credit Improvement Act (H.R. 1661) and the Cantwell-Hatch Affordable Housing Credit Improvement Act (S. 548).

About NHC

Everyone in America should have equal opportunity to live in a quality, affordable home in a thriving community. The National Housing Conference educates decision makers and the public about housing policies and practices to move housing forward together. NHC convenes and collaborates with our diverse membership and the broader housing and community development sectors to advance our policy, research and communications initiatives to effect positive change at the federal, state and local levels. Founded in 1931, we are a nonpartisan, 501(c)3 nonprofit organization. NHC's research team operated as the Center for Housing Policy until the organizations merged in 2013.