

September 5, 2007

The Honorable Henry Paulson
Secretary
United States Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Secretary Paulson,

The undersigned organizations are writing in response to a U.S Department of Treasury background paper released on July 24, 2007, in support of the “*Treasury Conference on Business Taxation and Global Competitiveness*.” Specifically, we are alarmed to see included amongst the recommendations in the background paper the elimination of the Low Income Housing Tax Credit (LIHTC). Our organizations and the members we represent are strongly opposed to the elimination of the LIHTC and urge the Administration to continue to support this important affordable housing program.

The LIHTC is the single greatest catalyst for affordable housing development and preservation in existence today. Annually, more than 100,000 units of housing affordable to individuals and families making less than 60 percent of area median income (AMI) (and oftentimes much lower than that) are built new or preserved. All of this activity is conducted through an incredibly successful public/private partnership involving all levels of government as well as the private and non-profit sectors. Scarce federal resources are leveraged to produce safe, quality affordable housing at the least cost to the taxpayers.

According to the 2007 *State of the Nation’s Housing*, published by the Joint Center for Housing Studies at Harvard University, housing affordability continues to be a pervasive problem in the U.S. According to the report, “in just one year, the number of households with housing cost burdens in excess of 30 percent of income climbed by 2.3 million, hitting a record of 37.3 million in 2005.” The LIHTC is well-positioned to help address this need. Further, housing built or rehabilitated using the LIHTC helps develop and sustain local communities while contributing to a vibrant local economy.

Over twenty years ago the nation recommitted itself to the provision of affordable housing by creating the LIHTC. That commitment has proven itself to the benefit of literally millions of low- and moderate-income families and the communities in which they live. As the discussion of tax simplification continues, we urge the Administration to stand by this commitment and preserve the LIHTC.

Thank you for your consideration of our views.

Sincerely,

Affordable Housing Tax Credit Coalition
Enterprise Community Partners
Local Initiatives Support Corporation
National Affordable Housing Management Association
National Apartment Association
National Association of Home Builders
National Association of State and Local Equity Funds
National Leased Housing Association
National Multi Housing Council

Cc: House Ways and Means Committee
Senate Finance Committee