The Affordable Housing Tax Credit Coalition (AHTCC) is celebrating the introduction of legislation that will improve accessibility to affordable housing at a time when a record number of Americans are rent burdened.

If passed, the Affordable Housing Credit Improvement Act (AHCIA) of 2019 will spur further housing development throughout the country. The legislation represents one of the first federal efforts to address the nation’s shortage of affordable housing in several years.

“This legislation was designed and initially drafted several years ago to be a comprehensive set of reforms to strengthen and expand the Low-Income Housing Tax Credit (LHTC),” says Emily Cadik, Executive Director of AHTCC.

AHTCC is fighting to support the AHCIA’s passage. The bill, which has received bipartisan support in both the House and Senate, builds on previous affordable housing provisions enacted in the last Congress.

“Clearly, there is much more that needs to be done to address the growing affordable housing crisis,” Cadik says. “There are still a number of other provisions we would like to see enacted to strengthen the LHTC, both that were in the legislation last year and that had not been enacted, and some new provisions that are in the bill this year.”

AHTCC aims to increase widespread availability of affordable housing across the United States.

“Our primary goal is to increase affordable housing production because there are close to 11 million households who pay more than half of their income toward rent,” Cadik says. “We are barely scratching the surface providing the affordable homes that are needed.”

MOVING NATIONAL POLICY FORWARD

The AHCIA’s introduction marks a key step forward in the way the federal government enacts housing policy, which is usually led by state and local governments.

Legislators introduced a version of the AHCIA to Congress last year. Only two provisions of the comprehensive package were adopted at that time.

“We were thrilled to see two provisions from the bill enacted in the last Congress,” Cadik says. “They enacted the income averaging provision, along with a 12.5 percent housing credit allocation increase effective for the next four years, [both of which have] already begun to strengthen the program and will create another 30,000 affordable homes over the next 10 years.”

The 2019 iteration of the AHCIA offers a multipronged approach to rapidly ramp up the production of affordable housing resources.

“One way to increase production is to increase the allocation on the 9 percent side of the program like we did last year. We are going to continue to pursue that this year with the provision to increase the 9 percent allocation by 50 percent,” Cadik says.

AHTCC also remains dedicated to the other provisions of the law that will help the most people.

“Top of mind for us is enacting a minimum 4 percent housing credit rate,” Cadik says. “There are a number of other provisions we would be thrilled to see get across the finish line, as well.” By enacting a minimum 4 percent credit rate, the AHCIA would ensure that housing bond resources are fully leveraged.

“One thing that many people may not realize is that enacting the minimum 4 percent rate would also increase production quite a bit. Now, there are housing bond resources being left on the table because the so-called 4 percent rate is actually so low,” Cadik says.

ANNUAL IMPROVEMENTS

The 2019 bill before legislators also includes a number of new provisions designed to improve housing affordability for specific populations across the country—for example, those in rural areas.

“There’s a provision that would help the Housing Credit do more in rural areas by considering all developments in rural areas to be in difficult development areas,” Cadik says. “They would be eligible for the associated 30 percent basis boost, which will help a lot of rural properties move forward.”

Provisions designed to serve especially at-risk populations also feature heavily in the latest version of the AHCIA.

“There is a new provision to ensure that the housing credit can be used to finance properties for homeless veterans and other special populations when used in conjunction with housing bonds,” Cadik says. “The Internal Revenue Service recently issued guidance on this, but it needs to be further codified to ensure these types of developments can move forward.”

Additionally, the AHCIA is introducing a renewed sense of federal leadership to help the LIHTC program better complement other national laws and policies, including Violence Against Women Act protections.

Ultimately, the introduction of the AHCIA highlights the focus and the struggle that affordable housing advocates face in trying to create systemic changes at the federal level—not that that will phase the team at the AHTCC.

“Building more affordable homes for people who need them through the legislative process is the AHTCC’s mission,” Cadik says. “We are committed to bipartisan solutions with national scope.”