



## The Affordable Housing Credit Improvement Act of 2019 (S. 1703/H.R. 3077)

Broadly-supported, bipartisan legislation to  
expand and strengthen the Low-Income Housing Tax Credit

The Affordable Housing Credit Improvement Act (AHCIA) of 2019 is sponsored by Senators Maria Cantwell (D-WA), Todd Young (R-IN), Ron Wyden (D-OR), and Johnny Isakson (R-GA), and Representatives Suzan DelBene (D-WA-1), Kenny Marchant (R-TX-24), Don Beyer (D-VA-8) and Jackie Walorski (R-IN-2).

In the 115<sup>th</sup> Congress, AHCIA was cosponsored by more than 40 percent of all members of Congress. In 2018 two key provisions were enacted: a 12.5 percent Housing Credit allocation increase for four years (2018-2021), as well as “income averaging,” a provision that provides flexibility to serve a broader range of low, very-low and extremely-low income families. This year’s legislation builds on last year’s bill, and adds several new provisions to strengthen and improve the Housing Credit.

The bill is estimated to incentivize the building of over **550,000 affordable homes** over the next decade, and generate \$48.5 billion in wages and business income, \$19.1 billion in additional tax revenue, and 510,000 jobs.

### Key provisions reintroduced in the AHCIA of 2019:

- Increase Housing Credit allocations by 50 percent over current levels, phased in over five years, to help meet the vast and growing need for affordable housing.
- Enact a minimum 4 percent rate to parallel the minimum 9 percent rate already enacted, providing predictability to the marketplace and substantially increasing production by making more developments financially feasible.
- Enable the Housing Credit to better serve hard-to-reach communities including rural, Native American, high-poverty, and high-cost communities, as well as extremely low-income tenants.
- Make the Housing Credit a more effective tool for preserving the nation’s existing affordable housing inventory by simplifying and aligning rules.

### New provisions in the AHCIA of 2019 that will strengthen the Housing Credit:

- Make Housing Credit properties in rural areas eligible for additional credits if needed for financial feasibility.
- Clarify that the Housing Credit and Housing Bonds can be used to develop properties specifically for veterans and other special populations.
- Better align the Housing Credit with Violence Against Women Act protections.
- Ensure cost reasonableness is considered when awarding Housing Credits.
- Enable states to maximize Private Activity Bond affordable housing resources by recycling Multifamily Housing Bonds that are used in conjunction with Housing Credits.

### The Low-Income Housing Tax Credit:

#### Building and preserving affordable housing

Since 1986, the Low-Income Housing Tax Credit (Housing Credit) has financed more than three million homes for low-income households, including veterans, senior citizens, individuals with disabilities, and families with children. Virtually no new affordable housing can be constructed without the Housing Credit. Through public-private partnerships, the Housing Credit offers a proven track record of financing safe, decent affordable homes in communities where they are needed most.

#### To co-sponsor the Affordable Housing Credit Improvement Act or for more information, contact:

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