

Congress of the United States

Washington, DC 20515

December 15, 2023

The Honorable Mike Johnson
Speaker
U.S. House of Representatives
H-232, U.S. Capitol

The Honorable Hakeem Jeffries
Minority Leader
U.S. House of Representatives
H-204, U.S. Capitol

Dear Speaker Johnson and Leader Jeffries,

Throughout its 37-year history of bipartisan support, the Low-Income Housing Tax Credit (Housing Credit) has financed the production of over 3.7 million homes nationwide. It is responsible for virtually all affordable housing produced since its inception. This finances homes for people in need like veterans, seniors, and working families. Unfortunately, our nation remains in a deepening affordable housing crisis and the time to expand and improve the Housing Credit is now.

That is why we must act now to advance provisions from our bill, the Affordable Housing Tax Credit Improvement Act (H.R. 3238/ AHCIA). If two key provisions from the AHCIA are enacted, we can finance 1.5 million more affordable homes in communities coast to coast suffering from a chronic lack of affordable housing. Inclusion of these proposals in any emerging tax vehicle is essential to address America's housing crisis head-on. There is not a single community in the U.S, that is unaffected by this urgent need, and the significant support for our bill shows that – **200 cosponsors in the House**, equally divided between Republicans and Democrats.

Our nation had an affordable housing supply crisis before the overwhelming pressure of inflation, rising interest rates, and supply chain issues exacerbated it even more. Nationwide, we are over 3.8 million homes short of meeting the general housing needs of Americans, and 7 million homes short of housing for extremely low-income renters. The Housing Credit is an indispensable part of the solution because it is our nation's primary tool to finance affordable housing production in rural, suburban, and urban areas. Skyrocketing rents and persistent underdevelopment of affordable housing are a major issue for economic growth and job creation. Local economies are facing a vicious cycle in which workers cannot find housing and employers struggle to find workers. More Housing Credit resources means more housing for the working people who are essential to a thriving community and growing economy—including in the education, healthcare, hospitality, and retail sectors.

We must address this crisis directly and immediately by increasing Housing Credit resources. Therefore, we must enact provisions from the AHCIA that will do just that by:

- **Reversing a 12.5 percent cut to the Housing Credit.** Though the Housing Credit allocation was increased by this amount with bipartisan support in 2018, the increase expired at the end of 2021, meaning we now produce *less* affordable housing at a time when it is needed more than ever.
- **Lowering the “50 percent test” bond financing threshold to access Housing Credit equity.** This arbitrary threshold creates a barrier to affordable housing production, especially for the growing number of states that fully utilize their private activity bond cap.

The AHCIA also includes other important provisions such as additional state allocation and “basis boosts” to make more developments feasible for particular communities, including rural, tribal, and other difficult development areas, plus properties that specifically serve extremely low-income populations like homeless veterans. All of these provisions of the AHCIA will help directly increase the supply of affordable housing.

Because the Housing Credit is vastly oversubscribed and the need has never been greater, getting these critical provisions signed into law would have an immediate positive impact. Thousands of projects currently on the sidelines could begin development.

At a time of heightening division and negativity in our politics, this crisis transcends party because it affects everyone. With such a packed agenda for Congress heading into early 2024, we must act now before America’s affordable housing crisis gets any worse.

We urge inclusion of these essential provisions of the AHCIA in any tax vehicle that emerges. Thank you in advance for your support.

Sincerely,



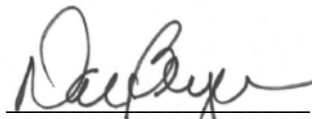
Darin LaHood
Member of Congress



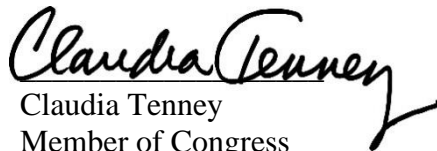
Suzan DelBene
Member of Congress



Brad R. Wenstrup, D.P.M.
Member of Congress



Donald S. Beyer Jr.
Member of Congress



Claudia Tenney
Member of Congress



Jimmy Panetta
Member of Congress