



Clinton to Propose LIHC Increase in FY 1999 Budget Blueprint

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President Clinton has pledged to boost the Low-Income Housing Tax Credit (LIHC) program by \$1.6 billion over five years. The president officially announced the plan in this State of the Union Address Jan. 27. The increased investment would allow states to up the credits they allocate to developers from the current \$1.25 per capita to \$1.75 per capita, mirroring bipartisan congressional legislation introduced last year. But unlike H.R. 2990, shepherded by Reps. John Ensign (R-Nev.) and Charles Rangel (D-N.Y.), and S. 1252, carried by Sens. Alfonse D'Amato (R-N.Y.) and Bob Graham (D-Fla.), the Clinton plan does not contain provisions to index the tax credit for inflation starting in 1999. Despite strong opposition voiced by Treasury Department analysts, affordable housing advocates will continue to push for inclusion of this provision.

In a Jan. 13 speech in Chicago, Vice President Al Gore first indicated that the president's new fiscal year 1999 federal budget will include a proposed 40% expansion of the LIHC. "We are proposing an increase of 40% for the housing credit-a program which has not only produced needed housing, but has harnessed the energies of the private sector in the service of community revitalization in a manner never seen before," Gore said. Bolstering the tax credit program will allow the development of 36,000 additional units a year, or 150,000 to 180,000 more units over the next five years. The president plans to send his FY 1999 budget to Congress Feb. 2. ♦

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