



# H.R. 3995 An Important Step in Affordable Housing Production

By Michael J. Novogradac, CPA

The House Financial Services Committee on July 10 by voice vote approved H.R. 3995, The Housing Affordability for America Act. Introduced earlier this year by Rep. Marge Roukema (R-N.J.), chairwoman of the subcommittee on housing and community opportunity, the bill targets the approximately 5 million low-income families who face "worst case" housing needs by providing new rental and home ownership opportunities.

"Homeownership is more than just an equity investment; it's an investment in our local neighborhoods," said House Financial Services Committee chairman Rep. Michael G. Oxley (R-Ohio). Oxley, who co-sponsored the bill, also noted the role of housing in today's economy. "This bill provides another form of needed economic stimulus," he added. H.R. 3995 creates a new block grant within the HOME Program. Funding is aimed at families earning less than 50 percent and 30 percent of area median incomes, with at least half of the funding dedicated to extremely low-income families. In addition, the bill provides 5,000 project-based vouchers for sheltering these families in new or substantially rehabilitated housing.

Some other important aspects of the bill include: rehabilitating and preserving existing elderly housing, and converting elderly public housing to assisted living facilities; providing public housing authorities with the flexibility to custom-fit programs to address specific housing concerns in their communities; requiring some government agencies to disclose any impact that proposals for new regulations would have on housing affordability; and making available grants for temporary and permanent housing and support services for homeless people.

The committee also adopted several amendments to the bill, including one offered by Reps. James Maloney (D-Conn.) and Mike Rogers (R-Mich.) preserving the availability of affordable housing for seniors for development projects that go into foreclosure, including giving preference to qualified not-for-profits to buy such projects.

In its response to H.R. 3995's committee approval, the National Affordable Housing Management Association (NAHMA) called for, among other things, the new housing production program to ensure access to capital for not-for-profit and for-profit entities with the capacity to develop and maintain affordable housing over the long term and for any new production program to locate new units in mixed-income and mixed-finance developments. The affordable housing industry can only echo NAHMA's sentiment that "the Housing Affordability Act represents a positive and important advancement toward the goals of producing new affordable housing units and preserving the existing stock." For a related story on the single-family homeownership issue, see page one. For a copy of the legislation, please visit [www.taxcredithousing.com](http://www.taxcredithousing.com). ♦

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