



October 30, 2017

The Honorable Orrin G. Hatch
Chairman
Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Kevin P. Brady
Chairman
Committee on Ways and Means
1102 Longworth House Office Building
Washington, DC 20515

The Honorable Ronald L. Wyden
Ranking Member
Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Richard E. Neal
Ranking Member
Committee on Ways and Means
1102 Longworth House Office Building
Washington, DC 20515

RE: The ACTION Campaign Encourages the Inclusion of the Affordable Housing Credit Improvement Act of 2017 in any Upcoming Disaster Relief Legislation

Chairman Hatch, Chairman Brady, Ranking Member Wyden, and Ranking Member Neal,

The undersigned businesses and organizations, representing over 2,100 national, state, and local affordable housing stakeholders as part of the A Call To Invest in Our Neighborhoods (ACTION) Campaign are writing to urge Congress to include the Affordable Housing Credit Improvement Act of 2017 (Housing Credit Improvement Act), S. 548 and H.R. 1661, in tax reform legislation or any legislation that responds to the recent hurricanes and other natural disasters that may be considered by your respective committees.

Senator Maria Cantwell (D-WA) and Finance Committee Chairman Orrin Hatch (R-UT) introduced S. 548, which is co-sponsored on a bi-partisan basis by 21 other senators. Representative Pat Tiberi (R-OH) and Ways and Means Ranking Member Richard Neal (D-MA) introduced H.R. 1661, which also has wide bipartisan support, with 115 additional members of the House joining as cosponsors.

These bills would further strengthen the Low Income Housing Tax Credit (Housing Credit), the nation's most successful tool for encouraging private investment in the production and preservation of affordable rental housing. Coupled with tax-exempt private activity multifamily Housing Bonds, the Housing Credit is responsible for nearly all of the affordable housing built and preserved in recent decades. It has financed over 3 million apartments since its creation in 1986, which have provided approximately 7 million low-income families, seniors, veterans, and

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people with disabilities homes they can afford over the last 30 years. With one noteworthy exception, the bills are identical. Specifically, the Senate bill would increase the amount of Housing Credits by 50 percent over a five-year period. This provision, which we strongly support, helps address our nation's significant affordable housing shortage, and we urge the Congress to include that increase in any forthcoming tax legislation along with the other provisions of the Housing Credit Improvement Act.

We strongly encourage Congress to include the Housing Credit Improvement Act in any upcoming tax reform legislation. However, we are mindful that the Congress may also consider in the near future legislation intended to provide assistance to the victims of the recent natural disasters. If disaster relief legislation includes a tax title, we ask that such legislation include the Housing Credit Improvement Act (including the 50 percent cap increase contained in the Senate counterpart).

The Housing Credit not only has been successful in producing quality affordable housing all over the country, but it also has played a very pivotal, successful, and significant role in providing critically needed housing in connection with prior natural disasters, including Hurricane Katrina. Congress may again determine to make additional Housing Credit resources available in connection with disaster relief legislation, as it has in the past. In our view, it also would make great policy sense to include at the same time the provisions of the Housing Credit Improvement Act so that the program's increased effectiveness can be brought to bear in disaster areas and for affordable housing generally around the nation.

In addition to providing more Housing Credits for use in disaster and non-disaster areas, the Housing Credit Improvement Act contains several provisions that would directly assist areas that have suffered from natural disasters. For example, the bills would:

- Set a permanent minimum credit rate of 4 percent for tax-exempt bond-financed properties, thereby bringing to bear more equity for these properties. Tax-exempt multifamily Housing Bonds are especially important to the rehabilitation of existing properties and would be critical to disaster recovery efforts.
- Clarify and improve upon the manner by which casualty losses are treated under the Housing Credit.
- Allow "income averaging" so that households with higher incomes could qualify for Housing Credit properties as long as the average income qualification remains at 60 percent of area median, thereby allowing a greater mix of incomes in those properties.
- Permit a basis boost for units serving extremely low-income households, whose housing needs are the most acute, and are likely to be most impacted by natural disasters.

ACTION and its members stand ready to work with you and your colleagues in connection with the inclusion of the Housing Credit Improvement Act in upcoming tax reform legislation or in disaster relief legislation. Thank you for your consideration of our views.



Sincerely,

ACTION Campaign Co-Chairs:

- Enterprise Community Partners
- National Council of State Housing Agencies

Steering Committee Members:

- Affordable Housing Tax Credit Coalition
- Council for Affordable and Rural Housing
- Council of Large Public Housing Authorities
- CSH
- Housing Advisory Group
- Housing Partnership Network
- LeadingAge
- Local Initiatives Support Corporation/National Equity Fund
- Make Room
- National Association of Affordable Housing Lenders
- National Association of Homebuilders
- National Association of Housing and Redevelopment Officials
- National Association of Realtors
- National Association of State and Local Equity Funds
- National Housing and Rehabilitation Association
- National Housing Conference
- National Housing Trust
- National Low Income Housing Coalition
- National Multifamily Housing Council
- Stewards of Affordable Housing for the Future
- Volunteers of America