

NAHB Commends Sen. Wyden's New Middle-Income Housing Tax Credit

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NAHB today commended Sen. Ron Wyden (D-Ore.) for introducing the Middle-Income Housing Tax Credit Act of 2016. The legislation builds on the successful Low-Income Housing Tax Credit by creating a new tax credit to spur the development of rental homes affordable to Americans with moderate incomes.

The new Middle-Income Housing Tax Credit (MIHTC) would allocate funds to states based on population. State housing authorities would then follow a competitive process to allocate the tax credits to developers for new construction or rehabilitation projects.

"Sen. Wyden's plan would help spur the production of much-needed affordable rental housing for working American families," said NAHB Chairman Ed Brady. "The new MIHTC would serve as a great complement to the Low-Income Housing Tax Credit, which represents the best of public-private partnerships and is the most successful tool for financing affordable housing."

Under Wyden's bill, rents in MIHTC properties must not exceed 30% of Area Median Gross Income (AMGI). While the Low-Income Housing Tax Credit caps the incomes of those in qualifying projects at 60% of AMGI, the MIHTC would allow households with incomes that fall between 60% and 100% of the AMGI.

In many urban areas, hard-working families struggle to find affordable housing. In a press statement, Wyden said a family of four earning between 60% and 100% of AMGI in Portland, Ore. would earn between \$44,000 and \$73,000. HUD provides multifamily tax subsidy and income limit documentation to compute AMGI figures for other areas of the country.

Many renters live in apartments that were built decades ago and are in need of updating.

"Sen. Wyden's bill would help to revitalize this existing rental housing stock and to keep housing affordable and available for moderate-income households," said Brady. "We urge the Senate to act quickly to advance this important housing bill."

Download a one-page summary of the legislative proposal, a longer, section-by-section summary and legislative text.

For additional information, contact J.P. Delmore at 800-368-5242 x8412.

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