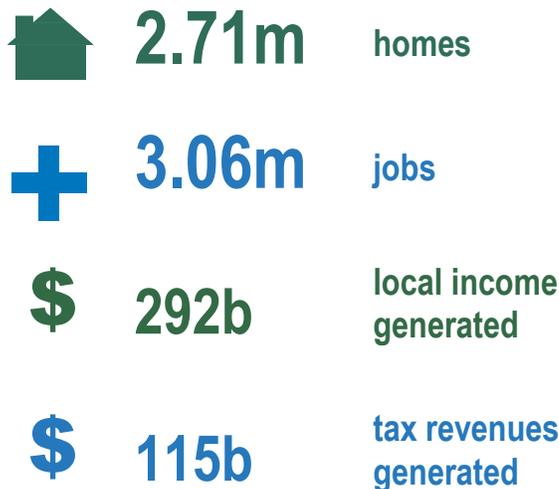


# LOW-INCOME HOUSING TAX CREDIT IMPACTS IN THE UNITED STATES



## THE NATION'S MOST SUCCESSFUL AFFORDABLE HOUSING PRODUCTION TOOL

Since its creation in 1986, the Housing Credit has helped produce or preserve 90,000 to 95,000 affordable apartments each year for America's hardworking families, veterans, people with special needs, seniors, teachers, nurses, firefighters and police. Overall, it has provided the financing for the development or rehabilitation of 2.71 million homes in the United States between 1987 and 2012, according to the National Council of State Housing Agencies' 2012 Factbook.

## A CATALYST FOR PRIVATE INVESTMENT

Over its history, the Housing Credit has leveraged nearly \$100 billion in equity capital. Housing Credit development also generates \$9.1 billion in local income and \$3.5 billion in federal, state and local tax revenues nationwide each year.

In the United States, Housing Credit investment has led to a return of \$292 billion in local income and generated \$115 billion in tax revenues, according to estimates from NAHB.

## UNIQUELY ACCOUNTABLE

The Housing Credit is "pay-for-performance" – investors can claim credits only after properties are built and occupied by income-eligible residents at affordable rents. If properties fall out of compliance, credits can be recaptured, meaning private sector investors – not taxpayers – bear the financial risk. This private sector oversight has resulted in an extraordinarily low foreclosure rate of only 0.62 percent over the Housing Credit's history.

## A PROVEN JOB CREATOR

Every 1,000 affordable apartments developed using the Housing Credit supports 1,130 jobs for a year according to an economic impact model from the National Association of Home Builders (NAHB). This amounts to nearly 96,000 jobs supported by the Housing Credit annually, mostly in small businesses. In the United States, Housing Credit development has supported a total of 3.06 million jobs.

## RUN BY STATES, VERSATILE IN SERVING LOCAL NEEDS

States administer the Housing Credit, which reduces federal costs substantially. They are also able to target Housing Credits towards target specific, local needs, such as housing for homeless veterans or people with disabilities, in urban, suburban and rural neighborhoods.

# AFFORDABLE RENTAL HOUSING A.C.T.I.O.N.

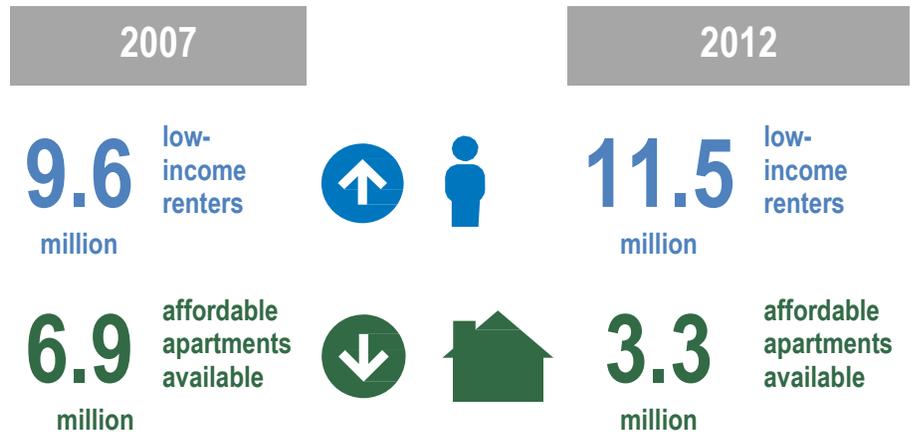
A Call To Invest in Our Neighborhoods

## AMERICA IS IN THE MIDST OF AN AFFORDABLE HOUSING CRISIS

The need for quality affordable housing has never been more critical. In 2012, there were 11.5 million extremely low-income renters and only 3.3 million affordable apartments available to them, leaving a gap of 8.2 million affordable homes nationwide.

More than 4 out of 5 people with incomes below \$15,000 pay more than 30% of their income on housing, and two-thirds pay more than 50%, leaving too little for food, health care and other necessary expenses.

## THE GROWING AFFORDABLE HOUSING SUPPLY GAP



(Source: Harvard, Joint Center for Housing Studies)

## THE HOUSING CREDIT IS THE ONLY SIGNIFICANT SOURCE OF NEW AFFORDABLE HOUSING AND THE MOST EFFECTIVE TOOL TO HELP MEET OUR NATION'S HOUSING NEEDS.

Without the Housing Credit, it is fundamentally uneconomic to develop homes that are affordable to low-income families. According to Harvard's Joint Center for Housing Studies, to develop new apartments affordable to people working full-time and earning the minimum wage without a subsidy, construction costs would have to be reduced by 72 percent of the current construction cost average.

## THE ACTION CAMPAIGN CALLS ON CONGRESS TO PROTECT AND STRENGTHEN THE HOUSING CREDIT

### PROTECTING THE HOUSING CREDIT IN TAX REFORM

As Congress considers tax reform proposals that would lower tax rates by eliminating tax expenditures, it is important to recognize the Housing Credit's proven track record and critical role as our nation's primary affordable housing production tool. Congress should preserve the Housing Credit in any tax reform legislation that it considers.

### ESTABLISHING PERMANENT MINIMUM HOUSING CREDIT RATES

Minimum Housing Credit rates help reduce affordable housing finance gaps and eliminate uncertainty and complexity at virtually no cost to the government. Minimum Housing Credit rates of 9 percent for new construction and substantial rehabilitation and 4 percent for the acquisition of affordable housing should be made permanent.