

NAHB Resolution

Title: Improving the Low-Income Housing Tax Credit Program for the Production of New Affordable Housing
Original Sponsor: NAHB Multifamily Housing Credit Group

WHEREAS, according to the Center for Housing Policy of the National Housing Conference, as of 2001, there were 14.4 million families in the United States with critical housing needs, which is defined as those paying more than half of their household income for housing and/or living in substandard conditions; and

WHEREAS, the Low-Income Housing Tax Credit (LIHTC), the most important program for producing new affordable housing to address this need, has produced over one million new units of affordable housing since its creation in 1986; and

WHEREAS, some provisions of the LIHTC statute are now obsolete or impose investment uncertainty, unnecessary financial risk and burdensome administrative responsibilities; and

WHEREAS, there are improvements that can be made to protect and enhance the efficiency and effectiveness of the LIHTC program in producing new affordable housing;

NOW, THEREFORE, BE IT RESOLVED that the National Association of Home Builders urge the Congress to make the following program improvements to the Low-Income Housing Tax Credit statute that would eliminate obsolete and burdensome requirements and financial risk, and enhance the ability of the program to better meet the nation's affordable housing needs:

- Fix tax credit percentages at 4% and 9% instead of the current floating percentages pegged to interest rates.
- Make the 10% carry-forward requirement incontestable once a building has been placed in service.
- Allow separate ownership of housing credit units and market-rate units in mixed-income properties.
- For projects financed with tax-exempt bonds, conform the next-available unit rule to the LIHTC rules instead of the tax-exempt bond rules.

Board of Directors Action:

Joint Executive/Resolutions Committee Action:

Resolutions Committee Action:

Multifamily Board of Trustees Action:

Federal Government Affairs Committee Action:

Housing Finance Committee Action:

Multifamily Finance Subcommittee Action:

Taxation Subcommittee Action:

Housing Credit Group Action:

Approved

Recommends Approval

Recommends Approval

Recommends Approval

Recommends Approval

Recommends Approval

Recommends Approval

Recommends Approval

Recommends Approval