



Statement of the A Call To Invest in Our Neighborhoods (ACTION) Campaign

In Response to the House Financial Services Committee Hearing on “Housing in America: Assessing the Infrastructure Needs of America’s Housing Stock”

April 30, 2019

The A Call To Invest in Our Neighborhoods (ACTION) Campaign is a national coalition representing over 2,200 national, state, and local organizations and businesses advocating to expand and strengthen the Low Income Housing Tax Credit (Housing Credit). We thank Chairwoman Maxine Waters and the Committee for holding this important hearing highlighting our nation’s housing infrastructure needs, and we appreciate the opportunity to provide our perspective on the important role the Housing Credit plays in combating the affordable housing infrastructure deficit our nation currently faces.

Simply put, safe, decent, and affordable housing is a vital part of our nation’s infrastructure. The “bricks and sticks” our nation desperately needs are more than bridges and roads, water and sewer, broadband and the electric grid. Those roads, sewer lines, and cables connect not only to the places where we work, but also to the places where we live. And for many low-income families, the places where they live are crumbling, just like many roads and bridges.

Nearly 11 million households pay more than half their income for rent, and for every 100 extremely low-income families looking for an available, affordable apartment, only 37 such rental homes exist.¹ High housing costs constrain opportunities for families to increase earnings, causing slower GDP growth. The lack of safe and accessible affordable housing in major metropolitan areas is costing Americans approximately \$1.6 trillion a year in lower wages and lost productivity.² The lack of affordable housing prevents lower income households from moving to communities with more economic opportunities and makes it difficult for businesses to attract and retain the workers they need.

The Housing Credit is our nation’s most successful tool for encouraging private investment in the production and preservation of affordable rental housing. Since its creation in 1986, it has financed over 3 million affordable apartments, providing homes to roughly 7.2 million low-income households, while transferring risk from the government to the private sector.

In the last Congress, over 40 percent of House members cosponsored the Affordable Housing Credit Improvement Act (H.R. 1661), which would have increased Housing Credit production and strengthened the Credit programmatically. That support was nearly evenly split between Democrats and Republicans and included 46 percent of the Financial Services Committee. The bill generated substantial momentum, which resulted in enactment of a more limited cap increase and one of the bill’s programmatic provisions. Representative Suzan DelBene (D-WA) will soon reintroduce this important legislation.

We expect this legislation will include a “minimum 4 percent rate” for Housing Bond-financed Housing Credit developments, which will allow us to further increase the supply of affordable housing. It will also make other important changes to further strengthen this already successful program, by fortifying state

¹ The National Low Income Housing Coalition, *The Gap: A Shortage of Affordable Homes*, 2019. Available at: https://reports.nlihc.org/sites/default/files/gap/Gap-Report_2019.pdf

² Hsieh and Moretti, *Housing Constraints and Spatial Misallocation*, Updated 2018



oversight capacity, easing preservation efforts, and facilitating development in hard-to-reach populations, such as extremely low-income tenants, and challenging markets, such as rural areas.

This year's House version of the Affordable Housing Credit Improvement Act may go even farther than the bill introduced in the previous Congress, as the Senate bipartisan bill has previously included, to increase affordable housing production by including a significant expansion of Housing Credit resources.

Affordable housing is a critical part of a country's infrastructure, as much as roads and public utilities. We strongly urge you to ensure that any infrastructure bill Congress considers includes significant investment in affordable housing and includes the proposals that will be contained in the Affordable Housing Credit Improvement Act upon its reintroduction.

An investment in affordable housing infrastructure is a direct investment in America and its families.

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For a full list of ACTION Campaign members, visit www.rentalhousingaction.org.