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Colin Dunn

202/974-2370

cpdunn@nmhc.org

Broad Housing Coalition Statement on Purported “Rent Control” on Low-Income Housing Tax Credit Communities

WASHINGTON, D.C. — Today, the U.S. Department of Housing and Urban Development (HUD) issued its annual income determination for Low-Income Housing Tax Credit (LIHTC) communities, which changes the calculation in ways that may make it more difficult for some residents and investors to participate in the program. The income determination changes the methodology for calculating year-over-year increases in income limits for LIHTC and other HUD programs.

Unfortunately, the methodology changes announced today pick winners and losers among individuals receiving federal rental assistance. While the changes may result in potentially smaller rent increases for some tenants, it will also mean fewer tenants will qualify for LIHTC-funded and other federally-supported housing. Assistance programs such as Social Security include inflation in their annual cost of living adjustments, which means seniors may be especially at risk to lose eligibility for federal rental assistance in years when Social Security inflation adjustments exceed the new cap on income.

LIHTC is critical to the development of future affordable housing that our nation right now so desperately needs. We remain deeply concerned that any changes that limit LIHTC’s effectiveness at the very time we are facing an affordable housing crisis could undermine the nation’s most successful program to create affordable housing. At this time of heightened political partisanship, it is a program that has enjoyed strong bipartisan support for decades. We strongly urge HUD to consider the impacts of this change that could limit the number of people served by the program and be a deterrent to more affordable housing production.

While the change in the income limit calculation is not rent regulation in the traditional sense, it has the effect of limiting the ability of LIHTC housing providers to recover costs through rent in a high-cost environment – which many see as a distinction without a difference. [Decades of research](#) proves rent caps create economic and racial inequality in communities, limit the supply of affordable housing and exacerbate the very problem it purports to solve by causing rents to

increase. Rent control is specifically illegal in 33 states and was recently rejected in Washington, Florida, Ohio, Idaho and Montana. Some pro-rent control advocates appear willing to call anything rent control simply to falsely proclaim that the policy is gaining support.

Our organizations and their respective members are committed to working with HUD and the administration on addressing the nation's pressing housing needs. As described in more detail in our [comments](#) provided to HUD on February 8, 2024, we believe the methodological changes that HUD has proposed will further limit the households who are eligible for the program and create additional uncertainty that could make it less effective for investors, thereby negatively impacting low income renters.

Looking ahead, we urge HUD and the Biden administration to support and embrace policies that expand housing supply and opportunity such as some of those included in the administration's [Housing Supply Action Plan](#). There is broad, bipartisan agreement that the only real way to lower housing costs is to increase housing supply in communities throughout the nation.

Letter signatories include:

CCIM Institute	National Apartment Association
Council for Affordable and Rural Housing	National Association of Home Builders
Institute of Real Estate Management	National Association of REALTORS®
Manufactured Housing Institute	National Leased Housing Association
Mortgage Bankers Association	National Multifamily Housing Council

Based in Washington, D.C., the National Multifamily Housing Council (NMHC) is where rental housers and suppliers come together to help meet America's housing needs by creating inclusive and resilient communities where people build their lives. We bring together the owners, managers, developers and suppliers who provide rental homes for 40 million Americans from every walk of life—including seniors, teachers, firefighters, healthcare workers, families with children and many others. NMHC provides a forum for leadership and advocacy that promotes thriving rental housing communities for all. For more information, contact NMHC at 202/974-2300, e-mail the Council at info@nmhc.org, or visit NMHC's website at nmhc.org.

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