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Enacting a Phased-in 50 Percent LIHTC Allocation Increase Could Create More Than 384,000 Affordable Rental Homes.

One of the most important provisions of the [Affordable Housing Credit Improvement Act \(AHCIA\) of 2019](#) is the proposal to increase 9 percent allocations. This provision is justified by the tremendous unmet need for more affordable rental housing production. More than 11 million renter households pay more than 50 percent of their income on rent, according to Harvard's Joint Center on Housing Studies. This dramatically affects these households' ability to pay for other necessary expenses, such as transportation, health care, nutritious food, education, among others. The United States has a shortage of more than 7 million rental homes that are affordable and available to extremely low-income households, [according to the National Low Income Housing Coalition](#).

The [temporary 12.5 percent allocation increase](#) was an important first step, bringing back approximately 28,000 more affordable rental homes over 10 years. But the temporary increase did not fully restore lost production from tax reform, nor did it increase production to significantly help close the gap in unmet need for affordable rental housing.

To that end, section 101 of AHCIA would increase the LIHTC by 50 percent from the post fiscal year 2018 omnibus appropriations baseline phased in from 2020 through 2024. Using recent data from the National Council of State Housing Agencies (NCSHA), Novogradac estimates this provision would create more than 384,000 additional affordable rental homes from 2020 through 2029.

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