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House Tax Reform Plan Threatens Affordable Housing in Washington

SEATTLE: A key financial tool for building affordable housing would be eliminated if the House Republicans' tax-reform plan, released yesterday, becomes law.

Without private-activity bonds, 2,088 affordable apartments currently planned by developers across the state would not be built in the next two years.

"We are gravely concerned because these developments would allow more than 4,000 people in Washington move into decent, affordable housing that is so desperately needed in our state," said Karen Miller, chair of the Washington State Housing Finance Commission.

The 2,088 apartments are part of applications received last week by the Housing Finance Commission for approximately \$295 million in tax-exempt multifamily private-activity bonds. For-profit and non-profit housing developers have applied to build 12 properties in Snohomish, King, Clark, Pierce, Whitman and Spokane counties, reaching almost every corner of the state.

"By eliminating our ability to issue these tax-exempt private-activity bonds, the House Tax Reform proposal would prevent 2,088 families earning less than 60% of median income in their area from renting housing they could afford," reported Kim Herman, executive director of the Housing Finance Commission.

"This would include eliminating affordable housing for 190 large households, 1,014 elderly households and 307 persons with disabilities."

The proposed developments are planned for such diverse communities as Everett, Arlington, Seatac, Snoqualmie, Seattle, Tukwila, Vancouver, Lakewood, Pullman and the City of Spokane Valley.

"Not only are these affordable apartments threatened, the jobs and economic investment that would have taken place in each of these cities may not happen if the house tax reform proposal becomes law in its current form," said Herman.

Private-activity bonds have supported the production of more than 76,000 affordable apartments across the state—as well as more than 46,000 home loans for first-time homebuyers. This represents more than \$7.7 billion invested in housing since 1983.

The Washington State Housing Finance Commission was created in 1983 to issue tax-exempt private-activity bonds to finance affordable apartments and the purchase of single family homes by first-time homebuyers across the state.

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The [Washington State Housing Finance Commission](http://www.wshfc.org) is a publicly accountable, self-supporting team that brings private investment dollars to benefit families and achieve public goals throughout Washington. Over 33 years, the Commission has created and preserved affordable homes for more than 334,000 people across the state, while contributing more than \$42.5 billion and 240,000 jobs to the economy.



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