



HOUSING
DEVELOPMENT
consortium

November 13, 2017

Representative Dave Reichert
1127 Longworth HOB
Washington DC 20515

RE: Statement of Concern from HDC regarding House GOP's Tax Plan

Dear Representative Reichert;

The Housing Development Consortium of Seattle-King County (HDC) and our members **want to ensure you're aware of the devastating impact the House GOP's Tax Cuts and Jobs Act, currently under consideration by the House Ways and Means Committee, would have on affordable housing.**

HDC is a nonprofit membership organization representing over 150 private businesses, nonprofit agencies, and public partners who are dedicated to the vision that all people should live in a safe, healthy, and affordable home in a community of opportunity. We work each day to meet King County's affordable housing need. The Tax Cuts and Jobs Act would drastically impede these efforts.

While the bill retains the LIHTC, it would slash production under the program by eliminating the tax exemption on private activity multifamily Housing Bonds. The multifamily Housing Bond program is an integral part of the Housing Credit program because the use of tax-exempt multifamily Housing Bonds triggers the so-called 4 percent Credit. Without the bonds, there would be no 4 percent Credit program. According to recent estimates, **the elimination of multifamily bonds would lead to a loss of between 788,000 to 881,000 units over the next 10 years nationwide.** This is more than half the anticipated production of the program.

The bill would also significantly impact affordable housing production under the Housing Credit because it does not make any adjustments to the program to insulate it from the reduction in the corporate rate, which would impact the price investors are willing to pay for Housing Credits. **The lower corporate rate would reduce production by an additional 85,600 to 93,900 units over the next 10 years nationwide.**

HDC's Affordable Housing Members:

Low-income Housing Organizations
Community Development Corporations
Special Needs Housing Organizations
Public Housing Authorities
Community Action Agencies
Workforce Housing Organizations
Public Development Authorities
Government Agencies and Commissions
Architects and Designers
Development Specialists
Certified Public Accountants
Regional Funders and Lenders
National Funders and Lenders
Community Investment Specialists
Property Managers
Law Firms
Contractors

Affording Opportunity

1402 Third Avenue, Suite 1230 Seattle, Washington 98101

206.682.9541 Fax 206.623.4669 www.housingconsortium.org

The attached fact sheets have additional information on the benefits of the LIHTC in Washington and District 8.

Taken together, these changes would reduce the future supply of affordable rental housing by nearly one million homes over the next ten years, and the impact in Washington would be devastating. **The Washington State Housing Finance Commission estimates that without private activity bonds, 2,088 affordable homes planned to be developed in the next two years would not be built.**

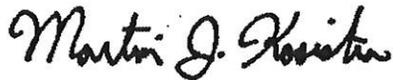
As the House Ways and Means Committee continues its mark-up, we ask that you contact Ways and Means Chairman Kevin Brady and urge him to:

- Preserve the tax exemption on private activity bonds, and
- Make adjustments to offset the impact of a lower corporate rate on Housing Credit investment.

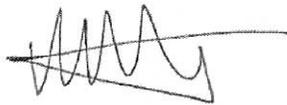
Your efforts will help ensure that Washington continues to receive the valuable investment that the Housing Credit provides. Please do not hesitate to reach out with questions.

We believe everyone deserves to live in a safe, healthy, and affordable home and programs that facilitate affordable development should be empowered, not slashed. Please consider us a resource as you work to communicate this message to your peers in Congress.

Best regards,



Marty Kooistra
Executive Director



Kylie Rolf
Government Relations & Policy Director

Cosigning HDC Members:

A.R.C. Architects
All Home
Ally Community Development
Baylis Architects
BRIDGE Housing
Beacon Development Group
Bellwether Housing
Capitol Hill Housing
Catholic Housing Services
Community Frameworks
Compass Housing Alliance
DASH Downtown Action to Save Housing
DESC Downtown Emergency Service Center
El Centro de la Raza
Enterprise Community Investment
Habitat for Humanity Seattle-King County
HomeSight
Homestead Community Land Trust
Imagine Housing
Interlm Community Development Association
Mercy Housing NW
Nicholson Kovalchick Architects
Pacifica Law Group
Pioneer Human Services
Plymouth Housing Group
Renton Housing Authority
Rolluda Architects
Seattle Housing Authority
Shelter Resources, Inc.
SMR Architects
Tonkin Architecture
United Way of King County

THE LOW-INCOME HOUSING TAX CREDIT'S IMPACT IN WASHINGTON'S 8th DISTRICT

THE LOW-INCOME HOUSING TAX CREDIT'S BENEFITS FOR WASHINGTON'S 8th DISTRICT FAMILIES & THE ECONOMY 1986 - 2015



4,170

homes developed or preserved



4,712

jobs supported for one year



\$449 million

local income generated



\$177 million

tax revenue generated

Sources: HUD Low-Income Housing Tax Credit Database, National Association of Home Builders



The Housing Credit is a proven solution to help address the affordable housing crisis.

The Housing Credit is our nation's most successful tool for encouraging private investment in affordable rental housing. It has financed over 3 million apartments nationwide since 1986, providing roughly 7 million low-income families, seniors, veterans, and people with disabilities homes they can afford.

Without the Housing Credit, it would be financially infeasible for the private sector to build affordable homes for the families that need them most.

The ACTION Campaign calls on Congress to:

- **Protect** the Housing Credit in tax reform.
- **Preserve** multifamily Housing Bonds, which provide critical financing to roughly 40 percent of Housing Credit developments.
- **Expand** the Housing Credit to make a meaningful dent in our nation's severe shortage of affordable housing.
- **Strengthen** the Housing Credit by making it more streamlined and flexible.

THE NEED FOR AFFORDABLE HOUSING

Though the Housing Credit has had a tremendous impact in Washington, much more affordable housing is still needed to meet the growing demand.



In Washington,

234,712 households

pay more than half of their monthly income on rent, leaving too little for other expenses like health care, transportation and nutritious food.



And in Washington, a minimum wage worker has to work

92 hours per week

in order to afford a modest one-bedroom apartment.

Sources: 2015 American Community Survey, National Low Income Housing Coalition's Out of Reach 2015

The ACTION Campaign represents over 2,000 organizations and businesses working to address our nation's severe shortage of affordable rental housing by supporting the Low-Income Housing Tax Credit.

www.rentalhousingaction.org

AFFORDABLE RENTAL HOUSING
A.C.T.I.O.N.
A Call To Invest in Our Neighborhoods

THE LOW-INCOME HOUSING TAX CREDIT'S IMPACT IN WASHINGTON

THE LOW-INCOME HOUSING TAX CREDIT'S BENEFITS FOR WASHINGTON'S FAMILIES & THE ECONOMY

1986 - 2015



67,663

homes developed
or preserved



157,655

low-income households
provided affordable
homes



76,459

jobs supported
for one year



\$7.29

billion
local income
generated



\$2.87

billion
tax revenue
generated

Sources: National Council of State Housing Agencies 2015 Factbook, National Association of Home Builders



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