



## NEWS RELEASE

**For Immediate Release**

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### **NATIONAL COALITION URGES CONGRESS TO SUPPORT INVESTMENT IN AFFORDABLE RENTAL HOUSING *Investor Support for Tax Credits, Legislation Needed***

(Washington, D.C., September 9, 2009) – In its first joint effort, members of the Affordable Rental Housing A.C.T.I.O.N. (A Call To Invest in Our Neighborhoods) Campaign met with Capitol Hill staff members on September 3, to discuss industry consensus proposals included in a letter recently sent to urge Congress to enact proposed changes to the Low-Income Housing Tax Credit (LIHTC) in upcoming tax legislation. The industry consensus proposals—put forth by the broad cross section of stakeholders in the field of affordable rental housing and LIHTC investment—would stimulate affordable rental housing production while creating and saving tens of thousands of jobs.

The A.C.T.I.O.N. Campaign is a grassroots effort focused on stimulating investment in affordable rental housing led by a national coalition of cross-industry organizations—a full list of sponsors and the letter can be found on the Campaign website ([www.rentalhousingaction.org](http://www.rentalhousingaction.org)). The goal of the Campaign is to restore the amount of affordable rental housing built, rehabbed and preserved annually in communities across the country.

The LIHTC revolutionized affordable rental housing finance and has become the nation's largest and most effective affordable rental housing production program. Since 1986, it has helped finance more than two million units of affordable rental housing and until recently about 120,000 apartments annually. Investors have received a solid return on their investment for providing the capital to finance much-needed housing. But most importantly, it has given more than two million low-income families a safe, decent and affordable place to call home.

With the weakened economy and investors cutting back their demand for tax credits, however, as many as 60,000 fewer units will be constructed or preserved and up to 90,000 jobs could be lost annually. This comes at a time when the current foreclosure crisis is creating an even greater need for affordable rental housing.

The composition of LIHTC investors has changed over time from individuals in the earliest years of the program, to institutional investors across a range of industries and finally to the current investor base of large financial corporations. However, this narrowed investor base left the market for LIHTCs susceptible to the credit crunch affecting financial institutions beginning in 2008.

LIHTC investment levels fell dramatically from about \$9 billion in 2007 to approximately \$5.5 billion in 2008 due to the broader economy and its impact on financial institution investors.

Since most affordable rental housing development depends on capital raised from the LIHTC, many state-approved developments have been stalled or abandoned as a result.

The Campaign urges Congress to enact the consensus proposals to allow these developments to secure financing, reactivate affordable rental housing investment for the long term and bring back the LIHTC to its full potential to produce, rehab and preserve affordable rental housing nationwide.

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