Proposed Tax Credit Would Boost Investment in Affordable Homes

Community Impact Investment Tax Credit Act would increase supply of homes affordable to low-income residents and working families and help prevent displacement

At-Large Councilmember David Grosso has introduced the Community Impact Investment Tax Credit Act of 2017 to increase private investment in homes for low-income and working families, veterans, seniors and people with special needs. The bill provides a tax credit to individuals and organizations that partner with Community Development Financial Institutions (CDFIs) to make investments that preserve or create affordable homes in Washington, D.C. Councilmember Grosso was joined by Councilmembers Robert White, Elissa Silverman, Charles Allen and Anita Bonds to introduce the legislation on May 16.

If approved, the Act will create a $1 million tax credit pilot that will generate $3 million in private investment. The legislation is modeled on a successful program operating in South Carolina and draws on lessons outlined in an issue brief from Enterprise Community Partners. Published through the Accelerating Impact Investing Initiative, the brief details how government can utilize tax incentives to encourage community investing, and identified CDFIs as valuable financial intermediaries with a long track-record of successful affordable housing investments.

Enterprise Community Loan Fund is among a group of ten local CDFIs supporting the legislation and has recently engaged local residents, businesses, foundations, and others
to invest in affordable homes through Our Region, Your Investment – a joint initiative with the Washington Regional Association of Grantmakers.

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