

★ Expand Affordable Housing Production Resources ★

Low-Income Housing Tax Credit (LIHTC)

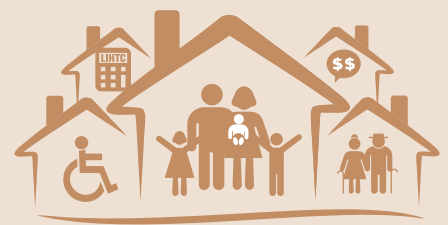
Congress created the LIHTC in 1986 to provide the private market with an incentive to invest in affordable rental housing. Today, the LIHTC is the largest source of capital supporting the nation's affordable housing inventory. In addition to producing new units of affordable housing, developers can also use the equity raised through the sale of tax credits to support modernization of existing units. Many public housing agencies have leveraged the value of the LIHTC to create and preserve affordable housing in their communities. NAHRO remains committed to working with our industry partners to preserve and strengthen the LIHTC program.

NAHRO's LIHTC Priorities:

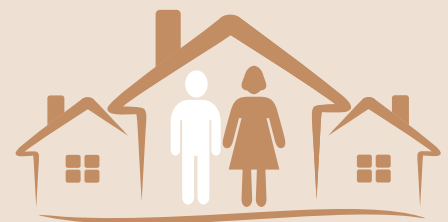
- NAHRO will advocate a permanent extension to the minimum 9 percent credit rate enacted under the Housing and Economic Recovery Act of 2008 while also creating a minimum 4 percent credit rate for allocated acquisition credits.
- Variability in the value of the LIHTC limits developers' ability to maximize the value of the credit. As originally constructed, the actual value of the tax credits was designed to float based on market interest rates. By renewing the fixed rate, Congress can provide certainty and stability to the program and make it easier to use.
- It is critical that extensions to the fixed rate are passed in a timely manner. Tax credit rates are locked in when the credits are allocated, so a retroactive law passed at the end of the year is unlikely to impact the majority of credit recipients.
- For FY 2016, the President's budget proposes allowing states to trade in 18 percent of their Private Activity Bond volume cap for additional credit allocation authority. NAHRO is deeply supportive of this effort to augment the availability of credits.



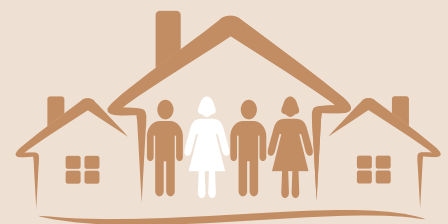
LIHTCs provide a critical source of equity for about 90% of new affordable housing developments.



LIHTCs have been used to develop 2.6 million affordable rental units for low-income families.



More than 1 in 2 renter households spend more than 30% of their income on rent.



More than 1 in 4 renter households spend more than 50% of their income on rent.

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Housing Trust Fund (HTF)

In recognition of the nation's affordable housing crisis, Congress created the Housing Trust Fund under the Housing and Economic Recovery Act of 2008. The HTF was intended to be a dedicated funding source, not subject to annual appropriations, to create and preserve affordable housing. It was not until January of 2015, however, that funding actually began to flow. The Federal Housing Finance Agency ordered Freddie Mac and Fannie Mae to begin setting aside funding for the HTF in anticipation of providing the first infusion of capital since the Fund's inception. HUD anticipates that the first distributions of funding will be made in Summer 2016.

NAHRO's HTF Priorities:

- NAHRO will seek to protect the HTF and ensure that funding distributions begin in a timely fashion.
 - While the Housing Trust Fund has the potential to make a significant contribution toward the expansion of the nation's affordable housing inventory, it has already been threatened by legislation seeking to cancel the contributions. NAHRO supports capitalization of this important funding source.
- NAHRO will ensure that PHAs have meaningful access to HTF resources to preserve and develop public housing.
 - In early 2015, NAHRO won a significant victory in the form of the Housing Trust Fund Interim Rule, in which NAHRO successfully argued for the inclusion of PHAs as eligible grantees. In addition, the rule allows HTF resources to be combined with the Rental Assistance Demonstration (RAD), Low-Income Housing Tax Credits and Choice Neighborhoods grants to develop and revitalize public housing.

Homeless Assistance Grants

In the past decade, the federal government has made ending homelessness a key priority. The Obama Administration has solidified this commitment by setting goals to end veterans' homelessness by 2015, chronic homelessness by 2017 and family homelessness by 2020.

- NAHRO supports full funding for HUD's homeless assistance programs and recognizes the need for program funding to keep pace with the rising costs associated with renewing expiring contracts.

