

Congress of the United States
Washington, DC 20515

April 20, 2020

The Honorable Nancy Pelosi
Speaker of the House
United States House of Representatives
Washington DC 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington DC 20510

The Honorable Kevin McCarthy
Minority Leader
United States House of Representatives
Washington DC 20515

The Honorable Charles Schumer
Minority Leader
United States Senate
Washington DC 20510

Dear Speaker Pelosi, Leader McConnell, Leader McCarthy, and Leader Schumer:

As you consider additional legislative priorities related to COVID-19, we respectfully urge you to support critical improvements to the Low-Income Housing Tax Credit (LIHTC) Program.

The LIHTC program, administered jointly by the Internal Revenue Service (IRS) and state tax credit allocating agencies, provides federal tax credits to developers in exchange for their investment in developing and preserving affordable rental housing. The Pennsylvania Housing Finance Agency, for instance, monitors more than 1,100 affordable housing communities receiving LIHTC. Across the country, LIHTC has led to the development and preservation of over 3 million affordable rental units.

As American families struggle to cover health care, utilities, and food costs during this health and economic crisis, access to safe, permanent housing is critical to prevent homelessness and poverty. Targeted public-private investments help provide desperately needed affordable housing for low-income families.

As you weigh additional federal assistance measures to address COVID-19, we strongly encourage you to include the following LIHTC changes:

Enact a minimum 4% credit rate used to finance acquisitions and Housing Bond-financed developments. LIHTC rates fluctuate in response to market interest movements. Tied to declining federal borrowing rates, the value of the 4% credit rate is closer to 3% – the lowest it has ever been. Fixing the 4% credit rate and increasing the certainty of the cash flows would decrease the cost of affordable housing development.

Enact a 50% basis boost for developments serving extremely low-income tenants. COVID-19 has stressed an already vulnerable housing situation for the lowest-income

Americans and underscored the need to direct federal resources towards communities and projects with the most need. Providing a 50% basis boost in qualified costs, increasing tax credits and investment equity for developments serving extremely low-income and homeless families, would make such projects much more financially feasible.

We commend your leadership during this crisis and appreciate your consideration of these improvements to LIHTC.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dwight Evans".

Dwight Evans
Member of Congress

A handwritten signature in blue ink, appearing to read "Brian Fitzpatrick".

Brian Fitzpatrick
Member of Congress

Mary Gay Scanlon
Member of Congress

Susan Wild
Member of Congress

Brendan F. Boyle
Member of Congress

Mike Doyle
Member of Congress

Madeleine Dean
Member of Congress

Lisa Blunt Rochester
Member of Congress

Conor Lamb
Member of Congress