

SENATE BILL WOULD INCREASE INVESTMENT IN AFFORDABLE HOUSING

By Phyllis Chamberlain; *The Inquirer Daily News*; philly.com; August 10, 2017 — 8:22 AM EDT

Did you know that every dollar of federal tax credits issued has been generating roughly 10 times the level of investment? When it comes to a housing program in Pennsylvania, thankfully, it's become a proven fact.

Each year, the Pennsylvania Housing Finance Agency (PHFA) distributes nearly \$30 million in Low-Income Housing Tax Credits (LIHTC). As a result, the credits have consistently led to almost \$300 million of new investment in housing, according to PHFA – enabling developers to create or rehabilitate more than 84,000 affordable places to live for more than 200,000 Pennsylvanians.

It's not just low-income Pennsylvanians who are experiencing the benefits. Despite the program's name, LIHTC serves those whose incomes are less than 60 percent of the area's median income. In reality, they're helping our friends, neighbors, and family members, as well as seniors, veterans, and those with disabilities who live in our communities.

Given the results, it may not be surprising that LIHTC has been hailed as one of the most effective housing programs in history. During a recent U.S. Senate hearing, a panel of experts delivered glowingly positive testimony about the success of state administrators like PHFA.

The ranking member of the Senate Finance Committee, Ron Wyden (D., Ore.), described the lack of affordable housing as a “five-alarm fire across the country.” Granger MacDonald, chairman of the National Association of Home Builders board of directors, summed up the response by saying, “The bottom line is if we want to increase the supply of affordable rental housing for lower-income households, it is financially impossible to do without the tax credit.”

Here in the Philadelphia region, we can see the evidence in our communities. In response to the growing need for affordable homes in Montgomery County, LIHTC enabled Derstine Run to open its doors in 2011 and expand in 2013. Today, its 240 one-bedroom apartments are allowing seniors to retire with dignity and peace of mind, regardless of their income level.

Just north of Temple University, 88 new affordable units at 2415 N. Broad St. will soon provide a roof over the heads of those battling homelessness. The local community will also benefit from nearly 2,500 square feet of new retail space. Again, thanks to LIHTC.

Due to success stories like these and so many others, competition for LIHTCs is intense. Two out of every three proposals are rejected each year, largely because of the limited resources available. But a bipartisan bill has a chance to further the program's impact.

Introduced by Sens. Maria Cantwell (D., Wash.) and Orrin Hatch (R., Utah), the Affordable Housing Credit Improvement Act of 2017 would double the amount of credits made available each year. In Pennsylvania, that means \$150 million more being invested in housing annually — allowing for the preservation or development of an estimated 1,000 affordable places to live.

Housing isn't a conservative or liberal issue; it's one that impacts all of our lives, in every corner of the commonwealth. That's why we're proud to see the Pennsylvania congressional delegation setting an example on this important issue. Republican Reps. Lou Barletta, Brian Fitzpatrick, Mike Kelly, and Pat Meehan, have joined with their Democratic colleagues, Bob Brady and Matthew Cartwright, as well as Sen. Bob Casey (D., Pa.), in a profound demonstration of support. We hope to see more come together.

The Cantwell-Hatch bill is a true sign of hope. Not only will it serve as proof that our legislators can rise above politics and work together for the benefit of our communities; it will also help thousands of Pennsylvanians have a safe, decent, and affordable place to call home.

Phyllis Chamberlain is the executive director of the Housing Alliance of Pennsylvania. Phyllis@housingalliancepa.org