



The Affordable Housing Credit Improvement Act

Broadly supported bipartisan legislation to strengthen and expand the Low-Income Housing Tax Credit

The bipartisan **Affordable Housing Credit Improvement Act (AHCIA)** is comprehensive legislation to expand and strengthen the Low-Income Housing Tax Credit (Housing Credit), our nation's most successful tool for encouraging private investment in the development and preservation of affordable housing. For nearly 40 years, the Housing Credit has been a model public-private partnership program, bringing to bear private-sector resources, market forces, and state-level administration.

The AHCIA has been introduced in the past five congresses, and each time has earned broad bipartisan support. In the 118th Congress, nearly 60 percent of Congress — including members from both parties in both chambers — cosponsored the legislation, including 61 percent of Senate Finance Committee members and 80 percent of the House Ways and Means Committee.

Over the years, Congress has enacted aspects of the AHCIA, but there is much more to do.



Key Provisions in the AHCIA of 2025 Expected Impact of the AHCIA

- **Increase Housing Credit allocations** by restoring the 12.5 percent cap increase that expired in 2021 and further increasing resources by 50 percent to help meet the vast and growing need for affordable housing.
- Allow states to **maximize affordable housing production** and preservation by lowering the threshold of Private Activity Bond financing — from 50 to 25 percent — required to trigger the maximum amount of 4 Percent Housing Credits available to individual properties.
- Enable the Housing Credit to **better serve hard-to-reach communities** including rural, Native American, high-poverty, and high-cost communities, as well as extremely low-income and formerly homeless tenants.
- Make the Housing Credit a more effective tool for **preserving the nation's existing affordable housing** inventory by simplifying and aligning rules.
- **Codify protections for veterans and victims of domestic and dating violence** by formally adopting within the tax code hard-sought IRS guidance and protections under the Violence Against Women Act.
- **Mitigate NIMBY opposition** by removing outdated requirements and leveling the playing field.
- **Streamline and simplify program rules** to align the Housing Credit with other affordable housing programs and remove administrative inefficiencies.

Passing the AHCIA is the single most important step Congress can take to address our nation's affordable housing supply crisis.

Nearly 1.6 million additional affordable homes could be financed across the United States and territories over the next decade if Congress were to enact the primary unit financing provisions in the AHCIA.

Passing the AHCIA would also support over 2.4 million jobs, almost \$94 billion in additional tax revenue, and over \$271 billion in wages and business income.

To cosponsor or learn more, contact:

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