

Impact of Tax Reform on Affordable Housing & Community Development — 2nd District



This tax cut proposal would have devastating impacts on the creation and preservation of affordable housing in Massachusetts. At a time when the Commonwealth already faces a shortage of over 160,000 affordable rental homes for extremely low-income households, the tax proposal would eliminate or significantly weaken tax credits that have helped create thousands of affordable homes.

CHAPA Calls on Congress to:

- **Preserve** the tax exemption of Private Activity Bonds to support affordable housing and to avoid the elimination of the **4% Low-Income Housing Tax Credit**
- **Strengthen** the Low-Income Housing Tax Credit program and offset the impact of a lower corporate rate on the value of the tax credit
- **Restore** the Historic Tax Credit and the New Markets Tax Credit
- **Reinvest** housing dollars from mortgage interest deduction reform into affordable housing programs

LOW-INCOME HOUSING TAX CREDIT BENEFITS FOR 2ND DISTRICT



\$185 million in equity raised for affordable housing in the past decade, including **\$85 million** through the 4% credit



5,852 homes built or preserved since 1986

Source: MA Dep't of Housing & Community Development & Mass. Housing Partnership



Example of Low-Income Housing Tax Credit in 2nd District: Coes Pond Village, Worcester, MA

The Low-Income Housing Tax Credit supported Coes Pond Village. Located in the Airport Hill district of Worcester, the development offers 250 homes to adults ages 55+. The community offers residents a full range of services including a community room, greenhouse, beauty and barber shop, hobby room, outdoor gathering areas, and gardens.

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Citizens' Housing and Planning Association, Inc.



NEW MARKETS TAX CREDIT IN MASSACHUSETTS

(Since 2003)



Over 241 businesses and economic revitalization projects supported by the tax credits



\$1.8 billion allocated, leveraging **\$884.2 million** from other sources

Source: New Markets Tax Credit Coalition



Example of New Markets Tax Credit in 2nd District:

Barre City Place, Barre, MA

Receiving \$4,850,000 in NMTC financing, the recently-completed project in Barre, a small town near Montpelier, is an 80,717 square-foot, 4-story building on a formerly vacant site. It will house state government offices, a medical center, an organization providing physical therapy, and a retail store or café. The project created 300 well-paying jobs to this location.

The New Markets Tax Credit is a vital resource for community revitalization efforts in distressed areas. Projects supported by this tax credit include community health centers, Boys & Girls Clubs, library and community centers, and grocery stores. Housing and community development investments work together in revitalizing neighborhoods. Neither investment can do it alone.

HISTORIC TAX CREDIT IN MASSACHUSETTS

(In FY2016)



40 historic rehabilitation projects completed



\$306 million in total investments into completed historic rehabilitation projects

Source: National Park Service



Example of Historic Tax Credit in 2nd District:

Pushkin LLC, Greenfield, MA

Arts Block/Pushkin and Bank Row are two projects involving the renovation of five historic, mostly vacant buildings, totaling nearly 40,000 square feet, in downtown Greenfield. New Markets and Historic Tax Credit financed \$7.55 million and \$798,363 in bridge loans to the project. These developments transformed and revitalized the downtown area.

The Historic Tax Credit attracts developers to invest in once vacant, deteriorated, and underutilized structures, such as old mills, schools, and hospitals, and transforms them into much needed housing and commercial space. Hundreds of historic and iconic buildings in Massachusetts have been returned to use, creating homes, having direct and indirect economic benefits, and resulting in tens of millions in new local tax revenues.



Citizens' Housing and Planning Association's mission is to encourage the production and preservation of housing that is affordable to low and moderate income families and individuals and to foster diverse and sustainable communities through planning and community development — www.chapa.org