

Impact of Tax Reform on Affordable Housing & Community Development — 4th 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 4TH DISTRICT



\$146 million in equity raised for affordable housing in the past decade, including **\$35 million** through the 4% credit



3,051 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 4th District: Golda Meir House, Newton, MA

Golda Meir House, managed by Jewish Community Housing for the Elderly, is welcoming to older adults of all backgrounds. It is a vibrant and supportive community. Residents enjoy fully equipped apartments with full kitchens, as well as attractive and inviting common space, courtyards and grounds. Golda Meir House offers social, cultural and recreational programs that facilitate healthy aging.

FOR MORE INFORMATION:

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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 4th District:

Fall River YMCA, Fall River, MA

With New Markets financing of \$6,615,400, the YMCA Southcoast, Inc. rehabilitated and preserved the historic character of the building it has occupied for 115 years. The vacant fourth floor is renovated to create an Educational Achievement Center. The project turns an underutilized resource into a thriving community center that will bring new business to downtown business owners.

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 4th District:

Knitting Mill, Fall River, MA

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.

The project was a historic rehabilitation of a 149,000+ square foot mill in Fall River, Massachusetts. This will provide the City of Fall River with 100 affordable housing units, 25 of which will be reserved for seniors earning less than 30% of the area median income. Without the Historic Tax Credit, this development may stall.



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