

Impact of Tax Reform on Affordable Housing & Community Development — 7th 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 7TH DISTRICT



\$1.2 billion in equity raised for affordable housing in the past decade, including **\$853 million** through the 4% credit



25,422 homes built or preserved since 1986

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

The Low-Income Housing Tax Credit is the most successful tool in Massachusetts for encouraging private investment in the production and preservation of affordable rental housing. Since it was created in 1986, it has been a model public-private partnership, financing nearly **60,000** affordable apartments for low- and moderate-income families, seniors, veterans, and persons with disabilities in the Commonwealth.



Example of Low-Income Housing Tax Credit in 7th District:

The Harry & Jeanette Weinberg House, Brighton, MA

The Low-Income Housing Tax Credit supports this project managed by Jewish Community Housing for the Elderly with 61 affordable apartments the features attractive and inviting common space, courtyards, and grounds. The development will offer social, cultural and recreational programs that facilitate healthy aging.

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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 7th District:

Fenway Community Health Center, Boston, MA

The New Markets allocation of \$9.5 million facilitated the Fenway Community Health Center (FCHC) to move to a new 10-story home. In its new state-of-the-art facility, FCHC, a Federally Qualified Health Center, will now be able to concentrate its operations under one roof and substantially expand its services. FCHC is the largest LGBT health care and research facility in the world.

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 7th District:

Boston Healthcare For Homeless, Boston, 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.

This project received Historic Tax Credits to renovate a four-story, 77,653 square foot building for Boston Healthcare for Homeless. In this new facility, the organization was able integrate key services under one roof and greatly improve its ability to provide health care to greater Boston's homeless population.



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