

Impact of Tax Reform on Affordable Housing & Community Development — 8th 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 8TH DISTRICT



\$1 billion in equity raised for affordable housing in the past decade, including **\$772 million** through the 4% credit



10,201 homes built or preserved in the past ten years

Source: Massachusetts Housing Partnership



Example of Low-Income Housing Tax Credit in 8th District: Casa Maria, North End, MA

The Casa Maria Apartment Homes, managed by The Community Builders, is the perfect environment for the elderly and disabled. With 82 affordable apartments, its ideal location puts residents just minutes away from convenient shopping, dining, entertainment, and healthcare facilities.

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.

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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 8th District: South Cove Manor Nursing, Quincy, MA

The New Markets allocation of \$14.5 million facilitated a new building with 141 beds clustered in small resident communities, common areas and expanded rehabilitation space. South Cove Manor Nursing and rehabilitation home serves the Asian community in Quincy region. The project is expected to create 300 fulltime jobs and revitalize the neighborhood.

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 8th District: Enterprise Block, Brockton, MA

The Historic Tax Credit supported the Enterprise Block in Brockton. The project is a vibrant, mixed-use development. It sits within walking distance of the commuter rail station and the city's center. The consists of 215 units of housing, 10,000 square feet of retail and artist exhibition space, and 52,000 square feet of commercial space.

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