



## U.S. SENATOR MARIA CANTWELL WASHINGTON

# Cantwell Championed Improvements to Affordable Housing Credit Passed by Congress

*Changes to the LIHTC program authored by Sen. Cantwell will fund an additional 200,000 new rental homes nationwide*

The [Tax Relief for American Families and Workers Act of 2024](#) includes two provisions authored by Cantwell to improve the Low-Income Housing Tax Credit (LIHTC). With \$6.2 billion in funding included for the program, this represents the most significant investment in affordable housing in the last 35 years.

LIHTC has built [more than 3.85 million](#) affordable rental units all across America. Once enacted into law, Cantwell's LIHTC extensions will spur construction of an estimated additional [200,000 new rental homes](#) over the next two years, including 7,000 in Washington state.

Sen. Cantwell has been a consistent advocate for affordable housing and was essential in [negotiating](#) the inclusion of LIHTC in this tax legislation, an accomplishment [emphasized by Senator Schumer](#) on the Senate floor.

**[THE NEW YORK TIMES: Senator Maria Cantwell, Democrat of Washington, insisted the measures — both of which were in a broader bipartisan bill she introduced to revise the low-income housing tax credit — be included in the tax deal.](#)**

**[BLOOMBERG: Lead proponents, including Oregon Senator Ron Wyden and Washington Senator Maria Cantwell \[...\] helped push for its inclusion \[...\] “We made it clear to people that affordable housing needed some solutions,” Cantwell told Bloomberg.](#)**

LIHTC has significant bipartisan support, as does Sen. Cantwell's legislation to strengthen it. Her [bill](#) is cosponsored by nearly half of the entire Congress, with 34 cosponsors in the Senate and 230 cosponsors in the House, equally split between Democrats and Republicans in both chambers.

## **What is LIHTC?**

LIHTC is a federal program that supports the construction or renovation of affordable rental housing. The program partners federal resources with private investment to create housing that would otherwise be unprofitable and thus remain unbuilt. Since 1986, LIHTC has financed approximately [3.85 million rental homes serving 8 million low-income households](#).

## **A National Need**

There is an affordable housing crisis in this country. The U.S. has a [shortage of 3.9 million affordable rental homes](#). The scarcity of supply has only been exacerbated by the 2008 Great Recession and the COVID-19 pandemic.

The Washington State Department of Commerce estimates that Washington will need to add [1 million homes in the next 20 years](#). Currently, the State of Washington only has [28 affordable and available rental units per 100](#) extremely low-income renter households.

Other states with [low supplies](#) of affordable and available housing include Nevada (with only 17 available for every 100 extremely low-income renters); Oregon and Florida with 23 units per 100; and California and Arizona with 24 units per 100.

The absence of affordable housing has also led to skyrocketing rental rates. Rent payments have reached an all-time high, and half of all [renters spend 30%](#) or more of their total income on rent, while one-quarter spend more than 50% of their income on rent. This leaves many households one paycheck away from possible eviction and burdened by their housing costs.

Studies have shown that expanding housing supply lowers rents. For example, a [2019 study](#) by the D.C. Office of Revenue Analysis found that renters saved \$177 per month, or \$2,124 per year, after an average of 2,337 new units of housing were built per year in Washington, D.C. Conversely, the study found that had the new units not been built, average city apartment rents may have increased by 5.84%. A [New York University study](#) found that, for every 10% increase in housing supply, nearby rents decreased by 1%.

## **Disproportionate Impacts**

The housing crisis has hit the country's most vulnerable populations the hardest. BIPOC households are disproportionately affected by the affordable housing shortage because they are more likely to be renters, spend a significant portion of their income on housing, and may face economic inequalities created by previous discriminatory policies.

The LIHTC program is essential for lifting up traditionally underserved rural and minority families because often it's the only way these communities can build affordable housing. In some of the most underserved rural counties, LIHTC supports just over 40% of all multifamily housing built, three times the national average.

## **An Economic "Shot in the Arm"**

Affordable housing is critical to continued economic development for the U.S. and the financial success of individual renters. Although inflation is down substantially, high housing costs are directly tied to increasing inflation. In January 2024, [housing costs continued to rise, and were the biggest driver](#)

[keeping inflation elevated, accounting for over two-thirds of the monthly all items increase](#). Increasing the affordable housing supply will decrease rents for households nationwide and lower inflation.

Research has shown the affordable housing shortage costs the U.S. economy nearly [\\$2 trillion](#) annually in lower wages and productivity. LIHTC can help by providing renters with a safe, stable, and affordable place to call home, which helps them perform better at school, hold a job, and be mentally and physically healthier. For example, [their total Medicaid expenditures decrease by 12% and they made 18% fewer emergency department visits](#).

The LIHTC program also creates construction jobs. LIHTC-funded housing development [annually supports](#) approximately 95,000 jobs and \$7.1 billion in wages and business income. Additionally, the program contributes \$2.8 billion in federal, state, and local taxes, which helps local development.