



Congress can help make housing affordable — it just has to act

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The Barrister Apartments in downtown Cincinnati, slated to open early next year, are a housing policy success story. Financed with federal Low-Income Housing Tax Credits, it is the first investment in affordable housing in the city's central business district in more than two decades.

The project involves rehabilitating two vacant office buildings into rental apartments for service workers making no more than 60 percent of the area median income. Not only will residents have shorter commutes to work — saving time and transportation costs and cutting down on emissions — they'll also save on rent, freeing up money for other important priorities, such as food, education or a down payment on a home.

As important as the Barrister Apartments will be for downtown Cincinnati and the families who will live there, it unfortunately accounts for only a tiny portion of the estimated [270,000](#) affordable apartments needed to serve Ohio's most vulnerable families.

Ohio, like the rest of the nation, is facing an affordable housing crisis. It is estimated that there is a housing production gap of [3.8 million units](#) nationwide and that nearly [half of all renter households](#) are considered "cost burdened," meaning they spend more than 30 percent of income on rent. The production of new housing is on the decline, with inflation, rising interest rates, supply chain difficulties and elevated construction costs among the factors slowing down the construction of badly needed housing. The lack of housing construction is impacting not just renters who are paying more and more for fewer and fewer available units, but also first-time homebuyers seeking to find a foothold in the real estate market.

The country needs a thoughtful, persistent and renewed commitment to affordable housing production programs. The good news is that there is considerable bipartisan support in Congress to act.

The first step should be to expand the Low-Income Housing Tax Credit. Since its creation in 1986, the housing credit has financed nearly all affordable rental housing built in this country — [3.7 million units of affordable housing, serving more than 8 million low-income households](#). Homes financed with housing credits, like Cincinnati's Barrister Apartments, are generally required to be affordable to families earning less than 60 percent of the area median family income; in reality, they often serve Americans who are even less well-off. And the tax credit requires these properties stay affordable to low-income families for at least 30 years.

In early May, a bipartisan coalition of senators and representatives introduced the Affordable Housing Credit Improvement Act, with more than two dozen provisions to enhance and improve the housing credit. The bill would help to finance nearly 2 million additional affordable homes over the next decade, principally through provisions that would increase the supply of the credits while also making the credits easier to use alongside tax exempt bonds issued by states and municipalities. Congress temporarily increased the supply of the credits in 2018, but that legislative increase expired at the end of 2021.

Without any action from Congress, much-needed affordable housing units that would have been built will not be, worsening the existing crisis.

Second, Congress should enact the Neighborhood Homes Investment Act, which would support the development and rehabilitation of single-family homes for homeownership in distressed urban and rural communities with low home values. In these communities, construction costs for new homes exceed the price at which the home can be sold, and existing homeowners struggle to find financing for home repairs. The proposed tax credit would mobilize private investment to fill the gap between development or rehabilitation costs and the value of the home.

This bill also has strong bipartisan support in both the House and the Senate. It holds promise for first-time homebuyers and community revitalization. This legislation is estimated to produce some 500,000 new homes over the next decade while simultaneously restoring vacant land to productive use, creating thousands of construction jobs, lifting the assets of all homeowners in the community and expanding the tax base for local governments.

Fixing the chronic shortage of affordable and available housing for low-income renters and first-time homebuyers requires immediate intervention and long-term commitment. If we fail to act, thousands more families, seniors, people with disabilities, formerly homeless veterans and low-wage workers across America will struggle to find a safe place to sleep at night. And countless families will be denied the opportunity to build wealth through homeownership.

Let's work together as Republicans and Democrats to help build desperately needed housing across this country, so that families can attain an affordable home and build a pathway toward a more prosperous future.

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