

Tax overhaul a blow to affordable housing efforts

By Conor Dougherty, New York Times

The last time that Congress approved a sweeping overhaul of the federal tax code, in 1986, it created a tax credit meant to encourage the private sector to invest in affordable housing. It has grown into a \$9 billion-a-year social program that has funded the construction of some three million apartments for low-income residents.

But the Republican tax plan approved last month amounts to a vast cutback, making it much less likely that such construction will continue apace. Because the tax rate for corporations has been lowered, the value of the credits – which corporations get in return for their investments – is also lower.

“It’s the greatest shock to the affordable-housing system since the Great Recession,” said Michael Novogradac, managing partner of Novogradac & Company, a national accounting firm based in San Francisco.

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