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Broad Housing Coalition Statement on Purported “Rent Control” on Low-Income Housing Tax Credit Communities

Today, the U.S. Department of Housing and Urban Development (HUD) issued its annual income determination for Low-Income Housing Tax Credit (LIHTC) communities, which changes the calculation in ways that may make it more difficult for some residents and investors to participate in the program. The income determination changes the methodology for calculating year-over-year increases in income limits for LIHTC and other HUD programs.

Unfortunately, the methodology changes announced today pick winners and losers among individuals receiving federal rental assistance. While the changes may result in potentially smaller rent increases for some tenants, it will also mean fewer tenants will qualify for LIHTC-funded and other federally-supported housing. Assistance programs such as Social Security include inflation in their annual cost of living adjustments, which means seniors may be especially at risk to lose eligibility for federal rental assistance in years when Social Security inflation adjustments exceed the new cap on income.

LIHTC is critical to the development of future affordable housing that our nation right now so desperately needs. We remain deeply concerned that any changes that limit LIHTC’s effectiveness at the very time we are facing an affordable housing crisis could undermine the nation’s most successful program to create affordable housing. At this time of heightened political partisanship, it is a program that has enjoyed strong bipartisan support for decades. We strongly urge HUD to consider the impacts of this change that could limit the number of people served by the program and be a deterrent to more affordable housing production.

While the change in the income limit calculation is not rent regulation in the traditional sense, it has the effect of limiting the ability of LIHTC housing providers to recover costs through rent in a high-cost environment – which many see as a distinction without a difference. [Decades of research](#) proves rent caps create economic and racial inequality in communities, limit the supply of affordable housing and exacerbate the very problem it purports to solve by causing rents to increase. Rent control is specifically illegal in 33 states and was recently rejected in Washington, Florida, Ohio, Idaho and Montana. Some pro-rent control advocates appear willing to call anything rent control simply to falsely proclaim that the policy is gaining support.

Our organizations and their respective members are committed to working with HUD and the administration on addressing the nation’s pressing housing needs. As described in more detail in our [comments](#) provided to HUD on February 8, 2024, we believe the methodological changes that HUD has proposed will further limit the households who are eligible for the program and create additional uncertainty that could make it less effective for investors, thereby negatively impacting low income renters.

Looking ahead, we urge HUD and the Biden administration to support and embrace policies that expand housing supply and opportunity such as some of those included in the administration’s [Housing Supply Action Plan](#). There is broad, bipartisan agreement that the only real way to lower housing costs is to increase housing supply in communities throughout the nation.

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Institute of Real Estate Management
Manufactured Housing Institute
Mortgage Bankers Association

National Apartment Association
National Association of Home Builders
National Association of REALTORS®
National Leased Housing Association
National Multifamily Housing Council

About NAA

The National Apartment Association (NAA) serves as the leading voice and preeminent resource through advocacy, education, and collaboration on behalf of the rental housing industry. As a federation of 141 state, local and global affiliates, NAA encompasses over 96,000 members representing more than 12 million apartment homes globally. NAA believes that rental housing is a valuable partner in every community that emphasizes integrity, accountability, collaboration, community responsibility, inclusivity and innovation. To learn more, visit www.naahq.org.