The proposed Middle-Income Housing Tax Credit (MIHTC) would complement the successful Low-Income Housing Tax Credit (LIHTC). Although LIHTC should be provided with significant additional resources, middle-income households are also facing severe cost burdens that cannot be addressed without a new, dedicated resource. The MIHTC program is necessary to construct workforce housing that working households can afford.

The median asking rent for an apartment constructed in 2017 was $1,550, and a renter would need to earn at least $62,000 to afford such a unit. MIHTC would make housing more affordable and available to middle-income Americans.

Housing affordability is a significant challenge facing many American families. The number of households renting their homes stands at an all-time high, placing significant pressure on the apartment industry to meet increased demand. In order to keep up with demand, 328,000 new apartment homes need to be built each year. However, the nation has hit that mark only three times since 1989. The shortage of available units is making it challenging for millions of households nationwide to find quality rental housing that is affordable at their income level.

Affordability challenges are not unique to households receiving federal subsidies. In fact, solidly middle-income households are facing constraints. The median asking rent for an apartment constructed in 2017 was $1,550. For a renter to afford one of those units at the 30 percent of income standard, they would need to earn at least $62,000 annually. Thus, this issue impacts those supporting the very fabric of communities nationwide, including teachers, firefighters and nurses.

The Middle-Income Housing Tax Credit would help build housing that is affordable to a wide range of income levels at a time such housing is increasingly difficult to afford.