

HOUSING FOR HOMELESS STUDENTS ACT OF 2012

Senator Al Franken

Too often, youth who experience homelessness or have recently experienced homelessness are forced to choose between stable housing and a full-time education. Yet because of an oversight in the drafting of the eligibility criteria for the Low Income Housing Tax Credit (LIHTC) Program, homeless youth who otherwise qualify to live in these low-income rental units are not eligible for their housing if they choose to attend school full-time. **The Housing for Homeless Students Act of 2012 is a no-cost proposal that will ensure that youth can keep their affordable housing while attaining an education and never again have to choose between the two.**

The problem. The Low Income Housing Tax Credit (LIHTC) Program under the Tax Reform Act of 1986 provides a reduction in an owner's tax liability for those who construct or rehabilitate affordable rental housing units. The LIHTC has been used successfully to build a number of properties intended to house individuals and families who experience homelessness. However, the current LIHTC statute does not allow tenants, including homeless and formerly homeless youth, to be full-time students.

The original intent of the "student rule" was to prohibit LIHTC funds from being utilized to construct dormitories, and to prevent college students, who often have temporarily low-incomes, from benefitting from resources meant for individuals and families with more serious housing needs. However, without providing an exception to the student rule for homeless and previously homeless youth, the rule is preventing truly low-income youth from achieving a high-school or college education. Students must also forego some federal and other grants, loans, or scholarships that are limited to full-time students. This forces students to pay more for school, and prevents them from benefiting from other resources available to other youth.

The Housing for Homeless Students Act of 2012: This legislation will exempt individuals who experienced homelessness at any point in the five years prior to moving into the LIHTC unit from the student rule. This will allow full-time students who experience homelessness or have recently experienced homelessness to be eligible for currently LIHTC housing.

A no-cost proposal: This proposal would not cost anything. Low Income Housing Tax Credits help to finance the construction of low-income housing; it does not cover the rent for low-income housing. This proposal would not increase the number of Low Income Housing Tax Credits, nor would it change the amount of rent collected—it simply would allow homeless and formerly homeless youth to be eligible for LIHTC housing without giving up their status as full-time students. *The Joint Committee on Taxation previously scored the legislation introduced last Congress as costing \$1 million over ten years. JCT is now rescoring the updated legislation for this Congress, which we believe they will score at zero cost.*

For more information, please contact Hannah at hannah_katch@franken.senate.gov or 4-1025.

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National endorsements:

National Coalition for the Homeless
National Low Income Housing Coalition
National People's Action
National Association of Consumer Advocates
National Leased Housing Association
Main Street Alliance
National Affordable Housing Management Association
Mercy Housing Inc.
Volunteers of America
NAACP
National Affordable Housing Trust
National Alliance to End Homelessness
National Law Center on Homelessness & Poverty
National Fair Housing Alliance
The Leadership Conference Civil Rights
Affordable Housing Tax Credit Coalition
Minnesota State Colleges and Universities
Stewards of Affordable Housing for the Future
Institute of Real Estate Management
Consumer Federation of America

The MN endorsements:

Minnesota Housing Partnership
Twin Cities Habitat for Humanity
Minneapolis Public Schools
Minnesota State Colleges and Universities
MMEP
MCCD
Aeon
MN Housing Finance Agency
YouthLink
MN Coalition for the Homeless
The Bridge for Youth
LSS
Catholic Charities