

FOR IMMEDIATE RELEASE: February 27, 2014

House tax reform proposal a mixed bag on urban development issues

CONTACT: Craig Chester, 202-215-8858, cchester@smartgrowthamerica.org

Washington, DC—House Ways and Means Committee Chairman Dave Camp (R-MI) took the first step toward comprehensive tax reform and introduced a proposal that would have a mixed impact on communities' efforts to grow in smart, economically efficient ways. Geoff Anderson, President and CEO of Smart Growth America (SGA) and Chris Leinberger, the leader of LOCUS, SGA's coalition of developers, issued this joint statement in response:

"Above all, we're glad Congress is finally tackling comprehensive tax reform." Hundreds of billions are currently spent through the tax code on housing and community development and much of this could be spent better than it is today. "For anyone who wants to see these incentives achieve their maximum effect—helping Americans access good affordable housing choices in safe, stable, thriving communities, tax reform is a must."

The proposal takes some steps in the right direction trimming capital gains and mortgage interest deductions that aren't targeted to the greatest needs. "We strongly support the proposal's measures to cap the mortgage interest deduction. The deduction is meant to encourage homeownership and we believe capping it ensures that incentives are aimed more strategically at those who have the most difficult time achieving home ownership."

The bill also contains some worrying steps. "While we support the bill's measure to expand funding for the Low Income Housing Tax Credit, we are concerned that some of the Committee's proposed changes to the program undermine the benefits of increased funding. Developers use many of the current provisions to make affordable housing projects work financially, the changes threaten these projects." In addition, the proposed repeal of the Rehabilitation Tax Credit is unfortunate as it is a mechanism that leverages private investment to reverse neighborhood decline. "We would welcome an opportunity to work with the Committee to address these issues."

Learn more about Smart Growth America's position on these issues at <http://www.smartgrowthamerica.org/federal-real-estate>.

Smart Growth America is the only national organization dedicated to researching, advocating for and leading coalitions to bring smart growth practices to more communities nationwide. From providing more sidewalks to ensuring more homes are built near public transportation or that productive farms remain a part of our communities, smart growth helps make sure people across the nation can live in great neighborhoods.

#