INDIANA AFFORDABLE HOUSING COUNCIL · 2027 LEGISLATIVE PRIORITY

IAHC

Double Indiana's Affordable & Workforce Housing Tax Credit

Raise the annual AWHTC award cap from **$30 million to $60 million** so Indiana can build roughly 2,758 more affordable homes every year.

THE CHALLENGE

40,589

homes: how far Indiana is underproducing housing, according to the 2022 Growth Underproduction Analysis. Hoosier workers, seniors and families feel the gap in rising rents and longer commutes.

THE SOLUTION

The **Affordable and Workforce Housing Tax Credit (AWHTC)**, IC 6-3.1-35, is a state credit paired with the **federal 4% Housing Credit** and **tax-exempt bonds**. It fills the funding gap that keeps otherwise viable rental developments from getting built, especially in areas with strong projected job growth.

Each year, a $60 million credit cap would deliver:

2,758	2,200+	$161M	$42M
new affordable homes	construction-period jobs	in economic activity	in private investment

HOW IT WORKS: PAY FOR PERFORMANCE

1. **IHCDA awards credits competitively.** Applications run 2–3x the credits available.
2. **Private investors put equity in up front,** lowering debt and keeping rents sustainable.
3. **Credits are claimed only after homes are operating,** over five years, so the state's cost is deferred.

THE ASK

Amend **IC 6-3.1-35-8** to raise the annual aggregate credit limit from **$30 million to $60 million** for each state fiscal year through June 30, 2033.

Keep what works: the 5-year credit period and competitive awards paired with the federal 4% Housing Credit.

Projections: Indiana AWHTC Economic Impact Analysis (Sugar Creek Capital); 2022 Growth Underproduction Analysis.

Continued →

A proven track record since 2023

20
developments statewide

2,758
homes funded

$534M+
in other funding leveraged

The fund pays for itself

DURING CONSTRUCTION

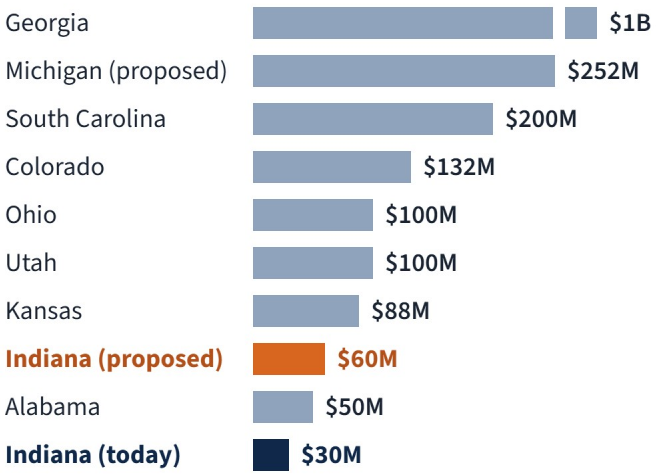
4,004 jobs, **$366.3M** in income for Hoosiers and **$61.2M** in state and local revenue.

EVERY YEAR AFTER

904 jobs, **$64.3M** in income and **$14.9M** in state and local revenue, recurring.

Indiana trails its peers

Total state credits each state can award per year



Colorado (6.0M residents) and South Carolina (5.6M) each authorize 4x–7x what Indiana (7.0M) does today. Georgia bar not to scale.

A small credit unlocks the whole deal

Sources of funding for two Indiana AWHTC developments

Muncie · 120 new units — $29.7M total



Turned a vacant, fire-damaged site near Ball State and IU Health Ball Hospital into workforce housing.

Madison · 96 units — $24.0M total



Bond-driven debt
Federal 4% credit equity
Indiana AWHTC
State/local investment
Developer investment

In both deals, the state credit is about 16% of the cost but closes the gap that lets the other 84% move forward.

Why the AWHTC works

PREDICTABLE
Builds on the federal Housing Credit's 40-year track record.

EFFICIENT
Runs on IHCDA's existing award and compliance system.

TRANSPARENT
2–3x oversubscribed competition and annual property reporting.

IMPACTFUL
Potential for 2,758 more homes every year.

PAY FOR PERFORMANCE
No credit is claimed until the housing is operating.

Sources: NAHB, *The Economic Impact of the Housing Tax Credit Program in Indiana* (Aug. 2026); IHCDA AWHTC project data via ArcGIS StoryMaps; Sugar Creek Capital, Indiana AWHTC Economic Impact Analysis and comparative state credit programs; IC 6-3.1-35-8.

Indiana Affordable Housing Council