



AFFORDABLE  
HOUSING  
TAX CREDIT  
COALITION

# Federal Housing Policy Update

Emily Cadik | Affordable Housing Tax Credit Coalition

July 20, 2022



# 2022 Key Dates

## Campaign Season

House recess: Oct. 3 – Nov. 14

Senate in Oct. 11 – 21

## Budget Resolution, Government Funding Expire

Sept. 30

## August Recess

House: Aug. 1 – Sept. 12

Senate: Aug. 8 – Sept. 5

## Midterm Elections

Nov. 8

## Lame Duck Session

Tax Extenders?

July

Aug

Sept

Oct

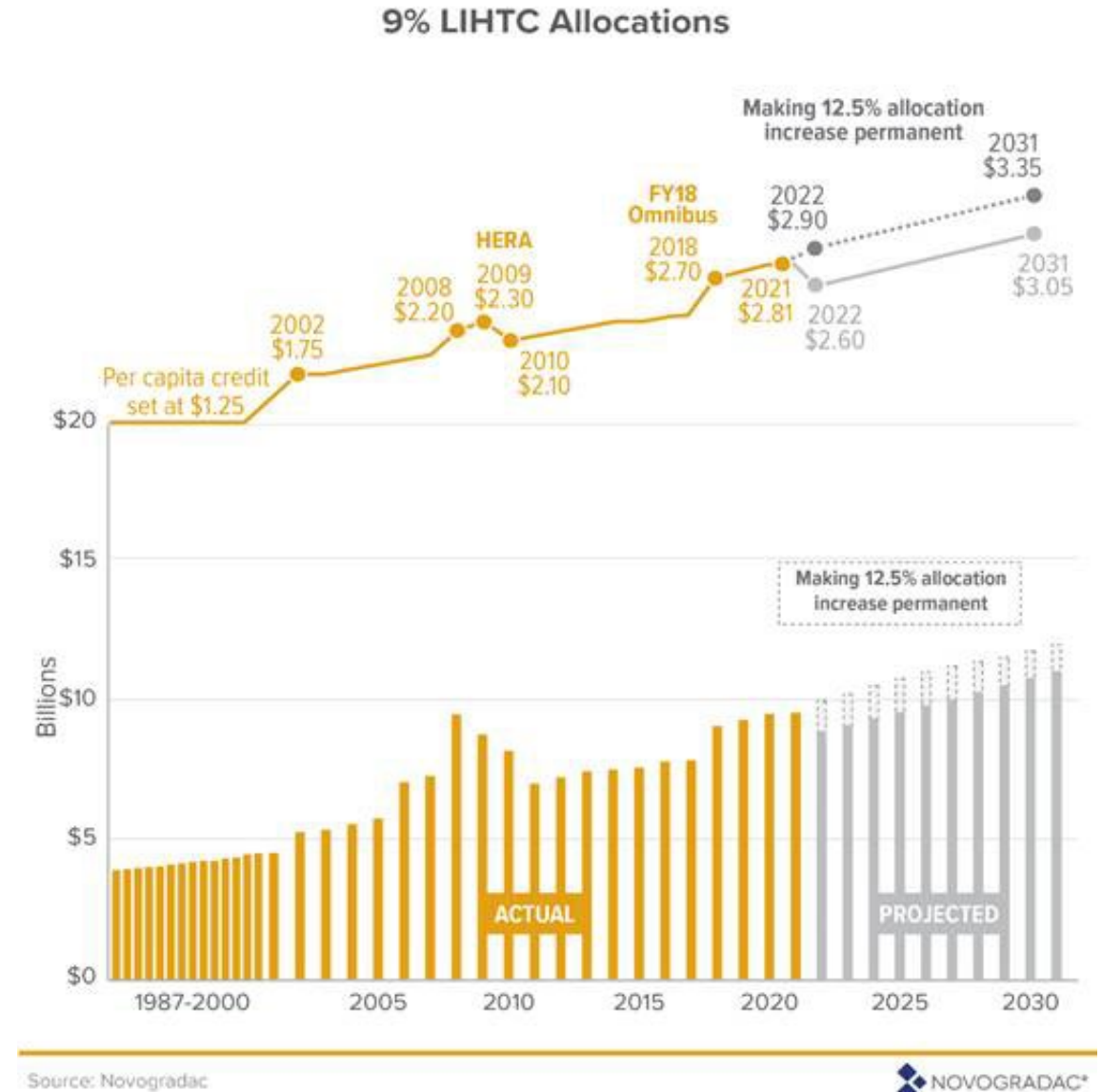
Nov

Dec

# Housing Credit Legislative Priorities

Increase affordable housing production

- Extend the temporary 12.5 percent Housing Credit allocation that has now expired, and further increase the Housing Credit allocation
- Lower the bond financing test

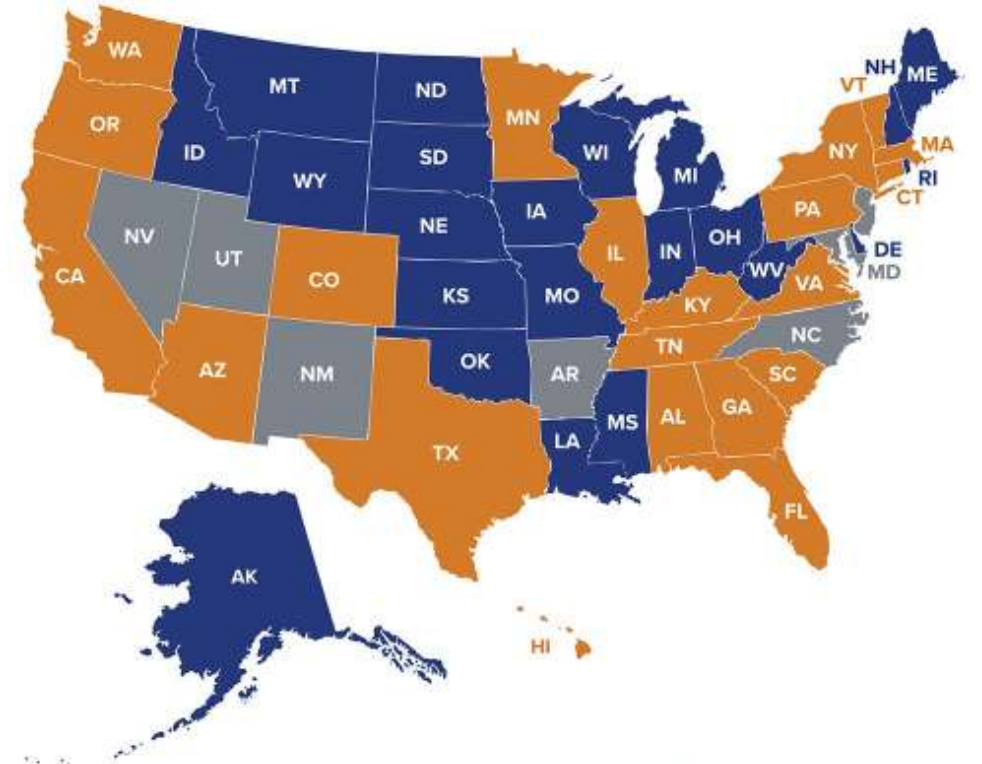


# Housing Credit Legislative Priorities: Lowering 50% test to 25%

## Volume Cap Scarcity

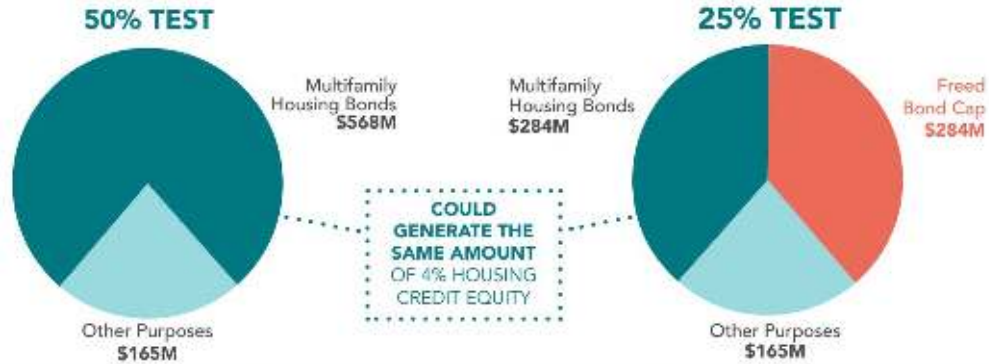
AS OF FEBRUARY 28, 2022

■ Undersubscribed ■ Parity ■ Oversubscribed



### IMPACT OF REDUCING THE 50% TEST: More Efficient Use of Limited Resources

AN EXAMPLE OF A STATE'S USAGE OF PAB CAP (based on Massachusetts 2019 data)



Source: Tiber Hudson; Novogradac



# Affordable Housing in Build Back Better

- Historic investments in key affordable housing programs and new initiatives
  - \$12 billion for the Low-Income Housing Tax Credit
  - Creation of Neighborhood Homes Tax Credit
  - Nearly \$150 billion in other housing programs
    - \$65 billion for public housing capital needs
    - \$24 billion for Housing Choice Vouchers
    - \$15 billion for the National Housing Trust Fund
    - \$10 billion for the HOME Investment Partnerships program

# Housing Credit Production Provisions in Build Back Better

December 2019 Senate Version



Finance up to **819,900 additional affordable homes** than otherwise possible over the next decade

**735,500 homes**

from lowering the  
50% test for 5 years  
(2022 – 2026)

**23,000 homes**

from 9% allocation  
increase – phased in over  
4 years to 37%

**59,400 homes**

from 50% ELI basis  
boost

**2,100 homes**

from 30% Native  
American basis boost

Source: [Novogradac & Company](#)

# Affordable Housing Credit Improvement Act

*Legislation to Expand and Strengthen the Housing Credit*



Sen. Maria Cantwell (D-WA)



Sen. Todd Young (R-IN)



Rep. Suzan DelBene (D-WA)



Rep. Jackie Walorski (R-IN)



Sen. Ron Wyden (D-OR)



Sen. Rob Portman (R-OH)



Rep. Don Beyer (D-VA)



Rep. Brad Wenstrup (R-OH)

**S. 1136: 24 Democrats  
10 Republicans**

**H.R. 2573: 109 Democrats + over 20 Dems in queue  
61 Republicans**

# Housing Credit Regulatory Issues

- Community Reinvestment Act modernization
  - 85% of \$22 billion Housing Credit market is CRA-driven
- Global Minimum Tax and OECD Pillar II Rules
  - Minimally 48% of Housing Credit investment at risk
- Average Income Test regulations
- Enabling use of State and Local Fiscal Recovery Funds as gap financing in Housing Credit properties



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