



AFFORDABLE  
HOUSING  
TAX CREDIT  
COALITION

# Beyond Virginia - A Conversation on National Housing Policy

Emily Cadik | Affordable Housing Tax Credit Coalition | April 8, 2021



# Recent Wins for Affordable Housing

## 2020 Year-end Legislation

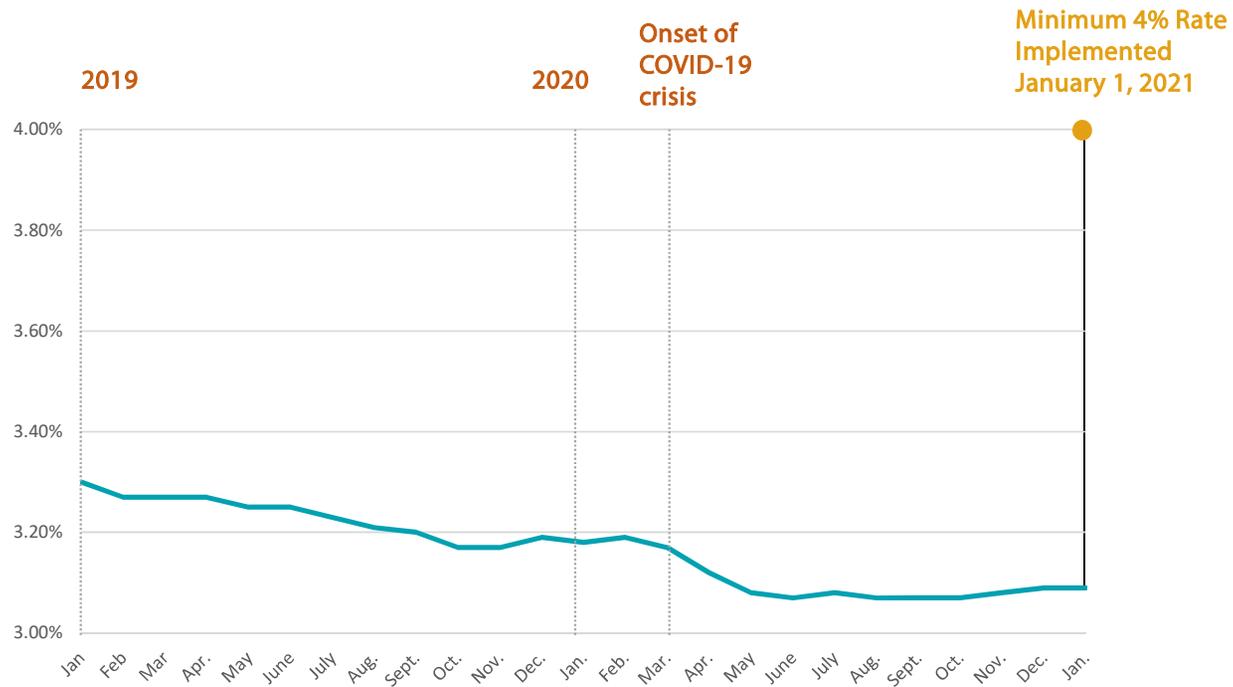
- Permanent minimum 4 percent Housing Credit rate
- \$25 billion in emergency rental assistance
- \$1.3 billion disaster Housing Credit allocation for a dozen states
- Robust funding for HUD programs

## American Rescue Plan

- Over \$40 billion in housing resources, including:
  - \$21.55 billion for emergency rental assistance
  - \$5 billion in emergency Housing Choice Vouchers
  - \$5 billion in homelessness funding, including for tenant-based rental assistance, development, and supportive services

# The “4 Percent” Housing Credit Rate

Estimated to finance additional **130,000 affordable homes** over next decade



# Increased Need for Private Activity Bonds

- With minimum 4% rate enacted, there is an even more urgent need to expand private activity bond resources
  - Ability to claim 4% credits tied to PAB financing
  - Over a dozen states are bond-cap constrained, and the number is growing rapidly
- Proposals
  - Lower 50% bond financing threshold (aka “50 percent test”) to 25%
  - SAVE Act to provide exemption from bond cap for preserving federally assisted housing
  - Increase PAB cap

# Affordable Housing Credit Improvement Act

- Senate Leads: Sens. Maria Cantwell (D-WA), Todd Young (R-IN), Ron Wyden (D-OR) and second Republican to be announced soon
- House Leads: Reps. Suzan DelBene (D-WA), Jackie Walorski (R-IN), **Don Beyer (D-VA)** and Brad Wenstrup (R-OH)
- Comprehensive legislation to expand and strengthen the Housing Credit
  - Increase Housing Credit allocation by 50% over two years
  - Lower 50% test bond financing threshold to 25%
  - Basis boosts for rural, Native, extremely low-income tenants
  - Streamlining and simplification
- Strong bipartisan support in the 116<sup>th</sup> Congress
  - Minimum 4 percent Housing Credit rate enacted into law
  - More than half of the House of Representatives co-sponsored
  - More than 40 Senators co-sponsored
- Preparing for reintroduction as soon as next week and potential for inclusion in infrastructure legislation

# Biden Infrastructure Proposal

- \$2.25 trillion American Jobs Plan calls for substantial housing investments:
  - Building, preserving or retrofitting more than 2 million affordable and energy-efficient homes with an investment of \$213 billion through “targeted tax credits, formula funding, grants, and project-based rental assistance”
    - “Marked increase in the resources available through the Low-Income Housing Tax Credit and other housing incentives”
  - Neighborhood Homes Investment Act
  - Eliminating exclusionary zoning and harmful land use policies
  - Providing \$40 billion to revitalize public housing
  - Providing funding for energy efficient upgrades in homes through block grants programs, the Weatherization Assistance Program, and home and commercial efficiency tax credits, as well as a \$27 billion clean energy fund



# Congressional Tax Committee Leadership



## Senate Finance Committee



**Chairman  
Ron Wyden  
(D-OR)**



**Ranking  
Member  
Mike Crapo  
(R-ID)**

## House Ways and Means



**Chairman  
Richard Neal  
(D-MA)**



**Ranking Member  
Kevin Brady  
(R-TX)**

# Biden Administration Opportunities for the Housing Credit

- **CRA Reform**

- Office of the Comptroller of the Currency: New leadership to be determined, but current CRA reform rule now unlikely to go into effect (currently slated to be enforced in 2023)
- Biden team supports “expanding and strengthening CRA to ensure that our nation’s bank and non-bank financial services institutions are serving all communities”
- Federal Reserve CRA proposal a likelier starting point for all three CRA regulators to converge on one rule, comments were due February 16

- **IRS engagement** around Housing Credit program needs:

- Proposed income averaging regulations
- Deadline extensions
- 8609 issues

- **Partnering with HUD** to implement Biden housing agenda

- Rental Assistance Demonstration

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