

# Washington Update

for IPED's Learn the Basics: Housing Tax Credits 101 Conference

March 24, 2022

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FY 2022 Budget Chart for Select U.S. Department of Housing and Urban

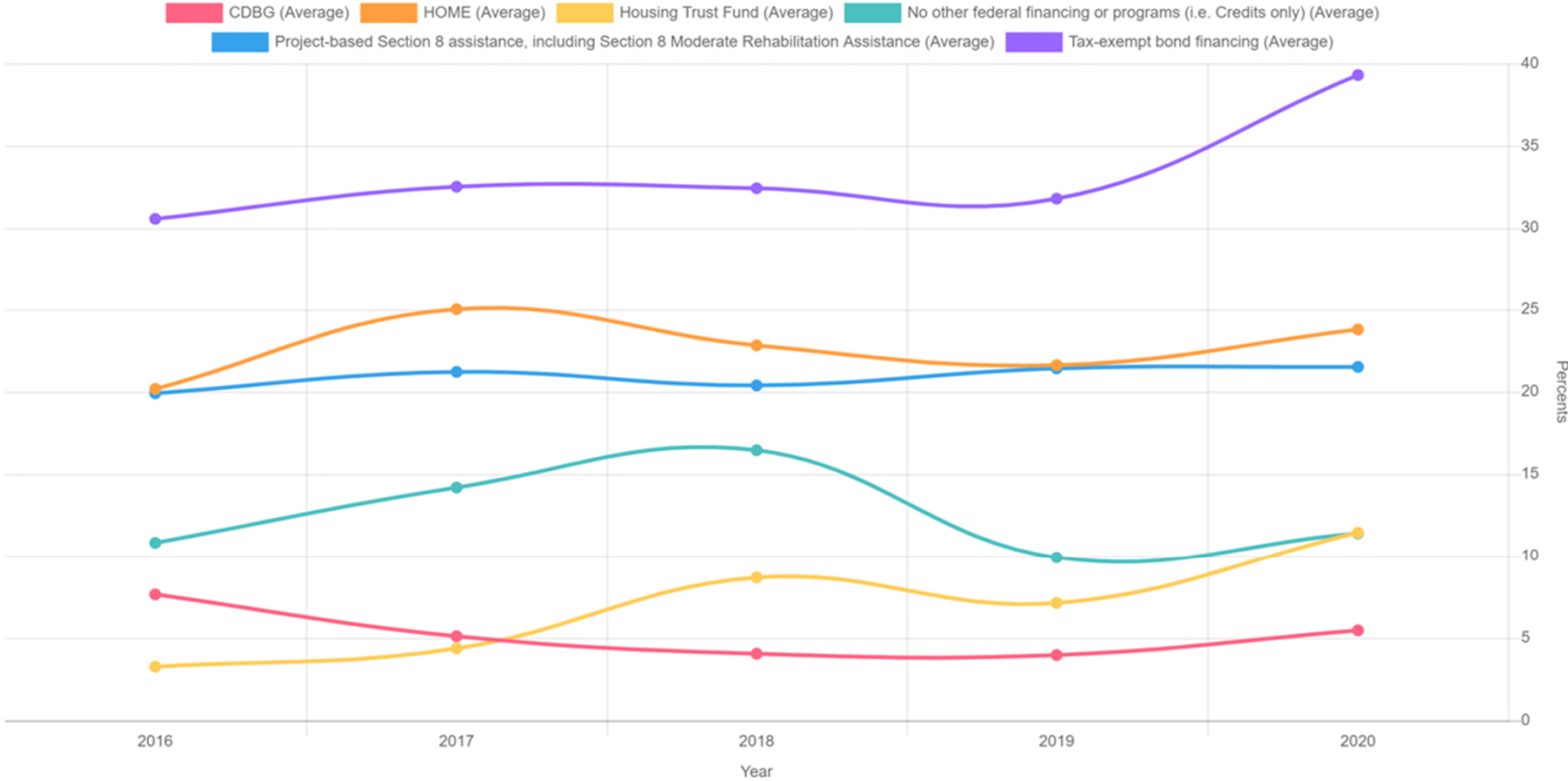
HUD Programs (set asides indented & italicized)	FY 2021 Enacted	HUD FY 2022 Budget Request	FY 2022 Omnibus	\$ difference between FY 2021 & FY2022 Omnibus	% difference between FY 2021 & FY 2022 Omnibus
Choice Neighborhoods Initiative	200	185	350	150	75%
Community Development Block Grant (CDBG)	3,470	3,700	3,300	-170	-5%
Family Self-Sufficiency Program	105	120	109	4	4%
HOME Investment Partnerships Program (HOME)	1,350	1,850	1,500	150	11%
Homeless Assistance Grants	3,000	3,500	3,213	213	7%
Housing Choice Vouchers	25,777	30,442	27,370	1,593	6%
<i>Voucher Renewals</i>	23,080	24,986	24,095	1,015	4%
<i>HUD-VASH Vouchers</i>	40	0	50	10	25%
<i>Tribal HUD-VASH Vouchers</i>	5	0	5	0	0%
<i>Tenant Protection Vouchers</i>	116	100	100	-16	-14%
<i>Administrative Fees</i>	2,159	2,765	2,410	251	12%
<i>Section 811 Mainstream Vouchers</i>	314	508	459	145	46%
<i>Housing Choice Voucher Mobility Demonstration</i>	0	491	25		
<i>Family Unification Program Vouchers</i>	25	0	30	5	20%
<i>New Incremental Voucher Assistance (Homeless or at-risk)</i>			200		
Housing Counseling Assistance	57.5	86	57.5	0	0%
<i>Eviction Prevention Demonstration</i>	20	20	20	0	0%
Housing for the Elderly (Section 202)	855	928	1,033	178	21%
Housing for Persons with Disabilities (Section 811)	227	272	352	125	55%
Housing Opportunities for Persons with AIDS (HOPWA)	430	450	450	20	5%
Housing Trust Fund (mandatory spending)	0	0	0	0	
Lead Hazard Control and Healthy Homes	360	400	415	55	15%
Native American Housing Block Grants	647	723	772	125	19%
Public Housing Capital Fund	2,942	3,678	3388	446	15%
Public Housing Operating Fund	4,864	4,917	5064	200	4%
Project-Based Section 8	13,465	14,060	13,940	475	4%
<i>Contract Renewals</i>	13,115	0	13,585	470	4%
<i>Contract Administration</i>	350	0	355	5	1%
Rental Assistance Demonstration	0	0	0	0	
Self-Help & Assisted Homeownership (SHOP)	10	10	12.5	3	25%



**FY 2022 Budget Chart for Select U.S. Department of Housing and Urban**

<b>USDA Programs</b>	<b>FY 2021 Enacted</b>	<b>USDA FY 2022 Budget Request</b>	<b>FY 2022 Omnibus</b>	<b>\$ difference between FY 2021 &amp; FY2022 Omnibus</b>	<b>% difference between FY 2021 &amp; FY 2022 Omnibus</b>
Section 502 SF Direct Loans	1,000	1,500	1,250	250	25%
Section 502 SF Guaranteed Loans	24,000	30,000	30,000	6,000	25%
Section 515 MF Direct Loans	40	40	50	10	25%
Section 521 Rental Assistance	1,410	1,450	1,450	40	3%
Section 538 MF Guaranteed Loans	230	230	250	20	9%
Section 542 Rural Voucher Assistance	40	45	45	5	13%
Rental Preservation Demonstration	28	32	34	6	21%

# The Role of Other Resources in Housing Credit Developments



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# Affordable Housing Credit Improvement Act

REINTRODUCED APRIL 15, 2021

2019 bill cosponsors: S. 1703: 11R 28D 2I | H.R. 3077: 79R 154D

2021 bill cosponsors: S. 1136: 10R 22D | H.R. 2573: 56R 99D as of 3/10/2022

117TH CONGRESS  
1st Session **H. R. 2573**

To amend the Internal Revenue Code of 1986 to reform the low-income housing credit, and for other purposes.

IN

Mr. DELBENE  
Washington  
introduces

117TH CONGRESS  
1st Session **S. 1136**

To amend the Internal Revenue Code of 1986 to reform the low-income housing credit, and for other purposes.

To amend  
the low

1 *By*

2 *titles of*

3 **SECTION**

4 (a)

5 "Affor

6 (b)

7 this Act

Sec. 1. 8

TI

Sec. 101.  
TII

IN THE SENATE OF THE UNITED STATES

APRIL 15, 2021

Ms. CANTWELL (for herself, Mr. YOUNG, Mr. WYDEN, and Mr. PORTMAN) introduced the following bill, which was read twice and referred to the Committee on Finance

## A BILL

To amend the Internal Revenue Code of 1986 to reform the low-income housing credit, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*

2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the

5 "Affordable Housing Credit Improvement Act of 2021".

6 (b) **TABLE OF CONTENTS.**—The table of contents for

7 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—REFORM OF STATE ALLOCATION FORMULAS

Sec. 101. Increases in State allocations.

TITLE II—REFORMS RELATING TO TENANT ELIGIBILITY



CANTWELL  
D-WA



YOUNG  
R-IN



WYDEN  
D-OR



PORTMAN  
R-OH



DELBENE  
D-WA



WALORSKI  
R-IN



BEYER  
D-VA



WENSTRUP  
R-OH

## What's in AHCIA?

- ❑ Expands the Housing Credit 9% cap by 50 percent above the current level (building 12.5 percent increase into baseline and accounting for inflation during two-year phase-in)
- ❑ Lowers the bond “financed-by” threshold from 50 to 25 percent
- ❑ Allows states to award a 30 percent basis boost to Housing Bond-financed developments
- ❑ Establishes a 50 percent basis boost for units reserved for ELI households in properties that reserve at least 20 percent of units for ELI households
- ❑ Expands multifamily Housing Bond recycling authority
- ❑ Makes the Credit a more effective tool for preservation
- ❑ Enables the Credit to better serve hard-to-reach communities through basis boosts for rural, Native American, high-poverty, and high-cost communities
- ❑ Streamlines program rules like the Student Rule and requirements related to casualty loss and AIT in bond-financed properties
- ❑ Ensures protections for veterans and survivors of domestic violence, dating violence, and human trafficking

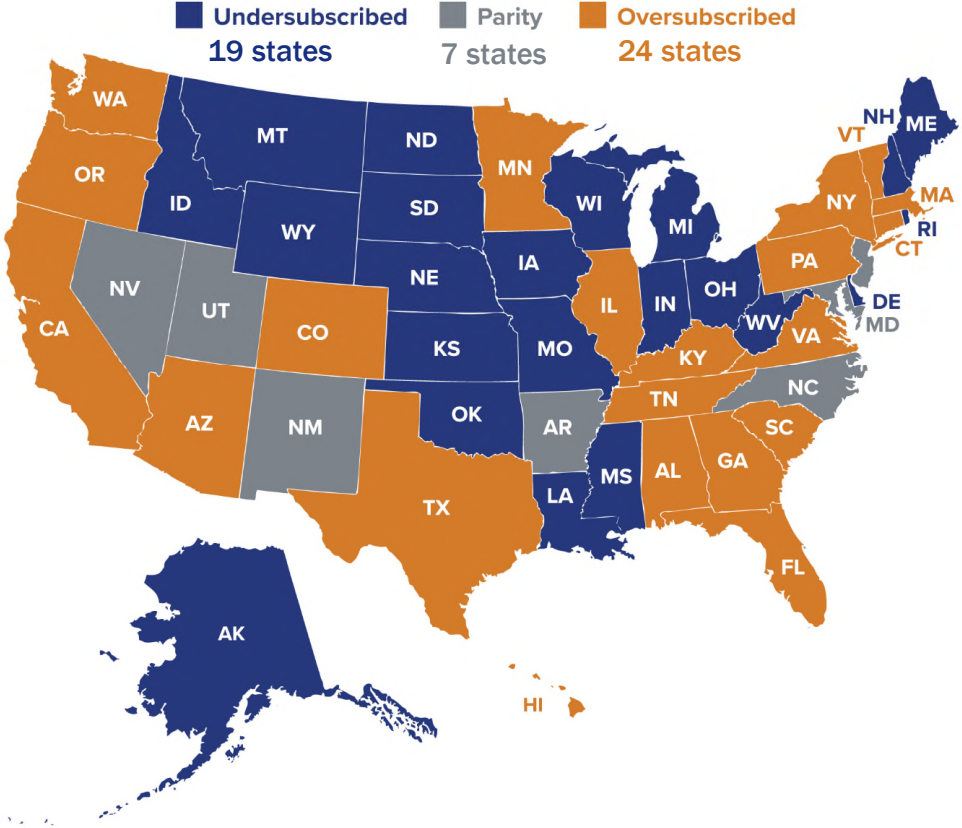
# Lowering the 50% Test

Temporarily lowering the 50% Test to 25%, 2022 to 2026 (as has been proposed)

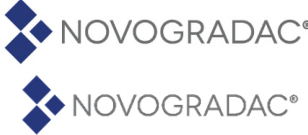
735,500 additional rental homes over 10 years  
Senate provision preliminary score: \$8.695b over 2022-31

# Volume Cap Scarcity

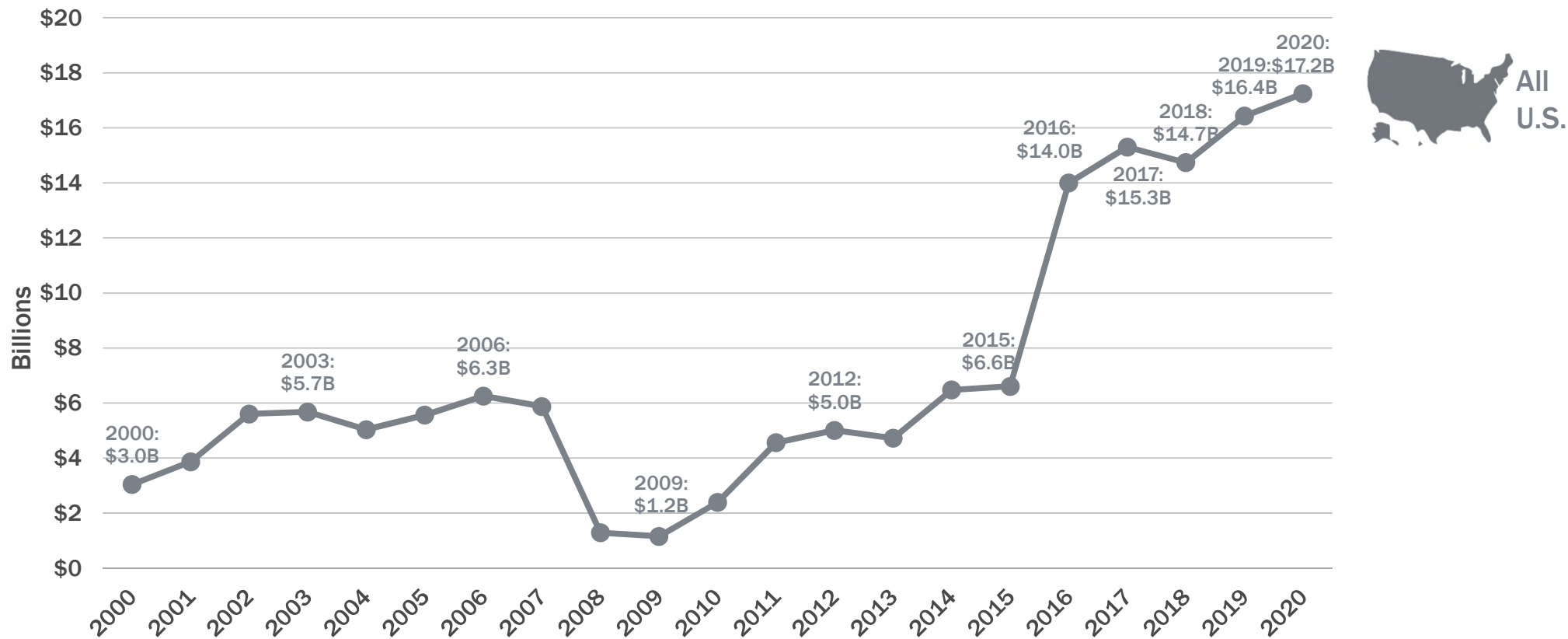
AS OF FEBRUARY 28, 2022



Source: Tiber Hudson; Novogradac



# Rental Housing Bonds: *Over Double Since 2015*

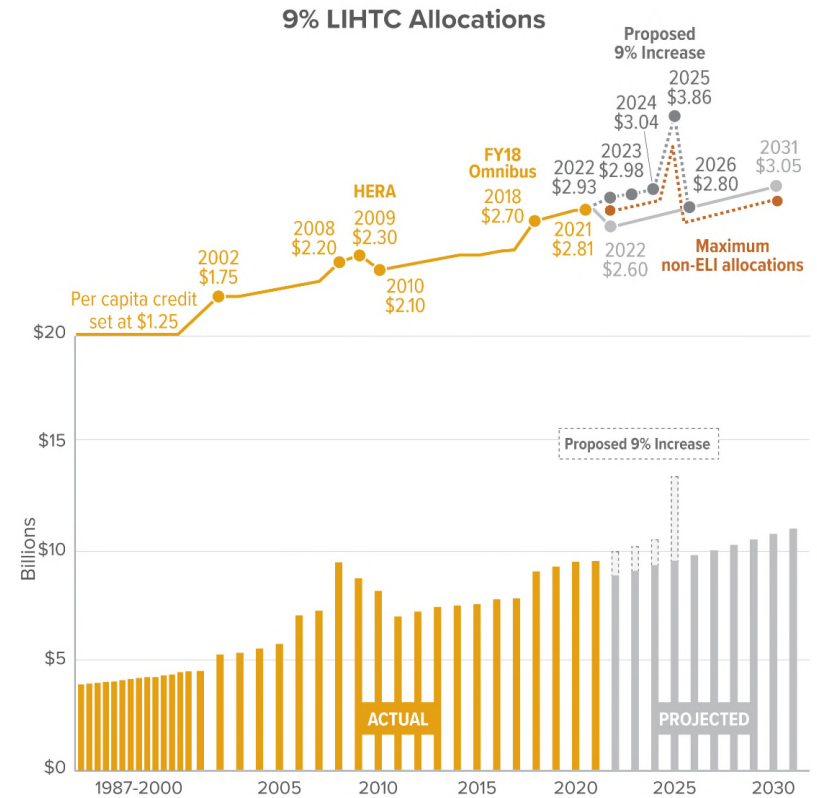




# The 9% LIHTC Cap

Maintain 12.5% increase with inflation adjustments in 2022-2025, further increase allocation by 25% in 2025 (as has been proposed)

23,000 additional rental homes over 10 years  
Senate provision preliminary score: \$2.129b over 2022-31



Source: Senate Finance Committee; Novogradac

DEC. 31

- **FY 2018 omnibus 12.5% allocation increase for 9% LIHTC expired**
- Roughly two dozen other tax provisions expired, including Child Tax Credit

SEPT. 30

End of fiscal year, last day before recess for the midterm elections

MAR. 1

State of the Union

MAR. 10

Congress passes FY2022 Omnibus

WEEK OF MAR. 21

Administration expected to submit FY2023 budget request

MAY 1

Student loan interest and payment pause issued by administration ends

NOV. 8

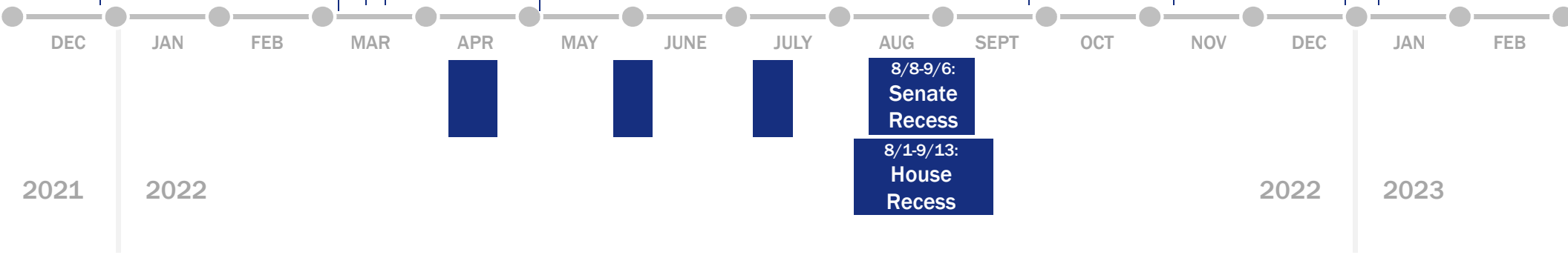
Midterm elections

DEC. 31

Eight tax provisions set to expire

JAN. 3

First day of 118<sup>th</sup> Congress



# How Can You Get Involved in Housing Credit Advocacy?

- ✓ Urge your members of Congress to cosponsor the Affordable Housing Credit Improvement Act (S. 1136/H.R. 2573)
- ✓ Invite your members of Congress to a ribbon cutting, project opening, or property tour
- ✓ Join the ACTION Campaign
  - It's Free!
  - Get the latest legislative updates
  - Use ACTION resources like State and District Fact Sheets and other background materials

