



AFFORDABLE
HOUSING
TAX CREDIT
COALITION

CAHEC Partners Conference

Emily Cadik, CEO, Affordable Housing Tax Credit Coalition

June 4, 2024



Tax Relief for American Families and Workers Act of 2024

- **\$78 billion** legislation passed out of the House on January 31 in an overwhelmingly bipartisan **357 – 70** vote
 - Passed the House Ways and Means Committee on January 19 by a 40 – 3 vote
- Core components:
 - Child Tax Credit
 - Business tax extenders (R&D and others)
 - Includes extension of 100% bonus depreciation
 - Paid for by repeal of employee retention credit
- Only very limited provisions added to initial core components: disaster tax relief, provisions related to Taiwan, and **affordable housing**
- Legislation is currently **stuck in the Senate**



Lead negotiators: Senate Finance Committee Chairman Ron Wyden (D-OR) and House Ways and Means Committee Chairman Jason Smith (R-MO)

Tax Relief for American Families and Workers Act of 2024

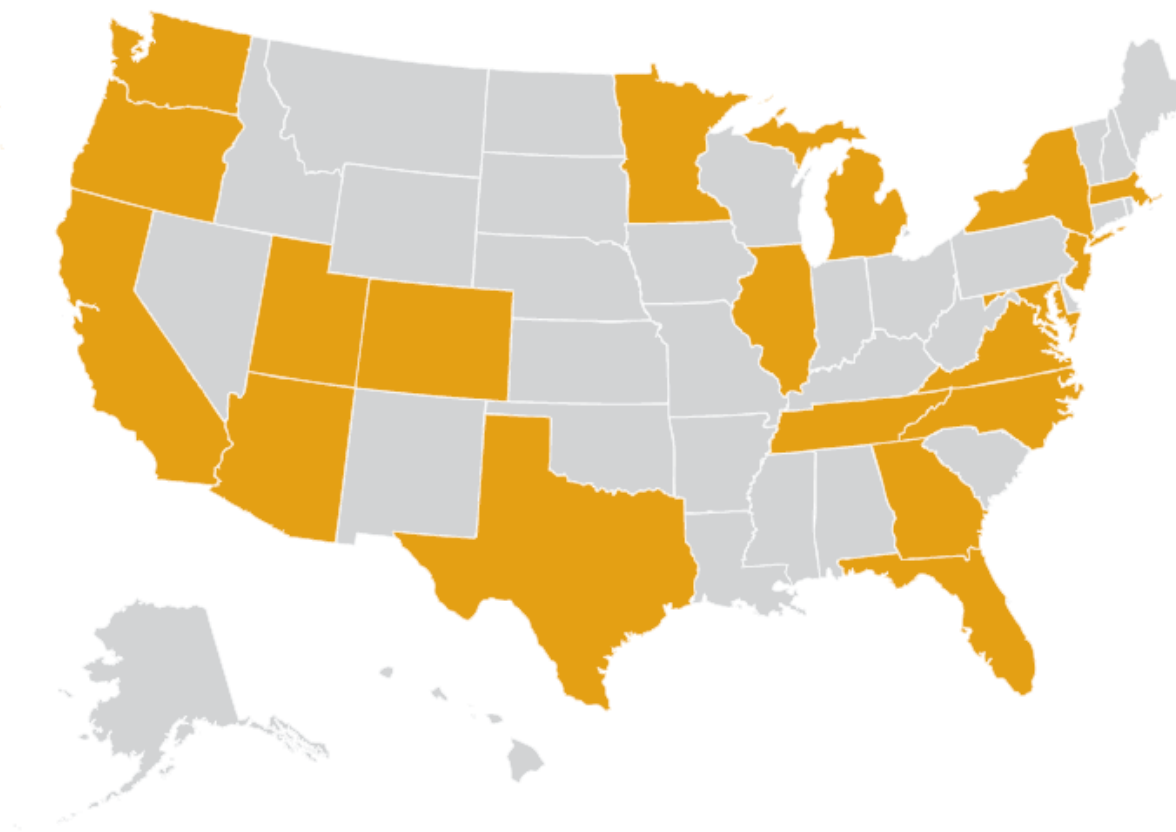
- **Housing Credit provisions**
 - **Restores the 12.5% allocation increase** for 2023 – 2025
 - This allocation increase was initially enacted in 2018 but expired in 2021
 - Would not extend the 12.5% retroactively for 2022, but would restore it retroactively for 2023 and keep it in place for the next two years
 - Would finance **16,263** more affordable homes
 - **Lowers the 50% bond financing test** to 30% for PAB allocations made in 2024 – 2025
 - Would finance **186,310** more affordable homes

THE BIPARTISAN TAX PACKAGE WOULD
PRODUCE OR PRESERVE

200,000+
MORE AFFORDABLE RENTAL HOMES

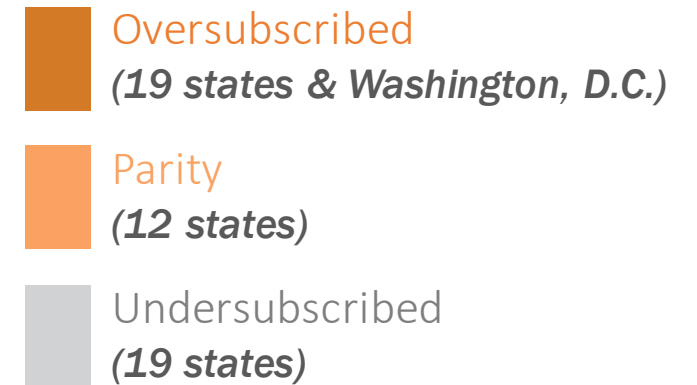
States Seeing the Largest Increase in Affordable Rental Homes Due to LIHTC Proposal

		Additional Homes as Proposed	Additional Homes if Extended Through 2033
1	California	39,620	179,510
2	New York	19,460	88,150
3	Texas	17,830	80,320
4	Florida	12,600	56,740
5	Georgia	8,750	39,570
6	Virginia	7,170	32,410
7	Washington	6,890	31,180
8	Oregon	6,640	30,160
9	Tennessee	6,190	27,990
10	Illinois	5,750	25,810
11	Massachusetts	5,140	23,220
12	Minnesota	4,820	21,790
13	Maryland	4,810	21,760
14	North Carolina	4,740	21,250
15	Colorado	4,170	18,850
16	New Jersey	4,120	18,490
17	Arizona	3,430	15,390
18	DC	3,260	14,840
19	Michigan	2,850	12,640
20	Utah	2,700	12,210

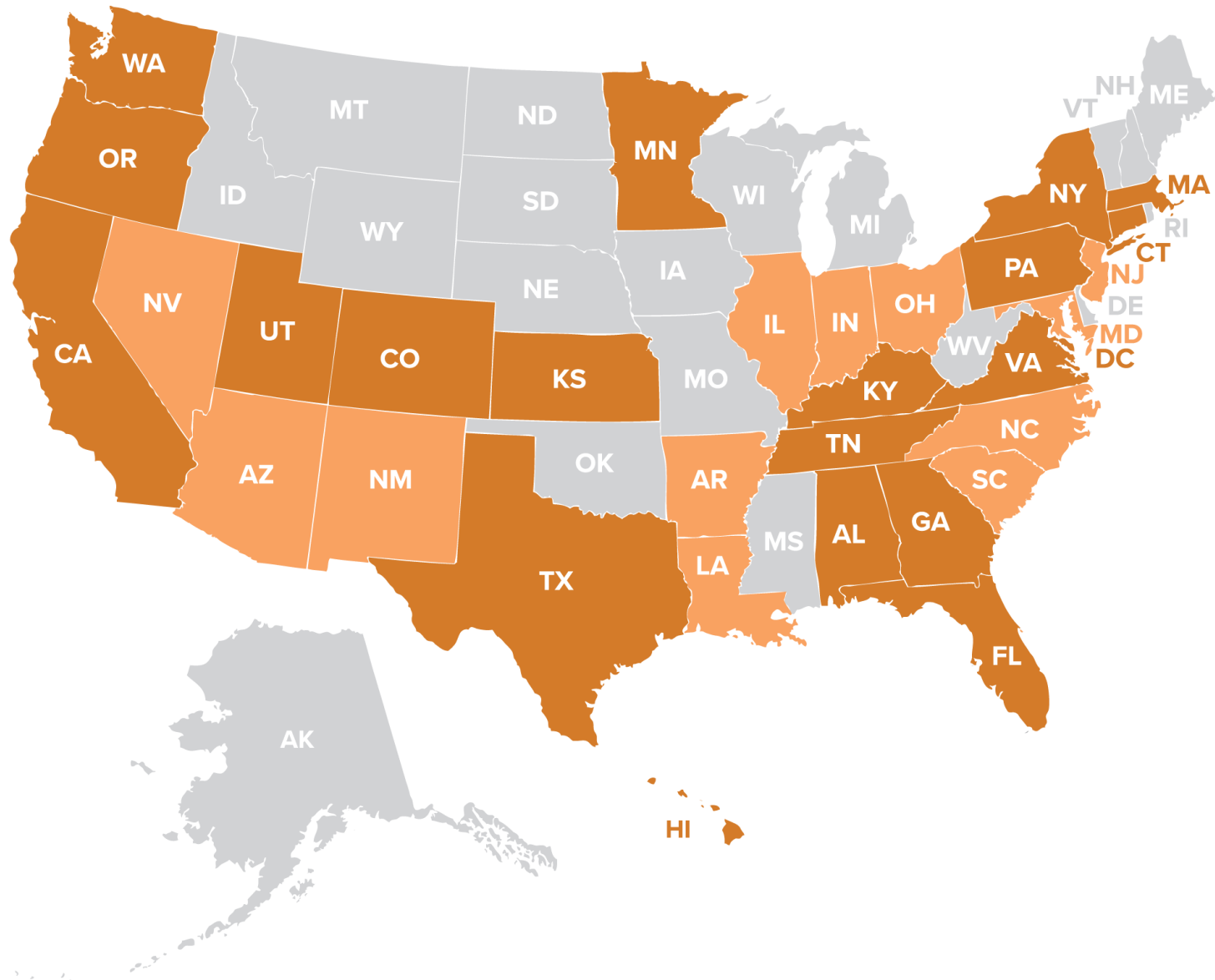


Sources: Novogradac; Calculated based on data from National Council of State Housing Agencies' Annual State HFA Factbooks, Council of Development Finance Agencies' Annual Volume Cap Reports, Census, IRS, Congressional Budget Office and Bureau of Labor Statistics

Volume Cap Scarcity



Information as of May 2024
Source: Tiber Hudson; Novogradac



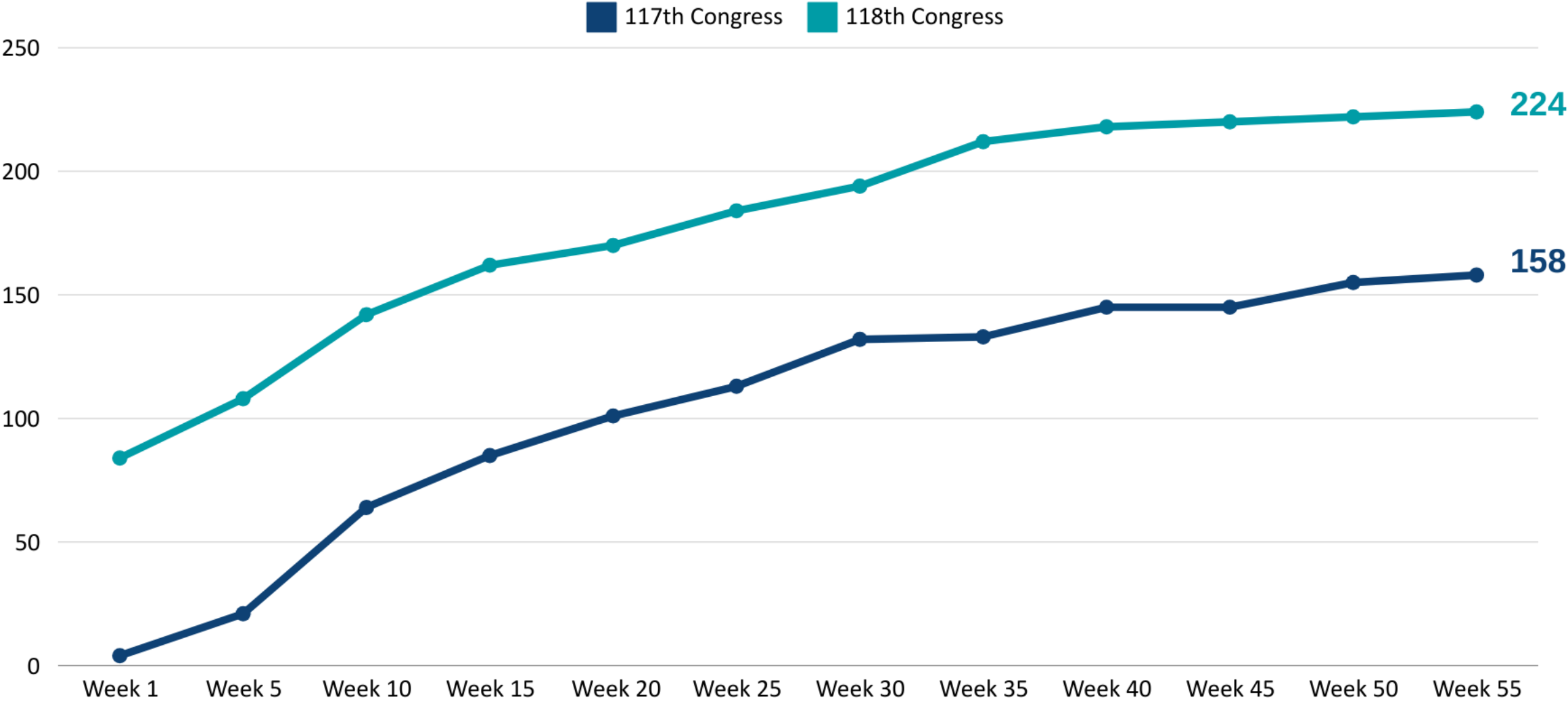
Immediate Next Steps: Senate

- Advocacy focus on the Senate: **Republicans** and **Democrats**
 - **Republican Senators**: urge them to voice public support for the Tax Relief for American Families and Workers Act and ask if you can count on their vote for the legislation if it comes to the floor
 - **Democratic Senators**: urge them to communicate their support to Majority Leader Schumer for bringing the Tax Relief for American Families and Workers Act to the floor
 - It is important that Majority Leader Schumer hears from members of the Democratic conference that bringing this bill to the floor is a priority

Immediate Next Steps: House

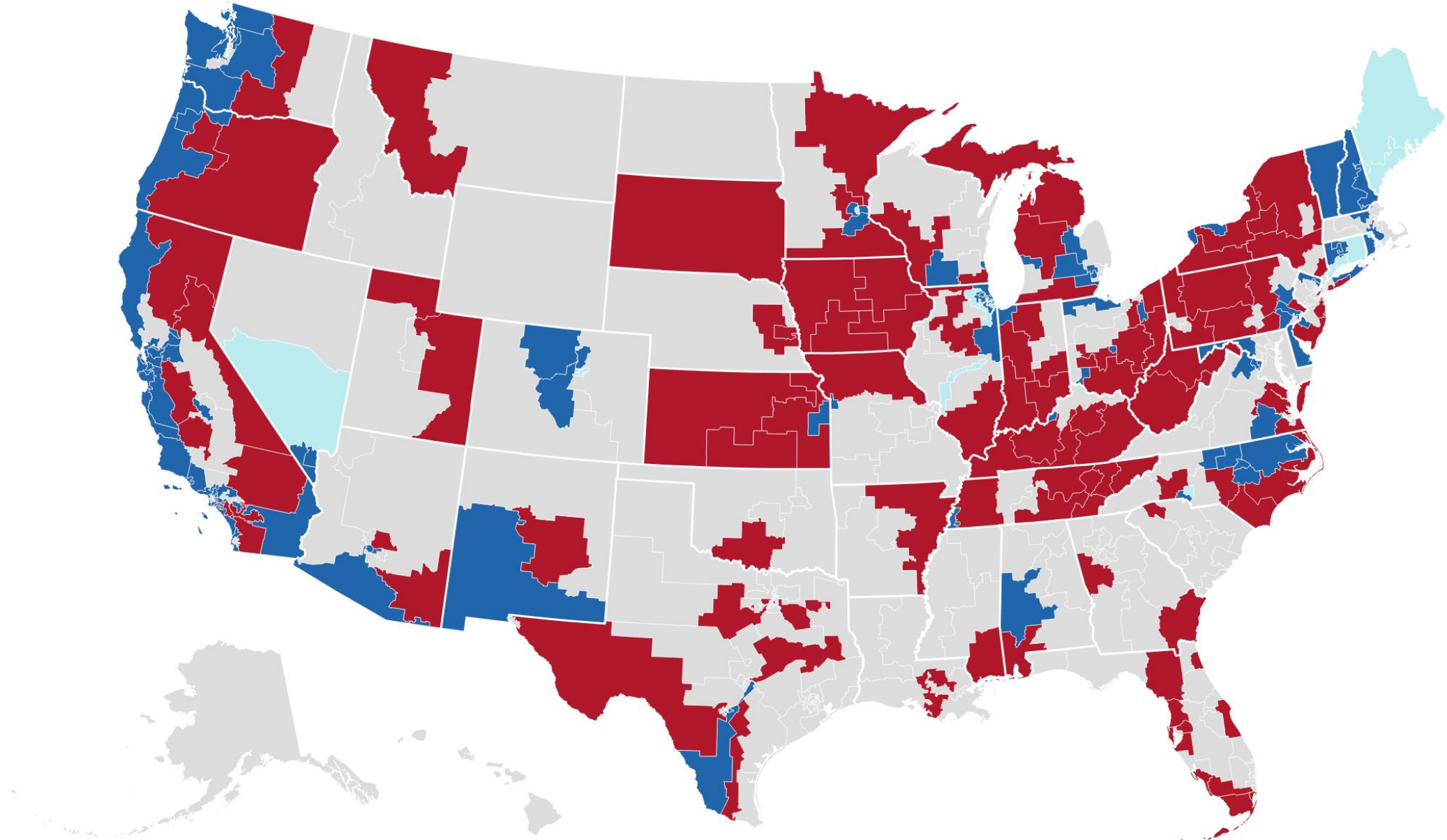
- **Thank** the 357 members who voted for the Tax Relief for American Families and Workers Act
- Keep **recruiting** new AHClA co-sponsors
 - Helps to position Housing Credit provisions for advancement in any vehicle
 - The more co-sponsors sign on this year, the more will sign on quickly next year
- Engage with tax team and **lay the groundwork for 2025 tax legislation**

House AHCIA Cosponsors v. Weeks After Reintroduction

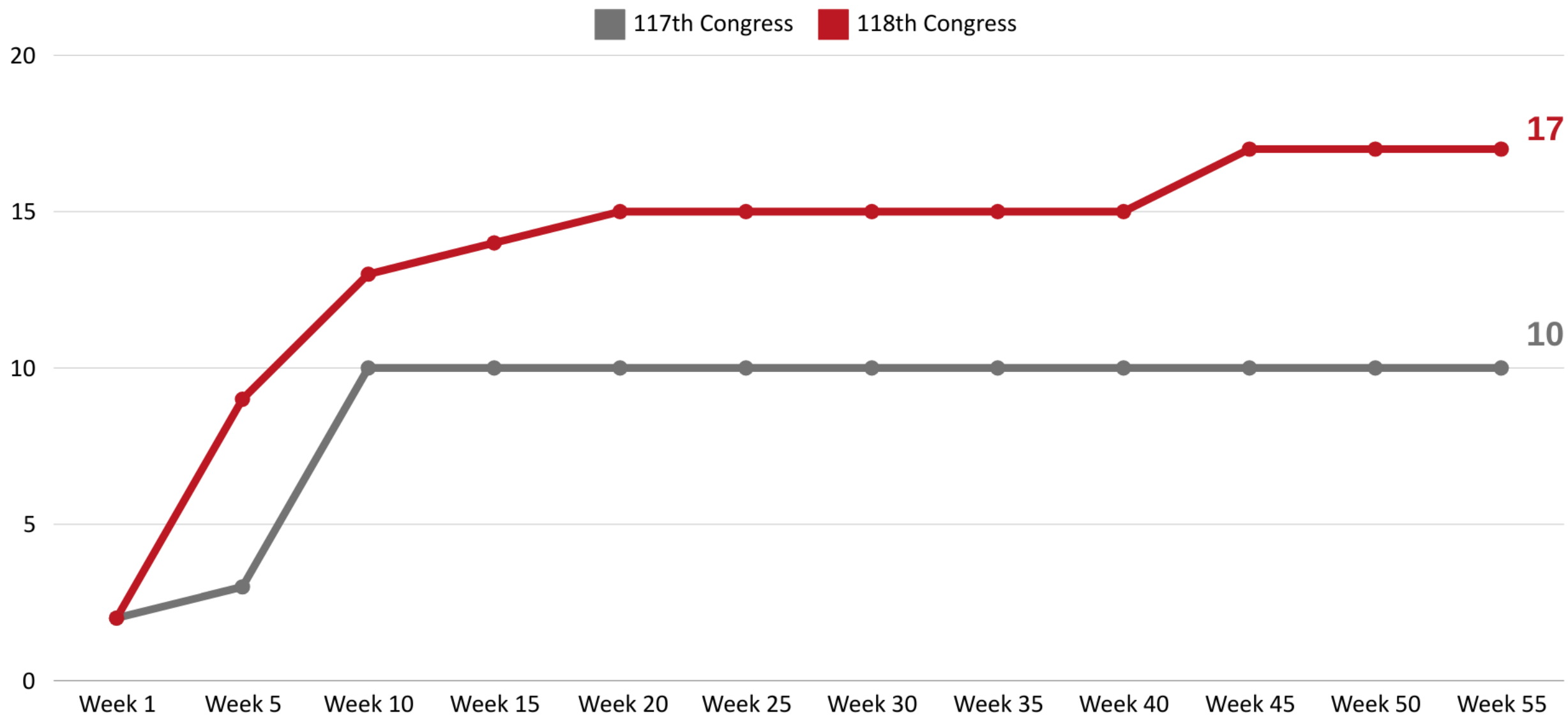


House AHCIA (H.R.3238) Cosponsors by District - May 2024

Republican Cosponsor Democrat Queue Democrat Cosponsor

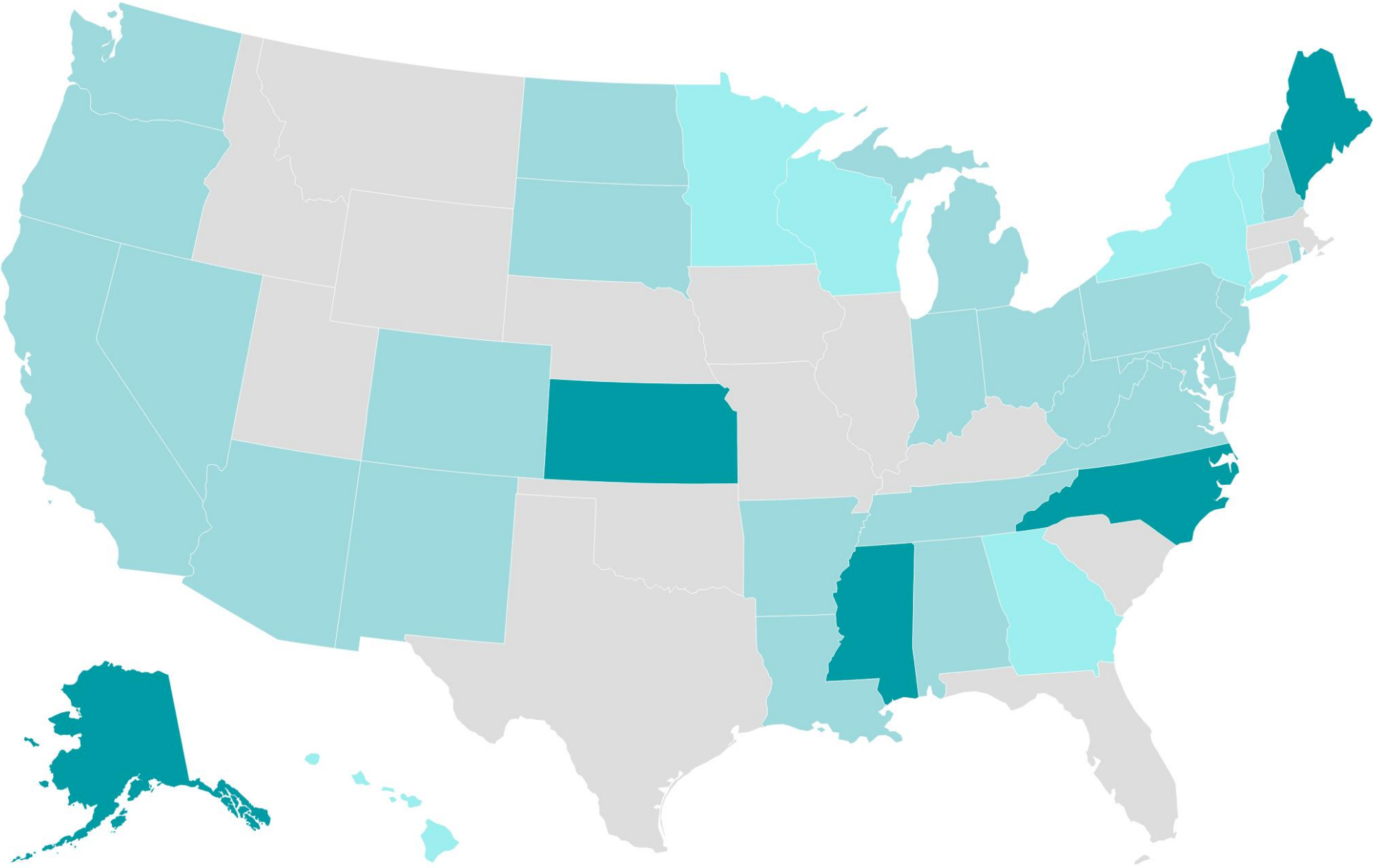


Senate Republican AHCA Cosponsors v. Weeks After Reintroduction



Senate AHCIA (S.1557) Cosponsors by State - May 2024

1 Senator Democrat Queue 2 Senators



2025 Tax Legislation

- **"Super Bowl" of tax: 23 provisions** from the Tax Cuts and Jobs Act expire in 2025
- **More than \$4.4 trillion** worth of expiring tax cuts
- Major questions:
 - Who controls Congress and the White House?
 - Pay-fors/offsets?
 - Reconciliation?
 - Timing?

Major Tax Provision	Cost (Joint Committee on Taxation)
Lower income tax rates	\$2.16 trillion
Higher CTC	\$748 billion
Higher standard deduction	\$1.25 trillion
199A deduction (for pass-throughs)	\$684 billion
100% bonus depreciation	\$378 billion
New Markets Tax Credit	\$6.7 billion

House Ways and Means Committee Community Development Tax Team



Chairman:
Rep. Mike Kelly (R-PA)
AHCIA original co-sponsor



Rep. Darin
LaHood (R-IL)
AHCIA lead sponsor



Rep. Claudia
Tenney (R-NY)
AHCIA lead sponsor

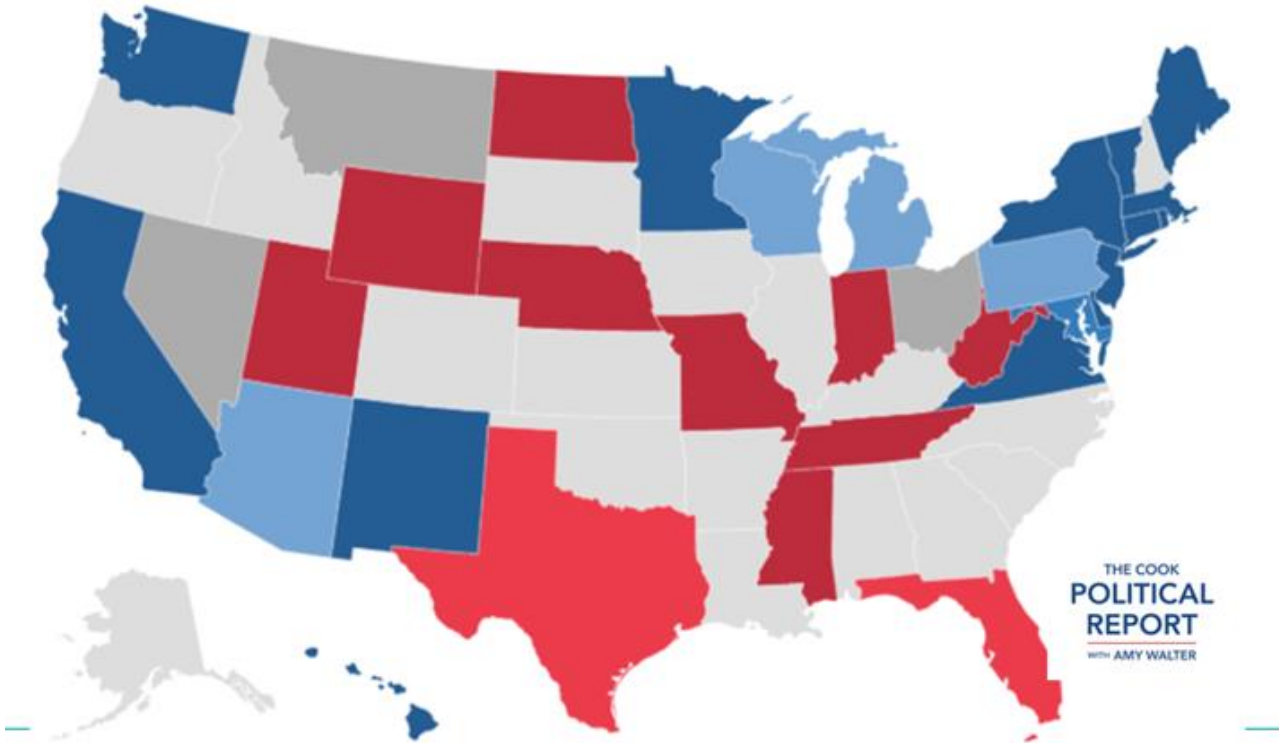
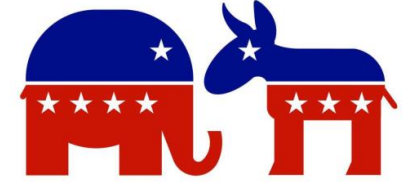


Rep. Blake
Moore (R-UT)
AHCIA original co-sponsor

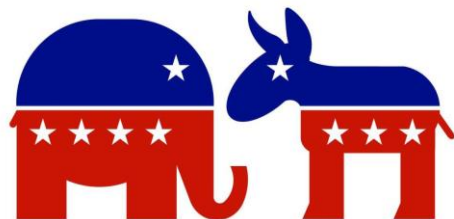


Rep. Mike Carey
(R-OH)
AHCIA original co-sponsor

Election 2024: Senate

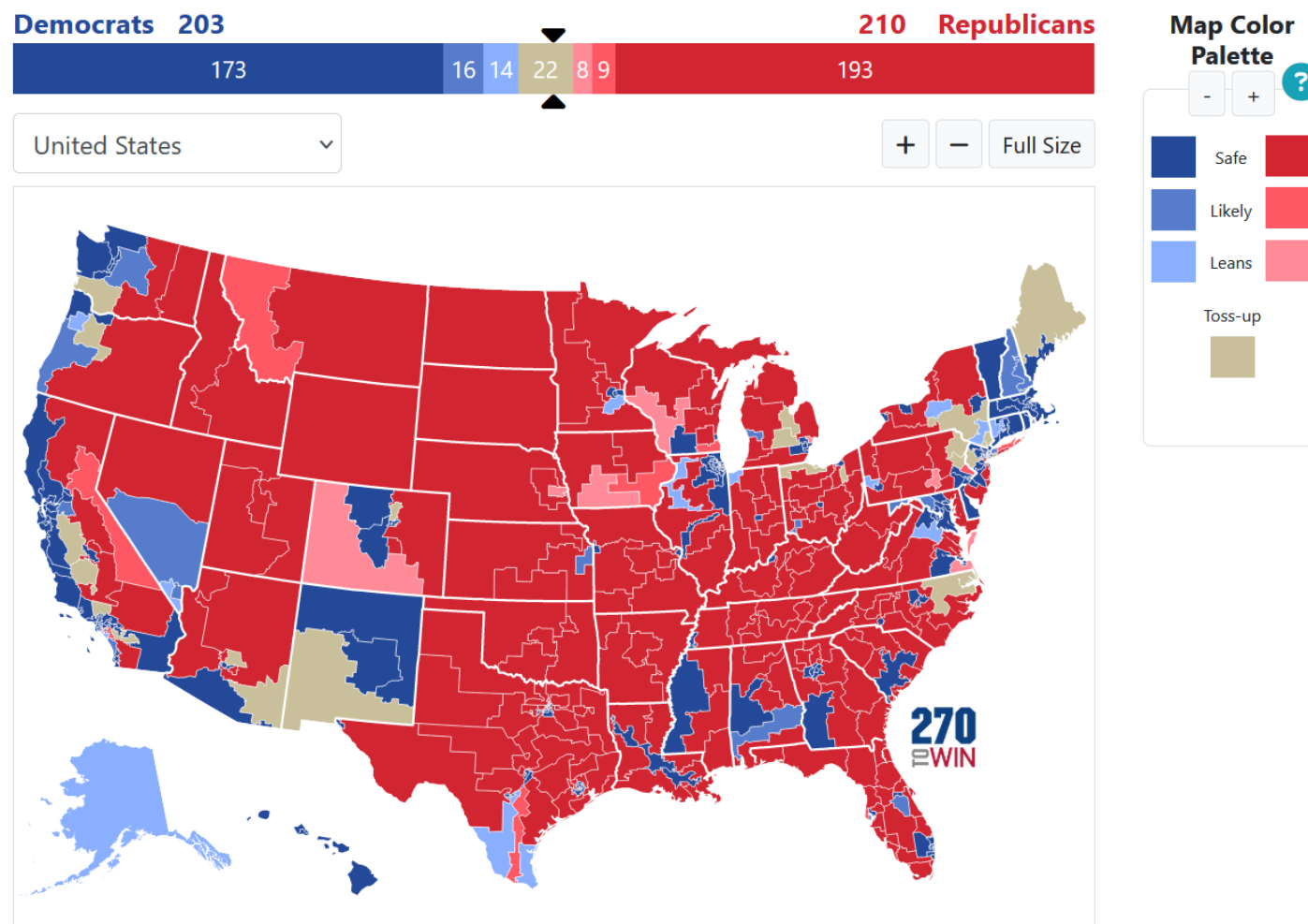


- With Manchin (WV) retirement, **Rs likely only need 1 more seat** to flip control
- **Dems defending 24 vs Rs 10**
- **Toss-ups:**
 - Sherrod Brown (OH)
 - Jon Tester (MT)
 - Jacky Rosen (NV)
- **Housing Ally Retirements:**
 - Kyrsten Sinema (I-AZ)
 - Debbie Stabenow (D-MI)
 - Ben Cardin (D-MD)
 - Tom Carper (D-DE)



Election 2024: House

- House **margins** expected to stay **narrow**
- Down to **22 toss-up seats**:
11 Dems/11 Republicans
 - **9 out of 11 toss-up Republicans** are **AHCIA cosponsors**
- **Democrats need 4 additional seats** to flip control
- Though **slight Republican lead** now, **Dems leading Republicans in \$\$**



Map Updated: May. 24, 2024 at 13:01 UTC (9:01 AM EDT)

Property Events



Sen. Tillis tours the Renaissance in
Charlotte, NC



Rep. Wiley Nickel attends a frame-raising
for Aspen Spring in Raleigh, NC

Regulatory Issues

- **HUD Income Limits**
 - HUD released new income limits April 1 with 10% cap on income limit increases
- **Community Reinvestment Act (CRA)**
 - Judge has issued an injunction halting implementation of the new CRA regulations issued in October 2023
 - Prior CRA regulations remain in effect
- **Insurance costs**
 - HUD and FHFA looking at actions to help address skyrocketing insurance costs

Questions?

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