



May 11, 2022

Federal and State Legislative Update

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NCSHA Legislative and Policy Focus

- Expanding and strengthening the Low Income Housing Tax Credit (Housing Credit): The Affordable Housing Credit Improvement Act, S. 1136/H.R. 2573, partially included in Build Back Better
- Closing the Qualified Contract loophole and protecting nonprofit Right of First Refusal: Included in DASH Act, S. 2820 and in Build Back Better
- Improving use of the Coronavirus State and Local Recovery Fund with the Housing Credit: The LIFELINE Act, H.R. 7078
- Creation of a new Neighborhood Homes Credit: The Neighborhood Homes Investment Act, H.R. 2143/S. 98

NCSHA Legislative and Policy Focus

- FY 2023 Appropriations
 - HOME: asking for \$2.5 billion
 - Rental assistance: sufficient funding to at least cover all existing vouchers and project-based assistance
- HOME Investment Partnerships program programmatic issues
 - Reauthorizing HOME, including statutory changes to strengthen the program
 - Addressing HOME regulatory barriers
- Housing Bond Enhancement Act
- Downpayment Toward Equity Act, H.R. 4495/S.2920

Reconciliation

- November 2021: House passes Build Back Better
 - Over \$150 billion in affordable housing spending
 - Significantly expands Housing Credit resources
 - Establishes Neighborhood Homes Credit
- December 2021: Senate releases draft Build Back Better sections, substantially similar to the House-passed bill
- December 2021: Senator Manchin announces he cannot vote for Build Back Better as envisioned
- Since then: Talk of a significantly pared back reconciliation package, but very little in the way of formal negotiations.
- September 30, 2022: End of Fiscal Year. To maintain reconciliation protections, legislation would need to pass by this date, pending parliamentary determination.

Message to Congress

- Skyrocketing housing costs are fueling inflationary pressures and hurting families.
- Costs are so high because demand far outstrips supply.
- We cannot combat inflation without increasing the supply of affordable housing.
- Congress must make substantive investments in affordable housing supply programs:
 - Lower the bond financing threshold to 25 percent to maximize 4 percent Housing Credit development
 - Restore the 12.5 percent cut in Housing Credit resources the program suffered in 2022 and further increase Housing Credit authority
 - Provide significant new resources for the HOME Investment Partnerships program.
- *To Democrats only:* Make sure these provisions are in reconciliation

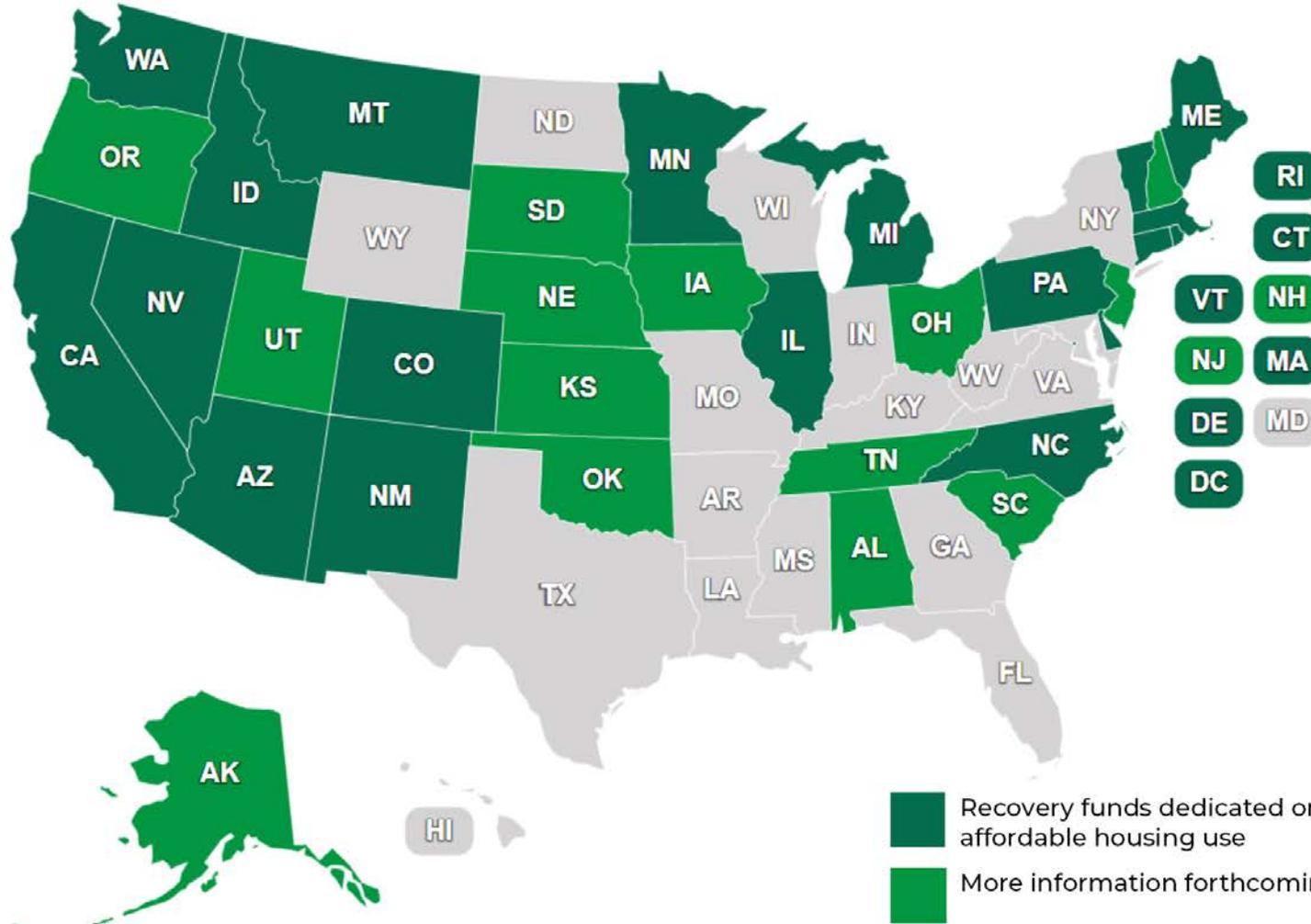
End-of-Year Legislation

- Congress is likely to consider tax legislation at the end of the year during the “Lame Duck” session after the election
- If Reconciliation does not pass, this is likely our best opportunity to advance tax priorities.
- 12.5 percent cap increase expired in 2022– making this a “tax extender”
- Potential for non-extender tax priorities to also move in end-of-year legislation

Fiscal Recovery Funds

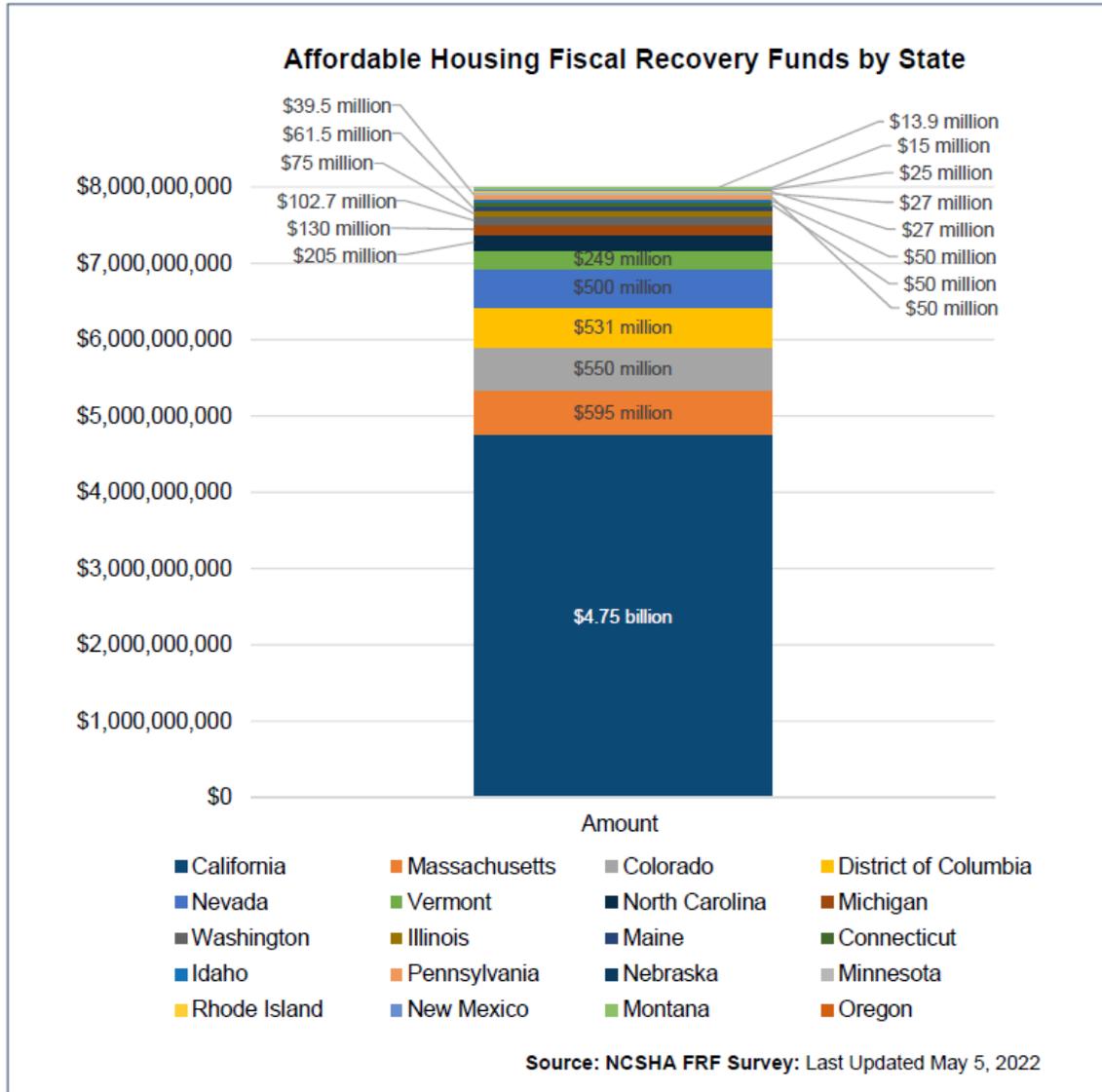
- \$350 billion in flexible funding to states and localities from the American Rescue Plan Act to support response to and recovery from the COVID-19 public health emergency.
- Eligible affordable housing uses include: development of affordable housing and permanent supportive housing; rental assistance, mortgage assistance and DPA, utility assistance, assistance with delinquent property taxes, counseling and legal aid to prevent eviction and homelessness, emergency programs for services for homeless individuals
- Major challenges using FRF with the Housing Credit

States Using FRF for Housing



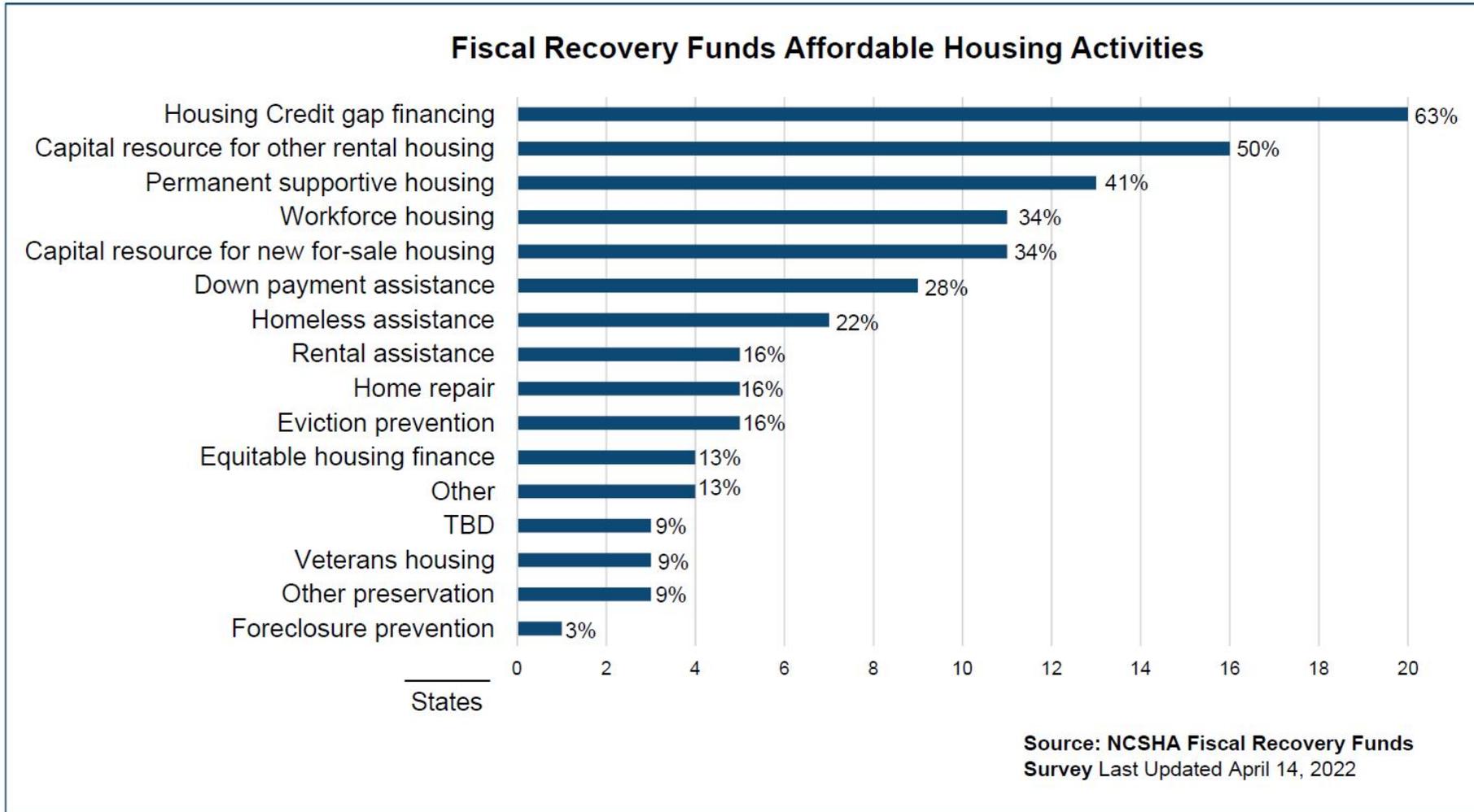
Source: NCSHA Fiscal Recovery Funds Survey
Last Updated May 5, 2022

\$8 Billion in Affordable Housing Investment and Counting



<u>STATE</u>	<u>FRF \$ AMOUNT</u>
California	\$4.75 billion
Massachusetts	\$595 million
Colorado	\$550 million
District of Columbia	\$531 million
Nevada	\$500 million
Vermont	\$249 million
North Carolina	\$205 million
Michigan	\$130 million
Washington	\$102.7 million
Illinois	\$75 million
Maine	\$61.5 million
Connecticut	\$50 million
Idaho	\$50 million
Pennsylvania	\$50 million
Nebraska	\$39.5 million
Minnesota	\$27 million
Rhode Island	\$27 million
New Mexico	\$25 million
Montana	\$15 million
Oregon	\$13.9 million

Anticipated Affordable Housing Uses



FRF Legislation

- Representatives Alma Adams (D-NC) and David Rouzer (R-NC) introduced the LIHTC Financing Enabling Long-term Investment in Neighborhood Excellence (LIFELINE) Act, H.R. 7078 on March 15.
- We expect Senator Leahy (D-VT) to soon introduce bipartisan companion legislation.
- This bipartisan legislation would allow states and localities to use FRF to make long-term loans to Housing Credit developments with maturities of 30 years or more.
- Does not need to move in a tax vehicle, so opportunities like COVID relief legislation are potential vehicles.

How You Can Get Involved in Advocacy

- ✓ Urge your members of Congress to cosponsor the Affordable Housing Credit Improvement Act (S. 1136/H.R. 2573) and the LIFELINE Act (H.R. 7078)
- ✓ 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

Low-Income Housing Tax Credit Impact In Pennsylvania



The ACTION Campaign represents over 2,400 organizations and businesses working to address our nation's severe shortage of affordable rental housing by supporting the Low-Income Housing Tax Credit.

The Housing Credit's Benefits For Low-Income Families And The Economy, 1986 - 2020

-  98,244 homes developed or preserved in PA
-  222,861 low-income households served
-  156,370 jobs supported for one year
-  \$6.1 billion in tax revenue generated
-  \$17.7 billion in wages & business income generated

The Need for Affordable Housing
Though the Housing Credit has had a tremendous impact across the country, much more affordable housing is still needed to meet the growing demand.

-  387,360 renter households in Pennsylvania pay more than half of their monthly income on rent, leaving too little for other expenses like health care, transportation, and nutritious food
-  In order to afford a one-bedroom apartment, a minimum wage worker in Pennsylvania has to work 89 hours per week

The Low-Income Housing Tax Credit (Housing Credit) is a proven solution to help address the affordable housing crisis.

The Housing Credit is our nation's most successful tool for encouraging private investment in affordable rental housing.

It has financed nearly 3.5 million homes for low-income families and individuals nationwide since 1986.

The ACTION Campaign calls on Congress to:

- Expand the Housing Credit to address the severe shortage of affordable housing.
- Strengthen the Housing Credit to maximize impact in communities facing the greatest need.
- Enhance multifamily Housing Bonds, which provide critical financing to about 50 percent of Housing Credit homes.

Addressing Our Nation's Severe Shortage Of Affordable Housing

 Up to 47,200 additional affordable homes could be financed in Pennsylvania by the primary unit financing provisions in the Affordable Housing Credit Improvement Act.

Visit rentalhousingaction.org for data sources and methodologies.

Pennsylvania Action Members

ACTION-Housing
Action Wellness
Allegheny County Housing Authority
Allegheny Housing Rehabilitation Corporation (AHRCO)
Allentown Housing Authority
A.M. Rodriguez Associates, Inc.
Asociacion Puertorriqueños en Marcha
BCM Affordable Housing
Bethlehem Haven
Bridging the Gap Development
Catholic Human Services
Catholic Social Services Scranton
City of Lancaster
CMS Housing Inc.
Commonwealth Development Strategies
Community Action Commission
Community Action Committee of the Lehigh Valley, Inc.
Community Basics, Inc.
Community First Fund
Cornerstone Community Partners
Cosmopolitan Capital Funding
Diamond and Associates
Diversified Community Service
Duval Improvement Association
Esperanza Housing and Economic Development
Fayette County Community Action Agency, Inc.
Franklin County Housing Authority
Hampden Townsquare, LLC
HDC MidAtlantic
The Hickman
High Swartz LLP
Hill District Consensus Group

Pennsylvania Action Members

Homeowners Association of Philadelphia (HAPCO)
House of Prayer
Housing Alliance of Pennsylvania
Housing Authority of the City of Erie
Housing Authority of the County of Beaver
Housing Authority of Monroe County
Housing Development Corporation MidAtlantic
Housing and Neighborhood Development Service
Inglis
Kelly & Close Engineers
LeadingAge PA
LeFevre Funk Architects Inc.
Local Initiatives Support Corporation
Mantua Civic Association
McKean County Housing Authority
Mental Health Association of Northwestern PA
Mental Health Partnerships

Mission First Housing Group
Mon Valley Initiative
Mosaic Community Land Trust
Mt. Vernon Manor Inc.
National Resource Center on Domestic Violence
NCCDC
NewCourtland Elder Services
New Kensington CDC
The NRP Group
PA Humanities Council
Pathways to Housing PA
Penrose Properties
Pennsylvania Association of Housing & Redevelopment
Agencies
Pennsylvania Developers Council

Pennsylvania Action Members

Pennsylvania Housing Finance Agency
People's Emergency Center
Philadelphia Association of CDCs
Philadelphia City Council
Philadelphia Housing Authority
Pittsburgh Community Reinvestment Group (PCRG)
Presbys Inspired Life
Presbyterian Senior Living
Presbyterian SeniorCare
Project HOME
Quality Community Health Care, Inc.
Ralph A. Falbo, Inc.
RBVetCo, LLC
Real Estate Strategies, Inc.
The Reinvestment Fund
Renewal Investments, LLC
S&A Homes

SEDA-COG Housing Development Corp.
Self Determination Housing Project (SDHP)
Shift Development
Southwest Community Development Corp.
Temple Univ. Center for Social Policy and Comm. Deve
United Neighborhood Centers
United Neighborhood Community Development
Corporation
Upper Merion Township
The Village of Arts and Humanities
Voices for Independence
Wells Fargo
West Market Management
Women's Community Revitalization Project
WRT Design
Wynnefield Overbrook Revitalization Corporation
York Housing Authority
ZAC Associates