



PHFA 2024 Housing Forum: Federal and State Legislative Update

Jennifer Schwartz, Director of Tax and Housing Advocacy |
National Council of State Housing Agencies

National Economic Environment

- Mortgage rates remain at or near recent highs.
- The number of cost-burdened renters reached an all-time high, while emergency rental assistance has run out in most states.
- While the cost of building materials remains high, the rate by which costs increased in 2023 slowed significantly compared to 2021 and 2022.

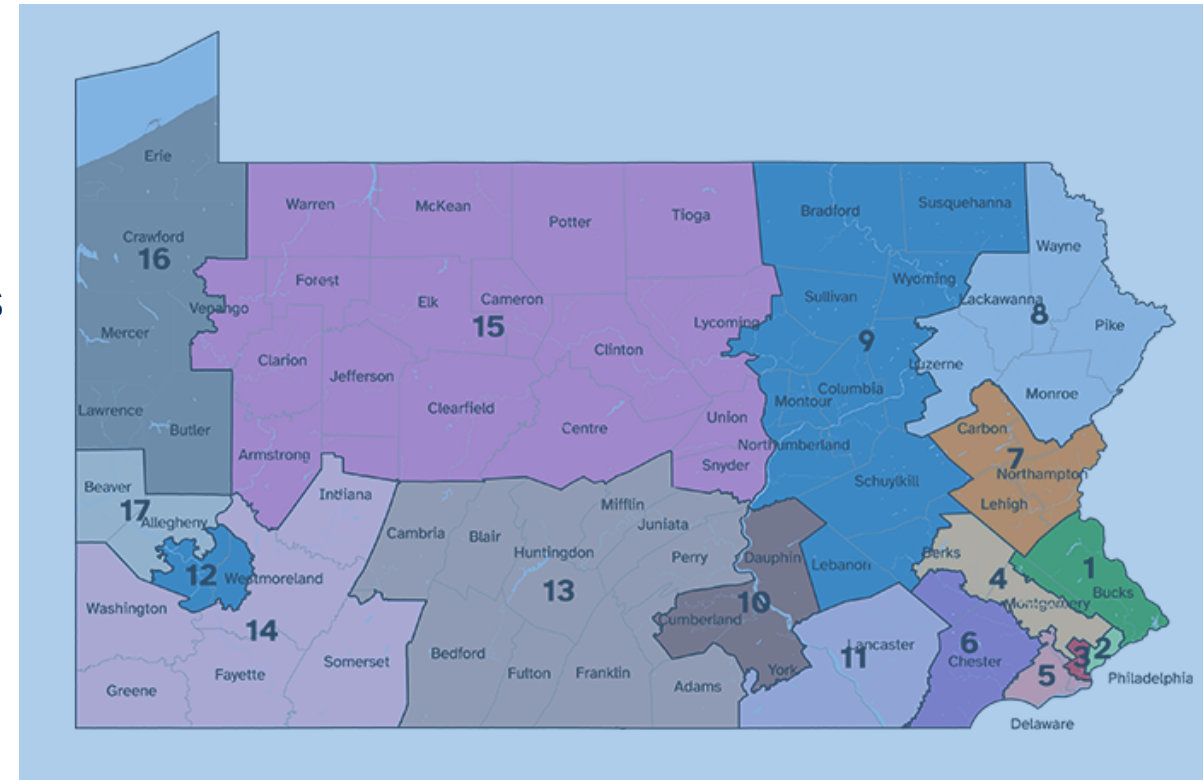
Washington Political Environment

- Presidential and congressional election campaigning in full swing.
- Divided government, with historically slim majorities in both chambers.
- Appropriators finally turning to FY 25, after Congress passed FY 24 spending bills more than five months into fiscal year.
- House-passed tax bill—including housing provisions— stalled in Senate, as Democrats and Republican disagree on details.

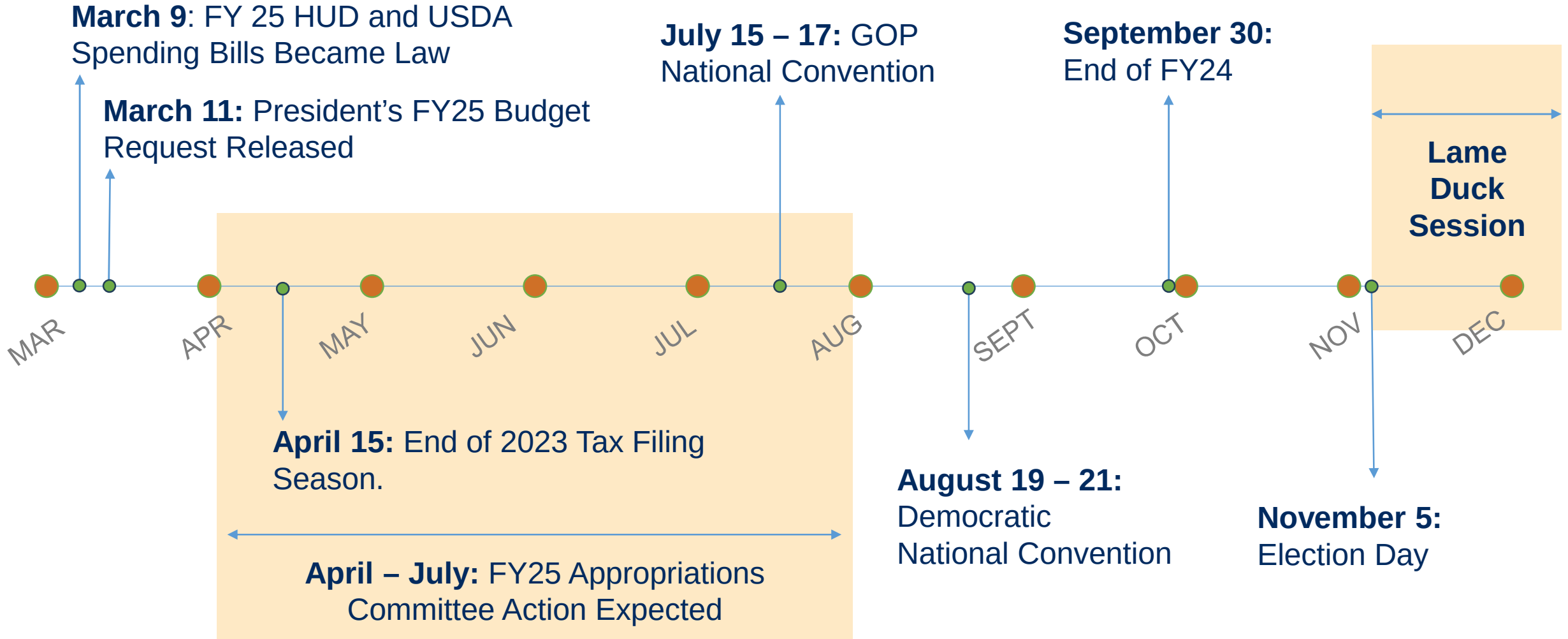
Pennsylvania Delegation

Members on Key Committees

- **Sen. Bob Casey (D)** | Senate Finance
- **Sen. John Fetterman (D)** | Senate Banking, Housing, and Urban Affairs
- **Rep. Brian Fitzpatrick (R)** | House Ways and Means
- **Rep. Dwight Evans (D)** | House Ways and Means
- **Rep. Matt Cartwright (D)** | House Appropriations
- **Rep. Daniel Meuser (R)** | House Financial Services
- **Rep. Lloyd Smucker (R)** | House Ways and Means
- **Rep. Guy Reschenthaler (R)** | House Appropriations
- **Rep. Mike Kelly (R)** | House Ways and Means



Year at a Glance



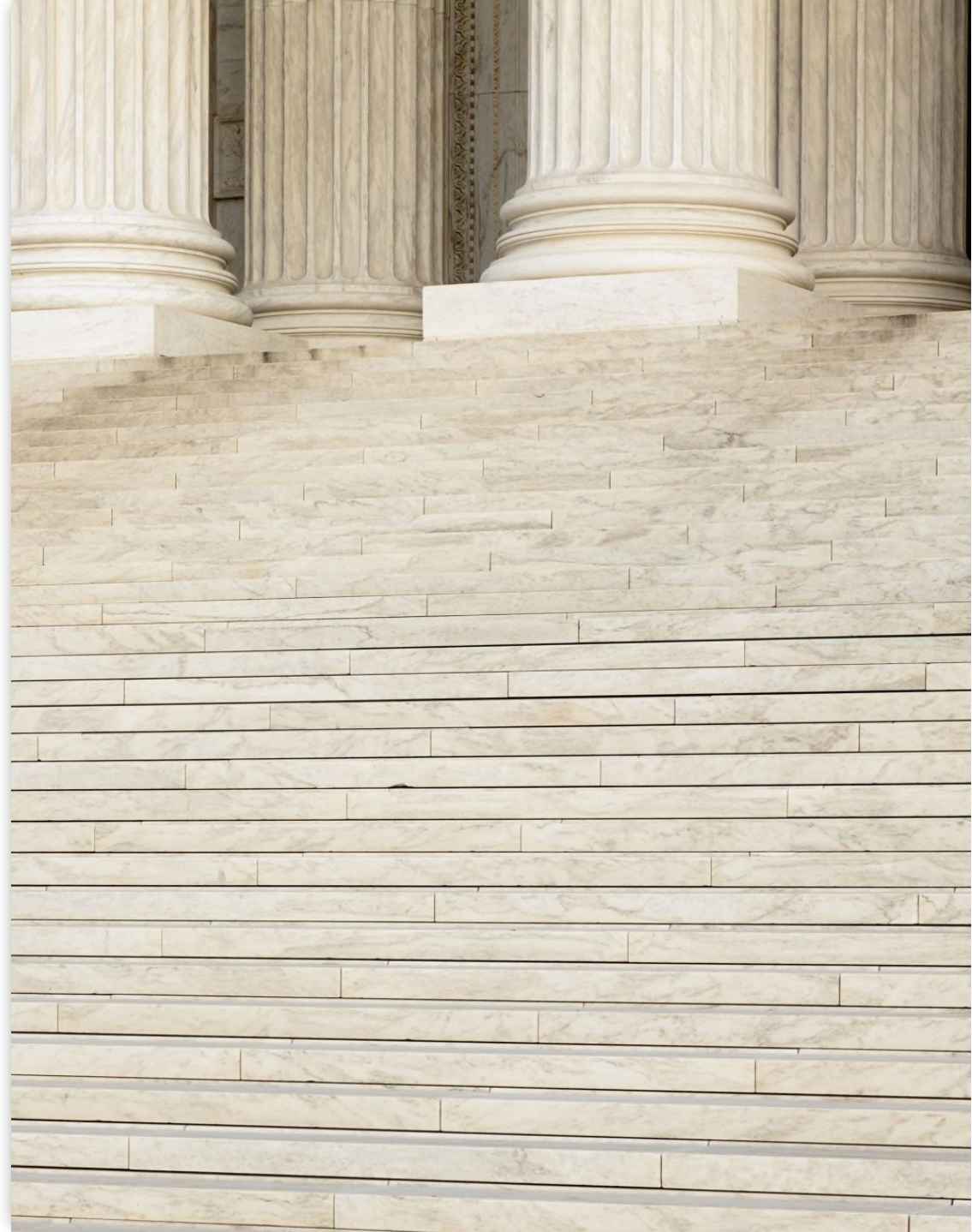
Tax Relief for American Families and Workers Act: Housing Provisions

- Restores the 12.5 percent increase in 9 percent authority that expired in 2022, applicable to calendar years 2023, 2024, and 2025.
- Lowers the bond-financing threshold from 50 to 30 percent for 4 percent Housing Credit properties for which the bond used to finance the development has an “issue date” before 2026 (applicable to properties that place in service after December 31, 2023).



Tax Relief for American Families and Workers Act: Status

- Jan. 16: House Ways and Means Chair Smith and Senate Finance Chair Wyden (D-OR) announced the deal.
- Jan. 17: Smith introduced the bill in the House.
- Jan. 19: Ways and Means Committee passed the bill by a 40 – 3 vote.
- Jan. 31: House of Representatives passed the bill by a 357 – 70 vote.
- Current Status: Senate tax leaders at an impasse on negotiations. Potential for Leader Schumer to bring it to the floor absent an agreement to force a vote.



AHCIA Lead Sponsors



SENATE (S.1557)



Maria Cantwell
(D-WA)



Ron Wyden
(D-OR)



Todd Young
(R-IN)



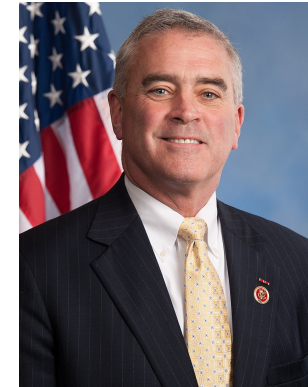
Marsha Blackburn
(R-TN) New



Darin LaHood
(R-IL) New



Suzan DelBene
(D-WA)



Brad Wenstrup
(R-OH)



Don Beyer
(D-VA)

HOUSE (H.R. 3238)



Claudia Tenney
(R-NY)



Jimmy Panetta
(D-CA)

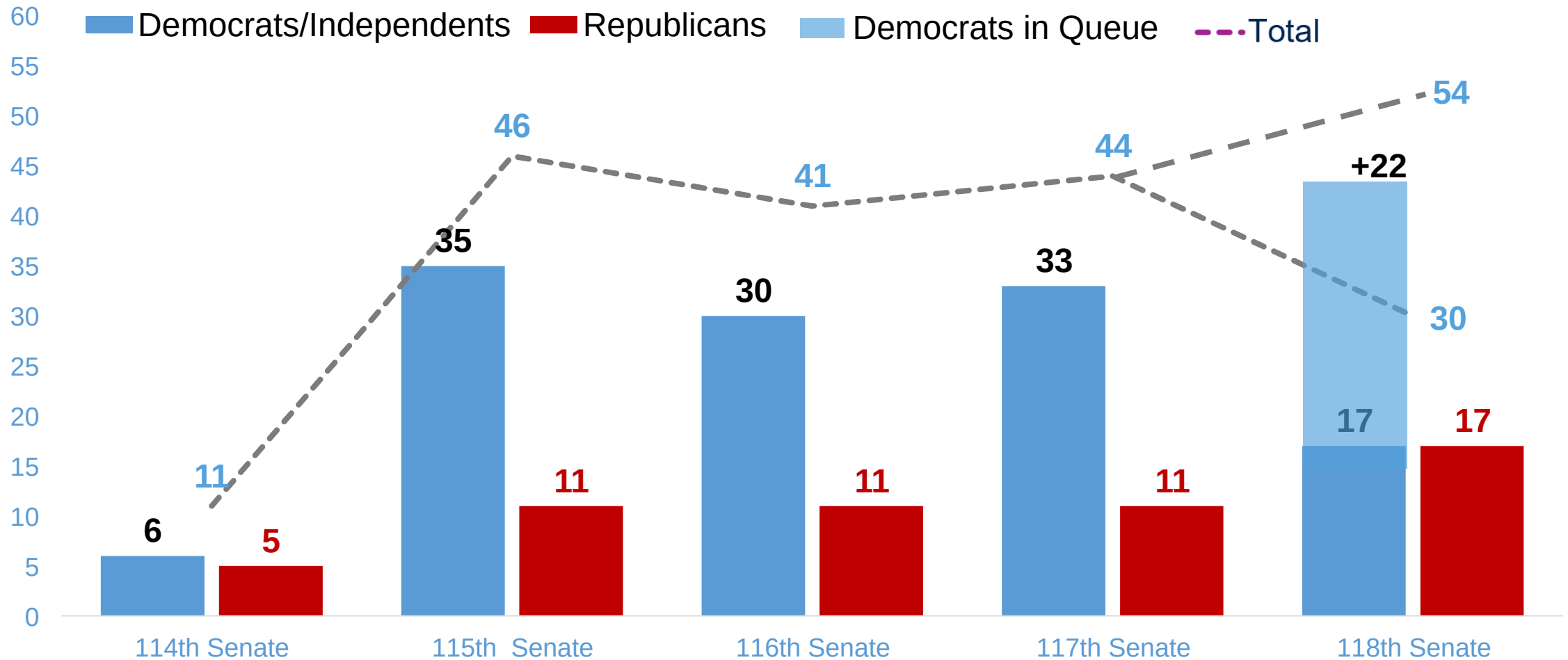


AHCIA Highlights

- Expands the 9% authority by 50 percent (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 and Expands multifamily Housing Bond recycling authority
- Basis boosts: New 30% boosts for rural areas, Native American lands, & state-determined boosts for bond deals; modifies QCT and DDA methodology; establishes 50% boost for properties with ELI restrictions.
- Makes the Credit a more effective tool for preservation and streamlines program rules
- Ensures protections for veterans and survivors of domestic violence, dating violence, and human trafficking.

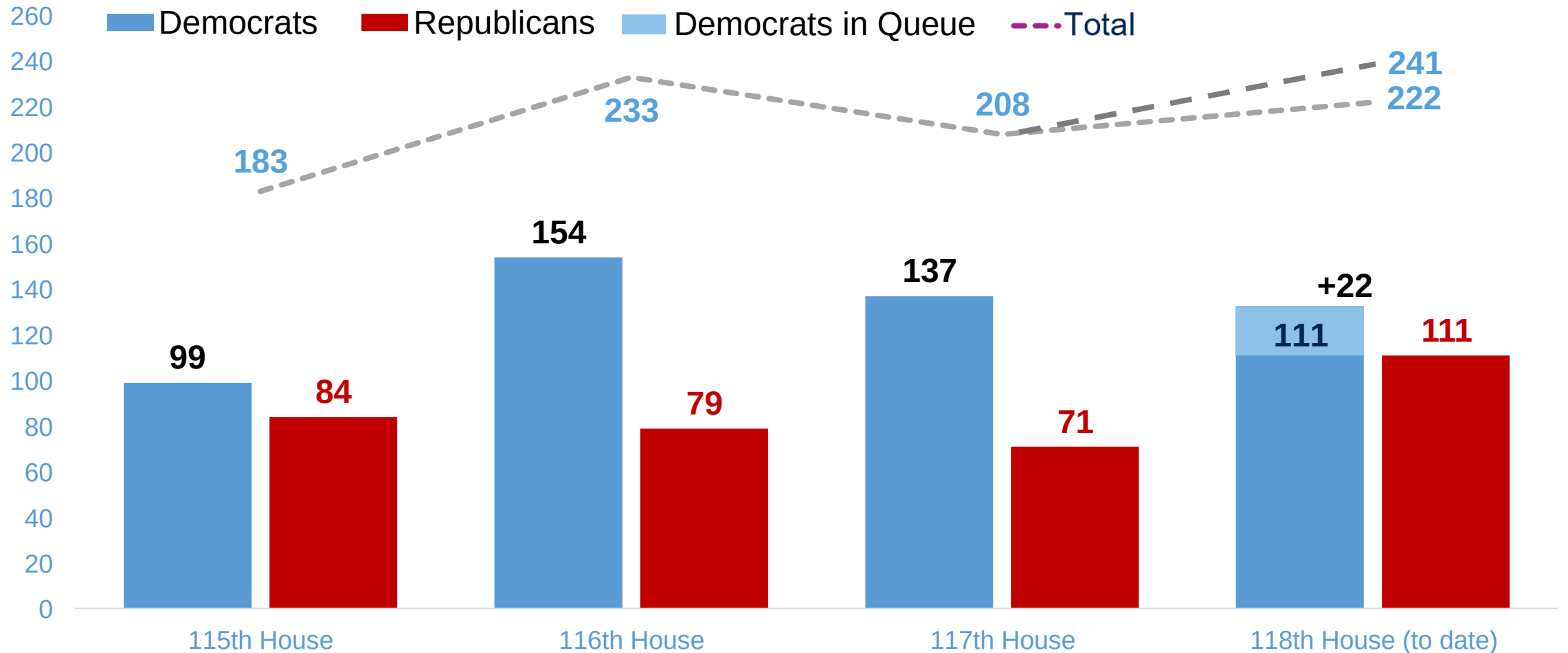


AHCIA Support Over Time: Senate





AHCIA Support Over Time: House



Housing Credit “Asks”

- **Thank Representatives Boyle, Cartwright, Dean, Deluzio, Evans, Fitzpatrick, Houlahan, Kelly, Lee, Meuser, Reschenthaler, Scanlon, Smucker, Thompson, and Wild** for voting for the Tax Relief for American Families and Workers Act (TRAFWA).
- **Ask Senators Casey and Fetterman** to communicate their support TRAFWA to Finance Committee Chairman Wyden and Majority Leader Schumer and urge Republicans with whom they have relationships to support it as well.
- **Thank Senators Casey and Fetterman (in queue) and Representatives Dean, Evans, Fitzpatrick, Houlahan, Joyce, Kelly, Meuser, Reschenthaler, Smucker, Thompson, and Wild** for cosponsoring the Affordable Housing Credit Improvement Act (S. 1557 / H.R. 3238).
- **Ask Representatives Boyle, Scanlon, Cartwright, Perry, Lee, and Deluzio** to cosponsor AHCIA.



Housing Credit Key Points

- Rising rents are not only a burden on low-income renter households but a major driver of inflation.
- The insufficient supply of affordable rental homes is driving the housing crisis and pushing up rents.
- The Housing Credit is the most important tool we have for building and preserving affordable housing.
- The Housing Credit is a public-private partnership that transfers risk from the taxpayer to private-sector investors.



AHCIA Advocacy Resources

- [State and District Fact Sheets](#)
- [AHCIA Background Material](#) and issue-specific fact sheets
- [Social Media Guide](#)
- [Research and Reports](#)

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 - 2022



103,914
homes developed or preserved in PA



242,120
low-income households served



168,858
jobs supported for one year



\$6.85 billion
in tax revenue generated



\$19 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.



424,344 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 106 hours per week.

Visit rentalhousingaction.org for data sources and methodologies.

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 over 3.8 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 over half of all Housing Credit homes.

Addressing Our Nation's Severe Shortage Of Affordable Housing

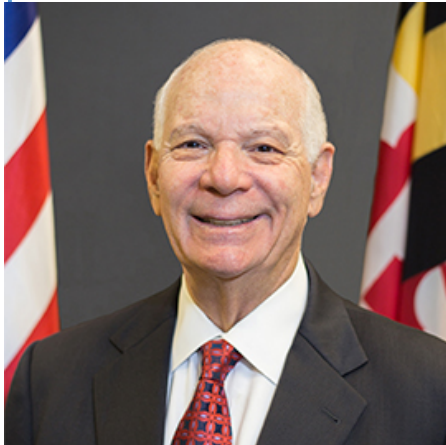


Up to 44,800 additional affordable homes could be financed in PA by the primary unit financing provisions in the *Affordable Housing Credit Improvement Act*.

NHIA Lead Sponsors



SENATE (S. 657)



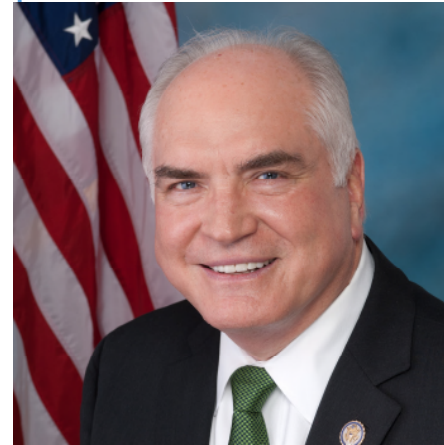
Ben Cardin
(D-MD)



Todd Young
(R-IN)



HOUSE (H.R. 3940)



Mike Kelly
(R-PA)



John Larson
(D-CT)
The New Guy

Neighborhood Homes Investment Act

S. 657: 10 Cosponsors (5 Ds and 5 Rs)

H.R. 3940: 54 Cosponsors (34 Ds and 20 Rs)

- Neighborhood Homes Investment Act authorizes the Neighborhood Homes Credit.
- Tax credit for production of single-family affordable housing in distressed areas.
- State administered.
- Eligible area maps available at neighborhoodhomesinvestmentact.org.



Neighborhood Homes Credit “Asks”

- Cosponsor the Neighborhood Homes Investment Act (S. 657/H.R. 3940) and enact that legislation as soon as possible.
- Support inclusion of the NHIA in tax extenders bill or other larger legislative package.



NHIA Advocacy Resources

- [Neighborhood Homes Coalition Website](#)
- [Interactive mapping tool for eligible areas](#)
- [NHIA Background Material](#)

Neighborhood Homes Investment Act

Distressed neighborhoods present a fundamental challenge to addressing poverty, crime, education, and economic mobility. A mix of low-, moderate- and middle-income families is essential to the social fabric and economic vitality of these places, but many homes are too deteriorated or antiquated to attract and retain homeowners. The proposed **Neighborhood Homes Investment Act (S. 657 & H.R. 3940)** would spur revitalization in these communities.



Many neighborhoods in both urban and rural geographies are plagued by high concentrations of foreclosed, vacant, dilapidated, or obsolete homes. They tend to have greater health and safety issues, leading to further abandonment and decline.



These communities are trapped in a cycle where property values are too low to support home construction and renovation, while the absence of quality homes keeps property values unsustainably low.



The proposed Neighborhood Homes Investment Act would mobilize private investment to build and rehabilitate homes for low-, moderate- and middle-income homeowners by filling the gap between the costs of rehabilitation or construction and the homes' value.



Neighborhood Homes would create a federal tax credit to support private sector investments in single family homes in distressed communities. State housing finance agencies would allocate and administer Neighborhood Homes through annual competitive application rounds, applying congressional and state-determined selection criteria to ensure that the proper communities are targeted for investments, and that only the most qualified program participants are selected.

2025 Tax Action

Congress is expected to consider sweeping tax legislation in 2025 when the bulk of the tax changes from the 2017 Tax Cuts and Jobs Act expire.

Considerations:

- Who will be president?
- Which party will control Congress and by what margin in each chamber?
- How much will Congress be willing to “spend” on a tax bill?
- Will Congress be able to use budget reconciliation to sidestep the Senate filibuster?
- What will the state of the economy be like in 2025?

Ways and Means Committee Already Preparing Republican Tax Teams established to begin considering policy options. Mike Kelly (R-PA) chairing Community Development team.

HOME Reauthorization Lead Sponsors



SENATE (S. 3793)



Catherine
Cortez Masto
(D-NV)



TBD



HOUSE (H.R. 7075)



TBD



Joyce Beatty
(D-OH)

HOME Reauthorization Highlights

- Reauthorizes HOME at \$5 billion.
- Changes CHDO set-aside to ease qualification requirements and raises the cap on CHDO operating assistance to 10 percent.
- Allows HUD to terminate affordability restrictions if a property forecloses or is no longer viable due to unforeseen circumstances.
- Increases administration resources to 15 percent.
- Codifies elimination of 24-month commitment deadline.
- Allows state PJs to inspect properties according to a national standard (i.e., NSPIRE) rather than state/local codes.
- Simplifies homeownership resale option for servicemembers and heirs.

HOME Reauthorization Next Steps

- **Seeking Bipartisan Support:** Both the Senate and House bills need a Republican leader to join the bills' sponsors, preferably from the Senate Banking and House Financial Services Committee.
 - *Is Congressman Meuser an option?*
- **Increase cosponsorship overall:** Upon getting a lead Republican, we will be pressing to increase bipartisan cosponsorship of the bills in both chambers.
- Senate Banking Committee Chairman Sherrod Brown (D-OH) and Ranking Member Tim Scott (R-SC) holding preliminary talks on **possible compromise housing bill** later this year, which could include provisions of HOME reauthorization if we can get bipartisan support.

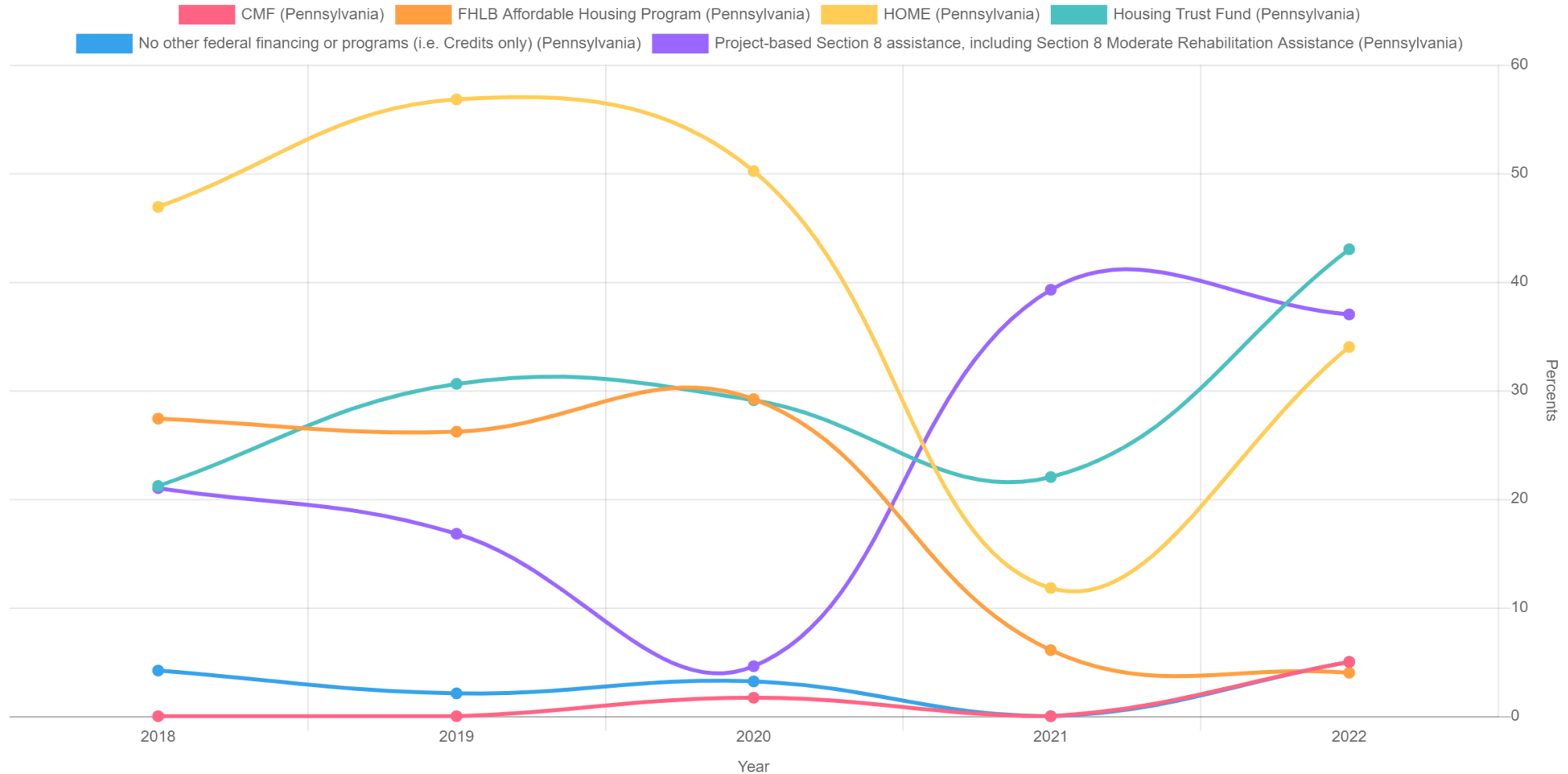
FY 25 Appropriations “Asks”

- **HOME:**

- Ask Congress to provide HOME funding of at least \$2.5 billion in FY 2025, given ongoing affordable housing challenges in your state.
- Representative Beatty (D-OH) and Senator Coons (D-DE) are circulating a congressional sign-on letters in support of FY 2025 HOME funding in their respective chambers. **Ask your members to sign on.** Deadlines to sign on: April 30 for Beatty letter; April 29 for Coons letter (may be extended)
- Members may also submit their own FY 2025 requests to appropriators. **Ask your members to include HOME in their appropriations requests.** Deadline for individual requests: May 1 for House and TBD for Senate.

- **Rental Assistance:**

- **Funding:** Fully fund Section 8 contract renewals and provide adequate funding for contract administration in FY 2025. Provide sufficient funding to renew all authorized Housing Choice Vouchers and support new ones in FY 2025.
- Congress also should **ensure Section 8 program administrators are compensated fairly for their work** with adequate administrative fees, which have been underfunded in recent years.
- Make certain your members understand the HFA role in the PBRA program as **Performance-Based Contract Administrators** (PBCAs) and ask them to support appropriations language directing HUD to use cooperative agreements to renew PBCA awards on a state-by-state basis.



Pennsylvania's Use of Gap Filler in Housing Credit Developments

Upcoming Regulatory Changes to HOME

- **Coming Soon:** New HOME proposed rule modernizing and streamlining HOME regulations to the extent permitted by statute.
- NCSHA and the HOME Coalition have provided more than 30 specific recommendations for HUD to consider, related to:
 - Simplified consolidated plan
 - Streamlined environmental reviews
 - Property inspections
 - Utility allowances.



HOME Advocacy Resources

Share data and stories about HOME in your state:

- HOME State Fact Sheets
- HOME Project Profiles



HOME Project Profile

Pennsylvania | Glade Run — Jeremiah Village



OVERVIEW

Nearly 16,000 persons with disabilities live in Butler County. The nearest autism services or healthcare institution is an hour away. Glade Run — Jeremiah Village aims to provide residents — both on and not on the autism spectrum — a diverse community that provides adequate services and allows all to age in place safely. Supportive services for those residents who have been diagnosed with autism will be offered by Glade Run Lutheran Services.

The 44-unit project consists of eight cottages and an apartment building, financed through the Low Income Housing Tax Credit, HOME, and Housing Trust Fund. Thirty-seven units serve households at or below 60 percent of area median income, and seven units are market rate. The project was completed in 2021, and there are currently 87 applicants on the waiting list.

FUNDING

Funding Sources	Investment Amount
HOME	\$740,000
LIHTC	\$11,353,164
Housing Trust Fund	\$1,000,000
Private Funds	\$459,460
Total Investments	\$13,552,624

HIGHLIGHTS

- Location: Butler County, PA
- Program Type: Rental rehabilitation and new construction
- Total Units: 44

 ncsha.org/home-coalition

HOME'S IMPACT IN PENNSYLVANIA

For over 30 years, the HOME Investment Partnerships Program (HOME) has been one of the most effective, locally driven tools to help states and communities improve access to safe, decent, and affordable housing.

Why HOME Works

HOME is the only federal housing program exclusively focused on providing states and local communities with flexible financing to address their most pressing affordable housing needs.

- **Successful Track Record.** Since 1992, HOME has invested \$38.9 billion to help build and preserve more than 1.37 million affordable homes and to provide direct rental assistance to over 387,000 families. The HOME Coalition estimates that this investment has supported roughly 2.1 million jobs and generated \$135 billion in local economic impact.
- **Unmatched Flexibility and Local Control.** Communities decide how to best use HOME funds to address their unique housing needs and goes to support homeownership, rental housing construction and rehabilitation, and rental assistance.
- **Cost-Effective.** Every \$1 of HOME leverages more than \$4.59 in additional investments. To date, HOME has leveraged an additional \$178 billion in public and private resources for a total investment of \$217 billion.
- **Essential Gap Financing.** HOME is a source of gap financing for the Low-Income Housing Tax Credit and has been used to finance 1,122 LIHTC units in Pennsylvania since 2017. HOME is also used to help build and preserve USDA rural housing units.
- **Targeted To Serve Those With The Greatest Needs.** By law, HOME is targeted exclusively to low-income families but often serves even more households including seniors, people with disabilities, families with children, veterans, and people experiencing homelessness.
- **Serves All Communities.** HOME is used in every congressional district and in rural, suburban, and urban communities alike.

HOME in Pennsylvania (1992 – 2023)*

- \$1.6 billion**
HOME funds invested
- \$8.8 billion**
total leveraged investments
- 65,284**
homes built or preserved
- 12,683**
families received rental assistance
- 82,322**
jobs supported
- \$5.6 billion**
local income generated

Calculated using HUD data and National Association of REALTORS and National Association of Home Builders formulas.

Learn More About HOME's Impact In Your State

The HOME Coalition is comprised of about 40 national organizations—ranging from housing developers, state and local government agencies, and advocates. It is exclusively focused on restoring HOME Investment Partnerships program funding. For more information, visit www.ncsha.org/HOMECoalition.

[Access online](#)

So, you want to be an advocate...

- If you're coming to D.C., reach out to your delegation as soon as you can to set up your meetings, at least a week or two before you arrive.
- **But you don't need to travel!** Request a meeting when Congress is home on a recess.
- Ask if the member is available for the meeting. If they aren't, ask to meet with senior staff who cover the key issues.
- **Education is key!** Make sure the member/staff understand your organization's role in the programs you're discussing. Avoid acronyms, jargon, or lingo with which they may not be familiar.



So, you want to be an advocate...

- Know your member's interests. What committees do they serve on? What is their background? What might make them care most about your priorities?
- If you will be discussing a particular bill, know its name, bill number, and lead sponsors. Know if other members of the Pennsylvania delegation have cosponsored.

- **Make your Ask!**

- Bring leave-behind materials that emphasize outcomes and data. If possible, personalize the materials to reflect the member's district (or the full state for Senators).



So, you want to be an advocate...

- Follow up to thank them and reiterate your main priorities/requests. Send any additional information they requested. A short, handwritten thank-you note with your business card is memorable.
- Coordinate with your partners and take advantage of the messengers who may be most salient to your member.
- Invite them to visit a property, attend a ribbon cutting, or come to a groundbreaking. Attend town hall events your members put on when they are home.
- If you meet with a member or they attend your event, take photos to share on social media; tag the member in your post.



So, you want to be an advocate...

- If the member follows through on what you've asked them to do, thank them on social media and include a write up in your organization's newsletter or other publications.
- Advocacy doesn't happen just once. Keep the lines of communication open and develop a relationship that lasts.
- Email the staff if you've done something new that you want to highlight, even when you aren't asking them to do something for you.
- Take advantage of advocacy professionals. Join coalitions and participate in trade associations to help you keep up to date on the things that matter to you most.



Questions?

Stay Connected

Jennifer Schwartz, Director of Tax and Housing Advocacy

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- jschwartz@ncsha.org | 202-624-7758

Save the Dates

- Housing Credit Connect
June 10 – 13, 2024 | Atlanta, GA
- Annual Conference & Showplace*
September 28 – October 1, 2024 | Phoenix, AZ
- HFA Institute
January 12 – 17, 2025 | Washington, DC
- Legislative Conference*
March 10 – 12, 2025 | Washington, DC

