Welcome!

We will begin promptly at 2PM, EST

Enterprise

SERVING RURAL & NATIVE AMERICAN HOUSING NEEDS

The Affordable Housing Credit Improvement Act
STREAMING AUDIO
EVENT ARCHIVE

This event is being recorded. We’ll be sending a link to the archive to all of today’s participants within the next couple of weeks.
TO ASK QUESTIONS:

Use the Q&A panel. Please direct questions to “All Panelists”
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SERVING RURAL & NATIVE AMERICAN HOUSING NEEDS

The Affordable Housing Credit Improvement Act

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November 13, 2019
Agenda

• Background on the Affordable Housing Credit Improvement Act
• Key Provisions
• Advocacy Strategy & Forecast
• Q&A
POLICY PRIORITY

Affordable Housing Credit Improvement Act

- Enterprise co-chairs the national ACTION Campaign, the largest Housing Credit advocacy coalition with 2,300+ national, state, and local members.

- The Affordable Housing Credit Improvement Act (AHCIA) would strengthen and expand the Housing Credit.

- The large consensus bill was reintroduced in early June with bipartisan, bicameral bills (S.1703, H.R. 3077).
**POLICY PRIORITY**

**Affordable Housing Credit Improvement Act**

- **Senate leads:** Maria Cantwell (D-WA), Todd Young (R-IN), Ron Wyden (D-OR), Johnny Isakson (R-GA)
- **House leads:** Suzan DelBene (D-WA-1), Kenny Marchant (R-TX-24), Don Beyer (D-VA-8), Jackie Walorski (R-IN-2)
- **One-third of House and one-fourth of Senate have cosponsored AHCIA so far!**
- Currently, we have 29 cosponsors in the Senate, comprising 46% of the Senate Finance Committee, and 171 cosponsors in the House, comprising 69% of the House Ways & Means Committee.
Key Provisions
KEY PROVISIONS

Increase the Housing Credit

- Increase the annual Housing Credit allocation authority by 50 percent over the current level, phased in over five years and adjusted for inflation. The current level of Housing Credit authority includes in baseline the temporary 12.5 percent cap increase enacted in 2018.

- This additional allocation would increase affordable housing production over 10 years by over 384,000 more homes than we are able to produce today.
Establish a minimum 4% credit rate

- Establish a minimum 4 percent rate for Credits used to finance acquisitions and Housing Bond financed developments. This would provide more predictability and flexibility in Housing Credit financing, allowing developers to target more apartments to very- and extremely-low income households at rents they could afford and make more types of properties financially feasible, especially for affordable housing preservation.

- A minimum 4 percent rate would increase affordable housing production by at least 66,000 affordable homes over the next 10 years, compared to current law. It would also provide parity with the corresponding minimum 9 percent Housing Credit rate, which has now been made permanent.
KEY PROVISIONS

Rural basis boost

- Give states the ability to provide up to a 30 percent basis boost to properties in rural areas if needed for financial feasibility by qualifying rural areas as Difficult Development Areas.

- Rural areas are defined as nonmetropolitan counties and rural areas designated in state QAPs and defined by Section 520 of the Housing Act of 1949. This would allow these developments to receive more Housing Credit equity than would otherwise be available to them.
KEY PROVISIONS

Standardize income eligibility for rural prop.

- Base income limits in rural projects on the greater of area median income or the national nonmetropolitan median income.

- This would standardize tenant income limit rules for Housing Credit projects in rural areas regardless of whether or not they are financed with Housing Bonds, making bond-financed developments more feasible in rural areas while aligning program rules.
KEY PROVISIONS

Qualify Indian areas as DDAs

- Modify the definition of DDAs to automatically include projects located in an Indian area, making these projects eligible for increased Housing Credit equity if needed to make them financially feasible.
KEY PROVISIONS

Selection criteria for Native Americans

- Require states to consider the affordable housing needs of Native Americans in their states by establishing a QAP selection criteria.
KEY PROVISIONS

ELI basis boost

- Provide up to a 50 percent basis boost (if needed for financial feasibility) for developments serving extremely low-income (ELI) and homeless families and individuals in at least 20 percent of the apartments.

- This provision would only apply to the portion of the development reserved for these families and individuals, thereby allowing the Housing Credit to target more extremely low income tenants at rents that are more affordable. This provision would also facilitate the development of more affordable housing for populations with special needs, such as formerly homeless veterans.
KEY PROVISIONS

Expand multifamily Housing Bond recycling

- Allow states to use recycled multifamily bond proceeds to finance not only new multifamily developments, but also affordable homeownership through Mortgage Revenue Bonds (MRBs); thereby allowing states to devote more of the “new” bond cap to multifamily production that would be eligible for 4 percent Housing Credit authority.

- Provide more flexibility by allowing states 12 months, rather than 6 months provided under current law, to issue the new loan backed by recycled proceeds and make other technical fixes to streamline multifamily bond recycling.
Advocacy Strategy
Key Targets & Forecast

Thank you & Priority reminder:

**Ways & Means**
- Rep. Jimmy Gomez (CA-34)
- Rep. Jimmy Panetta (CA-20)
- Rep. Judy Chu (CA-27)
- Rep. Linda Sanchez (CA-36)
- Rep. Jackie Walorski (IN-2) - lead cosponsor
- Rep. Earl Blumenauer (OR-3)
- Rep. Suzan DelBene (WA-1) – lead sponsor

Target Cosponsors:
- Sen. Roy Blunt (R-MO)
- Sen. Steve Daines (R-MT), *Finance*
- Sen. John Hoeven (R-ND)
- Sen. Mike Rounds (R-SD)
- Sen. John Thune (R-SD), *Finance*
- Sen. Mitt Romney (R-UT)
Advocacy Tips

- Join the ACTION Campaign at www.rentalhousingaction.org
- Access advocacy resources including district & state factsheets
- Email kdalessandro@enterprisecommunity.org for custom talking points
- TAKE ACTION: Email congressional staff and/or call congressional offices
- TAKE ACTION: Invite members and their staff to property events
- Let your elected officials know that you need more affordable housing in your community and that the Affordable Housing Credit Improvement Act would help serve your rural and/or tribal community’s housing needs!
Q&A