

Arizona Housing Forum 2018

**Federal Legislative Update:
Addressing the Affordable Housing Crisis**



The Tax Cuts and Jobs Act of 2017

(What just happened?)

- 21% Corporate Rate
- No adjustment to LIHTC for lower corp rate
- Elimination of PABs averted
- No Cantwell/Hatch provisions
- BEAT
- Roberts Amendment (withdrawn)
 - Eliminate Artists/Add Veterans to GPU rules
 - Payfor – cut basis boost et al from 30% to 25% (retroactively)

The Tax Cuts and Jobs Act of 2017

- 20% HTC retained – allocated over 5 years
- Eliminated 10% non-HTC
- Opportunity Zones
 - Defer tax on gains in Qualified Opportunity Funds
 - Tax on gains decreases pursuant to length of investment
 - After maximum hold period, gains above initial investment are exempt.

Advocacy To The Rescue



Boston Capital

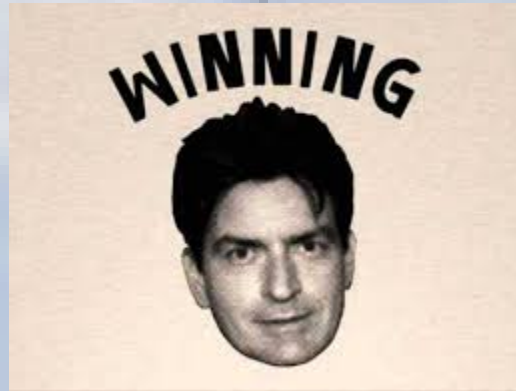
The Consolidated Appropriations Act of 2018

- *“We are in; no, were out;
Wait, I think we are back
in!”*

The Consolidated Appropriations Act of 2018

- 12.5% increase in 9% LIHTC allocation for four years
- Permanent Income Averaging
- NO 4% fixed LIHTC (for now)
- 10% increase from FY2017 HUD budget
- RAD unit cap increased from 225,000 to 455,000 units

So what's next and why is David so excited?



- MOC's have realized there is a housing crisis.
- What does the future hold (mid-terms)?

Affordable Housing Credit Improvement Act of 2017

S. 548



**Sen. Maria
Cantwell**

- 50% LIHTC Cap Increase
 - Phased in over 5 Years
- Fixed 4% LIHTC for Acquisitions and Bond financed developments.
- Income Averaging allowing up to 80% AMI



**Sen. Orrin
Hatch**

What else is in the works?



Rep. James
Clyburn (D-SC)

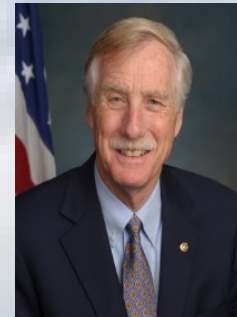
- H.R. 6542 - The Restoring Tax Credits for Affordable Housing Act.
 - Increase per capita allocation from \$2.70 to \$2.90
 - Increase credit percentages by 16%



**Sen. Todd
Young (R-IN)**



**Sen. Maria
Cantwell (D-WA)**



**Sen. Angus
King (I-ME)**

- **S. 3231 - The Task Force on the Impact of the Affordable Housing Crisis Act.**

- Evaluate and quantify the impact that a lack of affordable housing has on other areas of life and life outcomes for individuals living in the United States, including education, employment, income level, health, nutrition, access to transportation, and poverty level in the neighborhood in which individuals live;
- Evaluate and quantify the costs incurred by other federal, state, and local programs due to a lack of affordable housing; and
- Make recommendations to Congress on how to use affordable housing to improve the effectiveness of other federal programs and improve life outcomes for individuals living in the United States.



**Sen. Ron
Wyden (D-OR)**

- Middle Income Housing Tax Credit
 - Incomes up to 100% AMI
 - Can be used in conjunction with 9% LIHTC
 - \$1.00 per capita allocation
 - 50% of basis



**Sen. Bill
Cassidy (R-LA)**



**Rep. Darin
LaHood (R-IL)**

- **S. 3058/H.R.6081 – The Historic Tax Credit Enhancement Act**
 - eliminates the existing basis-adjustment requirement to bring the HTC in line with other tax credits claimed over multiple years, including the Low-Income Housing Tax Credit.



**Sen. Kamala
Harris (D-CA)**

- **S.3250/HR.6671 – *The Rent Relief Act***
 - a refundable tax credit covering a portion of the difference between what taxpayer can afford – 30% of their income – and their rent and utilities capped at 150% of fair market rent.
 - The credit would cover: 100% of cost burden for households earning less than \$25,000; 75% of cost burden for households earning between \$25,000 and \$50,000; 50% of cost burden for households earning between \$50,000 and \$75,000; and 25% of cost burden for households with income between \$75,000 and \$100,000.



**Rep. Scott
Peters (D-CA)**



**Sen. Cory
Booker (D-NJ)**

- ***S. 3342 – The Housing, Opportunity, Mobility, and Equity (HOME) Act.***
- - provide a refundable tax credit for renters whose income is at or less than 80% of area median. The tax credit would cover the difference between what the household can afford – 30% of their income – and their rent and utilities capped at 100% of fair market rent.
- The bill would also require local governments and the private sector to build more housing affordable to the middle class. Under the proposal, local governments receiving Community Development Block Grant funds would be required to address regulatory and zoning barriers that drive up housing costs and restrict the ability of the private sector to build more rental homes for the middle class.

What else is happening?

- GAO Report
- CRA Regulatory Reform
- Noise, lots of noise.

Changes Afoot in 2019

Lead Sponsors



Cong. Carlos
Curbelo R-FL



Sen. Orrin Hatch
R-UT



Cong. Kenny
Marchant R-TX



Sen. Rob
Portman R-OH



Sen. Mike
Crapo R-ID

Committee Musical Chairs

Finance Committee



Banking Committee



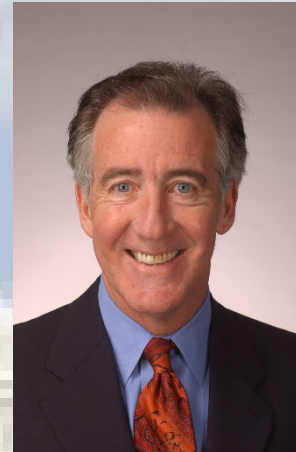
What if there is a flip?



Nancy Pelosi
D-CA



Kevin
McCarthy R-CA



Richie Neal
D-MA



Kevin Brady
R-TX



Maxine
Waters D-CA



Peter King
R-NY



Jim McGovern
D-MA



Pete Sessions
R-TX

Thank You!

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