

TALKING POINTS: A.C.T.I.O.N. LIHTC Stability and Revitalization Proposals

NAHMA is a member of A.C.T.I.O.N. (A Call To Invest in Our Neighborhoods), a group working to ensuring that families have access to affordable housing. NAHMA would like to request your assistance in our grassroots advocacy efforts to include A.C.T.I.O.N.'s proposals to improve the LIHTC program in moving legislation on Capitol Hill. We have supported this proposal since the beginning of the financial crisis in late 2008. Currently, both the House and Senate are considering including this provision in moving legislation.

NAHMA urges our members to call their Congressional Representatives as soon as possible and request, in the first available legislative vehicle, the inclusion of:

- **The increase in the Housing Tax Credit carry-back for up to five years;**
- **An extension for the Housing Credit cash-exchange program (Section 1602) from the American Recovery and Reinvestment Act (ARRA) for one more year; and**
- **Allowing the LIHTC potential investor base to be expanded to pass-through entities – LLCs and Subchapter S corporations – and closely held corporations.**

If you cannot directly speak with your representative, please request the staff member that handles low-income housing tax credits in the office.

A.C.T.I.O.N.'s LIHTC carry-back proposal contains two parts. First, the proposal allows investors reinvest the entire amount of unused housing tax credits carried-back immediately into new LIHTC investments. Second, the proposal would make the LIHTC for new housing more competitive with other tax credits with shorter compliance and holding periods, by permitting future credits to be carried back up to five years throughout the 10-year credit period.

Extending Section 1602 of ARRA, the LIHTC cash-exchange program, will allow states to exchange LIHTCs generated from tax-exempt bond financed housing for one more year. It will provide properties with additional time to meet the requirements of the cash-exchange program, preserve more existing affordable multifamily rental housing, and expand the stock of affordable multifamily rental housing available to Americans.

Diversifying the LIHTC investor base to include entities outside of commercial banking, i.e. pass-through entities and closely held corporations, will attract additional equity capital for areas currently struggling to finance their LIHTC deals, especially in suburban and rural areas.

A.C.T.I.O.N.'s LIHTC proposals will provide:

- **\$5 billion** increase in Housing Credit investment;
- **123,000** more affordable apartments constructed or rehabilitated;
- **232,000** more jobs created or saved;
- **\$50 billion** in additional local income;
- **\$8 billion** in additional revenue to states and localities nationwide; and
- Additional national economic growth.

NAHMA members may visit <http://rentalhousingaction.org/about-action/advocacy-toolkit> for additional Congressional talking points. A detailed description of the impact of the carry-back proposal is located here: http://www.rentalhousingaction.org/files/Carryback_Proposal_Sep09.pdf.