

Housing Provisions in HR 2, the Moving Forward Act of 2020

The House infrastructure bill includes many of the Affordable Housing Tax Credit Improvement Act (AHCIA) provisions we have been working on for years as well as several more recent COVID-19 priorities. If passed by Congress and signed by the President, it would:

1. Set a minimum 4 percent credit rate for buildings receiving an allocation after 12/31/2019.
2. Increase the annual Housing Credit allocation from \$2.81 per capita to: \$3.58 in 2021, \$4.56 in 2022, and by inflation in 2023 and thereafter. And make the temporary 12.5% allocation increase, scheduled to expire at the end of 2021, permanent.
3. Boost Housing Credit allocations to states by an additional 10% for serving ELI households.
4. Increase Private Activity Bonds from \$105 per capita to \$115 per capita.
5. Lower the 50% test for bond financing to 25%. Applies for buildings placed in service after 2019 and buildings financed by bonds issued before 1/1/2022, though it could be extended once passed.
6. Provide a 150% first year credit to address COVID-19 crisis related adjuster issues.
7. Provide various basis boosts:
 - 50 percent basis boost for developments serving ELI;
 - 30 percent basis boost for rural properties;
 - 30 percent basis boost for properties in Native American areas; and
 - 30 percent basis boost as needed for properties financed by Housing Bonds.
8. Prohibit requiring local approval and/or local contributions as a condition of allocation.
9. Extend two deadlines for one year:
 - 10% test deadline
 - Rehabilitation expenditure deadline
10. Create a new 25% low-income housing supportive services credit to cover a portion of costs for providing certain resident services at Housing Credit properties.
11. Create a new credit to encourage rehabilitation of deteriorated homes in distressed neighborhoods (the Neighborhood Homes Investment Act).
12. Authorize more than \$100 billion in funding including:
 - \$70 billion for the Public Housing Capital Fund
 - \$10 billion for regular CDBG
 - \$10 billion for a new competitive allocation of CDBG funding for Affordable Housing and Infrastructure
 - \$5 billion for HOME
 - \$5 billion for the Housing Trust Fund
 - \$2.5 billion for the Capital Magnet Fund
 - \$2.5 billion for Section 202 Supportive Housing for the Elderly
 - \$2.5 billion for Section 811 Supportive Housing for People with Disabilities
 - \$1 billion for Native American Housing Block Grants
 - \$1 billion for USDA Rural Multifamily Preservation and Revitalization Demonstration Program