



Housing Advisory Group



The closing days of the 110th Congress have been very active as we anticipate early action in the 111th Congress on an economic stimulus package. We are working hard to be a part of any bill moving through the Congress.

Following the November election, President-elect Obama announced that addressing the current economic crisis should be the first order of business in 2009. Congressional leaders agreed and have announced their intent to deliver an economic stimulus package to President-elect Obama as quickly as possible after his inauguration on January 20. While details on the size and scope of the bill have not been decided, Speaker Nancy Pelosi (D-CA) and others have said the bill likely would be upwards of \$600 billion with a sizeable portion dedicated to tax incentives and tax relief for moderate income families. The remaining portion is expected to include increased spending on items such as transportation infrastructure and assistance for states now struggling to provide necessary state services.

We have been working closely with our champions in the House and Senate to restore and encourage new equity investment in the low-income housing tax credit (LIHTC) program and broaden the market with new investors. This past week, we again met with high-level key staffers from the House Ways and Means Committee, Senate Finance Committee, and House Financial Services Committee, as well as our individual House and Senate champions to provide additional information and suggest innovative approaches for how to broaden the market for new investment. With job creation as an integral goal of any stimulus plan, we also were able to provide good information on jobs created by construction of LIHTC units. We were told that any stimulus incentives likely would be limited to two years. In that regard, we emphasized that any legislation should include appropriate transition rules to ensure coverage of projects currently in the pipeline. We also strongly encouraged that parity for the LIHTC program be maintained with respect to incentives provided for other industries such as the renewable energy sector.

We were very well-received in all of our meetings, and have been encouraged in our follow-up calls and meetings that we have made a good case for being included in the stimulus package. One key Ways and Means staffer told us that because the LIHTC is the major program for low-income housing that Congress “has to find something that works” to restore investment.

But we should not take anything for granted, and we will continue to push hard in this critical period. We are told that both the Senate Finance Committee and House Ways and Means Committee likely will consider the tax portions of the stimulus bill as early as January 8.

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