



Housing Advisory Group



Coming on the heels of our Housing Advisory Group Congressional Forum this past Wednesday where the mantra of the day was “consensus, consensus, consensus,” I attended an LIHTC roundtable discussion in Washington sponsored by the Center For American Progress and Living Cities. Representing the Housing Advisory Group, I was joined by roughly 30 other housing organizations including NAHB, NCSHA, the Affordable Housing Tax Credit Coalition, NHC, Enterprise, LISC, NLIHC, AHIC and a number of other for-profit and non-profit organizations representing every spectrum of the affordable housing audience. This was an extraordinary meeting convened at a critical juncture for our housing agenda.

Each organization was asked to submit their specific agenda items for consideration and as the meeting convened the assembled group had a list of seven actionable items for discussion:

- Extend the Tax Credit Exchange program
- Appropriate additional funds for the TCAP program
- A 5-year LIHTC Carryback
- A 4% LIHTC Carryback
- Passive Loss changes to encourage individual and sub-S investment
- A 4% credit floor of 4%
- A 30% basis increase for 4% projects

There was considerable conversation on these proposals including the political (sentiment and cost) reality of succeeding in getting some agenda items seriously addressed in the Congress. In the end, consensus was reached on three issue items with agreement on the need for further study on others. The three proposals that were unanimously endorsed by the group were:

- A one-year extension of the LIHTC Exchange program. This would include GO Zone and disaster credits.
- A 5-year LIHTC Carryback. Part A of the proposal includes a 100% reinvestment of the benefit of the Carryback for current credit portfolios. Part B would create a permanent 5-year Carryback going forward to attract new (economic) investors (does not include a reinvestment requirement). **There were questions on Part B regarding cost and potential for permanence so this will be discussed further.**
- A 4% credit floor of 4%.

It was agreed that more conversation and study were needed for the following proposals:

- A 4% LIHTC Carryback. There was no opposition but it was unclear what the actual exchange amounts would be and how it would be regulated by the states.
- Passive Loss changes to encourage individual and sub-S investment.

There was unanimous opposition to an additional appropriation for the TCAP program. Groups were concerned this could drain resources from other HUD housing programs.

The group agreed that we are on a short timeframe to have our proposals ready for presentation to Congress so we plan on meeting again in mid-July to finalize the list. This was and is a much-needed effort on behalf of CAP, Living Cities and the housing industry to advance our housing agenda in Washington.

We welcome your comments and will keep you informed as this process goes forward.

David Gasson

HAG Contact Information:

[David Gasson](#), Executive Director
(617) 624-8896 – Office

[Allison E. Marino](#), Communications Associate
(617) 624-8678 – Office