



Housing Advisory Group



Congress is back in session and ramping up for a busy few weeks before the August recess. We wanted to review for you where things are with respect to our LIHTC agenda.

As you will recall, before the July 4th recess, there were several failed attempts in the Senate to pass H.R. 4213, the American Jobs and Closing Tax Loopholes Act of 2010. H.R. 4213 included extension of the Section 1602 LIHTC Exchange program, extension of the Go Zone PIS (placed in service) date to 12/31/2012 and funding of the Housing Trust Fund. Disagreements over how to pay for H.R. 4213 prevented the bill from getting the 60 votes needed for passage.

This week, the Senate is expected to again consider H.R. 4213, but it will be stripped down to a bill containing only an extension of unemployment benefits. This leaves the remainder of the package in search of a new vehicle. While there still is optimism that an extenders package that includes the above mentioned LIHTC/housing provisions will pass this year, the timing is very much up in the air. There is some possibility that it could be resurrected for this legislative work period, but most betting now is that it will not be considered until September at the earliest, and more likely not until after the November elections. This would not be a good result for the exchange, as we are already seeing the negative impact of delaying the extension.

We have received a number of inquiries as to the possibility of attaching the exchange provision to the stripped down H.R. 4213 or another tax bill. We are discussing this option with Senators, emphasizing the time sensitivity of the exchange provision and its vital role in the production of housing this year. These conversations are ongoing but the likelihood of success is hard to see as Senators are reticent to favor one provision over another, preferring to pass the package as a whole.

With respect to the LIHTC carryback initiative, our Senate champions have been working hard to have it included as an amendment to H.R. 5297, a bill to spur small business job creation. This bill currently is being considered on the Senate floor. Majority Leader Harry Reid (D-NV) and Minority Leader Mitch McConnell (R-KY) have been meeting on how to proceed with amendments, but there is no agreement at this time. Senator Reid's staff said Democrats still hope to reach a deal on amendments, but said there is some possibility that the small business package may be pushed aside until after the August recess.

This is not a positive report at this time, but as you well know, events on Capitol Hill can change quickly if agreements start to fall in place. We will keep you posted on developments.

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