



FEDERAL POLICY PROJECT

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FPP Partners

California Housing Authority Association (CHAA)

California Coalition for Rural Housing (CCRH)

Housing Authority Association of Southern California (HAASC)

Housing California

Los Angeles Coalition to End Hunger and Homelessness

NAHRO Northern and Southern California Chapters

NonProfit Housing Association of Northern California (NPH)

Northern California Nevada Executive Directors' Association

Southern California Association of Nonprofit Housing (SCANPH)

The San Diego Housing Federation

Improved LIHTC Bill Introduced in Senate: Help Us to Get the Bill Passed Now!

*Senator Cantwell of Washington State has just introduced S. 3326, the Job Creation and Housing Act of 2010; this bill includes the language that we supported in Congresswoman Sanchez' House bill, H.R. 4687, the Low Income Housing Tax Credit Exchange Expansion and Job Creation Act of 2010. **This may be our last chance this year to make improvements to the 9 and 4% LIHTC program passed by Congress. Your help is urgently needed to recruit support for S. 3326.***

WHY IS THE CANTWELL BILL SO IMPORTANT?

In February we released results from our survey of California LIHTC developers showing that with improvements to the Low Income Housing Tax Credit (LIHTC) program such as the ones included in S. 3326 and H.R. 4849, as many as 155 LIHTC developments could move forward this year providing more than 16,000 jobs and nearly 13,000 affordable homes in our state alone. While there has been modest improvement in the LIHTC investor market in recent months, it has been limited primarily to larger cities such as Los Angeles and the San Francisco Bay Area where banks have significant investment obligations under the Community Reinvestment Act.

WHAT HAPPENED WITH THE HOUSE LIHTC BILL?

Due to House Ways and Means Committee concerns about the structure and cost of Sanchez' H.R. 4687, the 4% exchange proposal was re-written to become a lower value tax refund available only to for-profit developers placing their projects in service by the end of this year, severely restricting the number of projects that can use the limited refund. The rewritten provision was included in the recently passed H.R. 4849, Small Business and Infrastructure Jobs Tax Act of 2010. CHPC and other advocates are working on potential fixes with Ways and Means staff.

WHAT IS IN THE CANTWELL SENATE LIHTC BILL?

1. Authorizes each state to allow LIHTC developers not only to exchange 4% Credits after demonstrating they have made a bona-fide effort to sell, but also to give back the allocation of private activity mortgage revenue bonds and to use taxable financing instead if they can demonstrate that the bonds can't be sold on reasonable terms or that replacing the bonds with taxable financing would likely lead to the creation of more affordable housing. Bond authority can be re-allocated to other residential projects but would not be eligible to trigger a new allocation of Credits.
2. Allows for a five-year carryback of tax credits against prior year profits.

WHERE ARE CALIFORNIA'S SENATORS ON THE LIHTC BILL?

Senator Boxer is already on board as an early co-sponsor of the bill, which is critical to generating support among her colleagues in the Senate. Senator Feinstein has yet to take a position on it.

WHAT CAN I DO TO HELP GET THIS BILL PASSED?

This bill will not pass without the support of at least 51 Senators. **We need your help to gain as many cosponsors of Cantwell's S. 3326 as possible.** There are two ways to do this: (1) by calling and faxing or emailing Senator [Feinstein](#) on behalf of your own organization asking her to co-sponsor S.3326 (make sure to copy Senator [Boxer](#), Speaker [Pelosi](#) and your [Representative](#), who may be critical to the outcome when the Senate and House bills are merged); and (2) by asking your mayor and/or city council members/board of supervisors to contact Senator Feinstein's office with the same request. Download our sample emails [for your organization](#) and [for your council members/board of supervisors](#). **If you have colleagues in other states, please ask them to strongly request that their Senators cosponsor S. 3326.**

HOW DO I GET INVOLVED?

The Federal Policy Project is a coalition of California housing authorities, nonprofit housing developers, local government housing agencies and tenant advocates working to increase understanding for the need for increased federal investment in the creation and preservation of affordable homes for lower income households. To learn more, please contact our Housing Policy Manager, Marilyn Wacks at mwacks@chpc.net or 415-433-6804x313.