



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

Conference Committee Agrees on \$789 Billion Federal Stimulus Package

House and Senate conferees announced yesterday they had reached a tentative agreement on the American Recovery and Reinvestment Act of 2009. The legislation includes approximately \$789 billion in spending and tax provisions. This represents a substantial reduction from the prior totals in the House and Senate bills, as a handful of "moderate" senators drove the totals down in return for their support, which is critical to achieving the 60-vote minimum needed to end debate and get approval in the Senate.

Affordable Housing: A Glass Half Full

Of the \$789 billion, Congress included approximately \$13 billion in spending for affordable housing, including two important proposals originated in California to free stalled Low Income Housing Tax Credit (LIHTC) developments: \$2 billion in HOME gap financing and a mechanism to allow Tax Credit Allocating Agencies (TCACs) to exchange all unused 9% credits from prior years and up to 40% of the 9% credits available in 2009. One exception to the generally good outcome was a last minute billion dollar reduction in public housing capital grant funding from \$5 billion to \$4 billion. On the other hand, in addition to finding money to fund the LIHTC gap financing, the Conferees included \$2 billion to restore stability to the Section 8 contract renewal budget. (See <http://www.chpc.net/policy/fpp.html> - [ACTION](#) for a listing of all housing line items.)

9% LIHTC Exchange Could Provide \$500 Million in Cash to CA LIHTC Developers

The 9% LIHTC exchange alone could provide more than \$500 million in cash to make grants and loans to stalled LIHTC developments exchanging unusable 2009 and pre-2009 Tax Credits. All of us owe a great debt to Joel Rubenzahl of Community Economics, who worked tirelessly with CHPC to get these provisions included. Advocates will now have to work closely with CTCAC to work out various implementation details to make sure these funds will be available for commitment as early as possible in 2009.

What happens next?

The House is expected to vote on the stimulus package tomorrow with the Senate voting after the House passes the legislation, which means that the President may not be able to sign the final legislation until next week.

Next Steps for the California Federal Policy Project

In addition to full funding for housing programs serving lower income households (including seed funding for the National Housing Trust Fund), our coalition will begin working to get the improvements to the 4% LIHTC program that were not included in the stimulus package. Stay tuned for more details.

HOW DO I GET INVOLVED?

The Federal Policy Project is a coalition of California housing authorities, nonprofit housing developers and housing advocates working to increase understanding for the need for increased federal funding and legislation for affordable housing.

To learn more, please contact our Housing Policy Manager, Marilyn Wacks at mwacks@chpc.net or 415-433-6804x13.