

Resolution No. 11

Date: May 29, 2009

City: Washington, D.C.

NAHB Resolution

Title: Expanding Investor Market for Low Income Housing Tax Credits  
Original Sponsor: NAHB Housing Credit Group

WHEREAS, for more than 20 years, the Low Income Housing Tax Credit (“housing credit”) program has been the nation’s main catalyst for producing affordable housing;

WHEREAS, the housing credit is a public/private partnership bringing together the federal government, state allocating agencies and the private sector;

WHEREAS, developers receive an allocation of housing credits from the allocating agency and then sell the credits to private investors in exchange for equity investment in affordable housing;

WHEREAS, for several years, corporate investors, which have primarily been financial institutions, adequately filled the equity need for housing credit projects;

WHEREAS, due to the global financial crisis, many corporate investors have lost the ability to use the credit, therefore decreasing demand for housing credits and leaving many "shovel-ready" projects without the necessary equity financing to move forward;

WHEREAS, all housing credit projects have been affected by decreased credit demand and it has been very difficult to attract corporate investment in small and rural deals; and

WHEREAS, there is a significant need to expand the investor market for housing credits, including both individuals and corporations, to continue the development of affordable housing across the country,

NOW, THEREFORE, BE IT RESOLVED that the National Association of Home Builders urge Congress to amend the passive loss rules contained in Section 469 of the Internal Revenue Code in order to expand the Low Income Housing Tax Credit investor base to individual investors – including owners of S corporations, LLC’s, partnerships and closely-held C corporations; and

BE IT FURTHER RESOLVED that NAHB urge Congress to amend the Internal Revenue Code in order to stabilize the corporate investment market, ensure their ability to use housing credits and expand the pool of corporate investors overall.

Board of Directors Action:	<b>Approved</b>
Executive Board Action:	Recommends Approval
Resolutions Committee Action:	Recommends Approval
Housing Finance Committee Action:	Recommends Approval
50+ Housing Council Board of Trustees Action:	Recommends Approval
Federal Government Affairs Committee Action:	Recommends Approval
Taxation Subcommittee of the Federal Government Affairs Committee Action:	Recommends Approval
Multifamily Finance Subcommittee of the Housing Finance Committee Action:	Recommends Approval
Multifamily Board of Trustees Action:	Recommends Approval
Housing Credit Group Action:	Recommends Approval