

Resolution No. 2

Date: 6/13/2024

City: Washington, DC

NAHB Resolution

Title: Authority for Government Sponsored Enterprises to Invest Equity to Preserve Post LIHTC or Other Affordable Rental Housing
Sponsor: Housing Finance Committee
Submitted by: James Pressly

WHEREAS, the United States is experiencing an affordable housing crisis due to insufficient supply;

WHEREAS, the *State of the Nation's Housing 2023*, published by the Harvard Joint Center for Housing Studies, estimates 3.9 million affordable units have been lost in the last decade;

WHEREAS, the same study found that with 1.2 million of these units were lost between 2019 and 2021 alone;

WHEREAS, the Low Income Housing Tax Credit (LIHTC) Program is the largest multifamily affordable housing production program in the United States;

WHEREAS, the Government Sponsored Enterprises (GSEs), Fannie Mae and Freddie Mac, have a Duty-to-Serve the underserved housing markets for manufactured housing, rural housing and affordable housing preservation;

WHEREAS, the GSEs are currently restricted to making equity investments only in LIHTC affordable rental properties that provide tax credits as a return on investment;

WHEREAS, aging apartment properties, including federally assisted and LIHTC properties in their extended use periods which no longer generate tax credits, are in dire need of recapitalization;

WHEREAS, GSE investments in existing affordable rental housing that does not produce tax credits will likely preserve affordability in housing units that would otherwise be lost; and,

WHEREAS, the GSEs are already the primary provider of debt to expired LIHTC and other existing affordable rental properties,

NOW, THEREFORE, BE IT RESOLVED that the National Association of Home Builders (NAHB) encourage federal policymakers to authorize Fannie Mae, Freddie Mac and the Federal Home Loan Banks to make equity investments in rental properties that preserve affordability for low-income families and provide traditional economic returns in the form of cash distributions and capital appreciation. Such equity investments should be consistent with the requirements for the GSEs to operate according to safety and soundness requirements.

Leadership Council Action:	Approved
Resolutions Committee Action:	Recommends Approval
Housing Finance Committee Action:	Recommends Approval
Multifamily Council Board of Trustees Action:	Recommends Approval
Federal Government Affairs Committee Action:	Recommends Approval