

# Reconciliation Bill Tax Incentive Highlights from House Ways & Means Markup

- Lower 50% bond financing threshold test to 25% for 7 years, from 2022 - 2028
- Increase annual Housing Credit allocation by 74%:
  - Phased in over 4 years, 2022-25, 12.5% increase plus inflation annually
  - Builds on prior 12.5% increase enacted in 2018
  - Annual inflation increases on 2025 amounts during 2026 - 2028
  - Minimum 10% set aside for extremely low-income (ELI) households
- **50% basis boost and minimum 10% set-aside for ELI units** through 2031
  - 50% boost available to up to 15% of the state's annual Housing Credit allocation and 10% of the state's Private Activity Bond volume cap
- Allow state allocating agencies to provide a **30% basis boost for properties financed with 4% credits** and bonds through 2028
- Provide **30% basis boosts for developments in rural communities and Native communities**, effective after December 31, 2021, with no end date
- Total unit estimate over 2022-31: **228,100 in CA**, 1.38 million homes nationally