

Awards for 4% LIHTC are based on a project's tax-exempt bond application. In 2025, the Housing Division announced a new competitive application process. Since then, U.S. Congress passed H.R. 1, or the One Big Beautiful Bill Act, which lowered the bond threshold test from 50% to 25%, which allows the Division to return to a first-come, first-serve basis for projects that meet a minimum threshold for scoring, all eligibility and application requirements and can show project readiness and financial feasibility.

\*New for 2026: Beginning January 1, 2026, the maximum amount of "new" tax exempt bonds (private activity bonds, not recycled) that will be awarded to any one project may not exceed 30% of the project's aggregate basis; however, at the discretion of the Housing Division, there may be a consideration of new tax exempt bonds up to the estimated permanent mortgage amount, but not to exceed 40% of the project's aggregate basis. And to the extent recycled bonds are available, the Housing Division will seek to replace new tax exempt bonds with recycled bonds to cover the difference between 30% of the project's aggregate basis and the permanent tax exempt mortgage amount. Applications for recycled tax exempt bonds will be part of the bond application.