How to Use State and Local Fiscal Recovery Funds for Affordable Housing Production, Preservation

The U.S. Department of Treasury July 27 announced new frequently asked questions (FAQ) guidance to increase the use of Coronavirus State and Local Fiscal Recovery Funds (SLFRF) to boost the supply of affordable housing. In today's podcast, Michael Novogradac, CPA, and Novogradac partner Dirk Wallace, CPA, examine the guidance and implications for those in affordable housing. They begin by discussing the difficulties with the rule issued earlier this year, then discuss the clearly allowable uses and the ability to use recovery funds as long-term loans for affordable housing. Then they look at the pros and cons of different approaches, outstanding questions about intermediary uses and issues with layering recovery funds into a capital stack. They continue by examining reactions by stakeholders in affordable housing, discussing outstanding issues with the guidance and looking at how to best access recovery funds.

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Transcript

[00:00:10] **Michael Novogradac, CPA:** Hello, I'm Michael Novogradac and this is Tax Credit Tuesday. This is the Aug. 16th, 2022, podcast.

In today's podcast, we'll discuss how government agencies can more easily deploy and how affordable housing stakeholders can better access the $350 billion in COVID-19 recovery funds authorized by Congress. This thanks to recent FAQ guidance from the Treasury Department.

Current high inflation has increased the need for affordable housing developers to find additional sources of financing in order to make affordable housing developments financially feasible, which makes the guidance released last month by Treasury very welcome news. While the national affordable housing crisis long predated COVID-19, there's no doubt that the pandemic has exacerbated the gap between affordable housing supply and demand, especially for low-income renter households.

On the demand side of the equation, worker wages continue to fall short compared to rising housing costs. The National Low-Income Housing Coalition's 2022 "Out of Reach" report found that in no state, metropolitan area or county can a full-time minimum wage worker afford a modest two-bedroom rental home. Affordable housing in this context is defined as paying no more than 30% of one's income on housing. The report also found that rents rose 18% from the first quarter of 2021 to the first quarter of 2022 across the country. As certain renter relief provisions under COVID-19 expire and evictions resume, it's clear that the affordable housing supply should be preserved and expanded, but that is easier said than done.

Rising construction costs, supply-chain issues and other challenges means that many affordable housing developments that are in the pipeline are no longer financially feasible. These developments need a source of funds to fill financing gaps. And that is where the recently released Treasury frequently asked questions, or FAQ, guidance is certain to help.

As I noted earlier, the guidance will help affordable housing developments better access $350 billion in COVID-19 recovery funds. These funds were authorized as part of the American Rescue Plan Act or ARPA enacted in March of last year. Now the official name of the program is the Coronavirus State and Local Fiscal Recovery Funds program. That's a mouthful to say. And I'm not fond of using the initialism S.L.F.R.F. That doesn't exactly roll off the tongue. And I'm also not fond of the acronym SLFRF. So, we'll use the term "recovery funds" in this podcast. So just know that when we reference recovery funds, we're referring to the Coronavirus State and Local Fiscal Recovery Funds that were enacted as part of the American Rescue Plan Act last year.

Now we at Novogradac believe that the updated Treasury guidance will have a twofold effect. First, there is now increased flexibility to use recovery funds for long-term affordable housing loans. Second, the guidance expands the list of clearly or presumptively eligible uses for the recovery funds. We'll dive further into these changes and what they mean in today's podcast. We're going to start off with some background on the final rule issued earlier this year on using the recovery funds. And then we'll talk about how last month's updated FAQ guidance expands on the previously released rule. Then the bulk of our discussion will be on what the changes are and how they're likely to affect low-income housing tax credit financing. We'll close with some action items and how you, the listeners, can access those affordable housing funds. I'll also note this will be a topic during our affordable housing conference at the end of September in Nashville, Tennessee. The specific dates of that conference are Thursday, Sept. 29 and Friday, Sept. 30.

Joining me today is my partner Dirk Wallace from Novogradac's Dover, Ohio, office. Dirk is a frequent guest on Tax Credit Tuesday. He's one of Novogradac's leading experts on the low-income tax credit and HUD financing. Many of you may know Dirk as the head of the LIHTC Working Group. In fact, the LIHTC Working Group has been working with Treasury since the recovery funds were made available. We were disappointed when the initial guidance created certain challenges or obstacles to using recovery funds to finance affordable housing. Our LIHTC Working Group worked with several trade organizations in encouraging Treasury to make the use of recovery funds more compatible with other sources of affordable housing financing. There was even an effort to get Congress to address the issue in statute if a change by Treasury of their interpretation wasn't made. We were very pleased, it's obvious to say, to see Treasury address the issue in the updated FAQ guidance.

We have a lot of ground to cover today. So if you're ready, let's get started.

Dirk, welcome back to Tax Credit Tuesday.

[00:05:34] **Dirk Wallace, CPA:** Thanks, Mike. Great to be back.

Hurdles with Original Rule

[00:05:36] **Michael Novogradac, CPA:** So, thanks for joining me to discuss this very important topic. Three-hundred and fifty billion dollars in recovery funds are available to help state, local and tribal governments respond to and recover from the COVID-19 pandemic. When Treasury issued its final rule on the recovery funds earlier this year, it clarified that the funds can be used for capital expenditures supporting a COVID-19 public health or economic response, most importantly for our listeners, including affordable housing. And as you know, that final rule took effect April 1 of this year. However, even though the final rule allowed recovery funds to be used for affordable housing development, there were some obstacles that made it difficult to actually use recovery funds in concert with low-income housing tax credit financing. And as I noted in the intro, the LIHTC Working Group joined trade organizations in outlining some of those issues in letter to Treasury. So maybe to level set, if you could share with our listeners what some of those former, emphasizing *former*, obstacles were.

[00:06:41] **Dirk Wallace, CPA:** Sure. And yeah, the two main ways that the recipients can receive these funds would either be through grants or through loans. And I think we all know the obstacles that there are with grants, with income being recognized, reducing eligible basis, things like that. So, that wasn't anything new. I think everyone expected that. The main obstacle was for loans with maturities after Dec. 31, 2026. So, the final rule stated that you could not loan the full amount of the principle; you could only loan the cost of the loan. And everyone was scratching their head saying, "what is the cost of the loan?" and that was word for word from the guidance, so, we started diving in and trying to figure out what the cost of the loan is. And there was a few ways to calculate that and the one that most industry participants gravitated toward to was the net present value calculation, where you calculated the cost of the loan using the discount rate and that discount rate was the cost of funding. And then people started asking, "well, what's the cost of funding and what discount rate do I use and what happens if I use the wrong discount rate?" If you're not following the program rules and you're lending too much money into these projects because you used the wrong discount rate, Treasury could come back and make the property repay the loan or we don't know what they could do, but you know that they could at least make it so the funds would have to be repaid.

So, there were a lot of issues with these, I guess with loans with maturities after 12-31 of 2026. And that's really the problem that most of us in the industry were trying to tackle.

[00:08:13] **Michael Novogradac, CPA:** And for those that were tackling it, they were basically getting long-term loans where basically a portion of the long-term loan was funded by the recovery funds and then the lender agency had to have some other source of funds to make up the balance of the loan to be compliant. Is that a high-level overview as to some of the structures being considered?

[00:08:34] **Dirk Wallace, CPA:** That's correct. Yeah. There was this blending concept and another obstacle would be what if you don't have funds to blend these recovery funds?

So, yeah, it was pretty much a twofold process, where first you had to calculate what you could blend and then you had to find other sources of financing to blend with it.

Clearly Allowable Uses

[00:08:54] **Michael Novogradac, CPA:** Right, and you're being kind in saying what if you don't have. I'd probably say most agencies didn't have other sources to lend, so it was a challenge.

Let's talk about the actual changes in the recent FAQ guidance. As I noted, it seems like there's two broad categories of clarifying guidance: One addresses and provides an expanded list of presumptively eligible affordable housing developments or borrowers and the other expands how the recovery funds can be lent to affordable housing developments. So, let's start with the first one. The guidance expands the list of types of projects that are now clearly allowable uses. If you could share with our listeners some of the affordable housing programs or financing types that are specified in the guidance.

[00:09:42] **Dirk Wallace, CPA:** Sure. And I guess we can start with the original guidance and what that had and that really had the Housing Trust Fund and the HOME program. Those are really the only two programs that were outlined that were clearly allowable. The expanded list includes many more programs, the most notable being the low-income housing tax credit program. That's the one that's going to impact most of our listeners.

But in addition to low-income housing tax credit program, you had a lot of HUD programs: HUD Section 811, Section 202, project-based rental assistance. There was a whole list of federal programs that are now clearly eligible uses. If you don't fall under one of those programs, there was also this additional criteria where if you met that, was a clearly eligible use. And that is if you were operating an affordable housing property that had affordability requirements for 20 years or more and those affordability requirements were serving tenants at or below 65% of the area median income. And that should, I would think, cover most affordable housing programs. And it's not 60% that we're used to, they actually increase it to 65% of AMI.

[00:10:51] **Michael Novogradac, CPA:** And under the old rule or the old interpretation, most LIHTC developments would try to satisfy the HOME funds or the Housing Trust Fund requirements, such that they would then be presumptively eligible, which now they don't have to focus on, right?

[00:11:12] **Dirk Wallace, CPA:** That's right.

Recovery Funds as Long-Term Loans to Affordable Housing

[00:11:13] **Michael Novogradac, CPA:** That's definitely from an administrative perspective, one less thing they have to deal with, which is quite notable. So now let's discuss the second change, which is certainly for most of our clients the more impactful change and that's how the recovery funds can be lent to affordable housing developments now.

[00:11:32] **Dirk Wallace, CPA:** Right. And under the previous guidance, we talked about how it's just the cost of the loan. Well, that whole cost-of-the-loan concept has gone away. So, for loans with maturities beyond 12-31 of 2026, now the full amount of the principle can be loaned. So that should have been the big headline. They should have just put that in bold on the FAQ and said the loan can be made and stop right there.

[00:11:56] **Michael Novogradac, CPA:** That's exactly right. That's exactly right. So, well, I was going to say that is certainly the headline, but it's not obviously as simple as that. So, regarding the second change, there are criteria that the loan has to satisfy in order to be eligible to be this long-term loan. You don't have to worry about calculating and bifurcating and all the rest, but there are requirements that have to be satisfied that Treasury put in place. Maybe you could describe what those criteria are for this long-term loan to be eligible.

[00:12:27] **Dirk Wallace, CPA:** So, the loan has to have a term of not less than 30 years, so that they don't want short-term lending; four years, five years and then recycling these funds into some other use. I think that was the main concern with the cost of the loan to begin with was the recycling or antichurning provisions that that they put in there.

[00:12:48] **Michael Novogradac, CPA:** So, what is the term of not less than how many years?

[00:12:51] **Dirk Wallace, CPA:** Not less than 20 years. So, you have a 20-year loan and then corresponding with the 20-year loan, it has to have an affordability period of not less than 20 years. So, those line up pretty well where the term in the affordability period would have to be at least 20 years. Then they also carved out low-income housing tax credit properties and they said if you're an owner of a low-income housing tax credit property, you must waive your right to a qualified contract and if you, in addition to waiving that right to a qualified contract, you also have to maintain compliance with Section 42 and if you don't maintain compliance, then there would be immediate repayment then of those proceeds.

[00:13:33] **Michael Novogradac, CPA:** And the requirement to waive the right to request a qualified contract and it seems consistent with the requirement that you have an affordability restriction for 20 years? Because obviously if you had that, you may not have an affordability restriction for 20 years. Many states, many allocation agencies, already require that be waived, so for many clients that won't be a significant issue. This is obviously a welcome change because it makes it easier for recovery funds to more directly support the development of LIHTC-financed or other affordable housing properties. But a long-term loan directly from a government recipient of recovery funds to the particular development isn't the only way that funds can be made available LIHTC development. Can you discuss some of the other approaches, just so our listeners can have some awareness of other options?

[00:14:33] **Dirk Wallace, CPA:** Sure. So, the three main approaches would be granting the proceeds to the property: A short-term loan with a maturity prior to 12-31 of 2026 or a long-term loan with maturity after 12-31 of 2026. In the guidance, that's what Treasury laid out, is this is how you can get the funds to the property.

Pros and Cons of Different Approaches

[00:14:54] **Michael Novogradac, CPA:** What are some of the pros and cons of the different approaches?

[00:14:57] **Dirk Wallace, CPA:** Sure. With grants, I guess the pros of a grant would be no repayment. It's coming into the property, it’s a grant, you get to keep the funds, but like with most grants, there will be issues with income and allocating that income to the partners of the partnership. There's also the eligible basis reduction, because federal grants reduce LIHTC eligible basis. Then if you grant the proceeds to a nonprofit, there's still some talk there with whether or not that nonprofit then can turn around and loan those proceeds or make a capital contribution or there may be some issues in structuring that grant-to-loan or grant-to-capital-contribution.

But with a short-term loan, I think the main con is obvious that it's short term, but I guess on the pro side there, it could be used to maybe bridge some gap or bridge some equity, or if you do have a short-term preservation need, it could be used for that. The funds do have to be extended by 12-31 of 2026, and the good news is the new FAQs stated that the funds are considered expended when they're dispersed to the borrower. So that's good news for both the grant and loan approach is that you don't necessarily have to track every dollar that's going out. As soon as those are dispersed, they're considered extended. And then with the long-term approach, I know we covered that a lot, but again, the pros are now that it's not the cost of the loan, it's the principle. It functions like a lot of other affordable housing programs. The one con that I would say is that it does have to be repaid. So, it is a loan, it's not a grant. It's not like a PPP [Paycheck Protection Program] loan that might have some type of forgiveness or something like that. It is a loan with repayment terms and most likely with an interest rate.

Intermediary Uses

[00:16:37] **Michael Novogradac, CPA:** So, thank you for that overview. It seems like there's still a little bit of analysis still to be done and some consensus to develop around intermediary uses or intermediaries involved in the money getting into the development. And when I say intermediaries involved, I mean what you described is the government agency itself providing the funds directly to the development and those funds come to development. So, the cash part of that is easy. They get the money. The question becomes, like you say, is it a grant such that it's income and other issues for the borrower? Or is it a loan either short term or long term? And then when I mentioned intermediate entity, is the question becomes, OK, well, what if the government agency gives the money to a nonprofit as a grant or a loan? Let's assume for the moment it's a grant. Then the question becomes could a nonprofit, obviously if it's a grant a nonprofit as a general matter wouldn't have unrelated business taxable income, wouldn't pay tax on the grant. Then the question becomes to what extent can that nonprofit in turn make the money available to a development as a loan or capital contribution or in turn a grant, and that use of a nonprofit there's more work that needs to be done to identify what structuring options are available. Anything to add or clarify to that?

[00:18:01] **Dirk Wallace, CPA:** That sounded great.

Issues with Layering Recovery Funds

[00:18:04] **Michael Novogradac, CPA:** OK. As whenever there's guidance that we're happy with, there's always turns out that there's more to do to think through the other sort of possibilities, but that's obviously one of the challenges of affordable housing finance, because to fill affordable housing gaps, you're always trying to find ways to use funds more effectively. But what are some of the things that listeners need to know? If they're bringing in this type of funding, there's always issues around layering multiple financing as part of a development of an affordable housing project. What are particular issues around layering in recovery funds with other affordable housing resources?

[00:18:41] **Dirk Wallace, CPA:** And so, we talked about the programs that are clearly eligible uses. So, if you are under one of those programs, you have program requirements under that program and you have program requirements under the recovery fund program. So, like with HOME funds or LIHTC or Housing Trust Fund, you can use these recovery funds to fill the gap, but you must comply with both programs. So, there's regulatory and statutory requirements. We went over the term of the loan and again, waving that qualified contract or the right to request a qualified contract. You don't have to do that for the LIHTC program necessarily. You might have to in your application, but that's definitely going to be required in the recovery fund program. So it's really just making sure that you're complying with the requirements of all the programs that your property is subject to and not just looking at the recovery fund program or the LIHTC program.

[00:19:34] **Michael Novogradac, CPA:** So, one other question, which got posed last week, where Treasury hosted a webinar on the use of recovery funds for affordable housing production and preservation. During the webinar, one of the stakeholders asked Treasury that if a borrower repays the loan–just for listeners, bear in mind that the recovery funds go to a government agency, non-federal government agency and that government agency in turn makes the funds available to a recipient an affordable housing recipient–and assume for the moment that it's being made available as a loan and then that affordable housing development, as Dirk pointed out, you pointed it out Dirk, that if it comes in as a loan, it does have to get repaid. So, the question becomes what happens when that money gets repaid? So down the road, go out 20-plus years and this affordable housing development repays the funds to the government recipient to the state, local or tribal government. Does that money that gets repaid to the state local or tribal government need to go back to Treasury or can it be used by that agency for other purposes?

[00:20:46] **Dirk Wallace, CPA:** Yeah. So, the funds can be used by that agency for other purposes. They can. They can reinvest that loan income into affordable housing. It's not subject to what we call their income-limit rules at the state agencies. This is going to apply to both principal and interest. So, those interest payments are being made right away in Years 1, 2 or 3. They can use that and reinvest it in into affordable housing. I think before, when we looked at the guidance, if there were repayments made before Dec. 31 of 2026, those then had to be redeployed as ineligible uses. Well, now they're saying if you have a long-term loan and part of that is repaid before Dec. 31, 2026, because it's a long-term loan, there won't be any restrictions on that those funds returned.

Reactions of Affordable Housing Stakeholders

[00:21:31] **Michael Novogradac, CPA:** And that's a good point about the interest, because I posed a question focusing on the principle, but the fact that there may be below-market interest doesn't mean no interest. So, the fact that these agencies are getting this interest and then being able to use that for other uses can be pretty powerful building up over time. So, I'm going to give you an easy question: What have you heard from affordable housing stakeholders? What's their response been to the new guidance?

[00:22:05] **Dirk Wallace, CPA:** I guess to sum it up in one word, I would say relief. I think it was a big sigh of relief. We've been working with them to develop these models calculating net present value and discount rates and things of that nature and just not having to go through that and not worrying about, "what if it was calculated incorrectly?" And just being able to lend how they normally lend with other programs, I think it just gives everyone a sense that they're doing it correctly and they're not going to, I guess, run afoul of any of the issues from before.

Outstanding Issues with New Guidance

[00:22:36] **Michael Novogradac, CPA:** When you say relief, it's not just the borrowers, it's the government agencies as well. It was like, as you were navigating this, government agencies were trying to make the funds available and then having to work through these issues to get comfortable that they were making the funds available in an allowable manner. This guidance expands that. So, as I mentioned earlier, we're all really pleased with this guidance, but there's always additional questions that come up whenever you get guidance. There's always, it seems like there's this continuing series of issues just end up being a little bit different. So what issues are you commonly facing now with this expanded guidance?

[00:23:21] **Dirk Wallace, CPA:** Well, some of the state and local governments, they were holding onto these funds because again, they weren't sure if you know how to deploy them correctly and now that they can be deployed, they're like, "OK, now it's time to actually deploy them." So, maybe we didn't have a lending platform before, maybe we weren't in the business of lending, but we have these funds, so, just getting their documents in order making sure that all the program requirements for this program that they're lending through is being done correctly. And it's at this point, we're in the education stage of saying, OK, here's the new FAQs. There are new requirements that were never there before. Let's make sure that these are getting into the documents an everything is being done correctly.

[00:24:02] **Michael Novogradac, CPA:** So, as I noted earlier, Dirk, there's always unanswered, ambiguous issues surrounding any guidance from Treasury. And that's not a critique of Treasury. They do a wonderful job. It's just that every time you read guidance, there always ends up being additional questions that come into being in terms of what certain words mean and what's allowable, not allowable. And it can be frustrating, I know, for Treasury to get additional questions after you give guidance and it's also frustrating for clients to say, "why is this so complicated and why do you have to ask this question, that question?" But clearly you have to know, you have to develop answers to these questions at different views. And that's one of the roles that the working groups provide is a forum to discuss issues that are ambiguous or unanswered or questioned and develop some sort of consensus views. It's always better to travel in the herd than it is to be out there with a unique interpretation that most others aren't agreeing with. So, when you look at this guidance, what are some of the unanswered ambiguous questions that remain that the working group will need to develop some consensus around?

[00:25:10] **Dirk Wallace, CPA:** So, when I first looked at the guidance, I focused on the low-income housing tax credit carve-out in the rules there because that's going to be a majority of our listeners and our clients. And when looking at what our low-income housing tax credit properties need to do, one of the criteria is that owners must repay the recovery funds in full at the time a project becomes noncompliant. And I looked at that and said, "what does noncompliant mean?" And the one example or two examples that it gave, it just said, including and talked about [IRC Section] 42(g), which is the not meeting the minimum set-aside and it referred to the project, not a unit. So, you can look at that and maybe say, OK, well, as long as I meet the minimum set-aside, am I OK? Or if I have a few units that are noncompliant that were funded with recovery funds, do I have an issue? It also talks about maintaining compliance with Section 42 through the extended-use period because, as we talked about before, this is a 20-year term. So, the compliance period's 15 and then you have at least five more years in which you will be in the extended-use period. In the extended-use period terms, state and government agencies can put various things in there. Extended-use agreements may not be uniform across the United States. So, looking at some of those extended-use agreement terms, one of them is typically that the applicable fraction must be maintained throughout the extended-use period. If you agreed to 100% and now you're at 98% or 95% or whatever, you're not maintaining that 100% applicable fraction. Does that mean that one unit might be able to cause noncompliance during the extended-use period? So, these are questions that we're going to raise, what does noncompliant mean? If it said *limited to*, I think we would like that a lot better than *including* when it talked about the minimum set-aside. But yeah, that's definitely one thing that stuck out to me as a follow-up question, guidance on the guidance.

[00:27:03] **Michael Novogradac, CPA:** In terms of addressing this question, I sort of think of it as the state local or tribal government that has the funds, they could simply in their loan document to the project put various requirements in that aren't as expansive as the actual guidance, as the words that are in the FAQ, such that a borrower would know it isn't due, but I suspect that most state, local, tribal governments won't do that, that they'll actually just parrot the language from the FAQ. In part, so they know that they're providing terms consistent with the FAQ, so the risk ends up being on the borrower in terms of when that they have to repay the funds and not on the government agency or when that it was using the funds in a manner consistent with the FAQ. Do you agree with that?

[00:27:56] **Dirk Wallace, CPA:** I would agree with that, yes.

Accessing the Recovery Funds

[00:28:00] **Michael Novogradac, CPA:** OK. So, thank you very much Dirk, maybe one last question, and maybe I should have started off with this question at the beginning. We sort of throughout all of this assumed that listeners knew about the funds and knew how to go about accessing the funds. What if I'm a listener and I think this is great, how do I know if funds are available for my project? Certainly, join the working group and reach out to Dirk is one answer. Any other advice you'd give a listener?

[00:28:30] **Dirk Wallace, CPA:** I would start with your state finance agency. A lot of states allocated funds to state finance agencies. There are also cities, counties, it's "state and local governments" that had these funds. There were some smaller cities that were coming to us asking us for guidance in the beginning. So, we know that there are a lot of cities out there that have these available, but yeah, I would definitely start with your state finance agency and go from there.

[00:28:54] **Michael Novogradac, CPA:** Great. Good advice. So, thank you Dirk. And please do stick around for our Off-Mike section at the end of the podcast, where I'll ask you some fun off-topic, questions to get your words of wisdom and tips.

To our listeners, be sure to tune into next week's podcast. My partner Nat Eng and Novogradac's Director of Public Policy and Government Relations Peter Lawrence will be joining us to discuss updates on the massive reconciliation proposal that includes $369 billion in clean and renewable energy provisions, including extensions of the production tax credit and investment tax credit. And if you are an affordable housing developer, know that some of these provisions will be very applicable and very helpful in terms of bringing renewable energy to your affordable housing development.

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Off-Mike Section

So now I'm pleased to reach our Off-Mike section, where listeners can get some off-topic advice and words of wisdom from our podcast guests. So, our listeners can't see, but you're grinning a bit there.

[00:30:35] **Dirk Wallace, CPA:** That's my favorite part.

[00:30:39] **Michael Novogradac, CPA:** You're not going to be giving advice on affordable housing tax issues so, what's a work or life hack that you could share with our listeners that you found to be useful.

[00:30:52] **Dirk Wallace, CPA:** Sure. So yeah, this is going to be a life hack and one that I came across, I would say a few months ago. Whether you are hiking or boating or camping or you're outdoors, you're taking a cooler and we've been noticing that ice packs take up a lot of room in the cooler. So rather than take ice packs, you take a few water bottles, freeze them. You're freezing the water, use that as your ice pack and then, I don't know, about eight, 10 hours later, if you need a drink, now all of a sudden your ice pack still became nice cold drink of water. So dual purpose there. And yeah, been using that for a couple months now.

[00:31:30] **Michael Novogradac, CPA:** No, that's a great life hack, but that's also a travel hack.

[00:31:35] **Dirk Wallace, CPA:** Ah, that's true. Very true.

[00:31:37] **Michael Novogradac, CPA:** My next question deals with travel hacks. You can't use the frozen drink to go through security that then thaws that you can then drink in flight. You can't use that as your travel hack. So, the next question, for our listeners, the Novogradac fall conference season begins next month. As I mentioned earlier, we have our affordable housing conference in Nashville on Sept. 29 and 30, and that kicks off our fall season of conferences and many of the attendees will be traveling to that conference and to others. So, what's your favorite travel tip? That's not freeze a drink to get through security.

[00:32:16] **Dirk Wallace, CPA:** So, I'm really into electronics when I travel and making sure you always have a full battery charged. Also, only taking one pair of headphones and not taking three pairs of headphones because when you're on the plane or somewhere else. So, there's a few things that I've found. One thing is called AirFly and AirFly is a device that you can plug into the back of your seat for the in-flight entertainment and it's a Bluetooth device that pairs your wireless headphones with the seat back. So, you don't have to bring additional headphones with the right attachments and you can actually use your wireless headphones. So, I've been using that for a few months, it's great.

And of course after I bought that, I think I was on a flight a couple weeks ago and now on that flight, you could actually pair your headphones with the pack, but I don't think all flights are like that now. the other thing is, is always having a battery pack, one that can recharge and all of your devices and I actually carry two with me when I travel. One is a power bank that can charge your MiFi, your cell phone, whatever. And then the other one is a smaller one. It's very slim. It's worth one charge. And when I'll be at our tax credit conference, I'll have it in my suit pocket. It gives you one charge. It's called a Clutch and it'll keep you at the conference all day, so you don't have to go try to find a power outlet. You don't have to go back to your room. You can just stay charged with that device. So definitely a lot of devices out there that can help you out when you travel.

[00:33:44] **Michael Novogradac, CPA:** No, those are great tips and I just noted AirFly and how easily does it do the syncing?

[00:33:53] **Dirk Wallace, CPA:** Yeah, it's very easy. You just push a button and it pairs right away.

[00:33:56] **Michael Novogradac, CPA:** That's great. And one tip that I use, which is it's not as significant a travel hack as it had been in the past, but it still comes in handy every once in a while and that is to bring sort of a short multiprong extension cord. In part it's because oftentimes I would go to the airport and look for an outlet and they were all taken, but if I have the multiprong extension cord, I could go to somebody and say, do you mind if I hack your power source, you'll still build the charge, but I can charge too. And it was a way of being able to find power outlets when I was running out power outlets. But the good news is more and more airports have more and more power sources. That's not as significant a hack as it's been in the past.

So, thank you again, Dirk, and to our listeners. I'm Mike Novogradac, thanks for listening.

Additional Resources

Email

Email Dirk Wallace

Novogradac blog on Treasury FAQ Guidance

Treasury Guidance Provides Expanded Uses of SLFRF for Affordable Housing

Novogradac Conference

Novogradac 2022 Affordable Housing Tax Credit and Bonds Conference

Low-Income Housing Tax Credit Working Group

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