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Novogradac Special Report Examines Potential Effects on Affordable Housing and Community Development if Democrats Sweep November Elections

Report Looks at Possible Legislative, Budgetary, Regulatory Effects of Potential ‘Blue Wave’ on Affordable Housing, Community Development, Renewable Energy, Historic Preservation

SAN FRANCISCO—A November sweep of the U.S. House of Representatives, U.S. Senate and White House by the Democratic Party would have dramatic effects on affordable housing, community development, renewable energy and historic preservation, according to a special report by national public accounting and consulting firm Novogradac that examines the implications of that outcome on various tax, appropriations and regulatory policy.

[“Blue Wave Effects: What a Democratic Sweep Could Mean for Affordable Housing, Community Development, Renewable Energy and Historic Preservation.”](#) provides an in-depth evaluation of the 2020 general election and looks at the likely effects in 2021 and beyond of a sweep of the House, Senate and White House by the Democratic Party.

“It’s clear that an electoral sweep by the Democratic Party would make it far more likely that community development tax incentives could be enhanced and expanded,” said Michael J. Novogradac, managing partner of Novogradac and the report’s lead author. “However, there are complicating factors. Which Democrats make up a Senate majority would have an impact on what type of legislation could pass. Significant regulatory policies and appropriations levels would change if Democrats controlled the House, Senate and White House. This report examines what we might expect and looks at many of the factors that would play a role in that scenario.”

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The special report explains how a Democratic sweep would set the table for major legislation in 2021 concerning tax provisions and appropriations, as well as a shift in regulatory policy. The report evaluates likely Democratic priorities in January 2021 and how legislation related to affordable housing, community development, renewable energy and historic preservation could fare.

The special report includes an examination of the key Senate races and what those Democratic candidates have said about tax issues, as well as highlighting holdover Senators who would play important roles in determining legislative priorities and which Democratic senators would likely hold key leadership roles if their party controls that chamber of Congress.

The report examines existing and proposed affordable housing, community development, renewable energy and historic preservation tax incentives and considers the likelihood and cost of extending or expanding them in 2021. The report also looks at Democratic presidential candidate Joe Biden's tax proposals and what impact they could have on tax credit equity pricing.

"The effect of changing the tax code on tax credit equity pricing isn't a simple equation," said Mr. Novogradac. "In this report, we look at the factors that affect pricing and consider what might happen to different incentives under different scenarios."

In addition to a discussion of tax credit equity pricing, the special report looks at the likely timing of changes to pricing and contrasts that timing with equity pricing changes that took place after Donald Trump's election in 2016.

About Novogradac

Novogradac began operations in 1989 and has grown to more than 600 employees and partners with offices in more than 25 cities. Tax, audit and consulting specialty practice areas for Novogradac include affordable housing, opportunity zones, community development, historic rehabilitation and renewable energy.