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Multifamily Private Activity Bond Issuances Decline 3.7 Percent in 2018.

Housing finance agencies issued \$14.7 billion in tax-exempt multifamily rental housing bonds in 2018, a 3.7 percent decrease in multifamily issuance from last year, [according to the Council of Development Finance Agencies](#) (CDFA).

The issuance of single-family mortgage revenue bonds increased more than 50 percent, from \$5.6 billion in 2017 to \$7.4 billion in 2018. The combined multifamily and single-family mortgage revenue bond issuances increased by 5.3 percent to \$22.1 billion. The percentage of volume cap private activity bonds (PAB) issued in 2018 for single and multifamily housing in the 50 states and the District of Columbia was 91.5 percent of all volume cap PAB activity, a record high.

The decrease in multifamily PAB issuance is not surprising, because of the risk of repeal of PABs at the end of 2017 as part of the tax law commonly known as the Tax Cuts and Jobs Act (TCJA) of 2017. Many planned 2018 multifamily issuances were accelerated into 2017 to eliminate the risk, evidenced by the fact that multifamily PAB issuance in 2017 was nearly \$15.3 billion, compared to \$14 billion in 2016.

This year's CDFA report, "[CDFA Annual Volume Cap Report: An Analysis of 2018 Private Activity Bond & Volume Cap Trends](#)," states that total annual private activity bond cap in 2018 increased 5.1 percent to \$37.1 billion. The CDFA report surveys agencies from the 50 states and District of Columbia that allocate private activity bond cap among the eligible uses.

In addition to the \$37.1 billion in new 2018 bond volume cap available, state agencies had an additional \$53.1 billion in existing carryforward allocation. The resulting total available amount of national volume cap was approximately \$89.8 billion in 2018. Of that, \$24.1 billion in bond volume was issued, a slight 2.9 percent decrease from 2017.

CDFA also reported a total of \$4.75 billion in total private activity bond cap abandoned, as states have three years to use such authority before it expires. Such a total represents a more than 50 percent decrease from the last time CDFA reported on abandoned cap in its 2016 report. However, 10 states—Alaska, Arizona, California, Florida, Iowa, Mississippi, Missouri, New Hampshire, New York and Tennessee (a list that includes some significant bond-issuing states)—did not report on how much bond cap was abandoned in 2018, and so the total 2018 reported amount likely under-reported the actual amount. See list below for full details.



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