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## PAB Use for Multifamily Housing Continues to Grow; Financed-By Test Change May Stretch Cap - Novogradac

The use of private activity bonds (PABs) to finance affordable multifamily housing continues to set records, making the pending decrease in the financed-by test a likely way to further maximize the resource.

The Council of Development Finance Agencies (CDFA) released the CDFA Annual Volume Cap Report last week, the first such report in three years. The report covers PAB issuance for calendar years 2021-2023.

Multifamily PAB issuance set a record of $21.67 billion in 2023, continuing a nearly decadelong increase in such use. For comparison, only $6.60 billion in PABs were reported for multifamily housing issuance in 2015, the last year before a steady increase in issuance. Even beginning in 2016–when multifamily PAB issuance jumped to $14.00 billion–the compound annual growth rate (CAGR) from 2016 to 2023 for such PAB issuance was 6.44%. Over the same period, the CAGR for inflation was barely half that, at 3.36%.

Continue reading.

**Novogradac**

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