

### Multifamily Housing Notice 25-15

December 3, 2025

**To:** Developers, Sponsors and Local Housing Contacts

**From:** Alvin Lawson, Director, Multifamily Operations

**Re:** “25% Test” Guidance for Multifamily Bond Program (MBP) and 4% Low Income Housing Tax Credit (LIHTC) Projects

On July 4, 2025, Congress enacted Public Law 119–21. Section 70422(b) of that law amends IRC §42(h)(4)(B) to add an alternative “25 percent” threshold test for 4% LIHTC projects if certain bond-issuance conditions are met.

As a result of this change in law, for 4% LIHTC projects closing after December 31, 2025, CDA will issue bonds equal to the greater of:

1. 30% of the aggregate basis of the building(s) and the land; or
2. The amount of supportable first lien debt up to 50% of the aggregate basis of the building(s) and the land.

CDA Form 202 has been updated to reflect this change and is posted to the [Multifamily Library](#).

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#### IMPORTANT NOTICE REGARDING EMAILING OF MULTIFAMILY NOTICES

*Multifamily Housing issues periodic notices (such as the one above) to announce new initiatives, provide important news, announce funding round deadlines, significant application changes, bond program amendments, and other key dates and facts on our website and by email only. You can [subscribe to receive Multifamily Housing Notices](#) on DHCD’s website.*

*Notices are posted to the [Multifamily Library](#) on DHCD’s website.*