



AHTCC NEWS

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AHTCC Welcomes Five New Members

Carlisle Tax Credit Advisors
Edwards Angell Palmer & Dodge LLP
The Housing Partnership, Inc.
National Leased Housing Association
New Mexico Mortgage Finance Authority

LIHTC Proposals Making Progress

Mid-November, the House Ways and Means Committee Democrats caucused to examine proposals which may be included in an upcoming *Jobs Bill*. During the meeting, Ways and Means staff presented a package of proposals which included several provisions included in the industry-wide-supported Housing Credit legislative package (see below for a complete list of proposals). Specifically, staff encouraged Members to include the exchange proposal, part B of the carryback proposal, and the passive loss amendment limited to banks.

The proposed carryback provision would be a general business credit carryback not limited to the Housing Credit. Additionally, credits would not be eligible to be carried back to years prior to the initial investment unlike AHTCC's proposal which would allow Credits to be carried back from the first year of a new investment.

While AHTCC was disappointed to learn part A of the carryback proposal did not garner support, we have learned that this was due to logistical reasons rather than a policy concern. Ways and Means members are concerned that part A of the carryback would need to be extended to all general business credits in order to gain support for its inclusion in legislation. Extending the proposal that widely is expected to be prohibitively expensive.

The support demonstrated by Congressman Rangel (D-NY), chairman of the Ways and Means Committee, as well as other Members is a positive sign. Finding a vehicle for AHTCC's legislative proposals remains a work in progress. While a potential *Jobs Bill* is being considered, it is also possible that some of AHTCC's proposals may find a place in *extenders legislation* expected by year's end.

The *Jobs Bill* is expected in the House by late December or early next year, with the Senate expected to take action sometime in 2010. With respect to *extenders legislation*, movement may be seen in the Senate or House before the end of the year, but that consideration may extend into early next year as well.

In addition to these two possibilities, AHTCC is encouraged to see the 5 year carryback proposal included in legislation introduced on November 18, 2009 by Congressman Bill Pascrell, Jr. (D-NJ). H.R.

4109 currently has one cosponsor, Congresswoman Shelley Berkley (D-NV). Coalition representatives have learned that Congressman Pascrell has worked hard to include the 5 year carryback proposal in its entirety in the *Jobs Bill* legislation being prepared by the Ways and Means Committee despite initial hesitance. While Congresswoman Berkley is the only cosponsor of record, it is our understanding that additional members are poised to sign on.

Coalition representatives have met and will continue to meet with Ways and Means members and members of the Senate Finance Committee and their staffs to push for inclusion of all the proposals supported by the broader industry coalition. AHTCC encourages its members to contact their Members of Congress to show support for these provisions and to encourage their support of any legislation including these proposals, including, but not limited to, H.R. 4109. Please contact your Members and ask them to cosponsor H.R. 4109 by calling Congressman Pascrell's office at 202-225-5751.



Summary of Industry-Wide Supported Legislative Proposals

- **Extend the Exchange Program.** Congress should extend the Section 1602 Housing Credit exchange program to 2010 and modify it to allow states to exchange Housing Credits arising from tax-exempt multifamily housing bonds.
- **Increase the Housing Credit Carryback Period.** Congress should enact investment incentives to stimulate Housing Credit investment demand in both the short and long term. A. Investors with *existing* Housing Credit-financed housing should be permitted to carry back, for up to five years, Housing Credits for the 2008-2010 tax years **IF** they immediately reinvest credit amounts into new affordable rental housing. B. Credits generated by *new* Housing Credit-financed housing should be eligible for carryback up to five years.
- **Expand the Investor Base.** Congress should allow some S Corporations, Limited Liability Companies, and closely held C Corporations to use the Housing Credit on the same basis as most corporations **IF** they satisfy the following tests: 1) have at least \$10 million in annual gross receipts; 2) are not created purely to invest in Housing Credits; and 3) have a state-approved asset management plan.

Ernst & Young Publishes Study Concerning LIHTC Investment

On Friday, October 9, 2009, Ernst & Young LLP published a study concerning Low Income Housing Tax Credit (Housing Credit) investment. This study was commissioned by Enterprise Community Partners, Inc. and Local Initiatives Support Corporation in order to better understand the Housing Credit investment market and to analyze investor response to certain legislative proposals. AHTCC worked with Enterprise, LISC, The Affordable Housing Investors Council and Ernst & Young for several months to produce this report. AHTCC believes it was well worth the time and expense as the results strongly argue for the enactment of the 5 year carryback proposal and provide independent, third-party support for AHTCC's assertion for the need for such a carryback provision.

The study confirmed that Housing Credit investment activity has fallen dramatically in the last two years, but it demonstrates clearly that investment would increase significantly in the near term if Congress were to enact legislation allowing a 5 year carryback of Housing Credits

(instead of the current one year carryback). This would amount to \$5 billion more in investment nationally through 2011. The 5 year carryback is one of the legislative proposals supported by AHTCC and over 150 national, state, and local organizations.

Without additional Housing Credit investment, there are likely to be 90,000 construction jobs lost and 60,000 fewer affordable rental housing units produced nationwide. More Housing Credit investment means more jobs and more housing, a theme of recent discussions between Congress and the Administration.

AHTCC encourages its members to provide this report to their Members of Congress with a message about why it is important to you, their constituents. Visit www.taxcreditcoalition.org to download the study today. Further, AHTCC members are encouraged to visit www.rentalhousingaction.org to download state-specific information on jobs and the amount of investment that would be created through implementation of this 5 year carryback provision. The state fact sheets were updated as of December 2, 2009. Members are encouraged to make sure Congressional delegations have the most up-to-date information.

Support Grows for Housing Credit Industry Proposals

AHTCC has joined with many other industry groups to advance a set of proposals designed to stimulate investment in the Housing Credit program. A new website, **A.C.T.I.O.N.** (A Call To Invest in Our Neighborhoods), has been created to track the progress of this effort. Visit www.rentalhousingaction.org for up-to-date information on this effort to secure the future of the Housing Credit program through uncertain economic times.

Affordable Rental Housing A.C.T.I.O.N. is a grassroots campaign led by a broad coalition of more than 150 cross-industry national, state, and local organizations focused on ensuring that families have access to affordable housing. A.C.T.I.O.N. was developed out of an industry-wide effort to reinvigorate the Housing Credit market so that an additional 138,000 affordable apartments are constructed or preserved, 160,000 more jobs are created or saved, \$12 billion in additional local income is generated, state and local revenues increase by \$1.2 billion, and federal revenues increase by \$3.4 billion.

To have your name added to the coalition supporting the industry-wide proposals please visit <http://www.rentalhousingaction.org/join-the-campaign> and sign-on today!

Please visit www.taxcreditcoalition.org for a complete list of the Coalition's legislative priorities and updated Congressional information. Questions regarding legislative or Congressional activities may be addressed to Coalition legislative counsel James F Miller (202-282-5724 or jfmiller@winston.com), Coalition general counsel Richard S. Goldstein (202-585-8730 or rgoldstein@nixonpeabody.com), or Coalition executive director Victoria Spielman (202-282-5349 or info@taxcreditcoalition.org).

Coalition News and Upcoming Events

Register Now For AHTCC's Annual Meeting

Join your colleagues from the Housing Credit industry for two days of informative conference sessions and valuable networking events at the AHTCC Annual Meeting scheduled for January 26-27, 2010 in Laguna Beach, CA.

In the wake of a still-struggling economy and depleted investor environment, it is important now more than ever for participants in the Low Income Housing Tax Credit (Housing Credit) program to stay up-to-date on issues affecting the industry. Don't miss this important opportunity to learn more about the state of the Housing Credit industry and the Coalition's legislative efforts. Join AHTCC as we hear from developers, investors, syndicators and other Housing Credit industry participants on the future of the Housing Credit program.

Tentative Agenda

January 25th	Board of Directors Meeting (Open to Board members only)
	Board of Directors Dinner (Open to Board members only)
January 26th	Registration and Breakfast
	Morning Conference Sessions
	Luncheon
	Networking Reception
January 27th	Breakfast
	Morning Conference Sessions

Hotel and Location Information

Conference Hotel: Surf & Sand Resort
1555 South Coast Highway
Laguna Beach, CA 92651

Room Rate: \$295 per night (single/double) plus appropriate tax*

*Don't wait to make your plans. The Coalition is accepting reservations for its rooming list now and more than half the room block is sold out. Reservations **cannot** be made directly through the hotel for this reduced conference rate. When making your reservation, please be prepared to provide your arrival and departure dates as well as payment information. Contact Coalition executive director Victoria Spielman (202-282-5349 or victoria.spielman@taxcreditcoalition.org) to be added to the rooming list or for more information.

Laguna Beach is an incomparable destination. Come early and take advantage of outdoor activities at the 30 unique beaches and coves located in the area which offer a variety of watersports like surfing, sailing, scuba diving, whale watching or snorkeling. Or enjoy more leisurely activities like strolling through Heisler Park while enjoying the spectacular coastline and easy access to picnic spots, biking paths, and hiking. Laguna Beach enjoys moderate temperatures averaging between 44° and 67° in January.

If you enjoy indoor adventures, stay after the conference to enjoy Laguna Beach's many cultural activities. Laguna Beach boasts a fine art museum featuring an impressive annual list of exhibitions and an award-winning playhouse.

The Coalition is committed to providing a comfortable meeting environment to all attendees. If you have special needs as defined under the Americans With Disabilities Act or dietary (for example, vegetarian, kosher) or other needs, please provide appropriate information on your registration form. Coalition meetings are generally open to members only. In some cases, nonmembers may also be eligible to attend one Coalition meeting prior to joining. Please see the registration form at www.taxcreditcoalition.org for a detailed attendance policy.

Registration now available online for AHTCC members!

Airport Information:	Orange County Airport.....13 miles
	Long Beach Airport.....35 miles
	Los Angeles International.....53 miles
	San Diego International.....75 miles

Download your registration form today at www.taxcreditcoalition.org. Or, contact Coalition executive director Victoria Spielman (202-282-5349 or info@taxcreditcoalition.org) for additional information.

How Has Access to Affordable Housing Changed the Lives of YOUR Residents?

As participants in the Housing Credit industry, we know how important the units we allocate credits to, develop, invest in, and manage are to the individuals and families who will live in them. Housing Credit properties allow those with special needs to flourish through support service programming, children to grow up in stable home environments, and the elderly to age in place within their communities. Now, we want to hear from those most helped through the Low Income Housing Tax Credit program.

Please speak with your residents and encourage them to provide *Resident Testimonials*. The Coalition will publish these testimonials on its website, www.taxcreditcoalition.org, and use the information in future legislative campaigns designed to build on the already proven strengths of the Housing Credit program. Lawmakers appreciate hearing from their constituents on programs which have made a difference in the lawmaker's district and the constituent's community!

Testimonials may be submitted to the Coalition through info@taxcreditcoalition.org.

Join Now! Let the Coalition Work for You

Join your industry colleagues by taking advantage of the benefits of membership in the Affordable Housing Tax Credit Coalition. AHTCC represents Housing Credit industry participants before Congress, the Administration, and other governmental agencies. Stay on top of the latest Housing Credit issues through *AHTCC News*, industry updates, and regularly held Coalition meetings. The Coalition keeps you informed while serving as your representative on issues that impact the Housing Credit program. With an increasing housing crisis bringing national attention to the housing industry, now more than ever, benefit from lending your voice to the always-growing Coalition presence by joining today.

Who should join? Syndicators, developers, lenders, institutional investors, lawyers, accountants, nonprofits, public agencies, compliance specialists, and other allied professionals who work with the Low Income Housing Tax Credit program. Membership dues are collected on an annual basis.

Contact Coalition executive director Victoria Spielman at 202-282-5349 or victoria.spielman@taxcreditcoalition.org to request a membership brochure or for more information on membership dues and benefits. Or, visit www.taxcreditcoalition.org to download a membership application today!

To be added to the Coalition's media list, email Victoria at info@taxcreditcoalition.org.

Calling All Accountants and IT Professionals

AHTCC sponsors two subcommittees designed specifically for accounting and IT professionals. Take advantage of this unique opportunity to openly discuss industry issues with your colleagues at other Coalition member companies. Subcommittees generally meet for one hour a month via conference call. Subcommittees are chaired by your colleagues who solicit your thoughts on agenda items – the success of these subcommittees comes from **your** participation!

Subcommittee participation is limited to Coalition members only. To sign up for either subcommittee, contact Coalition executive director Victoria Spielman at 202-282-5349 or info@taxcreditcoalition.org.

Save on Subscriptions

- The *Novogradac Journal of Tax Credit Housing* is a premier national publication, read by affordable-housing professionals who turn to its pages for information and strategies on Low Income Housing Tax Credits and tax-exempt bonds. The *Journal* serves more than 9,000 readers who are dedicated to addressing the critical housing needs of the nation. The monthly 52-page, full-color publication offers investors, developers, lenders, owners and other affordable housing professionals an in-depth and unbiased look at the Low Income Housing Tax Credit and how it works with and relates to tax-exempt housing bonds, market studies, and valuation procedures. AHTCC members receive a 20% discount on new subscriptions. Contact Coalition executive director Victoria Spielman, 202-282-5340 or info@taxcreditcoalition.org for the subscription code or visit www.novoco.com for more information.
- AHTCC members receive a 20 percent discount on new subscriptions to the *HDR Current Developments Newsletter* as well as discounted subscriptions to *Tax Credit Advisor*.

Visit www.taxcreditcoalition.org for more details.

Have you recently hosted a grand opening or ribbon-cutting ceremony?

Send your photos to Coalition executive director Victoria Spielman (admin@taxcreditcoalition.org) to be included in a future newsletter.

Visit www.taxcreditcoalition.org to download your copy today. Or, contact Coalition executive director Victoria Spielman (info@taxcreditcoalition.org or 202-282-5349) to request a printed copy.

CALL FOR PHOTOS

Gain nationwide attention for your Housing Credit properties by submitting photos for the Housing Credit Development Photo Gallery, found exclusively at www.taxcreditcoalition.org. Pictures of Housing Credit properties from thirty states and the District of Columbia can now be found online. These photos say more than a thousand words could on the success of the Housing Credit program, and the Photo Gallery offers immediate examples of great Housing Credit properties to Congressional staff. Don't let your state go unrepresented!

Send in photos of your unique Housing Credit properties worthy of recognition. AHTCC welcomes and encourages submissions of pictures of Housing Credit properties and ribbon-cutting or groundbreaking ceremonies. Show off your success stories in future *AHTCC News* newsletters, website features, or Congressional materials by sending your pictures to Coalition executive director Victoria Spielman at info@taxcreditcoalition.org. Please be sure to include the property name, type, location, number of units, and the name and title of anyone featured in the photo. Pictures of well-developed, successful properties help make the case for how important the Housing Credit program truly is!

Let the Coalition help with your groundbreaking and ribbon-cutting ceremonies. Create even more excitement surrounding your event by requesting participation from your Congressional representatives. AHTCC can assist you in inviting Congressional members and their staff. The Coalition can also work with you to arrange site visits for Members and their staff if you have established properties you would like to show off.

Have Ideas for Additional Ways to Improve www.taxcreditcoalition.org?

Recently the Coalition re-launched its website, www.taxcreditcoalition.org, to provide even more information in the most user-friendly format possible. Check out the new AHTCC website to get the latest information on AHTCC legislative priorities, view well-designed Housing Credit properties in the AHTCC exclusive *Photo Gallery*, and download advocacy "one pagers" to assist you in Congressional contacts.

New features include a new section on resident testimonials to demonstrate how the Housing Credit changes the lives of residents. Also, AHTCC members can now register for events and pay registration fees online!

AHTCC is always looking for ways to improve your experience at www.taxcreditcoalition.org. If you have suggestions for improvements or additional features, please contact Coalition executive director Victoria Spielman (202-282-5349 or info@taxcreditcoalition.org).

Get Your Copy of the Grand Opening Guide For LIHTC Developers Today!

Need to plan a grand opening event for your newest Housing Credit property? Get tips and suggestions from the Coalition's Grand Opening Guide for LIHTC Developers. Developed in conjunction with Meridian Investments, this valuable guide will walk you through all the essential steps to planning and executing a successful and fun event for the whole community.

Have you recently hosted a grand opening or ribbon cutting ceremony? Send your photos to Coalition executive director Victoria Spielman (info@taxcreditcoalition.org) to be included in a future newsletter.

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