

Having trouble viewing this email? [Click here](#)



AHTCC News

August 2011

In This Issue

[AHTCC Rebuttal to Senator Coburn Proposal to Eliminate the Housing Credit](#)

[AHTCC Publishes Housing Credit Lobbying Piece](#)

[Register Now for the 2011 Fall Meeting](#)

[Request for Resident Testimonials](#)

[Join Now! AHTCC Membership Information](#)

[AHTCC Discounts on Industry Subscriptions](#)

[Call for Photos](#)

[Grand Opening Guide for LITHTC developers](#)

[Learn More About \[www.taxcreditcoalition.org\]\(http://www.taxcreditcoalition.org\)](#)

Quick Links

[Register Now](#)

[About Us](#)

[News](#)

[Awards](#)

[Resident Testimonials](#)

[Join Our Mailing List!](#)

AHTCC Welcomes Four New Members

Charities Housing

Mortgage Bankers Association

New York Housing Conference, Inc.

Legislative Update from AHTCC

It would be an understatement to say that much has happened since our last newsletter. The most important development was the enactment of the a major deal on the deficit negotiated between the White House and Senate and House Democrats and Republicans. The deal prevented a possible default on obligations of the United States but precipitated a downgrading in the credit rating of United States Treasury Notes by Standard & Poors. It invited recriminations and finger pointing by both political Parties and may have made any further compromise on deficit reduction and taxes even more difficult. On the other hand, there are some who believe that with the United States economy having slowed to near recession levels and with unemployment remaining above 9 percent, the Parties really have no choice but to seek compromise. Indeed, the automatic cuts put in place under the deal in the event the Parties fail to reach an agreement are very tough on defense spending and Medicare.



The President has now promised in September to present to the Congress and to the joint committee created under the deal a job creation plan. The plan may include an extension of unemployment benefits and payroll tax relief as well as a proposal for funding of infrastructure. The concept will be to provide for some type of stimulus in the short term and a further increase in deficit reduction in the long term, perhaps in the range of \$4 trillion. The President's plan will be designed to set the table for the debate in the Fall and the Presidential campaign in 2012.

The President will certainly continue to call for increasing taxes on "millionaires and billionaires," although increased taxes will fall on individuals making for than \$200,000 and couples making more than \$250,000. Republicans will continue to oppose tax increases. If the Parties are to come to any agreement on taxes, it will come in the area of tax reform in the model of the 1986 Tax Reform Act. Under that model, tax brackets would be reduced and deductions and credits would be narrowed, if not totally eliminated. Revenues would then be increased through a broadened tax base but without increasing the rates. Under this approach to revenues, all tax expenditures, including the Low Income Housing Tax Credit (Housing Credit), would be at risk. In order to understand how this process will work, it is important to review the debt deal and understand the time line created under it for Congress to act.

The Debt Deal

The Budget Control Act (the "Act") was passed by Congress on August 2 and signed by the President on the same day. Under the Act, the

WNC & Associates, Inc.

Board of Directors

President

Joseph S. Hagan
National Equity Fund, Inc.

Vice Presidents

Steven A. Beede
Centerline Capital Group

John P. Casey
Meridian Investments, Inc.

Alan S. Cohen
Paul, Hastings, Janofsky &
Walker LLP

Todd Crow
PNC Multifamily Real Estate

Russell Ginise
RBC Capital Markets

Robert J. Greer
Michaels Development
Company

Greg Judge
Boston Financial Investment
Management

Ellen Kauffmann
Ballard Spahr LLP

Daniel L. Kraus
Greenburg Traurig

James McDermott
Holland & Knight, LLP

Beth Mullen
Reznick Group, P.C.

Michael J. Novogradac
Novogradac & Company LLP

Elizabeth Stohr
U.S. Bancorp CDC

Marianne Votta
Bank of America Merrill Lynch

Jeffrey J. Woda
The Woda Group, LLC

Secretary
Peter Lawrence
Enterprise Community Partners

Treasurer
Jeffrey A. Whiting
City Real Estate Advisors, Inc.

*Immediate Past President and
Chairman of the Board*
Ronne Thielen
Housing Resource Connection

President was given an immediate \$400 billion increase in the debt ceiling that will cover the period through the end of September 2011. Thereafter he may request an additional \$500 billion, subject to a vote of disapproval by both Houses of Congress, which the President can veto. The \$900 billion initial debt ceiling increase will be matched with a \$1 trillion spending reduction through caps on discretionary spending.

The President may (and will) request a second debt ceiling increase before the end of the year, and that increase also will be subject to the disapproval process and there are several ways in which the increase can take place: (1) the amount of the increase will be \$1.2 trillion and will be offset by an across the board sequester of federal spending in the amount of \$1.2 trillion with exceptions for social security, Medicaid, veterans' benefits and pensions, federal retirement funds, civil and military pay, child nutrition, SSI, and WIC among other programs, with Medicare cuts capped at 2% and limited to providers; or (2) the increase will be \$1.5 trillion if both Houses of Congress send a balanced budget Constitutional amendment to the States for ratification; or (3) Congress may instead adopt the recommendations of a special joint bipartisan and bicameral committee of 12 members to reduce the deficit by at least \$1.2 trillion and up to \$1.5 trillion, in which case the debt ceiling increase will be raised dollar for dollar. If the sequester happens it will be split 50/50 between defense and non-defense spending, but for these purposes defense is broadly defined to include traditional defense as well as the intelligence services, and the homeland security and foreign relations functions of the US Government.

The Act does not mention revenue increases, leaving it to the joint committee to decide if revenues should be part of what they propose. As a result, it will be up to them whether tax reform is in the deal, or selective tax increases.

In sum, the Act puts into place a mechanism to increase the debt ceiling by at least \$2.1 trillion, starting with an immediate increase of \$400 billion. The next two installments, \$500 billion, and \$1.2 billion are subject to disapproval resolutions and a presidential veto, meaning they are likely to happen. The first \$900 billion are matched with deficit reductions through spending caps, the next installment, with an automatic spending sequester unless the joint committee can come up with an alternative plan which Congress adopts. The alternative plan must reduce the deficit by at least \$1.2 trillion, and can be as high as \$1.5 trillion, and would be matched dollar for dollar with a debt limit increase.

Between enactment and Thanksgiving the focus will be on the joint committee which has a very broad mandate to provide an alternative to the automatic sequester. If the joint committee fails, the automatic sequester becomes the base for the third and final debt ceiling increase contemplated under this legislation.

The Members of the Deficit Reduction Joint Committee

Senate Majority Leader Harry Reid (D-NV) and Senate Minority Leader Mitch McConnell (R-KY) made the following selections, respectively:

Senate Democrats:

Senator Max Baucus (MT)
Senator Patty Murray (WA)
Senator John Kerry (MA)

Senate Republicans:

Senator John Kyl (AZ)
Senator Rob Portman (OH)
Senator Pat Toomey (PA)

House Speaker John Boehner (R-OH) and House Minority Leader Nancy Pelosi (D-CA) made the following selections, respectively:

House Republicans:

Cong. Dave Camp (MI-4th)
Cong. Fred Upton (MI-6th)
Cong. Jeb Hensarling (TX-5th)

House Democrats:

Cong. James Clyburn (SC-6th)

General Counsel
Richard S. Goldstein
Nixon Peabody, LLP

Legislative Counsel
James F. Miller
DLA Piper

Executive Director
Victoria Spielman

Cong. Chris Van Hollen (MD 8th)
Cong. Xavier Becerra (CA-31st)

The Members of the Joint Committee are very loyal to those who selected them and to their Party's principles. In other words, they are not likely to take positions contrary to those of their respective Leaders. Democrats have promised not to cut Social Security and Medicare benefits, and Republicans have pledged not to raise taxes. This will make compromise very difficult, but not impossible.

Key Dates for Deficit Reduction Joint Committee

October 14: Each Committee of the House and Senate may submit to the Joint Select Committee its recommendations

November 23: The Joint Select Committee votes on a report, recommendations and legislative language

December 2: The Joint Select Committee must submit its report, recommendations and legislative language to the President, the Vice President, the Speaker, and House and Senate Leaders.

December 9: Each House Committee of Jurisdiction must report its recommendations regarding passage of the legislation

December 11: Each Senate Committee of Jurisdiction must report its recommendations regarding passage of the legislation

December 23: Both the Senate and the House must vote on the legislation under expedited procedures, and there cannot be any amendments.

Meaning for the Low Income Housing Tax Credit

The Housing Credit industry must understand that while the makeup of the joint committee makes compromise on taxes and spending difficult, tax reform is still a possible area of compromise. Tax expenditures could be traded for lower tax rates. This means that the industry must be prepared to engage in a program of sustained advocacy before Congress and at the grass roots level throughout the Fall. Perhaps the greatest risk to the Housing Credit if tax reform becomes a reality is a possible reduction in the amount of the per capita amount of the Credit. This type of approach would be consistent with a growing mantra in the Administration and Congress as to "shared sacrifice." In any event, the AHTCC will be in the lead on protecting and securing the Credit.

AHTCC Spearheads Rebuttal to Senator Coburn's Deficit Reduction Proposal "Back in Black" Which Would Eliminate the Housing Credit

On July 18, 2011, Senator Tom Coburn (R-OK) released a deficit reduction proposal entitled "Back in Black". In it, he called for the elimination of the Housing Credit program. The document's discussion of the reasons to eliminate the program is based on faulty reasoning; largely relying on criticisms from a Missouri state audit of a state based affordable housing program that Senator Coburn mistakenly believes is the federal Housing Credit program. In addition, the Senator relies on a nearly 20 year old study of the program that with the passage of time is no longer relevant.

AHTCC released a [rebuttal](#) to Senator Coburn's proposal explaining the importance of the Housing Credit program. To date, over 560 national, regional, and local organizations and individual companies have co-signed this rebuttal demonstrating the strength of the Housing Credit industry. AHTCC thanks each co-signer for their support.

AHTCC **strongly** encourages each co-signer to send this rebuttal piece (via email) to each of their Congressional representatives. As voting constituents, you can make the case that this program is important to low- and moderate-income Americans in their states or districts.

Further you are a demonstration of the number of jobs being supported by our industry within their communities. Don't stop with just the Congressional representatives in your state - reach out to Members from every state in which your company is active.

If your company would like to be added as a co-signer of the rebuttal piece, contact Coalition executive director Victoria Spielman (202-585-8162 or info@taxcreditcoalition.org). Please note, co-signers are traditionally companies or organizations.

AHTCC Publishes Informational Low Income Housing Tax Credit Piece

AHTCC has prepared an educational [brochure](#) intended to inform elected officials about the benefits of the Housing Credit program:

- Key facts about the Housing Credit program and why it is such a successful public/private partnership;
- Information on how the Housing Credit benefits communities such as creating 116 jobs for every 100 multifamily rental units produced under the program;
- and, quotes from notable supporters of the Housing Credit program.

AHTCC encourages its members to use this information when speaking with their Members of Congress about the Housing Credit program.

If you would like hard copies mailed to you please contact Coalition executive director Victoria Spielman at 202-585-8162 or info@taxcreditcoalition.org.

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 (202-799-4379 or james.miller@dlapiper.com), Coalition general counsel Richard S. Goldstein (202-585-8730 or rgoldstein@nixonpeabody.com), or Coalition executive director Victoria Spielman (202-585-8162 or info@taxcreditcoalition.org).

AHTCC News and Upcoming Events

2011 Fall Meeting

Plan now to join your Housing Credit industry colleagues at the 2011 Fall Meeting in Washington, DC on September 14, 2011 for informative conference sessions and valuable networking opportunities

Tentative Schedule

Tuesday, September 13:

2:00 p.m. - 6:00 p.m. Board of Directors Meeting
(Open to Board Members Only)
Location: Nixon Peabody, LLP
401 9th Street, NW, Suite 900
Conference Rooms 9G-H

6:30 p.m. Board of Directors Dinner
Location: Zola Wine & Kitchen
505 9th Street, NW

Wednesday, September 14:

8:00 a.m. - 8:30 a.m. Registration and Breakfast
Location: Nixon Peabody, LLP
401 9th Street, NW, Suite 900
Conference Rooms 9G-J

8:30 a.m. - 8:45 a.m. Welcome and Introductions

8:45 a.m. - 9:15 a.m. AHTCC Legislative Update

9:15 a.m. - 10:15 a.m. Inside Washington: Congressional Staff

10:15 a.m. - 11:15 a.m. Working With The Administration

11:15 a.m. - 12:15 p.m. Industry Outlook: The Developer View

12:30 p.m. - 1:45 p.m. Luncheon
Location: Zola
800 F Street, NW

2:00 p.m. - 5:00 p.m. Hill Visits

AHTCC strongly encourages **all** attendees to participate in Hill Visits. As discussions of tax reform and the future of tax expenditures progress it is important that Members hear from industry participants about the importance of the Housing Credit program. If there are particular offices you would like to meet with please contact Coalition executive director [Victoria Spielman](#) so that we may assist with scheduling those meetings.

Register now at www.taxcreditcoalition.org. And, check back frequently as speaker and agenda information is updated.

2012 Annual Meeting

Plan now to join your Housing Credit industry colleagues for two days of informative conference sessions and valuable networking events.

AHTCC's Annual Meeting is scheduled for January 24-25, 2012 in Laguna Beach, California. Though the Housing Credit market has made advances since the recent economic downturn there is still work to be done to ensure the Housing Credit program remains the most successful rental housing production program for another 25 years and beyond. With all eyes on the 2012 national election, Congress and the Administration are actively considering tax reform options and ways to cut the federal deficit. Educating new Members and protecting the Housing Credit from unintentional consequences of tax reform will be critically important to the industry.

Register now to participate in engaging priority setting discussions. Hear from expert speakers about the state of the Housing Credit industry and threats to other housing programs which may affect the Housing Credit. Get a detailed legislative update and initial thoughts about the 2012 election from AHTCC experts.

If you would like to make a speaker or topic suggestion for the Annual Meeting please email Coalition executive director Victoria Spielman at info@taxcreditcoalition.org.

Conference Hotel:

The Surf and Sand
1555 South Coast Highway
Laguna Beach, CA 92651

Room Rate: \$295 single/double

Room reservations can only be made through AHTCC. This rate will not be available to those who call the hotel directly. To be added to the rooming list please contact Victoria at 202-585-8162 or info@taxcreditcoalition.org.

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. Elected offices are most influenced by constituents testimonies on how the program has a difference to citizens and communities in their districts!

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

Join Now!

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 202-585-8162 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.

Save on Subscriptions

The Novogradac Journal of Tax Credit Housing is a premiere 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 an 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, 202-585-8162 or info@taxcreditcoalition.org for the subscription code of 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.

AHTCC also encourages its members to download *Affordable Housing Finance Magazine's* special edition "[Housing for All Americans](#)". This special report, prepared with the help of many industry participants, is a great tool for educating new Members of Congress. The publication details the economic impact of the program including vital job creation information.

Visit www.taxcreditcoalition.org for more details.

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 participating 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.

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.

Visit www.taxcreditcoalition.org to download your copy today. Or, contact Coalition executive director Victoria Spielman (info@taxcreditcoalition.org or 585-8162) to request a printed copy.

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 to 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 (202-585-8162 or info@taxcreditcoalition.org).

Sincerely,

Victoria Spielman, Executive Director
The Affordable Housing Tax Credit Coalition
401 9th Street, NW, Suite 900
Washington, D.C. 20004
Ph: 202-585-8162
F: 202-585-8080

www.taxcreditcoalition.org
info@taxcreditcoalition.org

Richard S. Goldstein, Legal Counsel
Nixon Peabody LLP
401 9th Street NW, Suite 900
Washington, D.C. 20004
Ph: 202-585-8730
F: 202-585-8080

James Miller, Legislative Counsel
DLA Piper
500 Eighth Street, NW
Washington, DC 20004

Ph: 202-799-4379
F: 202-799-5379

President: **Joseph S. Hagan, National Equity Fund, Inc.**

[Forward email](#)



This email was sent to info@taxcreditcoalition.org by info@taxcreditcoalition.org | [Update Profile/Email Address](#) | Instant removal with [SafeUnsubscribe™](#) | [Privacy Policy](#).

Affordable Housing Tax Credit Coalition | 401 9th Street, NW, Suite 900 | Washington | DC | 20004