



# AHTCC NEWS

MAY 2006

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## Plan Now to Attend the 12th Annual Charles L. Edson Tax Credit Excellence Awards Luncheon

Wednesday, June 7, 2006

(Details Inside)

## Go Zone Update

- On January 24, 2006, the IRS issued a new publication intended to explain changes applied to the tax code and relief provisions available to persons affected by Hurricanes Katrina, Rita, and Wilma. Publication 4492 lists the declared disaster areas for each hurricane and explains the administrative relief available to each area. More recently, April 12, 2006, the IRS issued guidance on information reporting requirements for GO Zone Bonds, GO Zone Advanced Refunding Bonds, and GO Zone tax credit bonds. Notice 2006-41 appears in the May 1 Internal Revenue Bulletin and in addition to providing guidance on reporting requirements also addresses how the credit rate for GO Zone bonds is determined, arbitrage requirements, and how the credits are to be treated by the bond holder.
- States impacted by Hurricanes Katrina, Rita and Wilma have provided amended Qualified Allocation Plans (QAPs) taking into account the increased emergency allocation of Housing Credits provided under the Gulf Opportunity Zone Act of 2005. Visit the following links to view the most recent addendums to each state's QAP.
  - Alabama  
[http://www.ahfa.com/Content/Multifamily/MultiFamily\\_MiscellaneousGulfZoneCredits.pdf?page=devaluationplans](http://www.ahfa.com/Content/Multifamily/MultiFamily_MiscellaneousGulfZoneCredits.pdf?page=devaluationplans)
  - Louisiana  
<http://www.lhfa.state.la.us/katrina/ktcfiles.php>
  - Mississippi  
<http://www.mshomecorp.com/htc/pdf/2006%20QAP%20Executive%20Summary.pdf>
- The Louisiana Recovery Authority, in conjunction with the U.S. Department of Housing and Urban Development (HUD) and the Louisiana Office of Community Development, Division of Administration, has released "The Road Home Housing Programs Action Plan Amendment for Disaster Recovery Funds." The report is intended to promote sound short- and long-term recovery planning at both state and local levels. The Recovery Authority is committed to developing a consistent, sustainable, long-term vision for the recovery process. Visit [www.taxcreditcoalition.org](http://www.taxcreditcoalition.org) to view the report in its entirety.

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“Go Zone” Continued from Page 1

- In a recent report, “What’s Needed for Post-Katrina Recovery,” James A. Richardson an alumni professor of economics at Louisiana State University told a March 28, 2006 press conference that affordable housing is the first step to rebuilding the areas of the gulf coast impacted by the recent hurricanes. He noted New Orleans lost over 190,000 jobs since Hurricane Katrina in mainly four areas: 1) the hospitality industry, 2) hospitals and schools, 3) businesses and professional services, and 4) wholesale and retail. He added that before workers can return to these depleted sectors, they need affordable housing. His study suggests 50,000 housing units per year will need to be renovated in New Orleans alone over the next three years to counter the housing deficiency that will be created as workers return to the impacted areas.
- Demonstrating a continued commitment to the rebuilding efforts in the Gulf Coast, Coalition representatives Francine Friedman, Hunton & Williams LLP; Richard Goldstein, Nixon Peabody, LLP; and Todd Crow, PNC Multifamily Capital participated as panelists at Novogradac & Company’s *Solutions and Development Opportunities in the GO Zone* conference in New Orleans, LA April 10th and 11th. Focused on putting the opportunities provided to the GO Zone areas to work, the conference began with a sobering bus tour of hurricane ravaged areas of New Orleans.
- Notice 2006-38, released on March 24, 2006, provided an additional 12 months (totaling 36 months) to owners of properties developed with rehabilitation credits and located in GO Zones to bring their properties back into service and avoid recapture. Housing Credit industry participants have questioned if the same accommodation would be made for properties located in GO Zones developed with Housing Credits. When speaking at Novogradac & Company’s *Solutions and Development Opportunities in the GO Zone* conference, Eric Solomon, Deputy Assistant Secretary (Regulatory Affairs) for the U.S. Treasury Department acknowledge the discrepancy between the two programs and indicated a willingness to consider offering the same time increase for the Housing Credit program. AHTCC will continue to follow this issue and provide updates as they become available.

## Member News

### Board of Directors News

As part of its Annual Membership meeting in January, the Coalition held elections for its Board of Directors. The Coalition congratulates all returning members of the Board and welcomes newly-elected members, Joseph Hagan, National Equity Fund, Inc.; David Robbins, MMA Financial, LLC; Ronne Thielen, CharterMac Capital LLC; and Stockton Williams, Enterprise Community Investments.

The Coalition thanks departing Board members Jenny Netzer, MMA Financial, LLC and Marc Schnitzer, CharterMac Capital LLC for their service.

### AHTCC Welcomes New Members

Affordable Housing Investors Council  
National Association of Affordable Housing Lenders  
Squire Sanders & Dempsey LLP

### AHTCC Congratulates Marc Schnitzer, winner of AHRC’s Corporate Hero Award

On January 31, 2006, the Association for the Help of Retarded Children NYC Foundation presented Coalition member, Marc Schnitzer, CharterMac Capital LLC, with its annual Corporate Hero award. The award recognizes exceptional leadership in business and philanthropy and it presented at the organization’s annual Thurman Munson Awards Dinner. Since 1949, AHRC NYC, a nonprofit association, has worked to give those with developmental disabilities the chance to live full and independent lives.



# LEGISLATIVE NEWS

## Representative Jim Ramstad (R-MN) Introduces Legislation to Modernize the Housing Credit Program

On March 2, 2006 Representative Jim Ramstad (R-MN) introduced H.R. 4873 “to amend the Internal Revenue Code of 1986 to encourage investment in affordable housing.” The bill contains several provisions concerning the Low Income Housing Tax Credit (Housing Credit) and the Mortgage Revenue Bond (MRB) programs.

The National Council of State Housing Agencies (NCSHA) is leading the charge for this important bill making it the focus of its recent Legislative Conference. Others within the industry, including AHTCC, are working with NCSHA to build support and cosponsorship. NCSHA expects that Senator Orrin Hatch (R-UT) will introduce companion legislation soon.

Current cosponsors include Representatives Harold E. Ford (D-TN), J.D. Hayworth (R-AZ), Stephanie Herseth (D-SD), James R. Langevin (D-RI), Carolyn B. Maloney (D-NY), Michael H. Michaud (D-ME), Collin C. Peterson (D-MN), Charles W. Pickering (R-MS), and Lee Terry (R-NE). Coalition members are urged to contact their Representatives and encourage them to cosponsor H.R. 4873 by contacting Karin Hope or Noah Jacobson in Representative Ramstad’s office at 202-225-2871. Visit [www.taxcreditcoalition.org](http://www.taxcreditcoalition.org) for the complete text of H.R. 4873 or contact Francine Friedman ([ffriedman@hunton.com](mailto:ffriedman@hunton.com) or 202-995-1536) or Victoria Spielman ([vspielman@hunton.com](mailto:vspielman@hunton.com) or 202-419-2025) with questions about this important legislation.

### Important Provisions of H.R. 4873

- Change the name of the “Low Income Housing Credit” to the “Affordable Housing Credit”
- Fix the annual Housing Credit percentages at 4 and 9 percent
- Provide a 30 percent increase in eligible basis for properties meeting state-specified criteria as “state designated projects”
- Allow developments receiving federal subsidies (other than tax-exempt bonds) to be eligible for 9 percent Credits
- Allow scattered-site developments to be treated as one project provided the Housing Credit qualified units are distributed proportionate to the number of residential units within each building
- Allow developments which have received Section 8 moderate rehabilitation funds to be eligible for Housing Credits
- Eliminate the recapture bond requirement for properties reasonably expected to remain qualified low-income properties for the remainder of their compliance period. This provision would also create new income tax reporting requirements for Housing Credit development owners
- Change the multifamily bond program’s next available unit rule and “student” definition to match the Housing Credit program when bonds and Credits are combined
- Permit single-room occupancy residences under the multifamily bond program
- Allow Housing Credits to reduce tax liability under the Alternative Minimum Tax (AMT)
- Exempt interest on MRBs, Veteran’s mortgage bonds, and residential rental project exempt facility bonds from the AMT
- Provide an exception to the MRB first-time homebuyer requirement for displaced homemakers, single parents, and disaster victims
- Repeal the Ten-Year Rule for MRBs issued after enactment



# WASHINGTON WATCH

## Cosponsorship Update

**H.R. 3159**, The Community Restoration and Revitalization Act of 2005 would remove disincentives to combining the rehabilitation credit and the Housing Credit programs by increasing to 125 percent the applicable percentage used to calculate Housing Credit amounts for buildings eligible under both programs. Introduced on June 30, 2005 by Representative Phil English (R-PA), the bill has added 26 new cosponsors increasing total cosponsorship to 58 since January.

**H.R. 1468** would repeal the "recapture bond" provision found in Section 42(j)(6) provided the property is reasonable expected to remain a qualified low-income development for the remainder of the property's compliance period. The bill was introduced on April 5, 2005 by Representatives Nancy Johnson (R-CT), Charles Rangel (D-NY) and Kenny Hulshof (R-MO) and has 7 cosponsors. Coalition members should urge their Representatives interested in cosponsoring the bill to contact Representative Johnson's office at 202-225-4476.

**S. 2366**, the Senate companion bill to H.R. 1468, would repeal the recapture bond provision included in the Housing Credit program S. 2366 would introduced on March 3, 2006 by Senator Blanche L. Lincoln (D-AR) and is currently cosponsored by fellow Senate Finance Committee members Rick Santorum (R-PA) and Olympia J. Snowe (R-ME).

**H.R. 2681**, The Affordable Housing Tax Credit Enhancement Act of 2005 proposes to double the per capita Credit cap nationwide. The bill was introduced on May 26, 2005 by Representatives William Jefferson (D-LA) and Phil English (R-PA) and is holding steady at 61 cosponsors. Members interested in cosponsoring this legislation should contact Todd Metcalf in Representative Jefferson's office at 202-225-6636.

\*Complete copies of each bill and updated cosponsorship information can be found online at [www.taxcreditcoalition.org](http://www.taxcreditcoalition.org).

## In the Administration

### HUD News

On March 8, 2006, the Department of Housing and Urban Development released income limits for 2006. HUD is required to set income limits that determine the eligibility of applications of HUD assisted housing programs including the Section 8 Housing Assistance Payments, and Section 202 (elderly housing) and Section 811 (housing for persons with disabilities) programs. For the list of metropolitan and nonmetropolitan median family income limits for portions of states, visit <http://www.huduser.org/datasets/il/il05/BRIEFING-MATERIALS.pdf>. For the complete list of median family income limits visit <http://www.huduser.org/datasets/il/il05/index.html>.

## 2530 Update

In an effort to reduce the unnecessary and overly-burdensome filing requirements of the HUD Previous Participation Program (Form 2530), AHTCC representatives have been working closely with staff for the House Financial Services Committee, HUD, National Association of State and Local Equity Funds, National Leased Housing Association, various LIHTC investors and others within the industry to propose changes to the program. Recently, AHTCC, in conjunction with others in the industry, submitted suggested amendments to the regulations governing the filing requirements. To see a complete copy of the suggested amendments and an explanation, please visit AHTCC's website at [www.taxcreditcoalition.org](http://www.taxcreditcoalition.org). In short, the suggested amendments provide that certain indirect investors are exempt from the filing requirements and the filing requirements for syndicators and indirect investors would be lessened. The exempt investors would include GSEs, publicly traded companies, banks and insurance companies. AHTCC representatives recently met with top officials from HUD and the House Financial Services Committee to discuss the proposal. At that meeting, HUD representatives indicated that they would soon be issuing proposed changes to the 2530 program. They noted that the changes put forth by HUD would likely be consistent with the proposal submitted by AHTCC. The proposed rule change should be made public by HUD no later than June 30, 2006. AHTCC will continue to work with HUD and others in the industry to develop procedures which better achieve the goals of the program while relieving participants of unnecessary and burdensome filing requirements.

## IRS News

On March 13, 2006, the Internal Revenue Service (IRS) published Notice 2006-22 providing the population figures for both the per capita component of the Housing Credit and Private Activity Bond programs. Population estimates should be multiplied by \$80.00 to determine the amount of available Private Activity Bond cap (with a minimum of \$246,610,000). To determine the amount of available per capita Housing Credits per capital cap, the population estimate should be multiplied by \$1.90 (with a minimum of \$2,190,000). For calendar year 2006, the nationwide per capita caps for will be \$26,995,407,760 in Private Activity Bonds and \$579,887,514 in Housing Credits. Notice 2006-22 can be found online at [www.taxcreditcoalition.org](http://www.taxcreditcoalition.org).

IRS Notice 2006-11, published on February 1, 2006 suspended certain Housing Credit requirements as a result of the damage caused by Hurricane Rita. Originally requested by the states of Louisiana and Texas, the notice provides similar relief to that provided for in the wake of Hurricane Katrina. Both states further requested that the temporary housing of individuals displaced by both hurricanes within low-income qualified units not cause owners to lose the ability to claim Credits on those units without regard to the tenant's income. View Notice 2006-11 in its entirety at [www.taxcreditcoalition.org](http://www.taxcreditcoalition.org).



# COALITION NEWS

## Join us at the 12th Annual Charles L. Edson Tax Credit Excellence Awards Program

The 12th Annual Charles L. Edson Tax Credit Excellence Awards will be presented at a Capitol Hill ceremony scheduled for Wednesday, June 7, 2006 in Washington, DC. Come join your colleagues for the celebration as we honor 4 winners and 9 honorable mentions. This national awards program recognizes the best in affordable rental housing! This year, AHTCC received a record number 56 exceptional entries from 26 states demonstrating once again how critical the Housing Credit program is to housing low-income Americans.

Each winner will receive a \$5,000 grant to bring additional services, facilities, or amenities to the development for the benefit of tenants. This year's judging panel included David Reznick, Reznick Group P.C. (chair); Michael Bodaken, NHT/Enterprise Preservation Corporation; Charles L. Edson, Nixon Peabody, LLP; Richard H. Edson, AHD, Inc.; and John C. Hughes, National Council of State Housing Agencies.

This years winners are:

**Metropolitan/Urban Housing • Winner:** Tierra del Sol, Canoga Park, CA

**Honorable Mentions:** Egleston Crossing, Boston, MA  
Denny Park Apartments, Seattle, WA  
Midtown Exchange Apartments, Minneapolis, MN

**Rural Housing • Winner:** Nantucket Lofts, Kinston, NC

**Honorable Mentions:** Orchard Gardens, Missoula, MT  
Millview, Laconia, NH

**Special Needs Housing • Winner:** Logan Place, Portland, ME

**Honorable Mentions:** PSS Grand Family Apartments, Bronx, NY  
University Neighborhood Apartments, Berkeley, CA

**Senior Housing • Winner:** Victory Tower, Takoma Park, MD

**Honorable Mentions:** Hunter's Park at Cherrydale, Arlington, VA  
The Residences at Hampstead School, Hampstead, MD



## AHTCC Awards Winners in the News

2005 Charles L. Edson Tax Credit Excellence Award winner for exceptional senior housing, Clare Court made headlines in a March 11, 2006 Washington Post article highlighting the one-of-a-kind development located in Baltimore, MD. Clare Court, originally a convent for the Franciscan Sisters of Baltimore, was rehabilitated into a unique mixed-use development which provides affordable housing for three main groups—families adopting multiple siblings from foster care, persons with disabilities, and seniors—while also incorporating space for 29 sisters. By partnering with local nonprofit developer, Homes for America, the sisters were able to retain portions of their convent and create a supportive housing environment for the aging sisters while providing needed affordable housing to the community.

*Clare Court, located in Baltimore, MD, won AHTCC's 2005 Charles L. Edson Tax Credit Excellence Award for senior housing.*



# COALITION NEWS

## AHTCC Shoots for Community Involvement

On March 29, 2006 the Coalition cosponsored the 19th Annual Home Court Charity Basketball Game. The annual event was started by a group of Georgetown law students in 1987 and pits Georgetown University Law Center faculty and staff (the Hoya Lawyas) against Members of Congress and their staff (the Hill's Angels). All proceeds for the event benefit the Washington Legal Clinic for the Homeless, a nonprofit corporation dedicated to providing free legal services to homeless individuals and families in Washington, DC. Over the past 19 years, Home Court has raised over \$2 million to support the Clinic's efforts.

In the closely contested game, the Hill's Angels, coached by Representative Stephanie Tubbs Jones (D-OH), defeated the Hoya Lawyas 34 to 32. Other Congressional participants included Representatives Kendrick Meek (D-FL), Timothy Ryan (D-OH), William Clay, Jr. (D-MO), Gene Green (D-TX), and Jeff Flake (R-AZ).

Coalition representatives Francine Friedman, Amanda McGovern, and Victoria Spielman handed out AHTCC water bottles to attendees. AHTCC sponsored the popular half-time shoot out between two Georgetown University Law Center Students aiming to win free books for the next semester.



*Hill's Angels coach, Representative Tubbs Jones (D-OH) consults her team.*

*All photos this page courtesy of Leslie E. Kossoff*



*Good defense by Representative Kendrick Meek (D-FL) results in a steal for Representative Jeff Flake (R-AZ).*

*Coach Tubbs Jones and the Hill's Angels' bench watch intently as their teammates pull out the 34-32 victory over the Georgetown University Law Center's Hoya Lawyas.*





# Create Groundbreaking News



Don't wait to get your copy of AHTCC'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 grand opening event! Visit [www.taxcreditcoalition.org](http://www.taxcreditcoalition.org) to download your copy today—or contact the Coalition's executive director, Victoria Spielman (202-419-2025 or [vspielman@hunton.com](mailto:vspielman@hunton.com)) to request a hard copy.

Create even more excitement surrounding your event by requesting participation from your Congressional representatives. Let AHTCC know about upcoming events and we will work with you to secure their participation and make your event even more special. We can also work with you to invite staff or Members to site visits if you have established developments to show off.

*Groundbreaking and Opening Ceremonies for Duneland Village and Horace Mann Apartments in Gary, IN.*

*Photos by Farr Associates.*





## Not a Member of AHTCC? Join Now!

Let the Coalition work for you—the Coalition represents Housing Credit industry participants before Congress, the Administration, and other government agencies. Stay on top of the latest Housing Credit news through the Coalition newsletters, 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. Lend your voice to the Coalition's presence by joining today!

Who Should Join? Syndicators, developers, lenders, investment bankers, lawyers, accountants, nonprofits, public agencies, and other professionals who work with the Low Income Housing Tax Credit program.

Contact Victoria Spielman (202-419-2020 or [info@taxcreditcoalition.org](mailto:info@taxcreditcoalition.org)) or Francine Friedman (202-955-1536 or [ffriedman@hunton.com](mailto:ffriedman@hunton.com)) for information on membership dues or with questions on member benefits, or visit [www.taxcreditcoalition.org](http://www.taxcreditcoalition.org).

To be added to the Coalition's media list, please email Victoria at [info@taxcreditcoalition.org](mailto:info@taxcreditcoalition.org).

## Show Off Your Successes

Have pictures from a recent groundbreaking or ribbon cutting ceremony? Have a unique development worthy of recognition? Show off your successes in future Coalition newsletters, website features, or Congressional materials by sending your pictures to Victoria Spielman at [vspielman@hunton.com](mailto:vspielman@hunton.com). Please be sure to include the property name, type, location, number of units, and the name and title of anyone featured in the pictures. Pictures of well developed, success properties help make the case of how successful the Housing Credit program truly is! *\*Pictures provided by Boston Capital Corporation*



Columbia Estates is a 124 units family development located in Atlanta, GA



Riviera Hotel is a 56 unit family development located in Miami Beach, FL



Pin Oak Village is a 220 unit senior housing development located in Bowie, MD



Woodlawn Park is a 240 unit family development located in McDonough, GA

## Get the Most out of Your Coalition Membership

Visit [www.taxcreditcoalition.org](http://www.taxcreditcoalition.org) TODAY!

Visit AHTCC's new and improved website at [www.taxcreditcoalition.org](http://www.taxcreditcoalition.org) for the best way to stay up-to-date on Housing Credit industry news affecting your investments and the communities you serve.

On an ongoing basis, [www.taxcreditcoalition.org](http://www.taxcreditcoalition.org) provides:

- The latest Housing Credit program news from Capitol Hill developments to local groundbreaking and ribbon cutting information.
- Insightful features on AHTCC members, Congressional Housing Credit supporters, and innovative developments.
- Up-to-the-minute detailed information on AHTCC events and meetings.
- Comprehensive coverage of legislation that could impact the Housing Credit industry including, bill and cosponsorship information.
- Important links to Housing Credit resources and industry participants.
- A *Members Only* section including a complete AHTCC membership directory and archived news and event information.
- Access to current and previous editions of AHTCC News.
- Application information for the Charles L. Edson Tax Credit Excellence Awards program. And, information highlighting the current and previous year's winners.