



AHTCC NEWS

MAY 2009

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AHTCC Welcomes Three New Members

- Forest City Ratner Companies
- National Church Residences
- Vermont Housing Finance Agency

Save on Subscriptions

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.

AHTCC Announces Legislative Priorities for 111th Congress

On Tuesday, February 17, 2009, President Barack Obama signed into law the American Recovery and Reinvestment Act (ARRA) of 2009, (public law no. 111-5), representing the largest one-time domestic spending program in United States history.

While ARRA does include two provisions designed to help currently stalled Low Income Housing Tax Credit (Housing Credit) developments, which but for a lack of investor equity are ready to proceed, those provisions do not directly address the need to unlock the billions of dollars of potential private equity investment that remain largely on the sidelines. The Affordable Housing Tax Credit Coalition (The Coalition) feels strongly that further action is needed to ensure current investors remain active in the Housing Credit industry, as well as to attract new investors in efforts to broaden the overall investor pool.

During a special meeting of the Coalition's Board of Directors held in Chicago, Illinois, on Wednesday, March 18, 2009, Board members agreed it was critical that the Coalition work with the Administration, the 111th Congress, and other industry groups to address ways to generate more private equity investment in the Housing Credit program. Though many ideas are

being discussed throughout the affordable housing industry, the Coalition feels it is important to focus the industry on one or two proposals which can gain the broadest support within the Housing Credit industry.

The Coalition will be working towards achieving a policy which would allow for a two-part increased carryback provision for the Housing Credit. Under current law, all unused general business tax credits, including the Housing Credit, can be carried back one year and carried forward for twenty, with one exception—a credit for oil and gas companies, which is allowed a five-year carryback (Section 39(a)(3) of the IRC). Part one of the proposal would allow taxpayers with existing Housing Credit interests to carry back Housing Credits generated in 2009 and 2010 for up to five years, with a provision requiring those entities to use any refund generated through the carryback to reinvest in new Housing Credit developments within the same year. Part two of the Coalition's proposal would allow Housing Credits awarded in 2009, 2010, and 2011 to be carried back for five years at any point during the ten year Credit period. This would address concerns often expressed by new potential investors about the inability to consistently predict future tax liability for the entire ten-year Housing Credit period.

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The Coalition believes this proposal will directly address the collapse of private equity investment in the Housing Credit program. The chances for successfully getting it included in legislation vary. A similar carryback proposal which applied to all business tax credits was included in the Senate Finance Committee's package of tax proposals to be included in the ARRA but was dropped in the final Senate bill. It was not adopted by the House Ways and Means Committee or the House of Representatives. A legislative route is unclear for now because an obvious legislative vehicle has not presented itself. Nevertheless, the Coalition is hitting the Halls of Congress and the Treasury Department to discuss this proposal and the Housing Credit program in general in the event that a vehicle does arise.

Once the current projects are finished with the help of the provisions included in the ARRA, new projects will not be developed without the promise of adequate private equity investment. The challenge is great, but there is recognition among key policy makers in Congress and the Administration that the job is not finished and that something more needs to be done for affordable multi-family rental housing. The industry is now addressing that challenge and it is critical that it succeeds.

For more information about the Coalition's legislative priorities or strategy, please contact Coalition legislative counsel James F. Miller (202)-282-5724 or jfmiller@winston.com or Coalition general counsel Richard S. Goldstein (202-585-8730 or rgoldstein@nixonpeabody.com).

President Obama Signs American Recovery and Reinvestment Act of 2009

The American Recovery and Reinvestment Act of 2009 (ARRA) became public law no. 111-5 on February 17, 2009. It was designed to stimulate the faltering economy and to create or save 3.5 million jobs over the next two years. While the ARRA included important tax breaks for business, emphasis was on

spending and not tax relief as a means to generate greater economic activity. This is particularly the case with respect to provisions adopted to generate the construction of critically needed, affordable multi-family rental housing.

The Coalition had lobbied for inclusion of four key proposals in the ARRA: 1) gap financing; 2) an increased carryback provision; 3) a Housing Credit exchange program; and 4) an accelerated Credit provision. While we had many supporters both in the Senate and House of Representatives—particularly Senator Maria Cantwell (D-WA)—the cost of the overall package made it impossible to include all the provisions sought by the Coalition and other Housing Credit industry groups. When Congress passed the final version of the bill on Friday, February 13, 2009, only two of the Housing Credit provisions remained.

First, the ARRA includes \$2.25 billion which the U.S. Department of Housing & Urban Development will be providing to State Housing Credit allocating agencies (Allocating Agencies) via a formula set forth in ARRA. The funds are intended to provide financing for projects which have not attracted sufficient private equity. Second, the ARRA permits Allocating Agencies to elect to substitute a portion of their Housing Credit allocations in 2009 for grants. A state receiving a grant under this provision is to use these monies to make sub-awards to finance the construction, or acquisition and rehabilitation, of qualified low-income housing. Once these new provisions are fully implemented, they will allow projects to go forward that have been stalled due to the lack of adequate private equity investment.

Both these provisions will allow Housing Credit projects which are ready to proceed but are lacking equity investment to continue by providing much-needed gap financing options.

AHTCC Congratulates 2009 Board of Directors

At the January 2009 Annual Meeting, Coalition members elected the 2009 Board of Directors. Ronne Thielen, Centerline Capital Group, was selected to serve a third term as president of the Coalition based on her extraordinary representation of and participation on behalf of the Coalition on the Hill and within the industry. AHTCC Congratulates its 2009 Board of Directors.

President

Ronne Thielen, Centerline Capital Group

Vice Presidents

John P. Casey, Meridian Investments, Inc.
Christopher W. Collins, First Atlantic Capital, LLC
Todd Crow, PNC MultiFamily Capital
Emily Evers, RBC Apollo Equity Partners
Robert J. Greer, Michaels Development Company
Joseph Hagan, National Equity Fund, Inc.

Wayne H. Hykan, Ballard Spahr Andrews & Ingersoll, LLP
Daniel L. Kraus, Greenberg Traurig
Peter Lawrence, Enterprise Community Partners
James McDermott, Holland and Knight, LLP
Michael J. Novogradac, Novogradac & Company LLP
David Robbins, MMA Financial, LLC

Secretary

Alan S. Cohen, Paul Hastings Janofsky & Walker LLP

Treasurer

Beth Mullen, Reznick Group, P.C.

Immediate Past President and Chairman of the Board

G. David Sebastian, Capmark Financial Inc.

General Counsel

Richard S. Goldstein, Nixon Peabody, LLP

Legislative Counsel

James F. Miller, Winston & Strawn LLP

*Please visit www.taxcreditcoalition.org for a complete list of the Coalition's legislative priorities and updated cosponsor information. Questions regarding legislation or congressional activities may be addressed to Coalition legislative counsel James F. Miller (202-282-5724 or jfmiller@winston.com) or Coalition executive director Victoria Spielman (202-282-5349 or info@taxcreditcoalition.org).

Coalition News and Upcoming Events

Plan Now to Join Your Colleagues at the 15th Annual Charles L. Edson Tax Credit Excellence Awards and AHTCC Spring Meeting!

The Affordable Housing Tax Credit Coalition's 2009 Spring Meeting takes place at a pivotal time for the Low Income Housing Tax Credit program in Washington, DC. Register now and join your colleagues for informative conference sessions during the Spring Membership Meeting beginning on Tuesday, June 9, 2009. Coalition representatives will brief members on the status of the Coalition's 2009 legislative priorities and discuss the potential for additional Housing Credit legislation in the 111th Congress.

New for 2009! The Coalition is excited to announce a special session entitled "*The Shape of the 111th Congress*" presented by the Government Affairs Institute at Georgetown University. This two-hour session will cover changes in the 111th Congress, a discussion of political dynamics, the budget dilemma and much more.

The Government Affairs Institute has been conducting courses on Congress and Capitol Hill for over 40 years and is committed to providing comprehensive education and training about Congressional processes, organization, and practices. Senior Fellow John Haskell, Ph.D. has over 8 years of experience with the Government Affairs Institute and an extensive background in legislative affairs.

After the conference sessions conclude, join the Coalition, Members of Congress, and industry friends on Capitol Hill for the 15th Annual Charles L. Edson Tax Credit Excellence Awards Luncheon celebrating some of the best and brightest in Housing Credit development.

Build on the momentum of the awards program by participating in Hill Visits after the luncheon. It is important for Members to hear encouragement from industry participants as we look towards legislative to further assist the Housing Credit program. The Coalition will arrange as many Hill Visits as we have members to participate in so please plan on staying to meet with Members at this critical time.

Expand on your Hill Visits! The Affordable Housing Tax Credit Coalition and the National Leased Housing Association are partnering up to present a Congressional Symposium. Invite Congressional staff from your district or states you are most active in to stop by and learn more about the program from those who participate in it!

About the Awards:

The Affordable Housing Tax Credit Coalition is proud to present its 15th Annual Charles L. Edson Tax Credit Excellence Awards luncheon. Awards will be presented to the most outstanding Low Income Housing Tax Credit developments in six categories: Metropolitan Housing; Rural Housing; Senior Housing; Special Needs Housing; Green Housing; and Public Housing Revitalization. Don't miss this opportunity to join your fellow Housing Credit industry participants to celebrate the award applicants as well as the award-winning properties. Members of Congress will be on hand to present the awards and provide much deserved recognition for those working in the Housing Credit industry.

Hotel Information

The Coalition has secured a small block of rooms at the Capital Hilton located at 1001 16th Street, NW – just 2 blocks from the meeting location. The Capital Hilton is also located nearby three metro stations, restaurants, and many other major points of interest in Washington, DC.

Capital Hilton
1001 16th Street, NW
Washington, DC 20036
Room Rate: \$274 per night (plus tax)

**Reservations must be made through the Coalition's internal rooming list to obtain this special conference rate. Please contact Coalition executive director Victoria Spielman (202-282-5349 or Victoria.spielman@taxcreditcoalition.org) to make your reservation.

Registration Information

Register early and save! Registration forms received post-marked by Tuesday, May 19, 2009 receive a \$50.00 discount on registration fees. Visit www.taxcreditcoalition.org to download a registration form today.

Agenda

Tuesday, June 9, 2009

- 9:00 a.m. – 12: 30 p.m. Board of Directors Meeting
Location: Winston & Strawn Offices
1700 K Street, NW
Conference Room 12L
(Open to Board Members Only)
- 3:00 p.m. – 5:00 p.m. The Shape of the 111th Congress
Location: Winston & Strawn Offices
1700 K Street, NW
Conference Room 12A
- 6:00 p.m. Board of Directors Dinner
Location: Teatro Goldoni
1909 K Street, NW
(Open to Board Members Only)

Wednesday, June 10, 2009

- 8:30 a.m. – 9:00 a.m. Registration and Breakfast
Location: Winston & Strawn Offices
1700 K Street, NW
Conference Room 12A/B
- 9:00 a.m. – 11:30 a.m. Conference Sessions
Legislative Briefing and Washington Update
Location: Winston & Strawn Offices
1700 K Street, NW
Conference Room 12A
- 12:00 p.m. – 2:00 p.m. 15th Annual Charles L. Edson Tax Credit Excellence Awards Luncheon
Location: Russell Senate Office Building, Caucus Room (325)
- 2:30 p.m. – 5:00 p.m. Hill Visits
(Time and specific appointments TBD)

Thursday, June 11, 2009

- 9:30 a.m. – 11:30 a.m. Congressional Symposium presented by the Affordable Housing Tax Credit Coalition and National Leased Housing Association
Location: TBA

Show Your Support for the Charles L. Edson Tax Credit Excellence Awards— Become a Sponsor Today!

The Coalition encourages industry participants to show their support for the 15th Annual Charles L. Edson Tax Credit Excellence Awards program by becoming a sponsor of the awards luncheon on June 10, 2009 on Capitol Hill.

Sponsors will receive prominent acknowledgement on the Coalition's website and in printed awards materials. The cost for sponsorship is \$500 per organization, and must be received by the Coalition no later than May 1, 2009.

Sponsor forms can be found online at www.taxcreditcoalition.org. Or, contact Coalition executive director Victoria Spielman (202-282-5349 or admin@taxcreditcoalition.org) for more 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 admin@taxcreditcoalition.org.

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 admin@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!

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

The Coalition is currently working to revamp its website, www.taxcreditcoalition.org, to provide even more information in the most user-friendly format possible. If you have suggestions of ways the Coalition can improve your user experience with its website, please contact Coalition executive director Victoria Spielman (202-282-5349 or admin@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!

The next subcommittee conference calls will take place in May 2009. 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.

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**.

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

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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.

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.

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.

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