



AHTCC NEWS

AUGUST 2008

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AHTCC Celebrates Legislative Victory – Congress Passes Housing Credit Legislation

In a major legislative victory for the Affordable Housing Tax Credit Coalition and its industry allies, President George W. Bush signed into law H.R. 3221, *The Housing and Economic Recovery Act of 2008*, on Wednesday, July 30, 2008. The bill – which became public law number 110-289 – contains many Housing Credit modernization provisions designed to simplify the Housing Credit program and allow for greater flexibility, efficiency, and preservation opportunities. AHTCC congratulates its industry partners and applauds Congress for ensuring much-needed housing legislation was achieved in the 110th Congress.

Coalition president Ronne Thielen, Centerline Capital Group, expressed appreciation for the industry's extraordinary efforts, noting "[This is] a resounding vote of support!" Thielen added, "There is more work ahead to assist in implementation of the new sections of Section 42 but I see this as a terrific opportunity to push past the doldrums we have been in with investor interest and project feasibility."

H.R. 3221 took a twisted path to enactment, surviving numerous revisions from both the Senate and House of Representatives as well as an initial veto threat from the Administration. The House of Representatives passed the bill on July 23, 2008 by an overwhelming 272 to 152. The Senate acted just days later, passing the bill on July 26, 2008, by a vote of 72 to 13.

"The process of consolidating the House and Senate versions of the bill involved a combination of policy advocacy, legislative drafting and strategy," explained Coalition legislative counsel James F. Miller, Winston & Strawn, LLP. He continued, "We were able to marshal the nationwide assets of the Coalition to provide an effective combination of grass roots strength and a depth of experience in working with the credit which gave us a seat at the negotiating table." Miller concluded that "This was truly a team effort by everyone involved with the Coalition. We have clearly become an established player on the Hill."

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AHTCC Welcomes Thirteen New Members

AHC, Inc.
Bocarsly Emden Cowan Esmail Parker & Arndt LLP
Ballard Spahr Andrews & Ingersoll, LLP
California Tax Credit Allocation Committee
Coats | Rose
Dewey & LeBoeuf LLP
Edgewater Affordable Housing LP
First Atlantic Capital, LLC
Kutak Rock LLP
Locke Lord Bissell & Liddell LLP
National Association of Housing and Redevelopment Officials
Patton Boggs
Quadel Consulting Corporation

AHTCC Welcomes New Members to The Board of Directors

The Affordable Housing Tax Credit Coalition is pleased to announce the additions of Wayne H. Hykan, Ballard Spahr Andrews & Ingersoll, LLP, and Christopher W. Collins, First Atlantic Capital, LLC, to its Board of Directors. In additional Board news, former Board Member Elizabeth Priestley has left SunAmerica Affordable Housing Partners to pursue other personal interests and travel. The Coalition thanks her for her service and wishes her well in her travels. Richard Angino will be filling SunAmerica's Board position.

The Office of the Comptroller of the Currency will host a live Web and telephone seminar on opportunities for banks that invest in projects funded through the Housing Credit program on September 10, 2008. See inside for more details.

Congratulations!

The Affordable Housing Tax Credit Coalition congratulates the winners of the 14th annual Charles L. Edson Tax Credit Excellence Awards. These awards are presented to the most outstanding Housing Credit developments in six categories and honor the best in affordable rental housing development. This year, the Coalition received 43 entries from 23 states. Winners are determined through a highly competitive nationwide selection process. Awards were presented on June 11, 2008, during a Capitol Hill luncheon celebrating the winners.

AHTCC Celebrates 14th Charles L. Edson Tax Credit Excellence Award Winners

Metropolitan/Urban Housing	Winner:	Rink Savoy ~ Indianapolis, IN ~ 60 Units
	Honorable Mentions:	Galen Terrace Apartments ~ Washington, D.C. ~ 83 Units Rivertown Place ~ Antioch, CA ~ 40 Units
Rural Housing	Winner:	Old Landing II Apartments ~ Millsboro, DE ~ 30 Units
	Honorable Mention:.....	Village at Rivers Edge ~ Kalkaska, MI ~ 48 Units
Special Needs Housing	Winner:	Serenity Place ~ Baltimore, MD ~ 19 Units
	Honorable Mention:.....	Evan's House ~ Seattle, WA ~ 75 Units
Senior Housing	Winner:	West River Valley Housing ~ Townshend, VT ~ 52 Units
	Honorable Mentions:	Legacy Apartments ~ Pittsburgh, PA ~ 108 Units Triangle Square Apartments ~ Hollywood, CA ~ 104 Units
GO Zone Housing	Winner:	New Desire Phase I ~ New Orleans, LA ~ 107 Units
	Honorable Mention:.....	Wells Place ~ Philadelphia, MS ~ 63 Units
Public Housing Revitalization	Winner:	Seola Crossing at Greenbridge ~ Seattle, WA ~ 187 Units
	Honorable Mentions:	Arlington, Heights ~ Youngstown, OH ~ 46 Units Belmont Heights Estates Phase III ~ Tampa, FL ~ 266 Units

The Coalition extends its warmest thanks to this year's judging committee:

- Sarah Carpenter, Vermont Housing Finance Agency (chair)
- Charles L. Edson, Nixon Peabody, LLP
- Robert J. Greer, Michaels Development Co.
- John C. Hughes, Financial Services Committee, U.S. House of Representatives
- Cynthia Lacasse, John Hancock Realty Advisors, Inc.

The Coalition also thanks the sponsors of this year's awards program:

- Boston Capital Corporation
- Capmark Financial, Inc.
- Cargill Investment Group
- Centerline Capital Group
- Eden Housing, Inc.
- Enterprise Community Partners

- Great Lakes Capital Fund
- Greenberg Traurig
- Holland & Knight, LLP
- John Hancock Realty Advisors, Inc.
- McCormack Baron Salazar
- Meridian Investments, Inc.
- The Michaels Development Co.
- MMA Financial, LLC
- Moors & Cabot
- National Equity Fund, Inc.
- Nebraska Investment Finance Authority
- NHT – Enterprise Preservation Corporation
- Nixon Peabody, LLP
- Novogradac & Company LLP
- Paul, Hastings, Janofsky & Walker, LLP
- PNC MultiFamily Capital
- RBC Apollo Equity Partners
- Reznick Group, P.C.
- SunAmerica Affordable Housing Partners

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Many of the provisions included in public law number 110-289 were included on the Coalition's 2008 legislative priorities list. Coalition members and representatives spent countless hours on The Hill encouraging Members to support this critical legislation. Provisions of interest to Coalition members include (not an exhaustive list):

- Allow a temporary \$0.20 per capita increase in Housing Credit Authority for 2008 and 2009 with a 10 percent increase to the small state minimum.
- Exempt Housing Credit investments from the alternative minimum tax (AMT).
- Eliminate the Housing Credit recapture bond requirement and replace it with a reporting requirement.
- Temporarily fix the annual Housing Credit percentage at 9 percent.
- Allow a 30 percent increase in eligible basis for properties determined by state allocating agencies as needing additional Housing Credits to achieve financial feasibility.
- Provide clarification on the general public use requirement.

A copy of H.R. 3221, as enacted, and a summary of the Housing Credit provisions can be found online at www.taxcreditcoalition.org. If you have questions concerning this legislation or would like more information, please contact Coalition legislative counsel James F Miller (202-282-5724 or jfmiller@winston.com) or Coalition executive director Victoria Spielman (202-282-5349 or victoria.spielman@taxcreditcoalition.org).

Charles L. Edson Tax Credit Excellence Awards Winners



New Desire Phase I ~ New Orleans, LA ~ 107 Units



Old Landing II Apartments ~ Millsboro, DE ~ 30 Units



Rink Savoy ~ Indianapolis, IN ~ 60 Units



Seola Crossing at Greenbridge ~ Seattle, WA ~ 187 Units



Serenity Place ~ Baltimore, MD ~ 19 Units



West River Valley Housing ~ Townshend, VT ~ 52 Units



IRS NEWS

The Internal Revenue Service Releases Final Utility Allowance Regulations

On Monday, July 28, 2008, the Internal Revenue Service (IRS) released final regulations with regard to the utility allowance provision of Section 42. The final regulations are designed to allow property owners more options for accurately determining utility allowances for Housing Credit properties.

Previously, property owners were able to request utility allowances from either the local Public Housing Authority (PHA) or local utility company. Under the new regulations, property owners may now also obtain utility allowances by:

- Requesting a utility estimate for each unit in a building from the state Housing Credit allocating agency. These estimates will take

into account local utility rate data, property type, regional climate, and local taxes or fees. State allocating agencies may also use actual utility usage data for the building. This request will be at the owner's expense.

- Visiting the HUD Utility Schedule Model at www.huduser.org/datasets/lihtc.html.
- Calculating allowances based on energy consumption models as determined by a qualified professional. The model must take into account unit size, building orientation, design and materials, mechanical systems, appliance type, and building location, among other items.

The final regulations were published in the Federal Register on July 29, 2008 and took effect the same day. Visit www.taxcreditcoalition.org for a complete copy of the new regulations.

AHTCC Participates in the 2008 Home Court Charity Basketball Game

On Wednesday, April 16, 2008, the Coalition cosponsored the 21st 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 20 years, Home Court has raised more than \$2 million to support the Clinic's efforts.

In a hard-fought game, the Hill's Angels narrowly defeated the Hoya Lawyas 43 to 41 in sudden-death triple overtime. Hill's Angels coach Congresswoman Stephanie Tubbs Jones (D-OH) was thrilled by the win secured by two late free throws and which offered redemption from last year's 2 point defeat. The Hill's Angels had great turnout for this worthy cause. Other Congressional participants were Congressmen Mike Arcuri (D-NY), Gene Green (D-TX), Kendrick Meek (D-FL), Dean Heller (D-NV), Chris Murphy (D-CT), and Andre Carson (D-IN).

Coalition representatives handed out water bottles to attendees to commemorate the event. AHTCC also sponsored the popular half-time shoot-out between Georgetown University Law Center students aiming to win free books for the next semester.

Update: Congresswoman Stephanie Tubbs Jones passed away on Wednesday, August 20, 2008. Her spirit and work in support of Home Court and other important causes touched many in Washington, DC as well as her district in Cleveland, Ohio.

Photographs provided courtesy of Edward Petersen.





WASHINGTON UPDATE

AHTCC Encourages Passage of H.R. 6308, the Municipal Bond Fairness Act of 2008

In a July 29, 2008 letter to House Financial Services Committee Chairman Barney Frank (D-MA), the Coalition encouraged the Chairman to push for passage of H.R. 6308, the *Municipal Bond Fairness Act of 2008*, in the full House of Representatives.

The bill, introduced by Chairman Frank on June 19, 2008, would require parity in the ratings of municipal bond issuances and other debt instruments which are rated based on global scale ratings systems used by the leading statistical rating organizations. The bill would result in the ability to more efficiently produce and maintain affordable housing by allowing interest expense on Affordable Housing Bonds to reflect the relative safety of such investments. The Coalition's letter noted that Affordable Housing Bonds and Housing Credit properties are viewed by most market participants – and by certain federal agencies – as a relatively safe asset class.

H.R. 6308 was reported out of Committee on July 30, 2008, but has not been scheduled for a vote by the full House of Representatives. There are currently two additional cosponsors, Congressmen Michael Capuano (D-MA) and Paul E. Kanjorski (D-PA).

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.

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 hard copy.

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 staffs. The Coalition can also work with you to arrange site visits for Members and their staffs if you have established properties you would like to show off.

OCC Hosts Web and Telephone Seminar on Low Income Housing Tax Credits

The Office of the Comptroller of the Currency will host a live Web and telephone seminar on opportunities for banks that invest in projects financed through the Housing Credit program on September 10, 2008 from 2:00 p.m. – 3:30 p.m.

Seminar participants will discuss how the Housing Credit program works and the effect of current market conditions on pricing. Additional

discussion topics will include underwriting considerations; financial, tax, and accounting benefits; and fund manager experience.

Panelists scheduled to participate include Barry Wides, OCC Deputy Comptroller for Community Affairs; Dana Boole, President and CEO, Community Affordable Housing Equity Corporation; and Richard Floreani, Senior Manager, Tax Credit Investment Advisory Services, Ernst & Young.

Cost for the seminar is \$115 for national banks and \$150 for other participants. For more information or to register for the seminar, please visit www.occ.gov/up_event.htm or call, 800-775-7654.

*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).



AHC Inc. celebrates the opening of The Frederick, 108 new apartments for low- and moderate-income residents in Arlington, VA. From left to right, Andy Keyes, AHC Board Chairman; Walter Tejada, Arlington County Board Chairman; Walter D. Webdale, AHC President and CEO; Lou Ann Frederick, AHC's Executive Director from 1978 to 1998; Zeray-Z-Gebremariam, Frederick resident and sons, Henock Zecharias and Abbell Zecharias; Dallas Frederick; and Ralph F. Boyd, Jr., Chairman and CEO, Freddie Mac Foundation. Photo courtesy of Karen Bate.

Make Sure Your State is Represented in the AHTCC Photo Gallery

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!

Coalition News and Upcoming Events

Upcoming Meetings: Save The Date!

Fall Meeting Agenda

Tuesday, September 16, 2008

2:00 p.m. - 5:15 p.m.

Board Meeting

Location: Winston & Strawn LLP
1700 K Street, NW,
Conference Room 12L
Washington, DC 20006

5:30 p.m. - 7:00 p.m.

Industry Reception

Location: The University Club
1135 Sixteenth Street, NW
Governor's Room
Washington, DC 20006

Wednesday, September 17, 2008

8:30 p.m. - 9:00 p.m.

Registration and Continental Breakfast

Location: Winston & Strawn LLP
1700 K Street, NW,
Conference Room 12B
Washington, DC 20006

9:00 p.m. - 12:15 p.m.

Morning Sessions*

Welcome - Ronne Thielen,
President, AHTCC and Managing
Director, Affordable Housing,
Centerline Capital Group
Legislative Update
State Agencies Discuss
Implementing H.R. 3221
Industry Experts Discuss Next Steps

12:30 p.m. - 2:00 p.m.

Luncheon

Location: McCormick &
Schmick's
1652 K Street, NW
Washington, DC 20006

* Coalition meetings are generally open to members only. Please see registration form for detailed attendance policy.

A small block of hotel rooms are available at the Marriott Metro Center for a reduced rate of \$299 per night (plus tax). Reservations must be made directly through the Coalition to receive this discounted rate. To make a reservation please email your arrival and departure dates to admin@taxcreditcoalition.org. A credit card will also be required to hold the room. Please call **202-282-5349** to provide that information.

Annual Meeting

January 27-28, 2009 ~ Key West, FL*

*We will begin accepting hotel reservations for the Annual Meeting in October 2008. Reservations must be made through the Coalition to receive the reduced meeting rate. Visit www.taxcreditcoalition.org for more information on upcoming events.

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.

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 Accounting Subcommittee conference call will be Tuesday, September 23, 2008 at 12:30 p.m. EST. The inaugural IT Subcommittee conference call will take place in September 2008.

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 116 of 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, compli-

ance 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 infor@taxcreditcoalition.org.



The Coalition Has Moved Offices

On May 1, 2008, the Coalition moved offices. Please update your records with our new contact information.

Victoria Spielman, Executive Director

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