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FOR IMMEDIATE RELEASE

**LIHTC WORKING GROUP URGES HUD TO MAKE NHTF FUNDS
AVAILABLE FOR LIHTC PROJECTS**

San Francisco — In a March 25 letter to U.S. Department of Housing and Urban Development (HUD) Secretary Shaun Donovan, the LIHTC Working Group (Working Group) asks the agency to ensure that funds from the National Housing Trust Fund (NHTF) be available to LIHTC (low income housing tax credit) projects.

The NHTF, established by the Housing and Economic Recovery Act (HERA) of 2008 and administered by HUD, provides grants to states for use to increase and preserve the supply of rental housing for extremely low- and very low-income families, including homeless families, and to increase homeownership for extremely low- and very low-income families.

While applauding the creation of NHTF, the Working Group asks that NHTF funds be available for LIHTC projects because many LIHTC developments suffer financing gaps, while experiencing low default rates and high cost effectiveness. “By combining the NHTF with the LIHTC, the NHTF could benefit from the success of the LIHTC program,” said Michael Morrison, a partner in the San Francisco office of Novogradac & Company LLP.

The Working Group also suggests that HUD give state agencies flexibility on how the funds are made available to LIHTC financed properties. The group says states should have the ability to grant or loan such proceeds directly or indirectly to LIHTC properties. “Whether the funds are used as grants or loans, we believe that HUD will have addressed the intent of Congress, which is to stimulate the production of housing” said Michael Novogradac, managing partner in the firm’s San Francisco office. He notes that both should comply with the rules of the NHTF.

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In a third request, the Working Group asks for an opportunity to comment on the regulations governing the NHTF before the program is enacted. The groups says this request stems from an understanding that interim regulations may be issued, and HUD and the states could enact the program before the end of a comment period and the issuing of final regulations. “We hope that industry participants will have the ability to comment before the program is in operation,” Novogradac said.

For more details and a copy of the letter, please go to www.taxcredithousing.com and click on Resources – LIHTC Working Group – Comment Letters.

The LIHTC Working Group

Novogradac & Company LLP established the LIHTC Working Group to provide a platform for low-income housing tax credit industry participants to work together to resolve technical and administrative LIHTC program issues that are experienced by the members of the group. Members of the group participate on a conference call each month, participate in discussions and provide input regarding pending action items as agreed to by the members of the group. Comments and suggestions are agreed to and submitted in writing directly to the IRS and/or various federal or state agencies based upon the group discussions. For more information on the LIHTC Working Group, please go to www.LIHTCWorkingGroup.com.

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