



Senate Votes Unanimously to Confirm New HUD Chief; Industry Knows Little About Martinez

By Michael J. Novogradac, CPA

The Senate unanimously confirmed Mel Martinez as secretary of the U.S. Department of Housing and Urban Development (HUD) on Jan. 23.

Most industry practitioners have adopted a wait-and-see attitude regarding the new housing chief. "I know nothing about [Mel Martinez] and no one I know knows anything about him," national affordable housing policy expert, Tony Freedman, partner at Hawkins, Delafield & Wood, told Novogradac & Company LLP's 7th Annual Tax Credit Developers Conference, Jan. 4, in Orlando. Relatively unknown outside of Florida, Martinez served for two years as chairman of the government of Orange County, Fla. In addition, he served as chairman of the Orlando Housing Authority. A graduate of Florida State University Law School, Martinez was co-chair of President George W. Bush's (R) presidential campaign in the Sunshine State. During the Senate confirmation hearing, Senate Democrats questioned Martinez's commitment to increasing affordable housing for the nation's poor. In past years, GOP lawmakers have attempted to cut HUD's annual budget. However, Martinez's Senate testimony quelled any major concerns. Martinez said he would pursue various proposals to increase homeownership among minorities and low-income residents. These include Bush's proposals to allow low-income families to use federal rental vouchers toward homeownership, to provide tax credits to financial institutions that match the savings of low-income earners, and to offer tax credits to encourage the construction and rehabilitation of single-family homes in distressed communities. The new HUD chief has indicated that the federal government should encourage affordable rental housing production. He endorsed the LIHC program, saying he supports providing incentives to the private sector to build affordable rental housing. ❖

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