



NCSHA Leads Effort to Improve LIHTC and Housing Bond Programs

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Thirty years ago when the nation's state Housing Finance Agencies (HFAs) created the National Council of State Housing Agencies (NCSHA) as a not-for-profit organization, their intention was to organize efforts that would influence the nation's affordable housing policies. In keeping with that three-decade-old mission, the NCSHA board of directors in December 2003 authorized the formation of a working group charged with identifying legislative and regulatory changes that would benefit the low-income housing tax credit (LIHTC) and tax-exempt bond housing programs.

NCSHA's undertaking of this comprehensive review of the housing credit and housing bond programs is meant to explore the necessity for any changes that will strengthen the program. The advocacy group's efforts could take as long as a year. The goal, according to NCSHA executive director Barbara Thompson is to make an "already terrific program even better."

Representing its members in Washington before Congress, the Administration, and several federal agencies concerned with housing, such as HUD and the Treasury Department, and with other advocates for affordable housing, NCSHA is the principal advocate for both multihousing revenue bonds (MRB) and the low-income housing tax credit.

Thompson says that while NCSHA does not believe either the tax credit or bond program "needs fixing," there are elements in each that could be changed to "make them even more responsible to affordable housing needs."

In 2004, the agency's top advocacy priorities include: the repeal of the 10-year rule, reform of the MRB purchase price limit; improvement of the use of bonds and the credit in rural areas; the authorization and funding of a new state HFA-administered subsidy resource targeted to the production and preservation of rental housing benefiting, in significant part, extremely low-income families (earning 30 percent of area median income or less); regulation supporting efforts to preserve at-risk affordable housing, including exit tax relief and securing continued affordability of housing credit properties after the end of their initial 15-year compliance period; and additional housing bond and credit program improvements.

It is this last issue on which the working group, composed of executive directors of state housing agencies that allocate housing credits and allocate tax-exempt bond issuing authority, will focus its efforts. To assist them in determining what activities should be carried out to make the programs stronger, working group members will survey state housing agencies, as well as developers, syndicators, lenders, not-for-profit organization and other segments of the industry for their views on needed changes.

Plans call for the introduction of any changes when the 109th Congress convenes in 2005.

As NCSHA leads this effort, the rest of the affordable housing community should be sure to join in. The first step is to help identify those areas where the LIHTC and tax-exempt housing bond housing programs can be made even better. If you have ideas, share them with NCSHA and other organizations. I personally would appreciate hearing your ideas. Once agreement is reached on the changes, all of us will have a stake in seeing that the agreed-to changes are supported by members of Congress and, ultimately, can become law. ❖