

# United We Stand: Housing Advocates' Strength Depends on Industry Cooperation

By Michael J. Novogradac, CPA

The affordable housing industry has been and must continue to be an agent of change. That was the simple message running through two of the keynote speeches given at Novogradac & Company LLP's "Revitalization: An Affordable Housing Conference" in Chicago last month.

Championing the industry's advocacy efforts were a top U.S. Department of Housing & Urban Development official and a member of Congress. While individual affordable housing coalitions, organizations and associations each have their own pet projects or causes, these speakers reinforced the message that the industry's real political strength lays in the collaboration of these many groups. And although finite funding can sometimes create a sense of competition between various programs or interests, the health and success of the collective affordable housing industry is reliant on our ability to put aside those differences and form a united front in the face of potential threats.

"To resolve problems, it will take the people in this room," observed Alfonso Jackson, Deputy Secretary of the U.S. Department of Housing & Development, who made his remarks at a luncheon on Thursday, July 17. Jackson noted that the federal government cannot allocate money or change the pattern of life for any body, state or community. On the other hand, he said, "You can help us remove regulatory barriers because you have access to [city, state and county] officials and we'll follow your lead."

The next morning, speaking from Washington, D.C. via phone to the Novogradac & Company LLP's conference attendees, Congresswoman Nancy Johnson, (R-Conn.) lauded the industry and its role in the fight against the ill effects the recent tax cut bill could have had by discouraging corporate investment in the low-income housing tax credit. The depth of concern shown by the industry had a "very significant impact on the whole engagement," said Johnson. The industry's message "kept coming back to the same song," she added. "There is strength in a coalition."

Jackson also spoke at length about the Bush administration's focus on single-family home ownership, especially noting the huge ownership gap for African Americans and Latinos. While everyone is not going to own a home and, according to Jackson "it's foolish to say it," many dream of claiming their piece of the American Dream. The administration's American Dream Downpayment Plan, said Jackson, is seen as a solution, a response to removing regulatory barriers that "prevent ordinary people from owning a home."

Johnson suggested that with the huge federal deficit, the single-family tax credit may not survive as provided for in the tax bill. "I don't see it this year," she said. Worried about the HUD/VA appropriations for 2004, Johnson said the next big job is social security, Medicare and fixing the ailing economy. "We should hold the guns on tax reform."

Because most of those gathered in Chicago work to produce or preserve multifamily housing, a response to a question on HUD's role in preserving multifamily housing proved interesting. Jackson said he has suggested that it might be beneficial to waive some capital gains if those properties whose credits are expiring are sold to not-for-profits.

The industry will always remember the heat affordable housing practitioners put on Washington lawmakers to introduce legislation that would reverse the Internal Revenue Service's Technical Advice Memoranda (TAMs) on what is includable in eligible basis, the pressure it brought to bear on a cap increase and the force it exerted in the recent defeat of the tax dividend exclusion as it affected the low-income housing tax credit. These things were achieved only by people working together, using their varied expertise and experience to communicate a shared message. The sound tactical maneuvers that were employed in these cases serve as a model for future action when faced with threats to low-income housing tax credits. As Jackson said, "We cannot, cannot forget those who may never own their own home." ❖