



In this week's Tax Credit Tuesday Podcast, Michael J. Novogradac, CPA, talks about the potential timing of the opening of the next round for the new markets tax credit. He also discusses when Treasury might finalize opportunity zones regulations. He closes out with HUD's announcement that the Federal Housing Administration will insure mortgages on mixed-use development in opportunity zones.

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GENERAL

NMTC Round Prediction

- In community development news, we continue to be asked when we think the next new markets tax credit round might open.
- Well, our best guess is that it will open sometime in September.
 - After Labor Day, of course, but sometime in September.
 - Now that is only a guess.
- We also expect the application round to be open about 50 days, or so.
 - That has been the average number of days the rounds have been open the last few rounds.
- So if we are accurate with our thinking, it means you won't be able to begin inputting information into your NMTC application online until after Labor Day, and you will need to submit it sometime before Thanksgiving.
- That means your holiday of Labor Day and Thanksgiving should be preserved and you'll be working on your new market application in between.
- All of that said, stay tuned and we will provide more updates in future podcasts and through breaking news emails and on Twitter.

Opportunity Zones Regulations Timing

- Now another question we're frequently asked is about the timing of the opportunity zones regulations.
- Treasury has said that they intend to finalize the regulations this year.
 - With that being said, many believe that finalizing the regulations completely, or in totality, may not be what ultimately occurs.
- Perhaps some of the regulations will be finalized this year, but perhaps some regulations may need to be re-proposed and again they would request public comment on the re-proposed portions.
- In any event, our best guess, and once again, it is a guess—an educated guess, but a guess nonetheless—we're thinking that an updated set of regulations amendments could be sent to the Office of Management and Budget for review sometime in the October timeframe with a hopeful release from OIRA, within the Office of Management of Budget, sometime before Thanksgiving.
 - Once again, this is a guess, an educated guess, but a guess nonetheless.

FHA Insurance in OZs

- Now continuing with Opportunity Zones news, in order to stimulate greater multifamily residential and commercial development in opportunity zones, HUD Secretary Ben Carson announced last week that the Federal Housing Administration, FHA, will insure mortgages on mixed-use development in opportunity zones.
 - That insurance will be done through the HUD Section 220 program.
- The Section 220 program, as you know, insures lenders against loss on mortgage default.
- The Section 220 program has often been used to provide quality rental housing in downtown urban areas.
- Now it will also be used for opportunity zones, many of which are in rural areas.



- About the initiative, Secretary Carson said, and I quote: “By expanding this program’s reach, we hope to significantly boost private investment in opportunity zones and generate growth in development in neighborhoods that need it most.”
- Secretary Carson also added and I quote, “With expanded mixed-use development in opportunity zones comes economic revitalization and job growth which is just what the doctor ordered for residents living in these communities.”
- Lamar Seats, HUD’s Deputy Assistant Secretary for Multifamily Housing, said, and here again I quote, “We believe that the inclusion of all opportunity zones under the Section 220 program will promote more economic activity, both commercial and residential, in low-income, economically distressed areas that have not experienced a great deal of growth in recent years. Our hope is this will encourage increased lending in regions where affordable housing is most needed.”
- So Secretary Carson did also note that this use of the Section 220 program could make the FHA a key partner in opportunity zones.
- And this should encourage more development of affordable housing in opportunity zones.
- Not just housing, but affordable housing.



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