

“Housing Tax Credit Coordination Act of 2008”

Executive Summary

Section 1. Short Title.

Names bill as the “Housing Tax Credit Coordination Act of 2008.”

Section 2. Approvals by Department of Housing and Urban Development

- (a) Requires HUD, within six months, to implement administrative and procedural changes to expedite approval of HUD multifamily projects funded in conjunction with housing tax credits or tax-exempt housing bonds. Lists types of actions HUD may take to do so.
- (b) Requires HUD to consult with the IRS and to take actions as appropriate to simplify coordination of rules, regs, forms and approval requirements for combined funding.
- (c) Requires HUD to solicit recommendations from stakeholders to carry out these duties.
- (d) Requires HUD to submit a report, no later than 9 months from bill enactment, identifying actions taken and stakeholder recommendations, & making legislative recommendations.

Section 3. Project Approvals by Rural Housing Service.

Requires Agriculture Secretary to (a) take action to facilitate timely approval of requests to transfer ownership or control of Section 515 projects for the purpose of rehabilitation or preservation, and (b) consult with IRS and take actions to simplify coordination of rules, regs, forms and approval requirements for projects combining 515 assistance and tax credits or bonds.

Section 4. Use of FHA Loans with Housing Tax Credits.

Includes provisions to streamline use of FHA-insured multifamily loans with housing tax credits:

- (a) Eliminates need for HUD subsidy layering review of FHA-financed projects involving low income housing tax credits which undergo a tax credit subsidy layering review.
- (b) Eliminates HUD cost certification requirement for FHA multifamily housing loans which also use housing tax credits in cases where the loan-to-cost ratio is less than 80%.
- (c) Bars HUD from requiring escrowing of tax credit proceeds or posting of a letter of credit for FHA loans involving tax credits. Exempts FHA multifamily loans that utilize housing tax credits from required periodic inspections. Permits HUD to rely on tax credit allocating agency compliance monitoring. Requires HUD to establish a pilot program for streamlined review of FHA multifamily mortgage insurance loan approvals, through appointment of designated underwriters.

Section 5. Other HUD programs.

- (a) Section 8 Assistance. Increases maximum Section 8 voucher contract from 10 years to 15 years. Permits project-based voucher rents in tax credit projects up to the normally allowed voucher maximum rent. Eliminates need for HUD subsidy layering review for project-based vouchers if a state or locality has performed such review for tax credit purposes. Provides that PHAs shall not be required to undertake any environmental review for housing assistance payments contracts unless otherwise required in law or reg. Authorizes project-based vouchers in coops and buildings with elevators. Establishes clearer standards for voucher rent reasonableness for projects using housing tax credits.
- (b) Section 202 Housing for Elderly Persons. Requires delegated processing of all new Section 202 elderly housing grants that also use other non-HUD funding sources.
- (c) McKinney-Vento Homeless Assistance. Extends time period for completion of Shelter Plus Care projects that also use funding from housing tax credits. Authorizes 15 year terms for renewal of Shelter Plus Care permanent housing assistance contracts
- (d) Data Collection on Tenants of Housing Tax Credit Projects. Requires state agencies administering housing tax credits to submit information to HUD annually regarding characteristics of projects financed through such tax credits. Authorizes \$2.5 million in FY09 and \$900,000 in FY 2010 through 2013 for the costs of this subsection.