



*Because home means everything.*

Minnesota Housing finances and advances affordable housing opportunities for low and moderate income Minnesotans to enhance quality of life and foster strong communities.



## Minnesota Housing eNews Alert

February 24, 2009

### American Recovery and Reinvestment Act - Housing Tax Credit Program

On Tuesday, February 17, 2009, President Obama signed the American Recovery and Reinvestment Act which includes the following provisions related to the Housing Credit Program:

- the ability for allocating agencies to exchange Housing Credits for cash from the Treasury and to subsequently sub-award the funds to qualified low income buildings, and
- \$2.25 billion in funds to be made available to state housing credit agencies for capital investments in low-income housing tax credit projects. The housing credit agencies in each State shall distribute these funds to owners of projects who have received or receive simultaneously an award of low-income housing tax credits. It is important to note that certain HOME rules will apply.

We understand developers, investors, and others are very interested in how Minnesota Housing will implement these provisions. However, there are many more unknowns and issues to resolve than with the HERA legislation enacted last summer. Some of the questions related to timing and availability of funds will need to be answered by federal agencies before we can establish policy. The best guidance we can provide at this time to interested owners/developers is to continue to seek equity for funded projects and do not delay any pending equity closings due to this legislation.

We will keep you informed as we learn more, and as always welcome your input. Development-specific inquiries should be directed to your Housing Development Officer. All general inquiries and comments regarding the Housing Tax Credit provisions to the American Recovery and Reinvestment Act should be submitted to [tax.credits@state.mn.us](mailto:tax.credits@state.mn.us).

**Minnesota Housing**

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