



# Oregon

Theodore R. Kulongoski, Governor



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# Memo

To: Low Income Housing Tax Credit Program Partners  
From: Bob Gillespie, Housing Division Administrator  
Mariana Negoita, LIHTC Program Representative  
Date: 02/20/2009  
Re: LIHTC Provisions of The American Recovery and Reinvestment Act of 2009

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On Tuesday, President Obama signed into law the American Recovery and Reinvestment Act of 2009 (ARRA). The act includes additional resources to stimulate the development of affordable rental housing for low-income families through the issuance of two provisions related to LIHTC projects:

- The bill provides \$2.25 billion nationally for capital investments in LIHTC projects, to be issued to state housing credit agencies, calculated as percentage of HOME funds issued to each state. These funds are to be awarded pursuant to the Qualified Allocation Plan and in compliance with some of the HOME rules.
- The bill allows state housing finance agencies to exchange a portion of 2009 credits, and prior year returned credits for federal grant funds valued at 85 percent of the exchanged credits.

These two measures provide additional resources that will bring needed assistance in moving forward those affordable housing projects that have become stagnant or incurred significant gaps due to falloff of the tax credit market.

Currently, at the state level, there are many unanswered questions as to the mechanics of administrating this funding, identifying policy parameters and long term compliance. Further, ARRA requires states to “establish a process in which applicants for the sub-awards [relating to the exchange provision] must demonstrate good faith efforts to obtain investment commitments before the agency makes such sub-awards.”\*

While OHCS staff is working to identify answers and solutions, the best direction we can impart to our partners so far is to continue to seek equity for projects currently in the pipeline, at every stage of development. We encourage you to proceed with your plans and, as possible, not delay equity closings due to the passing of this legislation. The strength and future success of the LIHTC program remains in the public-private partnership commitment that has to date insured its achievements.

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\* ARRA, Division B, Page 19, [http://appropriations.house.gov/pdf/Recovery\\_JS\\_DivB.pdf](http://appropriations.house.gov/pdf/Recovery_JS_DivB.pdf)

As we become better informed about this legislation, we will keep you up to date through our Web site, email list or recently-developed Listserv. We welcome your input and knowledge and look forward to working with you to find the best solutions this legislation provides for the development of affordable housing in Oregon. Thank you.