



INDUSTRIAL COMMISSION OF NORTH DAKOTA

John Hoeven
Governor

News Release

Wayne Stenehjem
Attorney General
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Roger Johnson
Agriculture Commissioner
For Immediate Release

TAX CREDITS AVAILABLE FOR HOUSING DEVELOPMENT

BISMARCK – The North Dakota Industrial Commission has approved the 2008 Low Income Housing Tax Credit (LIHTC) Allocation Plan, making more than \$2 million worth of tax credits available to developers. Administered by the North Dakota Housing Finance Agency (NDHFA), the LIHTC program is the most significant producer of affordable rental housing in North Dakota.

“North Dakota is experiencing exceptional economic growth, and we are expecting to see high demand for these credits from developers looking to provide and preserve workforce housing and affordable rental units for elderly and disabled households,” said Gov. John Hoeven.

“There is a need, particularly in the energy corridor, for the type of housing provided by the LIHTC program,” said Agriculture Commissioner Roger Johnson. “Without affordable housing, many communities find it difficult to retain service industry employees.”

“It can be quite challenging and expensive to develop new homes in rural communities. The LIHTC program aids in the preservation of existing housing. By targeting a portion of the credits, NDHFA is ensuring that existing housing is preserved in rural areas where there is a significant housing need,” said Attorney General Wayne Stenehjem.

LIHTC applications are ranked on the applicant’s ability to meet the state’s housing needs as defined in NDHFA’s allocation plan. The plan targets projects that preserve existing affordable housing; are marketed to households age 55 and older; and are located in rural areas and on Indian Reservations. The agency gives preference to developments serving the lowest-income families for the longest periods of time.

Property owners receive tax credits for up to ten years based on the amount of capital invested and the level of commitment to low-income tenancy. In exchange for the credits, property owners rent the units to households with incomes below the 60 percent federal median income limits. The LIHTC program compensates the property owners for charging rents that are generally lower than would be feasible without the credits.

NDHFA is authorized by the federal government to allocate \$2.325 million in housing credits in 2008. The allocation plan and applications are available by contacting the agency or visiting their website, www.ndhfa.org. The application deadline is Feb. 29, 2008. A second round of applications may be accepted if insufficient applications are received in the first round. The second round deadline will be April 30, 2008.

“Since the LIHTC program was created in 1986, \$24 million in tax credits have been allocated for the production or rehabilitation of 176 projects in 38 communities, producing more than 5,000 units dedicated to low-income renters, and creating more than \$360 million dollars in capital improvements in North Dakota properties,” said Mike Anderson, NDHFA executive director.

The Industrial Commission of North Dakota, consisting of Governor John Hoeven, as chairman, Attorney General Wayne Stenehjem and Agriculture Commissioner Roger Johnson, oversees NDHFA. For more information, contact the agency at (701) 328-8080, (800) 292-8621 or (800) 366-6888 (TTY).

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