

TAX CREDITS TARGETED TO RURAL, ELDERLY AND PRESERVATION PROJECTS

BISMARCK – The Industrial Commission has approved the North Dakota Housing Finance Agency’s (NDHFA) 2007 Low Income Housing Tax Credit (LIHTC) 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.

“Low income housing tax credits will enable us to help build more affordable housing for our people, especially our seniors,” said Gov. John Hoeven. “We’re creating more good-paying jobs, and at the same time, we are working aggressively to make more low income housing available to those who need it in communities around our state.”

“A number of communities are experiencing a shortage of workforce housing due to economic growth, while other areas are recognizing a need for more appropriate housing for our aging population,” said Agriculture Commissioner Roger Johnson. “By targeting the tax credits we hope to meet these particular needs.”

“The challenge and expense of building new housing has many rural areas relying heavily on existing housing stock. These properties need to be updated so that they remain viable,” said Attorney General Wayne Stenehjem.

LIHTC applications are ranked on a development’s ability to meet a state’s housing needs as defined in the allocation plan. NDHFA is required to give preference to developments serving the lowest-income families for the longest periods of time. Property owners receive the tax credit for up to ten years based on the amount of capital invested and their level of commitment to low-income tenancy.

In exchange for the tax credits, property owners rent the units to households whose incomes are below the 60 percent HUD-published median income limits. The program compensates the property owners for charging rents that are generally lower than would be feasible without the credits.

The allocation plan and applications are available by contacting NDHFA or visiting their website, www.ndhfa.org. The deadline to apply for the credits is April 27, 2007. A second round of applications may be accepted if insufficient applications are received in the first round. The application deadline for the second round will be June 22, 2007.

The LIHTC program is the most significant producer of affordable rental housing in North Dakota and throughout the United States. NDHFA is authorized by the federal government to allocate \$2.275 million in housing credits in 2007.

“Since the LIHTC program was created in 1986, \$22 million in tax credits have been allocated for the production or rehabilitation of 188 projects in 40 communities, producing more than 4,800 units dedicated to low-income renters, and creating more than \$330 million dollars in capitol 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).