

**NDHFA TO ALLOCATE CREDITS FOR AFFORDABLE RENTAL HOUSING DEVELOPMENT**

BISMARCK – The Industrial Commission has approved the 2004 Low Income Housing Tax Credit (LIHTC) Allocation Plan, making more than \$2 million in tax credits available in North Dakota. The LIHTC program, administered by the North Dakota Housing Finance Agency (NDHFA), is the most significant producer of affordable rental housing in North Dakota and throughout the United States.

“This program works because it allows states, not the federal government, to decide how to respond most effectively to housing needs and it enables the private sector to invest in low income housing,” said Governor John Hoeven. “Since the program began in 1986, the total private capital investment in North Dakota is approximately \$109 million.”

Under the LIHTC program, owners of low-income housing are entitled to receive an annual tax credit for up to 10 years based on various requirements such as the amount of capital invested and the level of commitment to low-income tenancy. In North Dakota, special consideration is given to applications for projects that preserve existing affordable housing; are located on Native American reservations; or that have non-profit sponsorship.

“In exchange for the tax credits, owners agree to rent the units to households whose incomes are below the 60 percent HUD-published median income limits,” said Agriculture Commissioner Roger Johnson. “The program is designed to compensate property owners for charging rents that are generally lower than would be feasible without the credits.”

NDHFA puts each development through three separate, rigorous financial evaluations to make sure it receives only enough housing credits to make it viable as long-term, low-income housing. Only investors in properties that pass all three reviews, complete their developments, and actually rent them to low-income families can claim the tax credits.

“To receive credits, applications are ranked on a development’s ability to meet state housing needs as defined in the allocation plan,” said Attorney General Wayne Stenehjem. “The plan is required to give preference to developments serving the lowest-income families and those which serve low-income families for the longest periods of time.”

The 2004 LIHTC allocation plan and applications are available by contacting the NDHFA or visiting their website at [www.ndhfa.org](http://www.ndhfa.org). The deadline to apply for the first round of housing tax credits is April 30, 2004. A second round of applications may be held if insufficient applications are received during the first round. The application deadline for the second round will be June 30, 2004.

“Since the LIHTC program was created in 1986, \$15.74 million in tax credits have been allocated for the production or rehabilitation of 141 projects in 38 communities, producing 3,995 rental units dedicated to low income renters, and creating almost \$240 million dollars in capitol improvements in North Dakota properties,” said Pat S. Fricke, 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 the NDHFA. For more information about the NDHFA or the LIHTC program, contact the agency at (701) 328-8080, (800) 292-8621 or (800) 366-6888 (TTY).