



INDUSTRIAL COMMISSION OF NORTH DAKOTA

John Hoeven
Governor

Wayne Stenehjem
Attorney General

Roger Johnson
Agriculture Commissioner

News Release

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For Immediate Release

CREDITS AVAILABLE FOR DEVELOPMENT OF AFFORDABLE HOUSING

BISMARCK – The Industrial Commission has approved the 2003 Low Income Housing Tax Credit (LIHTC) Allocation Plan, making \$2 million in housing credits available. The housing credits, administered by the North Dakota Housing Finance Agency (NDHFA), are 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 \$90 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.

“This year NDHFA has created a special set-aside of credit authority to be used for the preservation of existing affordable housing stock,” said Agriculture Commissioner Roger Johnson. “This set-aside will provide a source of funding for rehabilitation of older housing units to improve marketability and provide quality affordable housing to our residents.”

In exchange for housing credits, owners agree to rent the units to households whose incomes are below the 60 percent HUD-published median income limits. Many LIHTC tenants earn far less than the federal income limits permit. A 1997 study by the General Accounting Office found that the average tenant earned 38 percent of area median income.

“The LIHTC program is designed to compensate property owners for charging rents that are generally lower than would be feasible without the credits,” Attorney General Wayne Stenehjem said. “Preference is given to properties that serve the very low income, below 50 percent of the area median income, for the longest period of time.”

The 2003 LIHTC allocation plan and applications are available by contacting the NDHFA or visiting their website at www.ndhfa.org. The deadline to apply for the first round of housing credits is April 30, 2003. 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, 2003.

“Since the LIHTC program was created in 1986, \$14 million in housing credits have been allocated for the production or rehabilitation of 137 projects in 38 communities, producing 3,936 rental units dedicated to low income renters, and creating more than \$200 million dollars in capitol improvements in North Dakota properties,” Pat S. Fricke, NDHFA executive director, said.

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 LIHTC program, contact the agency at 701-328-8080, 800-292-8621 or 800-366-6888 (TTY). Information is also available online at www.ndhfa.org.

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FURTHER INFORMATION: Pat Fricke (701) 328-8080