

CREDITS AVAILABLE FOR AFFORDABLE RENTAL HOUSING DEVELOPMENT

BISMARCK – The Industrial Commission of North Dakota has approved the 2005 Low Income Housing Tax Credit (LIHTC) Allocation Plan, making more than \$2 million in housing credits available. 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 has grown to more than \$100 million.”

Under the program, owners of low-income housing are entitled to receive an annual tax credit for up to ten years based on various requirements such as the amount of capital invested and the level of commitment to low-income tenancy.

“In exchange for the tax credits, property 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.”

In North Dakota, special consideration is given to applications that preserve existing affordable housing; are located on Native American reservations; or that have non-profit sponsorship. In response to the dramatic increase in the state’s elderly population forecast by the recently released Statewide Housing Needs Assessment, additional consideration was added this year for properties marketed to households age 55 and older.

“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 2005 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 tax credits is April 29, 2005. A second round of applications may be accepted if insufficient applications are received during the first round. The application deadline for the second round will be June 30, 2005.

“Since the LIHTC program was created in 1986, \$17 million in tax credits have been allocated for the production or rehabilitation of 151 projects in 38 communities, producing more than 4,200 rental units dedicated to low income renters, and creating almost \$263 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 NDHFA. For more information about NDHFA or the LIHTC program, contact the agency at (701) 328-8080, (800) 292-8621 or (800) 366-6888 (TTY).