



NEWS RELEASE

For Immediate Release

Contact: Tina McDaniel

410-772-2780

tmcdaniel@enterprisecommunity.org

ENTERPRISE APPLAUDS SENATE FOR PASSAGE OF TAX EXTENDERS ACT, URGES FINAL PASSAGE BY HOUSE

(COLUMBIA, Md., March 12, 2010) – Enterprise commends the United States Senate for passing the Tax Extenders Act (H.R. 4213) on March 10. The bill, which will now return to the House for a final vote, includes legislation critical to the affordable housing industry.

Among the included provisions is the placed-in-service deadline extension, which will allow developers an additional two years to use Gulf Opportunity Zone (GO Zone) Low-Income Housing Tax Credits (LIHTC). These outstanding tax credits represent more than 6,000 affordable homes and \$1 billion in construction activity that have been stalled and at risk of not being built. This legislation would shift a congressionally mandated deadline of December 2010 for completing construction by two years, providing more time for state governments, developers and investors to overcome financial challenges and enable the use of previously allocated housing credits. The deadline combined with the economic downturn has made it difficult for developers to attract investors and close on project financing so that construction could begin.

“Congress’s support and passage of a placed-in-service deadline extension is urgently needed for developers to attract and retain the necessary investment capital to finance and rebuild affordable homes so displaced residents can finally return home,” Charles R. Werhane, president and CEO, Enterprise Community Investment, Inc.

Also included in this legislation is a one-year extension of the New Markets Tax Credit (NMTC) program, which would provide \$5 billion to incentivize private investment in low-income urban neighborhoods and rural communities nationwide. The NMTC program expired at the end of 2009. To learn more about the NMTC program and Enterprise’s related work, please visit http://www.enterprisecommunity.com/products_and_services/nmtc.asp.

In addition, Enterprise applauds the bill’s inclusion of the extension of the 9 percent LIHTC exchange program to the end of 2010. The exchange program has proven to be essential to ensure that affordable rental housing can continue to be financed while the LIHTC investment market slowly recovers.

“We urge the House to quickly pass this critical legislation,” said Doris W. Koo, president and CEO, Enterprise Community Partners, Inc. “Affordable housing is the cornerstone of success for people and families with low incomes across the country.”

Because the exchange program is only a partial and temporary solution, Enterprise strongly encourages Congress to include in upcoming tax legislation several equally important consensus

LIHTC proposals supported by more than 170 national, state and local LIHTC stakeholder organizations. First, the LIHTC carryback period should be increased to five years for new housing and qualifying existing housing, which Ernst & Young recently determined would bring in \$5 billion in additional private LIHTC investments. Addressing the depressed investment market is the most important issue facing the LIHTC program. Another consensus proposal not addressed in the legislation is the extension of the exchange program to cover LIHTC generated from tax-exempt bonds, also known as 4 percent LIHTC. Extending the exchange program to 4 percent LIHTC would greatly assist efforts nationwide to preserve affordable housing. Finally, in order to bring more investors into the program and lessen the dependence upon financial institution investors, Enterprise supports efforts to broaden the investor base by permitting Subchapter S, LLCs and closely held corporations to utilize LIHTC.

###

Enterprise is a leading provider of the development capital and expertise it takes to create decent, affordable homes and rebuild communities. For 25 years, Enterprise has pioneered neighborhood solutions through public-private partnerships with financial institutions, governments, community organizations and others that share our vision. Enterprise has raised and invested \$10 billion in equity, grants and loans to help build or preserve more than 250,000 affordable rental and for-sale homes to create vital communities. Enterprise is currently investing in communities at a rate of \$1 billion a year. Visit www.enterprisecommunity.org and www.enterprisecommunity.com to learn more about Enterprise's efforts to build communities and opportunity, and to meet some of the half a million people we have helped.