

Resolution No. 3

Date: February 12, 2008

City: Orlando, Florida

NAHB Resolution

Title: Preserving Property Tax-Exemptions for Affordable Housing
Original Sponsor: Housing Credit Group

WHEREAS, state and local jurisdictions across the county provide property tax-exemption for affordable housing projects involving a tax-exempt entity;

WHEREAS, these projects often include for-profit limited partners;

WHEREAS, the tax-exempt entity serves as the general partner, maintaining control of the day-to-day operations, and the for-profit limited partner develops the housing units and guarantees the project's success to investors and lenders providing equity to the deal;

WHEREAS, the limited partner and tax-exempt general partner share equitable ownership of the housing because both types of entities make valuable contributions to the housing project;

WHEREAS, the property tax-exemption is an important component for making the deals feasible, especially with escalating operating expenses and flat rents in many areas; and

WHEREAS, some state and local jurisdictions are removing the property tax-exemption from LIHTC properties because they inappropriately claim that state tax law does not permit the exemption despite such prior practice,

NOW, THEREFORE, BE IT RESOLVED that the National Association of Home Builders urge state and local governments to protect property tax exemptions for LIHTC properties.

Board of Directors Action:

Joint Executive Board Action:

Resolutions Committee Action:

50+ Housing Council Board of Trustees Action:

State and Local Government Affairs Committee:

Housing Finance Committee Action:

Multifamily Finance Subcommittee of the Housing Finance Committee Action:

Federal Government Affairs Committee Action:

Taxation Subcommittee of the Federal Government Affairs Committee Action:

Multifamily Council Board of Trustees Action:

Housing Credit Group Action: