

## **Historic Tax Credit Coalition: Announcement of Formation**

**Background and Purpose.** In July, 2008, Congress made positive changes to the Historic Tax Credit for the first time since its enactment in 1982 including:

- Permitting use of the HTC to offset the Alternative Minimum Tax and providing a way to efficiently address the needs of small urban and rural deals
- An increase from 35-50% of the allowable leasing to tax-exempt entities before triggering complicated and costly disqualified lease rules
- A requirement that state HFAs include priorities for HTC transactions in allocating the Low-Income Housing Tax Credit through their Qualified Allocation Plans.
- A roll back of changes to the OCC's Part 24 regulations that makes it easier for national banks to invest equity in HTC transactions.

While this success is exciting, we see this as the first step towards creating a historic tax credit that is continuously evolving and adapting to the ever-changing marketplace. To this end we need your help. We believe now is the time to move aggressively and capitalize on this momentum by creating the Historic Tax Credit Coalition, a forward-looking and committed industry group who believe in and understand the power of the Historic Tax Credit. We believe you would be an invaluable member of the Coalition and we would appreciate the opportunity to discuss this important effort with you.

The Historic Tax Credit Coalition would replace the existing National Trust Tax Policy Council and operate as an independent entity outside the National Trust and its subsidiary, National Trust Community Investment Corporation (NTCIC). Its sole purpose would be to build a more expansive and refined public policy strategy to position the historic tax credit in Congress as a credit that promotes sustainable development, stabilizes neighborhoods, preserves a high quality of life, and creates safer, healthier places to live for socially and economically diverse populations.

The over-arching goal of the Coalition is to renew enthusiasm, generate excitement and create a unified message on behalf of the Historic Tax Credit. The Coalition will bring together a broad coalition of credit supporters so information, resources and manpower can be consolidated and coordinated to ensure that the most efficient and effective lobbying effort is mounted to accomplish the goal of modernizing the Historic Tax Credit.

**Structure and Dues.** Similar in structure to the New Markets Tax Credit Coalition, the HTC Coalition will be staffed by government relations professionals of the C2 Group led by Michael Hanson who worked as NTCIC's lobbyist during the last Congress. It will have two membership levels, board members and general members. Board members will pay \$10,000 per year and have one vote on the board. Board members will also be expected to participate in 2 fundraisers per year at @\$1,000. The board will meet via conference call monthly with two face-to-face meetings in Washington, DC. One of the two face-to-face board meetings would be held in conjunction with a lobby day and annual HTC Coalition Conference. The board shall elect its own Executive Committee.

General members will be nonvoting and pay \$2,500. All members will receive regular email alerts and updates, will be expected to contact their Congressional delegations about pending legislation, and shall be eligible to participate in lobby days and the annual conference.

We know you share our commitment to raising the awareness and effectiveness of the credit to our elected officials. We intend to launch the HTC Coalition at the NCSHPO/IPED historic tax credit conference in Chicago on September 24. Our desire is to hit the ground running when the new Congress and President begin their work in 2009. Please allow us to follow up by phone or at the conference to explain in more detail the structure and benefits of the HTC Coalition to you and our business. If you want to contact us please don't hesitate to do so. Our information is provided below.

We look forward to having you and your company as part of the team.

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