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STATE OF MAINE

ONE HUNDRED AND TWENTY-FOURTH LEGISLATURE

COMMITTEE ON BUSINESS, RESEARCH AND ECONOMIC DEVELOPMENT

April 14, 2009

Governor John E. Baldacci  
Office of the Governor  
1 State House Station  
Augusta, ME 04333-0001

Dear Governor John E. Baldacci:

The Legislature's Joint Standing Committee on Business, Research & Economic Development received a presentation this afternoon by MaineHousing on their use of American Recovery and Reinvestment Act funds to address problems with the federal Low Income Housing Tax Credit Program. Their progress on this is severely hampered by a lack of guidance from the Department of Housing and Urban Development and the Internal Revenue Service.

For the Tax Credit Assistance Program, HUD has advised all state housing finance agencies not to make any "credit limiting" decisions. This means that while they can discuss issues, they cannot move forward in any meaningful way until HUD issues additional guidance.

The second problem involves the use of the tax credit exchange program governed by the IRS. MaineHousing has been told to expect guidance in May.

These two solutions to the LIHTC program need to work in unison. We have, as you know, a very short construction season and people who are eager to get to work. MaineHousing has projects that could start work immediately.

We hope that you will have the opportunity while you are in Washington to urge these agencies to provide the guidance we need to move ahead. We appreciate your efforts on this and the entire stimulus package.

Sincerely,

Handwritten signature of Elizabeth M. Schneider in black ink.

Elizabeth M. Schneider  
Senate Chair

Handwritten signature of Nancy E. Smith in black ink.

Nancy E. Smith  
House Chair

cc: Members, Joint Standing Committee on Business, Research & Economic Development