

August 21, 2008

On July 30, 2008, the President signed into law the **Housing and Economic Recovery Act of 2008, H.R. 3221**. Included within this law is clarification regarding the General Public Use Requirement and how it applies to Housing Credit properties. Specific citations from H.R. 3221 regarding this clarification are provided below. **The effective date is the date of enactment, which was July 30, 2008.**

Although H.R. 3221 allows Housing Credit projects to have occupancy preferences for residents who have (a) special needs, or (b) who are involved in literary and/or artistic activities, or (c) are members of specified groups under State or Federal housing programs, the current law continues to prohibit occupancy restrictions or preferences for employer-sponsored housing, various health care facilities, and housing for social organizations (see Treas. Reg.1.42-9).

All Housing Credit properties must continue to comply with State and Federal Fair Housing Laws. If you have questions regarding this section of H.R. 3221 please contact your assigned Compliance Officer.

Sincerely,

Oregon Housing & Community Services
Program Analysis and Enforcement Section

Housing and Economic Recovery Act of 2008 (H. R. 3221)

DIVISION C—TAX-RELATED PROVISIONS

TITLE I—HOUSING TAX INCENTIVES

Subtitle A—Multi-Family Housing

PART I—LOW-INCOME HOUSING TAX CREDIT

Sec. 3004. Other simplification and reform of low-income housing tax incentives.

(g) CLARIFICATION OF GENERAL PUBLIC USE REQUIREMENT.—

Subsection (g) of section 42 is amended by adding at the end the following new paragraph:

“(9) CLARIFICATION OF GENERAL PUBLIC USE REQUIREMENT.—

A project does not fail to meet the general public use requirement solely because of occupancy restrictions or preferences that favor tenants—

“(A) with special needs,

“(B) who are members of a specified group under a Federal program or State program or policy that supports housing for such a specified group, or

“(C) who are involved in artistic or literary activities.”.

(i) EFFECTIVE DATE.—

(6) CLARIFICATION OF GENERAL PUBLIC USE REQUIREMENT.—

The amendment made by subsection (g) shall apply to buildings **placed in service before, on, or after** the date of the enactment of this Act.