

No Accountability with Low Income Housing Tax Credit Developments Across the Country, Frontline and NPR Report.

“IRS and no one else in the federal government really has an idea of what's going on” –Government Accountability Office auditor on Low Income Housing Tax Credits

A May [documentary by Frontline](http://www.pbs.org/wgbh/frontline/film/poverty-politics-and-profit/) and [report by NPR](http://www.npr.org/2017/05/09/527046451/affordable-housing-program-costs-more-shelters-less) revealed that developers receiving Low Income Housing Tax Credits ( LIHTC) have very little accountability, and are rarely held accountable by the government. According to a GAO auditor’s testimony to Congress on August 1, “the IRS has only audited seven of the 58 state agencies that administer the program in more than 30 years, and when audits were completed, significant problems were found.” In fact, the IRS doesn’t even keep records about whether these low-income housing tax credit developments are in compliance with their own regulations!

What’s worse, this method of creating affordable housing - which MPHA wants to use for Glendale Townhomes and all Minneapolis public housing to privatize public housing – is costing US taxpayers much more money while creating fewer homes than ever before. Many LIHTC credit buildings across the country have waiting lists of four years or more with homeless and severely rent burdened individuals and families waiting for an available apartment.

The Frontline documentary reveals that many developers have made millions of dollars building LIHTC affordable housing, some using bribery, fraud, or secret bank accounts to hide stolen funds to increase their profits. A NPR report uncovered “at least three instances where some of the largest affordable housing developers in the country were charged with stealing money from the program.” In Florida, developers recently stole millions from a project, and the state agency in charge of allocating funds had no idea. But Assistant US Attorney Sherwin says the IRS relies completely on those same state agencies to report fraud and theft. Can we trust MPHA and other MN State Agencies to properly oversee private developers taking on our public housing when they claim to be too underfunded to make basic repairs at Glendale Townhomes, 42 high-rises, 730 homes, and 6000 units impacting the lives of 26,000 low-income residents of Minneapolis?

[Read NPR’s article on the congressional hearing on LIHTC here](http://www.npr.org/2017/08/01/540960951/housing-program-worth-billions-lacks-basic-accountability-says-gao)

[Watch the Frontline documentary here](http://www.pbs.org/wgbh/frontline/film/poverty-politics-and-profit/)

**Sincerely,**

**Defend Glendale & Public housing Coalition**

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