

2013 Tax Credit Program

Bulletin # 2

January 7, 2013

Changes/Deletions/Clarifications to the 2013 Qualified Allocation Plan and/or
2013 Low-Income Housing Tax Credit Manual:

Change:

2013 Qualified Allocation Plan (QAP), Page 11, IV. Tie Breaker Criteria

#4. Currently reads:

Rent per Heated Square Foot: The Authority will calculate each development's rent per heated square foot as follows. The numerator, total gross monthly income, is the sum of the proposed net rent times the number of units, for each bedroom size. Net rents are limited to a maximum rent advantage of 25%, as determined in Tiebreaker #2. The denominator, total heated square feet (HSF), is the sum of the HSF per unit times the number of units, for each bedroom size. HSF means residential living space only, and does not include any heated common space. The total heated square footage of all units is limited to the lesser of (a) the maximum allowed per unit square footage or (b) the actual square footage submitted. The Authority will calculate the quotient to four decimal places.

#4. Changed to read:

Rent per Heated Square Foot: The Authority will calculate each development's rent per heated square foot as follows. The numerator, total gross monthly income, is the sum of the proposed net rent times the number of units, for each bedroom size. The denominator, total heated square feet (HSF), is the sum of the HSF per unit times the number of units, for each bedroom size. HSF means residential living space only, and does not include any heated common space. The total heated square footage of all units is limited to the lesser of (a) the maximum allowed per unit square footage or (b) the actual square footage submitted. The Authority will calculate the quotient to four decimal places.

Note To Developers:

All 2013 funded tax credit developments are subject, throughout the entire tax credit compliance period, to Authority annual rent increase approvals. The Authority underwrites developments at an annual two percent (2%) rent increase when determining financial feasibility. The Authority anticipates allowing developments an annual two percent (2%) rent increase subject to the annual HUD rent limitations but any increases requested over the two percent (2%) amount would be determined based on the financial distress of the development, i.e. pending foreclosure. Therefore, prudent analysis should be used when determining the rent levels and resulting rent advantages that will be initially used for all 2013 tax credit developments.