

# 2017-2018 Tax Credit Program

## Bulletin # 1

February 1, 2018

### Changes:

#### 2017-2018 TC Manual:

##### **The Technical Amendments to the 2017-2018 Tax Credit Manual, #8, Item 15 Appraisals (k), currently reads as follows:**

For Authority underwriting purposes, the minimum land value will be the greatest of (i) the appraiser's valuation; (ii) the tax assessor's valuation; or (iii) ten percent (10%) of the total purchase price.

##### **Further clarification is needed to this language; therefore the Technical Amendments to the 2017-2018 Tax Credit Manual, #8, Item 15 Appraisals (k) is changed to read:**

For Authority underwriting purposes, the minimum land value **for Acquisition/Rehabilitation developments** will be the greatest of (i) the appraiser's valuation; (ii) the tax assessor's valuation; or (iii) ten percent (10%) of the total purchase price.

#### **Page 20- Authority Designated Difficult Development Areas (DDAs):**

##### **Currently reads:**

As outlined in H.R. 3221, the Housing and Economic Recovery Act of 2008, the Authority must establish criteria for determining which areas will be treated as Difficult Development Areas (DDAs) and which developments will be eligible to receive additional tax credits up to 130%. Developments utilizing tax exempt bonds are not eligible for this basis boost. The DDA criteria established by the Authority are separate from the federally designated DDA areas. Developments are eligible to receive a basis boost as follows:

- a) Developments located in a federally designated Qualified Census Tract (QCT) or a DDA area are eligible for the 130% basis boost for all building(s) in the development;
- b) Developments funded through the Underserved Set-Aside, Rehabilitation Set-Aside and RHS Set-Aside are eligible for the 130% basis boost for all building(s) in the development;
- c) Developments funded through the General Set-Aside, Large Population Urban Set-Aside and Nonprofit Set-Aside are eligible for a 120% basis boost for all building(s) in the development. Note: The Authority reserves the right to adjust the allowable boost for future funding cycles based on economic conditions.

**There is no change in language to the above;** however, the Tax Credit Application provided on the CD and initially posted on the Tax Credit Webpage calculated a 130% basis boost only. The Authority has modified the Tax Credit Application and posted a revised Tax Credit Application on the 2018 Tax Credit Webpage that will calculate a 130% or a 120% basis boost depending on the Set-Asides as outlined above.

**The Technical Amendments to the 2017-2018 Tax Credit Manual, #17, Item 6(c) Appraisal Valuation currently reads as follows:**

For Authority underwriting purposes, the minimum land value will be the greatest of (i) the appraiser's valuation; (ii) the tax assessor's valuation; or (iii) ten percent (10%) of the total purchase price.

**Further clarification is needed to this language; therefore the Technical Amendments to the 2017-2018 Tax Credit Manual, #17, Item 6(c) Appraisal Valuation is changed to read:**

For Authority underwriting purposes, the minimum land value **for Acquisition/Rehabilitation developments** will be the greatest of (i) the appraiser's valuation; (ii) the tax assessor's valuation; or (iii) ten percent (10%) of the total purchase price.