

2013 Tax Credit Program

Bulletin # 1

December 19, 2012

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

Change:

2013 Low-Income Housing Tax Credit Manual, Page 18

#3. Developer Fees, Developer Overhead, and Consultant Fees (the “Fees”)

Currently reads: Adjusted Development Costs = Total Development Costs (Line 51)
Less Land (Line 1)
Less Consulting Fees (Line 20)
Less Developer Fees (Line 45)
Less Developer Overhead (Line 46)
Less Other Developer Costs (Line 47)

Changed to read: Adjusted Development Costs = Total Development Costs (Line 51)
Less Land (Line 1)
Less Consulting Fees (Line 20)
Less Developer Fees (Line 45)
Less Developer Overhead (Line 46)
Less Other Developer Costs (Line 47)
Less Excess Reserves (Lines 48-50)

“Excess Reserves” is defined as reserves, regardless of description, greater than the sum of: Six (6) months projected operating expenses (OR the 2% RHS Operating Reserve)
Plus six (6) months of must-pay debt service.

As explained on pages 17-18 of the Tax Credit Manual, total development costs must include minimum reserves for operations and replacement as prescribed by the Authority, and may also include additional reserves required by the syndicator if verified in writing.

However, reserves in excess of Authority-approved levels may not be used to generate developer fee. Excess reserves include, but are not limited to, amounts greater than six months operating expenses and must-pay debt service, replacement reserves, and any additional reserves required by a syndicator.