

2013 Tax Credit Program

Bulletin # 4

November 18, 2014

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

Deletion:

2013 Tax Credit Manual, Page 28, Rent Increases:

In an attempt to not further restrict the potential rent a tax credit development can obtain, the Authority has decided to delete the requirement that developments funded in the 2013 tax credit funding cycle and forward have Authority approval for rent increases on a yearly basis. Therefore the following section in the 2013 Tax Credit Manual is deleted:

*“All developments funded in the 2013 tax credit funding cycle and forward must have Authority approval to increase rents by more than 2% per year. Rents can **only** be increased on an annual basis. For those developments restricted to threshold market advantage criteria, the Authority will use its third party market analyst to determine whether the development’s rent increase request meets the required QAP threshold. All rent increase requests must be uploaded to the Authority’s Extranet webpage and placed in the applicable Tax Credit section at least 60 days prior to their effective date. Instructions for uploading files is included as an Addendum to this Manual.*

Note: Developments with one hundred percent (100%) Rural Housing Development or HUD Section 8 project based rental subsidy contracts are exempt from having to obtain Authority permission to increase rents; however, annual rent increase data for these developments must be uploaded annually to the Authority’s Extranet webpage so that historical data can be tracked.”

Please understand that the above deletion does not mean that 2013 developments funded with HOME funds and having HOME units are exempt from the annual rent increase approval. As per the HOME Final Rule, all HOME units must have rents approved on an annual basis. As this is a federal HOME requirement the Authority does not have the ability to waive this rule. Therefore, all developments with HOME units must provide the Authority’s Compliance Monitoring staff with notification of rent increases for HOME units prior to increasing the rents. Once approval is given the rent increase can go into effect.