



January 26, 2015
Issue 15-1

MEMORANDUM

TO: All Interested Persons

FROM: Sherry Bossie *SBossie*
Senior Director of Tax Credit and Compliance

Michelle L. Wilshere *mlw*
Managing Director of the Low-
Income Housing Tax Credit Program

DATE: January 26, 2015

SUBJECT: West Virginia's Low-Income Housing Tax Credit Program

Thank you for your interest in West Virginia's Low-Income Housing Tax Credit Program ("Program"). In relation to the Program, attached is the following information:

West Virginia's Low-Income Housing Tax Credit Program 2015 and 2016 Allocation Plan (the "Plan"), as was approved by the Governor of the State of West Virginia on January 22, 2015. The West Virginia Housing Development Fund (the "Fund") will accept Reservation Requests for the Low-Income Housing Tax Credit Program from April 24, 2015 to May 22, 2015 for regular (non-tax-exempt bond financed) properties, and from April 24, 2015 to September 30, 2015 for tax-exempt bond financed properties.

West Virginia's (the "State's") 2015 State Housing Credit Ceiling has not yet been determined as the 2015 Calendar Year Resident Population Figure has not yet been released. However, based upon the 2014 population figure, the 2015 State Housing Credit Ceiling is estimated to be approximately \$4,182,951. The estimated 2015 State Housing Credit Ceiling is entirely comprised of the population component. In 2014, a Binding Agreement was executed that committed the Fund to allocate a total of \$81,948 in annual housing credit dollars to one property from the 2015 State Housing Credit Ceiling. The 2015 State Housing Credit Ceiling amount above is net of that Binding Agreement.

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- ◆ A summary of the Set-Aside Categories that comprise the 2015 State Housing Credit Ceiling is provided on page 10 of the Plan. Once available, the document entitled State Housing Credit Ceiling – Set-Aside Categories and Amounts for the 2015 Calendar Year will be sent to the mailing list and posted to the Fund’s website.

Reminder: The maximum credit a property can request in 2015 is 15% of the per capita portion of the State Housing Credit Ceiling (see pages 21 and 22 of the 2015 and 2016 Tax Credit Manual). Once the population component is determined, the maximum per property credit amount will be sent to the mailing list and posted to the Fund’s website.

- ◆ The Fund, as the allocating agency for the State, is responsible for administering the Program, and for developing and adopting a “qualified allocation plan”, pursuant to which properties will be selected to receive allocations of low-income housing tax credits. The statutory definition of a qualified allocation plan is provided on pages 1 through 3 of the Plan.
- ◆ Three significant components of the Plan are as follows:
 - ◇ Setting forth certain required selection criteria that are used to determine housing priorities that are appropriate to local conditions.
 - ◇ Providing preference in allocating housing credit dollar amounts to properties with certain service obligations or commitments.
 - ◇ Providing procedures that the Fund will follow in monitoring properties for noncompliance with the provisions of Section 42 of the Internal Revenue Code, in notifying the Internal Revenue Service of such noncompliance, to the extent that the Fund becomes aware of any such matters of noncompliance, and in monitoring for noncompliance with habitability standards through regular site visits.
- ◆ In relation to the first and second components described above, a summary of the Selection and Preference Criteria is provided on page 8 of the Plan. A total of 1,029 selection and preference criteria points is available.
- ◆ In relation to the third component described above, a Compliance Monitoring Procedure is provided on pages 46 through 56 of the Plan. We charge a property owner a reasonable monitoring fee, the amount of which is provided on page 55 of the Plan.

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- ◆ Under the provisions of the Plan (see pages 41 through 45 of the Plan), for the application period, proposed properties will be ranked and selected in descending order, according to the total selection and preference criteria points awarded, based upon an evaluation of each property against the selection and preference criteria.

In addition, the 2015 and 2016 Tax Credit Manual is attached. **This document is integral to your submitting an acceptable Reservation Request, Carryover Allocation Request, or Allocation Request.**

If you have any questions, please do not hesitate to contact us.

SBB/MLW:mlw
Attachments