



January 31, 2019

## VHDA Compliance & Asset Management

### 2018 Tax Credit Annual Reports - (Reminder to LIHTC Participants)

This notice is a reminder that the Tax Credit Annual Reports and monitoring fees are due **Monday February 11, 2019**. In an effort to streamline the process and improve the security of handling money, **VHDA is no longer accepting check payments**. All fees are required to be submitted electronically by ACH or wire transfer. Contact the Compliance and Asset Management Department at [Compliance-AssetManagement@vhda.com](mailto:Compliance-AssetManagement@vhda.com) for assistance.

### Income Averaging Minimum Set-Aside

Income averaging is permitted for all newly funded VHDA developments. Projects already approved for funding, where part II of the 8609 form has not been completed will be reviewed on a case-by-case basis. Tax credit developments in the Extended Use Period may elect this minimum set-aside; however, the existing Extended Use Agreement will not be terminated or amended. There are no immediate changes to the VHDA Compliance monitoring audit cycle or sample size due to the income averaging minimum set-aside election. 100% tax credit properties must continue the process of completing and documenting one full annual certification in the tenant file and online in WTCMS, and the Tax-Exempt Bond minimum set-aside requirements must be maintained, along with a "cushion" as required by VHDA when combined with Tax Credits.

VHDA will not provide formal training for the implementation of the income averaging minimum set-aside. There are several industry professionals who have developed trainings in-person and via webinar to assist owners, managers, and site personnel with the new regulation, including AJ Johnson training through the Mid-Atlantic AHMA. [View the 2019 training schedule.](#)

The 2019-2020 QAP and LIHTC Manual supplement posted to our website also includes VHDA guidance on the income averaging minimum set-aside election, which can be found on our [website](#).

Current projects approved for Tax Credit funding prior to January 1, 2019, with an interest in electing the income averaging minimum set-aside **and** part II of the 8609 form has not been completed for any BINs in the project, contact the VHDA Tax Credit Allocation department for additional information.

STAY CONNECTED:



VHDA and its lending programs and products, eligibility criteria, interest rates, fees and all other loan terms) is subject to change without notice.

