December 20, 2024

To: Hawaii Owners & Agents

From: Mr. Andrew Bowden, CFO and Partner, SPECTRUM Enterprises

RE: Low-Income Housing Tax Credit / Rental Housing Revolving Fund (FKA Rental Housing Trust Fund) / Hula Mae Multi-Family Bond Program, Dwelling Unit Revolving Fund (DURF), 201H Compliance Monitoring – 2024 Year End Reporting

As we begin 2025, we will be collecting the annual submission of year-end documentation for **2024**.

- Annual certification submission for LIHTC properties is required by the Internal Revenue Service, as noted in Section 42 (26 CFR Part I-1.42-5 (c)) of the Internal Revenue Code.
- Annual submission for RHRF, DURF, and 201H properties is required by each project's Declaration of Land Use Restrictive Covenants.
- Annual submission requirements for HMMF properties are due per Regulatory Agreement and Declaration of Restrictive Covenants. *Please review notes regarding HMMF Quarterly Reporting below.*

Every Property is required to submit an Annual Report and Owner's Certificate of Continuing LIHTC (or RHRF, DURF, 201H or HMMF) Compliance (Owner's certification), a Unit History Report (Status Report Database), a Form HRS 467, and proof of the utility allowances in use for the year in question (**2024**).

Submission is due by <mark>**February 1, 2025.**</mark>

REGARDING THE OWNER CERTIFICATION:
The appropriate Owner's Certificate of Continuing Compliance for each property entitled "ANNUAL REPORT AND OWNER'S CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE" may be downloaded from the Hawaii page on our website **www.spectrumlihtc.com**. Please be sure you are sending the most recent certificate version <mark>**(2023-12 for RHRF. DURF, 201H and HMMF) and (2023-12 for LIHTC)**</mark>.

PLEASE SUBMIT THIS REPORT TO US ELECTRONICALLY to <mark>**spectrumendofyear@gmail.com**</mark>. **Paper copies do NOT need to be mailed.**

Please note:
Paper copies are **NOT ACCEPTABLE** and will not be considered a timely submission.

The electronic status report database should contain unit events from the properties placed in service date. **Databases containing just 2024 data WILL NOT be accepted**. Add the unit events for 2024 to the database submitted last year.

Review and update all owner and management contact information as needed.

MONIORING FEES

Annual reports with the annual submission of year-end documentation are submitted to HHFDC electronically. Send compliance monitoring fee payments with separate checks by program to HHFDC by February 1st of each year or by the deadline if specified by HMMF Declaration.

REGARDING HMMF QUARTERLY REPORTING

Executed quarterly HMMF reports with attachments due 1st Quarter (April 15th), 2nd Quarter (July 15th), and 3rd Quarter (October 15th) are submitted electronically to Spectrum Enterprises at spectrumendofyear@gmail.com. Paper copies are not submitted to the HHFDC these quarters. Annual reports are submitted to HHFDC electronically by February 1st with annual submission of year-end documentation.

REGARDING FORM HRS 467

HRS Section 467-7 states that "No person within the purview of this chapter shall act as a real estate broker or real estate salesperson, or shall advertise, or assume to act as a real estate broker or real estate salesperson without a license previously obtained under and in compliance with this chapter and the rules and regulations of the real estate commission." The current version of this form is **2020-12**. This form needs to be submitted only once annually if there are multiple programs requiring documentation submission.

REGARDING UTILITY ALLOWANCE DOCUMENTATION

Documentation *from the source* must be submitted to support the year **2024** utility allowances used at your property, if applicable. This information should be scanned and submitted electronically as well.

Please take note that as an Owner, you are required to maintain all the information we are requesting. Untimely submissions may result in Form 8823 being issued.

If you need electronic technical support, please contact Paul Perpich at 517-277-0120. For all other year end questions call Cathy Turner at 207-805-0036 or Harold Tucker at 207-805-0035.

Sincerely,

Andrew Bowden
SPECTRUM Enterprises

cc: Donna Ho, Compliance Specialist

End of Year (EOY) 2024 Software Instructions

Software Updates: Any updates when install automatically upon opening the software.

Version 7.0 Software Notices and Updates

Current Version of the Software
The EOY software automatically updates every year on or about January first. We have notice over the past few years that here are a number of locations not using the most current version of the software. As of January 1, 2024 the most current version will be version 7.0. If you don't have that version running on your computer(s) it means there is an issue with the configuration of the computer(s) that is blocking our automatic updates. Please contact Spectrum Compliance support as soon as possible at EOYHelp@SpectrumLIHTC.com or 517-277-0120 for assistance in resolving the issue.

Version of the NAHMA XML LIHTC Data Transfer template
If you are utilizing the XML Import process you should be using version 7.0. The EOY software supports all earlier version of the standard but if an earlier version is used certain data that HUD is requesting will not be imported and will have to be manually entered.

There are three additions being made to version 7.0 of the Spectrum End of Year (EOY) software:
1) Average Income set-aside designation
2) Tax Credit Value
3) Other Programs
4) Expanded Ethnicities Categories

Tax Credit Value
The 'Tax Credit Value' is entered into the EOY software Building screen for each building in the project and is the type of tax credit allocation set by project owner(s) for the building. The options are:
1. Allocated 4%
2. Allocated 9%
3. Tax Exempt Bonds
4. Allocated 4% Acquisition and 9% Rehabilitation

Other Programs
Five new program types have been added to the Tenant Income Certification (TIC) screen:
1) CDBG - Community Development Block Grant programs.
2) National HTF - National Housing Trust Fund programs.
3) USDA - United State Agricultural Department programs.
4) Other HUD - Other HUD programs.
5) Other State and/or Local - Other State and/or Local programs.

Adding Higher Set-Asides (100%, 140%, etc.)

1. Go to part VII. Student/ Part VIII. Programs tab for the unit
2. Select "Edit Cert"
3. Click "e." Other Programs and add
4. Select "yes" to add "RHRF" Other Programs type?
5. Select "NEW ONE" from Program Name drop down menu
6. Type in Income Status (i.e. 80%, 100%, 140%, etc.)
7. Hit "save"

EXPANDED ETHNICITIES CATEGORIES
Ethnicity categories have been expanded as follows:
Current Categories
1) Hispanic or Latino
2) Not Hispanic
3) Tenant Did Not Respond

Updated Categories
1) Hispanic or Latino
2) Not Hispanic or Latino
3) Puerto Rican
4) Cuban
5) Mexican, Mexican American, Chicano/a
6) Another Hispanic, Latino/a or Spanish Origin
7) Did Not Respond

ETHNICITY RULES
Rules:
a) If any of the following are reported then Hispanic or Latino must also be
   reported.
b) Additionally, any one or more of the following may be reported.
 - Puerto Rican

- Cuban
- Mexican, Mexican American, Chicano/a
- Another Hispanic, Latino/a or Spanish Origin

c) The following are mutually exclusive:
- Hispanic or Latino
- Not Hispanic or Latino
- Did Not Respond