

December 21, 2023

To: All Massachusetts Low Income Housing Tax Credit Property Owners
From: Mr. Andrew Bowden, CFO and Partner, SPECTRUM Enterprises
RE: Compliance Monitoring – 2023 Year End Reporting

As we begin 2024, we will be collecting the annual submission of year-end documentation for 2023. This submission 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, and by the Massachusetts Housing and Development Fund (EHLOC). Every property is required to submit an Owner's Certificate of Continuing Compliance (Owner's certification) and a Unit History Report (Status Report Database) and proof of the utility allowances in use for the year in question (2023). **The 2023 submission is due by March 15, 2024.**

REGARDING THE OWNER CERTIFICATION:

The Owner's Certificate of Continuing LIHTC Compliance for each tax credit property entitled "ANNUAL REPORT AND OWNER'S CERTIFICATE OF LIHTC PROGRAM COMPLIANCE" may be downloaded from our website www.spectrumlihtc.com. Please be sure you are sending the most recent certificate. PLEASE SUBMIT THIS REPORT TO US ELECTRONICALLY to spectrumendofyear@gmail.com. **Paper copies do NOT need to be mailed.**

REGARDING THE UNIT HISTORY REPORT:

- Download Version 7.0 from the Spectrum website. (See attachment)
- Paper copies are **NOT ACCEPTABLE** and will not be considered a timely submission.
- The electronic report should contain all unit events from the **first year of credit through 2023**. Databases containing just 2023 data will not be accepted. Add the unit events for 2023 to the database submitted last year.
- If management changed in 2023, obtain a copy of the electronic database from the previous management company or contact Paul Perpich for assistance.
- Review and update all owner and management contact information.

REGARDING UTILITY ALLOWANCE DOCUMENTATION:

Documentation from the source must be submitted to support the year **2023** utility allowances used at your property, if applicable. This information should be scanned and submitted electronically with the Annual Owner's Certification.

Please take note that as an Owner, you are required to maintain all the information we are requesting, as per the Recordkeeping Requirements of Section 42 (26 CFR Part 1.42-5(b)). 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 contact Edward Clark, Robert Berman, Carolyn Price or Cathy Turner at 207-767-8000.

Sincerely,

Andrew Bowden
SPECTRUM Enterprises
cc: Management contact

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 there 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 6.0. 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

Average Income set-aside designation

The ability to work with the new 'Average Income' set-aside designation along with the existing '20/50' and 40/60' as allowed in IRS Form 8609 (Rev. 05-2018) has been added. Utilizing the 'Average Income' set-aside requires either creating a new End of Year (EOY) database file or modifying an existing file. In either case if you have a property you are applying the 'Average Income' designation to you'll need to contact Spectrum Compliance technical support at EOYHelp@SpectrumLIHTC.com or 517-277-0120. The conversion process can be quickly and easily handled over the phone via a remote access session to your computer initiated by our support technician.

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.

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