

Year 15 Exit Actions/Checklist

- Meet with General Partner to discuss their intent:
 - Sale at fair market value to developer/third party
 - Donate the project to a 501(C) (3) affordable housing organization or tenant management corp.
 - Other options include utilizing Right of First Refusal; re-syndicating or foreclosure.

- Review and prepare an abstract of the LURA:
 - Determine the last year of the 15 year compliance period
 - Determine the Minimum Federal Set-Aside Election
 - Under the “Terms of the Agreement”, besides the Mandatory 15 year Compliance Period, what is the Extended Compliance Period and what is the number of years in the Extended Low Income Use Period
 - Did the taxpayer agree to limit occupancy to persons 55 years of age and older or to persons with a physical or mental disability
 - Did the development receive an allocation from the Non-Profit Set Aside
 - If there is HOME money involved with the project, what are the restrictions associated with it
 - What percentage of the units were declared to be rent-restricted in accordance with the respective set-aside election
 - IF the GP’s intent is to sell the property to an owner who will operate the property as a market rate property (i.e., not subject to LIHTC restrictions) the GP must request the assistance of the housing commission and allow it up to one year to find a “Qualified Contract” for the acquisition of the project subject to the LIHTC regulations.

- Review and prepare an abstract of the Partnership Agreement:
 - What does the partnership agreement say regarding the disposition of the project or the LP's interest in the project
- Prepare an analysis of the assets and liabilities of the partnership
 - Have a third party appraisal done on the property (with and without LIHTC restrictions)
 - Review the partnership and debt restrictions regarding reserves
 - Review and summarize the types and terms of all the debt on the property
 - Project out the operations to the planned date of disposition or transfer
- If necessary, discuss the disposition plan with local elected officials and business leaders and address resident concerns
- If appropriate, determine the price the property could be sold at under a "Qualified Contract"
- Identify the tax consequences of the proposed disposition