



WNC 7th Largest Affordable Housing Owner in a U.S. Ranking

WNC landed a spot in The National Multi Housing Council's (NMHC) 11th annual ranking of the 50 largest apartment owners. The ranking is based on the total number of units owned as of January 1, 2000. WNC is positioned as the 7th largest of those companies in the NMHC 50 that specialize in affordable housing. Consistent with the top 50 apartment owners as a whole, WNC's holdings increased, from 23,086 units to 25,002 units, moving the company ranking up a notch from last year to number 36 overall.

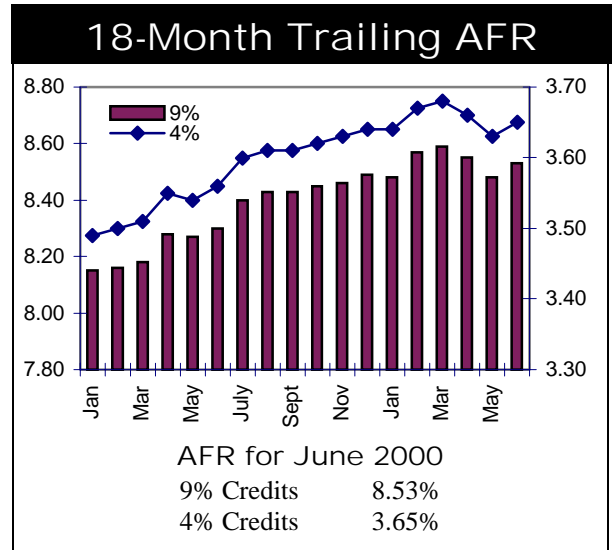
A full list of rankings for both the nation's largest apartment owners and the largest apartment managers as well as an analysis may be obtained from the NMHC website at www.nmhc.org/top50/2000nmhc.

What Triggers an IRS Audit?

WNC recently participated in a roundtable discussion with IRS representatives regarding audit risks on tax credit properties. The IRS indicated three primary sources that could trigger audits: unresolved issues on Form 8823; tax returns in which the tax credits claimed are not substantiated by the 8609s; and local agent referrals.

The current IRS audit "hot buttons" are: whether or not the minimum set aside is met; whether a property is still in compliance and still in the program; repeated violations of health and safety standards; and the disposition of properties.

Finally the IRS provided some friendly advice. First, initial tenant files really have a thirty-year statute of limitations and should be chiseled into stone. Second, if audited, your case is helped if the management company can demonstrate they have a thorough process and procedure for overseeing all tax credit issues. Third, try not to fit within a high risk group – for example, if the property is across the street from a college there is a greater risk of review.



"Community Renewal" Bill Could Increase Tax Credit Cap; Decision Near

Congress and the President are contemplating a tax credit increase via the "Community Renewal" bill. The bill, yet to be introduced by its sponsor Rep J.C. Watts (R-OK), is seen by some insiders in Washington, D.C., as the most likely vehicle to gain a full cap increase in both Housing Bonds and Tax Credits. The Administration has expressed interest in an immediate increase in the tax credit to \$1.75 (no phase-in) with indexation thereafter. Recently, the White House responded favorably to the public demands for a similar increase in housing bonds as well. House Republicans, however, feel there will be too many enterprise zones to fund, and are urging a five-year phase-in of both increases.

There is no other bill on the horizon which provides for full increases. Contact your House Representative to urge passage of a full cap increase. You may write to or find the name of your representative at www.house.gov/writerep.

HUD Sanctions Accessibility Building Requirements Document

The U.S. Department of Housing and Urban Development has given its seal of approval to the Code Requirements for Housing Accessibility (CRHA), a long awaited document which is a building code rendition of federal multifamily construction accessibility requirements. By complying with the code in the CHRA, builders can rest assured that they have met federal legal accessibility requirements for the Fair Housing Act. The International Codes Council (ICC) has agreed to publish the code as a "stand-alone" appendix.

