



WNC 3rd Largest Apartment Owner in California

WNC again garnered ranking in the National Multi Housing Council's list of the 50 largest apartment owners in the country. With 26,733 total units in its portfolio, WNC placed 3rd largest among apartment owners headquartered in California with its holdings growing by 1,731 apartments or 7%. This was far above the average 3% growth experienced by the NMHC 50 for apartment owners as a whole. This gain moved WNC up 3 notches to the overall national apartment ranking of 33rd.

For over 20 years the National Multi Housing Council has represented the rental housing industry in Washington, D.C., and is now a recognized authority in rental housing. For the full list of apartment owner and manager rankings as well as a trend analysis, visit the NMHC website at www.nmhc.org/top50/default.html.

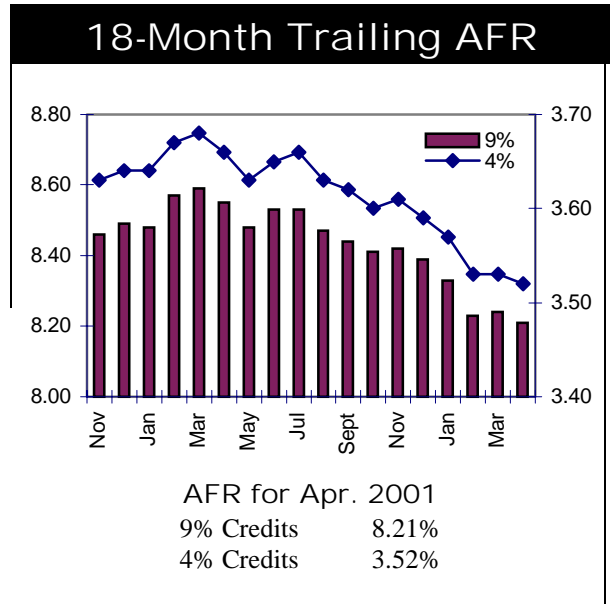
WNC Expands CA Property Portfolio

WNC has recently added two properties to its California portfolio, with another anticipated in the near future. The properties are located in Los Angeles, Bakersfield, and Modesto. Two of the properties feature nonprofit sponsors, and one will provide state credits in addition to federal housing tax credits. WNC has structured and closed approximately \$600 million of equity funds, \$100 million of which feature state of California and federal tax credits.

Together, the three properties have an estimated total development cost of over \$17 million, \$9 million of which will be funded with WNC equity. These acquisitions will bring the number of WNC's California tax credit properties to 142, representing over 6,500 units.

Proposed Legislation to Alter Basis Calculation

Representative Nancy Johnson (R-CT) has agreed to sponsor legislation that she and Representative Charles Rangel (D-NY) will introduce following the Easter recess addressing issues raised in last years' TAMs.



The legislation will present the concept of development cost basis in lieu of adjusted basis. This approach includes costs that qualify for tax credits even though they may not be part of the basis for depreciation purposes. As example, land preparation costs that are reasonably related to the development of the property (whether land or building) will be included in the development cost basis. Fees required by a state or local government, as a condition to the development of the property, will be included in determining tax credits. Construction interest and financing costs will be development costs that support tax credits. The proposed legislation will also cover other issues of interest in countering the TAMs. We will keep you informed of the progress of the proposed legislation.

WNC Acquires Missouri State Credits

WNC closed WNC Missouri Tax Credits XXXI, a program created specifically for taxpayers of the "Show Me State." Unlike WNC's previous offerings, the fund provides investors with solely Missouri state tax credits. The fund will invest in a 48-unit housing development located in Cooper County, Missouri. Consistent with its tradition, WNC closed this investment with a repeat developer client with whom WNC has closed 22 previous transactions. WNC also acquired the federal credits from this project. The total development cost of the apartment complex is estimated at nearly \$4 million.