



WNC Celebrates 30th Anniversary

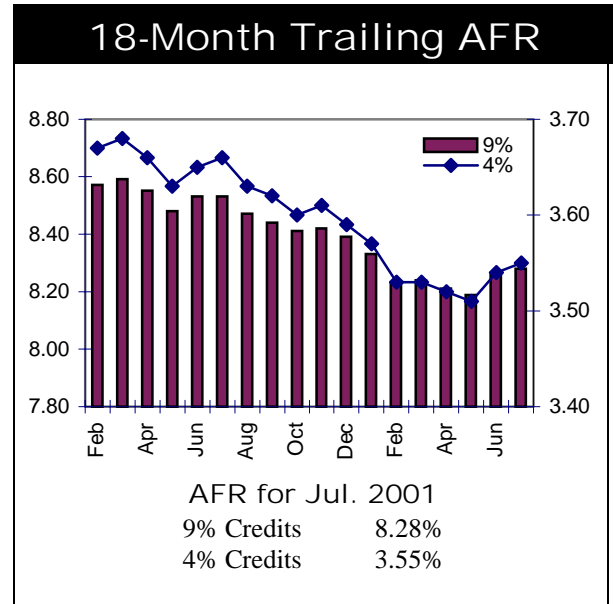
The year 2001 brought WNC its 30th birthday and some notable milestones for the firm. During the past three decades WNC has partnered with over 200 developers to acquire more than 650 complexes in 40 states. With over \$1.25 billion in real estate assets, WNC now owns more than 26,000 apartment complexes, making it the 33rd largest apartment owner in the nation, as ranked by the National Multi Housing Council. WNC ranked among the top eight owners of affordable housing in that study. With 30 consecutive years in the industry, the firm began investing in affordable housing a full 15 years before the tax credit program was even created. The company was among the first to recognize the value of the credit and closed its first tax credit fund in 1987. To date WNC has acquired more than 585 total tax credit properties nationwide.

Energy Costs Threaten Compliance

Rapidly increasing energy costs can create a compliance booby trap. The pitfall lies in how the utility credit allowance influences the maximum rent limit. Today's market has seen sudden increases in utility charges – in California, for instance, residential heating oil prices soared in some areas to over twice the cost of last year in a matter of months. Compliance regulations, however, dictate that the sum of the tenant's portion of rent and the utility credit allowance cannot exceed the maximum rent limit. If properties don't monitor changes in utility prices closely, they could fall out of compliance for failure to adjust rent accordingly. Property managers are advised to keep close watch on their utility prices by contacting their local provider, especially if they are in a deregulated market.

TAMs Remain in Spotlight

On June 7 the Industry Issue Resolution (IIR) representatives of the IRS met with members of the Real Estate Roundtable, KPMG and the NCSHA to begin discussing local impact fees and eligible basis, an issue opened in last year's Technical Advice



Memorandums (TAMs). The IIR was formed to take position on issues on an industrywide rather than on a case-by-case basis. The IIR estimates it will issue a decision on the topic by Nov. 30th.

TAMs are vehicles for advice given from the IRS headquarters to a field office agent about a particular tax case. While the TAMs do not establish a precedent, it is widely viewed that TAMs convey the IRS' current line of thought on the subject. Last year's TAMs may be downloaded at WNC's website, www.wncinc.com/IRSTams/TAMs.htm.

Rep. Nancy Johnson (R-CT) is also expected to introduce a bill later this year to legally establish what can be included.

The IRS contact for this issue is Walter Harris, Director, Field Operations; 212-912-3033; e-mail: Walter.Harris@IRS.gov.

WNC Adds to Minnesota Portfolio

WNC recently expanded its portfolio in the Land of 10,000 Lakes through the acquisition of five properties, bringing the total number of properties acquired by WNC in the state to thirteen. The properties are being developed by three separate development teams and are located in the cities of Albany, Columbia Heights, Deer River, St. Cloud and St. Paul. All five complexes are new housing for families, each of which have received state and/or federal below-market interest rate mortgages in addition to tax credit equity.

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