

Exhibit 13-3
Sample Letter to Notify Building Owner
of Potential Fair Housing Act Violations

Date

Owner
Address
City State ZIP

RE:
Project:
BIN Numbers:

Dear Owner:

Enclosed are Forms 8823, Low-Income Housing Credit Agencies Report of Noncompliance or Building Disposition, concerning certain Fair Housing Act [administrative/legal actions] reported by [the U.S. Department of Housing and Urban Development (HUD)/U.S. Department of Justice] to this agency. Our agency has submitted these Forms 8823 to the Internal Revenue Service.

Low-income housing tax credit properties are subject to Title VIII of the Civil Rights Act of 1968, also known as the Fair Housing Act ("Act"). The Act prohibits discrimination in housing and housing related transactions, including the sale, rental and financing of dwellings, based on race, color, religion, sex, national origin, familial status, and disability. See 42 U.S.C. sections 3601 through 3619. The Act also mandates specific design and construction requirements for multifamily housing built for first occupancy after March 13, 1991, in order to provide accessible housing for individuals with disabilities.

Section 1.42-9 of the Income Tax Regulations provides that the failure of low-income housing tax credit properties to comply with the requirements of the Act results in the denial of credits on a per-unit basis. Thus, an adverse final decision by the Secretary of HUD, an adverse final decision by a substantially equivalent state or local fair housing agency, or an adverse final judgment by a federal court, including a judgment enforcing compliance with the terms of a settlement agreement or consent decree, could result in the disallowance of credits, recapture of credits, and preclusion of future credits on the effected units. If the reduction in the number of the low-income units in the building(s) brings the project below the minimum set-aside requirement defined in section 42(g)(1) of the Internal Revenue Code, the entire amount of the credit for the project could be disallowed.

Your ability to enter into a settlement agreement concerning the particular Fair Housing Act problem with HUD, the Department of Justice, or the state or local fair housing agency may preclude the necessity of loss of low-income housing tax credits. It is incumbent upon you to work with the appropriate agency to resolve the problem.

Sincerely,

Name-Signature
Title

CC: Management Contact