

TO: All Low Income Housing Tax Credit Project Owners and Managing Agents

**FROM: Daniel E. Murphy, V.P.
Housing Portfolio Management**

DATE: November 19, 2009

**RE: Low Income Housing Tax Credit (“LIHTC”)
Annual Utility Allowance Compliance Review**

In connection with its monitoring of compliance with federal Low-Income Housing Tax Credit (“LIHTC”) program requirements, the New York State Housing Finance Agency (“HFA”) implemented certain procedures, set forth below, to ensure compliance with the applicable provisions of IRS Regulation §1.42-10 (Utility Allowances), which provides in part that if at any time during the building’s extended use period, the applicable utility allowance for a unit changes, the new utility allowance must be used to compute net rents of rent-restricted LIHTC units due ninety (90) days after the change.

PROJECTS LOCATED IN NEW YORK CITY:

For projects located in New York City, HFA has obtained the latest utility allowances from the New York City Housing Authority. Except as otherwise provided in IRS Regulation § 1.42-10, such utility allowances shall be effective with respect to low-income units in New York City projects no later than January 1, 2010.

Please find attached the **revised Utility Allowances** which shall go into effect no later than January 1, 2010.