

Affordable Housing Audit & Tax Services

From the inception of the firm, HCVT has been providing professional services to a full spectrum of participants in this unique industry sector. With over 300 separate projects, our clients include nationally recognized developers and investors, including for-profit and nonprofit organizations. We understand the complexities associated with low-income housing tax credits (LIHTC), as defined in IRC Section 42, as amended. The California Tax Credit Allocation Committee (TCAC) has relied on us to assist them in developing regulations to improve project reporting. We have extensive knowledge in Housing and Urban Development Agency (HUD) reporting requirements and with the electronic filing requirements of the Real Estate Assessment Center (REAC). We also have extensive experience in the audit and reporting requirements of projects receiving financing from state agencies, including the California Department of Housing and Community Development, California Housing Finance Agency, Los Angeles Housing and Community Investment Department, and USDA Rural Development (LIHTC Governmental Agencies).

Our services are comprehensive and include:

- Year-end financial reporting-audits, review, compilations
- Year-end income tax return preparation and compliance
- HUD financial reporting and disclosures, including submissions to REAC
- Governmental financial reporting and disclosures
- 15-year LIHTC Projections
- Audit of California TCAC Final Cost Certifications
- 10% Carryover Allocation – Agreed Upon Procedure report
- Tax-exempt bond 50% Testing/reporting
- HUD required cost certifications (mortgagor and contractor)
- Eligible vs. non-eligible basis analysis
- Accounting for building and construction costs
- LIHTC Federal and State tax credit computations, including calculations for solar credits, if applicable
- Acquisition and rehabilitation tax credit computations, including Historic tax credits, if applicable
- General and limited partnership income tax return preparation
- Preparation of the nonprofit tax return

- Property management operational reviews
- Compliance testing of low income tenants
- Original Issue Discount (OID) issues related to financing
- Review complex partnership income tax issues
- Consultation and planning related to exit strategies
- Consultation related to partner buyouts and the related IRS Section 743 adjustments
- Partnership or lender required agreed-upon procedures letters

Eligible basis

Break-even

Debt coverage ratio and occupancy

Residual receipts

First and subsequent years tax credits