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HOME PROPERTIES INC
Form 8-K
January 25, 2005

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported):
January 24, 2005

HOME PROPERTIES, INC.
(Exact name of Registrant as specified in its Charter)

MARYLAND	1-13136	16-1455126
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification Number)

850 Clinton Square, Rochester, New York 14604
www.homeproperties.com
(Address of principal executive offices and internet site)

(585) 546-4900
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 1.01. ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

Home Properties, Inc. has previously reported its agreement to repurchase the limited partnership interests in one of its few remaining affordable properties (Report on Form 10-Q for the period ended September 30, 2004). The purchase of the investors' interests in the partnerships which own the 1,058 unit apartment community known as Green Meadows, located in the Borough of Baldwin, Commonwealth of Pennsylvania ("Green Meadows") is a step in Home Properties' exit strategy for that property. The repurchase was completed on January 24, 2005. An affiliate of Home Properties acquired the partnership

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interests of Boston Capital Tax Credit Fund XIV, a Limited Partnership, Boston Capital Tax Credit Fund XV, a Limited Partnership and BCCC, Inc. (collectively, "Boston Capital") in the entities which own Green Meadows: H.P. Knolls I Associates, L.P. and H.P. Knolls II Associates, L.P. (collectively, "Knolls Partnerships") and HP-BC Limited Partnership, the general partner of the Knolls Partnerships. Home Properties paid Boston Capital \$5,681,030, pursuant to a letter agreement and mutual releases, which include a release of Home Properties' guarantee of certain tax credits to Boston Capital. The payment to Boston Capital was recorded as a liability on the September 30, 2004 balance sheet as was the expected loss on disposition of property as described Home Properties' September 30, 2004 10-Q. The letter agreement and release are filed as exhibits to this Current Report on Form 8-K.

Following the acquisition of Boston Capital's interests, Home Properties and its affiliates own 100% of the interests in the owners of Green Meadows. As also disclosed in the September 30, 2004 10-Q, Green Meadows is currently experiencing high vacancy and debt service on the mortgage loan on the property is not being paid. That financing is non-recourse. Home Properties anticipates that the mortgage loan will be foreclosed on, which will eliminate all of its ownership interests in Green Meadows as well as its management obligations relating to the property. In the meantime, Home Properties does not anticipate any related future cash shortfalls for which it will be responsible.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

c. Exhibits

Exhibit 10.1

Mutual Release, dated January 24, 2005, given by Home Properties, L.P. and Home Properties, Inc. and Boston Capital Tax Credit Fund XIV, a Limited Partnership, Boston Capital Tax Credit Fund XV, a Limited Partnership and BCCC, Inc. relating to certain obligations pertaining to Green Meadows and related Letter Agreement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: January 24, 2005

HOME PROPERTIES, INC.
(Registrant)

By: /s/ David P. Gardner
David P. Gardner, Executive Vice President
and Chief Financial Officer