

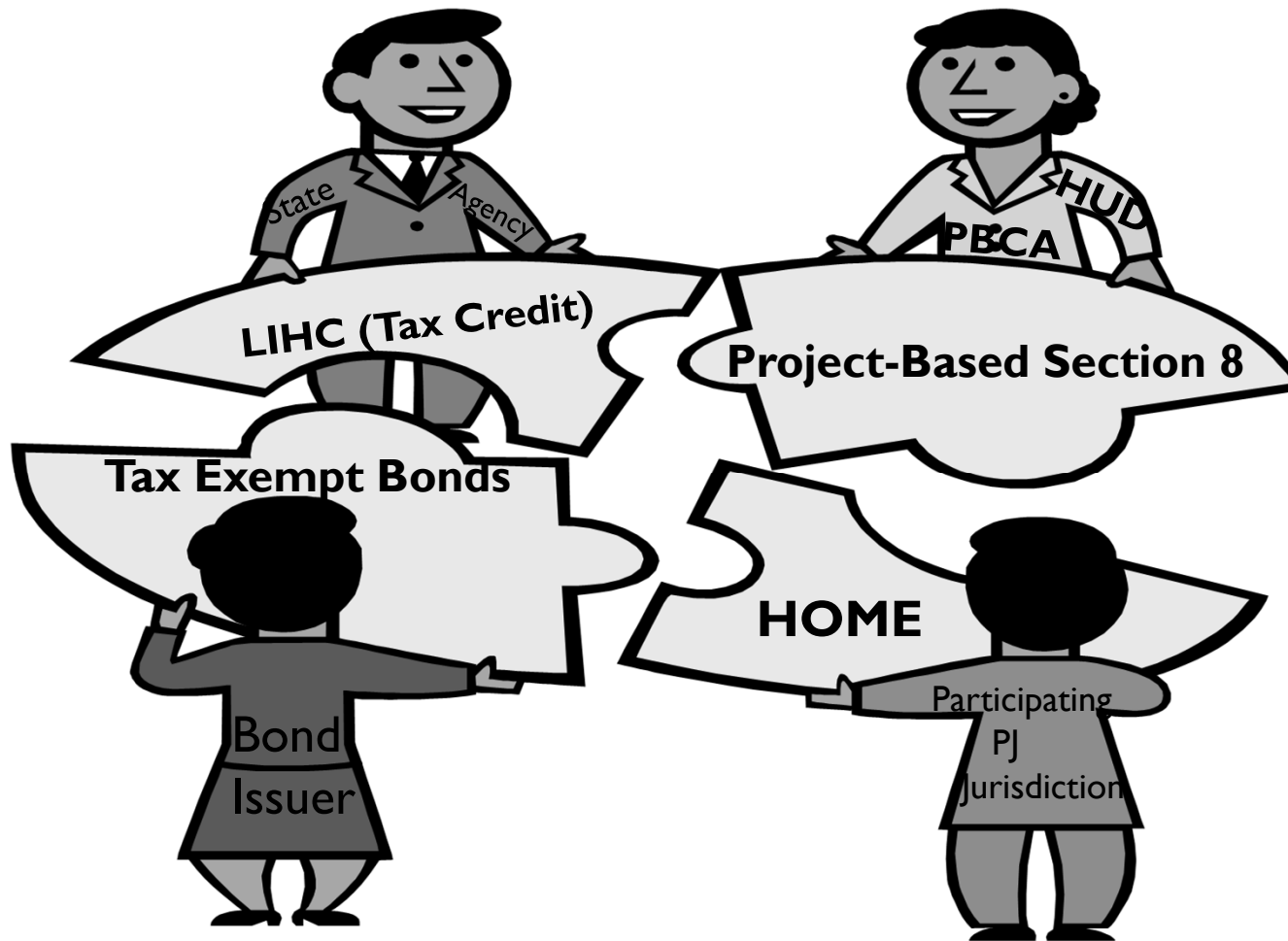


Low Income Housing Credits with Other Programs: Regulations and Eligibility

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A _____ **?**

Or A _____ ?



Examples of LIHC Combo Properties

Combos	Variables
LIHC w/ Tax-Exempt Bond & Section 8	% of LIHC, % of Section 8, %'s of AMI Set-Aside(s), Pre-HERA or Post-HERA bonds
LIHC w/ HOME	% of LIHC, No. of HOME Units, Floating or Non-Floating, %'s of AMI Set-Aside(s)
LIHC w/ Housing Choice Vouchers	% of LIHC, %'s of AMI Set-Aside(s)
LIHC w/ HOME & Section 8	% of LIHC, No. Of HOME Units, Floating or Non-Floating, % of Section 8, %'s of AMI Set-Aside(s)
LIHC w/ RD 515 & 521 Rental Assistance	% of LIHC, No. of 521-Assisted Units, %'s of AMI Set-Aside(s)



Programs and Their Regulations

Agency	Program	Source of Regulations & Guidance
HUD MF	PB Section 8	CFR 24 Parts 880-86 HUD Handbook _____
	236	CFR 24 Part 236 _____
	RAP	CFR 24 Part 236 D _____
	Rent Supplement	CFR 24 Part 215 _____
	221(d)3 BMIR	CFR 24 Part 221 _____
	202 PAC/PRAC	CFR 24 Part 891 _____
	202/8	CFR 24 Part 891 E _____
	811 PRAC	CFR 24 Part 891 C _____

Remember:



Programs and Their Regulations

Agency	Program	Source of Regulations & Guidance
HUD CPD	HOME	24 CFR Part 92, HOME Final Rule 07/2013 Compliance _____
	CDBG	CFR 24 Part 570
HUD PIH	Public Housing	24CFR Chapter 9 Public and Indian Housing PIH HB 7465.1 REV 2, 3 08/1987 Public Housing _____
	HCV	24 CFR Part 982 Section 8 Tenant Based Assistance, HB 7420.10G Housing Choice Voucher _____
	RAD	Notice PIH-2012-32 (HA) Rev 1 RAD Final Rev. 7/2/13 w/technical correction, new RAD notice is pending release RAD PBRA and RAD PBV _____ RAD PBRA versus PBV _____



Programs and Their Regulations

Agency	Program	Source of Regulations & Guidance
RD	515	Section 515 of the Housing Act of 1949 RD Handbook _____ Chapter ____ _____
	521 Rental Assistance	Section 521 of the Housing Act of 1949 RD Handbook _____ Chapter ____ _____
IRS	LIHC 4% & 9%	IRS Code Section 42 Low Income Housing Credit Guide for Completing Form _____, Low Income Housing Credit Agencies Report of _____ or Building Disposition
	Tax-Exempt Bonds	IRS Code Section 142(d) Bond Issuer's _____



Eligibility Requirements

- ▶ Income Limits
- ▶ Income eligibility –initial
- ▶ Income eligibility - at recertification
- ▶ Income Targeting
- ▶ Student eligibility



Income Limits & Initial Income Eligibility

LIHC 100%	Minimum Set-Aside: ___% at 50% AMI or 40% at ___% AMI. HUD provides _____ limits. All units income restricted on 100% deals.
LIHC with Market Rate	Minimum Set-Aside ___% at 50% AMI or 40% at ___% AMI. HUD provides _____ limits. _____ may require additional units to be restricted. Remaining will market rate and will not be _____.
Project-Based Section 8	50% AMI VLI (_____ 10/1/81) 80% AMI LI (_____ 10/1/81). HUD provides Section 8 limits. ___% of new move-ins annually must be leased to 30% AMI ELI
Other HUD Multifamily	Figures 3-2 and 3-3 from _____. HUD provides program-specific limits.
Housing Choice Vouchers	___% AMI VLI or ___% AMI LI if PHA determines this will meet local housing needs However, ___% of new vouchers must be issued to ELI HH
HOME	___% at 60% of AMI ___% at 50% of AMI if 5 +units Remaining units at ___% AMI %'s are based on the _____ of PJ's total program. HOME publishes their own limits.
Tax-Exempt Bond	___% at 50% AMI or 40% at ___% AMI 501(c)3 bonds add ___% at 80% AMI May require 90% "Eligible" at 120% or 150% AMI
RD 515 w/Rental Assistance	50% AMI – VLI 80% AMI – LI 80% AMI + _____ – Moderate Units w/ RA must meet _____ limit, w/o RA must meet _____ Income limit.
Public Housing	30% AMI – ELI 50% AMI – VLI 80% AMI – LI Individual HA has a say in this _____% of new admissions must be ELI, but they can meet some of this through their _____ program.



Income Eligibility after Initial Occupancy

LIHC 100%	May not exceed ____% of the move-in limit. When HH exceeds 140%, _____ (AUR) applies. AUR is violated due to moving in a household that _____.
LIHC with Market Rate	LIHC units may not exceed 140% of the move-in limit. When HH exceeds 140%, AUR applies. This would require that a smaller or comparable _____ be rented to an LIHC qualified household.
PB Section 8	_____ limit to income after move-in
Other HUD MF	_____ limit to income after move-in
Housing Choice Vouchers	If subsidy amount is zero based on income, wait _____. If still zero, 30 day notice of termination of assistance – _____.
HOME	Units with HH's who exceed current move-in limit are "_____" if a shortage in the required Low or High HOME units results. _____ Units– back in compliance when tenant vacates and new tenant moves in _____ Units - can swap with a non-HOME unit that qualifies. PJ can _____ income limits on less than 5 units after initial occupancy if they want to.
Tax-Exempt Bond	50%/60% units may not exceed ____% of current move-in limit. When HH exceeds 140%, AUR applies. Usually when 80 % HH exceeds _____ limit, AUR applies. Bond properties are not usually 100% and units usually float so this can be managed.
RD 515 w/Rental Assistance	50%/80% HH that exceed their income limits, RD can _____ the RA from the property, if they are at zero RA for more than _____.
Public Housing	The PHA can _____ if they no longer need assistance. Self-sufficiency (work) requirement must be met to keep subsidy –regardless of their _____.



Student Eligibility

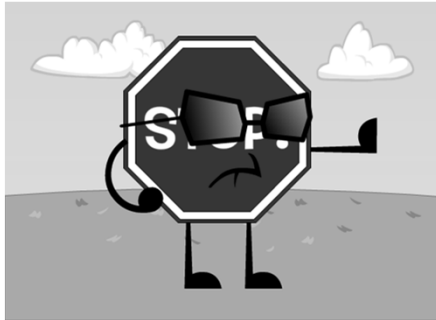
LIHC 100%	A HH of entirely _____ is not eligible unless household can meet one of five (5) exceptions..
LIHC with Market Rate	Same as LIHC 100% for the LIHC units only. FTS households can qualify for _____ units.
Project-Based Section 8	Students of _____ Ed – either ___ or ___ under age ___ do not qualify unless Independent (1 year separate HH or Dept. of Ed definition) or they meet an exception
Other HUD Multifamily	Students of Higher Ed –FT or PT must be ___ or older and qualify as Independent Students (1 year separate HH or Dept. of Ed definition)
Housing Choice Vouchers	Students of Higher Ed – either FT or PT under age ___ do not qualify unless Independent (1 year separate HH or Dept. of Ed definition) or they meet an exception
HOME	HOME Final Rule 2013 - Adopted the _____ student eligibility restrictions
Tax-Exempt Bond	Pre-HERA – HH entirely FTS not eligible unless _____ Post-HERA – Same as the LIHC rule – five (5) exceptions
RD 515 w/Rental Assistance	Students of Higher Ed –FT or PT must be ___ or older & qualify as Independent Students - (separate HH - not necessary to have it for _____ - or Dept. of Ed definition)
Public Housing	Public Housing has _____ rule. (But they will when they convert their projects to _____.)



Eligibility: LIHC vs. HUD §8 & HOME

- 1) _____ is not an issue for LIHC. For HUD §8 independence automatically occurs at _____.
- 2) _____ is not an issue in LIHC. HUD prohibits Section 8 assistance and HOME prohibits HOME assistance for _____ & _____ status unless other criteria are met.
- 3) The Independent Student definition used by HUD _____ to LIHC.
- 4) If an existing LIHC qualified HH becomes a FTS HH the owner's options are to _____ or _____. If an existing Section 8 or HOME HH becomes an ineligible student HH, the owner can _____ their subsidy, and they can remain in the unit and pay _____.

LIHC with Section 8: HUD's Position



Not so fast, cowboy!

HUD announced on 1/12/15 that an LIHC property cannot terminate a Section 8 tenant for becoming _____ for LIHC or for not meeting another LIHC requirement (_____, for example) because the HUD lease does not include this as a grounds for termination.

Owners may offer full-time student households incentives to move out so as long as the incentives are not paid from _____ or _____ funds.

Owners should inform tenants in writing that they have the option of _____ as HUD-assisted tenants and that the choice of moving with incentives is _____.



LIHC with Section 8: HUD's Position

The January 12, 2015 memo is not “new” policy.

Flashback to February 21, 2014: Draft Rewrite of the 4350.1 Chapter 12 Preservation, Section 12.10 Tax Credits and Subsidy Layering.

- ▶ “Owners and Management Agents should be advised to adhere to the Section 8 student rule policy if there is a HAP contract in place; otherwise, the Owner could be _____ to otherwise eligible potential residents.”
- ▶ “Therefore, a resident may never be evicted for failing to meet LIHTC requirements. In the case of a tenant who has become over-income or a tenant who is a full-time student, there are _____.”



LIHC with Section 8: HUD's Position

<http://portal.hud.gov/hudportal/HUD?src=/states/shared/working/r10/mf/sect8tips>

“Tips for Combining LIHTC with . . . Section 8”

Including (but not limited to) the following::

- Tenants who qualify for Section 8 80% income limits on pre-universe properties, _____ due to an LIHC restriction of 50% or 60%.
- Owners cannot exclude _____ who would otherwise qualify for Section 8 without having “a HUD-approved waiver.”
- Owners may want to choose other than _____ LIHC deals in order to avoid conflicts.






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SHCM® Webinar Series 4.9.2015
Low Income Housing Credits with Other Programs:
Income Verifications, Calculations Documentation and Unit Requirements

S.T.A.R. MOMENTUM Presented by: Heather Staggs, CPO®, FHC®, SHCM®, AHM
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REMEMBER...

**You may be working with multiple programs,
sometimes you have navigate down several
different paths...**



A TAX CREDIT PATH


A HUD SECTION 8 PATH









Verifications







Tax Credit

★ _____




Section 8

★ _____







Calculating Income Ranges







Tax Credit

★ _____



Section 8

★ _____

THIS SECTION TO BE COMPLETED BY EMPLOYER

Employee Name: Amanda Smith Job Title: Sales Associate

Presently Employed: Yes No Date First Employed: 12/31/2014 Last Day of Employment: _____

Current Wages/Salary: \$2.49 (circle one) hourly weekly bi-weekly semi-monthly monthly yearly other _____

Average # of regular hours per week: 34.40 Year-to-date earnings: \$6,992.00 through 04/30/2015

Overtime Rate: \$14.25 per hour Average # of overtime hours per week: 3.6

Shift Differential Rate: \$ 0.00 per hour Average # of shift differential hours per week: 0.00

Commissions, bonuses, tips, other: \$0.00 (circle one) hourly weekly bi-weekly semi-monthly monthly yearly other _____

List any anticipated change in the employer's rate of pay within the next 12 months: 2% Effective date: 06/01/2016

If the employer's work is seasonal or sporadic, please indicate the layoff period(s): _____

Additional remarks: _____





Employee's Signature: [Signature] Date: 05/20/2015

Employer's Printed Name: _____

Employer (Company) Name and Address: 9873 Arapahoe Road Suite A-11 Littleton, CO 80120

Phone #: 303.555.3660 Fax #: 303.555.3661 Email: _____

NOTE: Section 8001 of Title 18 of the U.S. Code makes it a criminal offense to make willful false statements or misrepresentations to any Department or Agency of the United States in any matter within its jurisdiction.










Verification of Income Example

Tax Credit		
REG WAGES	\$9.50 X 40 X 52 =	\$19,760
O.T. WAGES	\$14.25 X 6 X 52 =	\$ 4,446
TOTAL		\$ 24,206
Y-T-D Wages = (\$6,845.50/17-\$402.68/wk X 52) =		\$ 20,939
Section 8		
REG WAGES	\$9.50 X 37 X 52 =	\$ 18,278
O.T. WAGES	\$14.25 X 5 X 52 =	\$ 3,705
TOTAL		\$ 21,983
Y-T-D Wages = (\$6,845.50/17-\$402.68/wk X 52) =		\$ 20,939

*TOTAL INCOME FOR TAX CREDIT \$24,206

*TOTAL INCOME FOR SECTION 8 \$21,983

Anticipated Income For Unemployed Adults



Tax Credit

★ _____



Section 8

★ _____



Authorization to Obtain Information



Tax Credit

★ _____



Section 8

★ _____



Rent Calculations



Tax Credit

★ _____





Section 8


★ _____





Gross Rents


 Tax Credit
★ _____

 Section 8
★ _____


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Security Deposits


 Tax Credit
★ _____

 Section 8
★ _____


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Utility Allowances


 Tax Credit
★ _____

 Section 8
★ _____

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Utility Allowance



• **All other LIHTC units:** Applicable utility allowances for rent-restricted units in the building are determined using the:

- 1) Local Utility Company Estimate,
- 2) HUD Utility Schedule Model,
- 3) Energy Consumption Model, or
- 4) Applicable Local PHA Utility Allowances



Utility Allowance



• Section 42 operating in combination with HUD Project Based Section 8:

Use the applicable HUD utility allowances for the whole building



Utility Allowance



• Section 42 operating in combination with HUD Section 8 tenant-based vouchers:

Use the applicable local PHA utility allowances only for the units occupied by residents having a voucher



Social Security Numbers



Tax Credit

★ _____



Section 8

★ _____



Birth Certificates



Tax Credit

★ _____



Section 8

★ _____



Background and Sex Offender Checks



Tax Credit

★ _____



Section 8

★ _____



Unit as Sole Residence



Tax Credit

★ _____



Section 8

★ _____



Required Lease



Tax Credit

★ _____



Section 8

★ _____



Modifications to the Lease



Tax Credit

★ _____



Section 8

★ _____



Lease Terms



Tax Credit

★ _____



Section 8

★ _____



Signing Recertifications



Tax Credit

★ _____



Section 8

★ _____



Unit Transfers



Tax Credit

★ _____



Section 8

★ _____



ALWAYS FOLLOW THE MOST RESTRICTIVE RULE OR REQUIREMENT



Thank you



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Questions?
More Information?
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Miscellaneous Compliance Issues in Tax Credit Housing

Presented by Deborah M. Gershen
Vice President, Moderate Income
Management Company



Introduction

This session will focus on the following topic areas as they pertain to LIHTC buildings:

- ✓ Management Reviews
- ✓ Reporting Non-compliance
- ✓ Record Retention
- ✓ Violence Against Women Act
- ✓ Affirmative Fair Housing Marketing Plans



Management Reviews

Tax Credit management reviews are mandated by the regulations in 26 U.S.C. Section 42 and report on a building's compliance.


Depending upon your State Agency and what year of Tax Credits you are in; the reviews may differ.



Management Reviews

H.R. 3221 requires State Agencies to report the following data.

- ✓ Age
- ✓ Assistance (financial)
- ✓ Disability
- ✓ Ethnicity
- ✓ Family composition
- ✓ Income
- ✓ Race
- ✓ Rent Levels








Management Reviews

State Agencies must review a minimum of 20% of the resident files.

Building must pass a physical inspection:

Either:


- ✓ Local codes, or
- ✓ HUD's Uniform Physical Condition Standards

Management Reviews

State agencies have issued their own monitoring guidebooks, and frequently include forms developed by the agency

Based upon the *Guide for Completing form 8823 Low- income Housing Credit Agencies Report of non- compliance or building Disposition*



Management Reviews


Key issues associated with file reviews:

Maintaining:

- ✓ The Qualified Basis
- ✓ The Minimum Set Asides
- ✓ NAUR

Reviews:


- ✓ Income calculations (HUD Handbook 4350.3)
- ✓ Asset verifications if over \$5,000
- ✓ Income Eligibility and Student Eligibility
- ✓ Amount charged for rent
- ✓ Verifications (non-EIV)



Reporting Non-compliance



Most non-compliance issues are correctible.
However:

- ✓ They remain part of the record;
- ✓ Provide for a correction period;
- ✓ Must be filed even if deficiencies are corrected.




Record Retention

- ✓ Resident files must be retained for a period of 6 years after the initial compliance period
- ✓ All other records must be retained for at least 6 years after the tax filing for that year

Violence Against Women Act

- ✓ The Violence Against Women Act (VAWA) was originally created in 1994.
- ✓ Reauthorization Act of 2013 extend its legal protections to all HUD programs and LIHTC programs.
- ✓ Contrary to its name, VAWA protects men as well as women, LGBT, Native Americans, survivors and current victims of violence.




Violence Against Women Act

Definitions:

- ✓ Domestic Violence:
- ✓ Dating violence
- ✓ Stalking
- ✓ Sexual Assault

Core Protections remain the same from VAWA of 1994- to prohibit the denial or termination of housing assistance based upon an applicant or tenant is a victim or survivor of a crime listed in VAWA




Violence Against Women Act

Alternatives to bifurcating the lease:

Bifurcation means to separate the victim so that the perpetrator of domestic violence, dating violence or stalking may be evicted without endangering the tenancy of other household members


Protections also covers an "affiliated individual," which includes any person living with the survivor and related to him or her by blood or marriage including the survivor's spouse, parent, brother, sister, child, or any person to whom the survivor stands in loco parentis.



Violence Against Women Act

New Requirements:

Develop Notice of Rights
Emergency Transfer Plan




Violence Against Women Act

Notice of Rights

- ✓ Must include rights of confidentiality
- ✓ Provide for written certification form
- ✓ Distribution of Information to applicants and Tenants

Emergency Transfer Plan

- ✓ Must allow a transfer to an available , safe unit
- ✓ Must allow for time frame to be completed
- ✓ Must have reasonable confidentiality measures
- ✓ Tenants must be aware that they need to make written request for transfer




Affirmative Fair Housing

Purpose of AFHMP-

To foster diverse communities and connect underrepresented groups to new residential areas

State Finance Agencies require a threshold level of marketing in their QAP

The IRS applied HUD’s AFHM regulations, including the AFHM compliance regulation, to the LIHTC program, as part of its interpretation of the “general public use” requirement.



Affirmative Fair Housing

This should include yearly submission of an AFHM Plan by each developer/manager to the state HFA and the agency responsible for AFHM oversight.

The site's marketing plan should track requirements contained in the HUD guidance (HUD's AFHM Handbook and Plan) and also set a new AFHM standard where time and experience show the existing guidance to be ineffective or in need of updating.

Proof of efforts must be documented