COMPLAINECE ESSENTIALS

Low Income Housing Tax Credit
HOME Funds
Housing Trust Fund
LIHTC

Income Limits
Rent Limits
Student Eligibility
LIHTC

Income Limits

50% MTSP
60% MTSP
50%
60%

Caution: Once made, the following elections are irrevocable.

a. Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))
b. Elect not to treat large partnership as taxpayer (section 42(j)(5))
c. Elect minimum set-aside requirement (section 42(g)) (see instructions) 20-50 40-60 25-60 (N.Y.C. only)
d. Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions) 50% 60% 15-40
Income Limits

Initial Move-in
Gross income must be at or below income limits for the household.

Recertification
Can go over the 140% income limit but must apply the NEXT AVAILABLE UNIT RULE.
In a LIHTC unit, if a household’s income exceeds the 140% income limit, the unit will continue to be counted as a LIHTC unit as long as rent charged is still restricted and the next available unit of comparable size or smaller is rented to a LIHTC qualified household.
In a LIHTC unit, if a household’s income exceeds the 140% income limit, the unit will continue to be counted as a LIHTC unit as long as rent charged is still restricted and the next available unit of comparable size or smaller is rented to a LIHTC qualified household.

“Once the percentage of low-income units in a building (excluding the over-income units) equals the percentage of low-income units on which the credit is based...the over-income units can be converted to market-rate units.”

Eagles Landing Apartments

- All 1 bedrooms
- 50% Applicable Fraction
In a LIHTC unit, if a household’s income exceeds the 140% income limit, the unit will continue to be counted as a LIHTC unit as long as rent charged is still restricted and the next available unit of comparable size or smaller is rented to a LIHTC qualified household.

“Once the percentage of low-income units in a building (excluding the over-income units) equals the percentage of low-income units on which the credit is based...the over-income units can be converted to market-rate units.”
In a LIHTC unit, if a household’s income exceeds the 140% income limit, the unit will continue to be counted as a LIHTC unit as long as rent charged is still restricted and the next available unit of comparable size or smaller is rented to a LIHTC qualified household.

“Once the percentage of low-income units in a building (excluding the over-income units) equals the percentage of low-income units on which the credit is based...the over-income units can be converted to market-rate units.”
LIHTC

Income Limits

- 8609, line 10C
- Regulatory Agreement / Extended Use Agreement (EUA)
- Income Limits of other programs
  - Most Restrictive
HOME Funds

Income Limits

- 50% AMI (LOW HOME)
- **60%** (HIGH HOME)
- Fixed or Floating Units

*60% at move-in
HOME Funds

FIXED UNITS
- Specific units
- May change between High and Low Home units
- Non-Home units will never change to a fixed Home Unit
- Fixed Home units will never change to a non-Home unit

FLOATING UNITS
- Specific number or percentage of units
- May switch status between Low and High
- May switch status between Home to Non-Home as needed
HOME Funds

FIXED UNITS

- Specific units
- May change between High and Low Home units
- Non-Home units will never change to a fixed Home Unit
- Fixed Home units will never change to a non-Home unit

Over-Income units are not required to move.
HOME Funds

FLOATING UNITS

- Specific number or percentage of units
- May switch status between Low and High
- May switch status between Home to Non-Home as needed
- Must replace with comparable type of unit
Housing Trust Fund

Income Limits

- 50% AMI
- 80% AMI
LIHTC + HOME Funds

Combining Programs - Income Limits
• Most Restrictive

Applicant Bobby Bland       #301
Gross Income $27,300

LIHTC 60% Income limit
$27,700

Low Home 50% Income limit
$23,500

Most Restrictive

DENIED
LIHTC + HOME Funds
Combining Programs - Income Limits
• Most Restrictive

Applicant Diana Prince  #302
Gross Income $21,200
LIHTC 60% Income limit
$27,700
Low Home Income limit
$23,500
Most Restrictive

Home Funds
& 100% LIHTC

301 Low Home
302 Low Home

APPROVED
Rent Limits

- 50%, 60%, or more restrictive
- Based on Income Limits
- Rent Limits per unit size (# of bedrooms)
- Gross rent charged to HH can not exceed rent limits*

Gross Rent = Tenant Paid Rent + Utility Allowance + Non-optional charges (does not include Rent Assistance)
### HOME Funds

#### Rent Limits

- **LOW HOME (50%) Rent**
- **HIGH HOME (80%/60%) Rent**
- Rents approved annually by the PJ

**GROSS RENT FOR UNIT:**
(Tenant paid rent plus Utility Allowance & other non-optional charges)

<table>
<thead>
<tr>
<th>Tenant Paid Rent</th>
<th>Utility Allowance</th>
<th>Gross Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>$200</td>
<td>$150</td>
<td>$350</td>
</tr>
</tbody>
</table>

**Maximum Rent Limit for this unit:**
(as of recertification effective date) $950

**Rent Assistance:**
- Other non-optional charges: $0

Unit Meets Rent Restriction at:
- 60%
- 50%
- 40%
- 30%
- 0%

### PART VIII. PROGRAM TYPE

Mark the program(s) listed below (a. through e.) for which this household’s unit will be counted toward the property’s occupancy requirements. Under each program marked, indicate the household’s income status as established by this certification/recertification.

<table>
<thead>
<tr>
<th>a. Tax Credit</th>
<th>b. HOME</th>
<th>c. Tax Exempt</th>
<th>d. AHDP</th>
<th>e. Other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>✔</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Income Status:
- **≤ 50% AMGI**
- **≤ 60% AMGI**
- **≤ 80% AMGI**
- **OI**

Income Status:
- **≤ 50% AMGI**
- **≤ 60% AMGI**
- **≤ 80% AMGI**
- **OI**

Income Status:
- **≤ 50% AMGI**
- **≤ 80% AMGI**
- **OI**

**Upon recertification, household was determined over-income (OI) according to eligibility requirements of the program(s) marked above.**
HOME Funds

Rent

Gross Rent = Tenant Paid Rent + Utility Allowance + Non-optional charges + Rent Assistance*

*Subsidy not included in rent limit if unit receives Subsidy AND the household is a very-low income (Low Home) household.

<table>
<thead>
<tr>
<th>Part VI. Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenant Paid Rent</td>
</tr>
<tr>
<td>Utility Allowance</td>
</tr>
<tr>
<td>Rent Assistance</td>
</tr>
<tr>
<td>Other non-optional charges</td>
</tr>
</tbody>
</table>

GROSS RENT FOR UNIT:
(Tenant paid rent plus Utility Allowance & other non-optional charges)
$1050

Maximum Rent Limit for this unit:
(as of recertification effective date)
$950

Unit Meets Rent Restriction at:
- 60%
- 30%

Project Based Section 8
LIHTC + HOME Funds

Combining Programs - Rent Limits

• Most Restrictive

Home Funds & 100% LIHTC

301 Low Home
302 Low Home

Unit 302
Utility Allowance $60
LIHTC 60% Rent limit $560
Low Home Rent limit $460

Most Restrictive

Subtract the UA
$400
LIHTC Student Eligibility

Income Limits
Rent Limits
Student Eligibility
LIHTC Student Eligibility

Does not want any unit to be filled with full-time students!

Are all household members full-time students?
No – Student Eligible
Yes - Concern
LIHTC Student Rules

• All Household members
• Elementary, Secondary, Institutions of Higher Learning
  • Defined by the school
  • Parts of five months out of the calendar year
• Certify at Move-in & Annual Recertification
LIHTC–Student 5 Exceptions

All are Full-time Students

- At least ONE member of the household receives assistance under title IV of the Social Security ACT (example is TANF, AFDC, etc.)
- At least ONE member of the household is currently enrolled in a job training program that receives assistance under the Job Training Partnership ACT (JTPA) or similar federal, state, or local laws.
- The head of the household is a single parent with child(ren) and neither the parent nor the child(ren) is the dependent of another individual.
All are Full-time Students

- The members of the household are married and are entitled to file a joint federal tax return.
- A full-time student was previously in a Foster Care Program

If the full-time student household does not meet any of the five exceptions, the household cannot live in a LIHTC unit!
LIHTC–Student Exceptions

All are Full-time Students

- The members of the household are married and are entitled to file a joint federal tax return.
- A full-time student was previously in a Foster Care Program.
Michael (age 24), Scottie (age 26) and Dennis (age 24) have applied to live in a LIHTC unit. The unit also receives HOME Funds. All three are co-heads of the household and all three are full-time students at a local college. Michael and Scottie works part-time and Dennis was formerly in the foster care system. Does this household meet the LIHTC student status qualifications?

Yes, because Dennis was formerly in the foster care system.
• In 2013 HOME funds adopted HUD's Section student eligibility rules
• Regulations 24 CFR 92.2 and the 24 CFR 5.612

Are there ANY members of the household a student and attend an institution of higher learning (full-time or part-time)?
HOME Funds Student Rules

Are ANY members of the household a student and attend an institution of higher learning (full-time or part-time)?

- Age 24 and older;
- Is a veteran;
- Is married;
- Is a dependent of the household;
- Has a dependent child(ren);
- Has a disability and was receiving assistance as of November 30, 2005;
- Is Independent*
- Parents are income eligible (low income limit)
HOME Funds Student Rules

Independent*

- They are of legal contract age under state law AND,
- Have established a separate household from their parents/guardians for at least one year prior to application for occupancy OR meet the U.S. Department of Education’s definition of an independent student**
- Not be claimed as a dependent by parents/guardians per IRS regulations AND,
- Obtain a certification of the amount of financial assistance that will be provided by parents, signed by the individual providing the support.
HOME Funds Student Rules

U.S. Department of Education’s Definition of Independent Student**

- 24+ years old
- Child or youth or at risk of being homeless**Is/was an Orphan, in foster care or ward of the court***
- Is/was emancipated minor***
- A Veteran
- Graduate or Professional Student
- Married
- Has legal dependents
- Verified as being an unaccompanied youth who is a homeless *
- A student for whom the financial aid administrator makes a documented determination of independence by reason of other unusual circumstances.
U.S. Department of Education’s definition of Independent Student**
Michael (age 24), Scottie (age 26) and Dennis (age 24) have applied to live in a LIHTC unit. The unit also receives HOME Funds. All three are co-heads of the household and all three are full-time students at a local college. Michael and Scottie work part-time and Dennis receives cash assistance from TANF. Does this household meet the HOME Funds student status qualifications? 

Yes, they all meet the over 23 exception.
## LIHTC + HOME Funds

### Combining Programs – Student Rules

<table>
<thead>
<tr>
<th>LIHTC</th>
<th>HOME FUNDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALL Household Members</td>
<td>ANY Household Member</td>
</tr>
<tr>
<td>Full-time Student</td>
<td>Full-time or Part-time</td>
</tr>
<tr>
<td>Institutions of learning (elementary, secondary, institutions of higher learning)</td>
<td>Only Institutions of higher learning</td>
</tr>
<tr>
<td>All Ages (school age and up)</td>
<td>23 and under</td>
</tr>
</tbody>
</table>
Qualifying Households

- Compare Gross Income to Income Limits
- Gross Income of Household must be at or below the Income Limits
- Income is defined according to HUD 4350.3 Chapter 5
- Exhibit 5-1 (Income) & Exhibit 5-2 (Assets)
Qualifying Households

Verification

1. Third Party Verification (Must come directly from the source).
   1. Fax, email, regular mail, viewed online (in office)
2. Secondary Documentation (Tenant-Provided documents).
   1. Best practice to make copies of originals
3. Household Affidavit (Must document tried 3rd party and secondary documentation).
Questions?