



RIHousing

Low Income Housing Tax Credit Program Training

October 10, 2018



Agenda

- Introductions
- Agency Updates
- Housing Stabilization Program
- Subsidy layering - LIHTC with HOME units
- Physical Inspection Information
- WTC and HUD Data Collection
- Coming attractions - Highlights from the New LIHTC Compliance Manual
- Questions

Agency Updates



Income Averaging

- The Consolidated Appropriations Act created a new income election known as “income averaging”
- Enacted on March 23, 2018
- Many issues and questions to consider

Income Averaging (*cont.*)

- “The Act” permanently establishes income averaging as a third minimum set-aside election for new Housing Credit developments which owners could choose in lieu of the two previously existing minimum set-aside elections (the 40 at 60 and 20 at 50 standards).*
- Income averaging allows credit-qualified units to serve households earning as much as 80 percent of Area Median Income (AMI), as long as the average income/rent limit in the property is 60 percent or less of AMI.

* *Excerpt from NCSHA Q & A 4.6.18*

Income Averaging (cont.)

Form 8609 (Rev. May 2018) Department of the Treasury Internal Revenue Service	Low-Income Housing Credit Allocation and Certification ▶ Go to www.irs.gov/Form8609 for instructions and the latest information.	OMB No. 1545-0988
Part I Allocation of Credit Check if: <input type="checkbox"/> Addition to Qualified Basis <input type="checkbox"/> Amended Form		
A Address of building (do not use P.O. box) (see instructions)	B Name and address of housing credit agency	
C Name, address, and TIN of building owner receiving allocation	D Employer identification number of agency	
E Building identification number (BIN)		
TIN ▶		
1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b
2 Maximum applicable credit percentage allowable (see instructions)		2 %
3a Maximum qualified basis	3a	
b Check here <input type="checkbox"/> if the eligible basis used in the computation of line 3a was increased under the high-cost area provisions of section 42(d)(5)(B). Enter the percentage to which the eligible basis was increased (see instructions)	3b 1 %	
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)	4 %	
5 Date building placed in service ▶		
6 Check the boxes that describe the allocation for the building (check those that apply): a <input type="checkbox"/> Newly constructed and federally subsidized b <input type="checkbox"/> Newly constructed and not federally subsidized c <input type="checkbox"/> Existing building d <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized f <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)		
Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.		
Signature of authorized official Name (please type or print) Date		
Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period		
7 Eligible basis of building (see instructions)	7	
8a Original qualified basis of the building at close of first year of credit period	8a	
a Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low-income units under section 42(d)(3)(B)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
10 Check the appropriate box for each election. 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)) ▶ <input type="checkbox"/> Yes <input type="checkbox"/> No		
b Elect not to treat large partnership as taxpayer (section 42(j)(5)) ▶ <input type="checkbox"/> Yes		
c Elect minimum set-aside requirement (section 42(g)) (see instructions): <input type="checkbox"/> 20-50 <input type="checkbox"/> 40-60 <input type="checkbox"/> Average income <input type="checkbox"/> 25-60 (N.Y.C. only)		
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions) ▶ <input type="checkbox"/> 15-40		
Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.		
Signature Taxpayer identification number Date		
Name (please type or print) First year of the credit period		
For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 63981U Form 8609 (Rev. 05-2018)		

Income Averaging Tips for Owner/Agent

Owner/Agent Action Items:

- Discuss specific plans for managing IA set-aside. At a minimum, concrete plans for handling compliance issues should be established before an owner entity/GP implements the new IA set-aside.
- Discuss how set-asides will be managed, and compliance ensured.
- Designate person(s) responsible for establishing and monitoring compliance; should be exceptionally qualified for cutting-edge compliance work.

** Costello Compliance Minimum Set-Aside & The Income Average Test 2018*

Income Averaging Tips for Owner/Agent *(cont.)*

A General Partner will need to ensure that investors are amenable to choosing the new set-aside. Technically, the set-aside is a GP option, but eliciting investor opinion is crucial in maintaining a good relationship with them. They will likely want assurances that the GP and Agents have a plan to handle the new compliance details and minimize risk of unknown factors presented by the new option.*

- Discuss plan with investors to establish a comfort level with them.
- Investor will need to amend partnership agreements, as necessary.

** Costello Compliance Minimum Set-Aside & The Income Average Test 2018*

Income Averaging Tips for Owner/Agent *(cont.)*

RIHousing Action Items:

- Discuss plan with owner/agent to establish a comfort level.
- Discuss investor buy-in and management plan to manage and monitor compliance with the set-aside.
- LURA will be amended to reflect the new set-aside.



Questions?

Housing Stabilization Program (HSP)

Homelessness Prevention & Diversion

- Launched in 2016
 - HSP was created to fill a gap in services for households who have been able to access mainstream housing but may experience challenges in maintaining their housing.
 - HSP provides short-term case management to help tenants address issues that may be compromising their voucher or tenancy, with the goal of remaining housed and avoiding eviction when possible.
- Unique to RIHousing
 - Only housing finance agency in Rhode Island to offer Housing Stabilization services.

Housing Stabilization Program

Who can access HSP services?

- HSP services are limited to to **RIHousing-involved** tenants in the following programs:
 - Leased Housing & Rental Services
 - Housing Choice Voucher Program
 - Continuum of Care
 - Project Based Contract Administration
 - **LIHTC/Tax Credits**
 - Homeownership
 - Help Center (foreclosures)
 - Madeline Walker Tax Lien Assistance program

Housing Stabilization Program *(cont.)*

Who can access HSP services?

- HSP services can also be accessed by private owners, landlords, and property management companies that house RIHousing tenants.*
 - Provide information & resources
 - Mitigation of case-specific tenant issues to avoid legal interventions
 - Landlord/tenant or tenant/tenant mediation

**HSP services are especially beneficial for properties that do not employ a Resident Service Coordinator*

Housing Stabilization Program *(cont.)*

Mutually beneficial outcomes

- For Tenants:
 - Increased likelihood of long-term success maintaining tenancy in a safe and sustainable home that meets the household's needs (*RIHousing mission*)
- For Owners/Management:
 - Minimizes financial burden
 - Administrative, staff time
 - Legal fees, constables
 - Unit turnover, forced move-out and storage, vacancy periods
 - Provides management with support when addressing tenant challenges

Increased positivity within the living & work environment

Housing Stabilization Program *(cont.)*

Referral Process: Accessing HSP services

- Complete Housing Stabilization Program referral form
 - Include a written description of the problem and action steps taken to address or rectify by management or RSC.
- Scan/email or fax referral form to:

Erin Gorman, HSP Coordinator

Phone: 401-457-1197

Email: egorman@rihousing.com

Fax: 401-450-1365



Questions?

Subsidy Layering, LIHTC with HOME

Be knowledgeable of rules for:

- Students
- Income eligibility determinations
- Income and rent limits
- Allowable verification methods
- Section 8 TBRA
- Section 8 PBRA
- Recertification

Subsidy Layering, LIHTC with HOME (*cont.*)

The Student Rule

A full-time **or** part-time student under age 24 is ineligible to occupy a HOME-assisted unit **unless:**

- Independently eligible
- Member of an eligible household
- Veteran
- Married
- Has a dependent child

Subsidy Layering, LIHTC with HOME (*cont.*)

The Student Rule

For HOME units in LIHTC projects:

- If student is under the age of 24, follow HOME (Section 8) rules
- If student is 24 or older, follow LIHTC rules

Subsidy Layering, LIHTC with HOME *(cont.)*

Income Eligibility Determinations

- Income limits are published by HUD
 - Program Bulletin from RIHousing
- 2 months of source documentation
 - Required at MI
- Third Party Verification
 - Required at AR

Subsidy Layering, LIHTC with HOME (*cont.*)

Income and Rent Limits

- Income limits are published by HUD
 - Program Bulletin from RIHousing
 - Establishes timeline for enforcement of new limits
- HOME ≠ LIHTC
- HOME ≠ Section 8
- HOME = HTF (Housing Trust Fund)

Subsidy Layering, LIHTC with HOME *(cont.)*

Allowable Verification Methods

- Source documents
 - 2 months of pay history
 - May be 2nd or 3rd party documents
- Pay Stubs
 - Not required every year
- Full Recertification
 - Every 6th year of Affordability Period
 - Contact your compliance specialist to verify

Section 8 TBRA

- Also known as Tenant Based Voucher
- Cannot exceed HOME limits
 - Tenant Rent
 - Utility Allowance
 - Subsidy

Subsidy Layering, LIHTC with HOME (*cont.*)

Section 8 PBRA

- Also known as Project Based Voucher
- = Low HOME
- ≠ High HOME
- Over Income Households
 - Must be charged the lesser of
 - 30% of household income
 - LIHTC rent

Subsidy Layering, LIHTC with HOME (cont.)

MANAGING RENTAL UNIT MIX UNDER HOME

FIXED		FLOATING	
Low HOME Unit		Low HOME Unit	
Change in Tenant Income at Recertification	Owner Action	Change in Tenant Income at Recertification	Owner Action
Existing tenant income remains < 50%	Update rent to currently published Low HOME rent - utilities (net rent)	Existing tenant income remains < 50%	Update rent to currently published Low HOME rent - utilities (net rent)
Existing tenant income rises above 50% but ≤ 80%	Unit remains Low HOME (no change in rent) until there is a vacancy in High HOME unit. When High HOME unit is vacant, change that unit to Low HOME & rent to VLI household at net Low HOME rent. Now can designate original unit as High HOME & raise rent for original tenant to net High HOME rent. May also wish to check to see if swap possible with existing High HOME unit whose tenant income is ≤ 50% AMI. If yes, can swap unit designation.	Existing tenant income rises above 50% but ≤ 80%	Unit remains Low HOME (no change in rent) until there is a vacancy in High HOME-assisted unit. When High HOME unit is vacant, change that unit to Low HOME & rent to VLI household at net Low HOME rent. Now can designate original unit as High HOME & raise rent for original tenant to net High HOME rent. May also wish to check to see if swap possible with existing High HOME unit whose tenant income is ≤ 50% AMI. If yes, can swap unit designation.
Existing tenant income rises above 80%	Increase rent to 30% adjusted income. When HOME-assisted unit available, rent to VLI household at net Low HOME rent. Project remains "temporarily out of compliance" until existing OI tenant chooses to move out.	Existing tenant income rises above 80%	Increase rent to lesser of 30% adjusted income or market rent. When market unit available, rent to VLI household at net Low HOME rent OR check to see if tenant in a market rate unit happens to be VLI. If yes, can swap unit designation. At this point, original unit becomes market unit not subject to any HOME restrictions. Instead, if high HOME unit becomes available, rent at Low HOME to VLI household. To maintain total required HOME assisted units, next available market rate unit becomes High HOME unit rented to LI household & OI unit becomes market rate no longer subject to HOME rules.
High HOME Unit		High HOME Unit	
Change in Tenant Income at Recertification	Owner Action	Change in Tenant Income at Recertification	Owner Action
Existing tenant income falls ≤ 50%	Check to see if swap possible with existing Low HOME unit whose tenant income is between 50 - 80% AMI. If yes, can swap unit designation. If no, existing unit can remain as High HOME at currently published High HOME rent - utilities (net rent).	Existing tenant income falls ≤ 50%	Check to see if swap possible with existing Low HOME unit whose tenant income is between 50 - 80% AMI. If yes, can swap unit designation. If no, existing unit can remain as High HOME at currently published High HOME rent - utilities (net rent).
Existing tenant income remains above 50% but ≤ 80%	Update rent to currently published High HOME rent - utilities (net rent)	Existing tenant income remains above 50% but ≤ 80%	Update rent to currently published High HOME rent - utilities (net rent)
Existing tenant income rises above 80%	Increase rent to 30% adjusted income. When High HOME-assisted unit available, rent to LI household at High HOME rent. Project remains "temporarily out of compliance" until the existing OI tenant chooses to move out.	Existing tenant income rises above 80%	Increase rent to lesser of 30% adjusted income or market rent. When market rate unit available, rent to LI household at High HOME rent OR check to see if tenant in a market rate unit happens to be LI. If yes, can swap unit designation. At this point, original unit becomes market unit not subject to any HOME restrictions.

HUD, Office of Affordable Housing Programs, Community Development Technical Assistance
Developed by ICF International, www.icfi.com



Questions?

Physical Inspection Information

Treas. Reg. §1.42-5(c)(2)(ii)(B): once every 3 years state agencies conduct on-site inspections of all buildings, common areas, grounds and percentage of units in the project.

RIHousing: stricter policy, not all properties eligible for minimum inspection schedule.

- Lender, financial backing
- Vested interest
- Preservation of the units/building
- Curb appeal
- Decent, safe and sanitary
- Turnover time

Physical Inspection Information (*cont.*)

Four Types of Inspections:

1. REAC:

<https://www.hud.gov/sites/dfiles/PIH/documents/newpasscb.pdf>

2. REAC under the Pilot/Initiative program:

<https://www.huduser.gov/portal/phy-inspection/home.html>

3. UPCS:

https://www.hud.gov/sites/documents/DOC_26481.PDF

Physical Inspection Information *(cont.)*

4. Mortgagee Inspection:

- A relatively quick visual inspection of the current condition of the property.
- Concentration on Health & Safety items.
- A representative sample of interior common areas, building exterior / grounds and **vacant units**.
- Includes boiler and mechanical rooms.
- All health and safety items will be immediately brought to the attention of management, who will be given 24 hours to correct.
- If found to be in below average physical condition, a UPCS will be scheduled, including occupied units.

Physical Inspection Information (*cont.*)

IRS Revenue Procedure 2016-15, Industry Standard Repairs:

- Standards are applicable to all properties subject to UPCS physical inspections.
- Non Industry Standard (NIS) repairs – not acceptable
- All repairs must be made in good and workmanlike manner with materials suitable for the purpose and defect free.
- **Findings logged will cite NIS repair and the original deficiency**

Example: A wall had a hole in it. Hole was patched with a piece of plywood and painted over. The finding would be NIS repair of hole in sheetrock; size of original hole will be an educated guess by the inspector and will effect severity of the finding.

<https://www.us-hc.com/images/pdfs/IndustryStandardNotice2016.pdf>

Physical Inspection Information (*cont.*)

Minimum Inspection Requirements Full LIHTC Inspection

- The lesser of Minimum Unit Sample Size of units (see Chart) or 20%, whichever is less.
 - If all BIN's are separate projects, 20% of each BIN will be inspected
 - Decoupling: Units inspected \neq Files reviewed
 - <https://www.irs.gov/pub/irs-drop/rp-16-15.pdf>

Number of Low-Income Units in the Low-Income Housing Project	Number of Low-Income Units Selected for Inspection or Low- Income Certification Review (Minimum Unit Sample Size)
1	1
2	2
3	3
4	4
5-6	5
7	6
8-9	7
10-11	8
12-13	9
14-16	10
17-18	11
19-21	12
22-25	13
26-29	14
30-34	15
35-40	16
41-47	17
48-56	18
57-67	19
68-81	20
82-101	21
102-130	22
131-175	23
176-257	24
258-449	25
450-1,461	26
1,462-9,999	27

Interagency Physical Inspection Alignment Initiative (f.k.a. the Pilot Program)

- RIHousing currently has 5 HUD-certified REAC inspectors
 - Brittany Toomey
 - Craig Scorpio
 - Glen Turner
 - Jamie Wolcott
 - Lenore Coughlin
- Inspectors cannot answer property-specific UPCS/REAC questions

Physical Inspection Information *(cont.)*

Interagency Physical Inspection Alignment Initiative (f.k.a. the Pilot Program) *(cont.)*

- You may not have noticed yet:
 - If a development has a REAC inspection scheduled during the calendar year, it is likely to be subject to a file review only
 - If your property has LIHTC and HOME, we do our best to visit the site only once (rather than once per program) and address all non-compliance at that time.
 - All specialists have had the same training; there is more consistency in conducting inspections.

Physical Inspection Information *(cont.)*



Available Resources

- **IRS 8823 Guide:**

<https://www.irs.gov/pub/irs-utl/lihc-form8823guide.pdf>

- **HUD REAC Compilation Bulletin:**

https://www.us-hc.com/images/pdfs/HUD_REAC_Comp_Bulletin_4.V3.pdf

- **HUD REAC Inspection Brief:**

https://www.hud.gov/sites/documents/INSPECTION_BRIEF.PDF

- **UPCS Protocol:**

https://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/reac/products/pass/pass_insp_rpv23



Questions?

WTC and HUD Data Collection

- Mandatory see PB # 2016-01
- Authorized users only
- Semi annual authorization
- LIHTC tenant data collection for HUD
- Not reporting = Non compliance = potential 8823


WTC and HUD Data Collection (cont.)



Rhode Island Housing
working together to bring you home

PROGRAM BULLETIN

To: Owners and Managing Agents of Low-Income Housing
Tax Credit (LIHTC) Properties

From: Leslie McKnight, Director of Loan Servicing 

Date: February 8, 2016

Subject: Quarterly Occupancy Reporting for LIHTC Program (one attachment)

Bulletin # 2016 - 01

This Program Bulletin amends Program Bulletin # 2009-03 regarding Rhode Island Housing's occupancy reporting requirements.

In an effort to further automate processes and reduce the administrative burden on owners and agents, the following will be effective March 1, 2016:

Owners of LIHTC properties will no longer be required to submit move-in move-out reports and occupancy reports. Waitlists are required and must be submitted at the end of each quarter or by the tenth of April, July, October and January of each year. Rhode Island Housing will now monitor occupancy and move-in move-out activity in the Web Tenant Compliance system (WTC). In order for this practice to be successful, it is imperative that owners ensure that WTC is accurate, current and updated on a monthly basis. Failure to comply with this requirement may result in the issuance of an 8823 finding of non-compliance for failure to report to the state agency.

Additionally, effective March 1, 2016, Rhode Island Housing will be utilizing WTC to monitor the HOME units in each applicable property. To do this, owners will be required to complete the HOME unit tracking spread sheet (attached) and submit it to their assigned multifamily compliance specialist on a monthly basis. Failure to comply with this requirement may result in the issuance of an 8823 finding of non-compliance for failure to report to the state agency.

If you have any questions about this Program Bulletin, please contact Kathleen Millerick, Multifamily Compliance Supervisor, by telephone at (401) 457-1241 or by email at kmillerick@rhodeislandhousing.org.

Attachment: HOME unit tracking spreadsheet

44 Washington Street, Providence, RI 02903-1721 • Phone: 401 457-1234 • www.rhodeislandhousing.org

WTC and HUD Data Collection *(cont.)*

- WTC Demonstration
- Password reset
- Technical support
- Generating an occupancy report

Coming Attractions

Highlights from the New LIHTC Compliance Manual

- New Policies
- Alignment with IRS and industry best practices
- Reduce paperwork burden
- Adopting recommended Section 8 practices
- Changes effective immediately: assets less than \$5000

Coming Attractions (*cont.*)

Highlights from the New LIHTC Compliance Manual

IRS Rev. Proc. 94-65 allows for self-affidavit for assets under \$5000

- Other programs may not allow
- Applicants/tenants can self-certify Assets less than \$5000
- All projects
- RIHousing Asset Certification form obsolete

Coming Attractions (cont.)

Highlights from the New LIHTC Compliance Manual

CERTIFICATION OF ASSETS LESS THAN \$5,000 (For LIHTC units*)
For households whose combined NET assets DO NOT exceed \$5,000
Complete one form per household; include assets from children of the household

Household Name: _____ Unit #: _____ Address: _____

1. My/our assets include:

Asset Type	(A) Cash Value*	(B) Int. Rate%	(A+B) Annual Income	Asset Type	(A) Cash Value*	(B) Int. Rate%	(A+B) Annual Income
Savings Account				Real Estate			
Checking Account				Mobile Home			
Cash on Hand				Lump Sum Receipts			
Direct Debit Express/EBT Card***				Safety Deposit Box			
Rep Payee Account				Stocks/Bonds			
IRA*				Keogh Account			
Money Market Funds				Capital Investments			
Trust Funds*				e Banking Accounts			
401K Accounts*				Bitcoin/Cryptocurrency			
Certificate of Deposit				GoFundMe/CrowdSourcing			

Asset Type	Source	Cash Value	Interest Rate	Annual Income
Whole Life Insurance				
Other Retirement/Pension Funds*				
Personal property held as an Investment **				
Other (Attach list if necessary)				

→ PLEASE NOTE: Certain Funds (e.g. Retirement, Pension, Trust) may or may not be (fully) accessible to you. Include only those amounts which are:

* Cash value is defined as market value minus the cost of converting the asset to cash, such as broker's fees, settlement costs, outstanding loans, early withdrawal penalties, etc.

** Personal property held as an investment may include, but is not limited to, gems or coin collections, art, antique cars, etc. DO NOT include necessary personal property such as, but not necessarily limited to, household furniture, daily use of autos, clothing, assets of an active business, or special equipment for use of the disabled.

*** Examples: Payroll, Social Security or Welfare Accounts. [Do not count food stamp accounts or checking accounts already listed].

The Net Household Assets (as defined in CRF 813.102) listed above do not exceed \$5,000 AND the Annual Income from the Net Household Asset is \$ _____. This amount is included in the total Gross Annual Income.

2. Disposed Assets
☐ (YES) ☐ (NO) I/We have disposed of assets for less than fair market value in the last 2 years. Examples would include such items as charitable donations or giving/selling assets (such as real estate) to family.

3. If No Assets:
☐ I/We DO NOT have any assets at this time.

Under penalty of perjury I/we certify that the information presented in this certification is true and accurate to the best of my/our knowledge. The undersigned further understands that providing false information herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of a Lease Agreement and reporting of fraud to authorities.

Applicant/Tenant signature _____ Date _____

* May not be used for HOME units, where full certification is required

RIH form 10.1.18

Coming Attractions (*cont.*)

Highlights from the New LIHTC Compliance Manual

The annual social security benefit/award letters are acceptable throughout the current benefit year.

Coming Attractions (cont.)

Highlights from the New LIHTC Compliance Manual

Your New Benefit Amount

BENEFICIARY'S NAME:

Your Social Security benefits will increase by 0.3% percent in 2017 because of a rise in the cost of living. You can use this letter as proof of your benefit amount if you need to apply for food, rent, or energy assistance. You can also use it to apply for bank loans or for other business. Keep this letter with your important financial records.

How Much Will I Get And When?

- Your monthly amount (before deductions) is \$1,450.00
- The amount we deduct for Medicare medical insurance is \$109.00
(If you did not have Medicare as of November 17, 2016, or if someone else pays your premium, we show \$0.00.)
- The amount we deduct for your Medicare prescription drug plan is \$0.00
(We will notify you if the amount changes in 2017. If you did not elect withholding as of November 1, 2016, we show \$0.00.)
- The amount we deduct for voluntary Federal tax withholding is \$0.00
(If you did not elect voluntary tax withholding as of November 17, 2016, we show \$0.00.)
- After we take any other deductions, you will receive \$1,341.00
on or about Jan. 3, 2017.

If you disagree with any of these amounts, you must write to us within 60 days from the date you receive this letter. We would be happy to review the amounts.

If you receive a paper check and want to switch to an electronic payment, please visit the Department of the Treasury's Go Direct website at www.godirect.org online.

What If I Have Questions?

- Visit our website at www.socialsecurity.gov for more information about Social Security.
- Call us toll-free at 1-800-772-1213 (TTY 1-800-325-0778) if you have questions. If you speak Spanish, press 7. For other languages, wait until we answer, and then ask for an interpreter.
- Contact your local Social Security office, or contact any United States embassy or consulate office when outside the United States.

Coming Attractions (cont.)

Highlights from the New LIHTC Compliance Manual

Social Security Administration

Date: August 10, 2017
Claim Number: XXX-XX-
XXX-XX.



006206 1 MB D.423 P002 T0011 LTR BEV 0810



You asked us for information from your record. The information that you requested is shown below. If you want anyone else to have this information, you may send them this letter.

Information About Current Social Security Benefits

Beginning December 2016, the full monthly Social Security benefit before any deductions is \$ 604.00.

We deduct \$0.00 for medical insurance premiums each month.

The regular monthly Social Security payment is \$ 604.00.
(We must round down to the whole dollar.)

Social Security benefits for a given month are paid the following month. (For example, Social Security benefits for March are paid in April.)

Your Social Security benefits are paid on or about the third of each month.

Information About Past Social Security Benefits

From December 2014 to November 2016, the full monthly Social Security benefit before any deductions was \$ 602.30.

We deducted \$0.00 for medical insurance premiums each month.

The regular monthly Social Security payment was \$ 602.00.
(We must round down to the whole dollar.)

Information About Supplemental Security Income Payments

Beginning January 2015, the current Supplemental Security Income payment is \$ 151.00.

Coming Attractions (*cont.*)

Highlights from the New LIHTC Compliance Manual

Coming in 2019

Coming Attractions (*cont.*)

Highlights from the New LIHTC Compliance Manual

Forms to have readily available:

- IRS 8609 form(s)
- LURA
- Management Plan
- Tenant Selection Plan

Coming Attractions (*cont.*)

Highlights from the New LIHTC Compliance Manual

What you need to know:

- Total # of Projects in Development
- Total # of BINs
- Total # of units
- Total # of LIHTC units – per LURA
- Funding sources in project

Coming Attractions (cont.)

Highlights from the New LIHTC Compliance Manual

IF Project is 100% LIHTC:

- Abbreviated Annual Certification(AAC) for all years after IC/MI.
- Tenant self-certify income and assets
- NOT Student Status
- Owner must request (AAC)
- RI Housing approval

Coming Attractions (*cont.*)

Highlights from the New LIHTC Compliance Manual

Fresh look at how we view your income calculations:

- Allow a reasonable method
- Must be consistent
- Determined by the owner
- 2 months of paystubs required

Coming Attractions (cont.)

Highlights from the New LIHTC Compliance Manual

- Treas. Reg. §1.42-5(b)(1)(vii) states that “tenant income is calculated in a manner consistent with the determination of annual income under Section 8.”
- Averages for variables like hours worked is allowed.
- For instance, if a verification states the tenant works 34-40 hours a week, HUD would calculate this at an average of 37 hours :

$$\begin{array}{r} 34 \\ +40 \\ \hline \end{array}$$

$$74 / 2 = 37$$

Compliance Topics of Concern to Managers of LIHTC Properties

Hot Topics – Feedback *(cont.)*

Address in your TSP:

- CBIs
- Eviction procedures
- Over housed and under housed
- Reasonable accommodations
- Drugs
- VAWA

Hot Topics – Feedback *(cont.)*

VAWA should be addressed in your Management and TSP: If no HOME or HUD...

- Adopt the HUD *Victim Cert* and *Transfer Request* forms.
- Adapt the model HUD *Notice of Rights* and *Emergency Transfer Plan* to the property and tax credit rules.
- Provide all current residents *Notice of Rights* with *Victim Cert*. These will be provided to all new move-ins and whenever a notice of denial or termination of occupancy or federal rental assistance is served.
- Modify tenant selection criteria for VAWA policies.
- Provide staff that interact with applicants and tenants training in VAWA.

Hot Topics – Feedback *(cont.)*

Address in the Lease and Addendum(s):

- Responding to notice of certification
- Failure to recertify
- Not reporting income
- Not reporting changes in household composition
- Fraud

Hot Topics – Feedback *(cont.)*

Address in your Management Plan:

- Finding qualified staff/training
- Maintaining tenant files
- Tracking
- Using current forms

Hot Topics – Feedback *(cont.)*

Consult with your Section 8 Program Administrator:

- VAWA emergency transfer requests
- Medical deductions
- MOR questions

How RIHousing can help:

- Announcement and outreach when LIHTC manual is completed and ready for distribution
- Trainings – on demand, custom made, your shop or at RIHousing, trainings/workshops that fit your needs
- Call or email your questions

Questions?
Thank you!

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