

**HOUSING**  
**CREDIT**CONNECT  
2 0 1 9

# Compliance Hot Topics

Combined Programs



# New Programs Combined with LIHTCs

## HUD 811 PBRA

- Project-Based RACs
- Designed for certain disabilities
- Partnerships between service providers and owners

## LIHTC Concerns:

- Full HUD management needed **WITH EIV AND** vacancy losses
- Utility Allowances – Set with RAC – “HUD Regulated”?
- ELI – 50% LIHTC designations & float

# New Programs Combined with LIHTCs

## Housing Trust Fund

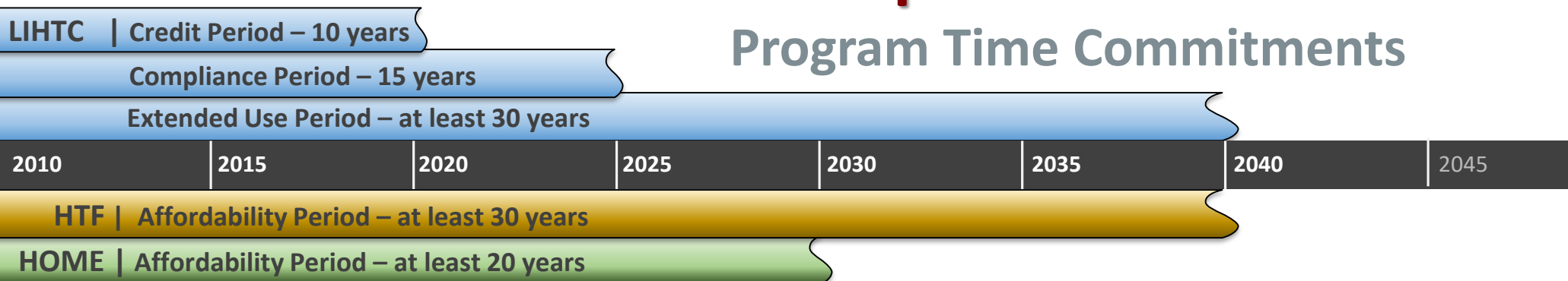
- NATIONAL HTF

## LIHTC Concerns:

- Differentiate from **STATE** HTFs (often based on HOME)
- Long-term commitment

## Example

### Program Time Commitments





2019

## MULTIPLE PROGRAMS GUIDE

A SIDE-BY-SIDE SUMMARY OF SPECIFIC HOUSING PROVISIONS

Tax Credits | HUD | Rural Development | HOME | Tax Exempt Bonds  
NOW INCLUDES Housing Trust Fund PROVISIONS

### HOME [HTF]

HUD allows PJs to choose from two methods for determining income, these will be stated in the HOME regulatory agreement and may include:

- 1) 1040 tax return definition
- 2) Section 8 method from the 4350.3 Chapter 5\*
- 3) The 2013 regulation change eliminated the Census Long Form as an option.

\*The most widely used and the only option available to tax credit properties.

HTF allows for the same two options as post 2013 HOME.

HOME Guide 3.2 D Home Reg § 92.203(b)(2) (2013)

HTF 24 CFR 93.151 (b)



# Income Definitions

Consistent with LIHTC?

**No guarantee**



2019

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### HOME [HTF]

HUD HOME income limits based on area median income (AMI) are used. HOME limits are county or MSA specific and may go up or down any given year. The HUD very low (50% AMI) limits apply to Low HOME units. High HOME limits are the HUD low income (80%) limits.

HTF income limits are HUD's extremely low limits, which are the higher of the 30% limits or the poverty level for an area, capped at the

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# Income Limits

= LIHTC AIT 50% designation?



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### HOME [HTF]

Assets are 3<sup>rd</sup>-party verified or “source documents are used for initial program entry and then every 6th year of the affordability period. Income self-certification or verification from a RA voucher provider can be used for years 2-5. Imputed income from assets using the Hud passbook rate is calculated.

HTF allows the same verification methodology and cycle as HOME.

HOME Guide 3.2 E 2 & 5, F3, Attachment 3-5 HOME Technical Guide 15

HTF 24 CFR 93.151 (d)



# Verification

“Source” documents

**Concern: State LIHTC verification rules (definition of “3<sup>rd</sup>-party”)**

2 months wage history?

PHA verification for non 6<sup>th</sup>-year only



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### HOME [HTF]

Income and subsequent rent increases may result in reclassification from LOW to HIGH HOME rents. Rents switch to 30% of adjusted income once the household's income exceeds the 80% limit. LOW HOME households that exceed the HOME 50% limits and HIGH HOME households that exceed the HOME 80% limits are "over income". Resulting actions are then determined by the program and depends on whether the project is "fixed" or "floating" HOME. Households at the maximum rent are not required to move out of the unit. For projects that have tax credit funding also, rent for over-income households is not based on adjusted income, but may be raised to tax credit limits.

HTF units that exceed the HTF limits are in temporary non-compliance and the next available comparable unit must be rented to an HTF-eligible tenant for floating HTF units. If fixed HTF, the unit(s) will



# Income Increases

If "floating"

## Redesignation of AIT units



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### HOME [HTF]

HUD 2016  
guidance applies to  
HOME.

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HUD 2016  
guidance applies  
to HTF.

Fed Reg Vol 81 No. 221  
Wed Nov 16, 2016

HTF 24 CFR 93.356

# VAWA

Applicable by regulation  
**HUD Forms**



## Contact Info

**Scott Michael Dunn**

CEO | Costello Compliance

**[smdunn@costelloco.com](mailto:smdunn@costelloco.com)**