

**ADDENDUM
HOUSING TAX CREDIT APPLICANT ELIGIBILITY
Polk Avenue Apartments**

This property is subsidized by a HUD project based Section 8 contract and must also follow the Federal Housing Tax Credits (HTC) program regulations. All applicants must qualify under **BOTH** programs. Applicants must also meet the qualifications shown in the steps below before they can be admitted for occupancy.

Property Managers must fax all move-in information to the Occupancy Supervisor for approval before the Rental Agreement (lease) is signed and keys are given; and before the 50059 is completed. This step is needed to ensure compliance with HUD 4350.3 REV-1 and Housing Credit program regulations. Form RS-22 “Move-in Approval Form” will be used as a guide for the required information.

Step 1:

Compare the applicant’s household **gross** annual income calculated and listed on the *TC-59 “Resident Certification” to the appropriate *per person* income limit on the “Rental Amounts and Income Ranges” chart (see below). The household’s income must be **at or below** the income limit for the household size. These limits are updated annually by HUD. The example below is the HTC 60% of median income limit for 2003.

Household Size	Max Gross Annual Income (60% median)
1	\$16,260
2	\$18,600
3	\$20,880

Even though the Section 8 Contract for this property allows for applicants to qualify under the HUD low-income limits (80% of median that are higher than the above limits), **ALL applicants must be at or below the 60% income limits above to be eligible for occupancy under the HTC program.** By using the 60% income limits, Applicants will automatically be eligible for Section 8 assistance since their income would fall below the Low-income (80% median).

Step 2:

Households (applicant and current resident) where **ALL** adults are **FULL-TIME** students are **not** eligible under the HTC program unless they meet one of the exceptions on form TC-14t “Certification of Full-Time Student Eligibility.” All other households with students (not pre-school or kindergarten) must certify the student status of the individual(s) by using form TC-14t. If the student is 18 years or older, the student status must also be

verified by the school or institution attended. Use form TC-13 "Student Status Verification" to get the required information.

Step 3:

Compare the Maximum Allowable Housing Tax Credit *gross* rent (60% median) to the **Total Tenant Payment** (before utility allowance is subtracted) calculated on the *TC-59 "Resident Certification". **NOTE:** Since the HUD rent is higher than the Maximum HTC Gross Rent amount it is important to note that the resident can **never** pay more for their rent share plus the utility allowance than the Maximum HTC Gross Rent amount. See the illustration shown under the chart below.

The following example indicates the Maximum Allowable **Gross** Housing Tax Credit rents for 2003. These rents are adjusted annually when the new income limits are released.

Bedroom Size	HUD Rents (with utility allowance)	60% Median Gross Rents
One Bedroom	\$447 + \$18 UA = \$465	\$ 420

If the resident's adjusted gross income rent calculation should produce a higher rent than the HTC rent, the TC-59 and the 50059 will show the correct rent and subsidy to report to HUD. However, for accounting purposes this rent situation would be considered a "loss to lease" for the difference between the HTC rent and the HUD rent.

For HUD: Resident's Total Tenant Payment Calculates to: \$ 440
 Utility Allowance: - 18
 Resident's Rent, but cannot charge: \$ 422

For Housing Credit: Resident's TTP Cannot Exceed: \$ 420
 Utility Allowance: - 18
 Resident's Rent Actually Paid: \$ 402

Loss to Lease: \$ 422 – 402 = \$ 20 per month

*The TC-59 "Resident Certification" form is the certification worksheet used prior to entering an applicant's or resident's household information in HUDManager to produce the required HUD 50059 Owner's Certification. It is used to pre-determine income, household size and rent eligibility.