

CTCAC Basic Compliance Spring Workshop

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Role of the State Monitoring Agency

- ▶ Monitor LIHTC Properties for compliance to IRC Section 42
- ▶ Report incidents of noncompliance to the IRS on Form 8823
- ▶ Provide guidance, information, and training to the users of the LIHTC program

Role of the State Monitoring Agency

- ▶ Keep up with changing regulations, program requirements, laws and industry discussions that affect LIHTC
- ▶ Work in partnership with the owners and management agents who own and operate LIHTC properties

Key Terms

▶ CTCAC Project Number

- CA-XX-XXX or CA-12-105
- This number will identify the particular project on our database
 - ▶ Used on Form 8609 -IRS
 - ▶ Used on Form 8823 -IRS
- Used any time you contact CTCAC

CTCAC Forms

- ▶ Tenant Income Certification (TIC)
 - ▶ Updated July 2017
- ▶ Tenant Household Information Form (THIF)
 - ▶ Updated July 2017
- ▶ Tenant Income Certification Questionnaire (TICQ)
- ▶ Verification of Employment (VOE)
- ▶ Zero Income Certification

Tenant Income Certification (TIC)

TENANT INCOME CERTIFICATION

Initial Certification
 Recertification
 Other _____

Effective Date: _____
 Move-In Date: _____
 (MM-DD-YYYY)

PART I - DEVELOPMENT DATA

Property Name: _____ County: _____ TCAC#: _____ BIN#: _____
 Address: _____ If applicable, CDLAC#: _____
 Unit Number: _____ # Bedrooms: _____ Square Footage: _____

PART II. HOUSEHOLD COMPOSITION

Vacant (Check if unit was vacant on December 31 of the Effective Date Year)

HH Mbr #	Last Name	First Name	Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/YYYY)	F/T Student (Y or N)	Last 4 digits of Social Security #
1				HEAD			
2							
3							
4							
5							
6							
7							

PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)

HH Mbr #	(A) Employment or Wages	(B) Soc. Security/Pensions	(C) Public Assistance	(D) Other Income
TOTALS	\$ _____	\$ _____	\$ _____	\$ _____

Add totals from (A) through (D), above

TOTAL INCOME (E): \$ _____

PART IV. INCOME FROM ASSETS

HH Mbr #	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from Asset
TOTALS:			\$ _____	\$ _____
Enter Column (H) Total		Passbook Rate		
If over \$5000		\$ _____ X 0.06%	= (J) Imputed Income	\$ _____
Enter the greater of the total of column I, or J: imputed income			TOTAL INCOME FROM ASSETS (K)	\$ _____
(L) Total Annual Household Income from all Sources [Add (E) + (K)]				\$ _____

HOUSEHOLD CERTIFICATION & SIGNATURES

The information on this form will be used to determine maximum income eligibility. I/we have provided for each person(s) set forth in Part II acceptable verification of current anticipated annual income. I/we agree to notify the landlord immediately upon any member of the household moving out of the unit or any new member moving in. I/we agree to notify the landlord immediately upon any member becoming a full time student.

Under penalties of perjury, I/we certify that the information presented in this Certification is true and accurate to the best of my/our knowledge and belief. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of the lease agreement.

Signature	(Date)	Signature	(Date)
Signature	(Date)	Signature	(Date)

Tenant Income Certification (TIC)

PART V. DETERMINATION OF INCOME ELIGIBILITY		RECERTIFICATION ONLY	
TOTAL ANNUAL HOUSEHOLD INCOME FROM ALL SOURCES: From item (L) on page 1	\$	Unit Meets Federal Income Restriction at: <input type="checkbox"/> 60% <input type="checkbox"/> 50%	Current Federal LIHTC Income Limit x 140%: \$
Current Federal LIHTC Income Limit per Family Size:	\$	Unit Meets Deeper Targeting Income Restriction at: <input type="checkbox"/> Other _____%	Household Income exceeds 140% at recertification: <input type="checkbox"/> Yes <input type="checkbox"/> No
If Applicable, Current Federal Bond Income Limit per Family Size:	\$		
Household Income as of Move-in:	\$	Household Size at Move-in:	

PART VI. RENT				
Tenant Paid Monthly Rent:	\$	Federal Rent Assistance:	\$	*Source: _____
Monthly Utility Allowance:	\$	Non-Federal Rent Assistance:	\$	(*0-8)
Other Monthly Non-optional charges:	\$	Total Monthly Rent Assistance:	\$	
GROSS MONTHLY RENT FOR UNIT: (Tenant paid rent plus Utility Allowance & other non-optional charges)	\$	*Source of Federal Assistance 1 **HUD Multi-Family Project Based Rental Assistance (PBRA) 2 Section 8 Moderate Rehabilitation 3 Public Housing Operating Subsidy 4 HOME Rental Assistance 5 HUD Housing Choice Voucher (HCV), tenant-based 6 HUD Project-Based Voucher (PBV) 7 USDA Section 521 Rental Assistance Program 8 Other Federal Rental Assistance 0 Missing		
Maximum Federal LIHTC Rent Limit for this unit:	\$	** (PBRA) Includes: Section 8 New Construction/Substantial Rehabilitation; Section 8 Loan Management; Section 8 Property Disposition; Section 202 Project Rental Assistance Contracts (PRAC)		
If Applicable, Maximum Federal & State LIHTC Bond Rent Limit for this unit:	\$			
Unit Meets Federal Rent Restriction at:	<input type="checkbox"/> 60% <input type="checkbox"/> 50%			
If Applicable, Unit Meets Bond Rent Restriction at:	<input type="checkbox"/> 60% <input type="checkbox"/> 50%			
Unit Meets Deeper Targeting Rent Restriction at:	<input type="checkbox"/> Other: _____%			

PART VII. STUDENT STATUS		
ARE ALL OCCUPANTS FULL TIME STUDENTS?	If yes, Enter student explanation* (also attach documentation)	*Student Explanation:
<input type="checkbox"/> yes <input type="checkbox"/> no	Enter 1-5	1 AFDC / TANF Assistance 2 Job Training Program 3 Single Parent/Dependent Child 4 Married/Joint Return 5 Former Foster Care

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.				
a. Tax Credit <input type="checkbox"/>	b. HOME <input type="checkbox"/>	c. Tax Exempt Bond <input type="checkbox"/>	d. AHDP <input type="checkbox"/>	e. _____ <input type="checkbox"/> <small>(Name of Program)</small>
See Part V above.	<i>Income Status</i> <input type="checkbox"/> ≤ 50% AMGI <input type="checkbox"/> ≤ 60% AMGI <input type="checkbox"/> ≤ 80% AMGI <input type="checkbox"/> OI**	<i>Income Status</i> <input type="checkbox"/> 50% AMGI <input type="checkbox"/> 60% AMGI <input type="checkbox"/> 80% AMGI <input type="checkbox"/> OI**	<i>Income Status</i> <input type="checkbox"/> 50% AMGI <input type="checkbox"/> 80% AMGI <input type="checkbox"/> OI**	<i>Income Status</i> <input type="checkbox"/> _____ <input type="checkbox"/> OI**
**Upon recertification, household was determined over-income (OI) according to eligibility requirements of the program(s) marked above.				

SIGNATURE OF OWNER/REPRESENTATIVE

Based on the representations herein and upon the proof and documentation required to be submitted, the individual(s) named in Part II of this Tenant Income Certification is/are eligible under the provisions of Section 42 of the Internal Revenue Code, as amended, and the Land Use Restriction Agreement (if applicable), to live in a unit in this Project.

SIGNATURE OF OWNER/REPRESENTATIVE _____ DATE _____

Tenant Income Certification (TIC)

PART IX. SUPPLEMENTAL INFORMATION FORM

The California Tax Credit Allocation Committee (CTCAC) requests the following information in order to comply with the Housing and Economic Recovery Act (HERA) of 2008, which requires all Low Income Housing Tax Credit (LIHTC) properties to collect and submit to the U.S. Department of Housing and Urban Development (HUD), certain demographic and economic information on tenants residing in LIHTC financed properties. Although the CTCAC would appreciate receiving this information, you may choose not to furnish it. You will not be discriminated against on the basis of this information, or on whether or not you choose to furnish it. If you do not wish to furnish this information, please check the box at the bottom of the page and initial.

Enter both Ethnicity and Race codes for each household member (see below for codes).

TENANT DEMOGRAPHIC PROFILE						
HH Mbr #	Last Name	First Name	Middle Initial	Race	Ethnicity	Disabled
1						
2						
3						
4						
5						
6						
7						

The Following Race Codes should be used:

- 1 – White – A person having origins in any of the original people of Europe, the Middle East or North Africa.
- 2 – Black/African American – A person having origins in any of the black racial groups of Africa. Terms such as “Haitian” or “Negro” apply to this category.
- 3 – American Indian/Alaska Native – A person having origins in any of the original peoples of North and South America (including Central America), and who maintain tribal affiliation or community attachment.
- 4 – Asian – A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent:
 - 4a – Asian India 4e – Korean
 - 4b – Chinese 4f – Vietnamese
 - 4c – Filipino 4g – Other Asian
 - 4d – Japanese
- 5 – Native Hawaiian/Other Pacific Islander – A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands:
 - 5a – Native Hawaiian 5c – Samoan
 - 5b – Guamanian or Chamorro 5d – Other Pacific Islander
- 6 – Other
- 7 – Did not respond. **(Please initial below)**

Note: Multiple racial categories may be indicated as such: 31 – American Indian/Alaska Native & White, 14b – White & Asian (Chinese), etc.

The Following Ethnicity Codes should be used:

- 1 – Hispanic – A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race. Terms such as “Latino” or “Spanish Origin” apply to this category.
- 2 – Not Hispanic – A person not of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.
- 3 – Did not respond. **(Please initial below)**

Disability Status:

- 1 – Yes
 - If any member of the household is disabled according to Fair Housing Act definition for handicap (disability):
 - A physical or mental impairment which substantially limits one or more major life activities; a record of such an impairment or being regarded as having such an impairment. For a definition of “physical or mental impairment” and other terms used, please see 24 CFR 100.201, available at http://www.fairhousing.com/index.cfm?method=page.display&page=regs_fhr_100-201.
 - “Handicap” does not include current, illegal use of or addiction to a controlled substance.
 - An individual shall not be considered to have a handicap solely because that individual is a transvestite.
- 2 – No
- 3 – Did not respond **(Please initial below)**

Resident/Applicant: I do not wish to furnish information regarding ethnicity, race and other household composition.

(Initials) _____
 (HH#) 1. 2. 3. 4. 5. 6. 7.

Tenant Household information Form (THIF)

Tenant Household Information Form

(for use in Year 3 - 100% Tax Credit Properties only)

Effective Date: _____
 Move-in Date: _____
 MM-DD-YYYY

PROJECT DATA			
Project Name: _____	County: _____	TCAC#: _____	BIN#: _____
Address: _____		If applicable, CDLAC#: _____	
Unit Number: _____	# Bedrooms: _____	Square Footage: _____	

HOUSEHOLD COMPOSITION						
<input type="checkbox"/> Vacant (Check if unit was vacant on December 31 of the Effective Date Year)						
HH Mbr #	Last Name	First Name & Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/YYYY)	F/T Student (Y or N)	Last 4 digits of Social Security#
1			HEAD			
2						
3						
4						
5						
6						
7						

Household Income as of LIHTC Move In: _____ Effective Date of LIHTC Income Certification: _____
 Household Size at LIHTC Move In: _____ Household Size at LIHTC Certification: _____

Tenant Paid Monthly Rent: \$ _____ Monthly Utility Allowance: \$ _____ Other Monthly Non-Optional Charges: \$ _____ GROSS MONTHLY RENT FOR UNIT: (Tenant paid monthly rent plus monthly Utility Allowance & other non-optional charges) Maximum Federal LIHTC Rent Limit for this unit: \$ _____ If Applicable, Maximum Federal & State LIHTC Bond Rent Limit for this unit: \$ _____ Units Meets Federal Rent Restriction at: <input type="checkbox"/> 60% <input type="checkbox"/> 50% If Applicable, Unit Meets Bond Rent Restriction at: <input type="checkbox"/> 60% <input type="checkbox"/> 50% Unit Meets Deeper Targeting Rent Restriction at: <input type="checkbox"/> Other _____ %	Federal Rent Assistance: \$ _____ *Source: _____ Non-Federal Rent Assistance: \$ _____ (*0-8) Total Monthly Rent Assistance: \$ _____ *Source of Federal Assistance 1 **HUD Multi-Family Project Based Rental Assistance (PBRA) 2 Section 8 Moderate Rehabilitation 3 Public Housing Operating Subsidy 4 HOME Rental Assistance 5 HUD Housing Choice Voucher (HCV), tenant-based 6 HUD Project-Based Voucher (PBV) 7 USDA Section 521 Rental Assistance Program 8 Other Federal Rental Assistance 0 Missing ** (PBRA) Includes: Section 8 New Construction/Substantial Rehabilitation; Section 8 Loan Management; Section 8 Property Disposition; Section 202 Project Rental Assistance Contracts (PRAC)
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STUDENT STATUS		
ARE ALL OCCUPANTS FULL TIME STUDENTS? <input type="checkbox"/> Yes <input type="checkbox"/> No	If yes, Enter student explanation* (also attach documentation) <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;"> Enter 1-5 </div>	*Student Explanation: 1 AFDC / TANF Assistance 2 Job Training Program 3 Single Parent/Dependent Child 4 Married/Joint Return 5 Former Foster Care
*If the above answer is yes, a Student Verification Form (completed via 3 rd party) must be attached to this form		

Tenant Income Certification Questionnaire (TICO)

TENANT INCOME CERTIFICATION QUESTIONNAIRE <i>One Form per Adult Member of the Household</i>				
NAME: _____		TELEPHONE NUMBER: () _____		
<input type="checkbox"/> Initial Certification		BIN # _____		
<input type="checkbox"/> Re-certification		Unit # _____		
<input type="checkbox"/> Other				
INCOME INFORMATION				
	Yes	No		MONTHLY GROSS INCOME
1.	<input type="checkbox"/>	<input type="checkbox"/>	I am self employed. (List nature of self employment) _____	(use <u>net</u> income from self-employment only) \$ _____
2.	<input type="checkbox"/>	<input type="checkbox"/>	I have a job and receive wages, salary, overtime pay, commissions, fees, tips, bonuses, and/or other compensation: List the businesses and/or companies that pay you: <div style="text-align: center; margin-left: 40px;"> <u>Name of Employer</u> 1) _____ 2) _____ 3) _____ </div>	\$ _____ \$ _____ \$ _____
3.	<input type="checkbox"/>	<input type="checkbox"/>	I receive cash contributions of gifts including rent or utility payments, on an ongoing basis from persons not living with me.	\$ _____
4.	<input type="checkbox"/>	<input type="checkbox"/>	I receive unemployment benefits.	\$ _____
5.	<input type="checkbox"/>	<input type="checkbox"/>	I receive Veteran's Administration, GI Bill, or National Guard/Military benefits/income.	\$ _____
6.	<input type="checkbox"/>	<input type="checkbox"/>	I receive periodic social security payments.	\$ _____
7.	<input type="checkbox"/>	<input type="checkbox"/>	The household receives <u>unearned</u> income from family members age 17 or under (example: Social Security, Trust Fund disbursements, etc.).	\$ _____
8.	<input type="checkbox"/>	<input type="checkbox"/>	I receive Supplemental Security Income (SSI).	\$ _____
9.	<input type="checkbox"/>	<input type="checkbox"/>	I receive disability or death benefits other than Social Security.	\$ _____
10.	<input type="checkbox"/>	<input type="checkbox"/>	I receive Public Assistance Income (examples: TANF, AFDC)	\$ _____
11.	<input type="checkbox"/>	<input type="checkbox"/>	I am entitled to receive child support payments.	\$ _____
	<input type="checkbox"/>	<input type="checkbox"/>	I am currently receiving child support payments. If yes, from how many persons do you receive support? _____	\$ _____
	<input type="checkbox"/>	<input type="checkbox"/>	I am currently making efforts to collect child support owed to me. List efforts being made to collect child support: _____ _____	
12.	<input type="checkbox"/>	<input type="checkbox"/>	I receive alimony/spousal support payments	\$ _____
13.	<input type="checkbox"/>	<input type="checkbox"/>	I receive periodic payments from trusts, annuities, inheritance, retirement funds or pensions, insurance policies, or lottery winnings. If yes, list sources: 1) _____ 2) _____	\$ _____ \$ _____
14.	<input type="checkbox"/>	<input type="checkbox"/>	I receive income from real or personal property.	(use <u>net</u> earned income) \$ _____
15.	<input type="checkbox"/>	<input type="checkbox"/>	Student financial aid (public or private, not including student loans) Subtract cost of tuition from Aid received <i>*For Households receiving Section 8 Assistance Only</i>	\$ _____

Tenant Income Certification Questionnaire (TICO)

YES	NO		INTEREST RATE	CASH VALUE
16.	<input type="checkbox"/>	<input type="checkbox"/>	I have a checking account(s). If yes, list bank(s) 1) _____ % 2) _____ %	\$ _____ \$ _____
17.	<input type="checkbox"/>	<input type="checkbox"/>	I have a savings account(s) If yes, list bank(s) 1) _____ % 2) _____ %	\$ _____ \$ _____
18.	<input type="checkbox"/>	<input type="checkbox"/>	I have a revocable trust(s) If yes, list bank(s) 1) _____ %	\$ _____
19.	<input type="checkbox"/>	<input type="checkbox"/>	I own real estate. If yes, provide description: _____	\$ _____
20.	<input type="checkbox"/>	<input type="checkbox"/>	I own stocks, bonds, or Treasury Bills If yes, list sources/bank names 1) _____ % 2) _____ % 3) _____ %	\$ _____ \$ _____ \$ _____
21.	<input type="checkbox"/>	<input type="checkbox"/>	I have Certificates of Deposit (CD) or Money Market Account(s). If yes, list sources/bank names 1) _____ % 2) _____ % 3) _____ %	\$ _____ \$ _____ \$ _____
22.	<input type="checkbox"/>	<input type="checkbox"/>	I have an IRA/Lump Sum Pension/Keogh Account/401K. If yes, list bank(s) 1) _____ % 2) _____ %	\$ _____ \$ _____
23.	<input type="checkbox"/>	<input type="checkbox"/>	I have a whole life insurance policy. If yes, how many policies _____	\$ _____
24.	<input type="checkbox"/>	<input type="checkbox"/>	I have cash on hand.	\$ _____
25.	<input type="checkbox"/>	<input type="checkbox"/>	I have disposed of assets (i.e. gave away money/assets) for less than the fair market value in the past 2 years. If yes, list items and date disposed: 1) _____ 2) _____	\$ _____ \$ _____

STUDENT STATUS

YES	NO	
<input type="checkbox"/>	<input type="checkbox"/>	Does the household consist of all persons who are <u>full-time</u> students (Examples: K-12, College, Trade School, etc.)?
<input type="checkbox"/>	<input type="checkbox"/>	Does the household consist of all persons who have been a <u>full-time</u> student 5 months in the current calendar year?
<input type="checkbox"/>	<input type="checkbox"/>	Does your household anticipate becoming an all full-time student household in the next 12 months?
<input type="checkbox"/>	<input type="checkbox"/>	If you answered yes to any of the previous three questions are you:
<input type="checkbox"/>	<input type="checkbox"/>	• Receiving assistance under Title IV of the Social Security Act (AFDC/TANF/Cal Works - not SSA/SSI)
<input type="checkbox"/>	<input type="checkbox"/>	• Enrolled in a job training program receiving assistance through the Job Training Participation Act (JTPA) or other similar program
<input type="checkbox"/>	<input type="checkbox"/>	• Married and filing (or are entitled to file) a joint tax return
<input type="checkbox"/>	<input type="checkbox"/>	• Single parent with a dependant child or children and neither you nor your child(ren) are dependent of another individual
<input type="checkbox"/>	<input type="checkbox"/>	• Previously enrolled in the Foster Care program (currently age 18-24)

UNDER PENALTIES OF PERJURY, I CERTIFY THAT THE INFORMATION PRESENTED ON THIS FORM IS TRUE AND ACCURATE TO THE BEST OF MY/OUR KNOWLEDGE. THE UNDERSIGNED FURTHER UNDERSTANDS THAT PROVIDING FALSE REPRESENTATIONS HEREIN CONSTITUTES AN ACT OF FRAUD. FALSE, MISLEADING OR INCOMPLETE INFORMATION WILL RESULT IN THE DENIAL OF APPLICATION OR TERMINATION OF THE LEASE AGREEMENT.

PRINTED NAME OF APPLICANT/TENANT _____

SIGNATURE OF APPLICANT/TENANT _____

DATE _____

WITNESSED BY (SIGNATURE OF OWNER/REPRESENTATIVE) _____

DATE _____

EMPLOYMENT VERIFICATION

THIS SECTION TO BE COMPLETED BY MANAGEMENT AND EXECUTED BY TENANT

(The use of white out, black out, or alteration of original information will void this document)

TO: (Name & address of employer)

Date: _____

RE: _____
Applicant/Tenant Name Social Security Number Unit # (if assigned)

I hereby authorize release of my employment information.

Signature of Applicant/Tenant Date

The individual named directly above is an applicant/tenant of a housing program that requires verification of income. The information provided will remain confidential to satisfaction of that stated purpose only. Your prompt response is crucial and greatly appreciated.

Project Owner/Management Agent

Return Form To:

THIS SECTION TO BE COMPLETED BY EMPLOYER

Please answer all questions fully leaving NO blanks:

Employee Name: _____ Job Title: _____

Presently Employed: Yes ___ No ___ Date First Employed _____ Last Day of Employment _____

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

Pay Method: Cash Personal Check Company Issued Check

Average # of regular hours per week: _____ Year-to-date earnings: \$ _____ from: ___/___/___ through: ___/___/___

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

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

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

List any anticipated change in the employee's rate of pay within the next 12 months: _____; Effective date: _____

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

Is employee eligible for unemployment during layoff period(s): Yes No

Additional remarks: _____

Employer's Signature Employer's Printed Name Date

Employer [Company] Name and Address

Phone # Fax # E-mail

NOTE: Section 1001 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 as to any matter within its jurisdiction.

Verification of Employment
(VOE)

Zero Income Certification

CERTIFICATION OF ZERO INCOME

(To be completed by adult household members who are claiming zero income from any source, if appropriate.)

Household Name: _____ Unit No. _____

Development Name: _____ City: _____

1. I hereby certify that I do not individually receive income from any of the following sources:
 - a. Wages from employment (including commissions, tips, bonuses, fees, etc.);
 - b. Income from operation of a business;
 - c. Rental income from real or personal property;
 - d. Interest or dividends from assets;
 - e. Social Security payments, annuities, insurance policies, retirement funds, pensions, or death benefits;
 - f. Unemployment or disability payments;
 - g. Public assistance payments;
 - h. Periodic allowances such as alimony, child support, or gifts received from persons not living in my household;
 - i. Sales from self-employed resources (Avon, Mary Kay, Shaklee, etc.);
 - j. Any other source not named above.

2. Choose one:
 - Currently, I have no income of any kind and while I am seeking employment, there is no definite job offer at this time.

 - Currently, I have no income of any kind and I will not be seeking employment at this time.

3. I will be using the following sources of funds to pay for rent and other necessities: _____

Under penalty of perjury, I certify that the information presented in this certification is true and accurate to the best of my knowledge. The undersigned further understand(s) that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of a lease agreement.

Signature of Applicant/Tenant

Printed Name of Applicant/Tenant

Date

CTCAC Forms

- ▶ Under \$5000 Asset Verification Form
 - ▶ Updated January 2017
- ▶ Good Cause Eviction Lease Rider
- ▶ Project Status Report (PSR)
 - ▶ Required prior to inspection
 - ▶ Must be in the current Excel Format
- ▶ Live-in Aide Verification Form
 - ▶ Updated January 2017

Under \$5000 Asset Form

UNDER \$5,000 ASSET CERTIFICATION

For households whose combined net assets do not exceed \$4999.99.
 Complete one form for households with joint assets or one form per person with separate assets. If a household contains both joint and separate assets, use separate forms and list the joint asset on both forms with the statement **(Joint)** next to the applicable asset.

Household Name: _____ Unit No. _____

Development Name: _____ City: _____

Complete the following:

1. Choose one:

I/we do not have any assets at this time. *(if this box is checked, draw a line through the asset information below, place a zero in #3, sign and date)*

OR

My/our assets include:

(Please complete fully. Put a zero in any columns that do not apply)

(A) Cash Value*	(B) Int. Rate	(A*B) Annual Income	Source	(A) Cash Value*	(B) Int. Rate	(A*B) Annual Income	Source
\$ _____	_____	\$ _____	Savings Account	\$ _____	_____	\$ _____	Checking Account
\$ _____	_____	\$ _____	Cash on Hand	\$ _____	_____	\$ _____	Safety Deposit Box
\$ _____	_____	\$ _____	EBT/Debit Visa or MC	\$ _____	_____	\$ _____	Certificates of Deposit
\$ _____	_____	\$ _____	Stocks	\$ _____	_____	\$ _____	Money market funds
\$ _____	_____	\$ _____	IRA Accounts	\$ _____	_____	\$ _____	Bonds
\$ _____	_____	\$ _____	Keogh Accounts	\$ _____	_____	\$ _____	401K Accounts
\$ _____	_____	\$ _____	Equity in real estate	\$ _____	_____	\$ _____	Trust Funds
\$ _____	_____	\$ _____	Lump Sum Receipts	\$ _____	_____	\$ _____	Capital investments
\$ _____	_____	\$ _____	Life Insurance Policies (excluding Term)				
\$ _____	_____	\$ _____	Other Retirement/Pension Funds not named above:				_____
\$ _____	_____	\$ _____	Personal property held as an investment** :				_____
\$ _____	_____	\$ _____	Other (list):				_____

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, gem or coin collections, art, antique cars, etc. Do not include necessary personal property such as, but not necessarily limited to, household furniture, daily-use autos, clothing, assets of an active business, or special equipment for use by the disabled.

2. Choose one:

I/we have not sold or given away assets (including cash, real estate, etc.) for less than fair market value during the past two (2) years.

OR

Within the past two (2) years, I/we have sold or given away assets (including cash, real estate, etc.) for more than \$1,000 below their fair market value (FMV). Those amounts* are included above and are equal to a total of: \$ _____
 _____ (*the difference between FMV and the amount received, for each asset on which this occurred).

3. Please complete:

The net family assets (as defined in 24 CFR 813.102) above do not exceed \$5,000 and the total annual income (add all annual income columns) from the net family assets is \$ _____. This amount is included in total gross annual income.

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 understand(s) that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of a lease agreement.

Applicant/Tenant _____ Date _____ Applicant/Tenant _____ Date _____

Rider
Good Cause Eviction Lease

LOW INCOME HOUSING TAX CREDIT LEASE RIDER
(to be attached to resident lease)

Property Name: _____ Unit # _____
Household Name: _____

Dear Resident or Applicant:

The owner(s) of this property rents residential units under the federal Low-Income Housing Tax Credit Program (the "program") administered by the California Tax Credit Allocation Committee (TCAC). Under the program, the owner has agreed to rent some or all of the units in the property to low-income households and restrict the rents for those units. Another protection provided by federal law is that Low Income Tenants may not be evicted without good cause. The following Lease Rider is an important part of ensuring your rights to good cause for eviction.

The Lease or Rental Agreement dated _____ is hereby amended by adding the following provision:

Lease Rider: Good Cause for Eviction

Owner may not terminate the tenancy the Lease or rental agreement of a Low Income Tenant except for good cause, including a serious or repeated violation of the material terms and conditions of the Lease, or a violation of applicable Federal, State, or local law. To terminate the tenancy the Lease, Owner must provide written notice to the tenant of the grounds with sufficient specificity to enable the tenant to prepare a defense. The notice must be served at least three days before the termination of tenancy, and must comply with all requirements of California law and other applicable programs. Tenant has the right to enforce this requirement in state court, including presenting a defense to any eviction action brought by Owner.

To the extent that any terms contained in the Lease or rental agreement, or any other agreement between the owner and the tenant, contradict the terms of this Rider, the provisions of this Rider shall control.

By signing below, I indicate my consent to this Lease Rider:

Property Representative Name (print) (signature) Date

By signing below, I indicate my consent to this Lease Rider. I/we have been given a copy of this Lease Rider.

Resident or Applicant Name (print) (signature) Date

Resident or Applicant Name (print) (signature) Date

Resident or Applicant Name (print) (signature) Date

Live-In Aide Verification Form

Live-In Aide Request for Verification (California Tax Credit Properties)

Date: _____

Household Member's Name: _____

To: _____

From: _____

The household member named above has applied for or is currently residing in a unit that is part of the Low Income Housing Tax Credit program under IRS Section 42. The household member has indicated that he/she is disabled and requires a live-in aide in order to have equal access to housing the same as if he or she was not disabled. The LIHTC program has specific verification requirements for all households indicating a need for a live-in aide, including, but not limited to: (1) the aide is there for the sole purpose of providing supportive services essential to the member's care and well being; and (2) the aide would not otherwise be occupying the unit except to provide the necessary supportive services.

The household member named above has indicated that you are a third-party professional competent to verify the disability and the need for the requested accommodation. We ask that you provide the following general information to determine if a live-in care attendant is required to provide necessary supportive services in order for the member to use and enjoy the dwelling.

Please Note: The information provided should respond to the general questions and not disclose any confidential information regarding the nature of the disability of the household member.

I hereby authorize the release of the information on this verification form:

Household Member's Signature

Date

Information Requested:

1. Is the household member disabled as defined below? Yes No
2. In your professional opinion, and with knowledge of the member's disability, does the member require the services of a live-in care attendant in order to use and enjoy the dwelling? Yes No
3. Is the household member's disability permanent and/or without the potential for improvement such that the household member would continue to need the services of a live-in care attendant? Yes No
(CTCAC will require that any "No" response be verified annually)
4. Does the member require more than one aide to occupy the unit? Yes No
Number of Aides needed: _____

Under applicable law, an individual is disabled if he/she has, is regarded as having or perceived as having a physical or mental impairment that limits a major life activity such as caring for one's self, performing manual tasks, participating in social activities, walking, seeing, hearing, speaking, breathing, learning and working, and includes, but is not limited to, conditions such as cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, Human Immunodeficiency Virus Infection, mental retardation, and emotional illness. This definition does not include sexual behavior disorders, compulsive gambling, kleptomania, pyromania, or psychoactive substance use disorders resulting from the current unlawful use of controlled substances or other drugs.

Printed name of Person supplying information: _____

Title of Person supplying information: _____

Firm/Organization: _____

Phone Number: _____ Fax: _____

Signature of Person supplying information: _____ Date: _____

By signing above, I certify, under penalty of perjury, that the information presented in this Verification is true and accurate to the best of my knowledge and belief. I further understand that providing false representations herein constitutes an act of fraud.

Please attach a business card or stamp here:

CTCAC Forms

- ▶ Child/Spousal Support Affidavit
- ▶ Child/Spousal Support Verification
- ▶ Student Verification Form
- ▶ Single Parent Full-time Student Affidavit
- ▶ Foster Care Verification Form
- ▶ Resyndication Clarification Form

Child / Spousal Support Affidavit Form

Applicant/Resident Name _____

Development Name _____

Unit Number/Identification _____

Child support and/or spousal support payments that are received shall be included as income whether or not there is yet a court order awarding payment.

Child/Spousal support amounts awarded by the courts but not received can be excluded only when the applicant/resident certifies that payments are not being made and further documents that all reasonable legal actions to collect amounts due, including filing with the appropriate courts or agencies responsible for enforcing payment, have been taken.

As part of the qualification process required by federal and/or state housing programs with jurisdiction over this development the following information is needed:

A. Do you receive child support and/or spousal support? Yes No
Go to B Go to C.1

B. I receive:

1. Payment amount \$ _____

2. Frequency _____

3. Name(s) of Recipient(s) _____

4. Name of source _____

Complete multiple affidavit forms if there are multiple sources.

5. Go to C.1

C. 1. Have you been awarded child or spousal support by court order? Yes No
Go to C.2 Sign Form

2. Provide copy of entire document, enter amount of award
\$ _____, and frequency _____; go to C.3.

3. Is payment being received as awarded? Yes No
Go to 3.a Go to 3.b

a. Indicate the manner by which payment is received and sign form.

i. ___ Enforcement agency Name agency _____
and provide agency print out

ii. ___ Court of Law Name court _____

iii. ___ Direct from responsible party Name source _____
and provide affidavit or statement from the source.

iv. ___ Other (Explain) _____

b. If payment not received or if amount received is less than amount awarded provide details and documentation of collection efforts.

Under penalty of perjury, I certify that the information presented in this affidavit is true and accurate to the best of my knowledge. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of a lease agreement.

Applicant/Resident Signature _____ Date _____

Child / Spousal Support Verification Form

Child and/or Spousal Support Verification

Date _____
 Applicant/Resident Name _____
 Development Name _____
 Unit Number/Identification _____

TO: *(Name and Address of Payer)* _____ RETURN TO: *(Rental Community Address)* _____

I hereby authorize release of the information requested below in order to determine my eligibility for residency at the above rental community in the upcoming year.

Signature _____ Social Security # _____
 Printed Name _____ Date _____

The following information is requested as part of the household qualification process required by federal and/or state housing programs with jurisdiction over this rental community. Information provided will remain confidential. Your assistance by completing and returning this form in a timely manner will be greatly appreciated. Please call if you have questions.

Signature _____ Telephone Number _____
 Printed Name _____ Title _____

THIS SECTION TO BE COMPLETED BY PAYER

Name(s) of Recipient(s) _____

Payment amount _____ Frequency _____

Are payments paid to offset an AFDC/TANF grant? Yes No
 Are changes expected in the next 12 months? Yes No

If yes, provide details _____

Note: Child support and/or Spousal support payments awarded by the courts but not received can be excluded only when the applicant/resident certifies that payments are not being made and further documents that all reasonable legal actions to collect amounts due, including filing with the appropriate courts or agencies responsible for enforcing payment, have been taken.

I hereby certify that the information supplied is true and complete.

Signature _____ Completion Date _____
 Printed Name _____ Title _____
 Firm/ Telephone _____
 Organization _____ Number _____

Single Parent Full-time Student Status Form

Single Parent Full-time Student Self Affidavit

To be completed by tenant:

RE: _____
Applicant / Tenant Name Social Security Number Applicant / Tenant Address

Please check one of the following:

I _____, am a single parent and currently a full-time student. I certify the following:

- All dependent children in my household are attending school on a full-time basis
- All children are being claimed by me, on a yearly basis, as dependents for tax-filing purposes.
- A copy of my most recent tax filing is found in the file showing the dependent status

I _____, am a single parent and currently a full-time student. I certify the following:

- All dependent children in my household are attending school on a full-time basis
- Some or all of my children are being claimed as a dependent on the other parent's tax return

Under penalties of perjury, I certify the above representations to be true as of the date shown below. I further understand that any misrepresentation herein will be considered a material breach of the lease agreement and subject to immediate action, including the possibility of eviction.

Applicant / Tenant Signature Date

Management Representative Signature Date

Foster Care Verification Form

FOSTER CARE VERIFICATION FORM (For use in verifying full time student eligibility)

TO: (Name & address)

RE: _____
Applicant/Tenant Name Social Security Number Unit # (if assigned)

Applicant/Tenant Address/ City / State / Zip Code

I hereby authorize release of the requested information.

Signature of Applicant/Tenant

Date

The individual named directly above is an applicant/tenant of a housing program that provides an exemption from a prohibition against full time students if the student was previously in foster care. The information provided will remain confidential to satisfaction of that stated purpose only. Your prompt response is crucial and greatly appreciated.

Project Owner/Management Agent

MAIL OR FAX THIS FORM TO:

THIS SECTION TO BE COMPLETED BY PUBLIC AUTHORITY

For purposes of determining the eligibility of full time students formerly in out-of-home placement in a foster care system governed by Title IV, part B or E of the Social Security Act Foster Care Eligibility Program, the above referenced individual:

- Has previously been in foster care from _____ to _____
- Has not previously been in foster care

Dept of Social Services/ Human Services

Signature: _____ Date: _____
Print your name: _____ Tel. #: _____
Title: _____
Address: _____

Warning: Section 1001 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 as to any matter within its jurisdiction.

CTCAC Forms – VAWA Lease Rider

- ▶ VAWA and Manager's Unit Memo was posted to the CTCAC website on December 22, 2017
- ▶ CTCAC will be looking for the HUD VAWA Lease Rider (HUD - 91067) to be in all CTCAC files
- ▶ Forms are available in multiple languages on HUD's website at: https://www.hud.gov/program_offices/administration/hudclips/forms/hud5a
- ▶ Implementation must be completed by July 2018
- ▶ Must also follow all IRS transfer protocols
 - ▶ Know your Line 8b Election on Form 8609

LEASE ADDENDUM

VIOLENCE AGAINST WOMEN AND JUSTICE DEPARTMENT REAUTHORIZATION ACT OF 2005

TENANT	LANDLORD	UNIT NO. & ADDRESS
--------	----------	--------------------

This lease addendum adds the following paragraphs to the Lease between the above referenced Tenant and Landlord.

Purpose of the Addendum

The lease for the above referenced unit is being amended to include the provisions of the Violence Against Women and Justice Department Reauthorization Act of 2005 (VAWA).

Conflicts with Other Provisions of the Lease

In case of any conflict between the provisions of this Addendum and other sections of the Lease, the provisions of this Addendum shall prevail.

Term of the Lease Addendum

The effective date of this Lease Addendum is _____. This Lease Addendum shall continue to be in effect until the Lease is terminated.

VAWA Protections

1. The Landlord may not consider incidents of domestic violence, dating violence or stalking as serious or repeated violations of the lease or other “good cause” for termination of assistance, tenancy or occupancy rights of the victim of abuse.
2. The Landlord may not consider criminal activity directly relating to abuse, engaged in by a member of a tenant’s household or any guest or other person under the tenant’s control, cause for termination of assistance, tenancy, or occupancy rights if the tenant or an immediate member of the tenant’s family is the victim or threatened victim of that abuse.
3. The Landlord may request in writing that the victim, or a family member on the victim’s behalf, certify that the individual is a victim of abuse and that the Certification of Domestic Violence, Dating Violence or Stalking, Form HUD-91066, or other documentation as noted on the certification form, be completed and submitted within 14 business days, or an agreed upon extension date, to receive protection under the VAWA. Failure to provide the certification or other supporting documentation within the specified timeframe may result in eviction.

CTCAC Reporting Requirements

- ▶ AOC Package, Part I & Part II

- ▶ Part I (AOC & POP) Due Date: March 19, 2018

- ▶ Contact for questions - Tina Johnson 916-651-0344

- ▶ Part II (AOE & LR) Due Date: May 21, 2018

- ▶ Forms posted on TCAC's website around the week of March 19, 2018

- ▶ Contact for questions - Quang Le 916-651-3882

CTCAC Reporting Requirements

AOC Package Part I - AOC Form

- ▶ AOC Form mailed to the attention of Tina Johnson
- ▶ Most Frequent Errors:
 - ▶ Statement I, federal set-aside not marked
 - ▶ Statements I - XX - Not initialing a statement and not providing an attachment with an explanation.
 - ▶ Statements XXI - XXIII, only to be initialed if they are applicable
 - ▶ Owner printing name instead of signing at the bottom of the AOC form

Annual Owner Certification (AOC)

California Tax Credit Allocation Committee	
ANNUAL OWNER CERTIFICATION (AOC)	
REPORTING YEAR: 2017	
Project Name:	
Project Address:	
Project City:	
Project State:	CA Project Zip: _____
TCAC number: _____	

REPORTING PERIOD: JANUARY 1 THROUGH DECEMBER 31, 2017

The undersigned, having been allocated certain Low-Income Housing Tax Credits pursuant to Section 42 of the Internal Revenue Code of 1986, as amended (the IRC), and Revenue and Taxation Code Sections 12206, 17058, and 23610.5 if applicable, by the California Tax Credit Allocation Committee for the purpose of purchasing, constructing and/or improving low-income housing and pursuant to the monitoring requirements of the Committee and the requirements of IRC Section 42 and the Treasury regulations promulgated

FOR THE ENTIRE 12 MONTH REPORTING PERIOD SPECIFIED ABOVE INITIAL ALL TRUE STATE ATTACH BRIEF, WRITTEN EXPLANATIONS FOR ANY STATEMENTS NOT INITIALED.

- (i) _____ The project met the requirements: **(REQUIRED FIELD - check A or B)**
 - (A) The 20-50 test under §42(g)(1)(A).
 - (B) the 40-60 test under §42(g)(1)(B);
- (ii) _____ There was no change in the applicable fraction (as defined in §42(c)(1)(B)) of any building in the project;
- (iii) _____ The owner has received an annual income certification from each low-income tenant, and documentation to support that certification; or, in the case of a tenant receiving Section 8 housing assistance payments, the statement from a public housing authority described in paragraph (b)(1)(vii) of §1.42-5 (Compliance Monitoring Requirements);
- (iv) _____ Each low-income unit in the project was rent-restricted under section 42(g)(2);
- (v) _____ All units in the project were for use by the general public (as defined in §1.42-9), including the requirement that no finding of discrimination under the Fair Housing Act, 42 U.S.C 3601-3619, occurred for the project. A finding of discrimination includes an adverse final decision by the Secretary of the Department of Housing and Urban Development (HUD), 24 CFR 180.680, an adverse final decision by a substantially equivalent state or local fair housing agency, 42 U.S.C.
- (vi) _____ The buildings and low-income units in the project were suitable for occupancy, taking into account local health, safety, and building codes, and the State or local government unit responsible for making local health, safety, or building code inspections did not issue a violation report for any building or low-income unit in the project. If a violation report or notice was issued by the governmental unit, the owner must attach a statement summarizing the violation report or notice or a copy of the violation report or notice to this certification. In addition, the owner must state:
- (vii) _____ There was no change in the eligible basis (as defined in §42(d)) of any building in the project, (e.g., a common area has become commercial space, or a fee is now charged for a tenant facility formerly provided without charge);
- (viii) _____ All tenant facilities included in the eligible basis under §42(d) of any building in the project, such as swimming pools, other recreational facilities, and parking areas, were provided on a comparable basis without charge to all tenants in the building;
- (ix) _____ If a low-income unit in the project became vacant during the year, that reasonable attempts were or are being made to rent that unit or the next available unit of comparable or smaller size to tenants having a qualifying income before any units in the project were or will be rented to tenants not having a qualifying income;
- (x) _____ If the income of tenants of a low-income unit in the project increased above the limit allowed in §42(g)(2)(D)(ii), the next available unit of comparable or smaller size in the project was or will be rented to tenants having a qualifying income;
- (xi) _____ A regulatory agreement as described in §42(h)(6) was in effect, including the requirement that the owner may not refuse to lease a unit in the project to a prospective tenant who holds a voucher or certificate of eligibility for assistance pursuant to Section 8 of the United States Housing Act of 1937, as amended, because of the status of such prospective tenant as the holder of such
- (xii) _____ All low-income units in the project were used on a nontransient basis (except for transitional housing for the homeless provided under §42(i)(3)(B)(iii) or single-room-occupancy units rented on a month-by-month basis under §42(i)(3)(B)(iv));

Annual Owner Certification (AOC)

- (xiii) ___ The project met all terms and conditions recorded in its Regulatory Agreement, if applicable. (As detailed in the Regulatory Agreement and Exhibit A to the Regulatory Agreement);
- (xiv) ___ The applicable fraction (as defined in IRC Section 42(c)(1)(B)) met all requirements of the credit allocation as specified on IRS Form(s) 8609 (Low-Income Housing Credit Allocation
- (xv) ___ No change in ownership of the project has occurred during the reporting period;
- (xvi) ___ The Project has **not** been notified by the Internal Revenue Service that it is no longer a "qualified low-income housing project" within the meaning of Section 42 of the IRC;
- (xvii) ___ No additional tax-exempt bond funds or other Federal grants or loans with interest rates below the applicable federal rate have been used in the Project since it was placed in service; (Please list any additional funding and attach to AOC package);
- (xviii) ___ The project contains: [redacted] low income units, on December 31, 2017, the number of low income units that were **occupied** by tax credit eligible households were:
[redacted] **(REQUIRED FIELD - please select number from drop down list at left);**
- (xix) ___ The project did not suffer any casualty loss in 2017; fire, flood, earthquake, or structural damage;
- (xx) ___ No tenants in low-income units were evicted or had their tenancies terminated other than for good cause, and no tenants had an increase in gross rent with respect to a low-income unit not
- (xxi) ___ The project has provided all site/ service amenities as identified in the project Regulatory Agreement during the reporting period **(if applicable);**
- (xxii) ___ The project owner certifies compliance with the Capital Needs Agreement to complete short term work and set aside replacement reserve funding for long term work during the 15-year agreement **INITIAL (xxii) BELOW ONLY IF YOUR PROJECT RECEIVED STATE TAX CRED**
- (xxiii) ___ No more than the allowable 8% cash distribution from Project operations, after funding required reserves, as provided for under Revenue and Taxation Code Sections 17058(d) and 23610.5(d),

Due: Monday, March 19, 2018

The undersigned, acting under authority of the ownership entity of this project, has executed this Certification, subject to penalty of perjury, and certifies that the foregoing is true and correct, in all respects.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

This _____ day of _____, 20_____

[NOTARY SEAL]

By (owner signature) _____

Title _____

(Printed or Typed)

State of _____

County of _____

On _____ before me, _____
(insert name and title of the officer)

personally appeared _____
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that he/she/they executed the same on the instrument the person(s), or the entity upon behalf of which the

I certify under PENALTY OF PERJURY under the laws of the State of _____ that the foregoing paragraph is true and correct. Witness my hand and official seal.

Signature _____

Notary Public

Project Ownership Profile (POP)

California Tax Credit Allocation Committee Project Ownership Profile (POP) 2017

CURRENT owner and management company contact info.

1. Use the <TAB> key to Navigate Fields.
2. If the TCAC number or Property Name does not appear in the list below, contact Tina Johnson at (916) 651-0344.
3. Complete all information in Light Yellow fields below.

PROJECT

CTCAC Number / Name:			← Select property from the Dropdown Box
Address:			
City:	State:	Zip:	
County:			
Onsite Phone:	Onsite Fax:	Date Form Completed:	

PARTNERSHIP/OWNER

Partnership/Owner Name:			
Partnership Tax ID:			
Managing General Partner Name:			
Parent Company Name:			
Address:			
City:	State:	Zip:	
Contact Name:	Email:		
Phone:	Fax:		
Administrative General Partner Name:			
Parent Company Name:			
Address:			
City:	State:	Zip:	
Contact Name:	Email:		
Phone:	Fax:		

MANAGEMENT COMPANY

Management Company:			
Address:			
City:	State:	Zip:	
Contact Name:	Email:		
Phone:	Fax:		

CTCAC Reporting Requirements

AOC Package Part II - Annual Operating Expense (AOE) Form

- ▶ AOE form emailed to TCAC at this address:
tcac@treasurer.ca.gov
- ▶ Most Frequent Errors:
 - ▶ Typos in operating expenses that put a project in the red.
 - ▶ Including depreciation into expenses.
 - ▶ Not filling out the contact information at the bottom of the AOE.
 - ▶ If a project is in the red, not providing an explanation.
 - ▶ Emailing the form in PDF.

Annual Operating Expense Report (AOE)

REPORTING YEAR: 2017			
ANNUAL OPERATING EXPENSE REPORT (AOE) <small>Rev. 10/25/17</small>			
Reporting Period: January 1 through December 31, 2017			
Project Number:		Project Name:	
Date Prepared:			
Total Occupied Units:			
Income			
Gross Tenant Income:	\$0	Net Rental Revenue:	\$0
Vacancy Loss:	\$0	Misc. Income:	\$0
		Effective Gross Income:	\$0
General Administrative		Maintenance	
Advertising:	\$0	Painting:	\$0
Insurance:	\$0	Repairs:	\$0
Legal:	\$0	Trash Removal:	\$0
Accounting/Auditing:	\$0	Exterminating:	\$0
Security:	\$0	Grounds:	\$0
Other General:	\$0	Elevator:	\$0
Total Administrative:	\$0	Other Maintenance 1 <i>(Specify)</i> :	\$0
		Other Maintenance 2 <i>(Specify)</i> :	\$0
		Total Maintenance:	\$0
Management		Other Expenses	
Management Fee:	\$0	Other 1 <i>(Specify)</i> :	\$0
		Other 2 <i>(Specify)</i> :	\$0
		Other 3 <i>(Specify)</i> :	\$0
		Other 4 <i>(Specify)</i> :	\$0
		Total Other:	\$0
Utilities		Debt Service Payments, Real Estate Taxes, and Reserve Accounts	
Fuel:	\$0	Amortizing Debt Service Payments:	\$0
Gas:	\$0	Total Real Estate Taxes:	\$0
Electricity:	\$0	Current Year Replacement Reserve Deposits:	\$0
Water/ Sewer:	\$0	Service Amenities:	\$0
Total Utilities:	\$0		
		Current Replacement Reserve Balance:	\$0
		Current Operating Expense Reserve Balance:	\$0
		Total Annual Residential Operating Expenses:	\$0
		Net Income/ Loss:	\$0
operating in the negative, please provide a brief explanation:			
Form completed by contact:			
Contact phone number:			
Contact email address:			

NOTE: Specify type of expense below for "other" categories

Lender Report

California Tax Credit Allocation Committee

Lender Profile Form

2017

"Reporting Period: January 1 through December 31, 2017"

1. Use the <TAB> key to Navigate Fields.
2. If the TCAC number or Property Name does not appear in the list below, contact TCAC at (916) 654-6340.
3. Complete all information in Light Yellow fields below.

PROJECT

TCAC Number / Name:				← Select property from the Dropdown Box
Address:				
City:	State:	Zip:		
County:				
Onsite Phone:	Onsite Fax:	Date Form Completed:		

LENDER

Lender #1:				
Loan amount:				
Contact Name:	Email:			
Contact Address				
City:	State:	Zip:		
Phone:	Fax:			
Lender #2:				
Loan amount:				
Contact Name:	Email:			
Contact Address				
City:	State:	Zip:		
Phone:	Fax:			
Lender #3:				
Loan amount:				
Contact Name:	Email:			
Contact Address				
City:	State:	Zip:		
Phone:	Fax:			
Lender #4:				
Loan amount:				
Contact Name:	Email:			
Contact Address				
City:	State:	Zip:		
Phone:	Fax:			

CTCAC Reporting Requirements

Tenant Income Certification and Supplemental Information Data

- ▶ In the contracting process.
- ▶ Information will be sent out by CTCAC in the coming weeks in regards to the status of the contract, due dates, etc.

Compliance Due Diligence

Tax credits can be claimed if unit meets three basic requirements:

- Income Eligible
- Rent Restricted
- UPCS Standards
 - Safe
 - Habitable
 - Good Condition



Compliance Due Diligence

Facts and Circumstances

CTCAC will determine if the owner/management performed sufficient due diligence with regards to the following:

- ▶ Documenting Income Eligibility
- ▶ Keeping Units Rent Restricted

Compliance Due Diligence

- ▶ CTCAC Compliance Website:

- ▶ www.treasurer.ca.gov/ctcac/compliance.asp

- ▶ Online Compliance Manual

- ▶ Policy Memos

- ▶ Forms

- ▶ 2018 Monitoring List

- ▶ Note: CTCAC cannot give advance notice of inspection dates

Eligibility Basics

The Tenant Application

- ▶ Detailed and Asks Appropriate Questions
 - ▶ Household Members
 - ▶ Income Sources
 - ▶ Assets
 - ▶ Employment
 - ▶ Housing History
 - ▶ Age (if Senior Complex)
- ▶ Should not accept if not complete

Eligibility Basics

Verification of Income and Assets:

- Third party verification
- Telephone clarifications for minor issues or items left blank
- Significant changes must be third party verified
- Don't have ALL the info...
 - **DON'T MOVE THEM IN!!**

Eligibility Basics

Other Income Sources:

- Social Security and Supplemental Security
- Pensions and Annuities
- Gifts
- Zero Income Certification
- Payments from another Country
 - Owner needs to verify
 - Burden on the applicant/tenant to provide information

Eligibility Basics

SSA/EDD/Payroll Debit Cards

- Issued by the source
- CTCAC will treat as Income
- Verify the Source - Either 3rd Party or the Current Award Letter
 - HUD guidance differs slightly. It is ok to follow HUD guidance and count it as both income and an asset if there is HUD funding in the property

Eligibility Basics

Required Income Documentation

Regular Income from Wages

- ▶ VOE and 3 months of current pay-stubs
- ▶ Calculating income (3 methods)

Self Employment

- ▶ Tax Return and Schedule C
- ▶ 4506-T if claiming no tax returns
 - ▶ Profit/Loss Statement
 - ▶ Statements from recurring clients

Eligibility Basics

Cash Wages

- ▶ 4506-T if claiming no tax returns
- ▶ Third party statement from the employer on company letterhead indicating tenant is paid in cash and also include tenant's name, title and job duties.



Eligibility Basics

Farm Labor and other Seasonal Labor

- ▶ Completed VOE showing lay-off period
- ▶ May use payroll printout instead of paystubs
- ▶ If receiving unemployment during lay-off period
 - ▶ Calculate only the months expected to receive. Do not annualize.



Calculating Income Exercise

Exercise # 1

**2018 Income Limit for a 1 person household:
\$30,200**

Kimmmie Johnson is applying to your property. She fills out the application and her consent forms. Her employer completes the VOE, she gives you 3 months worth of current and consecutive paystubs, and completes all other required documentation. Use the following information to determine if she is income qualified at move-in.

Calculating Income Exercise

Verification of Employment

- \$14.50 an hour @ 40 hours a week. No overtime or shift differential.

Year to Date

- YTD on the VOE shows \$9688.59 earned from 12/28/17 - 4/23/18

Paystubs

- Average hours on her paystubs show that she has been getting occasional overtime, but that she also does not always work 40 hours a week.

Calculating Income Exercise

- Paystub #1 - 40hrs / no overtime
- Paystub #2 - 40hrs / 1 hr overtime
- Paystub #3 - 37.5hrs / 2.5 hrs overtime
- Paystub #4 - 39hrs / no overtime
- Paystub #5 - 40hrs / no overtime
- Paystub #6 - 40 hrs / 1.25hrs overtime
- Paystub #7 - 38hrs / .75 overtime
- Paystub #8 - 38.5hrs / 1hr overtime
- Paystub #9 - 40hrs / no overtime
- Paystub #10 - 39hrs / 1 hr overtime
- Paystub #11 - 40hrs / no overtime
- Paystub #12 - 37.5 hrs / 1.5 hrs overtime

Exercise #1 Answer

- ▶ **Verification of Employment**

- ▶ 14.50 an hour x 40 hours x 52 weeks = **\$30,160**

- ▶ **YTD Calculation**

- ▶ Pay period ending 4/23/18 = 117 days (4 days in 2017/113 in 2018)

- ▶ 117 days / 7 = 16.71 weeks

- ▶ \$9,688.59 / 16.71 = \$579.81

- ▶ \$579.81 x 52 = **\$30,150.12**

- ▶ **Paystub Calculation**

- ▶ **Regular** - 40+40+37.5+39+40+40+38+38.5+40+39+40+37.5 = 469.5

- ▶ 469.5/12 stubs = 39.125 average hours per pay period

- ▶ \$14.50 x 39.125 x 52 = \$29,500.25

- ▶ **Overtime** - 1+2.5+1.25+.75+1+1+1.5 = 9

- ▶ 9/12 stubs = .75 average hours per pay period

- ▶ \$21.75 x .75 x 52 = \$848.25

- ▶ **Total Paystub** - \$29,500.25 + \$848.25 = **\$30,348.50**

Student Rules

Who is a Student?

- IRS defines a student as an individual, who during each of 5 calendar months during the calendar year is a full-time student at an educational organization defined by IRC 170 (b)(1)(A)(ii)
- Months need not be consecutive
- Full-time or part-time is determined by the educational institution the student is attending



Student Rules

What is an Education Organization?

- Any organization that maintains a regular facility, faculty, and curriculum that normally has an enrolled body of students in attendance
- Definition includes elementary, junior and senior high schools, colleges, universities, technical, trade, or mechanical schools.



Student Rules

Full-time Student Households must meet one of 5 IRS exceptions:

1. Any member(s) of the household is married and is filing (or is entitled to file) a joint tax return
2. Be receiving assistance under Title IV of the Social Security Act (AFDC, Cal WORKS, or TANF not SSA/SSI)



Student Rules

3. Have recently exited the Foster Care System
 - CTCAC restricts to ages 18-24
4. Be enrolled in a job training program under the JTPA or WIA or under another similar Federal, State or local law
5. Be a single parent with a child (or children) and neither the parent or children are claimed as a dependent on a third parties tax return
 - Single Parent Full-time Student Status Form

Student Rule Examples

Jan started her last semester at CSU Chico in January of 2017 and graduated in June. She was a full time student all through her college years but now she is no longer going to school and she is working full-time. She is applying at your property in September of 2017. Do you need to worry about her student status since she graduated?

- ▶ Yes. The IRS classifies full-time student status as any time in a calendar year. Jan would need to meet one of the 5 IRS exceptions or wait until 2018 to move-in.

Student Rule Examples

Kevin and David are both full-time medical students going to school at UC Davis. Both are married to spouses living in other states. Their spouses will not be living in the units but their income will be added to the total household income, since spouses are legally obligated for support. Even with the added income, they income qualify for a two-bedroom unit. Do they meet one of the 5 IRS exceptions?

- ▶ Yes. The IRS exception is any member of the household is married and filing or is entitled to file a joint tax return. It does not state household members need to be married to each other.

Student Rule Examples

Kathy is 22 and working towards her Bachelors Degree in Mechanical Engineering at University of Phoenix. She has been going to school full-time and she gets \$1000 a month from her mother, who is not living in the unit. Kathy has a daughter named Mary who is in the 1st grade. Does this household meet one of the 5 IRS exceptions?

- ▶ **Not Necessarily.** The IRS exception is single parent with a dependent child and neither are dependent on a third party's tax return. In this instance Kathy *may* still of a dependent of her mother, even though the mother is not residing in the unit.

Financial Aid

- Only counted if the household is receiving Section 8 Assistance
- Aid in excess of tuition (scholarships, grants, etc. but not loans) must be added to the households income unless one of two exceptions are met:
 1. Living at home with his/her parents or guardian
 2. Over age 23 with a dependent child

Student Income

For households where the Student is over 18 and has wages from a job - Only count \$480 of the student's income

1. Student cannot be the Head, Co-head, or Spouse
2. Must be living in the unit and claimed as a dependent on the HOH, Co-Head, or Spouse's tax return
 1. Tax Return must be in the file
 2. Applies to full-time students

Student Income

- If not a dependent of HOH, Co-Head or Spouse, full income from wages must be counted.
- For part-time students - full income from wages must be counted.

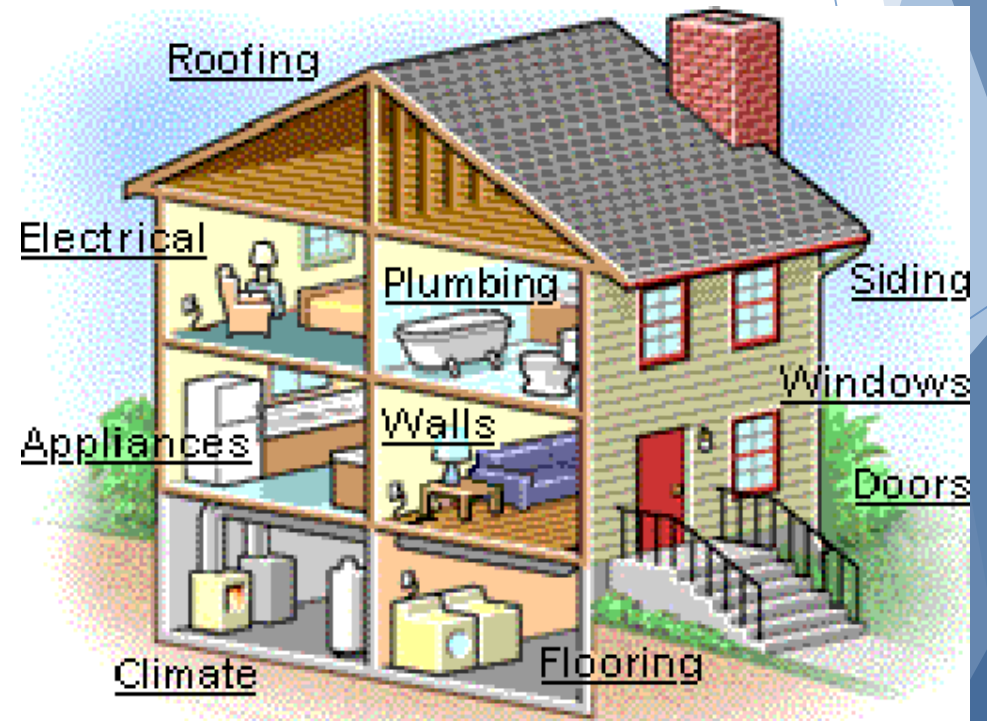
UPCS

Basic Physical Inspection Protocols

- 24 hour notice
- Keys
- Water Heater Closets / Boiler Rooms
- Smoke Detectors
- Pool

Compliance Manual

- Section 7 - Part 7.3 Physical Inspection Checklist



UPCS

Physical Inspection

- HUD's UPCS Standards
 - Exterior
 - ADA Accessibility to Common Areas
 - Visual Inspection of Building/Roof
 - Landscaping/Standing Water
 - Trip Hazards
 - Parking Structures

UPCS

Physical Inspection

- HUD's UPCS Standard
 - Interior
 - Smoke Detectors
 - Functioning Appliances
 - Water Heater/HVAC Closets
 - Blocked Ingress/Egress
 - Holes/Leaks
 - Trip Hazards
 - Carbon Monoxide Detector

UPCS

Interior Corridor Emergency Lighting

- CTCAC will check all emergency lighting to verify back-up battery systems are operating correctly
 - If 20% of the units tested are inoperable it is an automatic 8823



Fire Alarm Systems

- Maintenance/service logs are required for all properties with a centralized Fire Alarm system



UPCS

Results of Physical Inspections

- Attention to:
 - ▶ No operational smoke detector
 - ▶ Exposed electrical wiring
 - ▶ Deficiencies that could cause immediate injury
- Requirements before leaving the property:
 - ▶ Copy of signed and dated work orders for those items that require immediate attention

CTCAC Findings Letter



CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

915 Capitol Mall, Suite 405
Sacramento, CA 95814
p (916) 854-8341
f (916) 854-8033
ctcac@treasurer.ca.gov
www.treasurer.ca.gov/ctcac

MEMBERS
JOHN CHIANG, CHAIRMAN
State Treasurer
BETTY YEE
State Controller
MICHAEL COHEN
Director of Finance
EXECUTIVE DIRECTOR
Mark Stivers

March 1, 2015

John Smith
ABC Apartments, LP
111 Main Street, Suite 202
Sacramento, CA 95814

RE: ABC Apartments (CA-2015-213)

NOTICE OF NONCOMPLIANCE WITH INTERNAL REVENUE CODE SECTION 42

The California Tax Credit Allocation Committee (CTCAC) staff conducted a file and on-site physical inspection of your project to determine compliance with the Low-Income Housing Tax Credit program requirements on **February 17th 2015**. The law and regulations require that tax credit units be rent restricted and occupied by income eligible households whose income is verified by third-party documentation. All units must be habitable and the property must be safe for all tenants.

RESULTS OF THE TENANT FILE INSPECTION:

Thirteen tenant files were reviewed. The review of the files and the Project Status Report (PSR) for your project indicate that income eligible households occupy the units, rents are within the maximum rent limits, and all required documentation is contained in the files with the exception of the following:

Building 2 - Unit #203 (Smith) – This one-person household moved in on 04/21/2009. At initial

▶ Two Types of Letters

- Good
 - ▶ No file or physical issues
- Noncompliance
 - ▶ One or more file or physical issues

▶ 30 day turnaround timeframe

▶ Detailed list of noncompliance issues for file, physical, and amenities

CTCAC Findings Letter



CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

915 Capitol Mall, Suite 485
Sacramento, CA 95814
p (916) 654-6340
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ctcac@treasurer.ca.gov
www.treasurer.ca.gov/ctcac

MEMBERS
JOHN CHANG, CHAIRMAN
State Treasurer
BETTY YEE
State Controller
MICHAEL COHEN
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March 1, 2015

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- ▶ States the Correction Period and the Owner's Response due date.
 - Extensions
- ▶ Analyst's Contact information
- ▶ Sent to Owner and Management Contact on File

Owner / Management Response Letter

Preferred Response Layout:

- Cover letter with non-compliance issues and brief summary of response
- Documentation requested to correct file non-compliance
- Work orders requested to correct physical non-compliance
 - ▶ Signed and dated by both tenant and maintenance.
- Documentation requested to correct other issues

Owner / Management Response Letter

**Documentation must
be mailed to the
Analyst in charge of
the inspection not
e-mailed.**

What is the Gross Rent?

- ▶ Gross Rent is the maximum rent that can be charged to a unit
- ▶ Gross Rent includes the tenant paid portion, utility allowance, and any mandatory or required fees
- ▶ For IRS purposes
 - ▶ Maximum gross rent will be at either the 60% level for 40/60 properties or at 50% for 20/50 properties
 - ▶ Units that have additional State deeper targeting but also meet the requirements as stated in the Regulatory Agreement for the property
 - ▶ It is not a Federal (IRS) issue if the Deeper Targeting is not being met.
 - ▶ Deeper Targeting that is not met may result in Negative Points to the owner and/or management company or a monetary fine to the owner

Utility Allowances

- ▶ Rural Housing Service - RHS
- ▶ HUD
- ▶ Local PHA
- ▶ Local Utility Company Estimate



Utility Allowances

- ▶ HUD Utility Model
- ▶ Energy Consumption Model - CA Utility Allowance Calculator (CUAC)
- ▶ Agency Estimate
 - ▶ Not Available in California



IRS Section 42 Rules - Regulatory Agreement

- ▶ Prepared by the Allocating Agency
- ▶ Required by IRS for all projects allocated credits after 1990
- ▶ Covers the entire 15 year federal compliance period and extended use period
- ▶ Signed by owner and allocating agency

IRS Section 42 Rules - Regulatory Agreement

- ▶ Owner covenants to maintain property as a low-income housing project
- ▶ Recorded against Title
- ▶ Recorded in county where the project is located

IRS Section 42 Rules - Regulatory Agreement

Know these Sections!!

- ▶ Section 4 - Federal Minimum Set-aside
- ▶ Exhibit A - Description of the Property and Project Size
- ▶ Appendix A - Income Targeting, Site and Service Amenities

Recording requested by and
when recorded mail to:

Tax Credit Allocation Committee
915 Capitol Mall, Room 485
P.O. Box 942809
Sacramento, CA 94209-0001

Free Recording Requested
In Accordance With
Government Code 27383

Space above this line
for Recorder's use

REGULATORY AGREEMENT

Federal Credits

This Regulatory Agreement (this "Agreement") is made between the California Tax Credit Allocation Committee ("TCAC"), established under Section 50199.8 of the Health and Safety Code of the State of California, and Atascadero California Manor, LP ("Owner") and is dated as of December, 15 2013 (the "Effective Date"). The Owner has requested and TCAC has authorized an allocation relating to the low-income housing tax credit (the "Federal Tax Credit") under Section 42 of the Internal Revenue Code of 1986 (collectively, the "Tax Credit"). The Tax Credit relates to a multifamily rental housing project known as Happy Place Apartments, identified in the records of TCAC by TCAC# CA-11-123 and IRS Building Identification Number CA-11-12301, and located on the real property described in Exhibit A of this Agreement, attached hereto and incorporated herein (the "Project"). This Agreement is intended to constitute the extended low income housing commitment required by Section 42(h)(6) of the Internal Revenue Code. Accordingly, in consideration of the allocation relating to the Tax Credit by TCAC and the requirements of the Internal Revenue Code, the Owner and TCAC hereby agree as follows:

Section 1. Definitions.

a. Unless the context otherwise requires, capitalized terms used in this Agreement shall have the following meanings:

"Agreement" means this Regulatory Agreement between TCAC and the Owner.

Reg Agreement - Exhibit A

EXHIBIT A to Regulatory Agreement

Description of the real property
on which the Project is located

CA-11-123

Location:

1110 Main Street
Sacramento, CA 95820

Legal Description:

Project Size Description:

1 Building

87 Low-Income Units; 1 Manager's Unit

0 Studio, 22 1-Bedroom; 32 2-Bedroom;

27 3-Bedroom; 7 4-Bedroom;

0 5-Bedroom

Reg Agreement - Appendix A

APPENDIX A ADDITIONAL USE RESTRICTIONS

Housing Type

- Large Family
- Senior
- SRO
- Special Needs
- At-Risk
- Non-targeted

Income Target

- Throughout the Compliance Period, unless otherwise permitted by TCAC, Units must be occupied by Tenants such that:
 - 20% of Low-Income Units (19 units) @ or below 30% of Area Median Gross Income
 - 5 One-Bedroom Units
 - 7 Two-Bedroom Units
 - 5 Three-Bedroom Units
 - 2 Four-Bedroom Units
 - 25% of Low-Income Units (23 units) @ or below 35% of Area Median Gross Income
 - 20% of Low-Income Units (18 units) @ or below 40% of Area Median Gross Income
 - 30% of Low-Income Units (27 units) @ or below 50% of Area Median Gross Income

Longer Compliance Period

- The Compliance Period shall be a period of 55 consecutive taxable years commencing with the first year of the Credit Period.

Targeted Population and Physical Facility Features

☒ Large Family Project

- At least thirty percent (30%) of the units in the project are three-bedroom or larger units, with the remaining units configured based on the demand established in the basic threshold requirements except that for projects qualifying for and applying under the At-risk set-aside, the Executive Director may grant a waiver of this requirement if the applicant shows it would be cost prohibitive to comply;
- One-bedroom units must include at least 500 square feet and two-bedroom units must include at least 750 square feet of living space. These limits may be waived for rehabilitation projects, at the discretion of the Executive Director. Three-bedroom units shall include at least 1,000 square feet of living space and four-bedroom units shall include at least 1,200 square feet of living space, unless these restrictions conflict with the requirements of another governmental agency to which the project is subject to approval (bedrooms shall be large enough to accommodate two persons each and living areas shall be adequately sized to accommodate families based on two persons per bedroom);
- Four-bedroom and larger units shall have at least two full bathrooms.
- The project shall provide outdoor play/recreational facilities suitable and available to all tenants, for children of all ages, except for small developments as defined in Section 10315(c). The Executive Director, in her/his discretion may waive this requirement upon demonstration of nearby, readily accessible, recreational facilities;
- The project shall provide an appropriately sized common area(s). For purposes of this part, common areas shall include all interior common areas, such as rental office and meeting rooms, but shall not include laundry rooms or manager living units, and shall meet the following size requirement: projects comprised of 30 or less units, at least 600square feet; projects from 31 to 60 units, at least 1000 square feet; projects from 61 to 100 total units, at least 1400 square feet; projects over 100 units, at least 1800 square feet. Small developments, defined in Section 10315 (d), are exempt from this requirement;
- A public agency shall provide direct or indirect long term financial support for at least fifteen percent (15%) of the total project development costs, or the owner's equity (includes syndication proceeds) shall constitute at least thirty percent (30%) of the total project development costs;
- Adequate laundry facilities shall be available on the project premises, with no fewer than one washer/dryer per 10 units. To the extent that tenants will be charged for the use of central laundry facilities, washers and dryers must be excluded from eligible basis. If no centralized laundry facilities are provided, washers and dryers shall be provided in each unit, subject to the further provision that gas connections for dryers shall be provided where gas is otherwise available at the property;
- Dishwashers shall be provided in all units unless a waiver is granted by the Executive Director because of planning or financial impracticality;
- Projects are subject to a minimum low-income use period of 55 years.

Reg Agreement - Appendix A

Site Amenities

Throughout the Compliance Period, unless otherwise permitted by TCAC, the Project shall include the following site amenities:

- **Within ¼ mile of transit stop, service every 30 minutes in rush hours**
- **Within ½ mile of public park or community center open to general public**
- **Within 3 miles of a full-scale grocery/supermarket of at least 25,000 square feet**
- **Within ½ mile of public school project children may attend**
- **Within 1 mile of medical clinic or hospital**
- **Within 1 mile of a pharmacy**

Service Amenities

The Project shall include the following service amenities, which must be of a regular, ongoing nature, provided to tenants free of charge (with exception of licensed child care), appropriate to the population being served, on-site or within ¼ mile of the project site and committed for a minimum of 10 years:

- **Service Coordinator, minimum ratio of 1 FTE to 1,000 bedrooms**
- **Adult education/health & wellness/skill building classes, minimum 84 hours/year instruction**

IRS Section 42 Rules - Vacant Units

The IRS permits credits on a vacant unit as long as:

- ▶ Previously occupied by an income qualified household
- ▶ Turn-key ready for immediate occupancy
 - CTCAC allows a 60 day grace period from date of vacancy before noting this as a noncompliance issue, please note the IRS considers a **2 week period sufficient**

IRS Section 42 Rules - Vacant Units

- ▶ CTCAC Requires 3 methods of Advertising:
 - ▶ Newspaper
 - ▶ Internet
 - ▶ Signage
- ▶ Reported to the IRS if vacant more than 60 days:
 - ▶ Unit not being advertised
 - ▶ Not Turn Key Ready
 - ▶ Waiting for a referral from an Agency

IRS Section 42 Rules - Changing Household Size

- ▶ Circumstances may arise where a tenant wants to add additional members to the household
- ▶ CTCAC strongly suggests not permitting any change in household the first year of the credit period.
 - ▶ Check with the owner and Investor prior to making changes to household size during the first year of the credit period
 - ▶ Most investors will want assurance that if there is an increase in household size the units will be tax credit eligible

IRS Section 42 Rules - Changing Household Size

- ▶ Have clear criteria that states:
 - ▶ If adding members to household will put the household over the limit for household size - the change will not be permitted
- ▶ Mixed-use tax credit project -
 - ▶ Recalculate income to verify:
 - ▶ additional household member will not put the household over either income limit or over 140% of AMI

IRS Section 42 Rules - Totem Pole Rule

- ▶ As long as at least one original household member remains in the unit, that unit continues to maintain its eligibility
 - ▶ Additional household members may be added
 - ▶ Household members that were minors at initial move-in still qualify as an original household member even though they didn't sign paperwork
 - ▶ For mixed-income properties that means the household must remain under 140% or the Next Available Unit rule applies
- ▶ If at any time no original members are in the unit, the unit must now income qualify at the current limits with the existing household members

IRS Section 42 Rules - Transfers

- ▶ Know the 8609 Part II Line 8b election
- ▶ If yes, tenants can transfer throughout the property
- ▶ If no, tenants can transfer within the same building, but cannot transfer directly to another building on the property.
 - ▶ Treated like a move-out / new move-in
 - ▶ Tenants would have to re-income qualify at the current limits

IRS Section 42 Rules – Manager's Unit

- ▶ Unit that is included in eligible basis as Common Space
- ▶ Used for the needs of the property
 - ▶ On-Site Manager / Assistant Manager
 - ▶ Maintenance
 - ▶ Police Unit (must have prior CTCAC approval)
- ▶ The IRS has clarified that rent and utilities may be charged on a Manager's unit
- ▶ Employee(s) living in the unit must be working primarily at the property they are living at

IRS Section 42 Rules - Common Areas

- ▶ Common Areas include
 - ▶ Community Room
 - ▶ Pool / Gym
 - ▶ Computer Room
- ▶ Common Areas should be available for use by the tenants and the tenants should have access to the areas
 - ▶ Management cannot charge for the use of common areas
 - ▶ Hours of use may be set by management
 - ▶ Be reasonable!

IRS Section 42 Rules - General

- ▶ Section 42 is silent on the requirement for SSN# and Citizenship
- ▶ CTCAC is not authorized to use the HUD Enterprise Information Verification (EIV) System
- ▶ Households that are comprised of entirely of full-time students are subject to additional rules

Tenant Relations

- ▶ Per IRS - TCAC's Monitoring begins after the last building in a project has placed in service
- ▶ Monitoring responsibilities are to audit:
 - the owner's tenant files,
 - utility allowance records,
 - rent records,
 - physical inspections of units, buildings and grounds

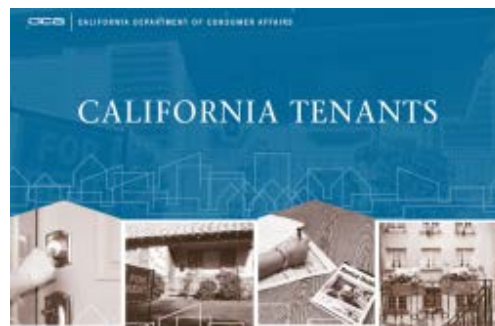


Tenant Relations

Standards must not violate California Tenant/Landlord Law

- ▶ www.dca.ca.gov/publications/landlordbook/catenant.pdf

Each LIHTC project must have an office, adequate office hours and sufficient staff to handle the tenant needs and adequately operate the day to day responsibilities of the project



A Guide to Residential Tenants' and Landlords'
Rights and Responsibilities

Tenant Relations

Owner or agent must be very knowledgeable of how the LIHTC program works and should be tax credit certified

- This allows for ability to explain to tenants the basic program rules and answer their questions and concerns



Tenant Relations

- ▶ On average CTCAC receives over 40 tenant complaints per week,
 - ▶ **Over 2000 complaints per year!!!**
- ▶ Complaints come in form of emails, correspondence, phone calls and in person
- ▶ The State Agency acknowledges that there is always 2 sides to a story and we are only hearing one side
 - *However as a state agency responsible for the administration of the LIHTC program we must respond to each and every complaint from any tenant living in a tax credit unit*



Tenant Relations

One of the main complaints is confusion over the concept of a project's deeper targeting criteria

- Tenants, especially elderly tenants do not understand why they cannot have a 35% ami rent, like their neighbor
- Or they confuse the LIHTC program with the Section 8 program and think they should only be paying 30% of their income towards rent



Tenant Relations

A second major complaint is not being treated fairly, kindly, or respectfully by on-site management staff including:

- On-site management staff have favorites who they allow to break rules
- On-site management staff are never in the office and office remains closed during posted office hours



Tenant Relations

Other common concerns:

- Claims that on-site management staff are committing fraud - asking for or taking kick-backs to move people to different unit, up on wait list, or to add a household member to unit
- Claims that tenants are asked to sign blank forms and back date tax credit paperwork
- Claims that management is refusing to give the tenant copies of the paperwork they signed

Tenant Relations

- Claims that Management too often do not enforce House Rules consistently
 - Smoking
 - Quiet Hours of Property
- Claims that management is renting out community room to outside organizations and tenants cannot use facilities
- Claims that work orders are not being handled timely

Tenant Relations

Suggestions for Maintaining Good Tenant Relations:

- CTCAC highly recommends hiring only on-site staff that are Section 42 tax credit certified
- Can easily explain how the LIHTC program rules work
- Ensure that on-site staff are also trained and certified on Fair Housing Law

Tenant Relations

- Conduct your own yearly in-house training in small groups or large groups
- Ensure that on-site staff possess good people skills, if they don't like working with a variety of people they are not going to handle their job very well



Tenant Relations

- ▶ Our Staff sees over 1000 projects a year
- ▶ We find that the majority of management staff working at LIHTC projects are hard working, diligent and professional both the on-site office staff and maintenance personnel
- ▶ We commend you for the hard work that goes into managing a LIHTC property that is renting to only income qualified households, charging the correct tax credit rents and maintaining the property and units so they are safe, habitable and in good repair

Questions?

The background features abstract, overlapping geometric shapes in various shades of blue and red, primarily concentrated on the right side of the frame. The shapes are semi-transparent, creating a layered effect. The overall composition is clean and modern.