

Tax Credit with HOME



Please NOTE when using Novogradac to determine maximum HOME rents the most current rent limits or the lesser of 65% AMI or FMR may not have been applied.

Project Based Voucher with HOME

Maximum Rent Low HOME May collect the project based rent for any unit that receives State/Federal project based rental assistance that meets:

1. Is designated as a Low <u>H</u>OME rent unit;

2. Is occupied by a very low income tenant; and

3. houshold pays no more than 30% of its adjusted income toward rent If all three are not met rent is capped at the lessor of the Low HOME or LIHTC rent limit for that unit

Maximum rent High HOME Lessor of the project based rent or High HOME rent may be charged when household either:

1. Is low income but not very low income; or

2. Pays more than 30% of its income towards rent

Rent is capped at the lessor of High HOME rent limit or the LIHTC rent limit for that unit.

5/14/2020

LIHTC/Rural Development

Under Section 515 of the Housing Act of 1949 - gross rent does not include any rental payment to the owner of the unit to the extent such owner pays an equivalent amount to the USDA Rural Housing Service. In other words, as long as the owner reimburses Rural Development the rent amount over the limit (all overage) that unit is in compliance (8823 Guide Chapter 11g)

Example 1 - Basic rent is \$800, LIHTC rent \$1,000, RD Note Rate is \$1,100, 30% of the tenant's income \$1,075 the difference between the \$800 and \$1,075 (\$275) is paid to RD as overage. In compliance as long as paid. Example 2 - Basic rent is \$800, LIHTC rent \$600, 30% of the tenant's income is \$620 the household will be receiving \$180 in RA (because the basic rent must always be paid) they can pay more than the LIHTC rent and they remain in compliance.

However, if the tenant's income increases to the point where they pay the basic rent \$800, there would be no RA paid on their behalf. In this case the tenant could not be charged more than the maximum LIHTC rent of \$600 and the owner would have to pay the additional \$200 to RD.

LIHTC with Tenant or Project Based Vouchers



Housing Trust Fund

Eligible Tenants meet 30% of Area Median Income

Household Income can't exceed 30% AMI at Move-in. At recertification an over income unit continues to qualify if actions satisfactory to HUD are being taken to ensure that all vacancies are filled in accordance with HTF regulations until the noncompliance is corrected.

Maximum rent that can be collected is 30% rent for unit bedroom size unless unit has PBV and then it is the maximum allowed under the PBV program for the area.

811 PRA

To be eligible for this program the following must be met:

Household at or below 30% AMI and must be eligible under a program approved DHHS waiver classification Rent can not exceed contract rents as established by the Contract Administrator and memorialized in the Rental Assistance Contract

Bond Financing with any other layering

Income determination based on recorded Loan Documents

Bonds with LIHTC Maximum Rent is the applicable rent chart Bonds with Low and High Home Maximum rent is the lessor of HOME or applicable rent chart Bonds with Project Based Vouchers and Tenant Based Vouchers Maximum rent allowed under Voucher Program