

# CTCAC Basic Compliance 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



# Tenant Income Certification (TIC)

**PART V. DETERMINATION OF INCOME ELIGIBILITY**

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

Tenant Paid Monthly Rent: \$ _____	Federal Rent Assistance: \$ _____	*Source: _____
Monthly Utility Allowance: \$ _____	Non-Federal Rent Assistance: \$ _____	
Other Monthly/Non-optional charges: \$ _____	<b>Total Monthly Rent Assistance:</b> \$ _____	(%)-8

**GROSS MONTHLY RENT FOR UNIT:** (Tenant paid rent plus 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: \$ \_\_\_\_\_

Unit Meets Federal Rent Restriction at:  60%  50%

If Applicable, Unit Meets Bond Rent Restriction at:  60%  50%

Unit Meets Deeper Targeting Rent Restriction at:  Other \_\_\_\_\_%

**\*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  
 9 Missing  
 \*\* (PBRA) Includes: Section 8 New Construction/Substantial Rehabilitation; Section 8 Loan Guarantee; Section 8 Property Disposition; Section 202 Project Rental Assistance Contract (PRAC)

**PART VII. STUDENT STATUS**

ARE ALL OCCUPANTS FULL TIME STUDENTS?  yes  no

If yes, Enter student explanation\* (also attach documentation)

Enter 1-5

**\*\*Student Explanation:**  
 1 AFDC/TANF Assistance  
 2 Job Training Program  
 3 Single Parent Dependent Child  
 4 Married/Soon 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. Name of Program: _____
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See Part V above.

Income Status <input type="checkbox"/>			
<input type="checkbox"/> ≤ 50% AMGI	<input type="checkbox"/> 50% AMGI	<input type="checkbox"/> 50% AMGI	<input type="checkbox"/> 50% AMGI
<input type="checkbox"/> ≤ 60% AMGI	<input type="checkbox"/> 60% AMGI	<input type="checkbox"/> 60% AMGI	<input type="checkbox"/> 80% AMGI
<input type="checkbox"/> ≤ 80% AMGI	<input type="checkbox"/> 80% AMGI	<input type="checkbox"/> 80% AMGI	<input type="checkbox"/> Other**
<input type="checkbox"/> Other**	<input type="checkbox"/> Other**	<input type="checkbox"/> Other**	<input type="checkbox"/> Other**

\*\*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	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 sub-continent:  
 4a - Asian Indian  
 4b - Chinese  
 4c - Filipino  
 4d - Japanese  
 4e - Korean  
 4f - Vietnamese  
 4g - Other Asian  
 4h - Other Asian  
 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  
 5b - Guamanian or Chamorro  
 5c - Samoan  
 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&action=main&page=100-201](http://www.fairhousing.com/index.cfm?method=page_display&action=main&page=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 tenant/votee.  
 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) \_\_\_\_\_  
 (Date) 1 2 3 4 5 6 7

# Tenant Household Information Form (THIF)

**Tenant Household Information Form**  
(Use in Year 1 - 2025/26 Credit Reporting)

Effective Date: \_\_\_\_\_  
Now in Date: \_\_\_\_\_  
MM-DD-YYYY

**PROJECT DATA**

Project Name: \_\_\_\_\_ County: \_\_\_\_\_ TCAC#: \_\_\_\_\_ BBL#: \_\_\_\_\_  
Address: \_\_\_\_\_ If applicable, CDLAC#: \_\_\_\_\_  
Unit Number: \_\_\_\_\_ # Bedrooms: \_\_\_\_\_ Square Footage: \_\_\_\_\_

**HOUSEHOLD COMPOSITION**

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

HH Member	Last Name	First Name & Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/YYYY)	F/T Student (Y/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: \$ \_\_\_\_\_ Federal Rent Assistance: \$ \_\_\_\_\_ \*Source: \_\_\_\_\_  
Monthly Utility Allowance: \$ \_\_\_\_\_ Non-Federal Rent Assistance: \$ \_\_\_\_\_  
Other Monthly Non-Optional Charges: \$ \_\_\_\_\_ Total Monthly Rent Assistance: \$ \_\_\_\_\_ (\*N)

**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: \$ \_\_\_\_\_

Unit Meets Federal Rent Restriction at:  60%  50%  
If Applicable, Unit Meets Bond Rent Restriction at:  60%  50%  
Unit Meets Deep Targeting Rent Restriction at:  Other %

**STUDENT STATUS**

ARE ALL OCCUPANTS FULL TIME STUDENTS?  Yes  No

If yes, Enter student explanation \* (also attach documentation)

Enter I.D. # \_\_\_\_\_

\*If above answer is yes, a Student Verification Form (completed via 3<sup>rd</sup> party) must be attached to this form

\*Student Explanation:  
1 AFDC/TANF Assistance  
2 Job Training Program  
3 Single Parent/Dependent Child  
4 Marital/Joist Return  
5 Former Foster Care

# Tenant Income Certification Questionnaire (TICO)

**TENANT INCOME CERTIFICATION QUESTIONNAIRE**  
(One Form per Adult Member of the Household)

Name: \_\_\_\_\_ Telephone Number: \_\_\_\_\_  
Initial Certification: \_\_\_\_\_ ( )  
Re-certification: \_\_\_\_\_ ( )  
Other: \_\_\_\_\_ ( )  
Unit # \_\_\_\_\_

**Income Information**

Yes No Monthly Gross Income (use net income from self-employment only)

1.  I am self-employed. (List nature of self-employment) \$ \_\_\_\_\_

2.  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:  
Name of Employer  
1) \_\_\_\_\_ \$ \_\_\_\_\_  
2) \_\_\_\_\_ \$ \_\_\_\_\_  
3) \_\_\_\_\_ \$ \_\_\_\_\_

3.  I receive cash contributions of gifts including rent or utility payments, on an ongoing basis from persons not living with me \$ \_\_\_\_\_

4.  I receive unemployment benefits \$ \_\_\_\_\_

5.  I receive Veteran's Administration, GI Bill, or National Guard/Military benefits/income \$ \_\_\_\_\_

6.  I receive periodic social security payments \$ \_\_\_\_\_

7.  The household receives (yearly) income from family members age 18 or under (examples: Social Security, Trust Fund disbursements, etc.) \$ \_\_\_\_\_

8.  I receive Supplemental Security Income (SSI) \$ \_\_\_\_\_

9.  I receive disability or death benefits other than Social Security \$ \_\_\_\_\_

10.  I receive Public Assistance Income (examples: TANF, AFDC) \$ \_\_\_\_\_

11.  I am entitled to receive child support payments \$ \_\_\_\_\_  
 I am currently receiving child support payments \$ \_\_\_\_\_  
If yes, from how many persons do you receive support? \_\_\_\_\_  
 I am currently making efforts to collect child support owed to me. List efforts being made to collect child support: \_\_\_\_\_

12.  I receive alimony/spousal support payments \$ \_\_\_\_\_

13.  I receive periodic payments from trusts, annuities, inheritances, retirement funds or pensions, insurance policies, or lottery winnings \$ \_\_\_\_\_  
If yes, list sources:  
1) \_\_\_\_\_ \$ \_\_\_\_\_  
2) \_\_\_\_\_ \$ \_\_\_\_\_

14.  I receive income from real or personal property. (use net asset income) \$ \_\_\_\_\_

15.  Student financial aid (public or private, not including student loans) \$ \_\_\_\_\_  
Subtract cost of tuition from Aid received.  
\*For households receiving Section 8 Assistance Only

# Tenant Income Certification Questionnaire (TICO)

YES	NO		INTEREST RATE	CASH VALUE
<input type="checkbox"/>	<input type="checkbox"/>	I have a checking account(s). If yes, list bank(s): 1) _____ 2) _____	_____% _____%	\$ _____ \$ _____
<input type="checkbox"/>	<input type="checkbox"/>	I have a savings account(s). If yes, list bank(s): 1) _____ 2) _____	_____% _____%	\$ _____ \$ _____
<input type="checkbox"/>	<input type="checkbox"/>	I have a revocable trust(s). If yes, list bank(s): 1) _____ 2) _____	_____% _____%	\$ _____ \$ _____
<input type="checkbox"/>	<input type="checkbox"/>	I own real estate. If yes, provide description: _____		\$ _____
<input type="checkbox"/>	<input type="checkbox"/>	I own stocks, bonds, or Treasury Bills. If yes, list sources below: 1) _____ 2) _____ 3) _____	_____% _____% _____%	\$ _____ \$ _____ \$ _____
<input type="checkbox"/>	<input type="checkbox"/>	I have Certificates of Deposit (CD) or Money Market Accounts. If yes, list sources below: 1) _____ 2) _____ 3) _____	_____% _____% _____%	\$ _____ \$ _____ \$ _____
<input type="checkbox"/>	<input type="checkbox"/>	I have an IRA, Lump Sum, Pension, Keogh, Account 401K. If yes, list bank(s): 1) _____ 2) _____	_____% _____%	\$ _____ \$ _____
<input type="checkbox"/>	<input type="checkbox"/>	I have a whole life insurance policy. If yes, how many policies: _____		\$ _____
<input type="checkbox"/>	<input type="checkbox"/>	I have cash on hand		\$ _____
<input type="checkbox"/>	<input type="checkbox"/>	I have disposed of assets (i.e. give away or sell) 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

Does the household consist of all persons who are full-time students (Examples: K-12, College, Trade School, etc.)?  
Does the household consist of all persons who have been a full-time student 5 months in the current calendar year?  
Does your household anticipate becoming an independent student household in the next 12 months?

If you answered yes to any of the previous three questions are you:  
 Receiving assistance under Title IV of the Social Security Act (ADDC, TANF, Cal. Welfare - not SSA, SSD)  
 Enrolled in a job-training program receiving assistance through the Job Training Participation Act (JTPA) or other similar program  
 Married and filing, or are entitled to file a joint tax return  
 Single parent with a dependent child or children and neither you nor your child(ren) are dependent of another individual.  
 Previously enrolled in the Foster Care program (insert page 18-24)

UNDER PENALTY OF PERJURY: I CERTIFY THAT THE INFORMATION PROVIDED ON THIS FORM IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE. ANY UNTRUE OR FALSIFIED INFORMATION TO THE BEST OF MY KNOWLEDGE WILL BE SUBJECT TO PROSECUTION UNDER FEDERAL AND STATE LAWS. FALSIFICATION OR OMISSION OF 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 \_\_\_\_\_

# Verification of Employment (VOE)

**EMPLOYMENT VERIFICATION**

**THIS SECTION TO BE COMPLETED BY MANAGEMENT AND EXECUTED BY TENANT**  
*(The use of "blank out, back 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:** \_\_\_\_\_

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**THIS SECTION TO BE COMPLETED BY EMPLOYER**

Please answer all questions fully leaving NO blanks:

Employee Name: \_\_\_\_\_ Job Title: \_\_\_\_\_

Presently Employed: Yes Date First Employed \_\_\_\_\_ No Last Day of Employment \_\_\_\_\_

Current Wages Salary: \$ \_\_\_\_\_ (check one)  
 hourly  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 \_\_\_\_\_

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.

# 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 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.

Signature of Applicant/Tenant \_\_\_\_\_ Printed Name of Applicant/Tenant \_\_\_\_\_ Date \_\_\_\_\_

Certification of Zero Income (March 2009)

## 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 \$4999.00.  
 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 assets 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 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 the 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
\$ _____	% _____	\$ _____	EST/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, appliances, autos, clothing, assets of/on the business, or special equipment for use by the disabled.

2. Choose one:

I've had 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've had sold or given away assets (including cash, real estate, etc.) for more than \$1,000 below their fair market value (FMV). These amounts\* are included above and are equal to a total of: \$ \_\_\_\_\_, 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've 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 \_\_\_\_\_  
 CA Tax Credit Allocation Committee (January 2017)

Good Cause Eviction Lease Rider

**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 \_\_\_\_\_

# Project Status Report (PSR)

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE - PROJECT STATUS REPORT (PSR)**  
 (2015, v1.2) PLEASE DO NOT WRITE IN THESE SPACES. USE BACK OF FORMS 4, 5.

Date PSR Prepared: \_\_\_\_\_  
 TCAC NUMBER: CA- \_\_\_\_\_  
 Project Name: \_\_\_\_\_  
 Management Company: \_\_\_\_\_  
 Contact: \_\_\_\_\_  
 Phone Number: \_\_\_\_\_  
 County: \_\_\_\_\_  
 Site to be built on: \_\_\_\_\_

BUILDING NUMBER	UNIT NUMBER	Federal Exempt Residences	NUMBER OF RESIDENTS	NUMBER IN HOUSEHOLD (S) (S) (S)	TENANT PAID RENT	UTILITY ALL OBLIGATIONS	ORGANIZATION	TENANT GRAND FATHERED	TENANT IN USE	NUMBER IN HOUSEHOLD	TOTAL UNITS	
											MOVED IN DATE	MOVED ANNUAL
											3 BR: 0	4 BR: 0
											1 BR: 0	2 BR: 0
											2 BR: 0	Total: 0

# 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 LITC 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  
(CTAC 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
- ▶ Marital Separation Status Form
- ▶ 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 the 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 \_\_\_\_\_

# Marital Separation Status Form

**Marital Separation Status Affidavit**

*For use for any applicant or resident who is divorced, separated, widowed or estranged from their spouse. These questions are being asked to document income eligibility only. You will not be approved or denied based on your marital status.*

**To be completed by tenant:**

RE: Applicant/Tenant Name \_\_\_\_\_ Applicant/Tenant Address and Unit # \_\_\_\_\_

I hereby certify that I am:  
 Divorced  Separated  Widowed  Estranged

From my spouse, whose name is: \_\_\_\_\_  
 Date of divorce / separation / etc.: \_\_\_\_\_

**Please check this Box and Initial:**  
 My spouse is NOT a member of this household and WILL NOT be living in the apartment.

*Issue:* \_\_\_\_\_

**Please choose either A, B, or C:**

A. I am currently legally separated from my spouse and a copy of my current legal separation agreement is attached.

B. I am NOT currently legally separated from my spouse but I am in the process of filing for legal separation. I will provide legal documentation as it becomes available.

C. I am NOT currently legally separated from my spouse and have NOT taken any legal action with regard to my marital status because \_\_\_\_\_  
 \_\_\_\_\_

**Income Determination:**

- I have been awarded alimony, child support, or survivor benefits. I currently receive or anticipate receiving \$ \_\_\_\_\_ per \_\_\_\_\_ for the next twelve (12) months. Please attach the most recent payment documentation.
- I currently receive no compensation from my spouse nor do I intend (expect) to receive any compensation for the next twelve (12) months because \_\_\_\_\_  
 \_\_\_\_\_

**Asset Determination:**

- I understand that all assets owned by my spouse or myself will be counted as joint marital property until legal documentation on that states otherwise can be obtained.

**Reporting Requirements:**

- I will report any and all changes to my living situation. This includes, but is not limited to, changes in my income, asset amounts, household composition and marital status.
- I will not allow my spouse to move into my apartment without PRIOR approval from management. I understand that due to the requirements of Section 42 of the Internal Revenue Code, management has the right to deny the addition of any household member(s).

*Under penalties of perjury, I certify the above representations to be true as of the date shown below. I further understand that any misrepresentation including false, misleading or incomplete information herein will be considered an act of fraud and a material breach of the lease agreement subject to immediate action, including the termination of the lease agreement.*

Applicant/Tenant Signature \_\_\_\_\_ Date \_\_\_\_\_  
 Management Representative Signature \_\_\_\_\_ Date \_\_\_\_\_

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 dates 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.

Resyndication Clarification  
Form

**Resyndication Clarification Form**

*For existing households that qualified under the original allocation of credits and now exceed the current tax credit limits at resyndication. Please print on colored paper.*

1. Name of tax credit property: \_\_\_\_\_
2. Original CTCAC project number: \_\_\_\_\_
3. Resyndicated CTCAC project number: \_\_\_\_\_
4. Household name: \_\_\_\_\_
5. Original move-in date: \_\_\_\_\_
6. Original unit and building number: \_\_\_\_\_
7. Number of members in original household: \_\_\_\_\_
8. Original household, currently income eligible at resyndication? \_\_\_\_\_
9. Current household eligible to be grandfathered, as a tax credit unit? \_\_\_\_\_
10. Is a complete copy of initial move-in certification attached? \_\_\_\_\_
11. If No was answered for question 10, what complete subsequent certification is attached? \_\_\_\_\_
12. Most current certification date for household: \_\_\_\_\_
13. Current income of household: \_\_\_\_\_

Certification by Owner/ Manager Company Agent:

Print Name: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_\_\_\_

*I certify under penalty of perjury that the above information is true and correct to the best of our ability. The owner has provided either the initial move-in certification for this original household or the next most current completed recertification to show the household was initially an income eligible household under the old allocation of tax credits for this project.*

## CTCAC Reporting Requirements

- ▶ Annual Owner Certification (AOC)
  - ▶ Annual Reporting due in March
  - ▶ Certification
  - ▶ Project Ownership Profile (POP)

Annual Owner Certification (AOC)

California Tax Credit Allocation Committee			
ANNUAL OWNER CERTIFICATION (AOC)			
<b>REPORTING YEAR: 2016</b>			
Project Name:			CTCAC number: <input style="width: 50px;" type="text"/>
Project Address:			
Project City:			
Project State:	CA	Project Zip:	
<b>REPORTING PERIOD: JANUARY 1 THROUGH DECEMBER 31, 2016</b>			
The undersigned, having been allocated certain Low-Income Housing Tax Credits pursuant to Section 42 of			
<b>FOR THE ENTIRE 12 MONTH REPORTING PERIOD SPECIFIED ABOVE INITIAL ALL TRUE STATEMENTS.</b>			
(i)	The project met the requirements: <input type="checkbox"/> (A) The 20-50 test under §42(g)(1)(A), (REQUIRED FIELD - check one) or <input type="checkbox"/> (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		
(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		
(vi)	The buildings and low-income units in the project were suitable for occupancy, taking into		
(vii)	There was no change in the eligible basis (as defined in §42(d)) of any building in the project,		
(viii)	All tenant facilities included in the eligible basis under §42(d) of any building in the project, such		
(ix)	If a low-income unit in the project became vacant during the year, that reasonable attempts were		
(x)	If the income of tenants of a low-income unit in the project increased above the limit allowed in		

Annual Owner Certification (AOC)

(xi)	A regulatory agreement as described in §42(h)(6) was in effect, including the requirement that the		
(xii)	All low-income units in the project were used on a nontransient basis (except for transitional housing		
(xiii)	The project met all terms and conditions recorded in its Regulatory Agreement, if applicable. (As		
(xiv)	The applicable fraction (as defined in IRC Section 42(c)(1)(B)) met all requirements of the credit		
(xv)	No change in ownership of the project has occurred during the reporting period;		
(xvi)	The Project has <u>not</u> been notified by the Internal Revenue Service that it is no longer a "qualified low-		
(xvii)	No additional tax-exempt bond funds or other Federal grants or loans with interest rates below the		
(xviii)	The project contains: <input style="width: 50px;" type="text"/> low income units, on December 31, 2016, the number of low income units that were occupied by tax credit eligible households were: <input style="width: 50px;" type="text"/> (REQUIRED FIELD - please select number from drop down list at left);		
(xix)	The project did not suffer any casualty loss in 2016; fire, flood, earthquake, or structural damage;		
(xx)	No tenants in low-income units were evicted or had their tenancies terminated other than for good		
(xxi)	The project has provided all site/ service amenities as identified in the project Regulatory Agreement		
(xxii)	The project owner certifies compliance with the Capital Needs Agreement to complete short term		
<b>INITIAL (xxiii) BELOW ONLY IF YOUR PROJECT RECEIVED STATE TAX CREDITS.</b>			
(xxiii)	No more than the allowable 8% cash distribution from Project operations, after funding required reserves, as		
<b>Due: Monday, March 20, 2017</b>			
The undersigned, acting under authority of the ownership entity of this project, has executed this Certification, subject to penalties of perjury.			
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 _____,			
By (owner signature) _____			
Title _____			
(Printed or Typed)			
State of _____			
County of _____			
On _____ before me,			
(insert name and title of the officer)			
personally appeared _____			
who provided 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 by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.			
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) 2016		
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 Orange 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

- ▶ Annual Owner Expense Reporting (AOE)
  - ▶ Annual Reporting due in May
  - ▶ Operating Expense Report
  - ▶ Lender Profile

Annual Operating Expense Report (AOE)

California Tax Credit Allocation Committee			
REPORTING YEAR: 2015			
ANNUAL OPERATING EXPENSE REPORT (AOE) - 1-1-15			
Reporting Period: January 1 through December 31			
Project Number:		Project Name:	
Date Prepared:			
Total Occupied Units:			
<b>Income</b>			
Gross Tenant Income:	\$0	Net Rental Revenue:	\$0
Vacancy Loss:	\$0	Misc. Income:	\$0
		Effective Gross Income:	\$0
<b>General Administrative</b>		<b>Maintenance</b>	
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 (Specify):	\$0
		Other Maintenance 2 (Specify):	\$0
		Total Maintenance:	\$0
<b>Management</b>		<b>Other Expenses</b>	
Management Fee:	\$0	Other 1 (Specify):	\$0
		Other 2 (Specify):	\$0
		Other 3 (Specify):	\$0
		Other 4 (Specify):	\$0
		Total Other:	\$0
<b>Utilities</b>		<b>Payroll/Payroll Taxes</b>	
Fuel:	\$0	On-Site Manager:	\$0
Gas:	\$0	Health Benefits:	\$0
Electricity:	\$0	Workers Compensation:	\$0
Water/ Sewer:	\$0	Maintenance Personnel:	\$0
Total Utilities:	\$0	Payroll Taxes:	\$0
		Other:	\$0
		Total Payroll:	\$0
		<b>Debt Service Payments, Real Estate Taxes, and Reserve Accounts</b>	
		Amortizing Debt Service Payments:	\$0
		Total Real Estate Taxes:	\$0
		Current Year Replacement Reserve Deposits:	\$0
		Service Amenities:	\$0
		Current Replacement Reserve Balance:	\$0
		Current Operating Expense Reserve Balance:	\$0
		Total Annual Residential Operating Expenses:	\$0
		<b>Net Income/ Loss:</b>	\$0

the negative, please provide a brief explanation:

Form completed by contact:  
 Contact phone number:  
 Contact email address:

Lender Report

California Tax Credit Allocation Committee			
Lender Profile Form			
2015			
Reporting Period: January 1 through December 31, 2015			
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 Blue 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 Demographic Data Reporting
- ▶ Annual Requirement
- ▶ Submitted to HUD
- ▶ 2016 Annual Reporting due March 17<sup>th</sup> 2017
  - ▶ For California - currently collected and reported by Spectrum Enterprises
    - ▶ Software can be installed from Spectrum's website:
      - ▶ <http://www.spectrumlihtc.com/states/california/>

## 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](http://www.treasurer.ca.gov/ctcac/compliance.asp)
  - ▶ Online Compliance Manual
  - ▶ Policy Memos
  - ▶ Forms
  - ▶ 2017 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

### Resident Selection Plan

- ▶ Owner determines the plan
  - ▶ Are there certain populations being targeted?
  - ▶ Is the property available to the general public?
- ▶ Must meet Fair Housing Guidelines
- ▶ Not CTCAC Monitored

## 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

## Eligibility Basics

### SSA/EDD/Payroll Debit Cards

- Issued by the source
- CTCAC will treat as Income
- Verify the Source - Either 3<sup>rd</sup> 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.

### Day Labor

- ▶ CTCAC Definition of Day Labor
- ▶ Self-Certification of Wages
- ▶ Previous History Research

## 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

**2016 Income Limit for a 1 person household:  
\$30,200**

Kimmie 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.

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## 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 12/28/15 - 4/23/16

### 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.

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## 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

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## Exercise #1 Answer

- ▶ **Verification of Employment**
  - ▶  $14.50 \text{ an hour} \times 40 \text{ hours} \times 52 \text{ weeks} = \$30,160$
- ▶ **YTD Calculation**
  - ▶ Pay period ending 4/23/15 = 117 days (4 days in 2014/113 in 2015)
  - ▶  $117 \text{ days} / 7 = 16.71 \text{ weeks}$
  - ▶  $\$9,688.59 / 16.71 = \$579.81$
  - ▶  $\$579.81 \times 52 = \$30,150.12$
- ▶ **Paystub Calculation**
  - ▶ **Regular** -  $40+40+37.5+39+40+40+38+38.5+40+39+40+37.5 = 469.5$
  - ▶  $469.5/12 \text{ stubs} = 39.125 \text{ average hours per pay period}$
  - ▶  $\$14.50 \times 39.125 \times 52 = \$29,500.25$
  - ▶ **Overtime** -  $1+2.5+1.25+.75+1+1+1.5 = 9$
  - ▶  $9/12 \text{ stubs} = .75 \text{ average hours per pay period}$
  - ▶  $\$21.75 \times .75 \times 52 = \$848.25$
  - ▶ **Total Paystub** -  $\$29,500.25 + \$848.25 = \$30,348.50$

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## 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

## How Do You Know the Gross Rent?

- ▶ Gross Rent is based on the greater of either the Gross Rent Floor Election (GRFE) at application or the current maximum rent limit as released by HUD
- ▶ The GRFE is a protection against a decrease in rents from the time the owner came in for credits and the time the property places in service
  - ▶ The GRFE defaults to Carryover for 9% properties or Preliminary Reservation for 4% properties
    - ▶ Owners of 9% properties may elect to set the GRFE at PIS instead of Carryover
  - ▶ GRFE is Held Harmless at the highest point it has achieved

## 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 600 square 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.

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## 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
  - ▶ 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

## 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 2016 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 2016. 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 2017 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.

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## 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 1<sup>st</sup> 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.

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## 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.

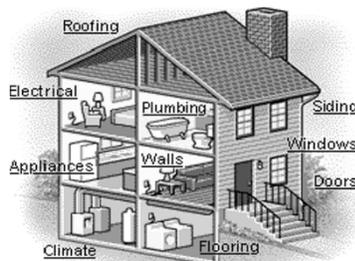
## UPCS

### Basic Physical Inspection Protocols

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

### Compliance Manual

- Section 7 - Part 720 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) 654-4346  
f (916) 654-6033  
ctcac@treasurer.ca.gov  
www.treasurer.ca.gov/ctcac

MEMBERS  
JOHN CHANG, Chairman  
State Treasurer  
BETTY YEE  
State Controller  
MICHAEL COHEN  
Director of Finance  
EXECUTIVE DIRECTOR  
Mark Stevens

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 17<sup>th</sup> 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 405  
Sacramento, CA 95814  
p (916) 654-4346  
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ctcac@treasurer.ca.gov  
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MEMBERS  
JOHN CHANG, Chairman  
State Treasurer  
BETTY YEE  
State Controller  
MICHAEL COHEN  
Director of Finance  
EXECUTIVE DIRECTOR  
Mark Stevens

March 1, 2015

John Smith  
ABC Apartments, LP  
111 Main Street, Suite 202  
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**Building 2 - Unit #203 (Smith)** - This one-person household moved in on 04/21/2009. At initial

## ▶ 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.**

## 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

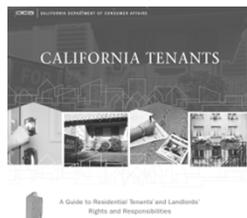


## Tenant Relations

Standards must not violate California Tenant/Landlord Law

- ▶ [www.dca.ca.gov/publications/landlordbook/catenant.pdf](http://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



## 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 tenants are asked to leave off a job because they earn too much and won't income qualify
- 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?