

INTRODUCTION TO HHFDC AFFORDABLE HOUSING PROGRAMS



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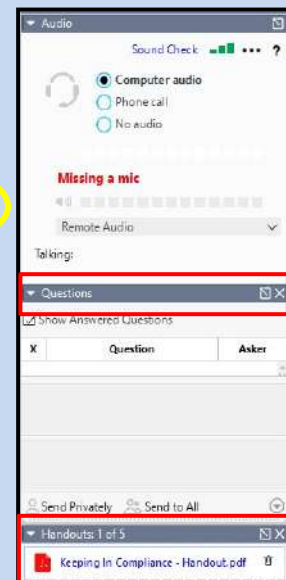
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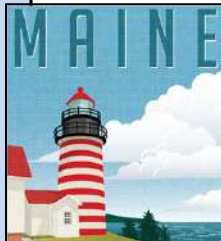
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DISCUSSION TOPICS

Part I	Introduction
Part II	Process of Obtaining Funds
Part III	General Compliance Issues
Part IV	Reporting Requirements
Part V	Income Eligibility
Part VI	Rent Restrictions
Part VII	Student Restrictions
Part VIII	Noncompliance
Part IX	Tenant Selection Plan
Part X	Tenant Application
Part XI	Tenant Income Verifications
Part XII	Compliance Reviews and Inspections

PART I: Introductions



Key Players

The Hawaii Housing Finance
& Development Corporation. (HHFDC)



Compliance Monitoring Agency

SPECTRUM COMPLIANCE = "Authorized Delegate"

The HHFDC contracts
with **Spectrum** to provide
compliance monitoring.



Key Players

Owners

Ultimately responsible for compliance.

Management and Site Staff

Ensure compliance and critical
to success of the programs.



The HHFDC has several affordable housing programs. Some are actively funded and other are not.

All have compliance requirements.

TAX CREDITS

RHRF

HMMF

HOME

DURF

RAP

NSP

201H

HOME-ARP

....and MORE!

LOW INCOME HOUSING TAX CREDIT

Administered by the **IRS** (started in 1986)

Compliance is monitored by individual **States**

Funds given to States and Territories by **Population**
(minimum – small states - \$3.25 million)

HAWAII – over \$4 million



LOW INCOME HOUSING TAX CREDIT

HHFDC award credits in funding rounds in accordance with requirements of the **Qualified Allocation Plan (QAP)**

A **point** system from the QAP helps determine project ranking.

LOCATION

OF UNITS

ENERGY EFFICIENCY



LOW INCOME HOUSING TAX CREDIT

15 year initial compliance period,
with credits taken for **10 years**



LOW INCOME HOUSING TAX CREDIT

Since 1990, extended use provisions
have been required
(26,35,46 Years in Hawaii!)



LOW INCOME HOUSING TAX CREDIT

Owners and investors can deduct the credit from
their **tax liability**.



Tax Credit Assistance Program (TCAP)

Established with the Housing and Economic Recovery Act (HERA) in 2008.

Allowed HFAs to exchange a portion of their 2009 Housing Credits for **grants** from the Treasury.

Monitored the same as LIHTC

No longer active
(3 Properties)



Section 1602 of the American Recovery and Reinvestment Act of 2009 (ARRA)

It allowed State housing agencies to elect to receive **cash grants** to a certain portion of the LIHTC allocation.

Monitored the same as LIHTC

No longer active
(6 Properties)



HOME Investment Partnerships Program

Funds allocated by **HUD** to State and local governments

The main purpose is to increase the supply of decent, safe, sanitary housing for low and very low-income families (**50%** and **80%** AMI)



HOME Investment Partnerships Program

Primary attention is to **rental housing**

Generally, HOME funds are matched with other sources of funding (Bonds, LIHTC)



HOME Investment Partnerships Program

Compliance period determined by type of project and amount of HOME investment, 5 to 20 years.

Significant noncompliance can lead to an extended affordability period, foreclosure, etc.



Neighborhood Stabilization Program

Purpose was to stabilize and revitalize communities caused by the economic decline and housing collapse in 2008.

Rules mirror those of the HOME Program

This program is no longer being funded.
(3 properties)



RENTAL ASSISTANCE PROGRAM (RAP)

Program was created in **1981** by
the **State Legislature**.

Encourages the development of new or existing
rental properties while maintaining **rental rates** for
low and moderate income families.



RENTAL ASSISTANCE PROGRAM (RAP)

Original purpose of the program was to provide monthly
rental subsidies.

Later amended to provide interim **construction loans**

Works alone or with other programs
(most work alone in Hawaii but 2 are paired with LIHTC)



RENTAL ASSISTANCE REVOLVING FUND (RARF)

Fund was developed under the **RAP** program

First award given in October 1993.

Receives money from
public, private, state sources



RENTAL ASSISTANCE REVOLVING FUND (RARF)

Money invested in such a way as to maximize the rate of
return

RAP payments are made to projects from this fund with
interest earnings

RARF properties are piggybacked with other programs.
(**HOME** and **LIHTC**)



RENTAL ASSISTANCE REVOLVING FUND (RARF)

RARF properties maintain at least **20%** of their units for households with incomes no greater than **80%** AMGI.

Properties are also subject to a Regulatory Agreement and a contract with the HHFDC.

(30-year agreement with an additional 20-year re-evaluation)



RENTAL HOUSING REVOLVING FUND (RHRF)

Also established by the **State legislature**

State felt that the lack of affordable housing was created by the high cost of development

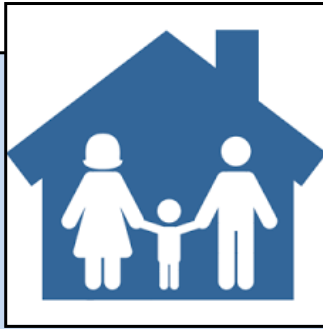
Created a fund to subsidize the cost of **building**, so that **rents** could be reduced



HULA MAE MULTI-FAMILY PROGRAM (HMMF)

Provides below-market interest rate **loans** through the issuance of tax-exempt **bonds**

Portion of the units must be set aside for low-income households



HULA MAE MULTI-FAMILY PROGRAM (HMMF)

Typically piggybacked with other funding sources (LIHTC and RHRF)

Rules are similar to those of **LIHTC** program



DWELLING UNIT REVOLVING FUND (DURF)

DURF funds may be used for the acquisition or construction properties and loans to developers.

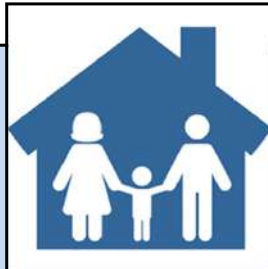
Currently, compliance mirrors the **RHRF** program.



HOUSING TRUST FUND (HTF)

The federal Housing Trust Fund Program was created by Title One of the Housing and Economic Recovery Act of 2008 (HERA).

Purpose is to increase the supply of decent, safe and sanitary housing for **extremely low (30%)** households



HOUSING TRUST FUND (HTF)

The HHFDC has been designated as the HTF Grantee for the State of Hawaii.

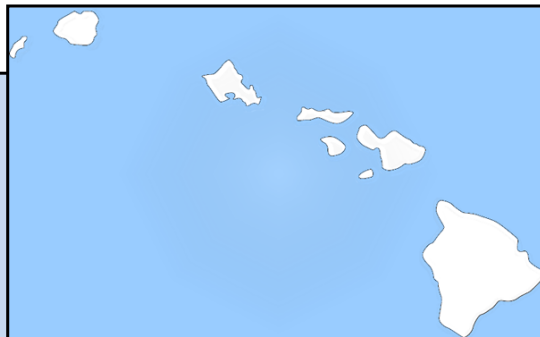
80% of each annual grant must be designated for **rental** housing.



HOUSING TRUST FUND (HTF)

The HHFDC will allocate **50%** of the annual HTF allocation to the City and County of **Honolulu**.

The remaining **50%** will be **rotated** between the neighbor island counties of Hawaii, Kauai and Maui.



HOUSING TRUST FUND (HTF)

This program has a **competitive** application process.
Applications are reviewed for eligibility and rated using
selection criteria.

(i.e. readiness to proceed, developer experience, financially feasible, use of non-federal
funding sources)



HOME-ARP (American Rescue Plan)

Established on March 11, 2021. The HOME-ARP program is intended
to benefit households based on their status as

“qualifying populations”

Unlike the regular HOME program, 70% of all HOME-ARP units will
serve households based **ONLY** upon their status as
qualifying households.

Up to 30% of HOME-ARP assisted units may be restricted to
households that are low-income (80% AMI).

HOME-ARP (American Rescue Plan)

“Qualifying Populations”

- 1) **Homeless** as defined in section 103(a) of the McKinney-Vento Homeless Assistance Act
- 2) **Risk of homelessness** as defined in section 401 of McKinney-Vento
- 3) **Fleeing or attempting to flee domestic violence**, dating violence, sexual assault, stalking or human trafficking
- 4) Part of other populations where providing **support would prevent homelessness**
- 5) veterans and families that include a **veteran family member that meet the criteria in one of (1-4) above.**

201H

The 201H program allows the HHFDC to help developers expediate the review process and seek exemptions from certain laws and rules pertaining to planning, zoning, and construction standards. No less than **50%** plus one additional unit must be affordable to households with incomes at or below **140%** AMI.

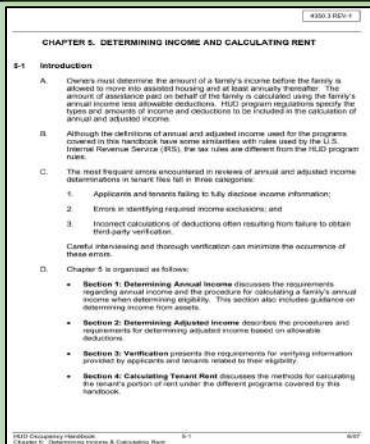


Management Resources



Management Resources

CHAPTER 5 of the **HUD Handbook 4350.3** is a valuable tool



Chapter 5 provides guidelines for
calculating **income** for **ALL programs!**

Keep a copy of chapter 5 handy as
searchable PDF!

Copy: HUD.gov or Google!

Management Resources

State Compliance Manual or Procedural Manual

The LIHTC and HOME programs are federal programs, but both allow the STATE to impose additional restrictions upon owners.

The State **Compliance Manual** will outline any additional program restrictions.

The Compliance Manual is often updated and is on the Spectrum website www.spectrumlihtc.com



Management Resources

State Compliance Manual

The manual also contains any **recommended or required** forms for use when **certifying** tenants or meeting program requirements.

Required LIHTC/HMMF Tenant Forms

Title
HHFDC Tenant Income Certification (PRE HOTMA)
Tenant Income Certification (HOTMA rev 9-2024)
Application
Certification of Zero Income
Interview Checklist
Household Eligibility Questionnaire
Recertification Update
HHFDC LIHTC/HMMF Self Certification Form

Recommended LIHTC Tenant Forms

Title
VAWA - Form 5380
VAWA - Form 5382
VAWA - Form 5383
Asset Self-Certification (HOTMA rev 9-2024)
Authorization to Release Information
Bank Account Verification
Child Support/Alimony Verification
Clarification Form
Employment Verification
Financial Aid Affidavit
Gift Income Verification
Investment Account Verification
Life Insurance Verification
Live-In Aide Verification

Management Resources

TRAINING

Spectrum strongly recommends that owners and managers obtain regular **training**.

It is essential that everyone stay current with regulations with program rules and Fair Housing law.

Affordability periods are for an extended number of years and rules change on a regular basis!



Management Resources

APPLICATION FOR FUNDS

When an owner/developer completes an application, they are making promises to the HHFDC and the County.

For LIHTC projects, they also may make promises to investors who are purchasing the credits awarded.



Management Resources

Declaration / Regulatory Agreement

Promises recorded in the Declaration and Regulatory Agreement:

Total number of affordable units

Income restrictions

Amenities to be offered residents

Manager's units

These may or may not be recorded in the Regulatory Agreement.
However, management should be aware of all promises made to the
HHFDC.



Management Resources

Form 8609 (LIHTC only)

The most important tax credit document.

It records allocation date, PISD, MSA and
year the MSA must be met.

Each building in the project will receive its own 8609. If
you have six buildings, you will have at least six 8609s.



Management Resources

Form 8609 (LIHTC only)

The 8609 has two parts.

Part I is completed by the State after the final cost certification is received.

It lists the allocation date, Building Identification Number (BIN), total credits allocated and the Placed In Service (PIS) date among other items.



Management Resources

Form 8609 PART 1

Form 8609 Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0088

Go to www.irs.gov/Form8609 for instructions and the latest information.

Part I Allocation of Credit

Check all that apply: ☐ Addition to Qualified Basis ☐ Amended Form

A Address of building (do not use P.O. box) (see instructions)
150 Hilo Street
Hilo, HI 96720

B Name and address of housing credit agency

C Name, address, and TIN of building owner receiving allocation
Hilo Place
100 Main St., Seattle WA 98101

D Employer identification number of agency

E Building identification number (BIN)
HS-24-00001

TIN ▶

1a Date of allocation ▶ 3/10/2022 **b** Maximum housing credit dollar amount allowable **1b** \$100,000

2 Maximum applicable credit percentage allowable (see instructions) **2** 9%

3a Maximum qualified basis **3a**

b Check here ☐ if the eligible basis used in the computation of line 3a was increased under the high-cost area provisions of section 42(d)(5)(B). Enter the percentage to which the eligible basis was increased (see instructions) **3b** 1%

4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-) **4** 0%

5a Date building placed in service ▶ 3/10/2023

b Check here ☐ if the date of allocation on line 1a is in calendar year 2021 or 2022 and the building is located in a qualified disaster zone (see instructions).

6 Check the boxes that describe the allocation for the building (check those that apply):
☐ Newly constructed and federally subsidized ☐ Newly constructed and not federally subsidized ☐ Existing building
☐ Sec. 42(e) rehabilitation expenditures federally subsidized ☐ Sec. 42(e) rehabilitation expenditures not federally subsidized

f Allocation subject to nonprofit set-aside under sec. 42(f)(5)

Signature of Authorized Housing Credit Agency Official — Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Signature of authorized official Name (please type or print) Date

Management Resources

Form 8609 (LIHTC only)

Part II is completed by the owner.

This section is where the owner elects the Minimum Set Aside (MSA) 20/50, 40/60, or AIT

It states if the building will be treated as part of a multiple building project.

And it shows the first year of the credit period.



Management Resources

Form 8609 PART II

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7	Eligible basis of building (see instructions)	7
8a	Original qualified basis of the building at close of first year of credit period	8a
b	Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a	If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
b	For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low-income units under section 42(d)(3)(B)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
10	Check the appropriate box for each election. Caution: Once made, the following elections are irrevocable.	
a	Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
b	Elect not to treat large partnership as taxpayer (section 42(i)(5))	<input type="checkbox"/> Yes
c	Elect minimum set-aside requirement (section 42(g)) (see instructions): <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60 <input type="checkbox"/> Average income <input type="checkbox"/> 25-60 (N.Y.C. only)	
d	Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature	Taxpayer identification number	Date
Name (please type or print)	First year of the credit period	

Management Resources

Certificate(s) of Occupancy (LIHTC)

The Certificate of Occupancy is important with new construction. It determines the **PIS (Placed In Service)** date of the building.

Your **PIS** is determined by the date first unit in a building is ready for occupancy.



Management Resources

Partnership Agreement (LIHTC)

A **partnership agreement** is executed between the owner and investors. The owner agrees to provide **credits** by a certain date.

If that date is not met there are usually financial consequences.



Management Resources

Income limits



The LIHTC, RHRF, HMMF, DURF, TCAP, and Section 1602 programs use the newer MTSP income limits.

(Multi-Family Tax Subsidy Program)

NOTE: There is a 45-day grace period to institute new limits once published for the above programs.

Management Resources

Income limits



The **HOME** program publishes its own income limits.

**NO 45-day grace period.
They are effective immediately.**

NOTE: HOME-ARP uses the HOME published limits

Management Resources



Income limits

	Title	File Size	File Type	Link
HTF	2025 HTF Income & Rent Limits with Memo	288 KB	pdf	Download
	2024 HTF Income & Rent Limits with Memo	398 KB	pdf	Download
	2023 HTF Income & Rent Limits with Memo	390 KB	pdf	Download
	2022 HTF Income & Rent Limits with Memo	393 KB	pdf	Download
	2021 HTF Income & Rent Limits with Memo	257 KB	pdf	Download
HOME	2025 HOME Income & Rent Limits With Memo	384 KB	pdf	Download
	2024 HOME Income & Rent Limits With Memo	464 KB	pdf	Download
	2023 HOME Income & Rent Limits With Memo	410 KB	pdf	Download
	2022 HOME Income & Rent Limits With Memo	392 KB	pdf	Download
	2021 HOME Income & Rent Limits With Memo	263 KB	pdf	Download
	2020 HOME Income & Rent Limits With Memo	183 KB	pdf	Download
	2019 HOME Income & Rent Limits With Memo	156 KB	pdf	Download
	2018 HOME Income & Rent Limits With Memo	198 KB	pdf	Download
LIHTC, RHRF, HMMF, RARF	2017 HOME Income & Rent Limits With Memo	170 KB	pdf	Download
	2016 HOME Income & Rent Limits With Memo	293 KB	pdf	Download
	HRFDC 2025 Income Limits Guide Only!	1 MB	pdf	Download
	HRFDC 2024 Income Limits Guide Only!	96 KB	pdf	Download
	HRFDC 2023 Income Limits Guide Only!	336 KB	pdf	Download
	HRFDC 2022 Income Limits Guide Only!	544 KB	pdf	Download

Management Resources

Utility Allowance Documentation

If tenants pay any utilities themselves,
a utility allowance must be calculated.

Come from a reliable source

Reviewed and updated annually



QUIZ!

What Federal Government Agency administers the LIHTC Program?

a. HUD

b. HHFDC

c. IRS

What agency monitors for compliance in Hawaii?

a. HUD

b. HHFDC

c. IRS

Guidelines for calculating income come from?

a. Project Declarations

b. HUD Handbook 4350.3

c. QAP

QUIZ!

What is the most important tax credit document?

a. 8823

b. 8609

c. Tax Return

When HUD releases income limits you must implement in how many days? (LIHTC, HMMF, RHRF)

a. 45

b. 90

c. 120

How many days to implement HOME rent and income limits once their published?

a. 45

b. 90

c. None - Immediately

PART II:

Process of Obtaining Funds



Most housing programs have **competitive** application processes.

Conditions have to be met to qualify to apply, and then promises have to be made to win the award or funding.



The Application Process

The state annually publishes an application period.

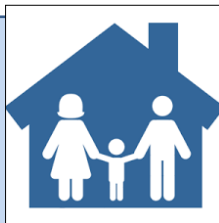
Owners complete the application and submit by the deadline. Failure to meet the **deadline** means the application never gets reviewed.



The Application Process

After the submission, the HHFDC reviews the applications, give extra **points** for promises and then either reserves or awards funds.

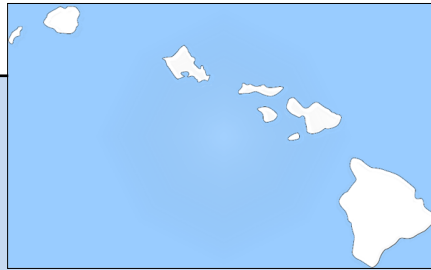
Extra points may be given to an application for adding new rental units to the County, for building in a difficult to develop area, or for providing service to tenants.



The Application Process

The consolidated application is available on the HHFDC web site, www.hawaii.gov under info for developers.

Available for those interested in applying for financing for the development of affordable housing.



PART III: **General Compliance Issues**



Key to all programs is compliance!

Two major components are:

Income eligible and **Rent restricted.**

Monitoring for compliance is required by all these programs.

(sometimes several times per year)

(End of Year, Quarterly, On-site Audits)



COMPLIANCE

General Compliance Issues

Reporting of **noncompliance**, corrected or not, is required.

Be sure your compliance team is well versed in the compliance requirements for all your funding programs.



Requirements

Compliance by Building or Project

For tax credit properties, all monitoring for compliance is done by [building](#).

For LIHTC, keep records by building, not by project.

The other programs are monitored on a [project](#) wide basis.



Affordability Periods

For all programs, compliance must be maintained for a set period of time.

This is your [affordability period](#).



Affordability Period

LIHTC

15 years + the extended use period.

TCAP and Section 1602

Tied to the LIHTC Declaration.

HMMF

Specified in the Regulatory Agreement.



Affordability Period

HOME - Depends on the type of project.

Rehab or Acquisition:

HOME investment is less than \$15,000 per unit – **5 years.**

HOME investment is \$15,000 - \$40,000 per unit – **10 years.**

HOME investment is \$40,000 or more per unit – **15 years.**



Affordability Period

HOME (con't)

Refinance project:

With any amount of HOME investment – **15 years**.

New Construction:

With any amount of HOME investment – **20 years**.

NSP (Neighborhood Stabilization Program)

The affordability period mirrors that of the **HOME** program.

HTF (Housing Trust Fund)

The affordability period is always – **30 years**



Affordability Period

HOME-ARP

HOME-ARP rental units must comply with the HOME-ARP rental requirements for a minimum of **15 years**, irrespective of the amount of HOME-ARP funds invested in the project.

If Housing Assistance Payments (HAP) contract is awarded the minimum compliance period is the greater of 15 years of term of the HAP contract.



Affordability Period

RAP

The affordability period is never less than **10** years nor more than the period for which RAP payments have been committed.

For nonprofit owners and government sponsored owners, the term can't exceed **25** years or term of the mortgage.

For limited dividend owner, the term shall not exceed **15** years or term of the mortgage.

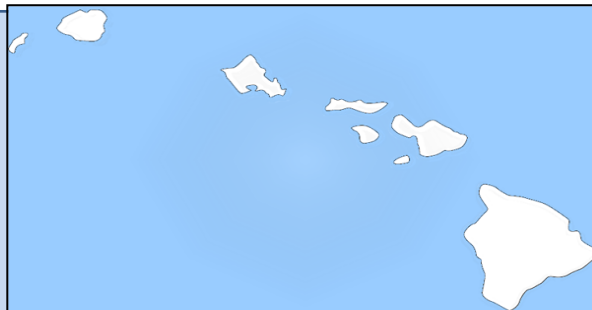


Affordability Period

RHRF

The affordability period is specified in the Declaration of Land Use Restrictive Covenants, but when awarding funds for RHRF, extra points are given to applications promising an affordable period of at least

30 years. (60 to 65 years is the norm)

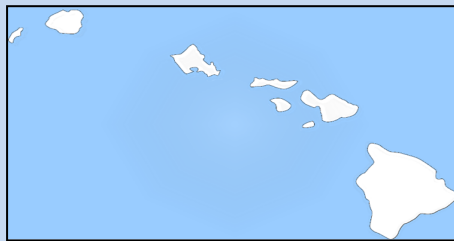


Affordability Period

DURF

The affordability period is specified in the
Declaration of Land Use Restrictive Covenants.

The current DURF project monitored has an affordability period
of **30 years.**

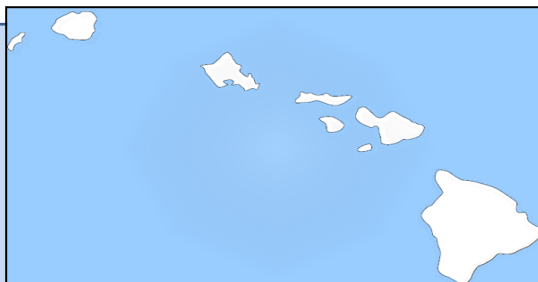


Affordability Period

201H

The affordability period is specified in the
Declaration of Land Use Restrictive Covenants.

Affordability Periods are typically **30 Years.**



QUIZ!

The 2 major components of Hawaii housing programs are?

a. Income eligible/Rent restricted

b. Affordability/Compliance

c. Agreements/Declarations

All programs must maintain compliance for a period of time
this is called the ?

a. Affordability Period

b. Occupancy Period

c. Minimum Set-Aside

The initial LIHTC affordability period is for how many years?

a. 10 years

b. 15 years

c. 45 years

QUIZ!

The HOME affordability period usually depends on what?

a. QAP

b. Project Declaration

c. Project Investment

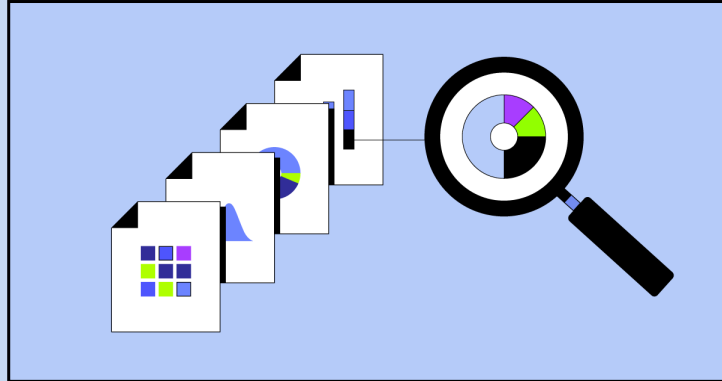
The affordability periods for RHRF, HMMF, 201H and DURF are
recorded in what document?

a. QAP

b. Restrictive Covenant

c. Form 8609

PART IV: Reporting Requirements



LIHTC, RHRF, DURF and 201H

Annual submission by February 1st of each year for the prior year.

FEBRUARY 2026

SUN	MON	TUE	WED	THU	FRI	SAT
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
1	2	3	4	5	6	7

LIHTC, RHRF, DURF and 201H

The following documents are required for Annual Reporting:

1. **Annual Report and Owner's Certification of Continuing Program Compliance** (check website for current version)
2. **Electronic Status Report** (Paul Perpich – EOYhelp@spectrumlihtc.com)
3. **Qualified Basis Tracking Sheet** (only submitted until required set-asides are met)
4. **Utility Allowance documentation for the reporting year**
5. **HRS 467**

All items but electronic status report submitted to
spectrumendofyear@gmail.com



Annual Record Keeping Submissions (AKA: EOY – End of Year Submissions)

Please be sure that HHFDC & Spectrum have accurate and complete information for contacting the owner/agent of each property.
Contact HHFDC & SPECTRUM immediately if there is any change.

Owners will receive written instructions along with applicable deadlines for completing annual reports.



The Annual Report and Owner's Certification of Continuing Program Compliance

You may submit several certifications depending on the housing programs at your property.

you would submit 3!



Always check for
the most
updated version
on our website!

[illegible]

The Unit History Report/Database (SPECTRUM SOFTWARE)

The Unit History Report/Database (SPECTRUM SOFTWARE)

Will be reviewed for a number of items, including the following:

Late/missing annual certifications

Rent-restriction and over-income households

Minimum Set-Aside compliance

Vacant Unit and Next Available Unit (140%) Rules

Compliance with the Tax Credit Regulatory Agreement (LURA)



HMMF

Quarterly reporting is due for this program, in the form of:

1. Certification of Continuing Program Compliance Report
2. Electronic status report
3. Utility allowance documentation
4. Form HRS 467. (Update: Can submit once annually with 4th Quarter – February 1st)

[illegible]

HMMF

REPORTING IS DUE QUARTERLY:

The certification is due before the 15th day after the quarter ends.

1st Quarter due = April 15th

2nd Quarter due = July 15th

3rd Quarter due = October 15th

4th Quarter due = February 1st (This submission is included in the EOY submission)



RAP

Monthly submission of RAP payments, by the 7th,
for the PRIOR month.

The monthly submission is to include occupancy status reports
and delinquency reports.

The occupancy reports list the units maintained for **eligible**
tenants and **market** tenants, as well as report **vacant** units.



RAP (continued)

Monthly Operating Statement/Annual Operating Budget

The owner is required to prepare and maintain an annual **Operating** Budget at least 60 days prior to the beginning of each fiscal year.

Audited Financial Statements

Audited financial statements are due within 90 days after the end of each fiscal year.



HOME, HOME-ARP, and HTF

Currently the requirement is submission of Annual Compliance Reports to the County and Spectrum by **July 15th** each year.

NOTE:

Check website for most current version of the HOME, HOME-ARP, HTF and NSP Status Reports.



HOME, HOME-ARP, and HTF

DON'T FORGET THE FOLLOWING!

UTILITY ALLOWANCE!

COUNTY RENT APPROVALS!

UTILITY/SERVICE ALLOWANCE SCHEDULE
EFFECTIVE DATE: 1/1/2024
(Locality: County of Kauai)
Condo, Apt, Garden

ELECTRIC						
	0-BR	1-BR	2-BR	3-BR	4-BR	5-BR
1. Basic lighting, refrigeration, tv, clothes washer, & small appliances	\$52	\$61	\$65	\$109	\$133	\$157
2. Cooking	\$14	\$16	\$21	\$31	\$38	\$45
3. Waterheater	\$29	\$34	\$44	\$51	\$61	\$71
4. All electric	\$95	\$111	\$132	\$191	\$234	\$273
GAS (GAS)						
	0-BR	1-BR	2-BR	3-BR	4-BR	5-BR
1. Cooking	\$10	\$12	\$17	\$21	\$26	\$31
2. Domestic Hot Water	\$21	\$24	\$35	\$41	\$51	\$61
3. Cooking Plus Domestic HW	\$31	\$36	\$52	\$62	\$77	\$92
WATER/SEWER						
	0-BR	1-BR	2-BR	3-BR	4-BR	5-BR
1. Water	\$23	\$23	\$25	\$25	\$32	\$34
2. Sewer	\$69	\$69	\$69	\$69	\$69	\$69
3. Trash	\$10	\$10	\$15	\$15	\$16	\$16
Tenant Provided Range	\$38	\$38	\$38	\$38	\$38	\$38
Tenant Provided Refrigerator	\$27	\$27	\$40	\$40	\$52	\$52

The Department received your email dated January 29, 2025, and attachments, in which your organization provided additional documentation for a revised rent and utility allowance. In accordance with 24 CFR 92.252 (f)(2), the Department approves the rent and utilities for Hale Mahaolu Ehiku 1B for the above period as follows:

	Unit Size	Tenant Rent	Utility Allowance	Total Rent	HOME Limit
High HOME	1 BR	\$1,034.00	\$93.00	\$1,127.00	\$1,500.00
Low HOME	1 BR	\$1,034.00	\$93.00	\$1,127.00	\$1,169.00

NSP

Submission of the NSP Compliance Status Report is required annually.

The annual NSP Compliance Status Report is sent to Spectrum as well. **(July 15th)**

JULY 2026						
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
			1	2	3 <small>Independence Day</small>	4 <small>Independence Day</small>
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

NSP

DON'T FORGET THE FOLLOWING!

UTILITY ALLOWANCE!

COUNTY RENT APPROVALS!

UTILITY/SERVICE ALLOWANCE SCHEDULE
EFFECTIVE DATE: 1/1/2024
(Locality: County of Kauai)
Condo, Apt, Garden

ELECTRIC						
	0-BR	1-BR	2-BR	3-BR	4-BR	5-BR
1. Basic lighting, refrigeration, tv, clothes washer, & small appliances	\$52	\$61	\$65	\$109	\$133	\$157
2. Cooking	\$14	\$16	\$21	\$31	\$38	\$45
3. Waterheater	\$29	\$34	\$44	\$54	\$61	\$7
4. All electric	\$95	\$111	\$132	\$194	\$234	\$275
GAS (GAL)						
	0-BR	1-BR	2-BR	3-BR	4-BR	5-BR
1. Cooking	\$10	\$12	\$17	\$27	\$32	\$38
2. Domestic Hot Water	\$21	\$24	\$35	\$49	\$56	\$67
3. Cooking Plus Domestic HW	\$31	\$36	\$52	\$76	\$88	\$105
WATER/SEWER						
	0-BR	1-BR	2-BR	3-BR	4-BR	5-BR
1. Water	\$23	\$23	\$25	\$25	\$32	\$34
2. Sewer	\$69	\$69	\$69	\$69	\$69	\$69
3. Trash	\$10	\$10	\$15	\$15	\$30	\$39
Tenant Provided Range	\$38	\$38	\$38	\$38	\$38	\$38
Tenant Provided Refrigerator	\$27	\$27	\$40	\$40	\$52	\$52

The Department received your email dated January 29, 2025, and attachments, in which your organization provided additional documentation for a revised rent and utility allowance. In accordance with 24 CFR 92.252 (f)(2), the Department approves the rent and utilities for Hale Mahaolu Ehiku 1B for the above period as follows:

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Low HOME	1 BR	\$1,034.00	\$93.00	\$1,127.00	\$1,169.00

RARF

There is **NO** reporting due for this program alone.

The RARF program is always piggybacked with another program.



MONITORING FEES

On May 3, 2010 Chapters 15-311 and 15-312 of the Hawaii Administrative Rules became effective. The rule allowed for the collection of monitoring fees by the HHFDC for the RHRF and HMMF programs.



MONITORING FEES

Payment of compliance monitoring fees is now required for the LIHTC, RHRF and HMMF programs. Current fees (excluding manager's unit) are as follows:

LIHTC = \$25 per unit

RHRF = \$35 per unit

HMMF = \$35 per unit

DURF = \$35 per unit

201H = \$35 per unit

Fees are program specific. If a property has 3 programs (LIHTC, RHRF, HMMF) a total of \$95 per unit is due each year in fees.



HOME, HOME-ARP, and HTF FEES

The HOME Final Rule published in August 2013 allows PJs to charge monitoring fees for properties where HOME funds were committed after 8/23/2013.

However, HHFDC has **NOT** instituted these fees for HOME or HTF. However, it could be applied down the road!

THANKS HHFDC!!!!



PART V: Income Eligibility



INCOME ELIGIBILITY

One of the two major components to compliance (Income Eligible, Rent Restricted).



Household must be **income eligible** at move-in.

Unit is not program eligible otherwise, whatever the program.



A tenant's income eligibility is determined by comparing the household's gross annual **PROJECTED** income to the maximum **income** limit.



The LIHTC, HMMF, RHRF, TCAP, and Section 1602 programs use the newer MTSP income limits.

When new limits are published, must be in use within **45 days** of the effective date.

All income limit charts are on the Spectrum website.

www.spectrumlihtc.com

Income Limits

Title
2025 HTF Income & Rent Limits with Memo
2024 HTF Income & Rent Limits with Memo
2023 HTF Income & Rent Limits with Memo
2022 HTF Income & Rent Limits with Memo
2021 HTF Income & Rent Limits with Memo
2025 HOME Income & Rent Limits With Memo
2024 HOME Income & Rent Limits With Memo
2023 HOME Income & Rent Limits With Memo
2022 HOME Income & Rent Limits With Memo
2021 HOME Income & Rent Limits With Memo
2020 HOME Income & Rent Limits With Memo
2019 HOME Income & Rent Limits With Memo
2018 HOME Income & Rent Limits With Memo
2017 HOME Income & Rent Limits With Memo
2016 HOME Income & Rent Limits With Memo
HHFDC 2025 Income Limits Guide Only!
HHFDC 2024 Income Limits Guide Only!
HHFDC 2023 Income Limits Guide Only!

Existing LIHTC and HMMF properties are **“Held Harmless”** when income limits decrease for both income and rents.

The HHFDC has decided that RHRF, RAP, DURF, 201H and RARF properties will also be “Held Harmless” when income limits decrease for both income and rents.



The HOME Program publishes its own income limits.

The HOME income limits have **NO** 45-day grace period. They are effective immediately.

U.S. DEPARTMENT OF HUD STATE: HAWAII		2024 ADJUSTED HOME INCOME LIMITS							
	PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Kahului-Wailuku-Lahaina, HI MSA	30% LIMITS	26200	29950	33700	37400	40400	43400	46400	49400
	VERY LOW INCOME	43650	49900	56150	62350	67350	72350	77350	82350
	60% LIMITS	52380	59880	67380	74820	80820	86820	92820	98820
	LOW INCOME	69950	79800	89800	99750	107750	115750	123700	131700
Urban Honolulu, HI MSA	30% LIMITS	29250	33400	37600	41750	45100	48450	51800	55150
	VERY LOW INCOME	48750	55700	62650	69600	75200	80750	86350	91900
	60% LIMITS	58500	66840	75180	83520	90240	96900	103620	110280
	LOW INCOME	77950	89100	100250	111350	120300	129200	138100	147000
Hawaii County, HI	30% LIMITS	23300	26600	29950	33250	35950	38600	41250	43900
	VERY LOW INCOME	38800	44350	49900	55400	59850	64300	68700	73150
	60% LIMITS	46560	53220	59880	66480	71820	77160	82440	87780
	LOW INCOME	62100	70950	79800	88650	95750	102850	109950	117050
Kalawao County, HI	30% LIMITS	23950	27350	30750	34150	36900	39650	42350	45100
	VERY LOW INCOME	39900	45600	51300	56950	61550	66100	70650	75200
	60% LIMITS	47880	54720	61560	68340	73860	79320	84780	90240
	LOW INCOME	63800	72900	82000	91100	98400	105700	113000	120300
Kauai County, HI	30% LIMITS	27900	31850	35850	39800	43000	46200	49400	52550
	VERY LOW INCOME	46450	53100	59750	66350	71700	77000	82300	87600
	60% LIMITS	55740	63720	71700	79620	86040	92400	98760	105120
	LOW INCOME	74250	84950	95550	106200	114790	123290	131700	140150

HHFDC provides additional income limit levels.
www.spectrumlihtc.com. (LIHTC, HMMF, RHRF RARF)

MULTIFAMILY TAX SUBSIDY PROJECT INCOME LIMITS

This chart is provided as a guide only for the following programs:

Low Income Housing Tax Credit (LIHTC)
Hula Mae Multi-Family Bonds (HMMF)
Rental Housing Revolving Fund (RHRF)
Rental Assistance Revolving Fund (RARF)

You are responsible to ensure the accuracy of the numbers.

MAXIMUM INCOME BY HOUSEHOLD

Honolulu, HI

	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
30% of Median	\$26,460	\$30,240	\$34,020	\$37,770	\$40,800	\$43,830	\$46,860	\$49,860
40% of Median	\$35,280	\$40,320	\$45,360	\$50,360	\$54,400	\$58,440	\$62,480	\$66,480
50% of Median	\$44,100	\$50,400	\$56,700	\$62,950	\$68,000	\$73,050	\$78,100	\$83,100
55% of Median	\$48,510	\$55,440	\$62,370	\$69,245	\$74,800	\$80,355	\$85,910	\$91,410
60% of Median	\$52,920	\$60,480	\$68,040	\$75,540	\$81,600	\$87,660	\$93,720	\$99,720
75% of Median*	\$66,150	\$75,600	\$85,050	\$94,425	\$102,000	\$109,575	\$117,150	\$124,650
80% of Median*	\$70,560	\$80,640	\$90,720	\$100,720	\$108,800	\$116,880	\$124,960	\$132,960
100% of Median*	\$88,200	\$100,800	\$113,400	\$125,900	\$136,000	\$146,100	\$156,200	\$166,200
110% of Median*	\$97,020	\$110,880	\$124,740	\$138,490	\$149,600	\$160,710	\$171,820	\$182,820
140% of Median*	\$123,480	\$141,120	\$158,760	\$176,260	\$190,400	\$204,540	\$218,680	\$232,680

HHFDC provides additional income limit levels.

Dbedt.Hawaii.gov/hhfdc/2024/04/21/2022-hud-income-guidelines/



Department of Business, Economic Development & Tourism
Hawai'i Housing Finance & Development Corporation

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2024 HUD INCOME GUIDELINES

Posted on Apr 21, 2022 in [Main](#)

2024 HUD Income Rent and Sales Guidelines (by county) (apply to 201H-38 projects) (NEW!) **201H and DURF!**

[Hawai'i County](#)
[City and County of Honolulu](#)
[Kaua'i County](#)
[Maui County](#)

[2024 HUD Multifamily Tax Subsidy Projects \(MTSP\) Income Limits](#) (apply to LIHTC, RHRF, HMMF and RARF programs) (NEW!)

HHFDC provides additional income limit levels.

Dbedt.Hawaii.gov/hhfdc/2024/04/21/2022-hud-income-guidelines/

They match MTSP!



HAWAII COUNTY INCOME SCHEDULE BY FAMILY SIZE

2024

THE FOLLOWING TABLE PRESENTS INCOME LIMITS BY FAMILY SIZE AND BY PERCENTAGES OF THE VERY LOW INCOME LEVELS ESTABLISHED BY HUD. THESE INCOME LIMITS SERVE AS GUIDELINES TO ESTABLISH SALES/RENTAL PREFERENCES.

LIMITS BY FAMILY SIZE								
MEDIAN \$97,200	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Adjustments for family size	0.7000	0.8000	0.9000	1.0000	1.0800	1.1800	1.2400	1.3200
10%	\$7,760	\$8,870	\$9,980	\$11,080	\$11,970	\$12,860	\$13,740	\$14,630
20%	\$15,520	\$17,740	\$19,960	\$22,160	\$23,940	\$25,720	\$27,480	\$29,260
30%	\$23,280	\$26,610	\$29,940	\$33,240	\$35,910	\$38,580	\$41,220	\$43,890
40%	\$31,040	\$35,480	\$39,920	\$44,320	\$47,880	\$51,440	\$54,960	\$58,520
50%	\$38,800	\$44,350	\$49,900	\$55,400	\$59,850	\$64,300	\$68,700	\$73,150
60%	\$46,560	\$53,220	\$59,880	\$66,480	\$71,820	\$77,160	\$82,440	\$87,780
70%	\$54,320	\$62,090	\$69,860	\$77,560	\$83,790	\$90,020	\$96,180	\$102,410
80%	\$62,080	\$70,960	\$79,840	\$88,640	\$95,760	\$102,880	\$109,920	\$117,040
90%	\$69,840	\$79,830	\$89,820	\$99,720	\$107,730	\$115,740	\$123,660	\$131,670
100%	\$77,600	\$88,700	\$99,800	\$110,800	\$119,700	\$128,600	\$137,400	\$146,300
110%	\$85,360	\$97,570	\$109,780	\$121,880	\$131,670	\$141,460	\$151,140	\$160,930
120%	\$93,120	\$106,440	\$119,760	\$132,960	\$143,640	\$154,320	\$164,880	\$175,560
130%	\$100,880	\$115,310	\$129,740	\$144,040	\$155,610	\$167,180	\$178,620	\$190,190
140%	\$108,640	\$124,180	\$139,720	\$155,120	\$167,580	\$180,040	\$192,360	\$204,820

HHFDC provides additional income limit levels.

Dbedt.Hawaii.gov/hhfdc/2024/04/21/2022-hud-income-guidelines/

**They should
match MTSP!**



AFFORDABLE RENT GUIDELINES*

Affordable rents are based on 30% of income (including utilities)**

Area	\$91,600	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
HAWAII COUNTY						
30% of Median		\$529	\$567	\$681	\$786	\$877
50% of Median		\$882	\$945	\$1,135	\$1,310	\$1,462
60% of Median		\$1,059	\$1,134	\$1,362	\$1,572	\$1,755
80% of Median		\$1,412	\$1,513	\$1,816	\$2,097	\$2,340
100% of Median		\$1,765	\$1,891	\$2,270	\$2,621	\$2,925
120% of Median		\$2,118	\$2,269	\$2,724	\$3,146	\$3,510
140% of Median		\$2,471	\$2,647	\$3,178	\$3,669	\$4,095

*Please note that area market rents may be lower than these rent guidelines.

**Monthly rent levels would include the cost of the following utilities: water, sanitary sewage services, electricity and gas (where applicable). Please refer to the Utility Allowance Schedule for each island.

CERTIFICATIONS

The **Tenant Income Certification (TIC)** or **Certification of Eligibility (COE)** is the most important document showing income eligibility in your file.

Documents the income eligibility of the unit.

Recertification – must be done *at least* **annually** for all programs.



Tenant Income Certification (TIC) Records:

Household Composition

Gross Income

Asset Values & Income from Assets

Student Status

Rent & Utility Allowance

Set Aside

Other Unit Details

An unsigned or incomplete **TIC is reported as an **OVER INCOME HOUSEHOLD** regardless of the actual income or when verifications are obtained.**



The annual recertification must be completed within **12** months of the prior certification.



RAP, RARF, RHRF, 201H and DURF programs require **interim** certifications if household **income** or **composition** changes during the year.

100% LIHTC and HMMF properties may **self-certify** starting with the 3rd year if no other financing is involved in the project.



Know who is and who isn't counted as part of the household.

A household can consist of one or more persons.
Members do not need to be **related**.

Count all household members and compare total income to the appropriate income limit.



DO NOT COUNT:

Live-in Aides

Visitors or guests



HOTMA

Housing Opportunities Through Modernization Act of 2016

DO NOT COUNT AS FAMILY MEMBERS

DO NOT COUNT INCOME or ASSETS

Foster Children

Foster Adults



NEW

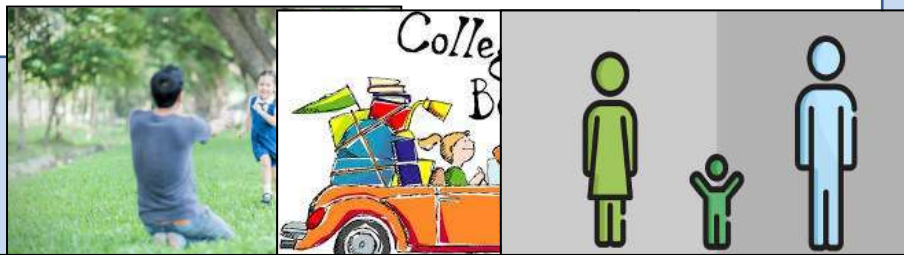
**Considered for appropriate unit size,
but not counted for income limitation.**

DO COUNT:

Children temporarily in a foster home

Children away at **school** who live at home during vacations

Children in joint custody living in unit at least **50%** of the time



DO COUNT:

Unborn children of pregnant women



DO COUNT:

Children in process of being **adopted**

Temporarily absent household members

(military or working in another State)

Persons permanently in a nursing home per family decision



DO COUNT:

A person on active military duty if this person leaves **dependents** or a **spouse** in the unit



QUIZ!

LIHTC, RHRF, DURF and 201H annual reporting is due when?

a. January 1st

b. February 1st

c. July 1st

Continuing program compliance for the HMMF program is due how many times per year?

a. Once

b. Monthly

c. Quarterly

HOME, HOME-ARP, HTF and NSP annual reporting is due when?

a. January 1st

b. February 1st

c. July 15th

QUIZ!

The most important document in the tenant file?

a. 8609

b. Lease

c. TIC (certification)

A recertification must be complete how often?

a. Annually

b. Monthly

c. Every 3 years

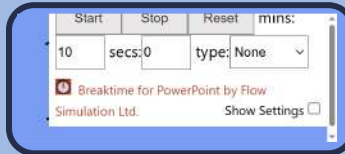
A live-in aide is considered a household member when?

a. Never

b. Always

c. If a spouse

10 MIN BREAK



INCOME AND ASSETS

HOTMA: Lots of new changes!



INCOME and ASSETS

Income and **assets** must be verified for all household members, including minors.



NEW

HOTMA

Housing Opportunity Through Modernization Act

HUD must be implemented to 1/1/2026

On July 29, **2016**, HOTMA was signed into law.

HOTMA makes numerous and significant changes to **income** calculations and net family **assets**.

Let's look at a few key changes...



NEW

Asset Self-Certification

(NEW HOTMA)

If combined net assets for the household do not exceed the imputed income limitation, HUD regulations allow a signed statement verifying this.

FOR ALL
HI PROGRAMS!!!

NEW

HOTMA

Asset
Self-Certification

Limitation

2025 = \$51,600

2026 = \$52,787

(adjusted by HUD annually)

ASSET SELF-CERTIFICATION

For households whose combined net assets do not exceed the applicable imputed income limitation.
(Complete only one form per household, include assets of children.)

For the following asset types, include the current Cash Value of each asset held by any family member and the actual income that the asset earns. *Cash value is current market value minus cost to convert an asset to cash, such as broker's fees, settlement costs, outstanding loans, penalties for early withdrawal, etc.*

Household Name: _____		Unit#: _____			
PART I: ASSETS DISPOSED OF FOR LESS THAN FAIR MARKET VALUE (FMV)					
<input type="checkbox"/> Yes <input type="checkbox"/> No With in the past two (2) years, I/we have sold or given away assets below their fair market value (FMV).					
Asset #1:	Date of Disposal: _____	FMV - amt received: _____			
Asset #2:	Date of Disposal: _____	FMV - amt received: _____			
PART II: FEDERAL TAX RETURN OR REFUNDABLE FEDERAL TAX CREDIT					
Have you received a federal tax return or refundable federal tax credit in the last 12 months? <input type="checkbox"/> Yes <input type="checkbox"/> No					
		Amount of return/credit: \$ _____			
PART III: NON-NECESSARY PERSONAL PROPERTY (NNPP)					
<input type="checkbox"/> Yes <input type="checkbox"/> No I/we do not have any non-necessary personal property					
Type of Asset	(A) Cash Value*	(B) Annual Income	Type of Asset	(A) Cash Value*	(B) Annual Income
Cash on Hand	\$ _____	N/AP	Cryptocurrency	\$ _____	\$ _____
Pre-paid Debit Card (including Govt. Benefits)	\$ _____	N/AP	Money Market/ CD	\$ _____	\$ _____
Checking/Savings	\$ _____	\$ _____	Annuities	\$ _____	\$ _____
Checking/Savings	\$ _____	\$ _____	Brokerage Account	\$ _____	\$ _____
Savings	\$ _____	\$ _____	Stocks/Bonds	\$ _____	\$ _____
Internet based assets (Cash App, Venmo, PayPal, Crowdfunder, etc.)	\$ _____	\$ _____	Other: _____	\$ _____	\$ _____
Whole Life Insurance	\$ _____	\$ _____	Other: _____	\$ _____	\$ _____
Description	(A) Cash Value *				
_____	\$ _____				
_____	\$ _____				
_____	\$ _____				
_____	\$ _____				
PART IV: REAL PROPERTY					
<input type="checkbox"/> Yes <input type="checkbox"/> No I/we do not have any real property					
Description of Property	(C) Cash Value*	(D) Income			
_____	\$ _____	\$ _____			
_____	\$ _____	\$ _____			

NEW

Remember! Only used if total household assets are at or under the current threshold.

ASSET SELF-CERTIFICATION
For households whose combined net assets do not exceed the applicable imputed income limitation.
(Complete only one form per household include assets of children.)

For the following asset types, include the current Cash Value of each asset held by any family member and the actual income that the asset earns. *Cash value is current market value minus cost to convert an asset to cash, such as broker's fees, settlement costs, outstanding loans, penalties for early withdrawal, etc.*

Household Name: _____		UNIT#: _____			
PART I: ASSETS DISPOSED OF FOR LESS THAN FAIR MARKET VALUE (FMV)					
<input type="checkbox"/> Yes <input type="checkbox"/> No Within the past two (2) years, I/we have sold or given away assets below their fair market value (FMV).					
Asset #1:	Date of Disposal: _____	FMV - amt received: _____			
Asset #2:	Date of Disposal: _____	FMV - amt received: _____			
PART II: FEDERAL TAX RETURN OR REFUNDABLE FEDERAL TAX CREDIT					
Have you received a federal tax return or refundable federal tax credit in the last 12 months? <input type="checkbox"/> Yes <input type="checkbox"/> No					
		Amount of return/credit: \$			
PART III: NON-NECESSARY PERSONAL PROPERTY (NNPP)					
<input type="checkbox"/> Yes <input type="checkbox"/> No I/we do not have any non-necessary personal property					
Type of Asset	(A) Cash Value*	(B) Annual Income	Type of Asset	(A) Cash Value*	(B) Annual Income
Cash on Hand	\$	N/A	Cryptocurrency	\$	\$
Pre-paid Debit Card (excluding tax services)	\$	N/A	Money Market/ CD	\$	\$
Checking/Savings	\$	\$	Annuities	\$	\$
Checking/Savings	\$	\$	Brokerage Account	\$	\$
Savings	\$	\$	Stocks/Bonds	\$	\$
Internet based assets (Cash App, Venmo, PayPal, Crowdfunder, etc.)	\$	\$	Other: _____	\$	\$
Whole Life Insurance	\$	\$	Other: _____	\$	\$
Description	(A) Cash Value *				
	\$				
	\$				
	\$				
	\$				
PART IV: REAL PROPERTY					
<input type="checkbox"/> Yes <input type="checkbox"/> No I/we do not have any real property					
Description of Property	(C) Cash Value*	(D) Income			
	\$	\$			
	\$	\$			
	\$	\$			

Part I:
Assets disposed of for less than FMV.

Part II:
Federal Tax Return

Part III:
Non-necessary Person Property

Account Based
(interest/dividends)

Non-Account Based

Part IV:
Real Property

NEW

ASSET SELF-CERTIFICATION WORKSHEET

This worksheet accompanies the Asset Self-Certification. Complete either Part I or Part II depending on the nature of the types of assets disclosed by the family on the Asset Self-Certification. When the total net family assets are less than or equal to the applicable imputed income limitation, then only the actual income as disclosed on the Asset Self-Certification is included on the Tenant Income Certification (TIC).

PART I: COMPLETE THIS SECTION IF THE FAMILY ONLY HAS NNPP AND NO REAL PROPERTY

Determination of Total Net Family Assets

(1) Enter the total of all NNPP by adding the values in (A) \$ _____

(2) Enter the value of any NNPP disposed of for less than FMV \$ _____

(3) ADD lines (1) and (2) \$ _____

(4) Enter the amount of a federal tax return or refundable federal tax credit in the last 12 months \$ _____

(5) SUBTRACT line (4) from line (3) \$ _____

(6) Is the value in line (5) less than or equal to \$ _____ ☐ Yes ☐ No

If YES, then proceed to **Determination of Income from Assets**

If NO, the Asset Self Certification cannot be used, and each asset must be separately verified

Determination of Income from Assets: Enter this amount on Part IVa, Line (F) of the TIC

(7) Enter the total by adding the values in (B) \$ _____

PART II: COMPLETE THIS SECTION IF THE FAMILY HAS BOTH NNPP AND REAL PROPERTY

Determination of Total Net Family Assets

(1) Enter the total of all NNPP by adding the values in (A) \$ _____

(2) Enter the value of any NNPP disposed of for less than FMV \$ _____

(3) ADD lines (1) and (2) \$ _____

(4) Is this value less than or equal to \$ _____ ☐ Yes ☐ No

If YES, then proceed to line (5)

If NO, the Asset Self Certification cannot be used, and each asset must be separately verified

(5) Enter the total of all Real Property by adding the values in (C) \$ _____

(6) Enter the value of any Real Property disposed of for less than FMV \$ _____

(7) ADD lines (5) thru (6) \$ _____

(8) Enter the amount of a federal tax return or refundable federal tax credit in the last 12 months \$ _____

(9) SUBTRACT line (8) from line (7) \$ _____

(10) Is the value in line (9) less than or equal to \$ _____ ☐ Yes ☐ No

If YES, then proceed to **Determination of Income from Assets**

If NO, the Asset Self Certification cannot be used, and each asset must be separately verified

Determination of Income from Assets: Enter this amount from line (13) on Part IVa, Line (F) of the TIC

(11) Enter the total by adding the values in (B) \$ _____

(12) Enter the total by adding the values in (D) \$ _____

(13) ADD lines (11) and (12) \$ _____

Imputed Income Limitation
 FY 2024: \$50,000
 FY 2025: \$51,600

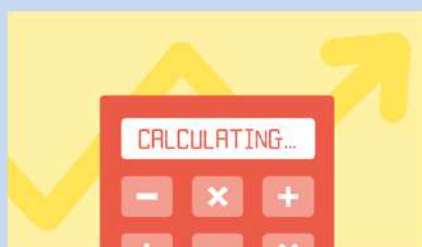
Part I:
If household only has NNPP

Part II:
If household has NNPP and Real Property

NEW

Imputed Income on Assets (NEW HOTMA)

If combined net assets for the household exceed the imputed income limitation, then some assets may have imputed income calculated.



NEW

HOTMA NOTE:

The imputed passbook will be adjusted annually by HUD for inflation.

2024 = .40%

2025 = .45%

2026 = .40%



2026 HUD Passbook Savings Rate (Table 2): Effective January 1, 2026

Adjusted Item	Regulatory Reference	Rate	Applicable Programs
Passbook Savings Rate	24 CFR 5.609(a)	0.40%	Section 8 PBRA, 202/8, 202/811 PRAC, 236 IRP, 811 PRA, SPRAC, HCV, Public Housing, Section 8 Mod Rehab, Section 8 Mod Rehab SRO, HOPWA, HOME, HTF

Example

Non-Necessary Assets
 Savings: \$55,000 (0% interest)
 Total Net Assets: \$55,000 – assets exceed \$51,600K

Non-Necessary Assets
 Savings: \$55,000 (0% interest)
 Total Net Assets: \$55,000 – assets exceed \$51,600K

Real Property	
Vacant Land:	<u>\$25,000</u>
Total Net Assets:	\$25,000 (Always included)

Real Property	
Vacant Land:	<u>\$25,000</u>
Total Net Assets:	\$25,000 (Always included)

Total Net Assets: \$80,000

<u>"Actual"</u>	
Savings: \$55,000 x. 00%	= \$00
Total Actual income	= \$00

<u>"Actual"</u>	
Savings: \$55,000 x. 00%	= \$00
Total Actual income	= \$00

<u>"Imputed"</u>	
Vacant Land:	$\$25,000 \times .45\% = \112.50
Total Imputed income	= \$112.50

<u>"Imputed"</u>	
Vacant Land:	$\$25,000 \times .45\% = \112.50
Total Imputed income	= \$112.50

PART IV. INCOME FROM ASSETS				
Hshld Mbr #	(F) Type of Asset	(G) Net Value of Asset	(H) Actual Income from Asset	(I) Imputed Income from Asset
	Savings	\$55,000	\$0	
	Vacant Land	\$25,000		\$112.50
TOTALS:		\$ 80,000	\$ 0	\$ 112.50
Actual & Imputed Income (J) Enter combined values from row (J) - TOTAL INCOME FROM ASSETS (K)			\$ 112.50	
			\$	

DISPOSED OF ASSETS

Disposed assets must be declared at move-in and every annual certification. They must be counted for two years from the date of disposition.

The amount counted is the difference between the cash value and the amount actually received.

In the past the difference was not counted unless it was a \$1,000 or more. **This regulation is gone!!!**

PART I. ASSETS DISPOSED OF FOR LESS THAN FAIR MARKET VALUE (FMV)					
<input type="checkbox"/> Yes <input type="checkbox"/> No		Within the past two (2) years, I/we have sold or given away assets below their fair market value (FMV).			
Asset #1:		Date of Disposal:		FMV - amt received:	
Asset #2:		Date of Disposal:		FMV - amt received:	

NEW



FEDERAL TAX REFUNDS

A tax refund may be subtracted from the TOTAL VALUE of net family assets, regardless of where the amount is deposited.

Example:

The Rodriguez family explain that they received a \$4,500 refund which was deposited into a checking account. The balance of the checking account is \$10,000. They own no other assets. The household also reports the checking account earns \$100 in actual income.

$$\begin{aligned} \$10,000 - \$4,500 &= \$5,500 \text{ value.} \\ \$100 &\text{ in actual income.} \end{aligned}$$

PART II: FEDERAL TAX RETURN OR REFUNDABLE FEDERAL TAX CREDIT

Have you received a federal tax return or refundable federal tax credit in the last 12 months?

☐ Yes ☐

Amount of return/credit: \$

NEW

RETIREMENT ACCOUNTS

NEW HOTMA RULES

(1/1/2024)

Retirement Accounts will **NOT** be considered a family asset!

This includes any retirement plan recognized by the IRS

- IRAs
- 401Ks
- KEOGHS

However, payments will still be considered **income!**



NEW


REQUIRED MINIMUM DISTRIBUTION RMD

NEW HOTMA RULES
(1/1/2024)

An RMD is a **“recurring”** payment.

HUD clarifies “Non-recurring income” can be excluded.
This is a source of income that will not be repeated in the coming year.
(i.e. Tax Refund, Gift for special occasions)

RMD will **repeat** each year! It is income!




NEW

NEW HOTMA

CHECKING **CURRENT** Balance


When verification of assets is required, PHAs/MFH Owners are required to obtain a minimum of one statement that reflects the current balance of banking/financial accounts. MFH Owners were previously required to average the balance of six checking account statements to determine the cash value of a checking account.



NEW

FINANCIAL AID
NEW HOTMA RULES

HOTMA mandates the exclusion of certain financial aid for both full-time and part-time students.
(non-Section 8 households)



NEW

STUDENT FINANCIAL AID
24 CFR 5 5.609(b)(9)
NEW HOTMA RULES
(1/1/2024)

The new rule creates two categories of student financial aid.


#1: Title IV HEA Assistance
Any assistance under 479B of the Higher Education Act of 1965.
(always excluded as income)

#2: Other Financial Assistance
Any other grant-in-aid, scholarship, or other assistance amounts an individual receives for the actual covered costs charged by the institute of higher education.
(excess of actual covered cost is income)

NEW

Financial Aid
NEW HOTMA RULES
(1/1/2024)

WHAT ARE ACTUAL COVERED COSTS?



Tuition

Books and Supplies

Room and Board

Other required Fees (labs)

NEW

Financial Aid
NEW HOTMA RULE

The formula for calculating the amount of “other student financial assistance” begins with deducting the HEA assistance from the total actual covered costs.

NEW

Financial Aid

Example:

Students actual covered costs: \$28,000

HEA Assistance: \$25,000 – Pell Grant

Other Financial Assistance: \$18,000 – Rotary Club Scholarship

Math:

\$28,000 covered costs

-\$25,000 HEA Assistance

\$3,000 covered costs left

\$18,000 Other Financial Assistance

-\$3,000 covered costs left

\$15,000 is included in household income

Section 8 households are treated the same as they were prior to HOTMA

EDUCATIONAL GRANTS AND SCHOLARSHIPS

If the household has Section 8

E. Educational Scholarships or Grants

All forms of student financial assistance (grants, scholarships, educational entitlements, work study programs, and financial aid packages) are excluded from annual income ****except for students receiving Section 8 assistance.**** This is true whether the assistance is paid to the student or directly to the educational institution

****For students receiving Section 8 assistance, all financial assistance a student receives (1) under the Higher Education Act of 1965, (2) from private sources, or (3) from an institution of higher education that is in excess of amounts received for tuition is included in annual income except if the student is over the age of 23 with dependent children or the student is living with his or her parents who are receiving Section 8 assistance. See Paragraph 3-13 for further information on eligibility of students to receive Section 8 assistance and the Glossary for the definition of Student Financial Assistance.****

"Over the age of 23" = 24 years-old

NEW

HOTMA expands the list of income exclusions

HOTMA Income and Assets Training Series



Income and
Income Exclusions
Resource Sheet

Go to hudexchange.info for a copy!

Annual Income Exclusions 24 CFR 5.609(b)

Income Exclusions Table

Category	Exclusion	CFR	Description
Other	Formerly Mandated Income Exclusions	24 CFR 5.609(b)(2)	Amounts that must be included by income standards HUD will publish a Federal Register notice that includes the qualifying benefits.
Assets	Imputed Income from Assets	24 CFR 5.609(b)(1)	Any imputed return on an asset when net family assets total \$50,000 (adjusted annually or less, and no actual income from the net family assets can be determined).
Non-employment income	Non-employment income	24 CFR 5.609(b)(2)(i)	Income that will not be repeated in the coming year based on information provided by the family.
Self-employment	Gross Self-employment Income	24 CFR 5.609(b)(2)(ii)	Gross income received through self-employment or operation of a business.
Dependents	Minors (children under the age of 18 years)	24 CFR 5.609(b)(3)	All earned income of all children under the age of 18, including foster children.
Dependents	Adoption assistance payments	24 CFR 5.609(b)(5)	Adoption assistance payments for a child in excess of the amount of the dependent deduction.
Students	Excess income of Dependent Students	24 CFR 5.609(b)(4)	Excess income of dependent full-time students in excess of the amount of the dependent deduction.
Students	Tuition Assistance	24 CFR 5.609(b)(6)	Any assistance that Section 4798 of the Higher Education Act (HEA) of 1965, as amended, requires to be excluded from a family's income.
Students	Other Student Financial Assistance	24 CFR 5.609(b)(9)(i)	Student financial assistance, not excluded under the HEA, for actual covered costs of higher education.
Students	Educational Savings Account	24 CFR 5.609(b)(9)(ii)	Income and distributions from any Coverdell educational savings account or any qualified tuition program under section 529.
Baby bonds	Baby bonds	24 CFR 5.609(b)(10)	Income earned by government contributions to, or distributions from, baby bonds accounts created, authorized or funded by federal, state or local government.
Foster children / adults	Payments for Foster Children / Adults	24 CFR 5.609(b)(8)	Payments received for the care of foster children or adults, including state kinship, guardianship care payments, or tribal kinship payments.
Foster children / adults	Income of foster children / adults	24 CFR 5.609(b)(8)	Income of a kin-in-law foster child, or foster adult as defined in 24 CFR 5.403 and 5.405.
Live-in aide	Income of a Live-in Aide	24 CFR 5.609(b)(9)(iii)	Income of a live-in aide, foster child, or foster adult.
People with Disabilities	ABLE accounts	24 CFR 5.609(b)(22)	Will be included in federally mandated excluded amounts, Notice HUD-2019-0504-2019-0504 defines when ABLE account income is excluded.
People with Disabilities	State Payments to Allow Individuals with Disabilities to Live at Home	24 CFR 5.609(b)(19)	Payments made by an authorized state Medicaid managed care system or other state agency to a family to enable a family member to live in the family's assisted unit.
People with Disabilities	Plan to Attain Self-Sufficiency (PASS)	24 CFR 5.609(b)(20)	Amounts set aside for use under a Plan to Attain Self-Sufficiency (PASS).

NEW

HOTMA

It is important that all staff have some type of HOTMA training!

Spectrum offers on-line and live trainings



INCOME RESTRICTIONS



INCOME RESTRICTIONS

LIHTC, TCAP, Section 1602

(20/50)

20% of the units occupied by households not exceeding
50% area median gross income.

OR

(40/60)

40% of the units occupied by households not exceeding
60% area median gross income.

LIHTC (20/50 and 40/60)

These are minimum federal requirements for a project.

The Declaration will spell out your specific requirements.

Most Hawaii LIHTC projects are **100%** tax credit,
meaning all units are **income restricted** in some way.



HOME

When there are 5 or more HOME units in a project:

At least **20%** of the HOME units must be occupied by
households with income not exceeding **50%** AMGI;
(Low-HOME Units)

Remaining units may be restricted at **80%** AMGI
(High-HOME Units)

HOWEVER, most Participating Jurisdictions (PJ's)
will require the rest meet 60% guidelines

HOME

When there are fewer than 5 HOME units in a project:

Households in all HOME assisted units must meet **80%** AMGI, unless state/county/PJ requires otherwise.



RAP and RARF

(20/80)

At least **20%** of the units must be occupied by households with income not exceeding **80%** AMGI.



RHRF

At least **50%** of the units must be occupied by households with income not exceeding **60%** AMGI.

At least **10%** of the units must be occupied by households with income not exceeding **30%** AMGI.

The remaining units must be occupied by households with income not exceeding **100%** AMGI.



RHRF

The RHRF regulations allow projects to rent to **higher** income households if there is an **insufficient** number of income qualified households.

This provision is to allow for full occupancy

Written permission must be received from HHFDC **prior** to admitting any income-ineligible households!



HMMF

Income restrictions mirror those of the LIHTC program

(20/50 or 40/60)

There currently is only one project in Hawaii that has HMMF as its only HHFDC affordable funding source.

Income limits clearly stated in the Declaration



HOME-ARP

30% of units will be restricted to households that are low-income (80% AMI).

70% of HOME-ARP will serve households based ONLY on their qualifying status. (i.e. homeless, fleeing violence, etc.)



201H

Income restrictions will be at or below **140%** AMI.

No less than 50% plus one additional unit.

50+1

DURF

Current DURF projects are meeting the
80% and **140%** AMIs.

Income restrictions will be recorded in the
Regulatory Agreement.



REMEMBER!

Know your income restrictions

Multiple programs?

Always maintain the most restrictive income limits.



**PART VI:
Rent Restrictions**



The second of the two major components to compliance (income eligible, rent restricted).



All programs restrict **rents** for program-eligible units.

All gross allowable rents include any **utility charges** and required **fees**.

If tenants pay any utilities themselves, a utility allowance must be calculated.



Gross rent must be lowered by the amount of the **utility** allowance

GROSS RENT=
Tenant Rent + Utility Allowance + Any Required Fees

Example:

Max rent limit is \$600.

UA is **\$80**.

You may charge tenant at most \$520

$\$520 + \$80 = \$600$



RAP

Tenant contribution for rent is the lesser of:

The **Contract** Rent

OR

30% of the eligible tenant's annual income,
adjusted for the utility allowance.



RAP

If contract rent is greater than 30% of tenant's adjusted monthly income, eligible for Rental Assistance.



EXAMPLE

Examples:

1. Contract Rent = \$900.00
2. Maximum RAP = \$175.00
3. 30% of Household Income (-UA) = \$600
4. \$900 - \$600 = **\$300** remaining rent due.

Household is eligible for maximum RAP of \$175.

EXAMPLE

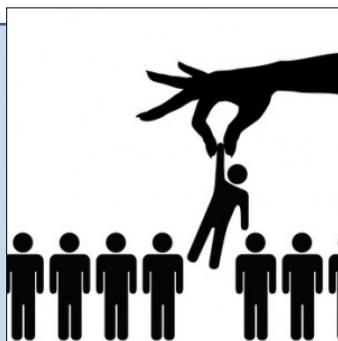
Households may receive less than full Rental Assistance amount, but never more.

1. Contract rent = \$900.00
2. Maximum RAP = \$175
3. 30% of Household Income (-UA) = \$800
4. \$900 - \$800 = **\$100** remaining rent due

If total possible RAP is \$175, this household is eligible for **\$100**.

Rent affordability must be watched out for. May still not be able to afford rent, even with RAP, if income is too low.

Be sure **rent affordability** is addressed in your Tenant Selection Criteria.



HOME

2 rent tiers:

High HOME rents (80%)

or

Low HOME rents (50%)



HOME

2 rent tiers: [No need to do your own calculations!]

U.S. DEPARTMENT OF HUD STATE: HAWAII		HOME PROGRAM RENTS					
PROGRAM	EFFICIENCY	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Kahului-Wailuku-Lahaina, HI MSA	LOW HOME RENT LIMIT	897	961	1153	1332	1486	1793
	HIGH HOME RENT LIMIT	1161	1246	1497	1720	1899	2255
	For Information Only:						
	FAIR MARKET RENT	1275	1394	1759	2496	2846	3700
	50% RENT LIMIT	897	961	1153	1332	1486	1793
	65% RENT LIMIT	1161	1246	1497	1720	1899	2255
Urban Honolulu, HI MSA	LOW HOME RENT LIMIT	1102	1181	1417	1636	1826	2203
	HIGH HOME RENT LIMIT	1413	1515	1821	2094	2316	2759
	For Information Only:						
	FAIR MARKET RENT	1473	1640	2160	3116	3792	4930
	50% RENT LIMIT	1102	1181	1417	1636	1826	2203
	65% RENT LIMIT	1413	1515	1821	2094	2316	2759
Hawaii County, HI	LOW HOME RENT LIMIT	730	781	937	1083	1208	1457
	HIGH HOME RENT LIMIT	929	996	1197	1374	1514	1789
	For Information Only:						
	FAIR MARKET RENT	931	1085	1429	1800	1936	2517
	50% RENT LIMIT	730	781	937	1083	1208	1457
	65% RENT LIMIT	929	996	1197	1374	1514	1789
Kauai County, HI	LOW HOME RENT LIMIT	850	910	1092	1262	1408	1699
	HIGH HOME RENT LIMIT	1085	1164	1398	1607	1773	2103
	For Information Only:						
	FAIR MARKET RENT	1226	1519	1881	2595	3212	4176
	50% RENT LIMIT	850	910	1092	1262	1408	1699
	65% RENT LIMIT	1085	1164	1398	1607	1773	2103

HOME rents include Rental Assistance from voucher subsidy or HOME-funded rental assistance.

Only exception is Low-HOME tenants with project-based subsidy.
Then the rent limits from the project-based program can be used.



REMEMBER!

HOME rents include all utilities,
so rents must be **reduced** if tenant pays **utilities**

A utility allowance is needed!



HMMF

Bond program has **NO** rent restrictions!

Almost all HMMF project have LIHTC as well, so you will use LIHTC rent restrictions.

There may be rent restrictions agreed to in the **Declaration**, so check!



DURF

Rents for affordable DURF units must be restricted to **applicable percentage** of AMI.

EXAMPLE:

140% AMI DURF unit must have rents restricted at the 140% rent limit.

Area	Studio	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm
Honolulu, HI					
30% of Median	\$731	\$783	\$939	\$1,086	\$1,211
40% of Median	\$975	\$1,044	\$1,253	\$1,448	\$1,615
50% of Median	\$1,218	\$1,305	\$1,566	\$1,810	\$2,018
55% of Median*	\$1,340	\$1,436	\$1,722	\$1,991	\$2,220
60% of Median	\$1,462	\$1,566	\$1,879	\$2,172	\$2,422
75% of Median*	\$1,828	\$1,958	\$2,349	\$2,715	\$3,028
80% of Median*	\$1,950	\$2,089	\$2,506	\$2,896	\$3,230
100% of Median*	\$2,437	\$2,611	\$3,132	\$3,620	\$4,037
110% of Median*	\$2,681	\$2,872	\$3,445	\$3,982	\$4,441
140% of Median*	\$3,412	\$3,655	\$4,385	\$5,068	\$5,652

HOME-ARP

30% of family's adjusted income or **30%** of annual income of a family whose annual income equals 50% AMI.



As with income restrictions, if there's more than one funding program with your property, always follow the most **restrictive** program when setting rents to ensure compliance with all programs.



QUIZ!

When calculating household income always use?

a. Gross

b. Net

c. Tax Returns

Always include verifiable anticipated income (raise, bonus, etc)?

a. True

b. False

If total household assets are \$50,000 or less the household may?

a. Not move-in

b. Self-Certify Assets

c. Impute assets by current passbook rate

QUIZ!

Which program may NOT use the Asset Self Certification?

a. RHRF

b. HOME

c. They can all use it!

A disposed of asset for less than fair market value is counted as an asset for how long?

a. 1 year

b. 2 years

c. 3 years

A HOME project with more than 5 HOME funded units, how many units must be designated at Low-HOME?

a. 20%

b. 60%

c. 80%

PART VII: Student Restrictions



Households occupied by **students** are **not** eligible for admission to properties with some funding sources, unless an **exception** is met.



LIHTC STUDENT RULE

Student status is only an issue when **EVERYONE** in the household is a **Full-Time** student.



A full-time student is defined by the IRS code as being an individual who during each of **5 calendar months during the calendar year** is a full-time student at an educational organization.

Months need not be full or consecutive
1 DAY = 1 MONTH



Example 1:

Julio was a full-time student for the
Spring Semester
January 21st
February
March
April
Graduation: May 9th



He wants to move-in July 1st

January							February							March						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4						1		1	2	3	4	5	6	7
5	6	7	8	9	10	11	2	3	4	5	6	7	8	8	9	10	11	12	13	14
12	13	14	15	16	17	18	9	10	11	12	13	14	15	15	16	17	18	19	20	21
19	20	21	22	23	24	25	16	17	18	19	20	21	22	22	23	24	25	26	27	28
26	27	28	29	30	31		23	24	25	26	27	28	29	29	30	31				

April							May							June						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4					1	2		1	2	3	4	5	6	
5	6	7	8	9	10	11	3	4	5	6	7	8	9	7	8	9	10	11	12	13
12	13	14	15	16	17	18	10	11	12	13	14	15	16	14	15	16	17	18	19	20
19	20	21	22	23	24	25	17	18	19	20	21	22	23	21	22	23	24	25	26	27
26	27	28	29	30			24	25	26	27	28	29	30	28	29	30				
							31													

January – May = 5 months

He is a FULL-TIME STUDENT

He cannot move-in on 7/1 unless he meets an exception

LIHTC STUDENT RULES

Households solely occupied by full-time students qualify only if at least one of these **5** exceptions apply:

- 1) A student receiving assistance under Title IV of the Social Security Act (on welfare)
- 2) Enrolled in a job training program receiving assistance under the Job Training Partnership Act or similar Federal, State, or Local law
- 3) Single parent with dependent children
- 4) A person who was previously under the care and placement of a foster care program
- 1) Married and entitled to file a joint return

HMMF STUDENT RULES

Effective 7/31/2008 the exceptions for students living in HMMF projects are the same as for the **LIHTC** projects.



RAP and RHRF STUDENT RULES

There are **no restrictions** regarding full-time students.



HOME STUDENT RULES

The 2013 Final HOME Rule calls for HOME to use the same definition used for [Section 8](#) to determine eligibility of students.



HOME STUDENT RULES

HOME student rule states :

Higher education students (Part Time or Full Time) under the age of 24 are not eligible unless:

- 1) A Veteran
- 2) Married
- 3) Has a dependent child
- 4) Is individually eligible or whose parents are eligible for Section 8

This rule is triggered when ANY member is a student at an institute of higher education.



STUDENT STATUS

If you have a property with both LIHTC and HOME you may have a household that meets one program's student definition but not the other's definition.



DURF, RAP, RHRF, HOME-ARP, 201H, and HTF

There are no student restrictions.



PART VIII: Noncompliance



NONCOMPLIANCE

Period of time the project failed to follow proper procedures.

May be IRS, HUD, HHFDC, or State Regulatory Requirements.



NONCOMPLIANCE

For LIHTC,
noncompliance can lead to **recapture** of credits!

For other programs, noncompliance may lead to an **extension** of the affordability period, or **termination** of the agreement, or even **foreclosure**!



Noncompliance can occur for:

Inadequate/Missing documents

Failure to obtain proper income verifications

Late certifications or certification signature dates

Violations of UPCS inspection standards

Failure to submit year-end documentation on time

Failure to respond to audit reports or incomplete response

And more!

NON-COMPLIANCE

CONSEQUENCES OF NONCOMPLIANCE

FOR LIHTC

Filing of IRS Form 8823

Recapture of credit is a possibility.

Only the IRS makes this decision



RAP

Rental assistance payments may be **terminated**.

May be done if the Owner,
without written consent of the HHFDC:

1. Sells or transfers the project to a new owner
2. Sells or transfers a Substantial Interest in ownership of the project
3. Refinances or prepays the Mortgage Loan

RHRF

Penalties are at the discretion of the **HHFDC**.

For projects with RHRF loans,
foreclosure is a possibility.



HOME

Noncompliance with HOME requirements may result in an **extension** of the affordability period, **repayment** of funds or **foreclosure** of the HOME loan.

NSP – Noncompliance could lead to **repayment** of the NSP funds being required.



HTF

Noncompliance with HTF requirements may result in **repayment** of funds.



HOME-ARP, DURF, and 201H

Noncompliance with these programs is at the discretion of the **HHFDC**.

Corrective action could include additional reporting requirements, return of funds or legal action.



PART IX:

Tenant Selection Plan



It is strongly suggested that your property have a written Tenant Selection Plan (TSP).

The TSP clearly states **how** an applicant will be **selected**, any priorities in effect for selection (e.g., handicap units going to households requiring these features)



Consider a policy whereby if an applicant does not submit a complete **application**, sign **release forms**, come to an **interview**, or cannot provide complete **verification of income**, the application will be **cancelled**.



Have a clear policy in regard to **affordability** whether by a base amount of income or by a percentage of income.

This policy is typically a manager/owner decision, but it must be used consistently and should therefore be in writing.



If your property is elderly housing, make sure you understand the appropriate definition of elderly for your property. There are 3 definitions.

1. For some HUD elderly properties and all RD elderly properties, the definition is head or co-head must be **62** years or older, or **disabled** and any age over 18.
2. At least one tenant **55** or older in at least 80% of the units. Properties meeting this definition may exclude families with children.
3. Everyone in the unit is **62** year of age or older. Children may not reside in these properties, as they are under 62.



The HOME Program does not have a regulatory definition of elderly. Properties must now meet one of the federal definitions.



Always be sure to check **references** for all applicants.

State clearly in your TSP that management reserves the right to reject solely based on **negative** references.

If you deny for poor credit or criminal activity then the TSP should address these issues as well.



If your property keeps a **waitlist** the Tenant Selection Plan should clearly state how applicants are **chosen** from that list.

Are they chosen simply chronologically?

Is the list kept by bedroom size request?

Are very-low income households chosen before low or moderate income households?



If you do not keep a wait list (HOME requires one) the TSP should clearly state how units are rented and how interested households can find out about upcoming openings.



VAWA **Violence Against Women Act**



VAWA Violence Against Women Act

VAWA is gender neutral and protects all persons covered by VAWA in any HUD protected class regardless of gender, gender identity, sexual orientation, marital status or age.



VAWA Violence Against Women Act

The 2013 Reauthorization Act indicates the LIHTC program is subject to VAWA requirements.

VAWA does extend to all affordable housing in Hawaii.



VAWA Violence Against Women Act

**Information can be obtained through
HUD forms:**

- 5380 – Notice of Occupancy Rights** Updated
- 5381 – Model Emergency Transfer Plan**
- 5382 – Certification Form** Updated
- 5383 – Emergency Transfer Request**

All available at www.HUD.gov
Check for Updates – Current Versions Expire in 2028

VAWA Violence Against Women Act

FORM 5380

Notice of Occupancy Rights

Who is protected

How they are protected

**How tenants eligible for
VAWA may be evicted.**



VAWA Violence Against Women Act

FORM 5381

MODEL EMERGENCY TRANSFER PLAN

**Who is eligible for an
emergency transfer**

**How to request a
transfer**



VAWA Violence Against Women Act

FORM 5382

CERTIFICATION FORM

**To be used by those
seeking protection from
the housing provider.**



VAWA Violence Against Women Act

FORM 5383

VAWA EMERGENCY TRANSFER REQUEST

**Not required to use
this form. Owners may
use the HUD form or
create their own.**



QUIZ!

For the LIHTC program, how many calendar months is
considered Full Time for student status?

a. 5 months

b. 6 months

c. 12 months

If you are denying housing for poor credit, criminal history, drug use or
poor references, a policy should be stated in the?

a. Project Declaration

b. Tenant Selection Plan

c. QAP

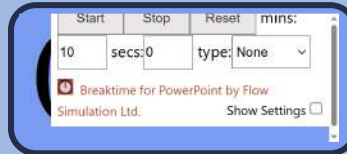
This housing program requires a waitlist?

a. HOME

b. LIHTC

c. None

10 MIN BREAK



PART X: Tenant Application



A comprehensive application is critical to help identify all **projected income, assets, household composition** and **student status** for all programs.



The Spectrum Application for Housing is a **required** form in Hawaii.



**Attach a cover letter with instructions
for completing
REVIEW CAREFULLY**

Don't cut corners! Don't rush through this!



**Completed by
Management**

APPLICATION FOR HOUSING	
Low Income Housing Tax Credit Property	
Please Print Clearly	
This is an application for housing at:	Project:
	Address:
Please complete this application and return to:	Name:
	Address:
Applications are placed in order of date and time received. An applicant may be interviewed only after the receipt of this tenant application. Every question must be answered. Do NOT leave blanks. Use N/A when not applicable.	
A. GENERAL INFORMATION	
Applicant Name: _____	
Address: _____	
Daytime Phone: _____ Evening Phone: _____	
No. of BR's in current unit: _____ Do you <input type="checkbox"/> RENT or <input type="checkbox"/> OWN (check one)	
Amount of current monthly rental or mortgage payment: \$ _____	
If owned, do you receive monthly rental income from property? <input type="checkbox"/> Yes <input type="checkbox"/> No (check one)	
Check utilities paid by you: <input type="checkbox"/> Heat <input type="checkbox"/> Electricity <input type="checkbox"/> Gas <input type="checkbox"/> Other (specify) _____	
Approximate monthly cost of utilities paid by you (excluding phone and cable TV): \$ _____	
Bedroom size requested: <input type="checkbox"/> Studio <input type="checkbox"/> One BR <input type="checkbox"/> Two BR <input type="checkbox"/> Three BR <input type="checkbox"/> Handicap BR	

Waiting List

**Real Estate is
an Asset
(could generate
income)**

**Appropriate
Unit Size
Requested?**

All Household Members

Recent or Anticipated Changes

B. HOUSEHOLD COMPOSITION

	Name	Relationship to head	Birth Date	Age (optional)	SSA (last 4 digits)	Student Y/N
Head		Self				
Co-H						
3.						
4.						
5.						
6.						
7.						
8.						

Will all listed minors be living in the unit at least 50% of the time? ☐ Yes ☐ No

If not, explain custody agreement (proof of custody may be required): _____

1. Have there been any changes in household composition in the last twelve months? ☐ Yes ☐ No
If yes, explain: _____

2. Do you anticipate any changes in household composition in the next twelve months? ☐ Yes ☐ No
If yes, explain: _____

3. Is there someone not listed above who would normally be living with the household? ☐ Yes ☐ No
If yes, explain: _____

4. Are you living with anyone now who will not be moving into this unit with you? ☐ Yes ☐ No
If yes, explain: _____

5. Will all of the persons in the household be or have been full-time students during five calendar months of this year or plan to be in the next calendar year at an educational institution (other than a correspondence school) with regular faculty and students? ☐ Yes ☐ No

IF YES, ANSWER THE FOLLOWING QUESTIONS (6-10):

6. Are any full-time student(s) married and filing a joint tax return? ☐ Yes ☐ No

7. Are any student(s) enrolled in a job-training program receiving assistance under the Job Training Partnership Act? ☐ Yes ☐ No

8. Are any full-time student(s) a TANF or a title IV recipient? ☐ Yes ☐ No

9. Are any full-time student(s) a single parent living with his/her child(ren) who is not a dependent on another's tax return and whose children are not dependents of anyone other than a parent? ☐ Yes ☐ No

Student Status

50% custody

Student Status

Social Security
SSI
Pension
Veteran's
Unemployment
Public Assistance
(not SNAP)
Contributions
(monetary or not)
FT Student Income
Annuities
Long Term Medical
Care Insurance
(\$180+/day)
From Investments

C. INCOME

List ALL sources of income as requested below. If a section doesn't apply, cross out or write NA.

Household Member Name	Source of Income	Gross Monthly Amount
11.	Social Security	\$
12.	Social Security	\$
13.	SSI Benefits	\$
14.	SSI Benefits	\$
15.	Pension (list source)	\$
16.	Pension (list source)	\$
17.	Veteran's Benefits (list claim #)	\$
18.	Veteran's Benefits (list claim #)	\$
19.	Unemployment Compensation	\$
20.	Unemployment Compensation	\$
21.	Public Assistance (Title IV/TANF etc.)	\$
22.	Contributions to the Household (monetary or not)	\$
23.	Full-Time Student Income (18 & Over Only)	\$
24.	Financial Aid (excluding loans)	\$
25.	Annuities (list sources)	\$
26.	Long Term Medical Care Insurance Payments in excess of \$180/day	\$
27.	Scheduled Payments from Investments	\$
28.	Retirement Account Payments (including RMDs)	\$
29.	Income From Rental Property	\$

Household Member Name	Source of Income	Monthly Amount
30.	Employment amount Employer: Position Held: How long employed:	\$
31.	Employment amount Employer: Position Held: How long employed:	\$

C. INCOME		
List ALL sources of income as requested below. If a section doesn't apply, cross out or write NA.		
Household Member Name	Source of Income	Gross Monthly Amount
11.	Social Security	\$
12.	Social Security	\$
13.	SSI Benefits	\$
14.	SSI Benefits	\$
15.	Pension (list source)	\$
16.	Pension (list source)	\$
17.	Veteran's Benefits (list claim #)	\$
18.	Veteran's Benefits (list claim #)	\$
19.	Unemployment Compensation	\$
20.	Unemployment Compensation	\$
21.	Public Assistance (Tide IV/TANF etc.)	\$
22.	Contributions to the Household (monetary or not)	\$
23.	Full-Time Student Income (18 & Over Only)	\$
24.	Financial Aid (excluding loans)	\$
25.	Annuities (list sources)	\$
26.	Long Term Medical Care Insurance Payments in excess of \$150/day	\$
27.	Scheduled Payments from Investments	\$
28.	Retirement Account Payments (including RMDs)	\$
29.	Income From Rental Property	\$

Household Member Name	Source of Income	Monthly Amount
30.	Employment amount Employer: Position Held: How long employed:	\$
31.	Employment amount Employer: Position Held: How long employed:	\$

Amounts
 (compare later to verifications)

Any source household does not have should be answered using "N/A" or "None"

Fully Completed

Household Member Name	Source of Income	Monthly Amount
32.	Employment amount Employer: Position Held: How long employed:	\$
33.	Previous Employment amount (last 60 days) Employer: Position Held: How long employed:	\$
34.	Alimony Do you receive alimony? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, list amount you receive.	\$
35.	Child Support Do you receive formal/informal (money, items, etc.) child support? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, list the amount you receive.	\$
36.	Other Income	\$
37.	Other Income	\$
38.	Other Income	\$
39.	TOTAL GROSS ANNUAL INCOME (Based on the monthly amounts listed above x 12)	\$
40.	TOTAL GROSS ANNUAL INCOME FROM PREVIOUS YEAR (Do NOT leave this blank)	\$
41.	Do you anticipate any changes in this income in the next 12 months?	<input type="checkbox"/> Yes <input type="checkbox"/> No
42.	Is any member of the household legally entitled to receive income assistance?	<input type="checkbox"/> Yes <input type="checkbox"/> No
43.	Is any member of the household likely to receive income or assistance (monetary or not) from someone who is not a member of the household as listed on Page 2 etc.?	<input type="checkbox"/> Yes <input type="checkbox"/> No
44.	If yes to any of the above, explain:	
45.	Is the income received?	<input type="checkbox"/> Yes <input type="checkbox"/> No

D. ASSETS (even if jointly held)
 If your assets are too numerous to list here, please request an additional form.
 If a section doesn't apply, cross out or write NA.

46. Checking Accounts	#	Bank	Balance \$
	#	Bank	Balance \$
	#	Bank	Balance \$
47. Savings Accounts	#	Bank	Balance \$
	#	Bank	Balance \$
	#	Bank	Balance \$

Amounts
 (compare later to verifications)

HOTMA
 "Based on payments received"

 Not the amounts family is entitled by the courts

Household Member Name	Source of Income	Monthly Amount
32.	Employment amount Employer: Position Held: How long employed:	\$
33.	Previous Employment amount (last 60 days) Employer: Position Held: How long employed:	\$
34.	Alimony Do you receive alimony? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, list amount you receive: \$	
35.	Child Support Do you receive formal/informal (money, items, etc.) child support? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, list the amount you receive: \$	
36.	Other Income	\$
37.	Other Income	\$
38.	Other Income	\$
39.	TOTAL GROSS ANNUAL INCOME (Based on the monthly amounts listed above x 12) \$	
40.	TOTAL GROSS ANNUAL INCOME FROM PREVIOUS YEAR (Do NOT leave this blank) \$	
41.	Do you anticipate any changes in this income in the next 12 months? <input type="checkbox"/> Yes <input type="checkbox"/> No	
42.	Is any member of the household legally entitled to receive income assistance? <input type="checkbox"/> Yes <input type="checkbox"/> No	
43.	Is any member of the household likely to receive income or assistance (monetary or not) from someone who is not a member of the household as listed on Page 2 etc.? <input type="checkbox"/> Yes <input type="checkbox"/> No	
44.	If yes to any of the above, explain:	
45.	Is the income received? <input type="checkbox"/> Yes <input type="checkbox"/> No	
D. ASSETS (even if jointly held) If your assets are too numerous to list here, please request an additional form. If a section doesn't apply, cross out or write NA.		
46. Checking Accounts	# Bank	Balance \$
	# Bank	Balance \$
	# Bank	Balance \$
47. Savings Accounts	# Bank	Balance \$
	# Bank	Balance \$
	# Bank	Balance \$

"Other" is an option

Past and Future

D. ASSETS (even if jointly held)			
If your assets are too numerous to list here, please request an additional form. If a section doesn't apply, cross out or write NA.			
46. Checking Accounts	#	Bank	Balance \$
	#	Bank	Balance \$
	#	Bank	Balance \$
47. Savings Accounts	#	Bank	Balance \$
	#	Bank	Balance \$
	#	Bank	Balance \$
48. Trust Account	#	Bank	Balance \$
49. Debit cards not associated with a checking account	#	Bank	Balance \$
	#	Bank	Balance \$
	#	Bank	Balance \$
50. Certificates of Deposit	#	Bank	Balance \$
	#	Bank	Balance \$
	#	Bank	Balance \$
51. Money Market Accounts	#	Bank	Balance \$
	#	Bank	Balance \$
52. Savings Bonds	#	Maturity Date	Value \$
	#	Maturity Date	Value \$
	#	Maturity Date	Value \$
53. Life Insurance Policy	#		Cash Value \$
54. Life Insurance Policy	#		Cash Value \$
55. Mutual Funds	Name:	#Shares: Interest or Dividend \$	Value \$
	Name:	#Shares: Interest or Dividend \$	Value \$
	Name:	#Shares: Interest or Dividend \$	Value \$
56. Stocks	Name:	#Shares: Dividend Paid \$	Value \$
	Name:	#Shares: Dividend Paid \$	Value \$
	Name:	#Shares: Dividend Paid \$	Value \$
57. Bonds	Name:	#Shares: Interest or Dividend \$	Value \$
	Name:	#Shares: Interest or Dividend \$	Value \$

Account Numbers & Bank Names

No more paper checks

Values (compare later to verifications)

Many values, interest & dividends will be estimates. Compare with verifications and clarify.

59. Real Estate Property: <i>Do you own any property?</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No	Real Estate again! (compare to first page)
<i>If yes, Type of property</i>		
60. Location of property		
61. Appraised Market Value	\$	
62. Mortgage or outstanding loans balance due	\$	
63. Amount of annual insurance premium	\$	Assets Disposed
64. Amount of most recent tax bill	\$	
65. Is the property subject to foreclosure, bankruptcy or eviction?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<i>If yes, describe:</i>		
66. Have you sold/dispensed of any property in the last 2 years?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<i>If yes, Type of property:</i>		Assets Disposed
67. Market value when sold/dispensed	\$	
68. Amount sold/dispensed for	\$	
69. Date of transaction:		
70. Have you disposed of any other assets in the last 2 years (Example: Given away money to relatives, set up Irrevocable Trust Accounts)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<i>If yes, describe the asset:</i>		"Other" is an option
71. Date of disposition:		
72. Amount disposed	\$	
73. Do you have any other assets not listed above (excluding personal property)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<i>If yes, please list:</i>		

E. ADDITIONAL INFORMATION		
74. Are you or any member of your family currently using an illegal substance?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
75. Have you or any member of your family ever been convicted of a felony?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<i>If yes, describe:</i>		
76. Have you or any member of your family ever been evicted from any housing?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<i>If yes, describe</i>		
77. Have you ever filed for bankruptcy?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<i>If yes, describe</i>		
78. Will you take an apartment when one is available?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<i>Briefly describe your reasons for applying:</i>		

Reason for applying can reveal a lot!
-downsizing
-divorce

**Reference,
Emergency
Contact, and
Vehicle Info can
lead to more
questions**

Personal Reference #1:	
Address:	
Relationship:	Phone #:
Personal Reference #2:	
Address:	
Relationship:	Phone #:
In case of emergency notify:	
Address:	
Relationship:	Phone #:
G. VEHICLE AND PET INFORMATION (if applicable)	
List any cars, trucks, or other vehicles owned. Parking will be provided for one vehicle. Arrangements with Management will be necessary for more than one vehicle.	
Type of Vehicle:	License Plate #:
Year/Make:	Color:
Type of Vehicle:	License Plate #:
Year/Make:	Color:
Do you own any pets?	Yes No
If yes, describe:	
CERTIFICATION	
<p>I/We hereby certify that I/We Do/Will Not maintain a separate subsidized rental unit in another location. I/We further certify that this will be my/our permanent residence. I/We understand I/We must pay a security deposit for this apartment prior to occupancy. I/We understand that my eligibility for housing will be based on applicable income limits and by management's selection criteria. I/We certify that all information in this application is true to the best of my/our knowledge and I/We understand that false statements or information are punishable by law and will lead to cancellation of this application or termination of tenancy after occupancy. All adult applicants, 18 or older, must sign application.</p>	
SIGNATURE (S):	
_____ (Signature of Tenant)	_____ Date
_____ (Signature of Co-Tenant)	_____ Date
_____ (Signature of Co-Tenant)	_____ Date
_____ (Signature of Co-Tenant)	_____ Date

**"True to the best
of my knowledge"**

**Signed by
ALL Adults (18+)**

**Date: how
old is this
information?**

CERTIFICATION

I/We hereby certify that I/We Do/Will Not maintain a separate subsidized rental unit in another location. I/We further certify that this will be my/our permanent residence. I/We understand I/We must pay a security deposit for this apartment prior to occupancy. I/We understand that my eligibility for housing will be based on applicable income limits and by management's selection criteria. I/We certify that all information in this application is true to the best of my/our knowledge and I/We understand that false statements or information are punishable by law and will lead to cancellation of this application or termination of tenancy after occupancy. All adult applicants, 18 or older, must sign application.

**FALSE STATEMENTS or INFORMATION ARE PUNISHABLE BY
LAW & WILL LEAD TO CANCELLATION OF THIS APPLICATION
or TERMINATION OF TENANCY...**

ALL ADULTS 18+ MUST SIGN

Written policy about malicious fraud vs. innocent mistakes

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The application process should include an **interview** with all adult household members.

Review the application and clarify any discrepancies or missing information.

The interview is documented with the **Interview Checklist or Household Eligibility Questionnaire**, required for use in Hawaii.



CHECKLIST or QUESTIONNAIRE

Condensed Version of Application
Completed by All Adults
Compare to the Application
Check for Differences/Changes

Easy way to demonstrate
“DUE DILIGENCE”

III. HOUSEHOLD INCOME									
Use an extra copy of pages 2 and 3 as needed if more than 2 adult members are included in the household. All adults must sign the form.									
Head of Household					Co-Head and/or Other Member				
Type of Income	Check One	Amount	Frequency	Check One	Amount	Frequency	Check One	Amount	Frequency
1. Salary or pay from job	YES NO	\$		YES NO	\$		YES NO	\$	
2. Overtime or shift pay	YES NO	\$		YES NO	\$		YES NO	\$	
3. Bonus/commission/etc.	YES NO	\$		YES NO	\$		YES NO	\$	
4. Do you have a 2nd job?	YES NO	\$		YES NO	\$		YES NO	\$	
5. Seasonal/sporadic work	YES NO	\$		YES NO	\$		YES NO	\$	
6. Tips	YES NO	\$		YES NO	\$		YES NO	\$	
7. Cash pay	YES NO	\$		YES NO	\$		YES NO	\$	
8. Self employment income	YES NO	\$		YES NO	\$		YES NO	\$	
9. Periodic gift income	YES NO	\$		YES NO	\$		YES NO	\$	
10. Non-cash contributions	YES NO	\$		YES NO	\$		YES NO	\$	
11. Formal child support	YES NO	\$		YES NO	\$		YES NO	\$	
12. Is child support awarded but not paid?	YES NO			YES NO			YES NO		
13. Informal child support	YES NO	\$		YES NO	\$		YES NO	\$	
14. Formal spousal support	YES NO	\$		YES NO	\$		YES NO	\$	
15. Is spousal support awarded but not paid?	YES NO			YES NO			YES NO		
16. Informal spousal support	YES NO	\$		YES NO	\$		YES NO	\$	
17. Social Security	YES NO	\$		YES NO	\$		YES NO	\$	
18. SSI	YES NO	\$		YES NO	\$		YES NO	\$	
19. TANF, AFDC, etc.	YES NO	\$		YES NO	\$		YES NO	\$	
20. Unemployment benefits	YES NO	\$		YES NO	\$		YES NO	\$	
21. Worker's compensation	YES NO	\$		YES NO	\$		YES NO	\$	
22. Severance pay	YES NO	\$		YES NO	\$		YES NO	\$	
23. Pension income	YES NO	\$		YES NO	\$		YES NO	\$	
24. Retirement/acc't payments	YES NO	\$		YES NO	\$		YES NO	\$	
25. Investment/acc't payments	YES NO	\$		YES NO	\$		YES NO	\$	
26. Annuity/acc't payments	YES NO	\$		YES NO	\$		YES NO	\$	
27. Thrift/acc't payments	YES NO	\$		YES NO	\$		YES NO	\$	
28. Disability/death benefits	YES NO	\$		YES NO	\$		YES NO	\$	
29. Real estate rent income	YES NO	\$		YES NO	\$		YES NO	\$	
30. Student financial aid	YES NO	\$		YES NO	\$		YES NO	\$	
31. Military pay	YES NO	\$		YES NO	\$		YES NO	\$	
32. Veterans/VIA income	YES NO	\$		YES NO	\$		YES NO	\$	
33. Other income	YES NO	\$		YES NO	\$		YES NO	\$	
34. Other income	YES NO	\$		YES NO	\$		YES NO	\$	
35. Are any income changes expected in the next 12 months?	YES NO			YES NO			YES NO		

For each source of income checked YES above, please complete the following:

Income #	HH Member	Name of Source	Address/Phone/Email

CHECKLIST or QUESTIONNAIRE

Working before, no job reported now?

More household members?
Fewer?

A lot can change in only a few days or weeks!

Type of Asset	Head of Household		Co Head and/or Other Member	
	Check One	Approx Cash Value	Check One	Approx Cash Value
1. Checking account	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$
2. 2nd checking account	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$
3. Savings account	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$
4. 2nd savings account	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$
5. Debit (direct deposit card)	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$
6. 2nd prepaid debit card	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$
7. Cash on hand	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$
8. Certificate of Deposit	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$
9. Other bank account	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$
10. Mutual Fund	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$
11. Stocks	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$
12. Vehicle/Car/Lease	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$
13. IRA/401k/etc.	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$
14. 2nd IRA/401k/etc.	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$
15. Treasury bills/bonds	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$
16. Company retirement acct	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$
17. Annuity	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$
18. Pension	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$
19. Revocable trust	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$
20. Life insurance (not term)	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$
21. Real estate equity	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$
22. Other asset	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$
23. Other asset	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$
24. Has anyone received any lump sum amounts in the past 2 years (i.e. lottery/gambling/inheritance)?			<input type="checkbox"/> YES <input type="checkbox"/> NO	
25. Has anyone disposed of any assets for less than fair market value in the past 2 years?			<input type="checkbox"/> YES <input type="checkbox"/> NO	

If yes, please list details such as the type of asset, the disposal date, the fair market value, and the amount received.

For each asset checked YES above, please complete the following:			
Asset #	HH Member	Name of Source	Address/Phone/Email

Under penalties of perjury, I hereby certify that the information presented on this form is true and accurate to the best of my/our knowledge. False, misleading, or incomplete information may result in the termination of this application/lease.

Head of Household Signature	Printed Name
Co Head and/or Other Member Signature	Printed Name
Management Signature	Date

PART XI: Tenant Income Verifications



The projected earned income of every prospective household member 18 years of age or older, must be verified.

Unearned income and asset income of all household members, including minors, must be verified.



Verifications must be received by the owner/management agent prior to the execution of the **certification** and **lease**.



Information on forms, verifications,
and how to calculate total income is provided in
HUD Handbook 4350.3 REV-1,
Chapter 5.



NEW

HOTMA – New Verification Hierarchy

J.5 Verification Hierarchy

Regulation: 24 CFR §§ 5.240(c); 5.659(d); 891.105; 891.410(b)-(c) and (g); 891.610(b)-(c) and (g); 960.259(c); 982.201(e); and 982.516(a)(2)

Owners are responsible for obtaining verification of a family's annual income and assets.

HUD developed a hierarchy (table J2) that describes verification documentation from MOST acceptable to LEAST acceptable.

NEW

Can't use EIV with LIHTC

The Work Number or automated verification system

Documentation in possession of the tenant (i.e. pay stubs, SS letter, bank statement)

AKA: "traditional third-party verification"
Employment verification completed by the third party by hand

"Last Resort"

Recommend only for zero income adults and assets that do not exceed imputed threshold

6	Upfront Income Verification (UIV) using a third-party system (EIV)	<p>EIV may be used as the sole verification of Social Security income.</p> <p>EIV income information may be used to calculate other types of annual income when family agrees. See Level 4 for more information.</p>
5	Upfront Income Verification (UIV) using non-EIV system (e.g., The Work Number, web-based state benefits systems, etc.)	Highest
4	<p>Written, third-party verification from the source, also known as "tenant-provided verification"</p> <p>OR</p> <p>EIV – Self-Certification</p> <p>PHAs/MFH Owners can choose either option when both are available to verify income. PHAs/MFH Owners must use written, third-party verification when the income type is not available in EIV (e.g., self-employment, Go Fund Me accounts, general public assistance, Veterans Administration benefits, etc.)</p>	<p>High</p> <ul style="list-style-type: none"> Written, third-party verification is used when tenant disputes EIV-reported employment and income information. The EIV Income Report may be used to verify and calculate income if the family self-certifies that the amount is accurate and representative of current income. The family must be provided with the information from EIV.
3	Written, Third-Party Verification Form	<p>Medium</p> <ul style="list-style-type: none"> Use if Level 5 or Level 4 verification is not available or is rejected by the PHA/MFH Owner and when the applicant or tenant is unable to provide acceptable documentation. May substitute Level 2 for written, third-party verification form, only completing one of the two forms of verification before moving to self-certification.
2	Oral Third-Party Verification	Medium
1	<p>Self-Certification (not third-party verification)</p> <p>Certificate of Zero Income</p> <p>Asset Self Certification</p>	<p>Low</p> <ul style="list-style-type: none"> Use as a last resort when unable to obtain any type of third-party verification or if specifically permitted, such as to determine actual income from assets when the family certifies that net family assets do not exceed \$50,000. May be used as highest form of verification when the family reports zero income.

LIHTC


NEW

NEW HOTMA RULE
1/1/2024
Implementation Guidance: Section 102 and 104 of HOTMA

Owners may obtain a minimum of two current and consecutive pay stubs to determine annual income.

If two paystubs do not reflect an accurate determination of income, you can request more.

Spectrum highly recommends more!



THIRD PARTY VERIFICATIONS ARE VALID FOR:

LIHTC, HMMF, 201H and DURF – [120 days](#)

RAP and RHRF – [90 days](#)

(Verbal updates may be obtained for verifications between 90 and 120 days old)

HOME – [6 months](#)

(Two months source documentation at move-in)

- * Owners may not rely on verifications that are expired. After this time, a new written verification must be obtained.



Verifications must not be hand-carried by the applicant/tenant to or from the source.



HOME

The HOME Program required use of **source** documents at move-in.

(**pay stubs, bank statements**, etc.)

The Final HOME Rule now stipulates that at least **two months** of source documents must be obtained for projects with HOME funds committed on or after August 23, 2013.



Significant differences between the income reported on the application and amounts reported on verifications should be explained by the tenant and documented in the file with a **Clarification Form**.



PART XII: COMPLIANCE REVIEWS AND INSPECTIONS



PART XII: Compliance Reviews and Inspections



All of the housing programs covered today require compliance monitoring.



Preparation for a monitoring visit starts long before the first day you open the doors!



Keep the right number of units at the right set-asides **continually** throughout the affordability period.

Track the set-asides for each unit and make sure you maintain the percentages!



When verifying income/assets:

Current to effective date of **TIC**?

All questions **answered**?

Verifications signed by **source**?

Calculations **double checked**?



SPECTRUM highly recommends:

There be someone in your company whose job it is to double check and approve all move-ins, or

Contract with a consulting company to do this for you (for LIHTC compliance help)



Go to training!

Don't worry about earning the certifications.

Your goal should be to leave having learned something you didn't know going in!



Tenant files:

Have them;
Keep them **organized**;
Keep them **complete**;
Keep them **consistent**;



Never, ever, make an auditor **HUNT!**

COMPLIANCE MONITORING SPECIFICS

WHAT HAPPENS WHEN SPECTRUM DOES AN
AUDIT?



Spectrum▶



Your get the call or email that there's a monitoring visit coming.



TAKE A DEEP BREATH! **DON'T PANIC!**

You knew this was coming and you're ready!



Be available on the date requested.

If at all possible conduct a self-audit of files.

You may want to do a pre-inspection of the units if a physical inspection is part of the review.



Compliance person should be available to **sit** in on the review.



Offer to sit with the auditor and be available for **questions**.

Provide the auditor enough space to work comfortably.



We are **NOT** out to get you.



Compliance Monitoring for HHFDC, is based on TWO Items:

#1: FILE REVIEW

Of in-place households

#2: PHYSICAL INSPECTION

Affordable units and 100% of the buildings,
common areas and grounds.

Note: Initial reviews of HOME projects will involve inspection/review of 100% units.

Tenant File Review:

We will schedule a visit to your project. You will be notified at least **15** days in advance of the site visit.

Be sure to use all required & recommended forms,
(www.spectrumlihtc.com).



Tenant File Review:

Please feel free to contact our monitoring staff with any questions about compliance requirements.

Call mornings (your time) if possible due to time difference, or leave a message and we'll get back to you! **(EMAIL!)**



Tenant File Review:

Some noncompliance is not correctable

Some is not easily correctable

Some noncompliance can be costly!

All noncompliance is [avoidable](#)!



SITE VISITS

**Number of low-income units for
LIHTC/HMMF/RHRF/DURF**

LESSER OF

20% of low-income units (rounded up)

OR

Sample Size in the [Reference Chart](#)

#Units	Sample	#Units	Sample
1	1	30-34	15
2	2	35-40	16
3	3	41-47	17
4	4	48-56	18
5-6	5	57-67	19
7	6	68-81	20
8-9	7	82-101	21
10-11	8	102-130	22
12-13	9	131-175	23
14-16	10	176-257	24
17-18	11	258-449	25
19-21	12	450-1461	26
22-25	13	>1461	27
26-29	14		

Example

50-unit Project

Lesser of 20% or Chart

20% = 10

Chart = 18

We will choose 10!

Frequency of Audits

RAP:

Annually

LIHTC, RHRF, HMMF, 201H, DURF:

Every 3 years

HOME, HOME-ARP, HTF, NSP:

Every 3 years.

Physical Inspections

All buildings
(exterior & interior), grounds, common areas, and units

NSPIRE (NEW),
State Building Code Laws Apply.

Fair Housing and **ADA construction requirements**
Will Also Apply.



NEW

PHYSICAL INSPECTION

**National Standards For The
Physical Inspection of Real
Estate (NSPIRE)**



UPCS

Uniform Physical Condition Standards have sunset!

PHYSICAL INSPECTION

National Standards For The Physical Inspection of Real Estate (NSPIRE)

**Concept is that there is
a greater focus on the
resident's home (unit)**



PHYSICAL INSPECTION

National Standards For The Physical Inspection of Real Estate (NSPIRE)

SMOKE DETECTORS

1. Smoke detectors in all bedrooms
2. Smoke detectors on all levels
3. Hardwired or tamper proof battery type (starting 12/29/2024)



PHYSICAL INSPECTION

National Standards For The Physical
Inspection of Real Estate
(NSPIRE)

Emergency Lights – **24-Hour** Fix



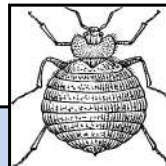
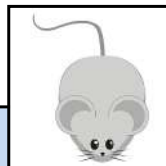
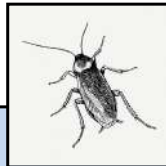
Exit signs – **24-Hour** Fix



PHYSICAL INSPECTION

National Standards For The Physical
Inspection of Real Estate
(NSPIRE)

INFESTATIONS – Roach, Mice, Bed Bugs



30-Day Correction Period

24-Hour Correction Period if
evidence in 2+ Rooms

PHYSICAL INSPECTION

**National Standards For The Physical
Inspection of Real Estate
(NSPIRE)**

CALL FOR AID

24-Hour Correction Period
if any component is not working

30-Day Correction Period if blocked



PHYSICAL INSPECTION

**National Standards For The Physical
Inspection of Real Estate
(NSPIRE)**

Trash Chutes

30-Day
Correction Period



PHYSICAL INSPECTION

**National Standards For The Physical
Inspection of Real Estate
(NSPIRE)**



Trip Hazard

**30-Day
Correction Period**

Physical Inspections

Sight staff must accompany our inspector while we inspect common areas and units.

Inspection certificates for **boilers, elevators, fire extinguishers**, etc., must be available for review.



Physical Inspections (Health/Safety Issues)

There is a 24-hour window to report the repair HEALTH/SAFETY inspection items.

HEALTH/SAFETY physical inspection findings in common areas can put ALL LIHTC units in the building into noncompliance

WORK ORDERS and PICTURES



Physical Inspections (Health/Safety Issues)

- Structural Damage
- Blocked Egresses
- Missing Smoke Detectors
- Pest Infestation
- Mold
- Inoperable Emergency Lighting



Physical Inspections (Routine Maintenance)

You have 45-days from the date of the initial report to provide documentation of repair for routine maintenance items.



WORK ORDERS and PICTURES



Physical Inspections (Routine Maintenance)

Routine maintenance issues:

- Missing Sink Stopper
- Broken Window Shades
- Ripped Window Screens
- Missing Kitchen Cabinet Drawers



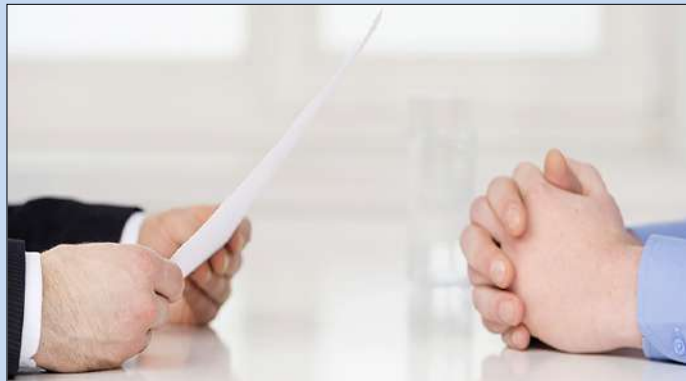
Steps to help avoid reported findings during the inspection:

- 1) Do your own inspection before we get there.
- 2) Keep a log of when your inspection certificates expire.
- 3) Keep up on your routine maintenance.
- 4) Bring smoke detectors, batteries, etc., with you during the inspection.

Typically, inspection findings corrected while we are still on site will not be reported.



The auditor will conduct an **exit** interview at the end of your audit.



Start working on the issues the auditor brought up during the exit interview;



When the auditor's written report comes in, make sure it's responded to by the **deadline!**

If a finding of noncompliance is necessary, make sure it's **corrected** noncompliance!



The audit's over! What Happens Next?



After we audit your property we will issue an **Initial Monitoring** report to **HHFDC** and the **Project Owner**.

There is a **45-day** response period to this report.



Please note that, although management agents are also provided a copy of the report, it is ultimately the owner's responsibility to make sure a response is generated.



There is a 45-day response period to this initial report.

A GOOD **RESPONSE** IS PIVOTAL TO **CLEAR** ISSUES!!

1. Formal Cover Letter
2. Supporting Documents
3. Provided by Due Date



REPORT EXAMPLES: How to respond!

INSPECTION TABLE

(Action Required)

Unit 605	Kitchen	Electrical outlet near the sink is not showing power. 48-hour response required.	ACTION REQUIRED: Provide confirmation of repair with work order.
----------	---------	--	---

AUDIT TABLE

(Compliance Issue)

F107	1	R	9/1/2024		1	\$41,025.56	\$41,010.54	\$928.00	\$68.00	\$996.00	A	No	COMPLIANCE ISSUE: 1. A bank statement may not be used to verify Veterans and Social Security Benefits. Obtain letters.
------	---	---	----------	--	---	-------------	-------------	----------	---------	----------	---	----	---

REPORT EXAMPLES: How to respond!

BODY OF THE REPORT

This unit has been vacant since 5/19/2021. What was the cause of extended vacancy? Inform us when the unit was rent ready and provide proof of marketing efforts. Include work orders if available to show when the unit was rent ready.



After the 45-day response period has concluded, we will issue the second – and **Final Monitoring Report**.

It will report the finding of any noncompliance for LIHTC projects.

At this time, **IRS Form 8823** will be generated for LIHTC, if needed. Corrected noncompliance is much better than continuing noncompliance.



The main causes of noncompliance we find:

Lack of training;
Lack of documentation;
Confusion with the rules of other programs;
Failure to provide a complete response to an audit report.

FAILURE IS NOT AN OPTION

☐ SUCCESS

FAILURE

RECAP

1. **Training for all!** (HOTMA and NSPIRE)
2. **Know your program requirements.** (Affordability Period, Set-Asides, County Rent Approvals)
3. **Know HHFDC requirements for compliance reporting.** (Annually, Quarterly, Fees)
4. **Use your resources.** (Required forms, income/rent limits, Spectrum)
5. **Ask Questions!** (Recommend by email to Spectrum)
6. **Income Eligible and Rent Restricted.** (Qualified affordable unit!)

AARP Hawai'i

is providing a **FREE** training on
Dec 17th, 2025 at 9:00AM

Improve your site's Disaster
Preparedness Plan!



Creating Disaster Preparedness Plans for Independent Kūpuna Housing

Join AARP Hawai'i, Hawai'i Emergency
Management Agency (HIEMA), and SBP for this
webinar!

Learn how to create or improve your site's Disaster Preparedness
Plan. This training is led by SBP's Disaster Preparedness Team, with
support from the Hawai'i Emergency Management Agency (HIEMA),
who will share valuable information on local risks.

Designed specifically for property managers of independent living
complexes that house older adults in Hawai'i, this training will guide
you step-by-step through each essential element of building a strong
and effective disaster preparedness plan.

If you need special accommodation to participate in this activity, please
contact Keali'i Lopez at klopez@aarp.org or (808) 397-6368 as soon as
possible so that we can best accommodate your needs.

Wednesday, December 17th, 2025

9:00 AM - 10:30 AM HST via Zoom

Register here: [https://sbpusa-
org.zoom.us/webinar/register/WN_jkIirGpbQQWlhyYkXoug_A](https://sbpusa-org.zoom.us/webinar/register/WN_jkIirGpbQQWlhyYkXoug_A)



Join here!



THANK YOU FOR ATTENDING!

We are available to answer questions.



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This follow-up email was sent to 26 attendees.

We hope you enjoyed our webinar.

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Please send your questions, comments and feedback to:
htucker@spectrumlihtc.com

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