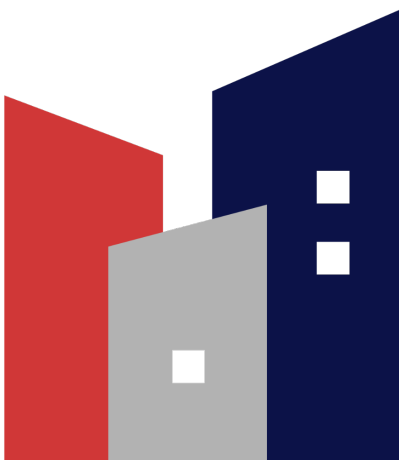




Housing Consultants of America

WHAT EVERY LIHTC MANAGER SHOULD KNOW

A practical field guide for managing Low-Income Housing Tax Credit properties with stronger files, cleaner processes, and fewer compliance surprises.

YOUR ROLE MATTERS: LIHTC compliance is not just a compliance-department responsibility. Daily leasing, certification, documentation, unit-status, and record-retention decisions can affect the property's tax credits.

1. Know the Property's Compliance Rules

- Do not manage from memory alone. Keep the property's regulatory agreement, extended-use agreement, applicable state allocating-agency guidance, recorded elections, and current compliance procedures accessible.
- Know the project's minimum set-aside, applicable fraction, income limits, rent limits, utility allowances, placed-in-service dates, building identification numbers, and any deeper targeting or special-use commitments.
- State housing finance agencies may impose requirements beyond the federal LIHTC rules. Follow the rules that apply to your specific property.

2. Income Eligibility Must Be Established Correctly

- Households must be income-qualified under the rules applicable at the time of initial certification. Use the correct income limit for household size and the property's applicable requirements.
- Collect, calculate, and document income and assets consistently. Resolve discrepancies before approval rather than leaving unexplained information in the file.
- Managers should understand how current federal requirements, including applicable HOTMA-related changes and state implementation guidance, affect certifications at their property.

3. Rent Compliance Is More Than the Tenant's Check

- LIHTC gross rent generally includes tenant-paid rent plus the applicable utility allowance and other required amounts. A rent that looks acceptable by itself can still create a problem when the full gross-rent calculation is reviewed.
- Update rent and utility-allowance calculations when required. Maintain support showing which allowance was used, its effective date, and how the resulting maximum rent was determined.

4. Student Status Can Affect Eligibility

- Full-time student households require careful review. Do not assume that income qualification alone makes a household eligible.
- Document student status and any applicable exception in the tenant file. Revisit the issue when household composition or student status changes.

5. The File Must Tell the Story

- A reviewer should be able to understand why the household was approved without guessing. Keep applications, certifications, verifications, calculations, leases, addenda, student documentation, asset information, and required forms complete and organized.
- Dates, signatures, household composition, unit information, and calculations should agree across the file. Correct inconsistencies promptly and document the reason for corrections.

6. Unit Status and the Available Unit Rule Matter

- Track household income changes and unit status carefully. If an existing household becomes over-income, the Available Unit Rule may affect how the next available comparable or smaller unit must be rented.
- Coordinate leasing and compliance teams before approving transfers, unit changes, or new move-ins that could affect building compliance.

7. Vacant Units Still Require Compliance Attention

- A vacant LIHTC unit cannot simply be ignored. Maintain records showing reasonable attempts to rent vacant qualified units when required by the Vacant Unit Rule.
- Marketing, waiting-list activity, applications, and leasing efforts should be documented so the property can demonstrate its actions during a review.

8. Transfers, Moves, and Common Areas Need Review

- Do not process unit transfers as routine administrative changes without checking LIHTC implications, especially across buildings or projects.
- Keep common areas and residential units suitable for occupancy. Physical-condition issues can become compliance issues, so inspection findings and corrective work should be tracked to completion.

9. Annual Monitoring Is Not the Time to Discover Problems

- Perform internal file reviews throughout the year. Sample recent move-ins, recertifications where applicable, transfers, student files, utility-allowance calculations, and rent calculations.
- Before an agency review, reconcile unit status, household files, rent rolls, certifications, inspection records, and prior findings. Make sure corrective actions are documented.

10. Train the Entire Site Team

- Leasing, management, maintenance, and compliance staff all influence LIHTC performance. Train staff on what information must be escalated and when.
- Create written workflows for move-ins, file approvals, changes in household composition, student-status changes, transfers, notices, utility allowances, and corrections.

QUICK MANAGER CHECK

- Can I identify the current income and rent limits used at this property?
- Do I know which utility allowance applies and when it was last updated?
- Are new move-in files reviewed before or immediately after approval under our company procedure?
- Are student households and exceptions clearly documented?
- Can I explain every vacant unit and our leasing efforts?
- Are transfers reviewed for LIHTC impact before they are processed?
- Are inspection deficiencies and compliance findings tracked through correction?
- Could an auditor understand each tenant file without asking staff to reconstruct what happened?

NEED LIHTC COMPLIANCE SUPPORT?

Housing Consultants of America provides affordable housing file audits, compliance support, temporary staffing, certification assistance, backlog recovery, and training for LIHTC and other affordable housing programs.

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Important: This guide is a general management resource and is not a substitute for the Internal Revenue Code, Treasury regulations, IRS guidance, your allocating agency's compliance manual, regulatory agreements, or legal/tax advice. Requirements can vary by project, state, election, and compliance period.