

**MULTIFAMILY REVENUE BOND PROGRAM  
PROCEDURES MANUAL**



**Sacramento  
Housing &  
Redevelopment  
Agency**

**The City and County of Sacramento**

**Portfolio Management Division  
630 I Street 1<sup>st</sup> Floor  
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# PART I. REGULATORY REQUIREMENTS

## SECTION I.

### INTRODUCTION

This manual is intended to assist Borrowers, Compliance Officers, Property Managers, and Resident Managers in complying with the requirements and reporting procedures of the Multifamily Revenue Bond Program. It is not intended in any way to supersede a project's individual Regulatory Agreement. All bond financed developments are subject to the specific provisions of their Regulatory Agreement.

This procedures manual is designed to provide:

- A general overview of the City and County's Multifamily Revenue Bond Program and its compliance and reporting requirements;
- detailed instructions on how to properly complete and file the required compliance reports with the Sacramento Housing and Redevelopment Agency (Agency); and
- sample forms and formats to be used.

## SECTION II.

### GENERAL BOND PROGRAM OVERVIEW

The Multifamily Revenue Bond Program provides below market rate financing to Developers to build or rehabilitate affordable rental housing. Federal, state and local legislation authorizes issuance of mortgage revenue bonds by the Sacramento Housing and Redevelopment Agency to finance the development, acquisition and rehabilitation of affordable multifamily rental projects. The interest on the bonds is exempt from federal and state taxation.

1. The program goal is to increase and preserve the supply of affordable housing in the City and County of Sacramento by giving low and very-low income households the opportunity to live in units previously unaffordable and encourage Developers to seek out low and very low income tenants; encourage economic integration within residential communities; maintain a quality living environment for Sacramento residents, and provide tenant services to the residents of the bond assisted projects.
2. There is no legal liability to the City/County, the Authorities, or the Agency in connection with the issuance or repayment of the bonds. The bonds do not constitute a general obligation of the Issuer because the security for repayment of the bonds is limited to specific private revenue sources, such as project revenues and other sources specified under each financing.
3. There is no limit on the maximum loan amount. However, the minimum loan amount is determined by the overall cost effectiveness of the financing, which includes payment for the costs of issuance, services of the financing team members, rating fees, etc. The Agency will consider multiple properties as part of a single bond financing.
4. A comprehensive management plan must be approved by the Agency prior to inducement of the bond issue. The management plan must address rental procedures, set-aside requirements, maintenance schedule and standards, including landscaping, security measures, eviction procedures, and overall day to day operations. Upon issuance the Developer must enter into a written agreement which restricts the changing of property management firms without the prior written approval of the Agency.

## SECTION III.

### ROLE OF KEY PLAYERS

#### ➤ **The Sacramento Housing and Redevelopment Agency or Issuer**

The Sacramento Housing and Redevelopment Agency (Agency) offers issuance of tax-exempt bonds for multifamily projects in the City and County of Sacramento which meet federal, and state laws, as well as, the Agency's Mortgage Revenue Bond policies. In issuing bonds for project financing, the Agency assumes no repayment or financial obligation for the repayment of these bonds; instead the bond debt is repaid from project revenues and is either backed with credit enhancement or privately placed with institutional investors. Bond proceeds may be used to construct new multifamily projects and to acquire and rehabilitate existing multifamily projects. The interest rate on the loan financed through the bond proceeds will vary depending upon market conditions at the time of issuance, the type of bond structure, and lender fees.

As the Issuer, the Agency also is the administrator of the Multifamily Revenue Bond Program. As the program administrator the Agency is responsible to ensure the projects are in compliance with the Regulatory Agreement requirements, thus employing compliance monitoring procedures including:

- ❖ Receiving and auditing program reports and income certifications from each development monitored.
- ❖ Conducting on-site compliance reviews and Housing Quality Standards inspections.
- ❖ Conducting compliance training workshops.
- ❖ Providing updated bond regulations and procedures to Borrowers and Management Companies.
- ❖ Provide reports to, and working in accordance with the Trustee, Fannie Mae, and Credit Enhancer to resolve noncompliance issues.

#### ➤ **California Debt Limit Allocation Committee (CDLAC)**

The issuances of Mortgage Revenue Bonds are subject to receiving an allocation from the CDLAC for new money issues. To receive an allocation from CDLAC the Agency must apply under the CDLAC's competitive process. CDLAC's allocation for multifamily projects involves procedures which competitively rank projects based on a variety of factors and sets minimum thresholds. The CDLAC procedures may be found at [www.treasurer.ca.gov](http://www.treasurer.ca.gov).

➤ **Bond Counsel**

The Bond Counsel is either (a) the law firm on the Bond Issuance date, which delivers the approving opinion with respect to the valid issuance of the Bonds and the exclusion from the gross income for federal income tax purposes, of the interest payable on the Bonds, or (b) after the Bond Issuance date, any law firm selected by the Issuer, of nationally recognized standing in matters pertaining to the exclusion from gross income for federal income tax purposes, of the interest payable on bonds issued by states and political subdivisions but shall not include counsel for the Borrower or any Construction Phase Credit Facility Provider.

➤ **Borrower/Developer**

The Borrower/Developer is responsible for ensuring that the Multifamily Bond Program regulatory requirements are being met. To that end, the Borrower/Developer must ensure that there is a competent management team in place, which complies with all program rules, regulations and policies that govern the program.

The Borrower/Developer must report to the Agency for each phase of the project development including construction, rent-up, and compliance reporting throughout the term of the regulatory period.

The Borrower's selection of a management company must be approved through the Agency prior to the company assuming management responsibilities. Furthermore, any management company changes during the term of the regulatory agreement must also be approved by the Agency prior to the change.

➤ **Management Company**

The management company is the agent of the Borrower/Developer to perform the on-site tasks necessary to comply with the Issuer's regulatory requirements. In accordance with the reporting requirements the management company implements policies and procedures that enable on-site staff to comply with program requirements.

The management company also provides information, as needed, to the Agency and submits all required reports and documentation in a timely manner. Additionally, the management company is responsible for the day-to-day operations at the project including leasing, maintenance and rent collection.

## SECTION IV.

### DEFINITION OF TERMS

**140% Rule** - In the event that an annual recertification has determined that a household's income exceeds the maximum income limit, for Tax Credit and some Bond projects the household may continue to be counted as assisted as long as their income does not exceed 140% of the income that would qualify the household as a very-low or low income tenant. To calculate the 140% level you determine the current maximum annual income level for the household size, and then multiply by 140%.

**Action Plan** - A plan to be submitted in writing within 7 days upon receiving a notice of noncompliance. The plan should outline the actions to be taken by the property manager or owner to achieve compliance with the Regulatory Agreement requirements within the allowable cure period of 30-60 days. An Action Plan is always required if the Regulatory Agreement occupancy requirement is not met. Regardless of whether the project regains compliance the following month, no bond compliance report will be reviewed until an Action Plan has been received and accepted by the Agency.

**Adjusted Income** - Adjusted income is gross annual income reduced by deductions for dependents, elderly households, medical expenses, handicap assistance expenses and child care (these are the same adjustment factors used by the Section 8 Program).

**Affordability** - In relation to this guide, the term affordability applies to the rent and income limit requirements for each funding source administered by the Agency.

**Agency or SHRA** - The Sacramento Housing and Redevelopment Agency, which is the local Participating Jurisdiction (PJ) for the City and County of Sacramento. As the PJ, the City and County have designated the Agency to administer a variety of federal, state, and local funding programs for affordable housing.

**Annual Income** - The Agency allows the use of one of three definitions of annual income: Section 8 annual income; annual income as reported on the U.S. Census long form; and adjusted gross income as defined for reporting on IRS Form 1040.

**Area** - Means the Primary Metropolitan Statistical Area in which the Project is located as promulgated by HUD. For Sacramento County the area includes Sacramento, Roseville and Arden Arcade.

**Assets** - Cash or non-cash items that can be converted to cash.

**Assisted Tenant** - A tenant 18 years of age or older who qualifies as a moderate, low or very-low income tenant and is a member of the household. An income source document must be on file for each assisted tenant.

**Assisted Unit** - A term that refers to the units within a project for which rent and occupancy restrictions apply.

**Bond Tenant or “Qualified Tenant”** - A tenant 18 years or older who qualifies as a very low, low or low/moderate tenant and is designated by the project in the monthly compliance report as occupying a designated bond unit. An income certification and recertification packet must be on file for each qualified bond tenant.

**Certification** - A written claim, based on supporting evidence that must be kept available for inspection by the Agency or HUD.

**Certification of Continued Program Compliance** - This form must be included in each monthly compliance report. The form states that the developer is aware of the Regulatory Agreement and is not in default of the specific requirements.

**Child Care Expenses** - Amounts anticipated to be paid by the family for the care of children under 13 years of age during the period of which annual income is computed.

**Compliance Report** - The report to be sent to the Agency each month by the Property Manager, Compliance Supervisor or Developer.

**Dependent** - A member of the family household (excluding foster children) other than the family head or spouse, who is under 18 years of age or is a disabled person or a handicapped person, or a full time student.

**Disabled Person** - A person who is under a disability as defined in the Social Security Act or who has a developmental disability as defined in the Developmental Disabilities Assistance and Bill of Rights Act.

**Earned Income** - Income received through employment or self employment.

**Elderly Person** - A person who is at least 55 years old.

**Fair Market Rents or (FMRs)** - Gross rent estimates determined by HUD based on a Metropolitan Statistical Area (MSA) and the amount that would be needed to pay the gross rent of privately owned, decent, safe, and sanitary housing.

**Fixed Units** - Assisted units which are designated never to change throughout the period of affordability.

**Gross Annual Income** - The annual income of all persons in the household, whether related or not, who are 18 years of age or over and who will be occupying the unit. Gross income includes all wages, salaries, overtime, commissions, bonuses before payroll deductions, and all income from savings, investments, public assistance, unemployment, pension, retirement plans, alimony, and child support.

**Gross Rent** - The total monthly cost of housing an eligible family, which is the sum of the contract rent and utility allowance.

**Household** - One or more person occupying a housing unit.

**Housing Choice Voucher Program (HCV)** - A program of subsidized rental assistance administered by the Sacramento Housing and Redevelopment Agency where a portion of a qualified tenant's rent is paid directly to the owner.

**Income Computation and Certification Packet** - This packet must be filled out for each new bond tenant who intends to occupy a bond unit during the reporting period. In order to verify the tenants' incomes under the Bond Program, this form must be completed prior to move-in and is to be included with the monthly compliance report for that reporting period. Projects that have Tax Credits may use the Tenant Income Certification (TIC) form in place of the bond document.

**Income Verification** - Tenant income is to be verified by an employment verification form, copy of two current paystubs, copy of subsidy payments or tax returns.

**Lease-Up** - The period during or after construction when the project has completed units available for occupancy and has begun to actively seek tenants. From the time 10% occupancy of available units, one out of every five (5) occupied units must be rented to qualified very-low or low tenants. Once a project has sustained 90% occupancy for three (3) consecutive months, the project will no longer be considered in lease-up.

**Low-Income Families** - Families whose incomes are between 51 and 80 percent of the median income for the area as determined by HUD, with adjustments made for smaller and larger families.

**Market Rate Tenant** - A tenant whose gross annual income exceeds the maximum very-low, low, or moderate income limits, or a tenant whose income may be below the maximum however has not met the certification requirements.

**Market Rent** - The prevailing rents for comparable units in the City and County of Sacramento.

**Median Income** - The area's gross annual income level as determined by HUD.

**Moderate Income Families** - Families whose incomes are between 81 and 120 percent of the median income for the area with adjustments made for smaller and larger families.

**Net Family Asset** - The net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds and other forms of capital investments, excluding interests in Indian trust land and the equity accounts in HUD ownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded. In determining net family assets, owners shall include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding

the date of application for the program recertification, as applicable, in excess of the consideration received therefore. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

**Non-Compliance** - A status assumed when the requirements of the Regulatory Agreement are not met. This includes but is not limited to failure to meet the 20% very-low, low, or moderate occupancy requirement or submit the appropriate monthly reports.

**Participating Jurisdiction (PJ)** - The term given to any state, local government, or consortium that has been designated by HUD to administer the loan programs.

**Project** - A site or an entire building or two or more buildings, together with the sites on which the building or buildings is located, that are under common ownership, management and financing.

**Project Closeout Date** - The final lease up date for the rehabilitated or newly constructed assisted units in the project.

**Qualified Project Period** - The period beginning on the Bond Issuance Date and ending on the later of (a) the date which is 55 years after the date on which at least fifty percent (50%) of the residential units in the Project are the first occupied, (b) the first day on which no tax-exempt private activity bond issued with respect to the Project is outstanding, or (c) the date on which any assistance provided with respect to the Project under the Section 8 of the United States Housing Act of 1937 terminates.

**Recap of Income Qualification** - The form which is included in the monthly Compliance report that states the summary totals of the status of all bond units by listing all current tenants, move-ins, move-outs, and reserve units during a reporting period.

**Recertification** - The process of verifying the income and household compositions of all current assisted tenants at least annually.

**Regulatory Agreement** - An agreement between the City or County, and Borrower stipulating all provisions of the Multifamily Revenue Bond Program.

**Rent Restrictions** - Assisted projects are subject to restrictions, which regulate the maximum rents that can be charged. Rent restrictions vary and are summarized under each funding source requirement. Rent restrictions may include a utility allowance from the base rent.

**Rental Activity Period** - The rental activity period begins on the 26<sup>th</sup> of the current month and ends on the 25<sup>th</sup> of the previous month.

**Reserve Unit** - A unit which has become vacant and was previously occupied by a qualified bond tenant. The unit is considered a reserve unit and is counted towards satisfying the Regulatory Agreement occupancy requirement, unless the unit is reoccupied by a market rate

tenant. Once the unit is occupied by anyone but a qualified bond tenant it is no longer considered a reserve unit.

**Single Parent** - An individual who: a) is unmarried or legally separated spouse; b) has one or more minor children for whom the individual has custody or joint custody; or c) is pregnant.

**Sacramento Housing and Redevelopment Agency (SHRA or Agency)** This Agency is responsible for monitoring developer compliance with Bond Program regulatory agreements. The Agency also administers the HCV Program, public housing development and management, HOME, Housing Trust Fund, Tax Increment, and Community Block Grant Program, and provides subsidies to encourage redevelopment and affordable housing.

**Student** - A student is defined as an individual who, during the past five calendar months has been enrolled as a full-time student or has carried a full load. "Full load" is defined as the number of hours or courses that qualifies a person as a full-time student at a particular school. Each school should be contacted to determine the number of hours that constitutes a full load. In no event will the occupants of a unit be considered as qualified bond tenants if all occupants of that unit are full-time students, unless one of the following student exemptions are met:

- Household member(s) receiving assistance under the Title IV of Social Security Act (AFDC/TANF);
- Household member(s) that were formerly in the foster care system;
- Household member(s) enrolled in a job training program receiving assistance through the Job Training Participation Act (JTPA);
- Single Parent (parent and child[ren] not dependents of another individual); or
- Married and eligible to file a joint tax return.

**Student Financial Assistance** - Student Financial Assistance included in annual income is any financial assistance that a student receives in excess of tuition (e.g., athletic and academic scholarships) and that the student receives (1) under the Higher Education Act, (2) from private sources, or (3) from an institution of higher education as defined by the Higher Education Act of 1965. Financial assistance does not include loan proceeds for the purposes of determining income. Households exempt from including Student Financial Assistance in the total household annual income are the following:

- Any student over the age of 23 with dependent children; or
- Any student residing with his or her parents as a dependent under the age of 24.

**Utility Allowance** - An allowance for utilities as determined by the Agency.

**Very-Low Income Families** - Families whose annual incomes do not exceed 50 percent of the median income for the area (adjusted for family size).

## SECTION V.

### **AFFORDABILITY REQUIREMENTS**

**A. Additional Fees or Payments:** The Borrower shall not collect any additional fees or payments from a Very Low Income Tenant except security deposits or other deposits (i.e., storage, special parking, etc) required of all tenants. As well, the Borrower shall not collect security deposits or other deposits from HCV certificate or voucher holders in excess of that allowed under the HCV Program.

**B. Admission Criteria:** The Borrower shall not discriminate against Very Low Income Tenant applicants on the basis of source income (i.e., TANF or SSI), and the Borrower shall consider a prospective tenant's previous rent history of at least one year as evidence of the ability to pay the applicable rent (ability to pay shall be demonstrated if a Very Low Income Tenant can show that the same percentage or more of the tenant's income has been paid for rent in the past as will be required to be paid for the rent applicable to the Very Low Income Unit to be occupied provided that such Very Low Income Tenant's expenses have not materially increased).

**C. Duration of Regulatory Agreement:** The term of each of project's Regulatory Agreement is determined by the *later* of the "Qualified Project Period" or the "Bond Maturity Date". In general, the term can range from ten (10) years to fifty-five (55) years. The Agreement is tied to the land and, therefore, is transferred if the property is sold. All sales are subject to Agency approval. Failure to obtain Agency approval may result in the voiding of a sales transaction. The "Salebond" procedure and forms required to be completed for a project are available at SHRA, Housing and Community Development Department, 600 I Street, 2<sup>nd</sup> Floor.

**D. Eligibility:** Individuals or households whose annual income falls within the very low, low or moderate income requirements of the program (Bond Program Income and Rent Limits Chart ATTACHMENT 1) who meet the full time student exemption requirement, are eligible to be counted towards satisfying the Regulatory Agreement occupancy requirement. An eligible tenant must complete an income verification and certification packet. A household's income is certified once at move-in and annually upon recertification.

**E. HCV - (Section 8) Tenants:** The maximum rents will also apply if HCV tenants occupy the set-aside units as a contract rent. The Borrower shall accept as tenants on the same basis as all other prospective tenants, persons who are recipients of federal certificates or vouchers for rent subsidies pursuant to the existing program under Section 8 of the United States Housing Act of 1937, or its successor.

**F. Income Restrictions:** To be eligible for tax-exempt bond financing, federal law requires that the project meets one of the following conditions:

- ❖ A minimum of 20% of the units in the project must be set aside for occupancy by households whose incomes do not exceed 50% of area median income, as adjusted for family size; or

- ❖ A minimum of 40% of the units in the project must be set aside for occupancy by households whose incomes do not exceed 60% of the area median income, as adjusted for family size.

For the most part, not less than twenty percent (20%) of the completed units in the Project shall be designated as Very Low Income Units which are occupied, or held vacant for occupancy, and shall be continuously occupied (or held vacant and available for immediate occupancy) by Very Low Income Tenants.

Moreover, a unit previously occupied by a Very Low Income Tenant and then vacated shall be considered occupied by a Very Low Income Tenant until reoccupied, other than for a temporary period, at which time the character of the unit shall be re-determined. In no event shall such temporary period exceed thirty-one days.

Tenants may remain eligible for the Very Low income unit as long as one of the following does not occur:

- ❖ The Very Low Income Tenant's household income does not exceed 140 percent of the maximum eligible income specified in the definition of Very Low Income Tenant.
- ❖ Failure to comply with the tenant eligibility rules that govern the Multifamily Revenue Bond Program (i.e., annual recertification, fraudulent income documentation).
- ❖ The Very Low Income Tenant is evicted for "good cause". Good cause means the nonpayment of rent or allegation of facts necessary to prove major, or repeated minor, violations of material provisions of the occupancy agreement which detrimentally affect the health and safety of other persons or structure, the fiscal integrity of the project or the purposes of a special program of the project.

**G. Lease Agreement:** Each lease pertaining to a bond-assisted unit shall contain a provision to the effect that the Borrower has relied on the income certification and supporting information supplied by the Very Low Income Tenant in determining qualification for occupancy of the Very Low Income Unit, and that any material misstatement in such certification (whether or not intentional) will be cause for immediate termination of such lease. Each lease will also contain a provision that failure to cooperate with the annual recertification process may at the option of the Borrower disqualify the unit as a Very Low Income Unit or provide grounds for termination of the lease.

**H. Penalty for Non-Compliance:** In the case of non-compliance with the Regulatory Agreement, a written notice of non-compliance will be mailed to the Borrower. The Borrower will have seven days to respond to the problem in writing by submitting an Action Plan, and upon approval of the Action Plan by the Agency, will have thirty to sixty days to remedy the problem. If the Action Plan is not received within 7 days or if non-compliance is not resolved within 30 to 60 days, the Agency will take action as provided in the Enforcement provisions of the Regulatory Agreement.

In some cases of non-compliance the Agency may lease up to 20% of the total units in the development at a rate of \$1.00 per year for the purpose of subleasing such units to lower income tenants. In other cases court relief will be sought. Furthermore penalty fees for non-compliance reporting may be levied as described in **ATTACHMENT 2**.

If a low income tenant is charged excess rent in a rent restricted project, the Property Manager will be notified that the project is out of compliance until the rents are adjusted. Proof of rent adjustments must be verified with the Agency by submitting a copy of the rent roll, and a revised rental/lease agreement signed by the tenant. Where necessary, a rent refund for overcharge to the tenants will be required.

**I. Recertification of Income:** Certain projects must recertify the income of bond tenants by July of each odd or even numbered year and submit to the Agency with the report due on July 10<sup>th</sup>. Other projects are required to recertify the tenants' incomes at least annually. Consult your regulatory agreement to determine which recertification method your project is required to use.

For those projects that are required to complete recertifications on even or odd numbered years, please complete the following steps:

- 1) Complete new income verification/certification packets for all ongoing bond tenants;
- 2) the income verification/certification packets shall be dated as of the month of June for all ongoing tenants except for those that occupied units in April, May, or June of that year, which do not have to re-qualify during the recertification period;
- 3) tenants who no longer qualify under the current bond program income limits cannot be counted as a qualified very low, low, or moderate bond tenant;
- 4) the tenant cannot be evicted; however, management must rent the next available unit to a newly qualified bond tenant;
- 5) on the bond report all tenants deemed not eligible on recertification are to be placed in a "Recertification Dropped" category;
- 6) in order to remain in compliance with the Regulatory Agreement occupancy requirements no tenants shall be denied continued occupancy in a unit solely because he or she no longer qualifies as a bond tenant following recertification.

For projects that are required to complete recertifications annually, on the tenants' annual lease dates, please complete the following steps:

- 1) Twelve months from a tenant's annual lease date the recertification must be completed;
- 2) income verification documents can be dated within 120-days of the annual lease date;
- 3) recertification documentation is to be submitted with the monthly report for

the month the annual recertification is due;

- 4) the tenant cannot be evicted; however, management must rent the next available unit to a newly qualified bond tenant;
- 5) tenants that no longer qualify for the program are to be placed in a “Recertification Dropped” category.

**J. Rent Restrictions:** The maximum monthly rent paid by the persons occupying the Very Low, Low or Moderate Income Units (*including any supplemental rental assistance for the State, the federal government, or any other public agency to those persons or on behalf of those units*) for the set-aside units may not exceed one-twelfth of 30% of 50% of Median income for the Area as adjusted by the assumed household size set forth below of each such Very Low Income Unit.

<u>Residential Unit Size by Bedroom</u>	<u>No. of Persons in Household</u>
Studio	1
1 Bd.	2
2 Bds.	3
3 Bds.	4

**In the event tax-exempt bonds are used in conjunction with the Low Income Housing Tax Credits, or any public funds, the most restrictive rents apply.**

**K. Vacant Retained/Reserve Unit - Compliance:** Compliance is determined by counting all bond units occupied by qualified tenants plus any “reserve” units. A reserve unit is a unit that was previously occupied by a qualified bond tenant, and continues to remain vacant and held “reserved” until a new qualified bond tenant moves in. A new qualified bond tenant may elect not to rent a reserved unit but instead choose another unit. This is permissible, however, a reserve unit being calculated toward the set-aside occupancy requirement cannot be rented to a market rate tenant until a market rate unit is occupied by a qualified bond tenant. Excess reserve units may be deleted at the Borrower’s request. Agency staff will investigate all reserve units held in reserve for more than 60 days. A reserve unit once occupied by a non-qualified tenant is no longer considered a reserve unit, but a market unit.

**L. Tenant Services Requirement:** For each project the Regulatory Agreements include provisions to provide tenant services on a regular basis for tenants residing at the projects. The services programs are designed to assist the multifamily communities by providing educational and after-school programs, as well as recreational activities to enhance the quality of living at the assisted projects. The managing general partner of the Borrower (or entity approved by the Agency in writing) is to provide the tenant services. The services are to be conducted on a regular, full-time schedule which from time to time may be adjusted upon consultation with the Issuer. For the most part, the number of hours provided will be based on the number of bedrooms at the project. Prior to any amendment of the services the Issuer and Borrower will agree in writing to the type of alternative services to be provided and the scope of those services.

Each agreement includes categories which specifies the type of services to be provided. For a sample of types of tenant services see **ATTACHMENT 3**. Prior to the start of the tenant services, the service provider sends to the Agency a Tenant Services Plan (**see ATTACHMENT 4**) which outlines the approved services and includes the goals and objectives for the programs.

On a quarterly basis reports are to be submitted to the Agency to review the program accomplishments. The reports commence on the first day of the month immediately succeeding the beginning of the Qualified Project Period. The reports are in the form of a written summary per each tenant service as well as completion of the social service reporting form (**ATTACHMENT 5**).

#### **M. Tax-Exempt Bonds and Low Income Housing Tax Credits:**

In today's multifamily housing market many of the newly constructed or rehabilitated projects require funding from multiple state, local and federal agencies. When this occurs, at times there may be confusion as to which compliance or reporting requirements are necessary for the bond program. The most frequent type of additional funding for multifamily revenue bond projects are the inclusion of tax credits.

Many of the rules incorporated in the Tax Credit Program are consistent with those of the Multifamily Revenue Bond Program. The Agency's, reporting and documentation procedures have been designed so that the Borrower or property manager is not overly -burdened with reporting documents to comply with each of the programs. For instance, in the case of the Income Computation and Certification packet, the tax credit's Tenant Income Certification (TIC) form may be used. However, for income verification purposes the Agency requires paystubs on move-ins and recertifications. For a comparison of bond program compliance requirements and tax credit requirements (**see ATTACHMENT 6**).

## SECTION VI

### OCCUPANCY REQUIREMENTS

**A. Admission Criteria:** The Borrower shall not discriminate against Very Low Income Tenant applicants on the basis of source income (i.e., TANF or SSI), and the year as evidence of the ability to pay the applicable rent (ability to pay shall be demonstrated if a Very Low Income Tenant can show that the same percentage or more of the tenant's income has been paid for rent in the past as will be required to be paid for the rent applicable to the Very Low Income Unit to be occupied provided that such Very Low Income Tenant's expenses have not materially increased).

**B. Occupancy Standards:** The Borrower shall ensure that the maximum occupancy standards are in compliance with the following schedule:

<b>Studio</b>	<b>1 person</b>
<b>1 bedroom</b>	<b>3 persons</b>
<b>2 bedrooms</b>	<b>5 persons</b>
<b>3 bedrooms</b>	<b>7 persons</b>
<b>4 bedrooms</b>	<b>9 persons</b>

**C. Occupancy Requirements - Calculating the Set-Aside Requirement:** Each development must comply with the set-aside occupancy requirements. In calculating this percentage, take the total number of completed rentable units times the percentage of set-aside requirement. If the figure is a fraction, it is necessary to round up to the next whole number. For example if a project has 38 rentable units, 20% of the units equals 7.6. Since the figure is a fraction, the total number of bond units required is rounded up to 8 units. If because of flood or fire, units are no longer available for occupancy, the total number of completed and rentable units may be temporarily modified, but only with prior approval of the Agency.

**D. Unit Distribution:** The set-aside units must proportionately reflect the mix of all units in the project, be distributed throughout the project and have the same floor area, amenities, and access to project facilities as market-rate units. The objective is to provide a set-aside of units with lower rents not to create special "low-income section" within larger developments.

**E. Use Requirements:** None of the units in the development shall be used at any time on a transient basis nor shall ever be used as a hotel, motel, dormitory, fraternity or sorority house, rooming house nursing home, hospital, retirement home, or trailer park throughout the life of the Agreement.

## PART II. REPORTING PROCEDURES

### SECTION VII.

Section VII below describes the types of reports required to monitor compliance with the Bond Regulatory Agreement.

#### **REPORTING RESPONSIBILITIES OF THE DEVELOPER/OWNER**

In order to demonstrate compliance with the Regulatory Agreement each Borrower must fulfill certain reporting requirements. A monthly report must be submitted describing all rental activity relating to the set-aside requirement for the bond units. The rental activity period begins on the 25<sup>th</sup> of the previous month and ends on the 26<sup>th</sup> of the current month. Reports are due on the 10<sup>th</sup> of the following month. Submission of reports are mandatory, even if no changes occurred since the last reporting period.

Due to the large number of compliance reports received each month, it is necessary that each project follow the same format in the preparation of the monthly reports.

#### **A. Summary of Monthly Reports**

On a monthly basis, no later than the 10<sup>th</sup> day of each month, the developer shall submit the following documentation for the bond report.

1. Certification of Continued Program Compliance
2. Recap of Income Qualification
3. Summary of Recap
4. Complete Income Verification and Certification forms for all new move-ins and recertifications. (new move-ins or existing tenants currently not in the program)

#### **B. Who May Complete the Reports**

The resident manager, property manager, or owner of the project may prepare and sign the Summary Recap form. If the owner or property manager does so, it is up to him or her to obtain the update information from the resident manager. The Certificate of Continued Program Compliance (**ATTACHMENT 7**) must be signed by the developer/owner or by an authorized designee for the owner, but only if a Designee Authorization form is on file with the Agency (**see ATTACHMENT 8**). The property manager, authorized designee or owner/developer must review the accuracy of each report. The owner/developer is ultimately responsible for the accuracy of the reports and the project's compliance with the Regulatory Agreement.

#### **C. Inquiry List/Wait List**

In order to demonstrate the developer's effort to comply with the Regulatory Agreement an *inquiry or wait* list of very low, low, or moderate income people who inquire about the program or express interest in renting bond units should be retained at the project site. The list may also consist of in-house residents that may be income eligible; however, there were no vacancies in

the assisted units at the time they applied for the bond program. Furthermore, the list will ensure that tenants are being selected for the assisted units in a chronological order as of their application time and date, insofar as is practicable.

#### **D. Changes in Property Management**

Each Borrower enters into a written agreement with the Agency that they shall provide competent and responsible management for the project by a management company. The Borrower shall not enter into any management agreement or arrangement with any other party with respect to the management of the project without the Agency's prior written consent. **The Borrower shall not materially modify, amend or terminate any approved management agreement without the Agency's prior written consent.**

#### **E. Changes in Personnel**

The development must notify the Agency in writing of any changes in on-site property or resident management staff.

## SECTION VIII.

### **ANNUAL COMPLIANCE REVIEW AND HOUSING QUALITY STANDARDS (HQS) INSPECTION**

At least annually the Agency will conduct on-site compliance reviews and Housing Quality Standards (HQS) inspections of the bond assisted units. The following is provided to assist property managers in the preparation of these annual reviews.

#### **A. Compliance Review, File and Site Inspection Procedures and Requirements**

During the period of affordability, the Agency must perform on-site compliance reviews and HQS inspections to determine compliance with the property standards and to verify the tenant information submitted by the Borrowers. The following sections detail the Agency's procedures for the on-site compliance reviews and HQS inspections.

##### **Monitoring Review Set-Up**

###### Monitoring Review Notice

- Approximately thirty (30) days prior to the on-site monitoring review, a Notice of Compliance and/or HQS inspection will be sent to the property manager, notifying them of the time and date of the review and inspection.

###### Review Bond Report

- Agency staff will review the information submitted on the most current bond report and select approximately 20 percent of the assisted files in the project for the compliance review.

###### File Set-up

- It is critical that the resident files are orderly and that property managers have complete and accurate documentation to maintain compliance. Suggested contents and file order for bond program documentation are as follows:
  - ✓ Income Computation and Certification Packet
  - ✓ Tenant Income Certification (TIC) form (for tax credit projects)
  - ✓ Income verifications of move-ins and/or recertifications
  - ✓ Paystubs
  - ✓ Calculation tapes (should be placed on the verification form being calculated)
  - ✓ Income calculation form (if approved by the Agency)
  - ✓ Initial lease and any lease renewals or amendments

## Review Management Plan

- Prior to the onsite review, Agency staff will again review the project's Management Plan.

## Monitoring Review

### Entrance Conference

- Prior to reviewing the tenant files, Agency staff will meet with the property manager to discuss issues relating to the compliance status of the project. Discussion and questions may relate to some of the following:
  - ✓ Are the tenant selection procedures up-to-date? Are they being followed?
  - ✓ Is there an existing wait list?
  - ✓ Has there been any change in project forms or documents?
  - ✓ Have there been any changes to the project rents?
- Additionally, where necessary, staff will review and obtain copies of the following documents:
  - ✓ Tenant application form
  - ✓ Tenant Lease Agreement
  - ✓ Tenant Selection procedures (if different from the original management plan)
  - ✓ Wait List (active and up-to-date)
  - ✓ Copies of notices of rejection (if required)

### File Review

- Staff will view the location of the files and check to see if they are labeled and stored in a safe location. Once this has been accomplished, staff will indicate to the property manager what files are needed for the review.
- The following criteria will be used to examine the tenant files.
  - ✓ Files will contain bond income computation and certification packets, TIC (for tax credit projects), tenant applications, lease agreements, income source documents, record of recertification (if appropriate), determination of eligibility documentation (calculation worksheet if Agency approved), and calculation tapes.
  - ✓ Calculation tapes and income source documents are reviewed to confirm the correct calculation of the anticipated annual gross income.
  - ✓ All documents are signed and dated where appropriate.

- ✓ A tenant wait list is being maintained and tenant selection procedures are being complied with.
- ✓ The lease agreement conforms to the lease protections of each funding source. In the case of the Bond Program, also ensure that there is a clause in the agreement indicating the tenant was informed they may have a lease of up to one year.
- ✓ The income and rental rates documented in the files are the same as the most current Bond Report submitted prior to the on-site monitoring.

#### Exit Interview

- After the file review is completed, Agency staff will meet again with the property management staff to discuss compliance and noncompliance issues found during the review. This meeting will also give the project management staff an opportunity to ask questions or clear up any misunderstandings regarding noncompliance issues. The property management staff may receive information on:
  - ✓ receiving training and technical assistance;
  - ✓ community resources to assist with marketing the low income units;
  - ✓ preliminary results of the monitoring;
  - ✓ regulatory agreement requirements;
  - ✓ management plan improvements.

### **B. Housing Quality Standards (HQS) Inspection**

- ❖ An owner of rental housing assisted with Agency funds must ensure that the project is in compliance with the applicable property standards as outlined in 24 CFR 92.251 of the code. Furthermore owners shall maintain the housing in compliance with all applicable State and local housing quality standards and code requirements.
- ❖ The Agency will conduct inspections of assisted units and the projects' exteriors to ensure that all assisted projects are maintaining the HQS standards established by the local jurisdiction. The following procedures will be used to complete the inspection process.
  - Staff will notify the Borrower of the impending HQS inspection by letter approximately thirty (30) days prior to the date. The Borrower shall be notified of the specific units that will be inspected on the morning of the inspection.
  - To reschedule inspections, the Agency should be contacted 24 hours prior to the date set in the notification letter.

- In most instances, the project's overall HQS status will be determined by inspecting a sample of 20% of the assisted units, the common areas (e.g., laundry rooms), and the project's exterior condition and general appearance.
- Units selected will be representative of the entire project. When units are selected for reviews of HQS standards, units with comparable features most notably bedroom size, will be reviewed to determine the project's overall compliance status.
- In the case of multi-building complexes, Agency staff will select comparable units from each of the buildings based on the size and number of bedrooms.
- When the HQS inspection is complete, Agency staff will send the Borrower a summary report of the unit inspection, identifying any notable or failed items. Notable items may be subject to a re-inspection at a later date, but in any event must be corrected as soon as possible. Failed items must be corrected within 24 hours and will be subject to re-inspection for verification.
- ✓ The Borrower is responsible for:
  - correcting any deficiencies within the allowed time period;
  - notifying the Agency when repairs are complete; and,
  - placing a copy of the completed inspection report noting corrective actions taken into the tenant's file.

### **Monitoring Summary**

- ❖ Summary Onsite Compliance Letter
  - After reviewing the information in the monitoring review forms, and the notations made during the onsite monitoring, staff will prepare a letter to the Borrower outlining any non-compliance issues and the corrective actions that must be taken. The letter will also include recognition for favorable compliance performance. In regards to the corrective actions, the owner must submit an Action Plan (letter) to the Agency that will identify the specific steps taken to resolve the noncompliance issues. The Action Plan is due within thirty days of receiving the letter. The Agency will grant an extension upon request.

### **Unresolved Compliance Issues**

- ❖ After receiving a project's Action Plan, if noncompliance issues remain, the Agency will provide technical assistance, training, and on-going monitoring. Agency staff will work with the Borrower on a continuing basis until noncompliance issues are resolved.
- ❖ In the case of the Borrower demonstrating a consistent trend for noncompliance reporting, the Agency may require monthly reports to be submitted identifying new-move-ins, recertifications, or other regulatory requirements.

- ❖ If a Borrower refuses to resolve the noncompliance issues, the Agency may declare the project to be in default of the loan agreement and proceed with remedies granted to it by the default provisions under the terms of the loan and regulatory agreement.
- ❖ Additional penalties for noncompliance are the penalty fees the Agency may charge to the Developer. See **Attachment 2** for the list of penalty fees that may be levied due to tenant eligibility and affordability violations.

## SECTION IX.

### REPORT PREPARATION

The following provides instructions on how to complete the monthly compliance reporting form.

#### A. Recap of Income Qualification

The first page of the recap sheet (**see ATTACHMENT 9**) is the current tenant roster for all bond unit tenants including all new move-ins, recertifications, move-outs, and reserve units for that reporting period. The recap sheet is designed to list all current bond units, the head of household, unit number, rent, annual income, move-in date, etc.

It is very important to note that the ongoing tenant listing must be recorded in alphabetical order by last name first. As well, the column headings are to be listed in the order as indicated in the sample form.

The following instructions are designed to assist in the completion of the Recap of Income Qualification sheet.

1. Enter the Period Ending Date. This is the 25<sup>th</sup> day of the previous month and year.
2. Enter the current name, address, and contact name of the project.
3. Enter all necessary information requested under the ongoing bond tenants category. "Ongoing" bond tenants are those who have previously submitted an income verification packet, and have continuously occupied the unit since that date. The tenant's name and social security number should reflect that of the head of the household. The rent and income amounts should be the original amounts from the time on the initial certification. The only times these amounts are to change is following the annual recertification or in some cases the semi-annual recertification. Also, if there has been a change in household members or the amount of rent paid by the tenant.

For columns listed "Very Low, Low and Mod" check the appropriate column as determined by the Bond Income and Rent limit table. All other columns are self-explanatory and are to be fully completed.

4. Complete the requested information for all new "move-ins" (including voluntary transfers) to the Bond Program. A move-in is a very low, low or moderate income tenant who begins occupancy during the reporting period, has submitted the necessary income certification packet, and has been determined income eligible. All new move-ins become "on-going" tenants on the next report. Sum the totals for the "new move-ins" and "ongoing" tenants who are very low, low and moderate income and note totals in the appropriate columns. Complete all other requested information.
5. Provide the information requested for all "move outs" during the reporting period. A "move-out" is a qualified tenant who terminates residency at the project during the reporting period or who no longer qualifies due to the annual recertifications. The

information required for “move-outs” is the occupant’s name, unit number, rent and move-out date. Also, designate under the appropriate column whether the unit vacated this reporting period is also being reoccupied by a new qualified tenant (and thus the unit is also noted in the “move-in” category) or whether the unit remains vacant, but held available for a bond tenant. If held available for a bond tenant the unit will be counted toward the set-aside requirement. If the unit will be dropped from the bond compliance register or occupied by a market (non-qualified bond) tenant then the “dropped” column must be checked, and the move-out date listed.

6. A “vacant retained unit” is a unit held vacant that was previously occupied by a bond tenant, for the purpose of retaining the required set-aside very-low, low or moderate income percentage. The following month the unit becomes a “reserve unit” unless it is either:
  - a) reoccupied by a newly qualified bond tenant, in which case the unit becomes a new “move-in” and is recorded as a “dropped” from the reserve list; or,
  - b) if the unit becomes occupied by a non-qualified tenant the unit will be deleted from the reserve file and noted as dropped from the reserve list.

*Note: In all instances, substitution of a “reserve unit” with a “vacant market rate” unit is grounds for an immediate finding of non-compliance.*

7. Total of vacant/retained move-outs plus retained/reserved units are the sum of the figures under the vacant/retained column in the MOVE-OUTS category plus the retained/reserve in the RETAINED/RESERVE UNITS category. This total provides an account of how many vacant or reserve units will be counted toward the project’s set-aside occupancy requirement.
  - a) only rental activity during the reporting period should be contained on this report. Any activity after the 25<sup>th</sup> of the prior month should go on the following month’s report.

## **B. Summary Recap**

1. The second page of the report is the Summary Recap (**see ATTACHMENT 10**) sheet which summarizes the information provided in the Recap of Income Qualification sheet. The rows “Very Low”, “Low/Mod” and total of “Vacant Retained/ Reserve” should total up to the number of units required to meet the 20% occupancy requirement. This number should then be listed in the row “Total Very Low, Low/Mod & Reserve Units”
2. The other rows on the sheet “Section 8 Units” “Total Property Vacancy” and “Occupied by Other” are to be completed in their entirety with information as of the report ending period.
3. The sum of all rows should total the number in the “Total Rentable Units” category.

4. The “Comment” category is to be used to inform the Agency as to any unanticipated occurrence during the reporting period. For instance, if there was a change to the tenant’s name due to matrimony, or if a tenant moves from one unit to another a notation in the “Comment” section alerts the Agency to that fact.

*Note: Although there may be a notation in the “Comment” section as to the tenant’s new move-in status, the tenant would be still listed as a move-out and move-in on the report.*

### **C. Certification of Continued Program Compliance**

This form is crucial and must to be sent in with each bond report. The form states that the developer is aware of all the requirements stipulated in the Regulatory Agreement. It also states that the developer is aware that within the conditions presented, he/she is not in default according to the terms or provisions of the Regulatory Agreement.

Using the sample form (**ATTACHMENT 7**) as a guide, follow these instructions to complete the form.

1. Enter the name of the owner and name of the project.
2. Enter the date of the Regulatory Agreement and the names of the Trustee and Lender.
3. Enter the date of the Deed of Trust and Security Agreement, if any, were recorded (obtain from developer).
4. Enter the date of the Promissory Note (obtain from developer).
5. This document must be signed by the developer/owner or by an authorized designee if the appropriate Designee Authorization Form is on file at the Agency. The compliance report will not be reviewed by the Agency until the appropriate signatures have been obtained.

### **D. Income Certification and Verification Packets**

Income Computation and Certification packets are submitted each month with the bond compliance report. The original certification/verification forms should be included with the monthly compliance report for the Agency’s approval, while copies of this form should be stored in each tenant’s file onsite or at the property management company.

The income verification packet includes the following forms:

- ❖ Income Computation and Certification
- ❖ Tenant Income Certification (TIC) forms – (for Tax Credit projects)
- ❖ Determination of Eligibility form
- ❖ Employment Income Verification documentation (**ATTACHMENT 11**)
- ❖ Unearned Income documentation (SSI, AFDC, Pension, etc)

- ❖ Self-Employed Income documentation
- ❖ Paystubs
- ❖ Calculation tapes
- ❖ Anticipated annual income
- ❖ Certification of No Income (**ATTACHMENT 12**)
- ❖ Verification of Student Status (**ATTACHMENT 13**)
- ❖ Verification of Financial Aid-Educational Assistance (**ATTACHMENT 14**)
- ❖ Asset Verification documents

*Note: In the case wherein a company has an electronic generated calculation form (i.e., ACCU Comp Calc.), upon the Agency's approval it may be used in place of the income calculation tapes.*

An Income Computation and Certification packet must be submitted for each new “move-in” or annual recertification reported each month. If a packet is not submitted for a new move-in, that unit will not be counted toward the set-aside requirement.

The compliance supervisor and/or property manager is responsible for confirming the accuracy of each completed form.

#### **E. Who Completes The Packet**

All prospective tenants 18 years of age or older who will reside in the unit, who qualify as a very low, low or moderate income person, and who will be counted toward the Regulatory Agreement occupancy requirement must be included in the Income Certification packet. The packet must be completed prior to the tenants(s) occupying the unit. The packet may be completed no more than 120-days prior to the tenant occupying the unit. Only one packet per unit is required; however, documentation to verify income for all tenants is to be included with that packet.

*Note: Housing Choice Voucher (HCV) certificate holders must also complete the package.*

#### **F. Income Calculation**

Income is calculated by totaling current (**within 120-days of move-in**) gross income for all persons 18 years of age and older who will reside in the unit. The gross income is annualized over a twelve period.

In calculating the tenant’s annual income the Agency employs three methods to determine the highest amount, which is then used as the tenant’s annual income.

They are as follows:

## Calculation Procedures

### 1. Employment Verification Regular Income Calculation

Amount per hour multiplied by average number of hours worked per week multiplied by 52 weeks in the year. Or, gross *regular* income amount multiplied by the number of pay periods in the year. (i.e., 26 or 24 pay periods)

### 2. Year-to-Date Employment Verification Calculation

The amount of projected 12 month or year-to-date income indicated by the employer is to be calculated by dividing the YTD amount by the number of weeks worked during the year and multiplied by 52 weeks.

### 3. Year-to-Date Paystub Calculation

Collect two paystubs at minimum. The total YTD amount indicated by the most recent paystub is calculated by dividing the YTD amount by the number of weeks worked during the year and multiply by 52 weeks.

The highest amount determined by these 3 calculations is to be used as the qualifying annual bond income amount.

### 4. Self Employed – Independent Contractor/Documentation

In the instance wherein a tenant provides a written declaration of income from a third party in place of a completed employment verification form and pay stub, the tenant will be required to submit a tax return to verify income earned. Additionally, the third party will provide a signed statement indicating they are not an employer of the tenant rather they are making payments for services provided.

The Agency and IRS views persons receiving income as referenced above as self-employed.

You are self-employed if you:

- Carry on a trade or business as a sole proprietor,
- Are an independent contractor,
- Are a member of a partnership, or
- Are in business for yourself in any other way.

In accordance with the Internal Revenue Service (IRS) Publication 17; a person with net earnings from self-employment of \$400 or more is required to report their earnings on a Schedule C and pay self-employment tax by filing a Schedule SE attached to their Form 1040.

*Note: The method indicated in #4 also relates to a self-employed “independent contractor” (i.e., babysitter, nail beautician, day labor) which in many cases are individuals receiving paychecks for their services rather than a paystub. In no instance is a paycheck an appropriate form of income verification, therefore it is necessary to use*

*the above referenced tax documents to verify this income. Tenants who are independent contractors and work sporadically throughout the year are to be informed of this verification requirement at move-in.*

### **G. The Net Income from Operation of a Profession or Business**

Expenditures for a business expansion or amortization of capitol indebtedness shall not be used as deductions in determining net income. An allowance for the depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in IRS Regulations. Any withdrawal of cash or assets form the business or profession will be included, in income except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.

*Note: These types of earnings can be difficult to determine, particularly if the tenant has just become self-employed. To ensure accurate verification it is best to obtain the last three years of income tax returns. If this is not possible, you should require any recent income tax returns filed, or require the person to provide a profit and loss statement completed by their accountant.*

### **H. Assets and Asset Income**

Asset income may include interest, dividends and other net income of any kind from real or personal property. In the case of a family having net assets in excess of \$5,000, the annual income shall include the greater of the actual income derived from all family assets or a percentage of the value of such assets based on the current passbook rate as determined by HUD.

- If the assets are over \$5,000, you must multiply the amount of the assets by 2% and then compare your calculation with that of the actual income derived from the assets. Whichever is the greater amount is the amount that you use in your calculation of annual income.
- You must include all assets of the family, even assets of the minor members of the household. Remember, you are only using the assets to determine what income is or could be derived from them.
- If assets are owned jointly by an applicant/tenant and someone that is not part of the household, you count only the percentage of the asset owned by your applicant/tenant. Important questions to ask when determining if something should be counted as an asset in determining income is if the applicant/tenant has access to the access to the asset, if they can convert the asset to cash or if they derive any benefits from the asset.
- The equation to determine the cash value of the asset (to be used on the Certification form), is as follows:  $\text{Market Value} - \text{Reasonable Costs} = \text{Cash Value}$ . Reasonable costs include penalties for early withdrawal, broker's fees, unpaid loans and closing costs.

In addition, you must count assets disposed of for less than fair market value in the last two years (if the difference between the fair market value and the amount received is more than \$1,000).

### **I. Benefit Payments**

In all instances the gross amount from periodic payments received from Social Security, Annuities, Insurance Policies, Retirement funds, Pensions, Disability or Death Benefits must be annualized. For instance, if Medicare has been deducted from the Social Security payment, the gross award amount prior to the deduction is to be used to calculate the annual income amount.

*Note: For a complete list of Income Inclusions and Exclusions see ATTACHMENT 15.*

### **J. Co-Signor or Lease**

If there is a co-signor on the lease, the Agency must receive a notarized letter from the co-signor stating he/she will not be living in the unit, and specifying the amount of financial support he/she will be contributing on a monthly basis toward the tenant's living expenses.

### **K. Completion of the Income Computation and Certification forms see ATTACHMENT 16**

#### ❖ Part 1. Income Computation and Certification form

The tenant should complete the necessary information for all occupants of the bond unit starting with the head of household, then the spouse and children. If household members are not related, i.e. roommates, the person responsible for the lease should be listed first.

All tenants 18 years of age and older who reside in the residence must complete and sign the packet.

#### ❖ Part 2. Determination of Eligibility

This portion of the Income Computation and Certification packet is to be completed by the property or resident manager.

##### 1. Income Determination

- a. Enter the projected gross income for the entire household.
- b. Determine the amount of earnings from the tenant's assets that have not already been included in the tenant's declaration of income in Part 1. If the combined total value of all assets owned or disposed of by all persons that are signatories to the lease agreement are in excess of \$5,000, enter the greater of the actual income derived from such assets or 2% of the value of such assets (multiplying the assets by 2%)

- c. Add the gross income, from (a) above and the income from the asset analysis in (b), above and enter this amount in the “Total Eligible Income”.
2. Income Qualification
  - a. Check the Bond Program Income and Rent limit table to determine if the income status of the prospective bond tenant is very-low, low or moderate. Check the appropriate space.
3. Enter the assigned unit number, bedroom size, and rental rate.
 

**Note: If a parent is a non-resident co-signer and is supplementing their child’s income, a notarized statement must be submitted from the parent indicating how much per month is given to the child.**
4. This section of the report is designed to indicate whether the unit was previously a bond reserve unit. Check the appropriate space.
5. Check the method(s) used to verify income.

#### **L. Income Verification**

The third part of completing the Income Computation and Certification forms is the income verification process. All income must be verified. Income verification forms as described in Section IX (D) must be completed by all members of the household 18 years of age or older, who will be residing in the unit. An employment verification form and two current paystubs are required for all employed persons 18 years of age or older. For persons that receive unearned income copies of subsidy payments and/or award letters are required (i.e. SSI/SSA, AFDC, Unemployment, GA, etc). If the persons is self-employed and/or independent contractor a tax return and self affidavit or notarized statement from employer are required.

To complete the employment verification form the employer must provide all current wages, year-to-date income, plus all bonuses, over-time, and commissions received. The employer must also sign and state the title of his/her position as employer on the form. The applicant must give permission to disclose this information by signing this document. The name and address of the employer must be completed at the bottom of the form.

For the paystubs, attach photocopies making sure that the information is clearly visible for the review.

For tenants that are Housing Choice Voucher (HCV) holders, a copy of the certificate or voucher, or a copy of the first page of the Housing Assistance Payment (HAP) contract must be submitted with the income verification packet for new move-ins. Verification of the voucher or contract is needed to determine what portion of rent is being subsidized in order to validate a tenant’s rent to income ratio and the expiration date.

All income verification forms must be completed prior to every new move-in or recertification and must be included with the rest of the compliance report by the 10<sup>th</sup> of each month.

### **M. Submission of Reports**

All reports must be submitted to the Agency no later than the 10<sup>th</sup> day of each month. Reports must be hand delivered or mailed. In some instances reports may be emailed or electronically scanned, but only if pre-approved by the Agency. Faxes are not accepted.

Bond Compliance reports are to be sent to the Sacramento Housing and Redevelopment Agency at the following address unless noted otherwise:

**Portfolio Management Division  
Sacramento Housing and Redevelopment Agency  
630 I Street, 1<sup>st</sup> Floor  
Sacramento, CA 95814**

**You may contact the Bond Program Analysts at any of the following numbers:**

**Butch Treadwell  
(916) 440-1399 x 1229  
btreadwell@shra.org**

**Anne Nicholls  
(916) 440-1399 x 1464  
anicholls@shra.org**

## SECTION X.

### AGENCY MONTHLY BOND SUMMARY REPORTS

Each month, owner/developers, trustees, lenders, compliance managers, and property Managers will receive a summary report detailing the compliance status of each bond project. A sample report is shown as **ATTACHMENT 17**. The report will also include a cover memo which outlines the policy and clarifications as well as any changes that have been implemented to the program.

The compliance report provides the occupancy status of each project. The “total” column summarizes the project’s compliance with the Regulatory Agreement occupancy requirements by adding the very low, low or moderate, and reserve unit count with your reported total. If the Agency’s statistics did not report what the project submitted for that particular month, please feel free to contact the Agency.

Projects not in compliance, or are in other stages of compliance (i.e., lease-up or recertification) are noted in the “status” section.

When reviewing the Agency’s statistics, please compare the “total number” of units which is derived from adding your very low, low or moderate and reserve count with your reported total. If the Agency’s statistics did not report what the project submitted for that particular month, please contact the Agency for corrections.

## SECTION XI.

### COMPLIANCE TRAINING PROGRAM

It is very important that all owners, developers, compliance officers, and resident managers are familiar with the compliance and reporting adopted under this Program. To assist in the dissemination of information and understanding the process, the following training tools and program will be available:

#### **A. Operating Manual**

A copy of this operating manual will be distributed to each owner/developer, compliance manager and property manager. The procedures described in the manual shall be relied upon unless written notification is received regarding any changes.

#### **B. Training Sessions**

Each new compliance or property manager will be required to undergo a Bond Training session prior to submitting a monthly compliance report. To set up a training contact Butch Treadwell at (916) 440-1399 extension 1229.

#### **C. Individual Staff Assistance**

Agency staff will be available Monday through Friday 7 a.m. - 4 p.m. to discuss any questions regarding the Multifamily Bond Program.

**SHRA MULTIFAMILY REVENUE BOND PROGRAM - Income and Rent Limits- Current as of: February 14, 2008**

Median Income: \$71,000

Size of Household	Bond Program Income Limits			Bedroom Size	Bond Program Rent Limits		
	Moderate Income	Low Income	Very Low Income		Moderate Rent	Low Rent	Very-Low Rent
1 person	39,750	29,820	24,850	Studio	993.75	745.50	621.25
2 person	45,450	34,080	28,400	1 bedroom	1,136.25	852.00	710.00
3 person	51,100	38,340	31,950	2 bedroom	1,277.50	958.50	798.75
4 person	56,800	42,600	35,500	3 bedroom	1,420.00	1,065.00	887.50
5 person	61,350	46,020	38,350	4 bedroom	1,533.75	1,150.50	958.75
6 person	65,900	49,440	41,200	5 bedroom	1,647.50	1,236.00	1,030.00

Effective February 14, 2008

**PROPERTY PENALTY FEES VIOLATIONS AND POSSIBLE ACTIONS**

<b>Tenant Eligibility and Affordability Violations</b>		
<b>Violation</b>	<b>Possible Actions</b>	<b>Corrective Time Period</b>
Over-income tenants moved-into assisted units	Financial Penalty: \$250.00 Per Unit.	Immediately
Tenants moved-into assisted units without income verification	Financial Penalty:\$250.00 Per Unit, Non-Financial Penalty: Re-inspection, Proof of verifications.	Immediately
Failure to complete annual recertifications	Financial Penalty: \$250.00 for each incomplete annual recertification; \$100.00 Per day for each day the project is not in compliance subsequent to the original inspection date. Non-Financial Penalty: Re-inspection, Proof of completion of annual recertifications.	Immediately
Failure to maintain tenant eligibility records	Financial Penalty: \$500.00 for project noncompliance; \$100.00 per day for each day the project is out of compliance subsequent to the original inspection date.	Immediately
Flagrant disregard for following the correct tenant and wait list procedures	Financial Penalty: \$500.00 for project noncompliance; \$100.00 per day for each day the project is out of compliance subsequent to the original inspection date. Non-Financial Penalty: Proof of wait list corrections.	Immediately
Fair Housing Violation	Financial Penalty: \$500.00 for each infraction; Owner to submit letter of corrective actions.	Immediately
Incorrect Rents	Letter of correction, owner is to reimburse tenants; \$100.00 per day for each day subsequent to the end of the 7-day period.	Within 7-days
Unjustified Eviction	Refer to tenant/landlord authority, re-instate tenant; \$100.00 per day for each day subsequent to the end of the 7-day period.	Within 7-days
Incorrect Tenant Eligibility documentation	Letter of corrections; \$100.00 per day for each day subsequent to the end of the 30-day period.	Within 30-days
Lease not available	Letter of corrections; \$100.00 per day for each day subsequent to the end of the 7-day period.	Within 7-days
Lease contains clauses that are not allowed	Letter of corrections, owner submits documentation of corrections.	Within 7-days
<b>Housing Quality Standards Violations</b>		
<b>Violation</b>	<b>Possible Actions</b>	<b>Corrective Time Period</b>
Verifiable existence of Toxic Mold	Financial Penalty: \$200.00 per unit, \$75.00 re-inspection fee; Non-Financial Penalty: Verifiable documentation indicating the unit is mold free.	Immediately
Broken pipes and plumbing facilities	Financial Penalty: \$200.00 per unit, \$75.00 re-inspection fee.	Immediately
All smoke detectors not working in the units	Financial Penalty: \$500.00 per units; Letter of correction.	Immediately
Windows with large cracks or missing glass	Financial Penalty: \$200.00 per unit; Letter of correction.	Immediately
Infestation of roaches or vermin	Financial Penalty: \$200.00 per unit; Letter from pest control company verifying removal of pests.	Immediately
Non-working heating facility (October 16th through April 14th)	Financial Penalty: \$500.00 per unit; \$75.00 re-inspection fee.	Immediately
Excessive amount of animal urine or feces in the unit	Financial Penalty: \$200.00 per unit; \$75.00 re-inspection fee.	Immediately
Excessive amount of trash/garbage in the unit	Financial Penalty: \$75.00 re-inspection fee; Letter of correction.	Immediately
Hazardous exterior conditions or community blight	Financial Penalty \$500.00 for hazardous conditions; \$200.00 for community blight; \$75.00 re-inspection fee.	Immediately
Large holes in the walls or ceiling	Letter of correction; \$100.00 per day for each day.	Within 30-days

RESIDENT SERVICE PROGRAM CATEGORIES/CLASSES

The general categories listed below are appropriate for resident service programs and associated classes to be implemented by the Managing General Partners when providing services to residents at Agency assisted projects.

Additional classes may be added; however the designated categories are consistent with the regulatory requirements.

**FAMILY PROJECTS**

**Service Coordination**

- Counseling
- Referrals
- Crisis Intervention
- Tenant mediation

**After-School Programs**

- Homework Assistance
- Tutoring
- Reading and Writing Groups
- Computer Skills
- Internet Access
- Youth Programs

**Educational**

- Computer labs/and classes
- Literacy Programs
- English as a Second Language
- Parenting Classes
- Job interviewing, Job skills, and Job Retention
- Domestic Violence Programs
- Drug and Alcohol counseling
- Health and Nutrition

**Enrichment**

- Arts and Crafts
- Music and Dance
- Sports and Game Activity
- Exercise
- Community Building
- Summer/Spring Fling Celebrations
- Mentor Programs
- Social Activities

**SENIOR PROJECTS**

**Educational**

- Health and Nutrition
- Money Management (Presenters: Financial Institutions, Retirement Specialists, SSA/SSI, etc)
- Support Groups

**Transportation**

- Shopping
- Appointments
- Meals on Wheels

**Enrichment**

- Social Activities
- Game Nights
- Trips
- Potlucks

**PROJECT NAME**

**SOCIAL SERVICE TENANT PLAN**

**Name of Owner:**

**Address:**

**Tel #:**

**Contact Name:**

**Name of General Partner:**

**Address:**

**Tel#:**

**Contact Name:**

**Required Services per Regulatory Agreement:**

**Required reporting periods per Regulatory Agreement:**

**For each Social Service Program Complete the following:**

Name of Service Provider:

Number of staff:

Program Description:

Goal:

Objectives:

Days of week class conducted:

Hours classes held:

Location(s) at the project where the class will be held.

**ATTACHMENT 5**

Sacramento Housing and Redevelopment Agency  
**Quarterly Social Services Reporting Form**

Project Name: \_\_\_\_\_ Report Date: \_\_\_\_\_

\*For specific classes list programs/classes specific to your Tenant Services Plan or Agency approved changes.

**Tenant Services**

1. AFTER SCHOOL PROGRAM

(Tutoring and homework Assistance):

<u>Class Dates</u>	<u>Frequency</u>	<u>Name of Participants</u>	<u>Name of Organization(s) Providing Services</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**Tenant Services**

2. EMPLOYMENT TRAINING SERVICES:

<u>Class Dates</u>	<u>Frequency</u>	<u>Name of Participants</u>	<u>Name of Organization(s) Providing Services</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Sacramento Housing and Redevelopment Agency  
**Quarterly Social Services Reporting Form**

**Tenant Services**

**3. COMPUTER SKILLS CLASSES:**

<u>Class Dates</u>	<u>Frequency</u>	<u>Name of Participants</u>	<u>Name of Organization(s) Providing Services</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**Tenant Services**

**4. ENGLISH SKILLS CLASSES**

<u>Class Dates</u>	<u>Frequency</u>	<u>Name of Participants</u>	<u>Name of Organization(s) Providing Services</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**Tenant Services**

**5. CHILD CARE SERVICES:**

<u>Class Dates</u>	<u>Frequency</u>	<u>Name of Participants</u>	<u>Name of Organization(s) Providing Services</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

## ATTACHMENT 6

### Tax-Exempt Bond and Low Income Housing Tax Credit Compliance Requirements

The following table summarizes similarities and differences between tax-exempt bond and LIHC projects.

	<b>Tax-Exempt Bond Projects</b>	<b>LIHC Projects</b>
<b>Minimum Set-Aside</b>	Bond Projects must meet either the 20/50 or 40/60 tests on a project basis. Not required to restrict rent to 30 percent of AMGI.	LIHC projects must meet either the 20/50 or 40/60 tests on generally a building basis. Required to restrict rent to 30 percent of an imputed AMGI.
<b>Compliance Period</b>	Compliance period for bond projects (Qualified Project Period) begins the first day on which 10 percent of the units are occupied and ends the later of: 1) the date which is 15 years after the date on which 50 percent of the units are occupied; 2) The first day on which no tax-exempt private activity bonds issued with respect to the project is outstanding; or 3) The date when Section 8 assistance, if any terminates.	Compliance period for LIHC projects is a period of 15 taxable years beginning with the first taxable year of the credit period. An additional 15 years is required by the IRS without recapture for a total of 30 years. Regulatory Agreements for LIHC projects may indicate a longer compliance period due to state agency requirements.
<b>Rent Restrictions</b>	Rent restrictions are not required unless the project is deep-skewed or restrictions are outlined in the Regulatory Agreement. Section 8 Housing assistance, if any, terminates.	Rent restrictions are calculated at 30 percent of AMGI. Rent is imputed at 1.5 persons per bedroom. Generally, Section 8 Housing Assistance payments are not considered rent.
<b>Certification of Income</b>	Tenants sign approved income certifications. The income certification must be completed before move-in. The tenant income certification usually has a required format in the Regulatory Agreement.	Tenants sign income certifications. The income certification generally has no required format in the Regulatory Agreement.
<b>Verification of Income and Assets</b>	HUD Handbook 4350.3 outlines requirements for verification of income and assets. The \$5,000 asset verification requirement may be waived per the Regulatory Agreement. A letter from the Public Housing Authority (PHA) verifying a household's income is usually not recognized unless specified in the Regulatory Agreement.	HUD Handbook 4350.3 outlines requirements for verification of income and assets. The \$5,000 asset verification requirement is waived when the tenant signs a sworn affidavit stating that the value of his/her assets does not exceed \$5,000.
<b>Full-time Student Status</b>	Full-time students may occupy the unit if they are: 1) Household member(s) receiving assistance under the Title IV of Social Security Act (AFDC/TANF); 2) Household member(s) that were formerly in the foster care system; 3) Household member(s) enrolled in a job training program receiving assistance through the Job Training Participation Act (JTPA); 4) Single Parent (parent and child[ren] not dependents of another individual); or 5) Married and eligible to file a joint tax return.	Full-time students may occupy the unit if they are: 1) Household member(s) receiving assistance under the Title IV of Social Security Act (AFDC/TANF); 2) Household member(s) that were formerly in the foster care system; 3) Household member(s) enrolled in a job training program receiving assistance through the Job Training Participation Act (JTPA); 4) Single Parent (parent and child[ren] not dependents of another individual); or 5) Married and eligible to file a joint tax return.

## Tax-Exempt Bond and Low Income Housing Tax Credit Compliance Requirements

The following table summarizes similarities and differences between tax-exempt bond and LIHC projects.

	<b>Tax-Exempt Bond Projects</b>	<b>LIHC Projects</b>
<b>Reviewing Agency</b>	Reviewing agency for bond projects, if any, is the bond issuer or a third party appointed by the bond issuer.	Reviewing agency for LIHC projects is the state agency that allocated tax credits to the project or a third party appointed by the state agency.
<b>Unit Vacancy</b>	The unit will maintain its low-income status if the unit is reoccupied for a period that does not exceed 31 days. Once it is reoccupied, for longer than 31 days, it will be considered low-income if the tenant satisfies the definition of a low-income tenant. This provision is usually set forth in the Regulatory Agreement.	The unit will maintain its low-income status if the initial occupants' income met the income limitation, if the unit continues to be marketed, and if the next available units are rented to qualified tenants.
<b>Over-Income Units</b>	This is a project rule. Tenant income may increase above the applicable income limit if the tenant was initially qualified. However, if a tenant's income increases over 140 percent of the limit, then the next available unit of comparable size in the project must go to a qualified tenant in order for the over income tenant to continue to be qualified.	This is a building rule. Tenant income may increase above the applicable income limit if the tenant was initially qualified. However, if a tenant's income increases over 140 percent of the limit, then the next available unit of comparable or smaller size in the building must go to a qualified tenant in order for the over income tenant to continue to be qualified. See Treasury Regulation Section 1.42-15 for further guidance.
<b>Recertification</b>	Most Regulatory Agreements require an income certification to be completed within 30 days before or after each annual anniversary of the tenant's initial occupancy.	Section 42 requires an income certification to be completed at least annually.
<b>Transient Basis of Units</b>	Units may not be used on a transient basis. Regulatory Agreements define "transient basis." A minimum lease term of 30 days is usually required.	Units may not be used on a transient basis. A minimum initial lease term of six months (unless the unit is an SRO) is required.
<b>Utility Allowance</b>	Generally, rents do not need to be reduced by a utility allowance for the utilities tenants pay themselves unless specified in the Regulatory Agreement.	Rents must be reduced by a utility allowance for the utilities tenants pay themselves.
<b>Reporting Requirements</b>	Bond projects must file Form 8703 annually. They may be required to file monthly and quarterly reports, as defined in the Regulatory Agreement.	LIHC projects must file Form 8609 annually with the IRS and an annual owner certification with the state Agency.
<b>Tenant Transfers</b>	Tenants that transfer from one unit to another must be recertified and will have a new move-in effective date (this ruling does not apply to emergency/non-voluntary transfers). Treasury Regulation 1.42015 does not apply to tax-exempt bond projects.	Tenants that transfer from one unit to another unit in the same building do not need to be recertified. See Treasury Regulation Section 1.42015.
<b>Noncompliance Issues</b>	Noncompliance issues are on a project level.	Noncompliance issues are on a building level and may be on a project level.

**FORM OF  
CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE**

The undersigned, being \_\_\_\_\_ of \_\_\_\_\_ California limited liability company (the "Borrower") has read and is thoroughly familiar with the provisions of the various documents associated with the Borrower's participation in the Housing Authority of the County of Sacramento (the "Issuer") Multifamily Housing Program, such documents including:

1. The Regulatory Agreement and Declaration of Restrictive Covenants dated as of \_\_\_\_\_ among the Borrower, the Issuer and \_\_\_\_\_, as trustee (the Trustee);
2. The Loan Agreement dated as of \_\_\_\_\_ among the Borrower, the Issuer and the Trustee.:

As of the date of this Certificate, the following percentages of completed residential units in the Project (i) are occupied by Very Low-Income Tenants (as such term is defined in the Regulatory Agreement) or (ii) are currently vacant and being held available for such occupancy and have been so held continuously since the date a Low-Income Tenant vacated such unit; as indicated:

(Occupied by Very Low-Income Tenants:  
\_\_\_\_\_%; Unit Nos. \_\_\_\_\_

Held vacant for occupancy continuously since last occupied by Very  
Low-Income Tenant:  
\_\_\_\_\_%; Unit Nos. \_\_\_\_\_

Vacant Units:  
\_\_\_\_\_%; Unit Nos. \_\_\_\_\_

The undersigned hereby certifies that the Borrower is not in default under any of the terms and provisions of the above documents.

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

By: \_\_\_\_\_  
Authorized Representative

**DESIGNEE AUTHORIZATION FOR  
CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE**

---

**NAME OF PROJECT**

The sole purpose of this form is to inform Sacramento Housing and Redevelopment Agency (the "Agency") that the individual listed below has been authorized by the Owner/Developer of the above project to sign the Certificate of Continuing Program Compliance document as the Attorney-in-fact of the Owner/Developer in order to comply with requirements of the Regulatory Agreement.

The information contained in any Certificate signed by the Owner/Developer's designee shall be binding upon the Owner/Developer and shall constitute a representation by the Owner/Developer to the Housing Authority and/or the County of Sacramento.

This document is not intended to release responsibility of the Owner/Developer to comply with the Regulatory Agreement and Owner/Developer shall remain fully liable to the Housing Authority and/or the County of Sacramento.

**DATE:** \_\_\_\_\_

**AUTHORIZED DESIGNEE:**

---

**PLEASE TYPE OR PRINT**

**(A live signature must be obtained and filed with SHRA).**

---

**(LIVE SIGNATURE OF DESIGNEE)**

---

**(LIVE SIGNATURE OF OWNER/DEVELOPER)**





SUMMARY OF RECAP

	NUMBER	PERCENT	CRITERIA#	CRITERIA %
TOTAL RENTABLE UNITS	<input type="text"/>	<input type="text"/>		
TOTAL VERY-LOW, LOW/MOD & RESERVE UNITS	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
OCCUPIED BY VERY LOW INCOME	<input type="text"/>	<input type="text"/>		
OCCUPIED BY LOW/MOD INCOME	<input type="text"/>	<input type="text"/>		
TOTAL VACANT RETAINED/RESERVED UNITS	<input type="text"/>	<input type="text"/>		
OCCUPIED BY OTHER (MARKET RATE)	<input type="text"/>	<input type="text"/>		
TOTAL PROPERTY VACANCY	<input type="text"/>	<input type="text"/>		
SECTION 8 UNITS	<input type="text"/>	<input type="text"/>		

---

COMMENTS:

DATE OF REPORT: \_\_\_\_\_

COMPLETED BY: \_\_\_\_\_

PHONE NUMBER: \_\_\_\_\_

PROPERTY NAME: \_\_\_\_\_

EMPLOYMENT VERIFICATION FORM

DATE: \_\_\_\_\_

EMPLOYER'S NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

EMPLOYEE'S NAME: \_\_\_\_\_

SOC. SEC. NO.: \_\_\_\_\_

The undersigned employee has applied for a rental unit located in a project financed under the County or Housing Authority of the County of Sacramento Multi-Family Housing Bond Program. Every income statement of a prospective tenant must be stringently verified. Please indicate below the employee's current annual income from wages, overtime, bonuses, commissions or any other form of compensation received on a regular basis.

1) Employed since \_\_\_\_\_ Present Position \_\_\_\_\_

2) Probability of Continued Employment \_\_\_\_\_

3) PAY DATA:

A. BASE PAY: \_\_\_\_\_  
 bi-weekly  Semi-Monthly  Hourly  Weekly  
 Other (Specify)

B. EARNINGS:

Type	Year to Date	Past Year	Projected 12 Months*
<b>TOTAL</b>			

\*(Take current monthly income multiplied by 12 months for base pay, overtime, etc.)

4) If Overtime or Bonus is applicable, is its continuance likely? Overtime  Yes  No Bonus  Yes  No

5) Remarks (If paid hourly, please indicate average hours each week during current and past year \_\_\_\_\_.

I hereby certify that the statements above are true and complete to the best of my knowledge.

\_\_\_\_\_  
EMPLOYER'S SIGNATURE

\_\_\_\_\_  
TITLE

\_\_\_\_\_  
DATE

Please return to: Apartment Name \_\_\_\_\_  
Address \_\_\_\_\_

I hereby grant to you permission to disclose my income to \_\_\_\_\_ Apartments in order that they may determine my income eligibility for rental of an apartment located in their complex which has been financed under the Housing Authority of the County of Sacramento Multi-Family Housing Bond Program.

\_\_\_\_\_  
EMPLOYEE'S SIGNATURE

\_\_\_\_\_  
DATE

**CERTIFICATION OF ZERO INCOME**

(To be completed by adult household members only, if appropriate.)

Household Name: \_\_\_\_\_ Unit No. \_\_\_\_\_

Development Name: \_\_\_\_\_ City: \_\_\_\_\_

1. I hereby certify that I do not individually receive income from any of the following sources:
  - a. Wages from employment (including commissions, tips, bonuses, fees, etc.);
  - b. Income from operation of a business;
  - c. Rental income from real or personal property;
  - d. Interest or dividends from assets;
  - e. Social Security payments, annuities, insurance policies, retirement funds, pensions, or death benefits;
  - f. Unemployment or disability payments;
  - g. Public assistance payments;
  - h. Periodic allowances such as alimony, child support, or gifts received from persons not living in my household;
  - i. Sales from self-employed resources (Avon, Mary Kay, Shaklee, etc.);
  - j. Any other source not named above.
  
2. I currently have no income of any kind and there is no imminent change expected in my financial status or employment status during the next 12 months.
  
3. I will be using the following sources of funds to pay for rent and other necessities: \_\_\_\_\_

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

\_\_\_\_\_  
Signature of Applicant/Tenant

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

\_\_\_\_\_  
Date



VERIFICATION OF STUDENT STATUS

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

To: \_\_\_\_\_  
Name of School

From: \_\_\_\_\_  
Apartment Community Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
Management Representative

\_\_\_\_\_  
City, State, Zip

\_\_\_\_\_  
Address

\_\_\_\_\_  
City, State, Zip

Subject: Verification of Information Supplied by an Applicant/Resident for Housing Assistance

Name of Applicant/Resident \_\_\_\_\_

Address \_\_\_\_\_

City, State, Zip \_\_\_\_\_

Social Security Number \_\_\_\_\_

We are required to verify the student status of individuals 18 years or older of all household members applying for admission as residents to federally assisted housing apartments and to re-determine periodically the student status of resident households. This information is to be used in determining the household's eligibility or level of benefits.

To comply with this requirement, we ask your cooperation in completing the applicable items for the applicant/resident listed above and to return this information to the apartment community listed above. Your prompt return of this information will help assure timely processing of the application/recertification. A stamped, self-addressed return envelope is enclosed. The applicant/resident has consented to the release of information as shown below/next page.

Thank You.

\_\_\_\_\_

**INFORMATION BEING REQUESTED:**

**Check Applicable Box:**

Is the above named individual a:      part-time student    full-time student

Date the student enrolled: \_\_\_\_\_

Is the above noted student enrolled in and receiving assistance under The Workforce Investment Act, Job Training Partnership Act or a similar government job training program?    No    Yes

If yes, please specify: \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Name of School - Stamp/Seal

\_\_\_\_\_  
Print Name/Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title/Telephone Number

RELEASE: I hereby authorize the release of the requested information. Information obtained under this consent is limited to information that is no older than 12 months. There are circumstances, which would require the owner to verify information that is up to 5 years old, which would be authorized by me on a separate consent, attached to a copy of this consent.

\_\_\_\_\_  
Applicant/Resident Signature

\_\_\_\_\_  
Date

**PENALTIES FOR MISUSING THIS CONSENT:**

Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government. HUD and any owner (or any employee of HUD or the owner) may be subject to penalties for unauthorized disclosures or improper uses of information collected based on the consent form. Use of the information collected based on this verification form is restricted to the purposes cited above. Any person, who knowingly or willfully requests, obtains or discloses any information under false pretenses concerning an applicant or participant may be subject to a misdemeanor and fined not more than \$5,000. Any applicant or participant affected by negligent disclosure of information may bring civil action for damages and seek other relief, as may be appropriate, against the officer or employee of HUD or the owner responsible for the unauthorized disclosure or improper use. Penalty provisions for misusing the social security number are contained in the Social Security Act at 42 USC 208 (f) (g) and (h). Violations of these provisions are cited as violations of 42 USC 408 (f) (g) and (h).

**VERIFICATION OF FINANCIAL AID - EDUCATIONAL ASSISTANCE**

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

To: \_\_\_\_\_

Name of Institution or Organization

Address

City, State, Zip

From: \_\_\_\_\_

Apartment Community Name

Management Representative

Address

City, State, Zip

Subject: Verification of Information Supplied by an Applicant/Resident for Housing Assistance

Name of Applicant/Resident \_\_\_\_\_

Address \_\_\_\_\_

City, State, Zip \_\_\_\_\_

Social Security Number \_\_\_\_\_

We are required to verify the income of all household members applying for admission as residents to federally assisted housing apartments and to re-determine periodically the income of resident households. This information is to be used in determining the household's eligibility or level of benefits.

To comply with this requirement, we ask your cooperation in completing the applicable items for the applicant/resident listed above and to return this information to the apartment community listed above. Your prompt return of this information will help assure timely processing of the applicant/recertification. A stamped, self-addressed return envelope is enclosed. The applicant/resident has consented to the release of information as shown below.

Thank You

**INFORMATION BEING REQUESTED:**

(1) Source of Financial Aid/Education Assistance \*

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(2) Amount Received \*\*

\$ \_\_\_\_\_  Quarter  Semester  Annual  
\$ \_\_\_\_\_  Quarter  Semester  Annual

\* Enter the source of the assistance (e.g., Pell Grant; scholarships).  
DO NOT INCLUDE STUDENT LOANS.

\*\* Include amount of Financial Aid/Assistance.

(3) Of the Financial Aid/Assistance listed above, how much is received for tuition:

\$ \_\_\_\_\_  Quarter  Semester  Annual

(4) Is a portion or all of the tuition waived for any reason?  Yes  No

If yes, explain the amount waived \_\_\_\_\_

\_\_\_\_\_  
Name of Institution or Organization

\_\_\_\_\_  
Date Stamp / Official Seal

\_\_\_\_\_  
Print Name/Signature

\_\_\_\_\_  
Title/Telephone Number

RELEASE: I hereby authorize the release of the requested information. Information obtained under this consent is limited to information that is no older than 12 months. There are circumstances, which would require the owner to verify information that is up to 5 years old, which would be authorized by me on a separate consent, attached to a copy of this consent.

\_\_\_\_\_  
Applicant/Resident Signature

\_\_\_\_\_  
Date

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## INCOME INCLUSIONS AND EXCLUSIONS

### Income Inclusions:

1. The full amount of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services (before any payroll deductions).
2. Net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness cannot be used as deductions in determining net income; however, an allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue service regulations. Any withdrawal of cash or assets from the operation of a business or profession is included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.
3. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness cannot be used as a deduction in determining net income. An allowance for depreciation is permitted only as authorized in number 2 (above). Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income includes the greater of the actual income derived from net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.
4. The full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment (except Supplemental Security Income [SSI] or Social Security).
5. Payments instead of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (but see paragraph (3) under Income Exclusions).
6. Welfare Assistance. If the welfare assistance payment includes an amount specifically designates for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income consists of:
  - the amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; *plus*

- the maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family welfare assistance rate is reduced from the standard of need by applying a percentage, the amount calculated under this paragraph is the amount resulting from one application of the percentage.
7. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling.
  8. All regular pay, special day allowances of a member of the Armed Forces.
  9. Financial Assistance that a student receives in excess of tuition (e.g., athletic and academic scholarships) and that the student receives (1) under the Higher Education Act, (2) from private sources, or (3) from an institution of higher education as defined by the Higher Education Act of 1965.

**Income Exclusions:**

1. Income from employment of children (including foster children) under the age of 18 years.
2. Payments received for the care of foster children or foster adults (usually persons with disabilities unrelated to the tenant family who are unable to live alone).
3. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except for payments in lieu of earning – see number 5 of "Income Inclusions").
4. Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member.
5. Income of a live-in aide.
6. Loans are not financial assistance, and, therefore, are not included in the term "student financial assistance" in determining income.
7. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.
8.
  - (a) Amounts received under training programs funded by HUD.
  - (b) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain self-sufficiency (PASS)
  - (c) Amounts received by a participant in other publicly assisted programs that are specifically for, or in reimbursement of, out of pocket expenses incurred (special

equipment, clothing transportation, child care, etc) and that are made solely to allow participation in a specific program.

- (d) Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program.
9. Temporary, nonrecurring, or sporadic income (including gifts).
10. Reparation payments paid by a foreign government pursuant to claims under the laws of that government by persons who were persecuted during the Nazi era.
11. Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household or spouse).
12. Adoption assistance payments in excess of \$480 per adopted child.
13. For public housing only, the earnings and benefits to any family member resulting from the participation in a program providing employment training and supportive services in accordance with the Family Support Act of 1988, Section 22 of the 1937 Act, or any comparable federal, state or local law during the exclusions period.
14. Deferred periodic amounts from SSI and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts.
15. Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit.
16. Amounts paid by the state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep this developmentally disabled family member at home; or
17. Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply.

## Net Family Assets include:

1. Cash held in savings, checking accounts, safety deposit boxes, homes, etc. For savings accounts, use the current balance. For checking accounts, use the average balance for the last six months.
2. Revocable Trusts. Include the principle value of any revocable trust available to the household. (Do not include irrevocable trusts – i.e., ones that no family member can control).
3. Equity in rental property or other capitol investments. Include the current fair market value less (a) any unpaid balance on any loans secured by the property and (b) reasonable costs that would be incurred in selling the asset (e.g., penalties, broker fees, etc).
4. Stocks, bonds, treasury bills, certificates of deposits and money market funds. Interest or dividends earned are counted as income from assets even when the earnings are reinvested. The value of the stocks and other assets vary from one day to another. The value of the asset may go up or down the day before or after rent is calculated and multiple times during the year thereafter. The owner may assess the value of these assets at any time after Authorization for the release of information has been received. The tenant may request an interim recertification at any time thereafter that a decrease in stock value may result in a decrease in rent.
5. Individual retirement, 401K and Keogh accounts. These are included when the holder has access to the funds, even though a penalty may be assessed. If the individual is making occasional withdrawals from the account, determine the amount of the asset by using the average balance for the previous six months. (Do not count withdrawals as income.)
6. Retirement and pension funds
  - (a) While the person is employed include only the amount the family can withdraw without retiring or termination of employment; and
  - (b) At retirement or termination of employment, if benefits will be received in a lump sum, include the benefits in net family assets; if benefits will be received through periodic payments, include the benefits in annual income.
    - (1) If benefits will be received in a lump sum, include the lump-sum receipt in net family assets.
    - (2) If benefits will be received through periodic payments, include the benefits in annual income. Do not count any remaining amounts in the account as an asset.
    - (3) If the individual initially receives a lump-sum benefit followed by periodic payments, count the lump-sum benefit as an asset as provided in the example

below and treat the periodic payment as income. In subsequent years count only the periodic payment as income. Do not count the remaining amount as an asset.

7. Lump sum receipts include inheritances, capitol gains, one-time lottery winnings, victim's restitutions, settlements on insurance claims (including health and accident insurance, worker's compensation, and personal or property loses), and any other amounts that are not intended as periodic payments.
8. Personal property held as an investment. Include gems, jewelry, coin collections, or antique cars held as an investment. An applicant's wedding ring and other personal jewelry are not considered assets.
10. Assets disposed of within two years before effective date of certification/recertification.
11. A mortgage or deed of trust held by an applicant.

**Net family assets do not include:**

1. Necessary personal property (clothing, furniture, cars, etc);
2. Vehicles specifically equipped for the handicapped;
3. Interests in Indian trust land;
4. Life insurance policies;
5. Equity in the cooperative unit in which the family lives;
6. Assets that are part of an active business. A business does not include rental properties that are used as an investment but not a main occupation;
7. Assets that are not effectively owned by the applicant. If assets are held in an individual's name:
  - (a) the assets and any income they earn accrue to the benefit of someone else; and
  - (b) that other person is responsible for income taxes incurred on income generated by the assets.

**FORM OF  
INCOME COMPUTATION AND CERTIFICATION**

NOTE TO APARTMENT OWNER: This form is designed to assist you in computing Annual Income in accordance with the method set forth in the Department of Housing and Urban Project ("HUD") Regulations (24 CFR 813). This form is subject to change upon approval of the Sacramento Housing and Redevelopment Agency. Projects receiving Tax Credits may use the *Tenant Income Certification (TIC)* form in place of this form.

Re: [Address of Apartment Building]

I/We, the undersigned state that I/we have read and answered fully, frankly and personally each of the following questions for all persons who are to occupy the unit being applied for in the above apartment project. Listed below are the names of all persons who intend to reside in the unit:

- New Certification \_\_\_\_\_  
 Annual Recertification \_\_\_\_\_ Move-in Date \_\_\_\_\_

Household Members	Relation to the Head of Household	Social Security Number	Age	Income Source and Monthly Amount
_____	<u>Head of Household</u>	_____	_____	_____ \$ _____
_____	_____	_____	_____	_____ \$ _____
_____	_____	_____	_____	_____ \$ _____
_____	_____	_____	_____	_____ \$ _____
_____	_____	_____	_____	_____ \$ _____
_____	_____	_____	_____	_____ \$ _____
_____	_____	_____	_____	_____ \$ _____
_____	_____	_____	_____	_____ \$ _____
_____	_____	_____	_____	_____ \$ _____
				Total Gross Income:
				Monthly _____
				Annual _____

**INCOME COMPUTATION**

The total anticipated income, calculated in accordance with the provisions of this Certification, of all persons over the age of 18 years listed above for the 12-month period beginning the date that I/we plan to move into a unit is \$\_\_\_\_\_.

**Included in the total anticipated income listed above are:**

- (a) all wages and salaries, overtime pay, commissions, fees, tips and bonuses and other compensation for personal services, before payroll deductions;
- (b) the net income from the operation of a business or profession or from the rental of real or personal property (without deducting expenditures for business expansion or amortization of capital indebtedness or any allowance for depreciation of capital assets),
- (c) interest and dividends (including income from assets excluded below);
- (d) the full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts, including any lump sum payment for the delayed start of a periodic payment;
- (e) payments in lieu of earnings, such as unemployment and disability compensation, workmen's compensation and severance pay;
- (f) the maximum amount of public assistance available to the above persons other than the amount of any assistance specifically designated for shelter and utilities;
- (g) periodic and determinable allowances, such as alimony and child support payments and regular contributions and gifts received from persons not residing in the dwelling;
- (h) all regular pay, special pay and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is the head of the household or spouse;
- (i) any earned income tax credit to the extent that it exceeds income tax liability;
- (j) any financial assistance that a student receives in excess of tuition (e.g., athletic and academic scholarships) and that the student receives (1) under the Higher Education Act, (2) from private sources, or (3) from an institution of higher education as defined by the Higher Education Act of 1965.

**Excluded from such anticipated income are:**

- (a) casual, sporadic or irregular gifts;
- (b) amounts which are specifically for or in reimbursement of medical expenses;
- (c) lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and workmen's compensation), capital gains and settlement for personal or property losses;
- (d) amounts of student financial assistance paid directly to the student or the educational institution for tuition, and amounts paid by the government to a veteran for use in meeting the costs of tuition, fees, books and equipment. Any amounts of student financial assistance not

used for the above purposes are to be included in income. Loans are not are not included in the term "student financial assistance" in determining income.

- (e) special pay to a household member who is away from home and exposed to hostile fire;
- (f) relocation payments under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;
- (g) foster child care payments;
- (h) the value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1977;
- (i) payments to volunteers under the Domestic Volunteer Service Act of 1973;
- (j) payments received under the Alaska Native Claims Settlement Act;
- (k) income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes;
- (l) payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program;
- (m) payments received from the Job Training Partnership Act;
- (n) income derived from the disposition of funds of the Grand River Band of Ottawa Indians; and
- (o) the first \$2,000.00 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the Court of Claims.

**Do the household members contributing income have:**

(a) savings, stocks, bonds, equity in real property or other form of capital investment (excluding the values of necessary items of personal property such as furniture and automobiles and interests in Indian trust land); or

No\_\_\_\_\_ Yes\_\_\_\_\_

(b) have they disposed of any assets (other than at a foreclosure or Credit Bankruptcy sale) during the last two years at less than fair market value?

No\_\_\_\_\_ Yes\_\_\_\_\_

(c) If the answer to (a) or (b) above is yes, does the combined total value of all such assets owned or disposed of by all such persons total more than \$5,000?

No\_\_\_\_\_ Yes\_\_\_\_\_

(d) If the answer to (c) above is yes, state:

(1) the amount of income expected to be derived from such assets in the 12-month period beginning on the date of initial occupancy in the unit that you propose to rent:  
\$ \_\_\_\_\_

(2) the amount of such income, if any, that was included in the total anticipated income listed above: \$ \_\_\_\_\_

Are all of the individuals who propose to reside in the unit full-time students\*?

No \_\_\_\_\_ Yes \_\_\_\_\_

(a) \*A full-time student is an individual enrolled as a full-time student during each of 5 calendar months during the calendar year in which occupancy of the unit begins at an educational organization which normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of students in attendance and is not an individual pursuing a full-time course of institutional or farm training under the supervision of an accredited agent of such an educational organization or of a state or political subdivision thereof.

(b) If all of the individuals who propose to reside in the unit are full-time students, does at least one (1) member meet one of the following criteria and is able to provide verification [required documentation listed below]:

No \_\_\_\_\_ Yes \_\_\_\_\_ Household member(s) receiving assistance under the Title IV of Social Security Act (AFDC/TANF) [Provide DHA Award letter];

No \_\_\_\_\_ Yes \_\_\_\_\_ Household member(s) that were formerly in the foster care system [Provide verification of former foster care enrollment];

No \_\_\_\_\_ Yes \_\_\_\_\_ Household member(s) currently enrolled in a job training program receiving assistance through the Job Training Participation Act (JTPA) [Provide verification of enrollment to a job training program];

No \_\_\_\_\_ Yes \_\_\_\_\_ Single Parent (parent and child[ren] not dependents of another individual). [Provide a signed copy of the most recent filed tax return]; or

No \_\_\_\_\_ Yes \_\_\_\_\_ Married and filed a joint tax return [Provide a signed copy of the most recent filed tax return].

Neither myself nor any other occupant of the unit I/we propose to rent is the owner of the rental housing project in which the unit is located (hereinafter the "Borrower"), has any family relationship to the Borrower; or owns directly or indirectly any interest in the Borrower. For purposes of this paragraph, indirect ownership by an individual shall mean ownership by a family member, ownership by a corporation, partnership, estate or trust in proportion to the ownership or beneficial interest in such corporation,

partnership, estate or trustee held by the individual or a family member; and ownership, direct or indirect, by a partner of the individual.

This certificate is made with the knowledge that it will be relied upon by the Borrower to determine maximum income for eligibility to occupy the unit, and I/we declare that all information set forth herein is true, correct and complete and based upon information I/we deem reliable and that the statement of total anticipated income is reasonable and based upon such investigation as the undersigned deemed necessary.

I/we will assist the Borrower in obtaining any information or documents required to verify the statements made herein, including either an income verification from my/our present employer(s) or copies of federal tax returns for the immediately preceding calendar year.

I/we acknowledge that I/we have been advised that the making of any misrepresentation or misstatement in this declaration will constitute a material breach of my/our agreement with the Borrower to lease the unit and will entitle the Borrower to prevent or terminate my/our occupancy of the unit by institution of an action for ejection or other appropriate proceedings.

Housing Issuer Statistical Information (Optional - will be used for statistical reporting purposes only)

Race/Ethnicity (Head of Household)

- |  |                                |
|--|--------------------------------|
| 1) ___ White Non-Hispanic/Latino       | 7) ___ Asian & White           |
| 2) ___ Black/ African American         | 8) ___ Black & White           |
| 3) ___ Asian                           | 9) ___ American Indian & Black |
| 4) ___ American Indian/ Alaska Native  | 10) ___ Other Multi-Racial     |
| 5) ___ Hawaiian/Other Pacific Islander | 11) ___ Hispanic/Latino        |
| 6) ___ American Indian & White         |                                |

Head of Household Category

- 1) \_\_\_ Single/Non-elderly
- 2) \_\_\_ Elderly
- 3) \_\_\_ Related/Single Parent
- 4) \_\_\_ Related/Two Parent
- 5) \_\_\_ Other

Physical Disability: No \_\_\_\_\_ Yes \_\_\_\_\_

I/we declare under penalty of perjury that the foregoing is true and correct.

Executed on this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_ in the County of \_\_\_\_\_.

Signature of Applicants: \_\_\_\_\_  
\_\_\_\_\_

**For Owner/Management Use Only**

Head of Household Name: \_\_\_\_\_ Resident Unit No.: \_\_\_\_\_

**I. Income Eligibility and Rent**

**Amount**

Total Annual Household Income from all sources	\$
Gross Monthly Rent Amount (tenant rent + utility allowance, if applicable = gross rent)	\$
Rent Subsidy (if applicable)	\$
Net Rent Amount (gross rent - utility allowance - rent subsidy = net rent)	\$

**II. Program Qualification (mark one box):**

Very Very-Low (0 – 30%)     Very-Low (31 – 50%)     Low (51 – 80%)     Moderate Income (81 – 120%)

**III. Method(s) of Verification (mark all that apply):**

1) <input type="checkbox"/> Employment	8) <input type="checkbox"/> General Aide	15) <input type="checkbox"/> Unemployment Benefits
2) <input type="checkbox"/> Self-Employment/Independent Contractor	9) <input type="checkbox"/> Social Security Benefits	16) <input type="checkbox"/> State Disability Insurance
3) <input type="checkbox"/> Own Business	10) <input type="checkbox"/> Supplemental Social Security	17) <input type="checkbox"/> Child Support
4) <input type="checkbox"/> Self-Employment (Tax Exempt)	11) <input type="checkbox"/> Pension	18) <input type="checkbox"/> Alimony
5) <input type="checkbox"/> AFDC/TANF	12) <input type="checkbox"/> Veterans Benefits	19) <input type="checkbox"/> Student Financial Assist.
6) <input type="checkbox"/> CalWORKS	13) <input type="checkbox"/> Gift (Recurring)	20) <input type="checkbox"/> No Income Certification
7) <input type="checkbox"/> Other Public Assistance	14) <input type="checkbox"/> Asset(s)	21) <input type="checkbox"/> Other Non-wage Income

**IV. Owner/Management Certification:**

I hereby verify that the information recorded on this document is accurate and in accordance with the income verification provisions of the Sacramento Housing and Redevelopment Agency’s regulatory program requirements. All information herein has been recorded according to the program requirements and placed in the tenant files onsite.

\_\_\_\_\_  
Signature of Owner/Management                      Print Name                      Date

**WARNING:** Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.



*Multifamily Bond Compliance Report*

<i>Project</i>	<i>Units</i>	<i>Occpd</i>	<i>Vacant</i>		<i>Low or Mod</i>		<i>Very Low</i>		<i>Res</i>		<i>Total</i>		<i>Status:</i>
			<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>	
1801 L STRE	176	159	17	10%		0%	36	20%	2	1%	38	22%	
ACACIA ME	140	138	2	1%		0%	29	21%	0	0%	29	21%	
Antelope Ran	116	112	4	3%		0%	23	20%		0%	23	20%	
ARLINGTON	148	147	1	1%		0%	29	20%	1	1%	30	20%	
ASHFORD H	300	192	108	36%		0%	50	17%	10	3%	60	20%	
Ashford Park	279	269	10	4%	3	1%	51	18%	6	2%	60	22%	
Atrium Court	224	63	161	72%		0%	43	19%	3	1%	46	21%	
AZURE P AR	220	212	8	4%		0%	44	20%	1	0%	45	20%	
BENT TREE	208	194	14	7%	4	2%	40	19%	3	1%	47	23%	
BROCKFOR	58	51	7	12%		0%	12	21%	1	2%	13	22%	
CALIFORNIA	211	191	20	9%		0%	50	24%	4	2%	54	26%	Incorred Report
CAMPUS GA	126	125	1	1%		0%	34	27%		0%	34	27%	
CARLTON P	129	89	40	31%		0%	24	19%	2	2%	26	20%	
CHE SAPEAK	600	548	52	9%		0%	176	29%	13	2%	189	32%	
CLOVER RID	96	96	0	0%		0%	19	20%		0%	19	20%	
COTTAGE E	152	148	4	3%		0%	31	20%	1	1%	32	21%	
COUNTRYVW	292	292	0	0%		0%	59	20%	2	1%	61	21%	
CREEKSIDE	296	296	0	0%		0%	62	21%	1	0%	63	21%	
FAIR OAKS	44	43	1	2%		0%	9	20%		0%	9	20%	
FLORIN MEA	244	244	0	0%		0%	49	20%	2	1%	51	21%	
FREMONT M	119	114	5	4%		0%	22	18%	2	2%	24	20%	
GREENBRIA	138	138	0	0%		0%	30	22%		0%	30	22%	
GREENFAIR	385	385	0	0%		0%	383	99%	4	1%	387	101%	
HALLMARK	100	100	0	0%		0%	22	22%	3	3%	25	25%	
HASTINGS P	242	233	9	4%	1	0%	48	20%		0%	49	20%	
HIDDEN OA	315	295	20	6%	1	0%	58	18%	4	1%	63	20%	

<i>Project</i>	<i>Units</i>	<i>Occpd</i>	<i>Vacant</i>		<i>Low or Mod</i>		<i>Very Low</i>		<i>Res</i>		<i>Total</i>		<i>Status:</i>
			<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>	
LOGAN PAR	661	537	124	19%	15	2%	120	18%	2	0%	137	21%	
MARCONI WV	45	45	0	0%		0%	9	20%	1	2%	10	22%	
NATOMAS P	212	201	11	5%		0%	38	18%	4	2%	42	20%	
NORMANDY	116	116	0	0%	1	1%	23	20%	1	1%	25	22%	
NORTHLAN	144	114	30	21%		0%	27	19%	2	1%	29	20%	In lease-up
NORTHPOIN	180	163	17	9%		0%	32	18%	4	2%	36	20%	
OAK CREEK	352	352	0	0%		0%	7	2%	54	15%	61	17%	In recertification
OAK CREEK	284	258	26	9%	1	0%	57	20%	11	4%	69	24%	
OAK VALLE	141	108	33	23%		0%	26	18%	1	1%	27	19%	
OAKS	548	520	28	5%	37	7%	92	17%	16	3%	145	26%	
PHOENIX PA	182	71	111	61%		0%	36	20%	2	1%	38	21%	
PING YUEN	82	71	11	13%		0%	17	21%	1	1%	18	22%	
PLUMWOOD	52	49	3	6%		0%	10	19%	2	4%	12	23%	
POINT NATO	338	312	26	8%		0%	32	9%	43	13%	75	22%	Incorrect Report
RANCHO CO	95	95	0	0%		0%	21	22%	1	1%	22	23%	
RIVER POIN	356	346	10	3%	6	2%	51	14%	4	1%	61	17%	In recertification
RIVER POIN	356	345	11	3%	7	2%	44	12%	13	4%	64	18%	In recertification
RIVER TERR	346	323	23	7%	9	3%	52	15%	8	2%	69	20%	
ROSSWOOD	96	94	2	2%		0%	19	20%		0%	19	20%	
SHADOWOO	301	296	5	2%		0%	60	20%	1	0%	61	20%	
SHENANDO	100	73	27	27%		0%	20	20%		0%	20	20%	Under lease-up.
SIENNA VIS	293	258	35	12%		0%	57	19%	8	3%	65	22%	
SIERRA CRE	144	144	0	0%		0%	29	20%		0%	29	20%	
SIERRA SUN	119	118	1	1%		0%	25	21%	2	2%	27	23%	
SILVERADO	168	168	0	0%		0%	33	20%	2	1%	35	21%	
SKY PARKW	58	58	0	0%		0%	12	21%	1	2%	13	22%	
SMOKE TRE	520	470	50	10%	45	9%	57	11%	11	2%	113	22%	
SOUTHWIN	88	84	4	5%		0%	14	16%	3	3%	17	19%	
SPRING CR	268	268	0	0%		0%	15	6%	4	1%	19	7%	Bonds Paid-off

<i>Project</i>	<i>Units</i>	<i>Occpd</i>	<i>Vacant</i>		<i>Low or Mod</i>		<i>Very Low</i>		<i>Res</i>		<i>Total</i>		<i>Status:</i>
			<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>	
ST ANTON B	65	65	0	0%		0%	13	20%		0%	13	20%	
STONEBRID	246	240	6	2%	1	0%	56	23%		0%	57	23%	
SUMMERWV	64	63	1	2%		0%	13	20%		0%	13	20%	
SUN VALLE	128	120	8	6%		0%	23	18%	4	3%	27	21%	
SUNNYSLO	32	32	0	0%		0%	8	25%	1	3%	9	28%	
SUTTER CO	20	18	2	10%		0%	4	20%	1	5%	5	25%	
TERRACINA	120	112	8	7%		0%	21	18%	3	2%	24	20%	
TERRACINA	144	138	6	4%		0%	29	20%	3	2%	32	22%	
THE VILLAS	199	173	26	13%		0%	35	18%	4	2%	39	20%	
THE CASCA	112	102	10	9%		0%	21	19%	3	3%	24	21%	
THE GREEN	23	22	1	4%	3	13%	3	13%	1	4%	7	30%	
The Legacy (	190	186	4	2%		0%	35	18%	3	2%	38	20%	
THE LOFTS	188	135	53	28%		0%	36	19%	1	1%	37	20%	
THE SEASO	384	379	5	1%		0%	60	16%	3	1%	63	16%	In recertification
VERANDAS	180	179	1	1%		0%	52	29%	2	1%	54	30%	
VINTAGE WI	184	130	54	29%		0%	38	21%	1	1%	39	21%	
VNTAGE W	185	185	0	0%		0%	36	19%	1	1%	37	20%	
WATERCRE	206	196	10	5%		0%	46	22%	5	2%	51	25%	
WESTMEW	128	123	5	4%		0%	25	20%	6	5%	31	24%	In Lease-up
WILLOW POI	210	206	4	2%		0%	40	19%	2	1%	42	20%	
WILLOW TR	106	106	0	0%		0%	20	19%	1	1%	21	20%	
WOODBRI	301	293	8	3%	3	1%	42	14%	5	2%	50	17%	In recertification
<b><i>Projects</i></b>	<b><i>Units</i></b>	<b><i>Occpd</i></b>	<b><i>Vacant</i></b>		<b><i>Mod</i></b>		<b><i>Low</i></b>		<b><i>Res</i></b>		<b><i>Total</i></b>		
77	15418	14134	1284	8.33%	137	0.89%	3124	20.26%	317	2.06%	3578	23.21%	

MULTIFAMILY REVENUE BOND PROGRAM

ADDENDUM TO APARTMENT LEASE AGREEMENT

The resident warrants that any information regarding household members, income, assets, etc. provided by the resident for purpose of the Owner/Property Manager's compliance with federal, state, county, and/or city regulations is true to the best of resident's knowledge.

If at any time during the resident's occupancy of the leased premises, the Owner/Property Manager is required by law to obtain additional information from the resident, the resident agrees to cooperate fully with the Owner/Property Manager and provide all such information to the Owner/Property Manager.

In the event of any misrepresentation of fact or refusal to cooperate by the resident, the Owner/Property Manager may, in addition to all other remedies available to the Owner/Property Manager, treat any misrepresentation as a lease violation.

Executed on \_\_\_\_\_, 20\_\_\_\_ at \_\_\_\_\_ Apartments, in the County of Sacramento.

Resident Signatures (all household members age 18 and over must sign)

\_\_\_\_\_  
\_\_\_\_\_

Owner/Property Manager

\_\_\_\_\_