

Understanding Low Income Housing Tax Credit Oakwood Senior Estates

So, you've applied for a Low Income Housing Tax Credit Apartment.....

We would like to help you better understand the process we must take to determine your eligibility.

The Low Income Housing Tax Credit Program is an affordable housing program for individuals and families on fixed or lower incomes. The Program was created by Congress in 1986 as part of the Tax Reform Act and is administered by the Internal Revenue Service (IRS).

BENEFITS TO YOU:

The benefit to Residents living in such housing is a newly constructed or substantially rehabbed apartment home with rents lower than the market rate. The rents are 30% of the area median income as published by HUD, often resulting in rents substantially lower than other comparable apartments. Each year the rents will be reviewed to ensure they remain at 30% of the area median income.

INCENTIVES TO OWNERS:

Owners are offered a reduction in their tax liability in exchange for offering quality housing at these fixed rents. To receive this reduction, the Owners must certify the Residents are qualified under the Program requirements and are paying the correct amount of rent.

DIFFERENCE FROM OTHER HOUSING PROGRAMS:

This program is not a subsidized housing program. Each resident is responsible for the full amount of rent each month. The rental amount is NOT based on your individual household income, rather the pre-set income limits in the area. It is also important to note that some apartment homes in the building may not be part of this program. The rent of these apartments will often be higher.

DETERMINING YOUR ELIGIBILITY

To find out if you are eligible for the Low Income Housing Tax Credit Program, management must determine if you:

1. Are income eligible
2. Meet the Other Program Requirements
3. Meet their Resident Selection Criteria

If it is determined that you meet all Program requirements and management's Resident Selection Criteria, you will be qualified for the Low-Income Housing Tax Credit apartment.

To be income eligible, your Total Household Income, including income from your assets, must be less than or equal to the pre-set income limit for the area. For management to make this determination they will need to conduct the following:

1. An interview with you and the other adult members of your household (if any) to determine all income and asset sources.
2. Verify all income and assets through the appropriate source. It will be your responsibility to assist management with this step and to provide all the necessary information to expedite this process. (Give names and addresses of all sources, etc.)
3. Calculate your Total Household Income using the information provided by your income and asset sources.

If your Total Household Income using the information is less or equal to the pre-set area income limit, your household is **INCOME ELIGIBLE**.

The other program requirements are often specific to the apartment complex and even the apartment you are applying to move into. Some apartment complexes or individual apartments may be designed for certain population groups such as older adults. Discuss these other requirements with the management staff.

Program Requirements for Oakwood Senior Estates: Age 55 or better
Income Eligibility: See Attached