

About this property

This property is part of the Low-Income Housing Tax Credit (LIHTC) program, a federal program that is used to create rental units that are affordable to people with low and moderate incomes.

The LIHTC program is NOT the same as Public Housing or a Housing Choice Voucher (or Section 8). The rent is NOT directly based on a percentage of your household's income. As such, it has unique considerations you should consider before applying.

Qualifying for an apartment

Apartments in the LIHTC program may have rents that are affordable to households at different income levels. To qualify for a given unit, you will need to have income under a certain amount.

- **Income Qualifications:** The LIHTC program requires the property to rent a minimum number of units to low-income individuals. Each unit has a pre-established income limit, most typically 30%, 40%, 50% or 60% area median income (AMI). To qualify, the combined incomes of all the people in your household must be below the applicable income limit for that unit.

Applicants and program participants are required to disclose all household income and assets when applying, and annually thereafter to determine program eligibility. Generally, once you've been determined income eligible, you will remain eligible under the LIHTC program even if your income increases.

- **Full-Time Students:** Federal regulations do not allow households that include ONLY full-time students to rent tax credit units (unless they meet one of five exceptions). A "Full-time Student" is someone who attends an educational institution for at least five months during a calendar year. Full-time students CAN live in tax credit housing if they are part of an otherwise qualified household.

The rent amount at this property

Tenant rent varies depending on the unit designations and income set-asides for a particular unit.

- **Rent Structure:** The amount of rent charged in the LIHTC program is not based on a tenant's actual income. Instead, the rent amount is restricted based on the income limit established for the unit. The income and rent limits are updated annually by the U.S. Department of Housing and Urban Development. For example, if your income qualifies you for a unit at 50% of AMI and you move into a 50% AMI unit, your landlord will charge you a rent up to 50% of AMI. However, if the property has already rented all of its 50% AMI units, you may be offered a unit with a higher income limit, for example 60%. The rent limit for this unit is also higher. It will take a larger bite out of your monthly budget to live in this unit, so you should consider your finances carefully before you move in.
- **Rent Increases:** Unlike the Public Housing and the Housing Choice Voucher (Section 8) program, your rent will not automatically change if your income goes up or down. This also means your rent may be increased each year, even if your income does not.
- **Vouchers:** If you have a Housing Choice Voucher (HCV or Section 8), the LIHTC program rent limit does not apply to your contract rent. Your portion is calculated by the Bellingham & Whatcom County Housing

Authorities. If you no longer receive HCV assistance, you can be charged up to the tax credit rent limit for your unit.

- **Paying for Your Own Utilities:** The apartment you are renting does not include all utilities. The landlord will subtract an estimated utility cost from the maximum LIHTC rent. This amount is called a utility allowance. Utility Allowances vary per property depending on what utilities the tenants must pay themselves, as well as how energy efficient the building is. Telephone, cable and internet are not included in the utility allowance.

In a tax credit unit, you must pay utility bills in addition to paying rent. The utility allowance is just an estimate. The landlord will not give the tenant a refund or rent reduction if actual utility costs are higher, so you should be aware of their utility usage. If tenants keep the inside temperature higher than usual or if it's a particularly cold winter, the heating bill may make the combined rent and utility costs higher than the LIHTC program maximum. The household would still be responsible for paying the full rent as well as the high utility bill.