

CONNECTICUT COMPLIANCE MANUAL

TABLE OF CONTENTS

1. Introduction to Manual

- 1-1. The Low-Income Housing Tax Credit**
- 1-2. Purpose of the Manual**
- 1-3. Credit Period**
- 1-4. Compliance Period**
- 1-5. Six Tax Credit Regulation Periods**

2. Compliance Issues

- 2-1. General Compliance**
 - A. Allocation Year
 - B. Compliance by Building
 - C. Placed-in-Service Date
 - D. Eligible Basis
 - E. Initial Credit Period
 - F. Minimum Set-Aside
 - G. Qualified LIHTC Unit
 - H. Recordkeeping Requirements

- 2-2. Minimum Set-Aside Election**
- 2-3. Income Limits**
- 2-4. Qualified Basis & Low Income Occupancy**
- 2-5. Maximum Gross Rent**
 - A. 1987-89 Projects
 - B. 1990 + Projects
 - C. Option to Change Pre-1990 Rent Formula
 - D. Rent Subsidies
 - E. Section 8 Rent
 - F. Rural Development Overage

- 2-6. Utility Allowances**
- 2-7. Additional LIHTC Regulations**
 - A. Vacant Unit Rule
 - B. Deep Income Targets
 - C. Available Unit Rule / 140% Rule
 - D. Relocating Existing Tenants
 - E. Staff Units
 - F. Non-transient Occupancy
 - G. General Public / Fair Housing
 - H. Students

- I. Section 8 Certificates / Vouchers
- J. Suitability of a Unit

3. Determining Tenant Eligibility

- 3-1. Overview**
- 3-2. Household Size and Income Limits**
- 3-3. Gross Annual Income**
- 3-4. Assets**
- 3-5. Tenant Application Procedure**
- 3-6. Tenant Income Verification**
- 3-7. Tenant Income Certification**
- 3-8. Lease**
- 3-9. Recertification**
- 3-10. Qualifying Section 8 Tenants**

4. Recordkeeping

- 4-1. LIHTC Recordkeeping**
- 4-2. LIHTC Record Retention**

5. Noncompliance

- 5-1. Types of Noncompliance**
- 5-2. Recapture of Tax Credits**
- 5-3. Liability**

6. Forms

- A. Required Forms for Tenant Certification**
- B. Annual Year-End Forms**
- C. Recommended Forms for Tenant Certification**

7. Compliance Monitoring

- 7-1. Fulfilling Compliance Obligations**
- 7-2. Physical Inspections of Units**
- 7-3. Owner Responsibility After the 15th Year**
- 7-4. Additional Review Policy**

8. General Explanation of the Tax Reform Act of 1986 – Blue Book

9. IRC Section 42

10. IRS Forms 8609 and Schedule A with Instructions

11. Rev. Proc. 2003-82 Safe Harbor

- Effective 01/01/2004

12. IRS Revenue Ruling 90-89 (Minimum Set-Aside Requirements)

- 13. IRS Revenue Ruling 92-61 (Treatment of Resident Manager’s Unit)**
- 14. IRS Revenue Ruling 94-57 (Changes in Medium Gross Income)**
- 15. IRS Revenue Procedure 94-57 (Gross Rent Floor)**
- 16. IRS Revenue Procedure 94-64 (Waiver of Annual Income Recertification) NOT APPLICABLE**
- 17. IRS Revenue Procedure 94-65 (Documentation of Income from Assets)**
- 18. IRS Notice 88-80 (Income Determination)**
- 19. IRS Advance Notice 88-116 (Placement in Service)**
- 20. IRS Form 8586; IRS Form 8611; IRS Form 8823**
- 21. IRS 26 CFR Part 1 (Available Unit Rule)**
- 22. HUD 4350.3 REV-1 Appendix 3: Acceptable Forms of Verification**
- 23. HUD 4350.3 REV-1 Chapter 5: Determining Income and Calculating Rent**
 - A. Determining Annual Income**
 - B. Determining Adjusted Income**
 - C. Verification**
 - D. Calculating Tenant Rent**
- 24. HUD 4350.3 REV-1 Appendix 15: Verification and Consent—
Guidance and Sample Formats NOT APPLICABLE**
- 25. IRS Revenue Ruling 2004-82 (Q & A)**
 - A. Eligible Basis / Qualified Basis**
 - B. First Year Issues**
 - C. Extended Use Period**
 - D. HOME Program**
 - E. Vacant Unit Rule**

F. Recordkeeping
G. Tenant Income Documentation

- 26. Treasury Regulation 1.42-5 Compliance Monitoring**
- 27. December 2007 Student Exception Change (single parent rule)**