

New Summer Interns:

Nikita Luyken is a rising 3L attending Mitchell Hamline School of Law, with a Bachelor's degree in both the Sociology of Law, Criminology, and Deviance and Political Science. She works part-time as a law clerk in the Saint Paul City Attorney's Office, where she assists in providing and maintaining affordable housing to thousands of low-income families in programs administered by the Public Housing Agency of the City of Saint Paul. She also volunteers at Prepare + Prosper by helping low-income families file their income taxes.



Se Kwon will be a senior at the University of North Dakota in the fall. She will be receiving her Bachelor of Arts degree in Communication and hopes to further her education by receiving a Master's degree in Journalism or Broadcast Journalism. She stays busy on campus by being actively involved in Greek life, writing for the school newspaper, and interning with UND Athletics. Se is looking forward to learning more about how affordable housing benefits communities throughout the state of Minnesota.



Best of Luck, Sam!

Sam McCartney has worked on newsletters, training programs, and a variety of marketing initiatives since he joined us in June of last year. Sam graduated with a Bachelor of Arts degree in Journalism from the University of Minnesota in May, and is now working as a marketing designer at Entegris Inc., in Chaska, Minnesota. He looks forward to a long, successful career in public relations and advertising, and is grateful to AHC for the wealth of experiences it afforded him.



Congratulations Jennifer and Stephanie!



After attending 2 full days of training in Glen Allen, Virginia, Jennifer and Stephanie passed the Specialist in Housing Credit Management (SHCM) Certification Exam.

The exam covers four critical areas of the Low Income Housing Tax Credit program:

- Applicant Eligibility and Certification
- Documentation, Recordkeeping, Compliance Reporting and Monitoring
- Program Regulations
- Unit Eligibility

Passing the exam demonstrates Jennifer and Stephanie's expertise and knowledge of the complex requirements of the LIHTC program. The SHCM program is unprecedented as the only national certification program supported by three national trade associations (NAHMA, NAAEI and AAHSA) and their members. Kathleen Proctor, AHC's Senior Program Manager, also holds a SHCM Certification.

2019 HOME Income and Rent Limits

On June 5, 2019 AHC sent a memo to Owners and Managers of HOME Projects announcing the release of the 2019 Income and Rent Limits for HOME. The new limits are effective as of June 28, 2019. These limits, as well as past limits, are available on AHC's website

<https://www.ahcinc.net/homelimits.html>

Reminder: Post 2013 HOME Projects are subject to the new UA Rule and must use the utility allowance approved by the Participating Jurisdiction. HOME Projects not subject to the new UA Rule can continue using the utility allowances published by the local Housing Authority. Current and past utility allowances are available on AHC's website

<https://www.ahcinc.net/utilityallowances.html>

Utility Allowance Methodology

As you know from our May 2019 Newsletter, we have been working with Suballocators and Minnesota Housing to establish a protocol for reviewing owner requests to change the Utility Allowance methodology from the Utility Allowance published by the local PHA to other methods allowed by program regulations. At Suballocators' request, AHC will review such requests in a manner similar to that of Minnesota Housing. Suballocators have established a process for AHC to follow. An Owner Certification and Utility Allowance Information form (HTC-21, UA tab/s from CHART for projects reporting on CHART) must be completed and submitted with supporting documentation, including a copy of the notice to be sent to tenants notifying them of the change. Due to the significant additional staff time required to process such requests, a separate fee will be required for the review of submissions. A document summarizing the process, the required UA Owner Certification, and Utility Allowance Information forms are now posted on our website.

Please feel free to contact us with any questions.

HOME and Housing Support (formerly known as GRH)

Here is additional clarification regarding how the gross rent limit for HOME-assisted units applies when the same household also receives Housing Support (formerly known as Group Residential Housing). Housing Support (GRH) has been determined by HUD and by Section 42 low income housing tax credit (sub)allocators as a state or local equivalent of the Section 8 program.

Under Section 42 regulations, any amount of any type of housing assistance (project-based or tenant-based) that is similar to Section 8 will permit the gross rent limit for that unit to be exceeded. However, the type of housing assistance – **project-based versus tenant-based** – will determine whether the HOME Program gross rent limit may be exceeded for a unit. These different program rules can be confusing, especially since so many projects in Minnesota contain HOME-assisted Section 42 units. In any case, when subsidy sources are combined, the project must comply with BOTH the Section 42 and the HOME program rules; one does not supersede the other.

For HOME units – when the Housing Support is tenant-based, the Gross Rent MAY NOT exceed the appropriate HOME rent limit designated for the unit. When Housing Support is project-based, the HOME program gross rent limit may be exceeded for the unit when *all* the following conditions apply:

The unit is designated as a Low HOME rent unit; **and**

The unit is occupied by a very low-income household (at or below 50% AMI); **and**

The household does not pay more than 30% of its monthly adjusted income as a contribution towards rent; **and**

The household receiving both HOME and Housing Support must not be required to receive services as a condition of occupancy.

Please note that where any one of these conditions no longer apply, the unit's gross rent must not exceed the High HOME limit.

As previously determined by HUD, interpreting the applicability of Housing Support (GRH) under the HOME Rule, if a unit is both Housing Support and HOME subsidized and the person occupying the unit has an income, there should not be an inherent conflict between the two programs as long as the person is given the option of paying for/receiving services such as Board (food). If the person has no income, there would be no conflict with the HOME program. Minnesota Housing and AHC have interpreted the acceptance of Housing Support in a HOME-assisted unit as exercising choice in receipt of services as a condition of occupancy. To address this situation, we recommend that some language be included in the participant's lease stating that receipt of services (e.g., Board, etc.) is optional and that by accepting the Housing Support, the tenant has exercised this choice.

General Consent/Release Forms

AHC recently received correspondence from Minnesota Housing regarding General Consent or Release forms.

A management company had been working with their software provider to move to online applications. At the end of the process, the forms are printed for the household to sign.

While check stubs and benefit forms are used to verify income in most cases, it is helpful to have signed releases in the file in case follow up with third parties is necessary, and the software provided a general release form listing all sources of income that would be covered, instead of individual release/verification forms.

Minnesota Housing stated (and AHC agrees) that "a blanket release is not acceptable as it enables the owner/agent to obtain information that may not be necessary to determine eligibility. In addition, the verification release forms contain language specifically advising the tenant that they do not have to sign the form and that the requesting organization or the organization supplying information is left blank if the information obtained under their consent is limited to information that is no older than 12 months."

Congratulations to our summer intern, Nikita Luyken!

AHC received a notification from the Saint Paul PHA, reporting that our summer intern, Nikita Luyken, recently received a scholarship for her academic and leadership achievements. The following is the PHA's announcement:



On June 5, 2019, the Ramsey County Bar Foundation presented **Nikita Luyken** with a scholarship awarded for her academic and leadership achievements during a public ceremony held at the First National Bank Building in Saint Paul, Minnesota. Ms. Luyken currently attends the Mitchell Hamline School of Law as a full-time student with an anticipated graduation in May 2020. She works part-time as a law clerk in the Saint Paul City Attorney's Office, where she assists in providing and maintaining affordable housing to thousands of low-income families in programs administered by the St. Paul Public Housing Agency (PHA). She also volunteers at Prepare + Prosper by helping low-income families file their income taxes and at a non-profit Liberian organization by packaging containers of food and medical supplies for disadvantaged women and children.

Ms. Luyken brings a fresh voice to the classroom setting, something that her professors greatly value. As she fosters her perspective, Ms. Luyken has learned to develop and utilize this voice by speaking up and adding diverse experiences to class discussions. Her future service to the community promises to be robust.

As explained in her scholarship application, Ms. Luyken aspires "to contribute my time to diversity and inclusion in the legal profession for many years to come. As an African-American woman, not only would I be an example to all minorities that anything is possible if you work hard enough, but I would advocate for and encourage as many young people as I am able. I believe that all lawyers who are committed to excellence in the profession should embrace diversity, inclusion, and opportunity as guiding principles. This is my commitment as I pursue my dream of a legal career."



Photo from left to right: PHA Attorney John Stechmann, PHA Law Clerk Nikita Luyken, and PHA Attorney Meghan Kisch.

Congratulations to our new Program Manager, Jennifer Schenck!



We are pleased to announce that Jennifer Schenck, previously a Program Coordinator with AHC, has been promoted to HTC Program Manager. She will be responsible for day to day supervision and coordination of Tax Credit program compliance activities. Please contact her whenever you have questions about the Section 42 Tax Credit program.

Please forward this to anyone in your organization you believe would benefit

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400 Selby Avenue, Suite B | Saint Paul, MN 55102

651-222-8319 | ahc@ahcinc.net | www.ahcinc.net

