

S.M.A.R.T. Housing™
University Neighborhood Overlay
Guide to Income Determination, Rents, Compliance and Monitoring

Effective January 23, 2014

This purpose of this document is to provide an overview of S.M.A.R.T. Housing™ (SMART Housing™) Income Determination, Compliance and Monitoring for the properties located in the University Neighborhood Overlay (UNO) district in the West Campus area. Questions about the SMART Housing™ - UNO processes and procedures may be directed to Susan Kinel at 512-974-3110 or susan.kinel@austintexas.gov.

These guidelines will remain in effect until further notice.

A determination of eligibility is subject to the following constraints:

1. **Eligible Households:** Households are defined as the total number of residents that occupy a unit on an ongoing basis. Household annual income may not exceed the percent of the median family income (MFI) established in the UNO SMART Housing™ certification letter for your property. The MFI limits are determined and published annually by the United States Housing and Urban Development Department (HUD). This chart may also be obtained at: www.austintexas.gov/housing. Property owners and managers may rely on the current MFI chart until HUD publishes a new chart (around December) at which time maximum income limits may be adjusted.

When pre-leasing for future semesters, eligibility will be determined based on the most current documentation in hand at the time the lease is signed.

2. **Documentation and Verification of Income for Rental Housing:** It is the responsibility of the property owner or manager to collect and maintain the documentation necessary to determine income eligibility of the proposed resident. Use of the Income Determination Forms is required. All sources of regular continuing income for all adult household members must be documented.

A. Acceptable sources of documentation of employment income include:

- i. Three most immediate past paycheck stubs from within the last ninety (90) days;
- ii. Affidavit of Income from Employment (Form D) will be used if a resident will be a new employee who will then be required to follow up with the next three paycheck stubs; or
- iii. Previous year's W-2(s) (if less than six (6) months old), a signed copy of the income tax return or IRS transcript for each adult household member along with the "Affidavit of Unemployment" if the potential resident has been unemployed since filing.

B. Additional documentation may be needed to verify other income sources, if applicable:

- i. Award letters for Social Security Income (SSI), Social Security Disability Income (SSDI) or similar periodic payments;
 - ii. Statements for pension, retirement and/or investment distribution(s);
 - iii. Proof that alimony or child support payments are being received;
 - iv. Profit and Loss Statement for the immediate previous quarter, indicating net income from self-employment; and/or
 - v. Bank statements, if required to determine eligibility.
- C. Parental support may not exceed thirty percent (30%) of total income. Completion of the "Affidavit of Parental Support" (Form C) is required.
- D. Acceptable documentation for student income include:
 - i. Complete "Student Financial Aid Statement" (Form B) and attach financial aid award letter(s) indicating which loans/grants were accepted; and
 - ii. Any combination of the previously referenced acceptable forms of documentation (Sections 3A, 3B or 3C).
- E. Financial Aid
 - i. **Students who have been awarded one of the types of need-based financial aid automatically qualify for a SMART Housing™ - UNO unit. Documentation of the award must support this determination. This list is updated annually.**
 - ii. Tuition-related payments must be reported, but will not be counted as student income.
- 3. **Calculating Income:** Income is determined by the Gross Annual Income and is calculated using the full amount of income, before any payroll deductions, from all sources.

Income amounts indicated by documentation should be multiplied by the appropriate factor to determine gross annual income (e.g. hourly wage x 2080, weekly wages x 52, or bi-weekly wage x 26).

In the event that a specific wage is not available, income may be determined by averaging the gross income indicated on each paycheck stub (e.g. 3 paycheck stubs total divided by 3) and then multiplying by the appropriate factor (weekly, bi-weekly, monthly, etc.)
- 4. **Rent Limits:**
 - A. Projects permitted prior to January 23, 2014, may charge the following maximum rents using the per UNIT rental method:

Limits currently in effect:

Median Family Income	1 Person Household	2 Person Household	3 Person Household	4 Person Household
80%	\$41,000	\$46,850	\$52,700	\$58,550
Max Monthly UNIT Rent	\$957.00	\$ 1,134.00	\$ 1,275.17	\$ 1,416.33

For residents who are automatically qualified by an award of a need-based financial aid source (refer to “Need-Based Financial Aid Awards List”).

Maximum monthly rents are based on the expected number of occupants for a given unit. Rents are based upon twenty-eight percent (28%) of the income limits for 80% MFI by household size.

- B. Projects permitted January 23, 2014 and thereafter, are subject to the following maximum rents per bedroom/unit under the “by the bed” rental method:

Single Occupancy Maximum Rent for Eligible Tenant at 60% MFI	Single Occupancy Maximum Rent for Eligible Tenant at 50% MFI	Double Occupancy Maximum Rent for Eligible Tenant at 60% MFI	Double Occupancy Maximum Rent for Eligible Tenant at 50% MFI
Maximum rent - Low HOME Rent Limit for a one bedroom:	Maximum rent - 40% MFI HOME Rent Limit for an efficiency	Maximum rent - double occupancy is calculated by multiplying the single occupancy maximum rent by 55%: \$712.00 * 55% = \$391.60	Maximum rent - double occupancy is calculated by multiplying the single occupancy maximum rent by 55%: \$513.00 * 55% = \$282.15
\$712.00 per bedroom or unit	\$513.00 per bedroom or unit	\$392.00 per resident per bedroom or unit	\$282.00 per resident per bedroom or unit

- C. Projects permitted prior to January 23, 2014 have the ability to “opt-in” to the “by the bed” rental method by providing a written request signed by the owner to the NHCD Compliance and Monitoring Division. Projects will be subject to the same rents established by ordinance as cited above in 4 (B).

Single Occupancy Maximum Rent for Eligible Tenant at 60% MFI	Single Occupancy Maximum Rent for Eligible Tenant at 50% MFI	Double Occupancy Maximum Rent for Eligible Tenant at 60% MFI	Double Occupancy Maximum Rent for Eligible Tenant at 50% MFI
Maximum rent - Low HOME Rent Limit for a one bedroom:	Maximum rent - 40% MFI HOME Rent Limit for an efficiency	Maximum rent - double occupancy is calculated by multiplying the single occupancy maximum rent by 55%: \$712.00 * 55% = \$391.60	Maximum rent - double occupancy is calculated by multiplying the single occupancy maximum rent by 55%: \$513.00 * 55% = \$292.60
\$712.00 per bedroom or unit	\$513.00 per bedroom or unit	\$392.00 per resident per bedroom or unit	\$293.00 per resident per bedroom or unit

5. **Recertification:** Recertification of household income eligibility is required at least annually or upon execution of a lease renewal, if less than a one year lease. A property owner or manager may choose to recertify at the time of lease renewal or on the same date for all eligible residents annually. Residents must complete new SMART Housing™ - UNO Income Verification Worksheet for recertification.
6. **On-going Qualified Unit and Resident:** A unit or bedroom occupied by an eligible resident will continue to be counted as occupied by a qualified resident until it is determined that the unit or bedroom annual income exceeds 140 percent (140%) of the current applicable MFI limit. If, upon annual recertification, the unit or bedroom income is determined to exceed 140% of the applicable MFI limit, the unit or bedroom is no longer considered a qualified SMART Housing™ - UNO unit or bedroom and the owner must make the next unit or bedroom available to be occupied by another income-eligible household.
7. **Monitoring:** Once a property has achieved 98 percent (98%) occupancy of the agreed to number of affordable units or bedrooms, the project will be monitored at least annually after the initial lease-up period, to ensure continuing compliance with SMART Housing™ - UNO requirements. **NHCD reserves the right to examine all income eligibility records and reserves the right to request additional, supplemental documentation to determine eligibility.**
8. **Term:** Fifteen (15) years from the date the final certificate of occupancy is issued. Developments found out of compliance for one or more years will be required to provide the additional period of affordability at the end of the term.