Low Income Housing Tax Credit (LIHTC) rental units managed by APCHA

- The Low Income Housing Tax Credit (LIHTC) program was created by Congress in 1986 as part of the Federal Tax Reform Act. Its purpose is to encourage the construction and rehabilitation of low-income rental housing by providing a federal income tax credit as an incentive to investors.
- The Low Income Housing Tax Credit is a dollar-for-dollar reduction in tax liability to the owner for the construction or acquisition/rehabilitation of a qualified low-income rental housing development.
- The United States Department of Treasury is responsible for the administration of the program nationwide. Each state is required to designate a “housing credit agency” to allocate the credits. The State of Colorado has designated Colorado Housing and Finance Authority (CHFA) to allocate tax credits and monitor compliance.
- CHFA monitors multifamily projects that receive state LIHTC for compliance according to the rules and policies of the federal LIHTC program.
- CHFA publishes income and rent limit tables annually based on the income limits issued by HUD. This information is released each year, typically in the first quarter.
- APCHA-managed housing inventory consists of 127 Low Income Tax Credit Units (40 units at Aspen Country Inn and 87 at Truscott Phase II).
- In addition to meeting APCHA basic eligibility requirements (work full time in Pitkin County, use the APCHA unit as a primary residence and own no developed residential property within the Ownership Exclusion Zone (OEZ), Tax Credit unit applicants must submit a qualification application packet and supporting documents needed to verify household size, income, assets, and other necessary information.
- Annual income is the gross income a family anticipates it will receive in the 12-month period following the date the household takes possession of the unit. Annual household income at move-in must not exceed the applicable income limits designated for the household’s family size published by CHFA.
- Assets are items of value other than necessary personal property that can be turned into cash. Examples include savings and checking accounts, revocable trusts, stocks, bonds, CDs, money market accounts, IRAs, other retirement accounts, real estate, and pension funds.
- CHFA requires full third-party documentation of both income and assets.
- Employment income verification must be received from the employer. Forms must not be hand carried by the resident to or from the employer.
- Bank accounts must be verified directly with financial institutions.
- Management must recertify the income, assets, and gross rent of households in all tax credit units each year to ensure that they comply and are able to continue living in the unit. The annual recertification process may be started up to 120 days prior to the due date.