

FAQS FOR RESIDENTS OF TAX CREDIT RENTAL PROPERTIES IN WASHINGTON STATE

Q. How is my rent calculated?

A. Your rent is based on the income limit of your unit and on the number of bedrooms it has. Your rent is not based on a percentage of your income, as in other housing programs.

A unit's **income limit** is based on a percentage of the median income for your county. The income limit can be 30%, 35%, 40%, 45%, 50% or 60% of the median income. This percentage of median income is the "set-aside percentage" in the chart below.

In order to qualify for a unit, your income must be under the limit for your family size. For example, if the apartment has a set-aside percentage of 30% of median income and you have two people in your family, your household income cannot be more than \$26,580 a year when you move in.

KING COUNTY INCOME LIMITS AS OF APRIL 2019:

Set-aside Percentage	1-person	2-person	3-person	4-person	5-person	6-person	7-person	8-person
30%	23250	26580	29910	33210	35880	38550	41190	43860
35%	27125	31010	34895	38745	41860	44975	48055	51170
40%	31000	35440	39880	44280	47840	51400	54920	58480
45%	34875	39870	44865	49815	53820	57825	61785	65790
50%	38750	44300	49850	55350	59800	64250	68650	73100
60%	46500	53160	59820	66420	71760	77100	82380	87720

A unit's **rent limit** is based on the number of bedrooms. For example, below are the current rent limits (effective 4/24/2019) for King County tax-credit properties. You can see that if the apartment has an income limit (set-aside percentage) of 30% and has one bedroom, the rent cannot be more than \$622.

KING COUNTY RENT LIMITS AS OF APRIL 2019:

Set-aside Percentage	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom	5-Bedroom
30%	581	622	747	863	963	1063
35%	678	726	872	1007	1124	1240
40%	775	830	997	1151	1285	1417
45%	871	934	1121	1295	1445	1594
50%	968	1038	1246	1439	1606	1771
60%	1162	1245	1495	1727	1927	2126

If your income qualifies you for a unit at, for example, 30% and you move in to a 30% unit, then your landlord will charge you up to the 30% rent.

However, if the property has already rented all its 30% units, you may be offered a unit with a higher income limit—say, 50%. The rent limit for this unit is also higher, so you should consider carefully before you move in whether you can afford the higher rent.

Q. Where do I find tax credit income and rent limits are for the property I want to move to?

A. You can find this information online at www.wshfc.org/limits on the Washington State Housing Finance Commission's (WSHFC) website.

Q. Do income and rent limits ever change?

A. Yes, the limits are updated annually, and the amounts usually increase each year.

Q. The limits for my county seem really high. Who decides how much the limits should be each year?

A. The limits for all federal rental-housing programs are calculated by the U.S. Department of Housing and Urban Development (HUD), based on information about the local economy. If the economy is doing very well in a particular county and many people's wages are increasing as a result, the limits may go up. If the economy and people's wages are not doing as well, then limit amounts can go down.

After HUD calculates the limit amounts, they send the information to WSHFC and we publish the limits on our website. HUD updates program limits every year, typically in March or April.

Q. Do you make tax credit landlords raise their rents to match the updated limits every year?

A. No. WSHFC does not require tax credit landlords to raise their rents. Landlords may choose to raise their rents as long as they don't go over the applicable rent limits.

Q. I signed a 12-month lease at a tax credit property. Now my landlord wants to raise my rent, but the lease term isn't over yet. Can my landlord do this?

A. Your landlord cannot raise your rent during a lease term, according to a state law that went into effect on July 28, 2019. If you believe that your landlord is violating state law, you should seek legal advice. See our website for resources: www.wshfc.org/managers/landlord-tenant.htm.

Q. What happens if my landlord charges me rent that is over the tax credit rent limit?

A. Be sure to discuss any questions or concerns you have about your rent directly with your property manager. WSHFC monitors every tax credit project annually to make sure owners are not charging rents that are over the tax credit rent limits. When WSHFC discovers that a resident has been overcharged, we require the owner to refund any overpayment back to the resident.

Q. At my last annual recertification, my landlord changed my unit from 30% to 50%. Is this allowed?

A. If your income has increased enough to exceed a higher income set-aside, your landlord has the right to switch you to a higher income set-aside. However, your landlord must have language in your lease that explains this, and they must provide you with written notice prior to the change.

Q. Why do I have to disclose all my household income and assets before I move in?

A. All federal rental housing programs require applicants to disclose their income and assets prior to moving into a unit. This is so the federal government can be sure that affordable housing is going to families who need it. Tax-credit property owners and managers are required by federal regulations to collect this information and verify it (through third-party sources) before anyone can move into a unit.

Q. I'm already qualified for my unit. Why do I have to keep telling my property manager about my income every year?

A. All federal rental housing programs require residents to re-state their income and assets on an annual basis. Your landlord is required to re-confirm income and assets and the student status of every household member every year while the household lives in a tax credit unit.

Q. My roommate and I are fulltime students and were turned down for a tax credit apartment. Why?

A. Federal regulations do not allow households that include ONLY fulltime students to rent tax credit units (unless they meet one of five exceptions). A "Fulltime Student" is someone who attends an educational institution for at least five months during a calendar year (the months do not have to be consecutive). Fulltime students CAN live in tax credit housing if they are part of an otherwise qualified household—just not if they are the only ones in the household. Chapter 2 of WSHFC's *Tax Credit Compliance Manual* describes the rules related to Fulltime Student households (starts on page 4):
http://www.wshfc.org/managers/ManualTaxCredit/40_Chap02FederalRequirements.pdf

Q. I have a Section 8 voucher. Does that affect how my rent is calculated?

A. When you have a Section 8 voucher, the tax credit limits do not apply to your rent. Instead, your portion is calculated by the agency that issued the voucher (for example, a public housing authority). But if you lose your Section 8 assistance, you can be charged up to the tax-credit rent limit for your unit.

Q. I feel like my property manager is discriminating against me. Can you help me?

A. WSHFC is not an investigative or enforcement agency for Fair Housing issues. We only monitor the owner for compliance with tax-credit program rules. We encourage you to contact your local civil rights or Fair Housing agency if you believe you are being discriminated against based on being a member of a protected class. You can find contact information for such agencies around the state on our website at: www.wshfc.org/managers/f_h_resources.htm and www.wshfc.org/managers/landlord-tenant.htm. If you file a discrimination case against your landlord and win, please contact WSHFC so we can report this finding to other federal agencies.

Q. My landlord is evicting me because of noise complaints, but there are other residents that are just as noisy who are not being evicted. What should I do?

A. WSHFC does not have the authority to investigate landlord/tenant disputes or enforce landlord/tenant laws. We only monitor the owner for compliance with tax credit program rules. If you think your landlord is treating you unfairly, is violating the terms of your lease, or doing something illegal, we strongly encourage you to get legal advice. You can find some legal resources on our website at: <http://www.wshfc.org/managers/landlord-tenant.htm>.

If you challenge your eviction and/or take your landlord to court and win, please contact WSHFC so we can report this finding to other federal agencies.