

EXHIBIT EUP-5

INCOME WAIVER REQUIREMENTS AND REQUEST FORM

Requirements

I. Purpose of the Income Waiver

MHDC may authorize an income waiver to 80% of Area Median Income (as defined by HUD) in locations where evidence, as deemed acceptable by staff, suggests high vacancy rates related to more restrictive income levels. **Please be advised that all income waivers are granted for a maximum period of one year (or less in specific instances).**

II. Requesting an Income Waiver

A request for an income waiver to 80% of area median income adjusted for family size must be in writing, outlining the factors the owner/owner agent believes contributed to the need to request the income waiver and provide support for the items outlined on the waiver request. Please note, properties which are in the three year decontrol period, the “opt out” process, or have additional restrictions or special circumstances may not be eligible for an income waiver.

Please be aware that the 80% income limits will be determined solely by HUD. For the purpose of determining an income qualified household MHDC will only use the HUD 80% income limits found at: <http://www.huduser.org/portal/datasets/il.html> and more specifically <http://www.huduser.org/portal/datasets/il/il10/mo.pdf>.

III. Required Documentation

The following documents must accompany the request for an income waiver:

1. Proof that the proper income limits (i.e., MTSP, HERA, National Non-Metro limits, etc.) are being used.
2. If a waiting list is maintained, a notarized statement that the specific property has no eligible applicants on their waiting list and that the owner/owner agent is aggressively advertising to fill all vacancies.
3. A current pro forma (year to date income statement and balance sheet) for the 12 month period prior to the waiver request.
4. A copy of the most recent audited financial statement with notes.
5. Copies of comparable market surveys with rent comparables from at least three non subsidized properties in the specific geographical location and/or HUD MSA (Metropolitan Statistical Area).
6. Marketing efforts/traffic reports and copies of all invoices for marketing expenses for the 12 month period prior to the waiver request.
7. Copies of newspaper ads, flyers, etc. for the 12 month period prior to the waiver request.
8. Copies of denied applications, especially for denials due to over income applicants.
9. Move-in/move-out occupancy data for the 12 month period prior to the waiver request.

10. Copies of resident satisfaction surveys completed for the 12 month period prior to the waiver request. If resident satisfaction surveys have not been previously conducted, resident satisfaction surveys must be completed going forward.
11. A detailed list of all concessions and/or losses to lease for the 12 month period prior to the waiver request.
12. A comprehensive list of all property enhancements for the 12 month period prior to the waiver request.
13. Copies of rent rolls for the 12 month period prior to the waiver request.
14. Documentation of area wage/salary ranges.
15. Back up documentation for all statements made in the request letter, if not covered above.
16. Any additional documentation that supports the request for an income waiver.

IV. Granting of Income Waivers

If MHDC authorizes a waiver of the income, the owner/owner agent is to meet the following expectations:

1. The owner/owner agent will continue aggressive efforts to locate pre-waiver income eligible residents and must retain all documentation of the marketing and outreach efforts.
2. The owner/owner agent must conduct resident satisfaction surveys with all residents.
3. The owner/owner agent must place an ad in the local newspaper to inform the public of the intent to temporarily rent apartments to all persons in the 80% income guidelines.
4. The owner/owner agent must ensure that lease agreements signed by applicants qualifying at 80% AMI are no less than a six month term with a maximum term of one year.
5. The owner/owner agent must maintain the minimum set aside (i.e., 40% of units at 60% AMGI or 20% of the units at 50% AMGI as required by Section 42 regulations. (Refer to the completed IRS form 8609 line 10(c) and the Land Use Restriction Agreement (LURA) to determine the irrevocable compliance requirement; also see Section 42 (g) (A or B)).
6. This waiver only applies to LIHTC-designated units within the property. The owner/owner agent must ensure that residents in HOME, Section 8, Section 236 or other income restricted units must continue to maintain those program specific guidelines.

Request Form

Date:			
To:		Property name:	
		Property number(s):	
		Property Address:	

Please consider this our request for an income waiver to 80% of Area Median Income (as defined by HUD). We are aware that the 80% income limits will be determined solely by HUD. We are further aware that for the purpose of determining an income qualified household MHDC will only use the HUD 80% income limits found at: <http://www.huduser.org/portal/datasets/il.html> and more specifically <http://www.huduser.org/portal/datasets/il/il10/mo.pdf>.

We have attached the following documents, tabbed and in order, for efficiency of review (please check all that apply):

NOTE: Requested information containing an asterisk (*) must cover the 12 month period prior to the waiver request. If documents are not tabbed and in order, the income waiver will be returned for proper collation.

- A copy of the most recent audited financial statement with notes.
- *A current pro forma.
- *A comprehensive list of all property enhancements.
- *Copies of monthly rent rolls.
- *Move-in/move-out occupancy data.
- *Marketing efforts/traffic reports and copies of all invoices for marketing expenses.
- *Copies of newspaper ads, flyers etc.
- *A detailed list of all concessions and/or losses to lease.
- *Copies of resident satisfaction surveys (if you have not been completing these in the past complete resident satisfaction surveys with all current residents).
- Copies of denied applications, especially for denials due to over income applicants.
- Proof that the proper income limits (i.e., MTSP, HERA, National Non-Metro limits, etc.) are being used.
- If a waiting list is maintained, a notarized statement that the specific property has no eligible applicants on their waiting list and that the owner/owner agent is advertising aggressively to fill all vacancies.
- Copies of comparable market surveys with rent comparables from at least three non subsidized properties in the specific geographical location and/or HUD MSA.
- Documentation of area wage/salary range.
- Back up documentation for all statements made in the request letter, if not covered above.
- Any additional documentation that supports the request for an income waiver.

Owners Signature

Date