



# Renting a LIHTC\* Home in Pennsylvania

## Everything You Need to Know: The Short Version

\*The Low-Income Housing Tax Credit Program

### What is LIHTC?

The Low Income Housing Tax Credit (LIHTC) is a federal program that awards tax credits to housing developers and may have helped fund the creation of your home. In exchange for these credits, developers agree to reserve a certain number of rent-restricted units for lower-income households.

This short guide explains what you need to know about LIHTC. The full version of the guide can be found here [rhls.org/renting-a-lihtc-home-everything-you-need-to-know](https://rhls.org/renting-a-lihtc-home-everything-you-need-to-know)

### How can I find a LIHTC Apartment?

The best place to get a list of LIHTC properties is from the Pennsylvania Housing Finance Agency at [phfa.org/mhp](https://phfa.org/mhp). Scroll to the bottom and choose a county under Inventory of Multifamily Housing. You can also use [PAHousingSearch.com](https://PAHousingSearch.com). If a property interests you, but you can't tell if it's a LIHTC property, contact the property manager and ask or check the lease for the Low Income Housing Tax Credit Lease Addendum.



## **What will I need to apply? How will I know if I qualify?**

LIHTC developments are set up to house people in a variety of income levels using a measure called Area Median Income (AMI). The AMI varies depending on what county you are in and how many people are in your household. The AMI also changes every year. You can find the AMIs and rents for each county at [phfa.org/mhp/rent\\_and\\_income\\_limits](http://phfa.org/mhp/rent_and_income_limits) under Low Income Housing Tax Credits.

In Pennsylvania, most LIHTC developments have apartments for people at 50% or 60% AMI, with a smaller number of apartments for people at 40% or 20% AMI and a few for households up to 80% AMI. The property manager can give you a list of the AMI breakdown for the apartments in a development.

To qualify for an apartment, the combined income of all the people in your household must be under the income limit for that particular unit. At the same time, you must have enough income to be able to afford the rent. Usually, the property manager requires the tenant's income to be 2 ½ or 3 times the rent. The property manager may set a maximum household size depending on the number of bedrooms. People with disabilities get priority for accessible units and some properties are only for seniors.

## **How much will I pay in rent?**

The LIHTC program sets rents to be affordable at the different AMIs; rents are not based on your individual household income. Unlike other programs, like Housing Choice Vouchers, your rent will not automatically change if your income goes up or down. This also means that your rent can go up slightly each year even if your income does not. If you earn less than the income limit for a unit you might still qualify but will pay more than 30% of your income for rent and utilities.

Rents include a utility allowance if the tenant pays their own utilities. The landlord must subtract an estimated utility allowance from the maximum rent. The utility allowance is just an estimate, and the landlord does not need to give the tenant a refund or rent reduction if actual utility costs are higher. Telephone, cable, and internet are not included in the utility allowance. The tenant pays these bills in addition to paying rent.



## **May I use a Housing Choice Voucher?**

Yes. LIHTC owners may not turn you away just because you have a Housing Choice Voucher. However, you still must verify that you meet all the requirements that other tenants must meet for the LIHTC apartment, except income.

## **What if I have accessibility needs?**

Every LIHTC property must have a certain number of units accessible for people with disabilities related to mobility, sight, and hearing. However, if the manager does not find a tenant who needs the accessible unit within 30 days, they may rent it to someone else. If the tenant does not need the accessible features, they may be required to move to another available unit when someone who needs those features does apply. If you need an accessible unit but there is not one available, you can ask to be put on a separate waitlist.

## **What can I expect as a resident in a LIHTC property?**

Tenants of LIHTC properties have some additional requirements, such as allowing periodic inspections of their units. Residents should always be given reasonable notice of these inspections. Tenants in LIHTC apartments must be “recertified” each year. Respond promptly and truthfully when you are asked for information related to the recertification process. If you do not respond, or if you do not provide truthful information, it could be “good cause” to evict you. Although the landlord must conduct a recertification to keep the building in compliance with LIHTC rules, you cannot be evicted just because your income goes up, even if it goes over the program maximum. The worst-case scenario is that the landlord raises your rent. Some changes, like adding or losing a household member or changes to your student status, should be reported before they happen if they are anticipated or immediately afterward if unanticipated.

## **Can I be evicted?**

Every LIHTC lease should have a section that clearly says you cannot be evicted without “good cause,” defined as “serious and repeated violations of the lease.” Some examples can be found in the comprehensive guide.

## **I applied for a LIHTC apartment, but all of the apartments I qualify for are already leased. What do I do next?**

When you apply to a LIHTC property, you may be informed that all the units for which your household qualifies are leased. In that case, always ask to be placed on the waitlist. Make sure to provide all contact information to the property manager and update it any time there is a change. Changes in your income or household size could mean that you now qualify for a different size or type of unit. It's also a good idea to call the property every few months to check on possible vacancies.

### **Can my rent increase?**

A couple of factors can cause your rent to increase. The Federal LIHTC rules only establish the maximum rent that an owner can charge a tenant. Those rules do not limit the amount or frequency the rent increases, as long as the total rent charged by the owner does not exceed the LIHTC maximum.

It is also important to remember that LIHTC rent is set by your AMI (Area Median Income) therefore your rent can also increase if your AMI increases.

### **Additional Resources**

Check the full version of [Renting a LIHTC\\* Home: Everything You Need to Know](#) for more information: [rhls.org/lihtctenantguide](https://rhls.org/lihtctenantguide)

If you still have questions, whether you are looking for an apartment or already live in a LIHTC complex, talk to the property manager.

If you think you have been discriminated against, find your local legal aid office at [palegalaid.net/legal-aid-providers-in-pa](https://palegalaid.net/legal-aid-providers-in-pa) or check the Fair Housing resources in the full guide.

This booklet was written by Regional Housing Legal Services (RHLS). RHLS is a nonprofit law firm with unique expertise in affordable, sustainable housing and its related components — community and economic development, utility matters and preservation of home ownership. RHLS provides innovative project and policy solutions that help create sustainable communities offering decent, safe and affordable housing for lower-income Pennsylvanians.

