March 5, 2019

Office of Integrated Housing Management Memorandum #2019 – B – 1

To: All Limited Profit and Limited Dividend Housing Companies Owners, Managing Agents and Site Managers

From: Alfred Walcott, Director
Office of Integrated Housing Management

Subject: Occupants' Annual Affidavit of Household Income for Calendar Year 2018
Income Review Procedure

Reference: NYS Private Housing Finance Law; Official Compilation of Codes, Rules and Regulations of the State of New York, 9NYCRR §1727-2

The Private Housing Finance Law requires that limited profit and limited dividend housing companies review tenant/cooperator income once a year and assess a rental surcharge if adjusted household income exceeds the maximum income limit by more than 5 percent. The procedure to be used is outlined in Subpart 1727-2 of the 9NYCRR and further detailed in the attached Housing Company Instructions.

NOTE the Following

- The Tenant/Cooperator Instructions for Completion of Affidavit of Household Income is to be distributed on NYS DHCR letterhead.
- Please identify the building(s) by the building code. Appropriate building codes available upon request.
- Prior to reproducing copies, email a copy of your Income Affidavit Package to Patrice.richardson@nyshcr.org preferably by **Friday, March 22, 2019.**
- The housing company may impose a ***$50 Non-Refundable Administrative Fee*** **on ALL Tenant/Cooperators** who have **NOT** submitted their fully completed Income Affidavit to management by April 30th.
- **Housing Companies submitting more than 25 affidavits will be notified prior to the due date on the new procedure for returning the Income Affidavits electronically.**

Please Note the Following
Which Must Be Implemented with This Review

- Housing Companies submitting 25 or less Income Affidavits must scan, and email PDF copies of the Income Affidavits, the Summary Sheet, and the Surcharge Tabulation Sheet(s) to Patrice.Richardson@nyshcr.org.

- Use the Income Affidavit forms (HM-73, HM-73a and HM-73b**). PRE-POPULATED FORMS ARE AVAILABLE UPON REQUEST VIA EMAIL TO patrice.richardson@nyshcr.org**

- **DO NOT ALTER** (add or delete) any FIELDS on the Income Affidavit form [HM-73]

- Each Annual Income Affidavit and Instructions packet must also include a copy of the enclosed, one-page "Language Assistance Notice." ***BEFORE COPYING THE NOTICE, YOU MUST INSERT YOUR OFFICE'S TELEPHONE NUMBER IN THE SPACES PROVIDED WITHIN THE BRACKETED PART OF EACH LANGUAGE SECTION IN THE ENCLOSED "LANGUAGE ASSISTANCE NOTICE."***

- The following hyper-link http://www.nyshcr.org/AboutUs/Offices/HousingOperations/ohmhmb01.htm will enable you to obtain electronic copies of the Annual Income Affidavit and Instructions Packet, translated into all six non-English languages you see on the insert. ***DO NOT CHANGE THE FORMAT OF THE TRANSLATED FORMS.***

- Use the hyperlinks to copy and provide the appropriate translated Annual Income Affidavit and Instructions Packet to all eligible residents who request one. ***NOTE THAT, IT IS THE HOUSING COMPANY'S RESPONSIBILITY TO DIRECTLY PROVIDE TRANSLATED VERSIONS OF THE ANNUAL INCOME AFFIDAVIT AND INSTRUCTIONS PACKET TO REQUESTING TENANTS AND TO ENSURE THAT BOTH SIDES OF THE INCOME AFFIDAVIT (i.e. SIDE 1 AND SIDE 2) ARE RETURNED BY THE TENANT.*** If you have any questions regarding this requirement, please contact Mohammed Siddiqui at (212) 480-7340, or George Simon at (212) 480-7477.

- Under Section D: HOUSING COMPANY USE ONLY – (FOR CO-OP ONLY)
  6% of Equity Investment <u>DOES NOT</u> Include Accrued Amortization.

We are enclosing the following materials for your use in conducting the income review:

- Language Assistance Notice
- Housing Company Instructions
- Occupants' Annual Affidavit of Household Income for Calendar Year 2018 [HM-73]
- Housing Company Summary Sheet [HM-73a] ***(All housing companies, including federally assisted developments with no market rent tenants, are required to complete this form and submit it to the Division by Monday, September 9, 2019.)***
- Surcharge Information Tabulation Sheet [HM-73b]
- **Tenant/Cooperator Instructions**
- Worksheet for Determination of Surcharge — Rental
  or
  Worksheet for Determination of Surcharge — Cooperative
  (Select the appropriate worksheet for your development and include it as page 5 of the Tenant/Cooperator Instructions.)
- NYS DHCR Frequently Asked Questions Re: Income Affidavits

The following Tenants/Cooperators are NOT subject to this income review:

- Households with initial lease/occupancy agreements commencing on or after April 1, 2019.

- Families receiving any form of subsidy requiring federal income recertification (i.e., Section 236, Rent Supplement, RAD, RAP, or Section 8 programs) or Tax Credits; however, **<u>families paying market rent</u>** in Section 236, Section 8 and Tax Credit developments **<u>are</u>** subject to this annual income review;

- Families receiving assistance under the NYS Capital Grant Program; and

- Resident Employees.

All information contained in the income affidavit is confidential. Appropriate storage and access measures must be taken to safeguard privacy. Housing company personnel should be advised that this information may be disclosed **only** to authorized persons or agencies.

Please make *ONE* submission of the following documents to this office by Monday, September 9, 2019:

- One completed Housing Company Summary Sheet [HM-73a] - to be emailed to patrice.richardson@nyshcr.org.

- One completed set of Surcharge Information Tabulation Sheets [HM-73b] – to be sent electronically in Excel where possible, using format provided to patrice.richardson@nyshcr.org.

- The original copy of each completed Occupants' Annual Affidavit of Household Income [HM-73] **prepared on white legal sized paper** and arranged by building, floor and apartment number. Be advised you may be notified prior to due date on the procedure to return the Income Affidavits electronically.

Should you have questions on the income review procedure, or need the appropriate building codes, please call Patrice Richardson at (212) 480-7271 — email at patrice.richardson@nyshcr.org.

Alfred Walcott

HOUSING COMPANY INSTRUCTIONS

Timetable for Income Review Procedure

March	Reproduce income affidavit and tenant/cooperator instructions and distribute by **April 1, 2019**. Prior to reproducing copies, email a copy of your Income Affidavit Package to patrice.richardson@nyshcr.org.
April	Tenants/Cooperators **MUST** complete and return income affidavits to housing company by **April 30, 2019**.
May	Review income affidavits, complete Section D, and prepare Surcharge Information Tabulation Sheets. **Send follow-up letters** to tenants who have not returned a completed income affidavit or required documentation. Notify tenants of surcharges resulting from this income review by **May 31**, **2019.**
June	Assess surcharges effective **July 1, 2019**.
July — August	Complete Surcharge Tabulation Sheets, prepare Housing Company Summary Sheet, and submit with income affidavits to the Division by **Monday, September 9, 2019.**

Steps to Be Taken by Managing Agent/Housing Company Prior to Distribution of Income Affidavits

1. **Language Assistance Notice** — Before copying the notice, you MUST insert your office's telephone number in the spaces provided within the bracketed part of each language section in the enclosed **"LANGUAGE ASSISTANCE NOTICE."**

2. **Reproduce Occupants' Annual Affidavit of Household Income** [HM-73] –

   Print **both sides** of form HM-73 **on legal sized paper**, allowing for **three copies** per household. The reverse side of the form **must** contain the **NYS DHCR** Privacy Notice statement required by Section 94(1) (d) of the New York Public Officers Law. **The copy submitted to the Division must be on legal sized white paper.**

3. **Reproduce Tenant/Cooperator Instructions for Completion of Affidavit of Household Income and the** Worksheet for Determination of Surcharge (page 5) for your development, either **Rental** or **Cooperative** allowing for one copy per household **plus 10% reserve stock**.

Mail or Distribute to Tenants/Cooperators Subject to this Review (in this order):

- **One (1) Copy of Language Assistance Notice**
- **One (1) Copy of Tenant/Cooperator Instructions**
- **Three (3) Copies of Income Affidavit** [HM-73],
- **One (1) Copy of Worksheet for Determination of Surcharge**
- **One (1) Copy of Frequently Asked Questions Re: Income Affidavits**

Steps to Be Taken by Managing Agent/Housing Company After Distribution of Income Affidavits to Tenants

INITIAL PREPARATION OF SURCHARGE INFORMATION TABULATION SHEETS

1. Use the Surcharge Information Tabulation Sheet [HM-73b] supplied.

2. Reproduce sufficient copies of the tabulation sheet to permit entry of the following information:

   a. **For non-federally assisted developments** — List **each** apartment sequentially (by floor, then apartment number) and enter leaseholder's name (Last Name, First Name) or "Vacant", if applicable. Use the "Remarks" column to identify residential tenants who are **not** subject to the income review, and indicate why (for example: Resident Employee, Capital Grant, SCRIE, Section 8, Tax Credits etc.).

   b. **For federally assisted developments** — List **ONLY** those apartments whose occupants pay **Market Rent**.

Income Affidavit Review and Entry by Management On Surcharge Information Tabulation Sheets

1. Review each income affidavit, and accompanying documentation, if required, to make sure it is legible, complete and notarized.

2. All occupants18 years of age or older must sign deposition in Section C.

3. Make certain that New York State Tax Return **Information** is provided for all occupants. ***If a joint return was filed, make sure that the "Joint Return" column is checked for both filers and that the wages of a Secondary Wage Earner are listed separately so the appropriate deduction can be taken.***

4. Complete all calculations in **Section D.**

   Maximum Income Limit — See page 4 of these instructions. Use the applicable ratio, based on the number of persons in the household:

   7 X — for families of **three** persons or less
   8 X — for families of **four** persons or more

   Secondary Wage Earner Deduction — A deduction of $20,000, or the exact amount of earnings if less, is allowed for **each** secondary wage earner including minors under the age of 21.

   A secondary wage earner is any gainfully employed member of the household other than the head of household. The head of household is defined as the person who is legally or morally responsible for dependents in the household, whose income is generally from employment or self-employment and usually exceeds income of any other member of the household. It is not necessary for the head of household to be gainfully employed for another household member to qualify as a secondary wage earner.

   If the **Net Income** exceeds the **Maximum Allowable Income** by more than 5%, a surcharge should be added to the rent — see surcharge schedule on page 5.

5. Transfer all necessary information from the income affidavit to the **Surcharge Information Tabulation Sheet** [HM-73b]. Complete all columns.

6. Provide written notification to tenants as follows:

   - **Tenants whose adjusted household income exceeds 105% of the maximum allowable income** must be notified by **May 31st** of the surcharge to be added to their rent effective July 1, 2019.

   - **Tenants who fail to provide the required information** must be notified by **May 31st** of the 50% maximum surcharge to be added to their rent effective July 1, 2019.

Documentation Requirements

Income reported by occupants who provide social security numbers will be referred to the New York State Department of Taxation and Finance for verification, and that agency's findings will be forwarded to the housing company. This direct verification process eliminates documentation requirements for most occupants who file New York State income tax returns; however, documentation is required in the following instances:

1. If Medical and Dental Expenses (line B4) or Taxable Social Security Benefits (line B5) are claimed, they must be substantiated by a filed NYS tax form.

2. If the total number of Dependent Exemptions and Personal Exemptions (entered on line B3) is greater than the number of household members, the dependent exemptions must be substantiated by a filed NYS tax form.

3. If an occupant 18 years of age or older *does not provide a social security number* ***or*** *did not file a NYS return,* income verification is required as follows:

   - If an income tax return was filed, a copy of either the NYS or federal return must accompany the affidavit and a NYS Tax and Finance issued transcript must be submitted to the management office by July 31, 2019.

   - If an income tax extension request was filed, a copy of either the NYS or federal extension request must accompany the affidavit. **A certified copy of the NYS or federal return must be submitted to the management office by November 30, 2019.**

   - If no income tax return or extension request was filed, written verification of income must accompany the affidavit. Refer to 9NYCRR Section 1727-2.3(a) for appropriate verification methods.

Note: Income affidavits *and* supporting documents MUST be retained in each individual Tenant/Cooperator file for audit purposes.

DO NOT **submit the additional documents to NYS DHCR.**

Submission of Income Affidavits to DHCR

Make **ONE** submission of the following materials to this office by **Monday, September 9, 2019 in the following order**:

- **one** completed Housing Company Summary Sheet [HM-73a];
- **one** set of the completed Surcharge Information Tabulation Sheets [HM-73b];
- **one original copy** of each Occupant's Annual Affidavit of Household Income [HM-73] **prepared on white paper** and arranged by building, floor and apartment number.

Please DO NOT INCLUDE the following in your submission:

- **Supporting Documents — Attach all supporting documents to the Income Affidavit copy retained by housing company in the Tenant/Cooperator file.**
- **Duplicate Affidavits** — If corrected or Interim Affidavit has been received by the housing company prior to September 9th, **only submit the most recent affidavit** for the household and retain all other versions for the tenant/cooperator file.
- **Income Affidavits for Previous Years**

Forward to: **NYS Division of Housing and Community Renewal**
Office of Integrated Housing Management
Attn: Administration Unit — Room 633
25 Beaver Street
New York, New York 10004

Rent or Carrying Charge Increase

In the event of a Commissioner's Order affecting rents/carrying charges, at least 30 days prior to the increase, an interim recalculation of surcharges must be done for tenants with surcharges. The housing company shall submit to DHCR, within 30 days of the rent/carrying charge increase, an updated Surcharge Information Tabulation Sheet listing the adjusted surcharges.

Interim Changes in Rent

Income should be reexamined, and interim changes in rent to reduce or remove surcharges should be made, if required, only in the following circumstances:

- tenant or household member is placed upon public assistance;
- a full-time employed household member permanently leaves the apartment;
- death or retirement of a household member who had income; or
- unemployment of a household member which has been continuous for at least three months.

[§1727-2.5(b)]

Calculation of Maximum Income Limits

RENTALS

Multiply the annual rent, including utilities, by 7 for households of one to three persons, or by 8 for households of four or more persons.

COOPERATIVES

Add the following amounts:

1. Annual carrying charge, including utilities
2. 6% of **equity investment (*NOT TO INCLUDE ACCRUED AMORTIZATION*)**
3. $120 multiplied by the number of rental rooms (Cost of Redecoration and Replacement of fixtures and appliances)

Multiply the total including utilities, by 7 for households of one to three persons, or by 8 for households of four or more persons.

SAMPLE SURCHARGE CALCULATION
for a Cooperative with a Carrying Charge of $285,
Equity of $5,000, and 5 Rental Rooms

Assume that the apartment is occupied by a Household of three; that the total gross income is $40,000 ($36,000 for the head of household and $4,000 for the spouse from wages); and that the married couple filed a joint return claiming one exemption for the child and the standard deduction.

MAXIMUM INCOME LIMIT CALCULATION		NET INCOME CALCULATION	
Carrying Charge of $285 X 12	$3,420	Total Gross Income	$40,000
Equity of $5,000 X 6%	300	Less Deductions (Line B6)	3,000
5 Rental Rooms X $120	600	Total Adjusted Income	$37,000
Subtotal	4,320		
Multiply by 7 (1-3 persons)	X 7	Less Secondary Wage Earner Deduction	4,000
MAXIMUM INCOME LIMIT	**$30,240**	**NET INCOME**	**$33,000**

NET INCOME / MAXIMUM INCOME LIMIT = % OF MAXIMUM INCOME LIMIT

In this example, the tenant's net income of $33,000, divided by the maximum income limit of $30,240, equals 109%. Referring to the surcharge schedule below, the tenant must pay a monthly surcharge of 5% of the monthly carrying charge.

SURCHARGE SCHEDULE		
Income ***(In % of Maximum Income Limit)***		**Surcharge** ***(In % of Rent/ Carrying Charge)***
greater than	**up to and including**	
100%	**105%**	**None**
105%	**110%**	**5%**
110%	**115%**	**10%**
115%	**120%**	**15%**
120%	**125%**	**20%**
125%	**130%**	**25%**
130%	**135%**	**30%**
135%	**140%**	**35%**
140%	**145%**	**40%**
145%	**150%**	**45%**
150%	**—**	**50%**

LANGUAGE ASSISTANCE NOTICE

ENGLISH
You may request a translated version of this form by calling [_____].

中国 - 简体中文 **(CHINESE - SIMPLIFIED)**
您可以要求通过调用这种形式的翻译版本**[_____]**

中國 - 傳統 **(CHINESE - TRADITIONAL)**
您可以要求通過調用這種形式的翻譯版本**[_____]**

An kreyòl ayisyen (HAITIAN CREOLE)
Ou kapab mande pou yon vèsyon tradui fòm sa a lè w rele [_____]

Italiano (ITALIAN)
È possibile richiedere una versione tradotta di questo form chiamando [_____]

한국의 **(KOREAN)**
당신은 호출하여이 양식의 번역 된 버전을 요청할 수 있습니다**[_____]**

Русский (RUSSIAN)
Вы можете запросить переведенную версию этой формы по телефону [_____]

Español (SPANISH)
Usted puede solicitar una versión traducida de este formulario llamando [_____]

Development Name:	DHCR Number:	**OCCUPANTS' ANNUAL AFFIDAVIT OF HOUSEHOLD INCOME FOR CALENDAR YEAR 2018**			**Complete Affidavit and return by April 30, 2019 to:**
Last Name – Head of Household:	Address:	Bldg.#:	Apt.#:	Daytime Telephone: ( )	

SECTION A: HOUSEHOLD INFORMATION – List all members of household currently residing in apartment regardless of earning status. For each household member, enter income as shown on NY State Tax form IT-201 or IT-203 line 19, and complete all columns. **NOTE: IF YOU FILED A JOINT RETURN AND HAVE MORE THAN ONE WAGE EARNER, LIST EACH PERSON'S INCOME SEPARATELY SO THAT THE SECONDARY WAGE EARNER'S DEDUCTION CAN BE CALCULATED.** If a 2018 NY State tax return was not filed, enter total amount of income received. Print or type all information, except signatures. **FOR ADDITIONAL ASSISTANCE, PLEASE REFER TO "TENANT/COOPERATOR INSTRUCTIONS" OR CALL YOUR MANAGEMENT OFFICE.**

Current Household Members (Last Name, First Name)	**Relationship**	**Age** (as of 12/31/2018)	**Social Security Number**	**Employed Yes or No**	**Gross Income**	**Type of NYS Tax Return Filed (Complete for each Resident)**		
						Joint	Individual	None
A1.	Head of Household				$			
A2.								
A3.								
A4.								
A5.								
A6.								
			A7. TOTAL: Add all lines in **GROSS INCOME** column		$			

SECTION D: HOUSING COMPANY USE ONLY

MONTHLY RENT/CC $_____	
ANNUAL RENT/CC	$
(FOR CO-OP ONLY) EQUITY of $_____x 6% (NOT TO INCLUDE ACCRUED AMORTIZATION)	$
(FOR CO-OP ONLY) NUMBER OF RENTAL ROOMS _____ x $120	$
TOTAL	$
ENTER APPLICABLE RATIO (7X or 8X)	_____
MAXIMUM INCOME LIMIT	$
ADJUSTED HOUSEHOLD INCOME (Line A7 minus Line B6)	$
SECONDARY WAGE EARNER(S) DEDUCTION (for each, $20,000 or total wages if less)	$
NET INCOME	$
AMOUNT OVER INCOME	$
PERCENTAGE OVER INCOME	%
PERCENTAGE OF SURCHARGE (per surcharge schedule)	%
MONTHLY SURCHARGE to be billed	$

Section B: DEDUCTIONS

B1. DEPENDENT EXEMPTIONS (As reported on IT-201 line 36 or IT-203 line 35)	$_____,000
B2. Allowances for **PERSONAL EXEMPTIONS** (Number of persons who filed a 2018 NYS tax return and were not claimed as a dependent by another taxpayer x $1,000)	$_____,000
B3. SUBTOTAL (Add lines B1 and B2)	$_____,000
B4. MEDICAL AND DENTAL EXPENSES (Only if itemized deduction is taken – as reported on IT-196, Resident Itemized Deduction line 1)	
B5. TAXABLE SOCIAL SECURITY BENEFITS (As reported on IT-201 or IT-203 line 15 or total Social Security Benefits if 2018 NYS tax return was not filed.)	
B6. TOTAL DEDUCTIONS (Add lines B3, B4, and B5)	

Note: You must attach copies of all 2018 NYS tax returns filed by members of your household if:

- **a Social Security number is not provided for each household member,**
- **the number entered on Line B3 is greater than the number of persons listed in Section A, or**
- **an amount is entered on Line B4 and/or B5.**

SECTION C: DEPOSITION **All Occupants 18 Years of Age or older MUST Sign Deposition.**

State of New York) SS: The Undersigned, being duly sworn, deposes and says:
County of)

1. That (s)he hereby certifies that (s)he has read said statement of income and Household composition and knows the contents thereof: that the said statement is true to the personal knowledge of deponent.
2. That (s)he understands that:
   - willful misrepresentation may be cause for termination of the occupancy agreement and/or civil or criminal penalties;
   - Social Security numbers are sought for use in verifying income information on this form pursuant to Section 60 of the Private Housing Finance Law; pursuant to the Privacy Act of 1974, disclosure of Social Security numbers is voluntary;
   - income information shown on this affidavit is subject to verification by the NYS Department of Taxation and Finance in accordance with the provisions of Section 171-b of the Tax Law; and
   - tenants are required to advise the housing company in writing within 90 calendar days of any additions or deletions to the household composition shown in section A above.

Signature of Head of Household _____ State of New York, County of _____

Signature (other occupant) _____ Sworn to before me this ____ day of _____ 20__

Signature (other occupant) _____ Notary Public _____

Signature (other occupant) _____ Notary Seal/Stamp here →

Reviewed By:

Date Reviewed:

Notary Seal/Stamp:

HOUSING COMPANY PERSONNEL HAVE BEEN INSTRUCTED THAT THE INFORMATION HEREIN IS PRIVILEGED AND CONFIDENTIAL

Over →

STATE OF NEW YORK **PRIVACY NOTICE**	**SECTION OF 94(1)(d) OF THE NEW YORK PUBLIC OFFICERS LAW REQUIRES THIS NOTICE TO BE PROVIDED WHEN COLLECTING PERSONAL INFORMATION FROM INDIVIDUALS**
AGENCY NAME **NYS DIVISION OF HOUSING AND COMMUNITY RENEWAL**	**BUREAU/UNIT** **Office of Integrated Housing Management**
TITLE OF OFFICIAL RESPONSIBLE FOR MAINTENANCE OF THE INFORMATION **Director**	
BUSINESS ADDRESS OF OFFICIAL **25 Beaver Street, New York, NY 10004**	**TELEPHONE NUMBER** **(212) 480 - 7345**
AUTHORITY WHICH PERMITS THE MAINTENANCE OF INFORMATION **Private Housing Finance Law and Section 1727 of Title 9 of the Official Compilation of Codes, Rules and Regulations of the State of New York**	
THE CONSEQUENCES, IF ANY, OF NOT PROVIDING ALL OR ANY PART OF THE REQUESTED INFORMATION **Maximum Rental Surcharge and/or Denial of Succession Applications**	
THE PRINCIPAL PURPOSE(S) WITHIN THE AGENCY FOR WHICH THE INFORMATION IS TO BE USED **Determining Right to Continued Occupancy, Verification of Income for Purposes of Continued Occupancy and Establishing Rent, and Determination of Eligibility for Succession** **(Current household members must be listed on affidavit to be eligible for succession rights.)**	
KNOWN OR FORESEEABLE TRANSFERS OF THE INFORMATION **New York State Department of Taxation and Finance, New York City Department of Housing Preservation and Development and Mitchell-Lama Housing Companies where transfer of such information is necessary to DHCR's statutory duties**	
EACH INDIVIDUAL HAS THE RIGHT TO REVIEW PERSONAL INFORMATION MAINTAINED BY THE AGENCY, UNLESS EXEMPTED BY LAW.	

HOUSING COMPANY SUMMARY SHEET

INCOME AFFIDAVIT SUBMISSIONS — CALENDAR YEAR 2018

Development Name:_____

DHCR Number:_____

DHCR USE ONLY: Date Received: _____ **Number of Affidavits:**

INSTRUCTIONS: This form provides information on income affidavit submissions for all of the buildings and every apartment in the development. Complete it using information from the Surcharge Information Tabulation Sheets. Only one summary sheet should be submitted for each housing company.

[Do Not write in shaded areas.]

1	**Affidavits Filed — Not subject to Surcharge**		
2	**Affidavits Filed — Subject to Surcharge**		
3	**TOTAL INCOME AFFIDAVITS FILED *(add lines 1 and 2)***		
4	**FAILED TO FILE and INCOMPLETE AFFIDAVITS**		
5a	**Tenants Subject to Federal Income Recertification**		
5b	**NYC (only) DRIE and SCRIE Recipients**		
5c	**Tax Credit Apartments**		
5d	**Capital Grant Tenants**		
5e	**Professional Apartments**		
5f	**Resident Employee Apartments**		
5g	**New Move-Ins on or After April 1, 2019**		
5h	**Vacant Apartments on or After April 1, 2019**		
6	**TOTAL EXEMPT FROM FILING *(add lines 5a through 5h)***		
7	**TOTAL APTS. IN DEVELOPMENT *(add lines 3, 4 and 6)***		
8	**TOTAL ANNUAL SURCHARGES *(from Surcharge Information Tabulation Sheet)***	**$**	

Completed by: _____**Date:** _____

Please Print Legibly

Title: _____**Telephone: (**_____**)**_____

Email Address: _____

New York State
Division of Housing and Community Renewal
Office of Housing Operations
Website: www.nyshcr.org

Surcharge Information Tabulation Sheet

DHCR Number: _____ **Name of Development**: _____ **Calendar Year of Income 20____**

Building Number: _____ **Address:** _____

List by Floor and Apartment

Apartment Number	Tenant/Cooperator (Last Name, First Name)	Number Rooms	Number Occupants	Age, Head of Hshld.	Monthly Rent/CC	Current Equity	Net Income	Maximum Allowable Income	Percent of Surcharge	Monthly Surcharge (Dollars)	Annual Surcharge (Dollars)	Remarks

NEW YORK STATE OF OPPORTUNITY. | Homes and Community Renewal | Division of Housing and Community Renewal

ANDREW M. CUOMO
Governor

RUTHANNE VISNAUSKAS
Commissioner/CEO

March 2019

Tenant/Cooperator Instructions for Completion of Affidavit of Household Income — Calendar Year 2018

Under the New York State Private Housing Finance Law, this development has been given a subsidy that makes it possible for tenants/cooperators, whose incomes are within the maximum income limits set by law, to pay below market rents/carrying charges. The law requires that we examine your income once each year to determine eligibility for continued occupancy. If your adjusted household income exceeds the maximum income limit by more than 5 percent, a surcharge will be added to your rent.

The assessment of a surcharge, if any, will be effective **July 1, 2019** through **June 30, 2020** in accordance with the Surcharge Schedule on page 4 of these instructions. If you wish to calculate your surcharge, a Worksheet for Determination of Surcharge is provided on page 5.

Please cooperate in the review process by providing information no later than **April 30, 2019**. The failure, neglect or refusal of a tenant/cooperator to furnish information concerning his income or that of any member of the household, or to cooperate in the verifying of such reported income, will be assumed to indicate excess income. In such cases, rent will be raised to maximum in surcharge schedule; however, upon submission of an affidavit of income and/or proper documentation, surcharges, if any, will be assessed on the basis of verified income, with the effective date of any rent change to be the first of the month following the month in which the affidavit of income and/or proper documentation had been filed with the housing company. In no event will credit be given for excess surcharges already assessed as a result of failure, neglect or refusal of the tenant/cooperator to cooperate in income determination as set forth in §1727-2.6(a) of the New York Codes, Rules and Regulations.

A ***$50 Non-Refundable Administrative Fee*** may be **imposed on Tenant/Cooperators** who have **NOT** submitted their Fully Completed Income Affidavit to management by April 30th.

If you have questions, or need assistance in completing the attached form, please call the management office **at your development**.

Income Information shown on the Occupants' Annual Affidavit of Household Income is subject to verification by the New York State Department of Taxation and Finance in accordance with provisions of Section 171-b of the Tax Law.

Upon proper verification of income, if it is determined that the tenant or cooperator, or any household member, willfully misrepresented any information, then the housing company shall calculate surcharges in accordance with the surcharge schedule and assess such surcharge, as rent, each month, retroactive to the initial month in which the surcharge should have been paid. A housing company shall charge such tenant or cooperator a fee of $150 in payment for the expenditure of housing company time and labor incurred to determine the true income of the tenant or cooperator.

[§1727-2.6(b)]

In no case shall the housing company waive the provisions of subdivisions (a) through (c) of this section.

[§1727-2.6(d)]

READ ALL INSTRUCTIONS CAREFULLY

Please type or print clearly using *blue or black ink only*. Complete three (3) copies of the attached income affidavit and return two (2) notarized copies to the managing agent/housing company by April 30, 2019. Retain the third notarized copy for your records.

1. **HEADING:** Fill in the **Last Name** of head of household, apartment number, and day-time telephone number.

2. **SECTION A:** HOUSEHOLD INFORMATION

Important Note for Married Occupants Who Filed a Joint NYS Income Tax Return:

- The "Joint Return" column must be checked for both joint filers.
- The sum of the gross income reported for each joint filer must equal the amount reported on line 19 of form IT-201, or line 19 of form IT-203.
- If a joint filer is not listed on line A1 as "Head of Household" and is gainfully employed, his/her wages should be listed separately so the secondary wage earner's deduction can be calculated.

A1 through A6 —

Enter the name (last name, first name), relationship, age, and social security number of each person presently residing in the apartment and indicate whether he/she is employed. For each person listed, check the type of New York State income tax return filed ("Joint" or "Individual") or "None."

In the column labeled "Gross Income" enter the amount shown on **line 19 on NYS tax form IT-201, or line 19 on form IT-203**. If an extension of time to submit a NYS return was requested, check "No Return Filed" and enter occupant's estimated income. If no NYS return was filed, enter total income received during the previous calendar year from all sources. **If occupant had no income enter "0".**

A7 — Enter the total gross income of all household members.

3. **SECTION B:** DEDUCTIONS

B1 Enter the number of **"Dependent Exemptions" taken by all occupants who filed NYS income tax returns.** Dependent Exemptions are reported on line 36 of form IT-201, and line 35 of form IT-203.

B2 Enter the number of occupants **who have filed a NYS return and were not claimed as a dependent by another taxpayer.**

B3 Enter the total of lines B1 and B2.

B4 Enter amount of "Medical and Dental Expenses" **only if the itemized deduction is taken on the NYS Return** — as reported on form IT-196, Line 1 NY Resident, Nonresident, and Part-Year Resident Itemized Deductions.

B5 Enter amount of "Taxable Social Security Benefits" reported on line 15 of form IT-201 or IT-203; if a NYS return was not filed, enter total amount of Social Security benefits.

B6 Add lines B3, B4, and B5.

4. **SECTION C:** DEPOSITION — Each occupant 18 years of age or older must sign the affidavit in the presence of a Notary Public.

5. **By April 30, 2019,** return the original and one (1) copy of the completed income affidavit to the address stated in the upper right-hand corner of the affidavit. **Retain a notarized copy of the affidavit for your file. *DO NOT* mail the affidavit to New York State Division of Housing and Community Renewal.**

Supporting Documentation

Supporting documentation must be submitted with your income affidavit in the following instances:

1. If Medical and Dental Expenses (line B4) or Taxable Social Security Benefits (line B5) are claimed, they must be substantiated by a copy of a filed NYS tax form.

2. If the total number of Dependent Exemptions and Personal Exemptions (entered on line B3) is greater than the number of household members, the dependent exemptions must be substantiated by a copy of a filed NYS tax form.

3. If an occupant 18 years of age or older *does not provide a social security number* ***or*** *did not file a NYS tax return,* income verification is required as follows:

   - If an income tax return was filed, a copy of either the NYS or federal return must accompany the affidavit, and a certified copy must be submitted to the management office by July 31, 2019.

   - If an income tax extension request was filed, a copy of either the NYS or federal extension request must accompany the affidavit and a certified copy of the income tax return must be submitted to the management office by November 30, 2019.

   - **If no income tax return or extension request was filed,** written verification of income must accompany the affidavit.

If you have a question concerning documentation requirements, please contact your management office.

Interim Changes to Reduce or Remove Surcharges

You are entitled to an income reexamination to reduce or remove surcharges, if required, should any of the following circumstances occur:

- tenant or household member is placed upon public assistance;
- a full-time employed household member permanently leaves the apartment;
- death or retirement of a household member who had income; or
- unemployment of a household member which has been continuous for at least three months.

[§1727-2.5(b)]

The housing company must also be notified in writing, within 90 calendar days, of any additions to or deletions from the tenant's household who reside in the apartment, or persons who for a period of 30 days or more occupy the apartment, and such changes should be reflected on subsequent affidavits of income.

[§1727-3.5]

SURCHARGE SCHEDULE

If Net Income / Maximum Income is:		Surcharge (In Percent of Rent or Carrying Charge for Apartment) will be:
greater than	but not in excess of	
100%	105%	None
105%	110%	5%
110%	115%	10%
115%	120%	15%
120%	125%	20%
125%	130%	25%
130%	135%	30%
135%	140%	35%
140%	145%	40%
145%	150%	45%
150%	—	50%

[§1727-4.1(d)]

WORKSHEET FOR DETERMINATION OF SURCHARGE

— RENTAL —

A.	**ANNUAL RENT** The base rent including gas and electricity, less surcharges and any charges for appliances, parking etc., multiplied by 12.	$	
B.	**MAXIMUM INCOME LIMIT** If household consists of less than 4 persons, multiply line A by 7. If household consists of 4 or more persons, multiply line A by 8.		$
C.	**HOUSEHOLD INCOME** Amount from line A7 of income affidavit.		$
D.	**DEPENDENT EXEMPTIONS** Amount from line B1 of income affidavit.	$,000	
E.	**ALLOWANCE FOR PERSONAL EXEMPTIONS** Amount from line B2 of income affidavit.	$,000	
F.	**MEDICAL AND DENTAL EXPENSES** Amount from line B4 of income affidavit.	$	
G.	**TAXABLE SOCIAL SECURITY BENEFITS** Amount from line B5 of income affidavit.	$	
H.	**SECONDARY WAGE EARNER DEDUCTION *** A $20,000 deduction, or the exact amount of earnings if less, is allowed **for each secondary wage earner**. Enter the total household deduction here.	$	
I.	**TOTAL DEDUCTIONS** Add lines D, E, F, G, and H.		$
J.	**NET HOUSEHOLD INCOME** Line C minus line I.		$

If line J does not exceed line B, you are <u>not</u> subject to surcharge. If it does, divide line J by line B and refer to the Surcharge Schedule on page 4 to find the corresponding surcharge percent.

* Secondary Wage Earner — Any gainfully employed member of the household, including minors under the age of 21, other than the head of household. The head of household is defined as the person who is legally or morally responsible for dependents in the household, whose income is generally from employment or self-employment and usually exceeds income of any other household member. It is not necessary for the head of household to be gainfully employed for another household member to qualify as a secondary wage earner.

WORKSHEET FOR DETERMINATION OF SURCHARGE

— COOPERATIVE —

A.	**ANNUAL CARRYING CHARGE** The base carrying charge including gas and electricity, less surcharges and any charges for appliances, parking etc. multiplied by 12.	$	
B.	**CURRENT EQUITY INVESTMENT $_____ X 6%** ***6% of Equity Investment DOES NOT Include Accrued Amortization***	$	
C.	**REDECORATION AND REPLACEMENT** Number of rental rooms in your apartment X $120.	$	
D.	**TOTAL of lines A, B, and C.**		$
E.	**MAXIMUM INCOME LIMIT** If household consists of less than 4 persons, multiply line D by 7. If household consists of 4 or more persons, multiply line D by 8.		$
F.	**HOUSEHOLD INCOME** Amount from line A7 of income affidavit.		$
G.	**DEPENDENT EXEMPTIONS** Amount from line B1 of income affidavit.	$,000	
H.	**ALLOWANCE FOR PERSONAL EXEMPTIONS** Amount from line B2 of income affidavit.	$,000	
I.	**MEDICAL AND DENTAL EXPENSES** Amount from line B4 of income affidavit.	$	
J.	**TAXABLE SOCIAL SECURITY BENEFITS** Amount from line B5 of income affidavit.	$	
K.	**SECONDARY WAGE EARNER DEDUCTION *** A $20,000 deduction, or the exact amount of earnings if less, is allowed **for each secondary wage earner.** Enter the total household deduction here.	$	
L.	**TOTAL DEDUCTIONS** Add lines G, H, I, J, and K.		$
M.	**NET HOUSEHOLD INCOME** Line F minus line L.		$

If line M does not exceed line E, you are <u>not</u> subject to surcharge. If it does, divide line M by line E and refer to the Surcharge Schedule on page 4 to find the corresponding surcharge percent.

***** Secondary Wage Earner — Any gainfully employed member of the household, including minors under the age of 21, other than the head of household. The head of household is defined as the person who is legally or morally responsible for dependents in the household, whose income is generally from employment or self-employment and usually exceeds income of any other household member. It is not necessary for the head of household to be gainfully employed for another household member to qualify as a secondary wage earner.

NYS DHCR Frequently Asked Questions
Re: Income Affidavits

- **What are my responsibilities with respect to reporting my income?**

  All tenants/shareholders in DHCR supervised Mitchell-Lama developments are required to report their income, and the income of all household members, annually and to comply with housing company requests for documentation. Tenants in federally-assisted developments are subject to HUD's annual income re-certification requirements. Tenants in non-federally-assisted developments are subject to DHCR's annual income review procedure.

- **I had medical and dental expenses last year, but I did not itemize my deductions. Can I still claim the medical and dental expenses on line B4 of my income affidavit?**

  No. In order to claim Medical and Dental expenses on line B4 of your income affidavit, you must have itemized your deductions as reported on your ***NYS IT-196 New York Resident, Nonresident, and Part-Year Resident Itemized Deductions line 1.***

- **I had income, but I was not required to file a Tax Return. Do I need to report y income on my affidavit?**

  Yes. If you or a household member were not required to file a NYS Tax return, the income must still be reported in the household composition portion of the income affidavit. You must also check the box indicating “None” under Type of NYS Tax Return Filed.

- **Management indicated that a *$50 Non-Refundable Administrative Fee* will be imposed on ALL Tenant/Cooperators who have NOT submitted their Fully Completed Income Affidavit to management by April 30th. Is this correct?**

  Yes. When a tenant who is subject to DHCR's annual income review procedure fails to submit a completed income affidavit, or necessary documentation, by April 30th, Management may charge an administrative fee of $50. For affidavits received after June 30th a 50% non-refundable surcharge will be added to the rent.

- **After filing my income affidavit late, management agreed to remove the 50% surcharge going forward but could not remove the surcharge already billed. Is this correct?**

  Yes. When a tenant who is subject to DHCR's annual income review procedure fails to submit a completed income affidavit, or necessary documentation, management is required to give the tenant one month's notice that a 50% surcharge will be added to the rent. Once the affidavit or documentation is submitted, management is required to recalculate the surcharge on the basis of the submission and the effective date of any resulting rent change should be the first of the following month. Management is not required to waive a surcharge that has already been assessed due to the failure of a tenant to submit the income affidavit on time.

- **Since the last Income Affidavit submission, the tenant/shareholder of record has permanently vacated. Can I complete and submit the Income Affidavit?**

  Yes; however, you must inform the managing agent that the resident of record has vacated. You must also request Succession Rights when you submit the Income Affidavit. The managing agent will provide you with an application for **Succession Rights** with instruction on how to complete the application and required documents.