

# Congratulations: You Qualify

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Often our site staff members are confused by the language and terminology of the tax credit program. First, it's misleading. What on earth do taxes have to do with renting an apartment? We've even been asked by prospects if they get a tax break on their taxes if they live in our communities. We don't always even use the same terms. Instead we have affordable housing, workforce housing, rent restrictions, and income restrictions – all confusing, and adding to the negative feeling people have if they take advantage of an affordable housing program.

In addition to the restrictive language, there are the very personal and embarrassing questions that seem like prying, just to get the information needed to meet the qualifying requirements. It is not surprising that the average renter believes that the tax credit program is associated with public housing and he/she feels like this is some kind of a handout. Instead, it is the developer who gets the handout as credits on his taxes. One might also explain that the reason there are so many restrictions is to make sure that the person who got the benefits isn't cheating by renting to residents that don't meet the low income criteria.

It is much more effective to create a more positive feeling about this much-needed program. It starts by teaching staff members about how the Low-Income Housing Tax Credit Program works, and that they are lucky to receive these special rates. All companies have a training program that addresses the paperwork, its timetables, and its schedules. But if you educate your leasing team beyond the paperwork, your staff members will understand the basics of how the program works, who gets tax credits and why, how the amount of the credit is calculated and the basics of applying for credits. They'll understand the basic differences between the 4% and 9% credits. By understanding more about the tax credit program, they are better able to understand the reason the required information is actually needed, and they can relate this to the prospective renter with more confidence.

Once the prospect is eager to complete an application, the staff member begins to explain this wonderful program funded by the IRS to urge more owners to build apartments that are affordable for the average citizen. Without tax credits, developers of apartment communities would have no incentive, much less the financial ability, to build for average families – and apartment rents would be much higher. If the prospect qualifies for the program, they are told, they will be able to take advantage of these rental rates which are lower than many of the rents at apartment communities in the area.

By approaching this program in this way, the prospect is energized and excited about the opportunity to qualify. This creates a very positive impression of the program and the prospective resident feels pride in being able to take part.

After the initial qualifying is complete, the staff member proudly announces “Congratulations, Mr. and Mrs. Resident, you qualify for our program,” with true excitement. The prospect has been offered a benefit they can understand and that softens the requirements of filling out all the paperwork.

Now they turn to the qualifying process. The staff member explains that the IRS requires that the community owner must abide by the rules. To do that, the property must collect information to prove that the rules are being applied. As they go over the requirements together, the applicants are given helpful handouts with phone numbers and websites that might assist them in gathering the needed information.

Studies have shown that rental prospects want the “feel-good” experience when shopping for an apartment. While most employees are very adept at pointing out the benefits of the community; the size of the rooms, the fitness center, the proximity to childcare, etc., the challenge now is to include the benefits of the program itself. Our goal is to bring the same “feel-good” experience to our new residents. Congratulations, you qualify!