

***Income Limits,
Fair Market Rents,
Tax Credit Rents,
And More...***

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**NCSHA Housing Credit Connect 2019
HUD Policy Forum**



Agenda

- News and Notes about HUD's Income Limits
- The Impact of FMRs on Income Limits
- Comments on Income Averaging
- News and Notes about HUD's Fair Market Rents



News and Notes about Income Limits

- Reaffirm HUD's Commitment to April 1
- HOME Income Limits – Effective June 28



PD&R

The Impact of FMRs on Income Limits

- Statute directs HUD to adjust income limits in areas of “high construction cost”
 - Become known as the high housing cost adjustment
 - Measured using HUD’s Fair Market Rent
- An example: Oakland-Fremont, CA HMFA
 - MFI: \$111,700
 - Unadjusted 4P VLIL: \$55,850
 - 2BR Max Rent:
- 2BR FMR: \$2,126
- Adjusted: \$61,950
- \$1,858



PD&R



Comments on Income Averaging

- Cannot Move Forward without IRS Guidance
 - IRS Revenue Ruling 89-24 draws explicit lines between the credit and HUD's Very Low Income Limit
 - Standard HUD Income Limits
 - Extremely Low Income – MAX (30% MFI, Poverty Guidelines), Capped at VLI
 - Very Low Income Limits – 50% of MFI, with adjustments
 - Low Income – 80% of MFI (1.6*VLI), Capped at US Median
- Example: Danbury, CT HMFA

Area	MFI	4P VLI	4P VLI*1.6	4P LI	4P VLI*1.4 (70%)
Danbury, CT	\$113,300	\$56,650	\$90,650	\$75,500	\$79,311



News and Notes on FMRs

- HUD recently published Federal Register Notice for comment on Proposed Method Changes for FY2020
- Small Area FMRs Required in the Voucher Program in 24 Areas:

Atlanta-Sandy Springs-Marietta, GA HMFA	Bergen-Passaic, NJ HMFA	Charlotte-Gastonia-Rock Hill, NC-SC HMFA	Chicago-Joliet-Naperville, IL HMFA
Colorado Springs, CO HMFA	Dallas, TX HMFA	Fort Lauderdale, FL HMFA	Fort Worth-Arlington, TX HMFA
Gary, IN HMFA	Hartford-West Hartford-East Hartford, CT HMFA	Jackson, MS HMFA	Jacksonville, FL HMFA
Monmouth-Ocean, NJ HMFA	North Port-Bradenton-Sarasota, FL MSA	Palm Bay-Melbourne-Titusville, FL MSA	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA
Pittsburgh, PA HMFA	Sacramento--Arden-Arcade--Roseville, CA HMFA	San Antonio-New Braunfels, TX HMFA	San Diego-Carlsbad-San Marcos, CA MSA
Tampa-St. Petersburg-Clearwater, FL MSA	Urban Honolulu, HI MSA	Washington-Arlington-Alexandria, DC-VA-MD HMFA	West Palm Beach-Boca Raton, FL HMFA

