



TO: Owners and Managers of HOME-assisted Projects
FROM: Affordable Housing Connections, Inc.
DATE: May 6, 2021
SUBJECT: **2021 HOME Program Income and Rent Limits**

Affordable Housing Connections (AHC) monitors compliance for rental projects awarded funding under the Federal HOME Investment Partnerships Program (HOME) from the following Participating Jurisdictions (PJs):

- **Dakota County**
- **Hennepin County**
- **City of Minneapolis**
- **City of Saint Paul**
- **St. Louis County**
- **Ramsey County**
- **Washington County CDA**

At your PJ's request, we are providing the following information:

Find enclosed the recently published HOME Program income and rent limits for the **Minneapolis-St. Paul-Bloomington, MN-WI MSA** and **Counties in the Northeast MN HOME Consortium**. [The 2021 HOME Income and Rent Limits effective date is June 1, 2021](#). These and limits for other local and national jurisdictions are available on the HUD Exchange at the links below:

- [2021 HOME Income Limits](#)
- [2021 HOME Rent Limits](#)

The 30% Income Limits published for HOME may be different than the extremely low-income limits for the Section 8 program; very low-income limits (at or below 50% of median income for the area, as adjusted); 60% limits; and low-income limits (at or below 80% of median income for the area, as adjusted).

The 30% limits are provided for the HOME Program because the Consolidated Plan requires information on extremely low-income families. The 60% Income Limits are provided because each PJ must invest HOME funds made available during a fiscal year so that not less than 90% of families receiving HOME rental assistance or occupying HOME rental units are families whose annual incomes do not exceed 60% of the median family income for the area. The 60% limits are calculated in accordance with current IRS guidelines to ensure consistency between the HOME Program and the LIHTC Program.

The High HOME Rent Limit for an area is the lesser of the Section 8 Fair Market Rent (FMR) for the area or a rent equal to 30% of the annual income of a family whose income equals 65% of the area median income, as determined by HUD. The Low HOME Rent Limit for an area is 30% of the annual income of a family whose income equals 50% of the area median income, as determined by HUD, capped by the High HOME Rent Limit.





HUD's Economic and Market Analysis Division calculates the HOME rents each year using the FMRs and the Section 8 Income Limits. For information only, the HOME Rent Limit worksheets include the 2021 FMRs, the 65% rent limits, and the 50% rent limits. HUD is continuing to provide this information so that PJs will know which of the "lesser of" standards has been applied. Some jurisdictions may also find this information useful in designing local programs that do not use HOME funds.

The HOME Rent Limits are applicable to new leases and lease renewals after **June 1, 2021**; **rent increases MUST be approved by the PJ**. The maximum allowable rent for HOME-assisted units includes the unit rent, an amount for utilities paid by the tenant (*project must use the PJ-approved utility allowance standard/source*) and all non-optional charges. This total often is referred to as the **Gross Rent**. **Projects must carefully review current Gross Rents**. If the new rent limits are lower than the current Gross Rent being charged, or if rent increases anticipated in 2021 (for new leases, including month-to-month, executed after June 1, 2021) would cause the Gross Rent amounts to go over the limit, the rents must be adjusted downward, with the following exception in accordance with the HOME Final Rule:

§ 92.252 Qualification as Affordable Housing: Rental Housing

f. Subsequent rents during the affordability period.

1. The maximum HOME rent limits are recalculated on a periodic basis after HUD determines fair market rents and median incomes. HUD then provides the new maximum HOME rent limits to participating jurisdictions. Regardless of changes in fair market rents and in median income over time, the HOME rents for a project are not required to be lower than the HOME rent limits for the project in effect at the time of project commitment.

2021-2022 RENT INCREASE APPROVALS

Anticipated rent increases must be approved by the PJ before implementation. The project owner may be required to reimburse overpayments if this requirement is violated. A [HOME Rent Increase Request Form](#) must be completed and submitted to AHC along with the PJ-approved utility allowance source document used at your project showing the total of tenant-paid utilities for each Unit Type and Bedroom Size. We will review the rents and utility allowance for compliance and forward the information to the PJ for further action. **Rent increases may not be put into effect without prior written approval.**

Any leases executed on or after June 1, 2021 must comply with the 2021 rent limits. For existing tenants, please note that "any increase in rent for HOME-assisted units is subject to the provisions of outstanding leases, and in any event, the owner must provide tenants of those units not less than 30 days prior written notice before implementing any increase (or decrease) in rents."

Please contact our office with any questions and concerns you may have.

Thank you.



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)

HOME Program Rent and Income Guidelines

(Compiled and provided to owner/manager by AHC)

Minneapolis-St. Paul-Bloomington, MN-WI MSA

2021 Adjusted HOME Income Limits

Effective Date: June 1, 2021

	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Minneapolis-St. Paul-Bloomington, MN-WI MSA								
30% LIMITS	22050	25200	28350	31450	34000	36500	39000	41550
VERY LOW INCOME-50%AMI	36750	42000	47250	52450	56650	60850	65050	69250
60% LIMITS	44100	50400	56700	62940	67980	73020	78060	83100
LOW INCOME-80%AMI	55950	63950	71950	79900	86300	92700	99100	105500

2021 HOME Program Rents

Effective Date: June 1, 2021

	75% of OBR*	OBR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Minneapolis-St. Paul-Bloomington, MN-WI MSA								
LOW HOME RENT	674	898	984	1181	1363	1521	1678	1835
HIGH HOME RENT	674	898	1054	1308	1740	1921	2101	2281
FOR INFORMATION ONLY								
FAIR MARKET RENT	n/a	898	1054	1308	1838	2156	2479	2803
50% RENT LIMIT	n/a	918	984	1181	1363	1521	1678	1835
65% RENT LIMIT	n/a	1174	1259	1513	1740	1921	2101	2281

***If SRO housing has units with neither food preparation nor sanitary facilities, or with one (food preparation *OR* sanitary facilities), gross rent may not exceed 75% of the HUD-published FMR limit for a 0-BR unit.**

Northeast Minnesota HOME Consortium

2021 Adjusted HOME Income Limits

Effective Date: June 1, 2021

	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Duluth, MN-WI MSA (St. Louis County)								
30% LIMITS	16050	18350	20650	22900	24750	26600	28400	30250
VERY LOW INCOME-50%AMI	26750	30550	34350	38150	41250	44300	47350	50400
60% LIMITS	32100	36660	41220	45780	49500	53160	56820	60480
LOW INCOME-80%AMI	42750	48850	54950	61050	65950	70850	75750	80600
Cook County, MN								
30% LIMITS	15650	17900	20150	22350	24150	25950	27750	29550
VERY LOW INCOME-50%AMI	26100	29800	33550	37250	40250	43250	46200	49200
60% LIMITS	31320	35760	40260	44700	48300	51900	55440	59040
LOW INCOME-80%AMI	41750	47700	53650	59600	64400	69150	73950	78700
Itasca County, MN								
30% LIMITS	15650	17900	20150	22350	24150	25950	27750	29550
VERY LOW INCOME-50%AMI	26100	29800	33550	37250	40250	43250	46200	49200
60% LIMITS	31320	35760	40260	44700	48300	51900	55440	59040
LOW INCOME-80%AMI	41750	47700	53650	59600	64400	69150	73950	78700
Koochiching County, MN								
30% LIMITS	15650	17900	20150	22350	24150	25950	27750	29550
VERY LOW INCOME-50%AMI	26100	29800	33550	37250	40250	43250	46200	49200
60% LIMITS	31320	35760	40260	44700	48300	51900	55440	59040
LOW INCOME-80%AMI	41750	47700	53650	59600	64400	69150	73950	78700
Lake County, MN								
30% LIMITS	15650	17900	20150	22350	24150	25950	27750	29550
VERY LOW INCOME-50%AMI	26100	29800	33550	37250	40250	43250	46200	49200
60% LIMITS	31320	35760	40260	44700	48300	51900	55440	59040
LOW INCOME-80%AMI	41750	47700	53650	59600	64400	69150	73950	78700

2021 HOME Program Rents

Effective Date: June 1, 2021

	75% of OBR*	OBR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Duluth, MN-WI MSA (St. Louis County)								
LOW HOME RENT	491	654	671	865	998	1113	1229	1344
HIGH HOME RENT	491	654	671	884	1141	1390	1516	1641
FOR INFORMATION ONLY								
FAIR MARKET RENT	n/a	654	671	884	1141	1394	1603	1812
50% RENT LIMIT	n/a	672	720	865	998	1113	1229	1344
65% RENT LIMIT	n/a	854	916	1102	1264	1390	1516	1641
Cook County, MN								
LOW HOME RENT	363	484	644	734	968	1081	1192	1303
HIGH HOME RENT	363	484	644	734	1026	1271	1462	1590
FOR INFORMATION ONLY								
FAIR MARKET RENT	n/a	484	644	734	1026	1271	1462	1652
50% RENT LIMIT	n/a	652	698	838	968	1081	1192	1303
65% RENT LIMIT	n/a	829	889	1069	1226	1349	1469	1590
Itasca County, MN								
LOW HOME RENT	450	600	604	796	968	1079	1192	1303
HIGH HOME RENT	450	600	604	796	990	1079	1241	1403
FOR INFORMATION ONLY								
FAIR MARKET RENT	n/a	600	604	796	990	1079	1241	1403
50% RENT LIMIT	n/a	652	698	838	968	1081	1192	1303
65% RENT LIMIT	n/a	829	889	1069	1226	1349	1469	1590
Koochiching County, MN								
LOW HOME RENT	363	484	557	734	950	1062	1192	1303
HIGH HOME RENT	363	484	557	734	950	1062	1221	1381
FOR INFORMATION ONLY								
FAIR MARKET RENT	n/a	484	557	734	950	1062	1221	1381
50% RENT LIMIT	n/a	652	698	838	968	1081	1192	1303
65% RENT LIMIT	n/a	829	889	1069	1226	1349	1469	1590
Lake County, MN								
LOW HOME RENT	363	484	592	734	968	995	1144	1294
HIGH HOME RENT	363	484	592	734	992	995	1144	1294
FOR INFORMATION ONLY								
FAIR MARKET RENT	n/a	484	592	734	992	995	1144	1294
50% RENT LIMIT	n/a	652	698	838	968	1081	1192	1303
65% RENT LIMIT	n/a	829	889	1069	1226	1349	1469	1590

*If SRO housing has units with neither food preparation nor sanitary facilities, or with one (food preparation OR sanitary facilities), gross rent may not exceed 75% of the HUD-published FMR limit for a 0-BR unit.