



Affordable Housing
Connections



Your premier affordable
housing compliance agency
since 1989

*We deliver monitoring,
training and technical
assistance to property
owners and managers to
protect the investment
of private equity and tax
dollars and to ensure
continued quality
affordable rental housing.*

MEMORANDUM

TO: Owners and Managers of HOME-assisted Projects
FROM: Affordable Housing Connections, Inc.
DATE: May 23, 2016
SUBJECT: **2016 HOME Program Income and Rent Limits**

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

Dakota County **City of Minneapolis** **City of Saint Paul**
Hennepin County **St. Louis County**

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

Find enclosed the recently released HOME Program income and rent limits for the **Minneapolis-St. Paul-Bloomington, MN-WI MSA and Counties in the Northeast MN HOME Consortium**. These rent and income limits are **effective June 6, 2016**.

Please note that the 2016 HOME income limits may be different than the income limits for the Section 8 program. The 30% limits are provided for the HOME Program since the Consolidated Plan requires information on extremely low income families. The 60% limits have been calculated in accordance with current IRS guidelines to ensure consistency between the HOME Program and the Low Income Housing Tax Credit Program.

A complete set of the 2016 HOME Income limits are posted on the HOME program webpage on HUD Exchange at <https://www.hudexchange.info/news/2016-home-income-and-rent-limits-have-been-published-effective-june-6-2016>.

The HOME Program Income Limits have been updated for 2016 by HUD's Economic and Market Analysis Division (EMAD), Office of Policy Development and Research. The 2016 HOME Rent Limits published by HUD must be used by all HOME-assisted properties.

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**. If the new rent limits are lower than the current Gross Rent being charged, or if rent increases anticipated in 2016 (for new leases, including month-to-month, executed after June 6, 2016) 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:



400 Selby Avenue, Suite B
Saint Paul, MN 55102
Office: 651-222-8319
Fax: 651-222-3755
www.ahcinc.net



Affordable Housing
Connections



Your premier affordable
housing compliance agency
since 1989

*We deliver monitoring,
training and technical
assistance to property
owners and managers to
protect the investment
of private equity and tax
dollars and to ensure
continued quality
affordable rental housing.*



400 Selby Avenue, Suite B
Saint Paul, MN 55102
Office: 651-222-8319
Fax: 651-222-3755
www.ahcinc.net

§ 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.

2016-17 RENT INCREASE APPROVALS

Proposed rents for 2016-17 must be approved by the PJ before project rents are increased. A [HOME Rents 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 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 6, 2016 must be in compliance with the 2016 rent limits. For existing tenants, please note that “any increase in rents 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 the following staff for the appropriate concerns:

- Stephanie Newburg for HOME Projects in Minneapolis
stephanie@ahcinc.net
- Peris Outa for HOME Projects in Dakota County, St. Paul, and Hennepin County
peris@ahcinc.net
- Chris Walsh for HOME Projects in St. Louis County
chris@ahcinc.net

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

2016 Adjusted HOME Income Limits

Effective Date: June 6, 2016

	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	18050	20600	23200	25750	27850	29900	31950	34000
VERY LOW INCOME-50%AMI	30050	34350	38650	42900	46350	49800	53200	56650
60% LIMITS	36060	41220	46380	51480	55620	59760	63840	67980
LOW INCOME-80%AMI	46000	52600	59150	65700	71000	76250	81500	86750

2016 HOME Program Rents

Effective Date: June 6, 2016

	75% EFF*	EFF	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Minneapolis-St. Paul-Bloomington, MN-WI MSA								
LOW HOME RENT	492	656	812	975	1126	1256	1386	1515
HIGH HOME RENT	492	656	813	1027	1444	1681	1837	1992
FOR INFORMATION ONLY								
FAIR MARKET RENT	n/a	656	813	1027	1444	1693	1947	2201
50% RENT LIMIT	n/a	758	812	975	1126	1256	1386	1515
65% RENT LIMIT	n/a	1030	1105	1328	1525	1681	1837	1992

**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 (EFF) unit.*

Northeast Minnesota HOME Consortium

2016 Adjusted HOME Income Limits

Effective Date: June 6, 2016

	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	13450	15350	17250	19150	20700	22250	23750	25300
VERY LOW INCOME-50%AMI	22350	25550	28750	31900	34500	37050	39600	42150
60% LIMITS	26820	30660	34500	38280	41400	44460	47520	50580
LOW INCOME-80%AMI	35750	40850	45950	51050	55150	59250	63350	67400
Cook County, MN								
30% LIMITS	13450	15350	17250	19150	20700	22250	23750	25300
VERY LOW INCOME-50%AMI	22350	25550	28750	31900	34500	37050	39600	42150
60% LIMITS	26820	30660	34500	38280	41400	44460	47520	50580
LOW INCOME-80%AMI	35750	40850	45950	51050	55150	59250	63350	67400
Itasca County, MN								
30% LIMITS	13450	15350	17250	19150	20700	22250	23750	25300
VERY LOW INCOME-50%AMI	22350	25550	28750	31900	34500	37050	39600	42150
60% LIMITS	26820	30660	34500	38280	41400	44460	47520	50580
LOW INCOME-80%AMI	35750	40850	45950	51050	55150	59250	63350	67400
Koochiching County, MN								
30% LIMITS	13450	15350	17250	19150	20700	22250	23750	25300
VERY LOW INCOME-50%AMI	22350	25550	28750	31900	34500	37050	39600	42150
60% LIMITS	26820	30660	34500	38280	41400	44460	47520	50580
LOW INCOME-80%AMI	35750	40850	45950	51050	55150	59250	63350	67400
Lake County, MN								
30% LIMITS	13450	15350	17250	19150	20700	22250	23750	25300
VERY LOW INCOME-50%AMI	22350	25550	28750	31900	34500	37050	39600	42150
60% LIMITS	26820	30660	34500	38280	41400	44460	47520	50580
LOW INCOME-80%AMI	35750	40850	45950	51050	55150	59250	63350	67400

2016 HOME Program Rents

Effective Date: June 6, 2016

	75% Eff *	EFF	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Duluth, MN-WI MSA (St. Louis County)								
LOW HOME RENT	371	494	577	723	836	932	1029	1125
HIGH HOME RENT	371	494	577	755	972	1124	1293	1443
FOR INFORMATION ONLY								
FAIR MARKET RENT	n/a	494	577	755	972	1124	1293	1461
50% RENT LIMIT	n/a	563	603	723	836	932	1029	1125
65% RENT LIMIT	n/a	755	810	974	1117	1226	1335	1443
Cook County, MN								
LOW HOME RENT	352	469	603	723	836	932	1029	1125
HIGH HOME RENT	352	469	658	761	944	1214	1321	1427
FOR INFORMATION ONLY								
FAIR MARKET RENT	n/a	469	658	761	944	1305	1501	1697
50% RENT LIMIT	n/a	563	603	723	836	932	1029	1125
65% RENT LIMIT	n/a	748	802	964	1105	1214	1321	1427
Itasca County, MN								
LOW HOME RENT	347	462	544	718	830	926	1021	1116
HIGH HOME RENT	347	462	544	728	903	998	1148	1297
FOR INFORMATION ONLY								
FAIR MARKET RENT	n/a	462	544	728	903	998	1148	1297
50% RENT LIMIT	n/a	558	598	718	830	926	1021	1116
65% RENT LIMIT	n/a	748	802	964	1105	1214	1321	1427
Koochiching County, MN								
LOW HOME RENT	314	418	492	658	830	902	1021	1116
HIGH HOME RENT	314	418	492	658	899	902	1037	1173
FOR INFORMATION ONLY								
FAIR MARKET RENT	n/a	418	492	658	899	902	1037	1173
50% RENT LIMIT	n/a	558	598	718	830	926	1021	1116
65% RENT LIMIT	n/a	748	802	964	1105	1214	1321	1427
Lake County, MN								
LOW HOME RENT	387	516	598	718	830	926	1021	1116
HIGH HOME RENT	387	516	625	837	1039	1147	1319	1450
FOR INFORMATION ONLY								
FAIR MARKET RENT	n/a	516	625	837	1039	1147	1319	1491
50% RENT LIMIT	n/a	558	598	718	830	926	1021	1116
65% RENT LIMIT	n/a	759	814	979	1122	1233	1341	1450

*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 (EFF) unit.