



WESTCHESTER COUNTY 2014 AREA MEDIAN INCOME (AMI), SALES & RENT LIMITS

INCOME LIMITS & HOUSING COSTS

In determining affordability for housing, the housing costs must be calculated for the future residents. Housing costs include rent and any tenant paid utilities in rental housing; and includes the mortgage payment (Principal and Interest) property taxes, homeowners insurance and, in condominiums and cooperatives, any common charges and Home Owners Association (HOA) fees for ownership.

The U.S. Department of Housing and Urban Development (HUD) bases its income limits for a variety of housing programs on a standard called Area Median Income (AMI), for each metropolitan statistical area. The base AMI is estimated to be for an average family of 4 persons (highlighted in red on below chart). The maximum income by family size is then adjusted by a percentage determined by HUD:

FAMILY SIZE PERCENTAGE

# of Persons	1	2	3	4	5	6	7	8
Adjustment	70%	80%	90%	100%	108%	116%	124%	132%

In the cases where the AMI for Westchester County is lower in a following year, the County policy is to hold-harmless any existing property with tenants in place or new homebuyers ready to purchase a home who have signed a Contract of Sale prior to the effective date of the of the published Income Limits.

The below Income Limits are published by HUD accordance with federal guidelines, including the limits to be applied to **Multifamily Tax Subsidy Projects (MTSP)**. HUD also publishes income limits for the Neighborhood Stabilization Program (NSP) which are higher than those which apply to other Westchester County Housing Programs, at 120% AMI. Those limits are presented in the below chart, but only apply to ownership of 1-4 family homes assisted with NSP.

2014 Maximum Income Guidelines

INCOME LIMITS	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person
	Household	Household	Household	Household	Household	Household
120% AMI	\$87,100	\$ 99,550	\$112,000	\$124,450	\$134,400	\$144,350
100% AMI	\$72,600	\$ 83,000	\$ 93,300	\$103,700	\$112,000	\$120,300
80% AMI	\$58,100	\$ 66,400	\$ 74,700	\$ 83,000	\$89,650	\$ 96,300
*60% AMI	\$43,560	\$ 48,800	\$ 56,040	\$ 62,220	\$ 67,200	\$ 72,180
*50% AMI	\$36,300	\$ 41,500	\$ 46,700	\$ 51,850	\$ 56,000	\$ 60,150
30% AMI	\$21,100	\$ 24,900	\$ 28,000	\$ 31,100	\$ 33,600	\$ 36,100

EFFECTIVE DATE

- * MSTP, Section 8 & NSP Income Limits, December 18, 2013
- * HOME Income Limits and 80% Uncapped Income Limits, May 1, 2014

HOUSING COSTS

Westchester County uses the AMI Standard to set eligibility requirements for its funding programs for both rental and ownership housing. In addition, affordability is broadly defined as a household paying no more than 30% of their monthly gross income towards their housing costs. Based on the AMI for Westchester County, the following table calculates 30% of each income group’s total monthly gross income—the maximum that should be dedicated towards housing costs. Please note that in practice, affordability is calculated by the bedroom size of the unit assuming 1½ persons per bedroom. The below schedule is intended to provide a quick estimate of affordability for a given household.

Estimated Monthly Housing Cost Limits Based on 30% of Income

FAMILY SIZE	1 Person Household	2 Person Household	3 Person Household	4 Person Household	5 Person Household	6 Person Household
	120% AMI	\$2,178	\$2,489	\$2,800	\$3,111	\$3,360
100% AMI	\$1,815	\$2,075	\$2,333	\$2,593	\$2,800	\$3,008
80% AMI	\$1,453	\$1,660	\$1,868	\$2,075	\$2,241	\$2,408
60% AMI	\$1,089	\$1,245	\$1,401	\$1,556	\$1,680	\$1,805
50% AMI	\$ 908	\$1,038	\$1,168	\$1,296	\$1,400	\$1,504
30% AMI	\$ 545	\$ 623	\$ 700	\$ 778	\$ 840	\$ 903

The above Housing Costs calculation are based on family size. To estimate costs by unit size, typically HUD and New York State uses a general rule of 1½ persons per bedroom to determine rent and sale price limits based on the unit size. Please note, however, that municipalities may have their own occupancy requirements based on square footage of each bedroom. In some cases, the size of a bedroom may only accommodate 1 person and the rent must be proportioned accordingly. It is best to verify the municipality’s occupancy requirements before finalizing rents or sale prices.

Westchester County has adopted the standard of 1½ persons per bedroom in its underwriting for new housing development, and will apply that standard to its underwriting for its funding of Fair and Affordable housing developments.

SALE PRICE LIMITS

For homeownership developments, underwriting is based on the projected mortgage for which a family with a maximum income at 80% AMI can qualify, plus related housing costs. To assure that a broad range of families can both afford to purchase the unit, and qualify for a mortgage, Westchester County encourages developers to set sales prices to be affordable to a family at 70% AMI.

Housing costs to be included in the calculation for the sales price include the expected principal and interest on the mortgage loan, property taxes, homeowners insurance (PITI); and any common charges, homeowners’ association fees and/or maintenance fees.

RENT LIMIT

HUD publishes HOME Program Rent Limits for each metropolitan statistical area based on affordability for households with incomes at or below 60% AMI or 50% AMI. The published High HOME Rent is for units targeted to 60% AMI households; and the Low HOME Rent is for units targeted to 50% AMI households. To assure that a broad range of families can afford to rent any unit, the County encourages that rents be set to be affordable to families with incomes below the maximum income limits. Westchester County has adopted the HOME rent limits for all its funding programs.

The rent levels are to include all housing costs associated with the apartment. If there are any tenant paid utilities, an amount based on the utility allowance is deducted from the maximum rent allowed to arrive at the Net Rent that may be charged the tenant under a lease. The utility allowance used by Westchester County is provided by New York State Homes and Community Renewal.

Please note that the *Housing and Economic Recovery Act of 2008* requires that income and rent limits be calculated separately for *Multifamily Tax Subsidy Projects (MTSP)* funded under Section 42 of the Internal Revenue Code. Rent calculation information is provided by New York State. To check for this information, go to <http://www.nyshcr.org>.

HOME Program 2014 Rent Limits

UNIT SIZE	Efficiency	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom	5-Bedroom
HIGH HOME	\$ 967	\$1,177	\$1,441	\$1,656	\$1,828	\$1,998
LOW HOME	\$ 945	\$1,012	\$1,215	\$1,403	\$1,565	\$1,726

EFFECTIVE DATE

May 1, 2014

CACULATING NET RENT

To calculate the maximum Net Rent, the rent that may be charged to the tenant on a lease for any unit, start with the rent limit in the above chart for the unit size, and deduct any tenant paid utilities based on the chart on the back of this page.

For example, to set the rent for a 2 bedroom unit in a low rise apartment building for a household with an income at or below 60% AMI (the High HOME rent), where the tenant will also pay for these utilities, Natural Gas for Heating, Cooking, and Hot Water as well as for Electricity, follow the below process:

High Home Rent for a 2-Bedroom Unit:	\$1,441
Utility Allowance: Natural Gas Heat:	\$93
Natural Gas Cooking:	\$11
Natural Gas Hot Water:	\$13
Electricity	<u>\$23</u>
Total Utility Allowance:	<u>\$ 140</u>
Maximum Net Rent charged to Tenant	\$1,301

It should be noted that rents should be set to be affordable to a wide range of families, not just those with incomes at the maximum income limits allowed.

CONTACT INFORMATION

Persons interested in locating affordable housing should call or e-mail for more information: 914-995-2413 or tkal@westchestergov.com

Interested municipalities, non-profit and for-profit developers should call or e-mail Deborah DeLong at 914-995-6494 or ddd2@westchestergov.com

**UTILITY
ALLOWANCE
SCHEDULE**

The following table is the Utility Allowance Schedule used to calculate tenants' utility costs. Circle and add the tenant paid utilities for each apartment size to determine the total utility allowance for that unit size:

TENANT PAID UTILITIES:		Studio	1	2	3	4	5
HEAT							
High Rise Apt. Bldg	Natural Gas	\$ 56	\$ 66	\$ 77	\$ 93	\$114	\$129
	Bottle Gas	\$ 73	\$ 90	\$113	\$141	\$180	\$207
	Oil	\$ 64	\$ 81	\$100	\$126	\$159	\$184
	Electric	\$ 72	\$ 85	\$102	\$123	\$154	\$175
Low Rise/Garden							
	Natural Gas	\$ 60	\$ 73	\$ 93	\$111	\$131	\$150
	Bottle Gas	\$ 79	\$105	\$143	\$175	\$214	\$250
	Oil	\$ 70	\$ 92	\$126	\$156	\$190	\$223
	Electric	\$ 76	\$ 96	\$125	\$151	\$179	\$207
2-3 Story Older Home							
	Natural Gas	\$ 66	\$ 79	\$100	\$120	\$140	\$155
	Bottle Gas	\$ 90	\$115	\$158	\$194	\$231	\$261
	Oil	\$ 81	\$103	\$139	\$173	\$204	\$229
	Electric	\$ 85	\$104	\$136	\$164	\$192	\$214
Duplex							
	Natural Gas	\$ 68	\$ 83	\$104	\$125	\$144	\$161
	Bottle Gas	\$ 96	\$124	\$162	\$203	\$237	\$269
	Oil	\$ 84	\$112	\$145	\$179	\$209	\$240
	Electric	\$ 89	\$111	\$141	\$171	\$196	\$222
Single Family Detached							
	Natural Gas	\$ 73	\$ 93	\$108	\$131	\$146	\$167
	Bottle Gas	\$105	\$141	\$169	\$214	\$241	\$282
	Oil	\$ 92	\$126	\$151	\$190	\$215	\$251
	Electric	\$ 96	\$124	\$145	\$179	\$201	\$231
COOKING							
	Natural Gas	\$ 7	\$ 10	\$ 11	\$ 12	\$ 14	\$ 15
	Electric	\$ 6	\$ 7	\$ 9	\$ 12	\$ 16	\$ 17
	Bottle Gas	\$ 14	\$ 19	\$ 21	\$ 24	\$ 26	\$ 28
ELECTRICITY							
	Other Electric	\$ 13	\$ 17	\$ 23	\$ 28	\$ 31	\$ 35
	Air Condition- ing	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
HOT WATER							
	Natural Gas	\$ 8	\$ 10	\$ 13	\$ 16	\$ 18	\$ 21
	Electric	\$ 18	\$ 23	\$ 29	\$ 34	\$ 40	\$ 46
	Bottle Gas	\$ 15	\$ 20	\$ 25	\$ 29	\$ 35	\$ 39
	Oil	\$ 13	\$ 17	\$ 21	\$ 25	\$ 30	\$ 33
If appliances are provided by Tenant:							
	Range	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3
	Refrigerator	\$ 4	\$ 4	\$ 4	\$ 5	\$ 6	\$ 6
TRASH COLLECTION							
		\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10
TOTAL ALLOWANCE		\$	\$	\$	\$	\$	\$

EFFECTIVE DATE

January 1, 2014