

Virginia Housing Rental Compliance & Asset Management

TO: Virginia Housing Property Portfolio
 FROM: Virginia Housing Rental Compliance & Asset Management Department
 RE: FY2021 Program Income & Rent Limits Effective April 1, 2021

Project owners must review annually published income limits to ensure the appropriate income limits and rents are applied in their project.

The FY2021 Multifamily Tax Subsidy Program (MTSP) Income Limits, HERA Special Income Limits, Section 8 Income Limits, Average Income Test (AIT) Income Limits, and the National Non-Metropolitan Income Limits (NNMIL) are available on the [HUD User website](#).

The [Novogradac Income and Rent calculator](#) may also be used as a resource to assist with the annual review of income and rent limits.

The FY2021 HUD MTSP Income Limits were published **April 1, 2021**, including the HERA Special and Average Income Limits. These limits must be implemented within 45-days for Tax Credit and Tax Exempt Bond projects, no later than **May 16, 2021**, and applied to all new move-in and annual certifications.

The MTSP and HERA Special Income Limits can be obtained on the [HUD User website](#).

FY2021 HERA Special Limit Areas for Projects Placed in Service Prior to 1/1/2009

In FY2021, areas included in the Staunton-Waynesboro, VA MSA were added and are eligible for the HERA Special Income Limits. Projects Placed in Service prior to 1/1/2009 in the following areas are eligible to use the HERA Special Income Limits:

County Name	Metro Area Name
Augusta County	Staunton-Waynesboro, VA MSA
Frederick County	Winchester, VA-WV MSA
Montgomery County	Blacksburg-Christiansburg-Radford, VA HUD Metro FMR Area
Rockingham County	Harrisonburg, VA MSA
Harrisonburg city	Harrisonburg, VA MSA
Radford city	Blacksburg-Christiansburg-Radford, VA HUD Metro FMR Area
Staunton city	Staunton-Waynesboro, VA MSA
Waynesboro city	Staunton-Waynesboro, VA MSA
Winchester city	Winchester, VA-WV MSA

FY2021 Average Income Minimum Set-Aside Income Limits Published:

January 29, 2020, the IRS issued [Revenue Ruling 2020-4](#) to HUD, which clarified how to determine the income limits applicable for projects electing the Average Income Test (AIT) Minimum Set-Aside. The Revenue Ruling also provided a “Safe Harbor” provision for tenant income eligibility determinations completed before the release of the official income limits.

The FY2021 AIT Income limits are available on the [HUD User website](#).

Note: The 70% and 80% limits do not apply to Virginia Housing funded 4% Tax Exempt Bond.

*See the [Virginia Housing Average Income Memo](#) for additional guidance on using the AIT Income Limits in 4% Tax Exempt Bond properties.

National Non-Metropolitan Income Limits

Under the Housing and Economic Recovery Act (HERA-2008), Tax Credit properties located in rural areas may use the maximum of the area median income or national non-metropolitan median income.

The FY2021 National Non-Metropolitan median income limit is \$63,400, and can be found in the Frequently Asked Questions [\(FAQ\) document](#) on the HUD User website.

This limit may be applied to any area with a median income under **\$63,400** and eligible per the USDA website. Use this [link](#) to enter your property location and confirm the property is located in an eligible area. Eligible areas are subject to change from year to year. Maintain the eligibility document in your property files annually for compliance monitoring review.

Conventional Loan Program Income Limits

Virginia Housing conventional loan programs include Tax Exempt or Taxable Bond, Mixed Use/Mixed Income (“MUMI”), REACH, Special Initiatives Program (SIP), and SPARC financing. Any income, rent, or occupancy restrictions are imposed by Federal guidelines for the Tax Exempt Bond program. Virginia Housing’s enabling legislation requires that upon initial occupancy, a household’s gross annual or adjusted annual income does not exceed the income limit(s) included in the Regulatory Loan Agreement.

Virginia Housing uses the annual HUD published Section 8 Income Limits to calculate the income and rent limits, as applicable for Virginia Housing Loan programs at 50%, 80%, 100%, 120%, and 150% AMI. The Conventional Loan Program Income Limits can be found on the [Program Income and Rent Limits and Fair Market Rents webpage](#).

The Section 8 Income Limits are published on the [HUD User website](#).

HDS NextGen

The FY2021 HUD published income limits are available in HDS NextGen.