



Virginia Housing Rental Compliance & Asset Management

TO: Virginia Housing Property Portfolio
FROM: Virginia Housing Rental Compliance & Asset Management Department
RE: FY2020 Program Income & Rent Limits Effective April 1, 2020

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

Compliance & Asset Management created an Excel spreadsheet to assist with the annual review of income limits. The [VHDA Program Limits Calculator](#) includes the Multifamily Tax Subsidy Program (MTSP) Income Limits, Housing and Economic Recovery Act (HERA) Special Income Limits, Average Income Test (AIT) Income Limits, the National Non-Metropolitan Income Limits (NNMIL), and the Section 8 Income Limits. These limits are used for properties with Tax Credit and Tax Exempt Bond as well as non-Adjusted for Family Size (AFS) income limits applied to Virginia Housing loan programs.

The VHDA Program Limits Calculator Excel form can be found on the Virginia Housing website.

<https://www.vhda.com/BusinessPartners/PropertyOwnersManagers/Income-Rent-Limits/Pages/Income-Rent-Limits.aspx>

The FY2020 HUD MTSP Income Limits were published **April 1, 2020**, 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, 2020**, and applied to all new move-in and annual certifications.

The MTSP and HERA Special Income Limits can be obtained on the HUD website, <https://www.huduser.gov/portal/datasets/mtsp.html#2020>

FY2019 HERA Special Limit Areas for Projects Placed in Service Prior to 1/1/2009

In FY2020, there was no change in the areas eligible for the HERA Special Income Limits. The areas with projects Placed in Service prior to 1/1/2009 and eligible to use the HERA Special Income Limits include:

County Name	Metro Area Name
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
Winchester city	Winchester, VA-WV MSA

FY2019 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 **FY2019 Average Income Test Income Limits effective April 24, 2019**, are also available on the HUD website. The AIT Income Limits are incorporated in the query tool on the HUD web page.

<https://www.huduser.gov/portal/datasets/mtsp.html#2019>

The calculation factors used to determine the AIT Income Limits at 20%, 30%, 40%, 70%, and 80% are listed below. **Note:** The 70% and 80% limits do not apply to Virginia Housing funded 4% Tax Exempt Bond. *See the [VHDA Average Income Memo](#) for additional guidance on using the AIT Income Limits in 4% Tax Exempt Bond properties.

Calculation Factors:

20% = 0.4 x 50% limits **60%** = 1.2 x 50% limits

30% = 0.6 x 50% limits **70%** = 1.4 x 50% limits - **Not Applicable for Tax Exempt Bond**

40% = 0.8 x 50% limits **80%** = 1.6 x 50% limits - **Not Applicable for Tax Exempt Bond**

National Non-Metropolitan Income Limits

The FY 2020 National Non-Metropolitan median income is: \$62,300

The National Non-Metropolitan Median Income can be found in the Frequently Asked Questions (FAQ) document on the HUD website: <https://www.huduser.gov/portal/datasets/il.html>

This limit may be applied to any area eligible per the USDA website. Use the link below to confirm the property eligibility areas. Eligible areas are subject to change from year to year.

<https://eligibility.sc.gov.usda.gov/eligibility/welcomeAction.do>

Virginia Housing Loan Program Income Limits

Virginia Housing 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 Section 8 Income Limits are published on the HUD website, <https://www.huduser.gov/portal/datasets/il.html>

Please note: In the Section 8 Income Limits chart, Bedford City, VA is no longer listed as a separate Virginia city. Bedford City, VA was incorporated and is now a part of Bedford County, VA in the Lynchburg, VA MSA.

Web Tenant Compliance Management System (WTCMS)

The FY2020 HUD MTSP and Section 8 income limit tables are available in WTCMS.