

# WESTCHESTER COUNTY

## 2021 INCOME & RENT PROGRAM GUIDELINES AREA

### MEDIAN INCOME (AMI), SALES & RENT LIMITS

#### INCOME LIMITS & HOUSING COSTS

In determining housing affordability, all housing costs must be included in the calculation. In rental units, housing costs include rent and any tenant paid utilities. In ownership units, costs include the mortgage payment (principal and interest), property taxes and homeowners insurance; Condominiums and cooperatives, will add common charges or Home Owners Association (HOA) fees.

The U.S. Department of Housing and Urban Development (HUD) sets income limits annually for a variety of housing programs known as the Area Median Income (AMI) for each Metropolitan Statistical Area (MSA). The base AMI is estimated for an average household of 4 persons (highlighted in **red** in the table below). The maximum income by family size is then adjusted by a percentage determined by HUD:

#### HOUSEHOLD SIZE PERCENTAGE

#### NUMBER OF PERSONS ADJUSTMENT

1	2	3	4	5	6	7	8
70%	80%	90%	<b>100%</b>	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 any new AMI.

The AMI are published by HUD in accordance with federal guidelines, including the limits to be applied to *Multifamily Tax Subsidy Projects (MTSP)* and the HOME program. In 1999, Westchester County was designated by HUD to be an Exception Criteria community, which exempted the County's 80% AMI from being capped at the National Average. Westchester County is allowed to use its true 80%.

### 2021 Maximum Income Guidelines

#### Household Size

Income Limits	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person
120% AMI	\$107,100	\$122,400	\$137,700	\$153,000	\$165,250	\$177,500
100% AMI	\$89,250	\$102,000	\$114,750	<b>\$127,500</b>	\$137,700	\$147,900
80% AMI	\$71,400	\$81,600	\$91,800	\$102,000	\$110,150	\$118,300
60% AMI	\$53,550	\$61,200	\$68,850	\$76,500	\$82,600	\$88,750
50% AMI	\$44,650	\$51,000	\$57,400	\$63,750	\$68,850	\$73,950
30% AMI	\$26,800	\$30,600	\$34,450	\$38,250	\$41,300	\$44,400

#### Effective Date

\* MTSP, Section 8 & NSP Income Limits, April 1, 2021

\* HOME Income Limits and 80% Uncapped Income Limits, July 1, 2020

\* While Westchester County is authorized to use the "true" 80% AMI numbers, these have not been published by HUD, so are subject to HUD's confirmation. HUD will generally round (up or down) to the closest \$50.

## Housing Costs

Westchester County uses the AMI standard to set eligibility requirements for its funding programs for both rental and ownership housing. 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. The table below is intended to provide a quick estimate of affordability for a given household size at various income levels.

### 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	\$2,678	\$3,060	\$3,443	\$3,825	\$4,131	\$4,437
100% AMI	\$2,231	\$2,550	\$2,869	\$3,188	\$3,443	\$3,698
80% AMI	\$1,785	\$2,040	\$2,295	\$2,550	\$2,754	\$2,958
60% AMI	\$1,339	\$1,530	\$1,721	\$1,913	\$2,065	\$2,119
50% AMI	\$1,116	\$1,275	\$1,435	\$1,594	\$1,721	\$1,849
30% AMI	\$ 670	\$ 765	\$ 861	\$ 956	\$ 1,034	\$1,110

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

Westchester County will use the standard of 1½ persons per bedroom in its underwriting for new rental housing developments. Ownership units must be affordable to the minimum family size for the unit, per the County's occupancy standards (e.g. 3 persons for a 3 bedroom unit).

## Sale Price Limits

For ownership developments, underwriting is based on the household spending no more than 33% of their income on their total housing costs. This includes the mortgage payment (principal and interest), taxes, insurance and HOA or common charges where applicable. Ownership households can earn no more than 80% AMI to qualify for most programs. To assure that a broad range of families can both afford to purchase the unit and qualify for a mortgage, Westchester County will work with developers to set sales prices to be affordable to a family at 70% AMI.

## Rent Limits

HUD annually publishes HOME Program Rent Limits for each MSA based on affordability for households with incomes at or below 50% AMI or up to 60% AMI. The published High HOME

Rent is for units targeted to households that earn up to 60% AMI; and the Low HOME Rent is for units targeted to households that earn no more than 50% AMI. To assure that a broad range of households can afford to rent any unit, the County encourages that rents be set to be affordable to households with incomes below the maximum income limits. Westchester County has adopted the HOME rent limits for all its funding programs.

The monthly rent includes all housing costs associated with the unit. If there are any tenant paid utilities, the appropriate utility allowance must be 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 annually 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 [www.nyshcr.org](http://www.nyshcr.org).

**HOME Program 2020 Rent Limits** (Effective Date – July 1, 2020)

Unit Size	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom	5-Bedroom
High HOME	\$1,354	\$1,452	\$1,744	\$2,007	\$2,220	\$2,431
Low HOME	\$1,101	\$1,180	\$1,416	\$1,635	\$1,825	\$2,013

**CALCULATING NET RENT**

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

For example, to set the rent for a 2-bedroom unit 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, Hot Water and Electricity, follow the below process:

High Home Rent for a 2-Bedroom Unit: \$1,744

**Utility Allowance**

- Natural Gas Heat: \$94
- Natural Gas Cooking: \$17
- Natural Gas Hot Water: \$10
- Electricity: \$26

Total Utility Allowance: \$147

Maximum Net Rent charged to Tenant \$1,597

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.

Interested municipalities, non-profit and for-profit developers should call or e-mail Leonard Gruenfeld at 914-995-2409 or [lnga@westchestergov.com](mailto:lnga@westchestergov.com) with any questions.

