



Guidance on Selecting Rent and Income Limits

2020 Multifamily RFP TA Kickoff
Underwriting Session

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Housing is the foundation for success, so we collaborate with individuals, communities and partners to create, preserve and finance housing that is affordable.

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Selecting Rent and Income Limits

- The purpose of this guidance is to demonstrate how to display income and rent limits in the Workbook for various elections made on the Self-scoring Worksheet.
- Elections covered include:
 - High Priority Homeless (HPH)
 - People with Disabilities (PWD)
 - Serves Lowest Income/Rent Reduction
 - Rental Assistance/ Further Restricted Rental Assisted Units
- Green shaded examples [] indicate the correct rent grid setup.
- Red shaded examples [] indicate the incorrect rent grid setup.

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High Priority Homeless Units (HPH) – Rent Limits

Rent Limit	Income Limit	Program Type							Source of Rental Assistance or Operating Subsidy
		LHTC	HOME	HPH	PWD	Empl Occ	Owner Occ	Rent Asst	
30% MTSP	30% MTSP	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No Rental Assistance
50% MTSP	50% MTSP	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	ie: Housing Support or Section 8
60% MTSP	60% MTSP	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	ie: Housing Support or Section 8

- Allowable rent limits depend on whether rental assistance is present for the unit.
- If the unit has rental assistance, the rent limit may be set higher than 30% MTSP.
- Without rental assistance, the unit must have gross rents affordable to the household (30% of household monthly income) or underwritten at supportive housing rent levels, whichever is less (refer to Minnesota Housing Underwriting Standards).

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High Priority Homeless Units (HPH) – Income Limits

Rent Limit	Income Limit	Program Type							Source of Rental Assistance or Operating Subsidy
		LHTC	HOME	HPH	PWD	Empl Occ	Owner Occ	Rent Asst	
30% MTSP	30% MTSP	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No Rental Assistance
30% MTSP	50% MTSP	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No Rental Assistance
50% MTSP	50% MTSP	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ie: Housing Support or Section 8
50% MTSP	60% MTSP	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ie: Housing Support or Section 8
60% MTSP	60% MTSP	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ie: Housing Support or Section 8

- The Self-scoring Worksheet and Underwriting Standards do not provide guidance on income limits for HPH units.
- The examples above are recommendations of how to structure income limits for HPH units.

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People with Disabilities Units (PWD) – Rent Limits

Rent Limit	Income Limit	Program Type							Source of Rental Assistance or Operating Subsidy
		LHTC	HOME	HPH	PWD	Empl Occ	Owner Occ	Rent Asst	
30% MTSP	30% MTSP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No Rental Assistance
50% MTSP	30% MTSP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	ie: Housing Support or Section 8
60% MTSP	30% MTSP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	ie: Housing Support or Section 8

- Allowable rent limits depend on whether rental assistance is present for the unit.
- If the unit has rental assistance, the rent limit may be set higher than 30% MTSP.
- Without rental assistance, the unit must have gross rents affordable to the household (30% of household monthly income) or underwritten at supportive housing rent levels, whichever is less (refer to Minnesota Housing Underwriting Standards).

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People with Disabilities Units (PWD) – Income Limits

Rent Limit	Income Limit	Program Type							Source of Rental Assistance or Operating Subsidy
		LIHTC	HOME	HPH	PWD	Empl Occ	Owner Occ	Rent Asst	
30% MTSP	30% MTSP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No Rental Assistance
50% MTSP	30% MTSP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	ie: Housing Support or Section 8
60% MTSP	30% MTSP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	ie: Housing Support or Section 8
30% MTSP	50% MTSP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No Rental Assistance
30% MTSP	50% MTSP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	ie: Housing Support or Section 8

Income limits must be at or below 30% MTSP

Income limits higher than 30% MTSP are not permitted

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Serves Lowest Income Tenants/Rent Reduction

Rent Limit	Income Limit	Program Type							Source of Rental Assistance or Operating Subsidy
		LIHTC	HOME	HPH	PWD	Empl Occ	Owner Occ	Rent Asst	
50% MTSP	60% MTSP	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No Rental Assistance
50% MTSP	50% MTSP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No Rental Assistance
60% MTSP	60% MTSP	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No Rental Assistance
50% MTSP	60% MTSP	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	No Rental Assistance

- Units that meet this criterion must have rents affordable to households with incomes not to exceed 50% MTSP.
- Units must **not** have rental assistance. Units contributing to the Serves Lowest Income Selection criterion cannot also be claimed for the Rental Assistance criterion.

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Serves Lowest Income Tenants/Rent Reduction

Rent Limit	Income Limit	Program Type							Source of Rental Assistance or Operating Subsidy
		LIHTC	HOME	HPH	PWD	Empl Occ	Owner Occ	Rent Asst	
50% MTSP	60% MTSP	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No Rental Assistance
50% MTSP	50% MTSP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No Rental Assistance
60% MTSP	60% MTSP	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No Rental Assistance
50% MTSP	60% MTSP	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	No Rental Assistance

- The examples above include low income housing tax credits (LIHTC); however, the same principles apply if the project does not include LIHTC and instead has deferred funds only.
- The cells outlined in red indicate the reasons the examples given do not meet the requirements for Serves Lowest Income Tenants/Rent Reduction.
- The 50% MTSP income limit (green arrow) is not required but is acceptable.

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Rental Assistance /Further Restricted Rental Assisted Units

- Projects with Rental Assistance that agree to further restrict incomes to 30% MTSP for a 10-year period should display the 30% MTSP income limit in the Workbook.
- Rental Assistance criterion **cannot** be claimed if the development qualifies for or is claiming Existing Federal Assistance under the Preservation criterion.

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Where Elections Can Overlap

- Units with Rental Assistance **can** overlap with HPH or PWD units.
- Further Restricted Rental Assisted units **can** be paired with PWD units that have the same 30% MTSP income limit requirement.

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    graph TD
      RA[Rental Assistance] <--> HPH[HPH/PWD]
      FRRA[Further Restricted Rental Assisted] <--> PWD[PWD]
  
```

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Where Elections Can Overlap

- At the **project level**, a project may score points in all of the following areas – HPH; PWD; Serves Lowest Income/Rent Reduction; Rental Assistance; and Further Restricted Rental Assisted Units.
- Below is an example of a Workbook for a 40-unit building that incorporates all five elections. The corresponding points achieved are also indicated.

Unit Type	# of Bathrooms	# of Units	Rent Limit	Income Limit	Program Type										Source of Rental Assistance or Operating Subsidy	
					LIHC	HPH	PWD	Serves Lowest Income/Rent Reduction	Rental Assistance	Further Restricted Rental Assisted	Other	Other	Other	Other		
1BR	1.00	5	70% MTSP	80% MTSP	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Project Based Section 8
1BR	1.00	2	70% MTSP	80% MTSP	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Housing Support
2BR	2.00	20	70% MTSP	80% MTSP	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Project Based Section 8
1BR	1.00	8	60% MTSP	60% MTSP	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

Category	# of Units	% of Units	Points
High Priority Homeless (HPH)	7	17.5% (min. 7 units)	10
People with Disabilities (PWD)	5	12.5% (min. 5 units)	9
Serves Lowest Income/Rent Reduction	20	50%	8
Rental Assistance	12	30%	13
Further Restricted Rental Assisted	5	12.5% (min. 4 units)	3

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Where Elections Cannot Overlap

- At the **unit level**, particular units cannot be set aside for HPH as well as a PWD unit.
- A particular unit that contributes to point scoring for Serves Lowest Income/Rent Reduction cannot also be claimed for Rental Assistance.
- In both cases, only one designation may apply to a particular unit within a project.

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Thank you!

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