

## **Income Limits**

HDFCs are required to house people who are low-income. Different HDFCs have different eligibility definitions, or ways of determining who qualifies as low income. These are contained in the Certificate of Incorporation. Some HDFCs use Section 576 of the NYS Private Housing Finance Law and some use percents of median income.

Section 576(1)(b) states that “Dwellings in any such project shall be available for persons or families whose probable aggregate annual income does not exceed six times the rental (including the value or cost to them of heat, light, water and cooking fuel) of the dwellings to be furnished such persons or families, except that in the case of persons or families with three or more dependents, such ratio shall not exceed seven to one...”

For an HDFC under 576 that means that the maximum income is 6 times the annual maintenance + utilities for a person/family with 2 or less dependants and 7 times the maintenance + utilities for family with 3 or more dependents.

For example if the monthly is \$400 and the electric and gas bills total \$720 per year. For a single person the income limit calculation would be:

$\$400 \times 12 \text{ months} = \$4,800 \text{ annual maintenance} \times 6 = \$28,800 + \$720 \text{ utilities per year} = \$29,520 \text{ total income}$

For buildings using income guidelines, a common definition of low- income is earning 80% or less of the median income for the metropolitan area. Median income is determined by the U.S. Dept. of Housing and Urban Development; those figures are listed in the chart below. This number may look high to you; the median income is determined for the entire New York City metropolitan area. Remember they are maximums. Any HDFC can decide to set its income limits lower than these numbers by amending its by-laws.

(In some cases, HDFCs may actually be allowed to house people considered "moderate income," or up to 120% of median income so those numbers have been included as well.)

We believe HDFCs have a duty to keep both monthly charges and purchase prices at levels that will be affordable to low-income households, even if households of moderate or middle income are eligible to purchase. The total housing cost, which is the combination of the monthly charges and any financing or debt service, should not be so high as to exclude a range of people with incomes below 80% of AMI.

Income Limits for Fiscal Year 2013:

Household Size	30% of median: restrictions	50% of median: common cut-off for "very low-income" restrictions	80% of median: common cut-off for "low-income" restrictions	100% of median: within the range of "moderate-income" restrictions	120% of median: "moderate income" restrictions
1	\$18,050	\$30,100	\$48,100	\$60,125	\$72,150
2	\$20,600	\$34,400	\$55,000	\$68,750	\$82,500
3	\$23,200	\$38,700	\$61,850	\$77,313	\$92,775
4	\$25,750	\$42,950	\$68,700	\$85,875	\$103,050
5	\$27,850	\$46,400	\$74,200	\$92,750	\$111,300
6	\$29,900	\$49,850	\$79,700	\$99,625	\$119,550
7	\$31,950	\$53,300	\$85,200	\$106,500	\$127,800
8	\$34,000	\$56,700	\$90,700	\$113,375	\$136,050

The median income for New York, NY Metropolitan Area is \$63,000.