

Affordable Housing







WESTCHESTER COUNTY 2019 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**

# of Persons	1	2	3	4	5	6	7	8
Adjustment	70%	80%	90%	100%	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%.

2019 Maximum Income Guidelines

	Household Size					
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person
INCOME LIMITS						
120% AMI	\$101,050	\$115,500	\$129,900	\$144,350	\$155,900	\$167,450
100% AMI	\$84,200	\$ 96,250	\$108,300	\$120,300	\$129,900	\$139,550
80% AMI	\$67,350	\$ 77,000	\$ 86,600	\$ 96,250	\$103,950	\$111,650
*60% AMI	\$50,550	\$ 57,750	\$ 65,000	\$ 72,200	\$ 77,950	\$ 83,750
*50% AMI	\$42,150	\$ 48,150	\$ 54,150	\$ 60,150	\$ 65,000	\$ 69,800
30% AMI	\$25,300	\$ 28,900	\$ 32,500	\$ 36,100	\$ 39,000	\$ 41,900

**EFFECTIVE
DATE**

- * MTSP, Section 8 & NSP Income Limits, April 24, 2019
- * HOME Income Limits and 80% Uncapped Income Limits, June 1, 2018

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	\$2,526	\$2,888	\$3,248	\$3,609	\$3,898	\$4,186
100% AMI	\$2,105	\$2,406	\$2,708	\$3,008	\$3,248	\$3,489
80% AMI	\$1,684	\$1,925	\$2,165	\$2,406	\$2,599	\$2,791
60% AMI	\$1,264	\$1,444	\$1,625	\$1,805	\$1,949	\$2,094
50% AMI	\$1,054	\$1,204	\$1,354	\$1,504	\$1,625	\$1,745
30% AMI	\$ 633	\$ 723	\$ 813	\$ 903	\$ 975	\$1,048

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 <http://www.nyshcr.org>.

HOME Program 2018 Rent Limits

UNIT SIZE	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom	5-Bedroom
HIGH HOME	\$1,180	\$1,384	\$1,687	\$1,942	\$2,148	\$2,351
LOW HOME	\$ 1,025	\$1,098	\$1,317	\$1,522	\$1,698	\$1,874

EFFECTIVE DATE

June 1, 2018

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:	\$1,687
Utility Allowance: Natural Gas Heat:	\$95
Natural Gas Cooking:	\$19
Natural Gas Hot Water:	\$11
Electricity	<u>\$21</u>
Total Utility Allowance:	<u>\$ 146</u>
Maximum Net Rent charged to Tenant	\$1,541

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.

CONTACT INFORMATION

Interested municipalities, non-profit and for-profit developers should call or e-mail Jane Lindau at 914-995-1920 or jbla@westchestergov.com with any questions.

UTILITY ALLOWANCE SCHEDULE

The following table is the current* Utility Allowance Schedule used to calculate tenants' utility costs. Total the tenant paid utilities to determine the total utility allowance for that unit size:

TENANT PAID UTILITIES:		Studio	1 BR	2 BR	3 BR	4 BR	5 BR
HEAT	Natural Gas	\$ 66	\$ 82	\$ 94	\$112	\$124	\$140
	Bottle Gas	\$ 93	\$125	\$148	\$186	\$211	\$247
	Oil	\$ 80	\$109	\$130	\$164	\$186	\$217
	Electric	\$105	\$136	\$160	\$198	\$222	\$255

COOKING

	Natural Gas	\$ 12	\$ 16	\$ 17	\$ 19	\$ 21	\$ 23
	Electric	\$ 12	\$ 15	\$ 21	\$ 26	\$ 35	\$ 38
	Bottle Gas	\$ 14	\$ 18	\$ 21	\$ 23	\$ 25	\$ 27

LIGHTING, OTHER ELECTRIC

	Other Electric	\$ 14	\$ 19	\$ 26	\$ 31	\$ 35	\$ 39
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WATER HEATING

	Natural Gas	\$ 6	\$ 8	\$ 10	\$ 12	\$ 15	\$ 17
	Electric	\$ 20	\$ 26	\$ 32	\$ 38	\$ 45	\$ 51
	Bottle Gas	\$ 15	\$ 19	\$ 25	\$ 29	\$ 34	\$ 39
	Oil	\$ 11	\$ 14	\$ 18	\$ 22	\$ 26	\$ 29

If appliances are provided by Tenant:

	Range	\$ 12	\$ 12	\$ 12	\$ 12	\$ 12	\$ 12
	Refrigerator	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13

TRASH COLLECTION

\$ 20 \$ 20 \$ 20 \$ 20 \$ 20 \$ 20

WATER

\$ 20 \$ 22 \$ 25 \$ 28 \$ 30 \$ 32

SEWER

\$ 20 \$ 20 \$ 20 \$ 20 \$ 20 \$ 20

	Total Allowance	\$	\$	\$	\$	\$	\$
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EFFECTIVE DATE

* January 1, 2019

For additional information consult the Westchester County Housing website at www.westchestergov.com/housing

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Affordable Housing Requirements

All projects opting into the DOZ are required to permanently provide 10% of residential square footage at 80% of area median income (AMI) or make a deposit into the Affordable Housing Fund in accordance with the formula in the City's affordable housing ordinance, Section 331-152. No density bonus is available for projects in the DOZ.

A declaration of restrictive covenants will be filed that sets forth the particular requirements. The applicant shall provide a list of the affordable units to the City on an annual basis for use in the City's affordable housing lottery program. See <http://ecode360.com/6732591> for the City's affordable housing ordinance and <http://homes.westchestergov.com/resources/hud-income-guidelines> for the area median income guidelines.

For projects with more than 10 new dwelling units, there is an option of including the affordable units in the development, providing the units off-site or paying in to the Affordable Housing Fund.

Affordable Housing Payment In-lieu Fee

To ensure that developers have an effective and meaningful incentive to construct affordable housing on an inclusionary basis, the affordable housing fees listed below were adopted by City Council.

Payment in-lieu of constructing affordable units on-site in a project with 20 units or more:

\$90,000/studio

\$130,000/1bedroom

\$150,000/2bedroom

\$200,000/3bedroom

The Community Benefits Bonus program (see Step 6) also incentivizes the creation of Affordable Housing by allowing an option for developers to achieve additional height by providing additional affordable housing options.