

HUD Income Limits

What Does the Future Hold?



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Historical ACS Data is Used

Local ↓ ACS Data	X	National ↓ CPI Factor	=	HUD AMI
2017	X	CPI Factor	=	2020 AMI
2018	X	CPI Factor	=	2021 AMI
2019	X	CPI Factor	=	2022 AMI
2020	X	CPI Factor	=	2023 AMI

When is this pandemic going to impact income limits?

For areas without reliable one-year American Community Survey (ACS) Data an average of previous years may be used.

Historical ACS Data is Used

Local
↓

**ACS
Data**

National
↓

X

CPI Factor

=

HUD AMI

2017

X

(2020 CPI/2017 CPI)

=

2020 AMI

2018

X

(**2021 CPI**/2018 CPI)

=

2021 AMI

2019

X

(2022 CPI/2019 CPI)

=

2022 AMI

2020

X

(2023 CPI/**2020 CPI**)

=

2023 AMI

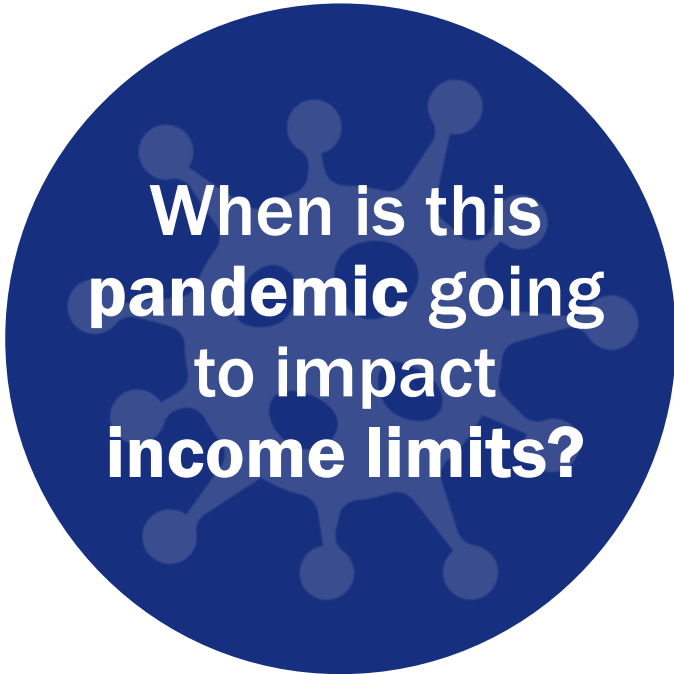
When is this
pandemic going
to impact
income limits?

For areas without reliable one-year American Community Survey (ACS) Data an average of previous years may be used.

Historical ACS Data is Used

National Median Income ACS Data

2017	72,891 (3.98%)
2018	76,401 (3.40%)
2019	80,944 (5.95%)
2020	To be published Sept. 2021



When is this
pandemic going
to impact
income limits?

2021 Impact of COVID-19

3.98% increase
↓
2018 ACS

Unknown and
impacted by COVID
↙
2021 CPI ÷ 2018 CPI

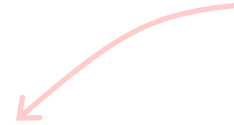
2021 Impact of COVID-19

3.98% increase



2018 ACS
76,401

Unknown and
impacted by COVID



**So 2021 limits will be
impacted by 2021 CPI**

2021 CPI Equal to CBO Estimate from January 2020

2021 CPI Equal to CBO Estimate from July 2020

2022 Impact of COVID-19

5.95% increase
↓
2019 ACS

Unknown and
impacted by COVID
↙
2022 CPI ÷ 2019 CPI

2022 Impact of COVID-19

5.95% increase

2019 ACS
80,944

Unknown and impacted by COVID

So 2022 limits will be impacted by 2022 CPI

2022 CPI Equal to CBO Estimate from July 2020

2023 Impact of COVID-19

2020 ACS

Will know this amount
in September 2021
for most areas.

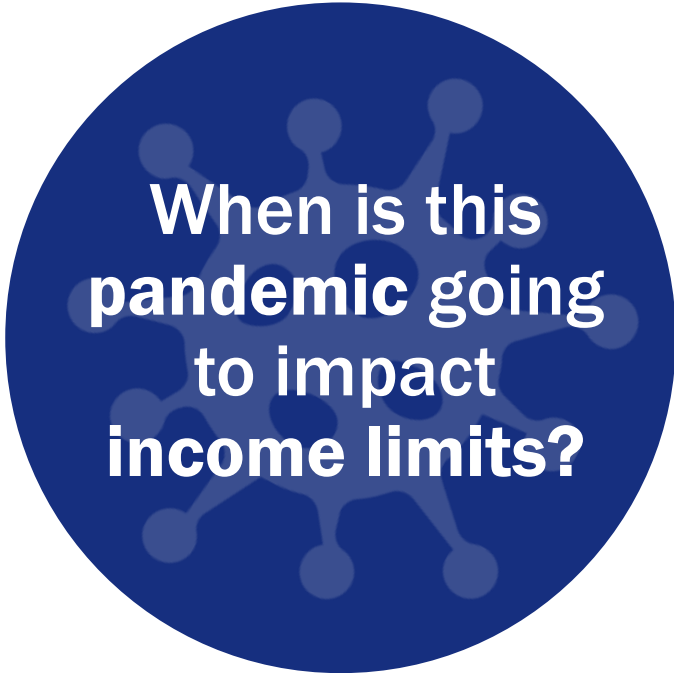
$2023 \text{ CPI} \div 2020 \text{ CPI}$

Unknown and HEAVILY
impacted by COVID

Historical ACS Data is Used

National Median Income ACS Data

2017	72,891 (3.98%)
2018	76,401 (3.40%)
2019	80,944 (5.95%)
2020	80,944 (0%)



2023 Impact of COVID-19

Unknown and HEAVILY impacted by COVID

2020 ACS

\$80,944*

2023 CPI** ÷ 2020 CPI***

CPI Factor 1.04 = 2023 AMI \$84,100 (0.36)****

Will know this amount in September 2021 for most areas.

*Assumed a flat ACS data

**2023 CPI equal to CBO Estimate from July 2020

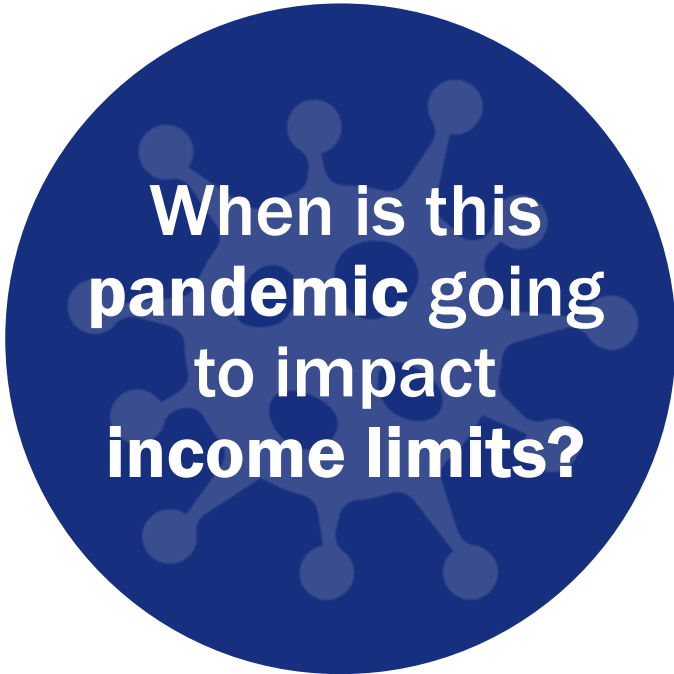
***2020 CPI equal to CBO Estimate from July 2020

****When compared to updated 2022 estimate

Historical ACS Data is Used


National Median Income ACS Data

2017	72,891 (3.98%)
2018	76,401 (3.40%)
2019	80,944 (5.95%)
2020	78,111 (-3.5)



2023 Impact of COVID-19

Unknown and HEAVILY impacted by COVID



2020 ACS
\$78,111*

2023 CPI** ÷ 2020 CPI***
CPI Factor 1.04 = 2023 AMI \$81,100 (-3.22%**)**

*Assumed a 3.5% decrease in ACS data

**2023 CPI equal to CBO Estimate from July 2020

***2020 CPI equal to CBO Estimate from July 2020

****When compared to updated 2022 estimate

2023 Impact of COVID-19

Unknown and HEAVILY impacted by COVID

2020 ACS
\$72,850*

2023 CPI** ÷ 2020 CPI***

CPI Factor 1.04 = 2023 AMI \$75,600 (-9.79%)* ** *

Will know this amount in September 2021 for most areas.

Reminder HUD does not allow an area to decrease by more than 5%

- * Assumed a 10% decrease in ACS data
- ** 2023 CPI equal to CBO Estimate from July 2020
- *** 2020 CPI equal to CBO Estimate from July 2020
- **** When compared to updated 2022 estimate

(5) the four-person income limit is increased if it is less than 95 percent of last year's very low income limit and reduced to the greater of 105 percent of last year's very low income limit or twice the change in the national median family income estimate if that amount would be larger than five percent. For FY 2020 income limits, twice the increase in the national median income compared to the FY 2019 median income is 7.9 percent, so the cap on increases is set at 7.9 percent.

Type Income Limit Calculation	Non-metro Counties	Metropolitan Areas
Table 1 Summary of Income Limits Determinations for FY 2020 Very Low Income Limits		
Type Income Limit Calculation	Non-metro Counties	Metropolitan Areas
1. Limits based on 50% of local median family income	604	339
2. Limits based on State non-metropolitan median family income level	1256	118
3. Limits increased to the amount at which 35% of 4-person family's income equals 50% of the 2-person FPL	11	26
4. Limits decreased to the greater of 80% of		
5. Limits floored if they would be less than 95% of last year's limit	12	17
6. Limits capped if they would otherwise increase by more than twice the increase in the National Median Income (i.e. would be more than 107.9% of last year's limit)	109	125
7. TOTALS	1973	625

income limits in a non-metropolitan county that are assigned to a metropolitan area when the median family income is less than the State non-metro level but above the level for the non-metro county.

FY 2020 Methodology for Determining Section 8 Income Limits

AMI

Local
↓
**ACS
Data**

National
↓
CPI Factor

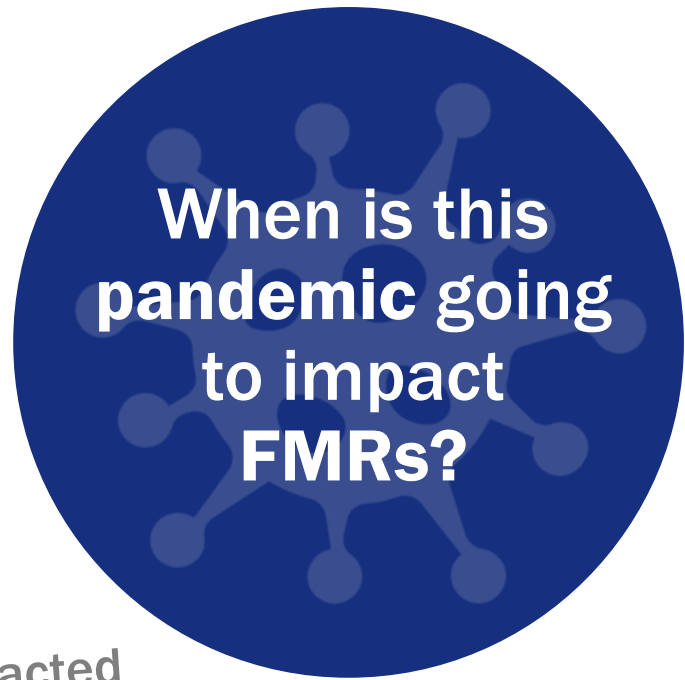
ACS Data X CPI Factor = HUD AMI

FMR

5-year ACS estimates of 2-bedroom adjusted standard quality gross rent x **Recent mover adjustment factor** x **CPI Factor (1 Year)** x **Trend factor** = **HUD FMR**

(2015-2018) (2018) (2018-2019) (2019-2021)

FMR



Won't be impacted for two or more years, but impact will linger



5-year ACS estimates of 2-bedroom adjusted standard quality gross rent

(2015-2018)

Won't be impacted for two or more years



Recent mover adjustment factor

(2018)

Impacted next year



CPI Factor (1 Year)

(2018-2019)

Impacted next year



Trend factor

(2019-2021)

x

x

x

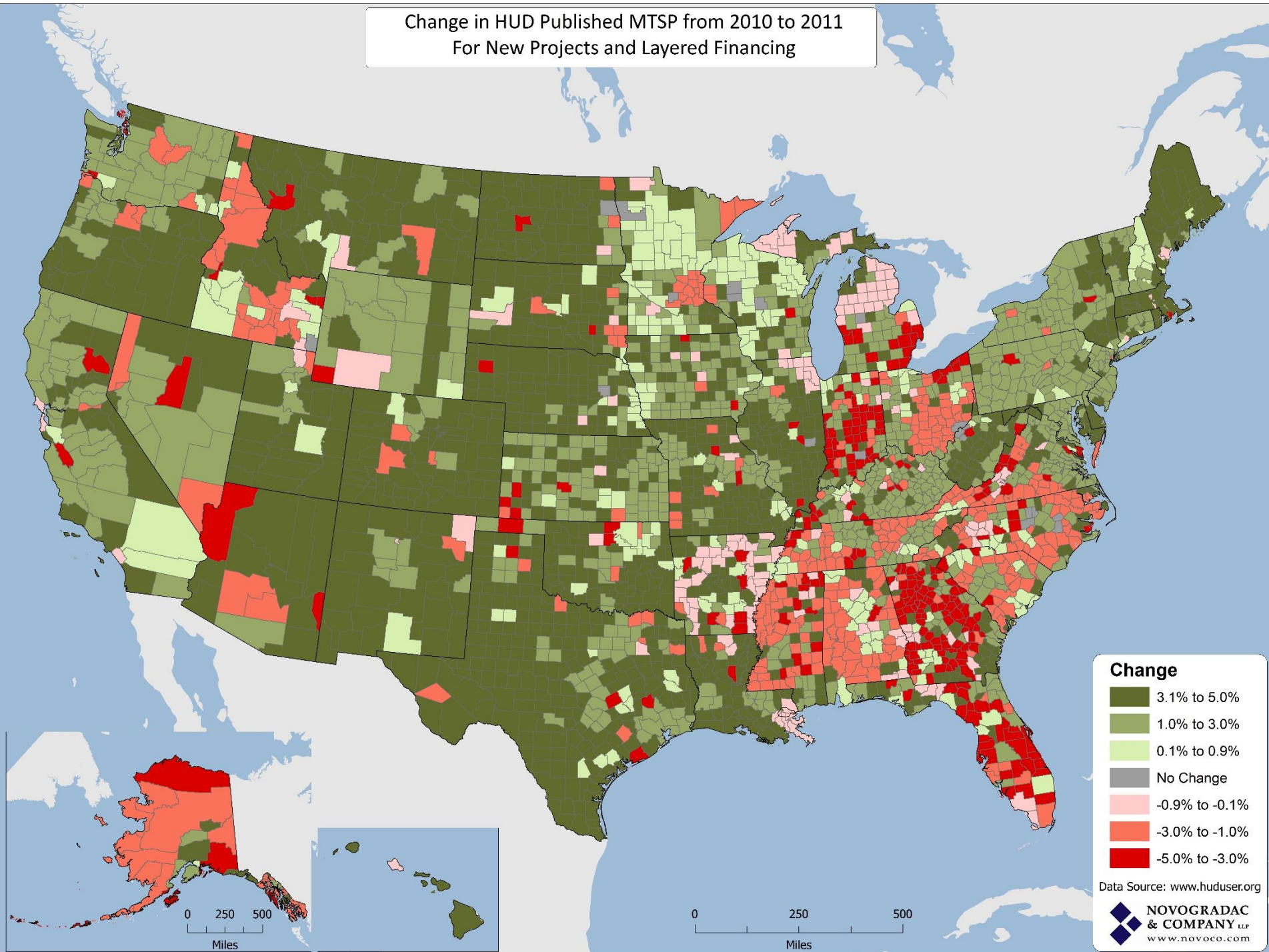
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HUD FMR

Bonus Material

Change in VLI Maps (2011-2020)

Change in HUD Published MTSP from 2010 to 2011
For New Projects and Layered Financing



Change

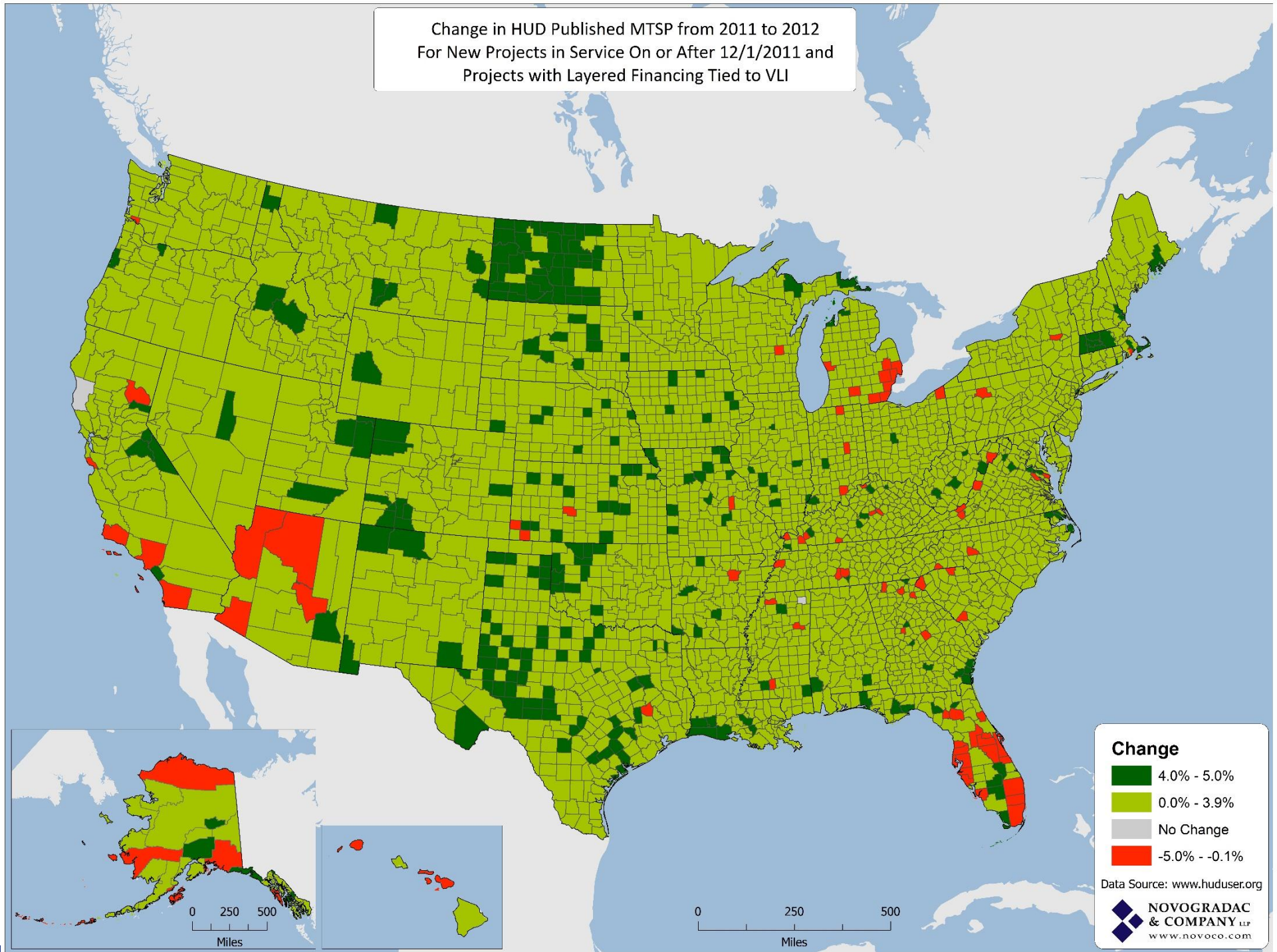
- 3.1% to 5.0%
- 1.0% to 3.0%
- 0.1% to 0.9%
- No Change
- 0.9% to -0.1%
- 3.0% to -1.0%
- 5.0% to -3.0%

Data Source: www.huduser.org

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Change in HUD Published MTSP from 2011 to 2012
For New Projects in Service On or After 12/1/2011 and
Projects with Layered Financing Tied to VLI



12/8/2020

Change

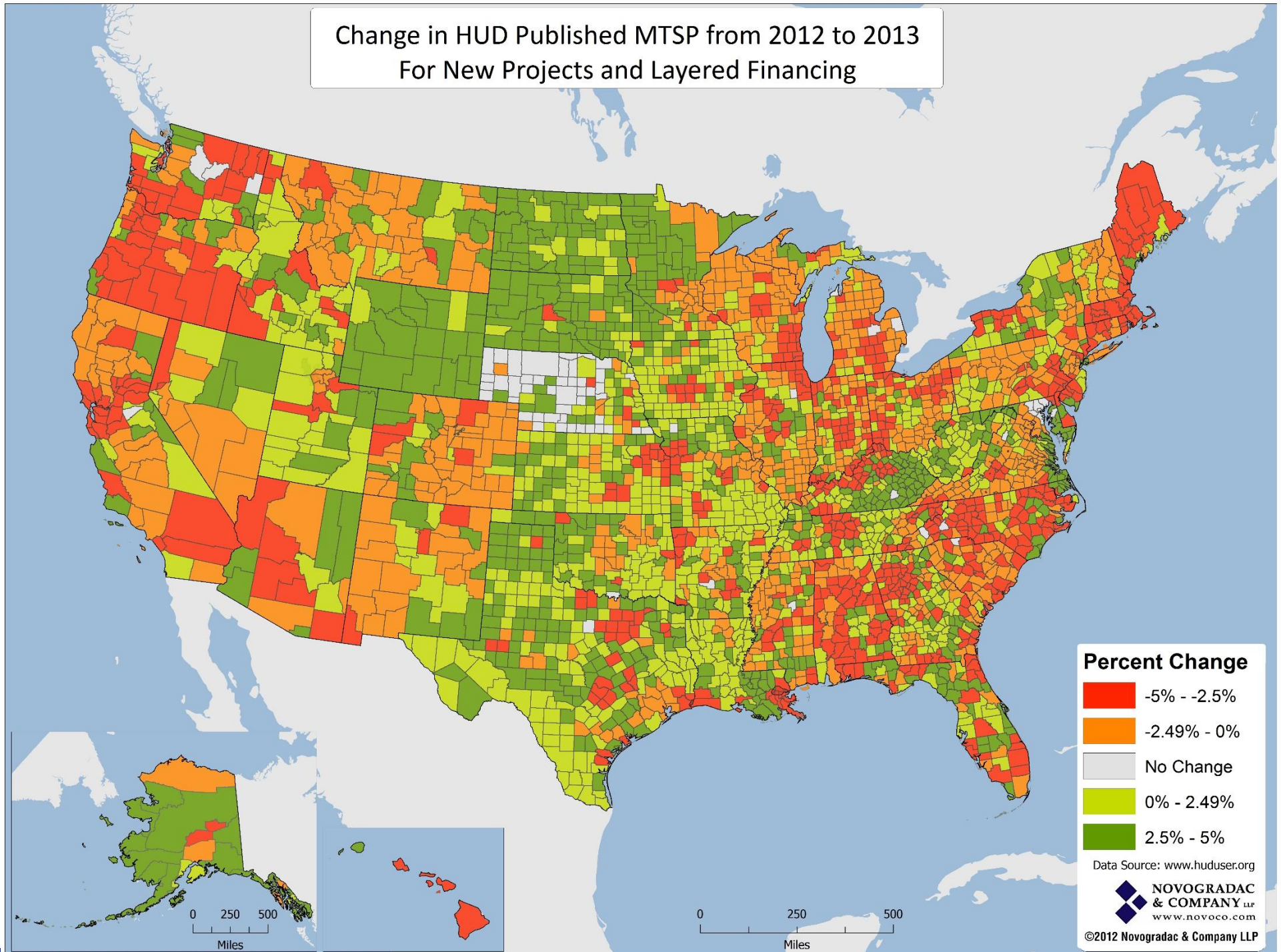
- 4.0% - 5.0%
- 0.0% - 3.9%
- No Change
- 5.0% - -0.1%

Data Source: www.huduser.org

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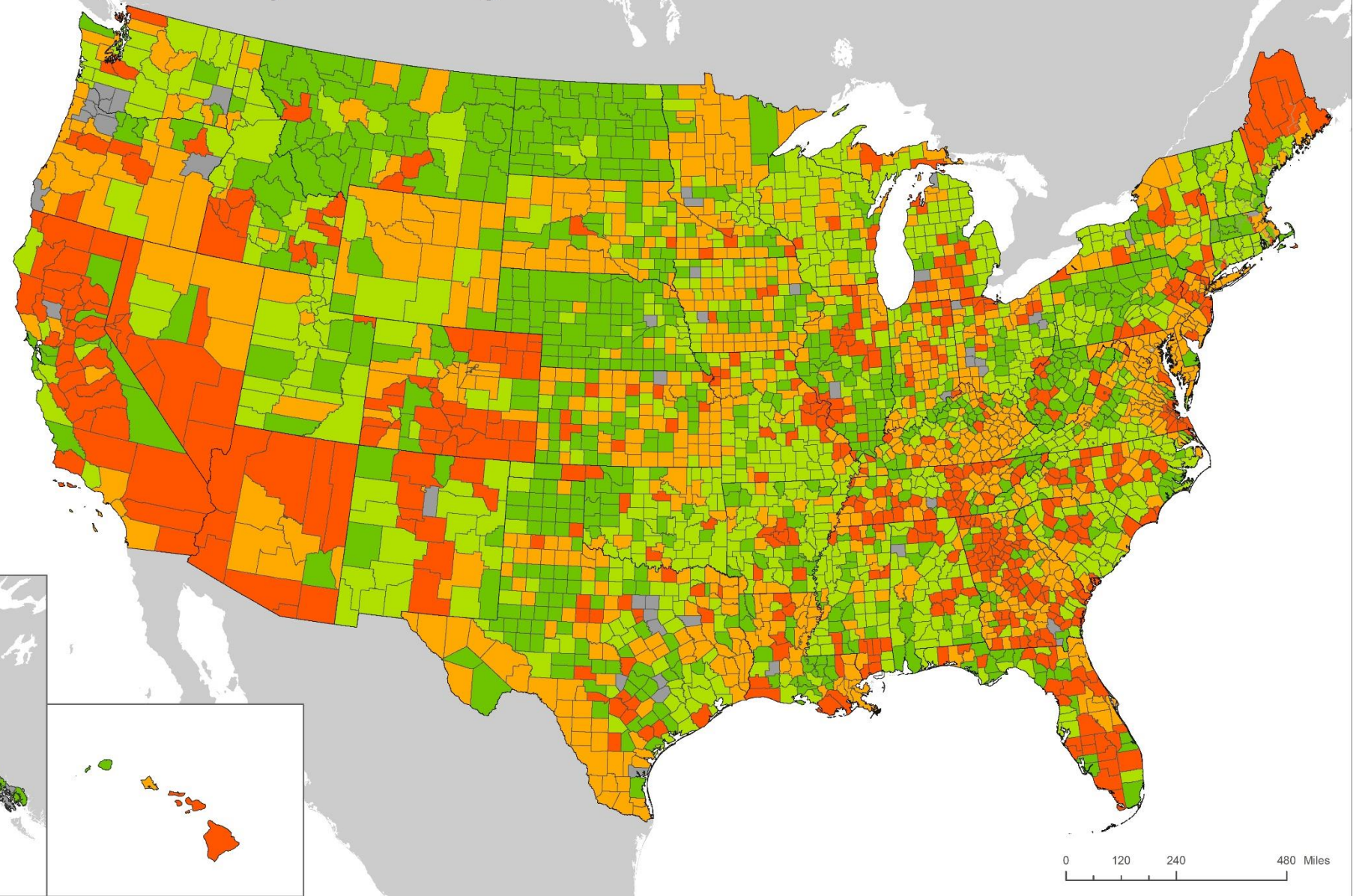
Change in HUD Published MTSP from 2012 to 2013
For New Projects and Layered Financing



12/8/2020

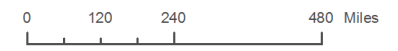
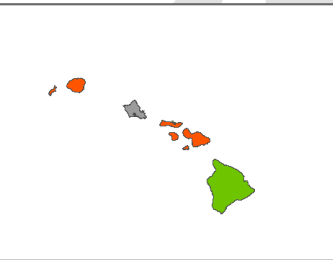
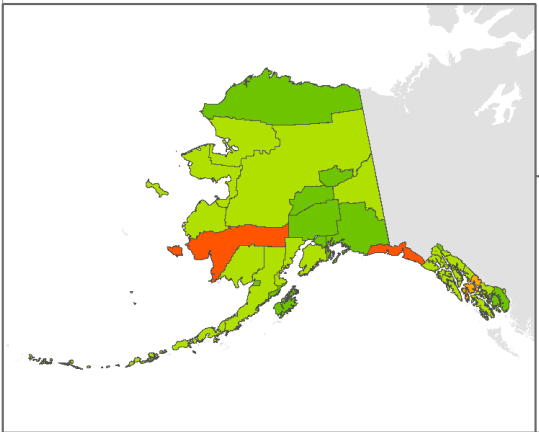
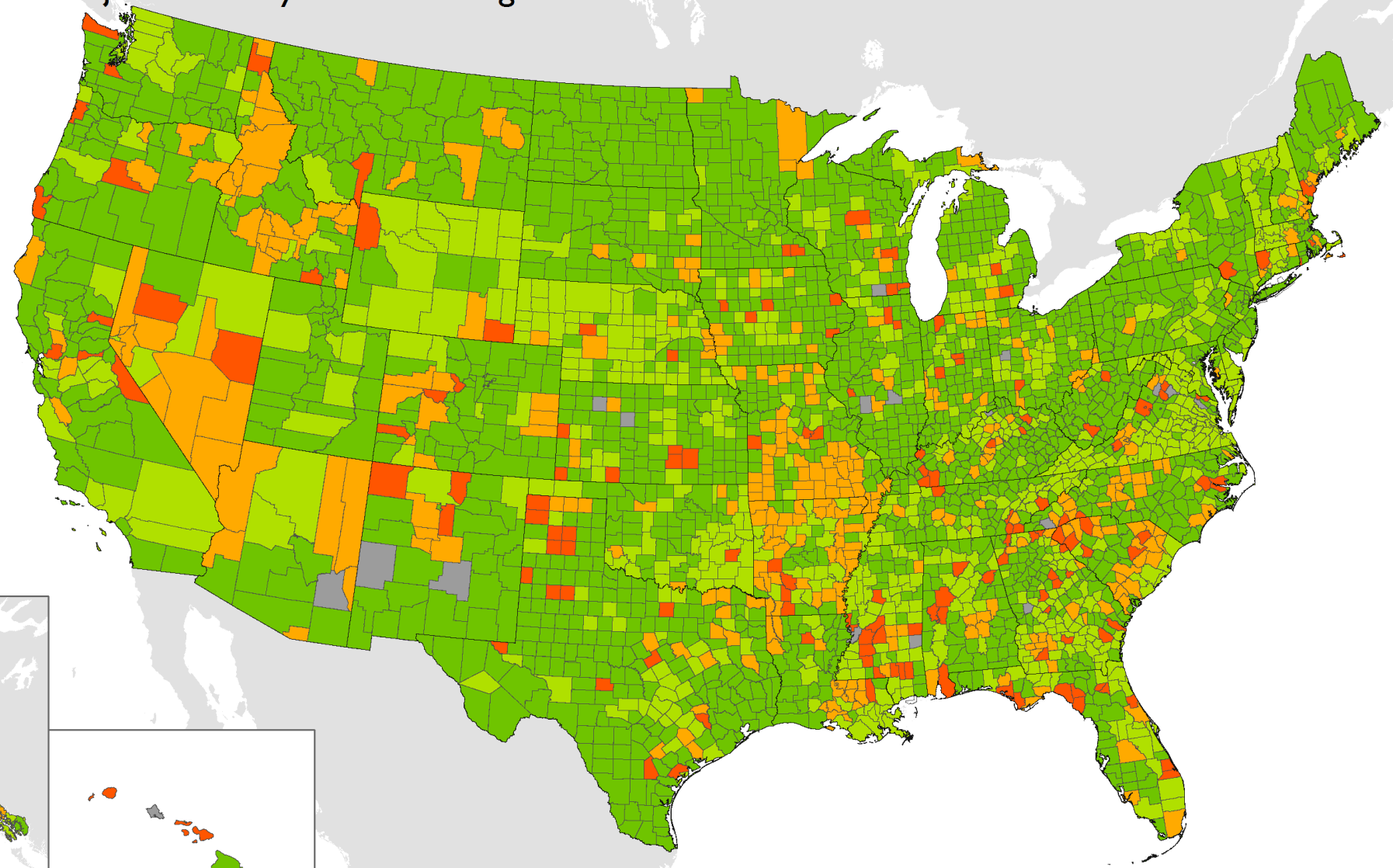
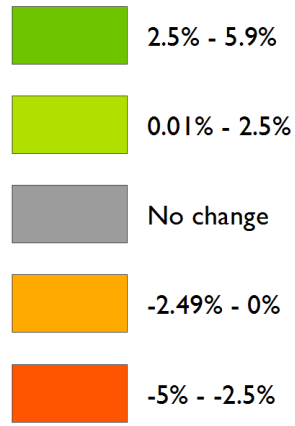
Change in HUD Published MTSP

2013 to 2014 for New Projects and Layered Financing



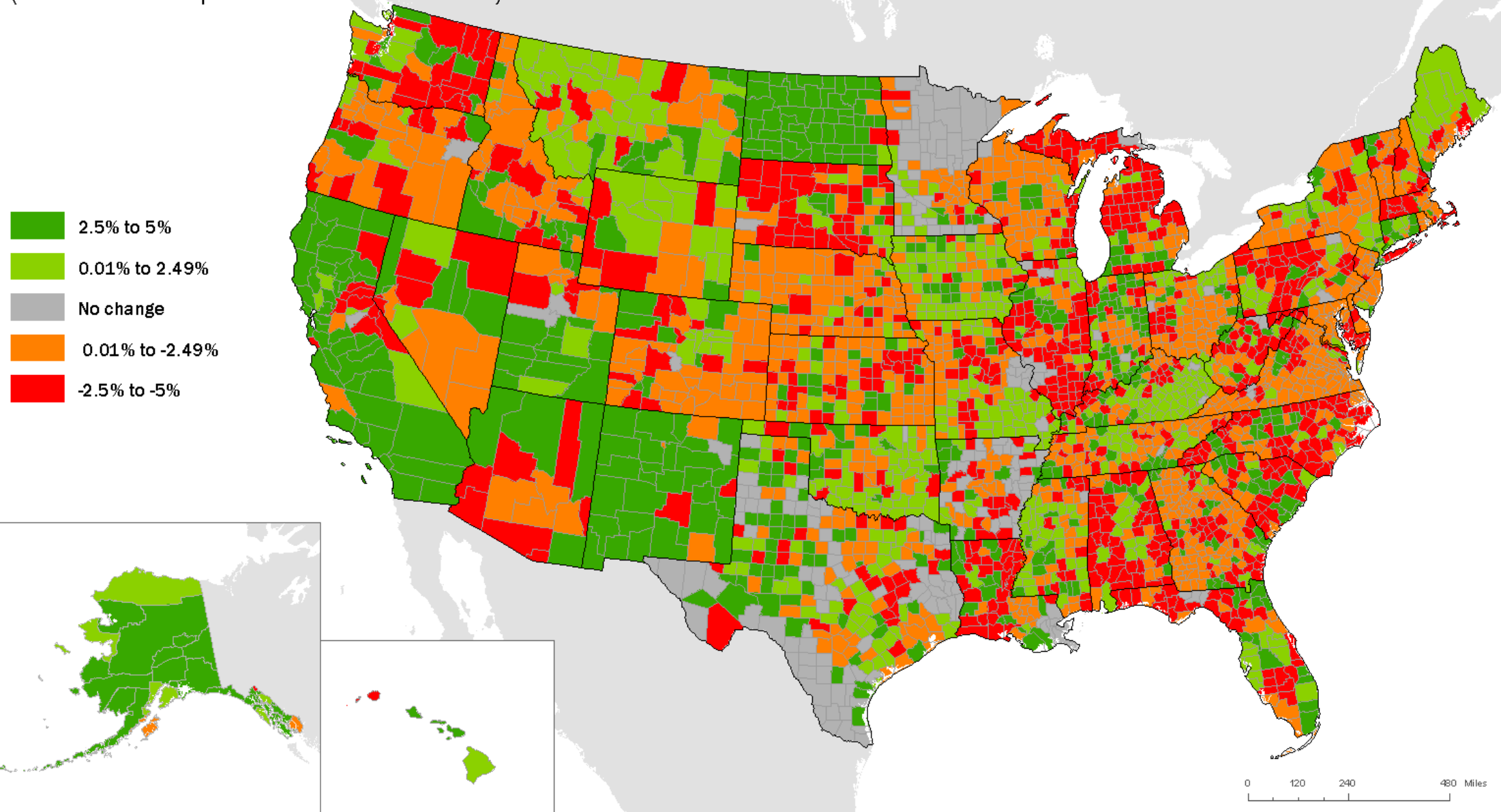
Change in HUD Published MTSP

2014 to 2015 for New Projects and Layered Financing



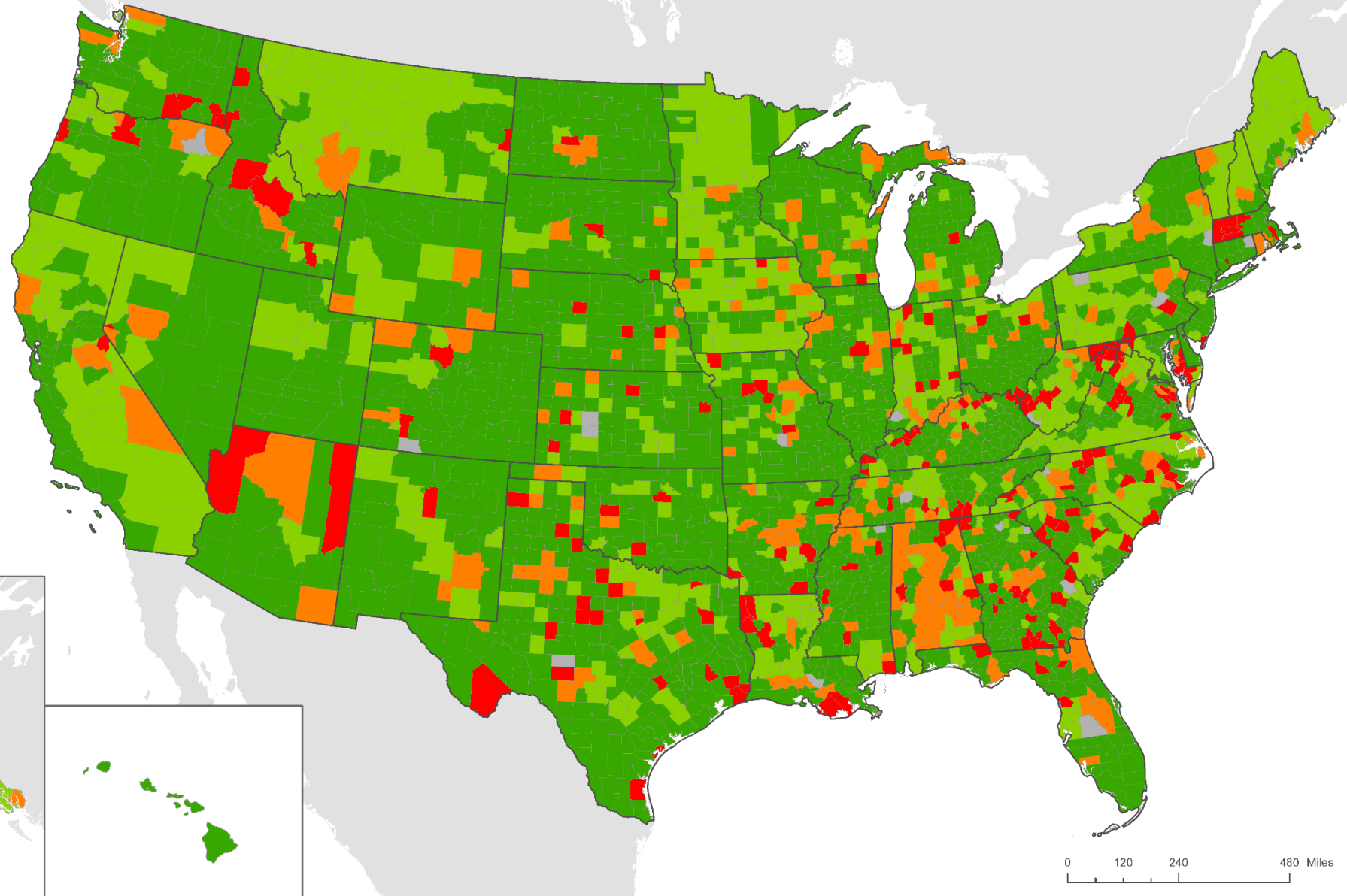
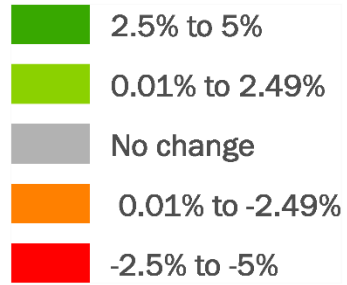
Change in HUD-Published MTSP Income Limits from 2015-2016

(Without HERA Special and Hold Harmless)

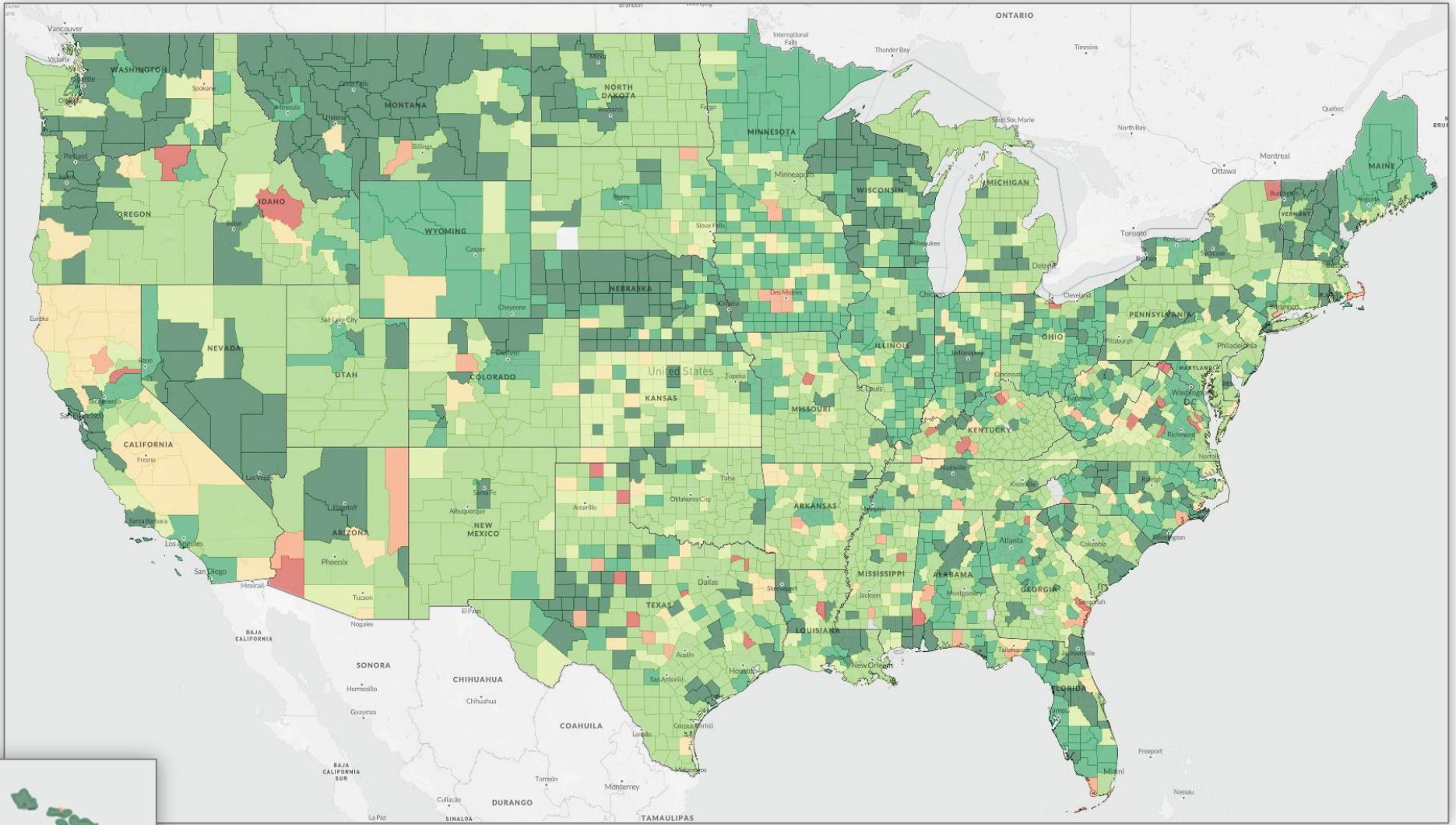
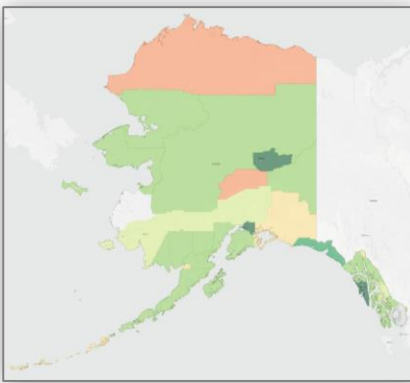


Change in HUD-Published MTSP Income Limits from 2016-2017

(Without HERA Special and Hold Harmless)



Change in HUD-Published MTSP Limits 2017 to 2018

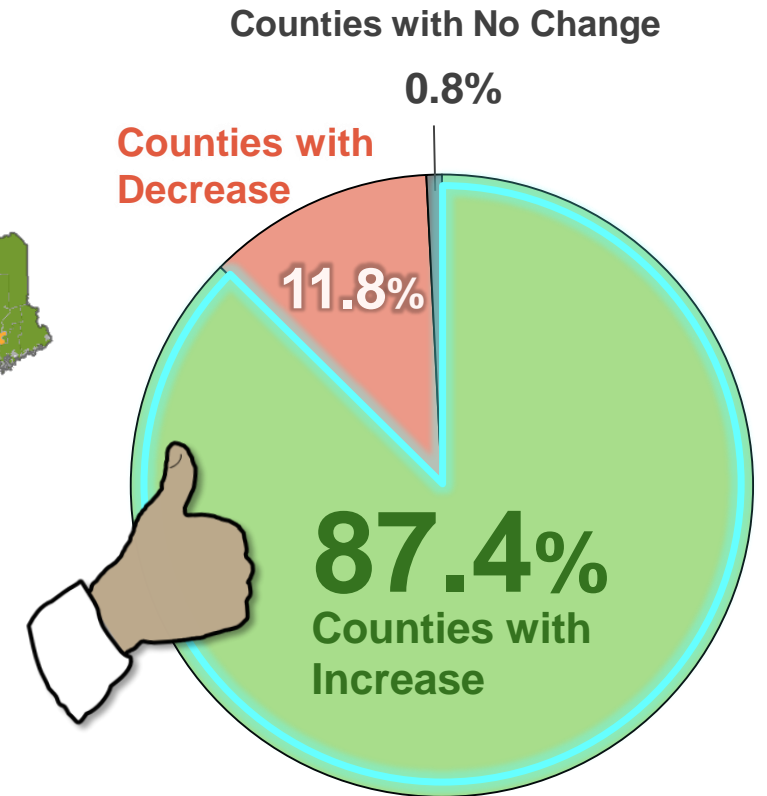
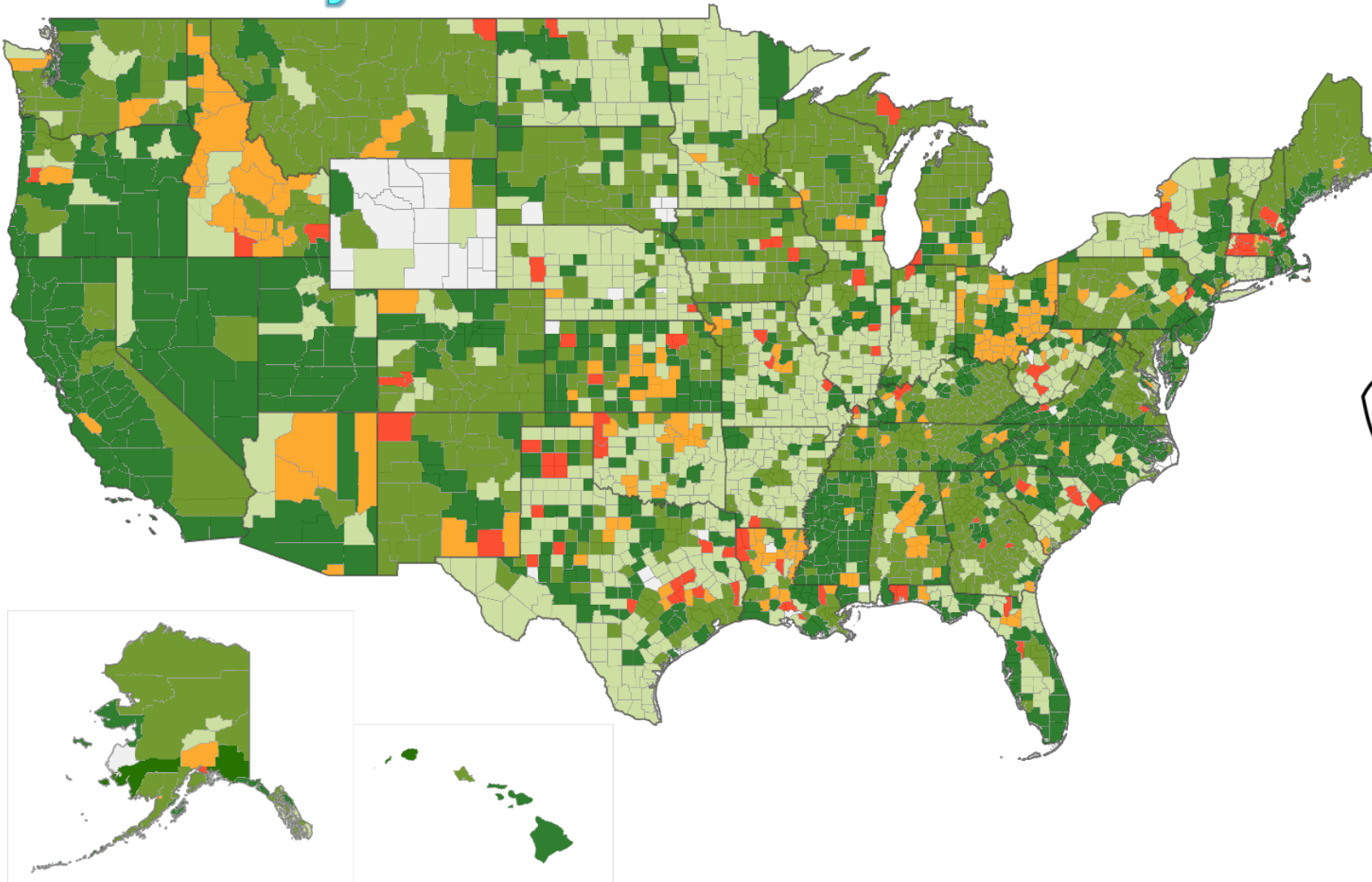


- Less Than 5%
- 5% to -2.5%
- 2.5% - 0
- No change
- 0-2.5%
- 2.5-5.75%
- 5.75 - 8%
- Greater than 8%

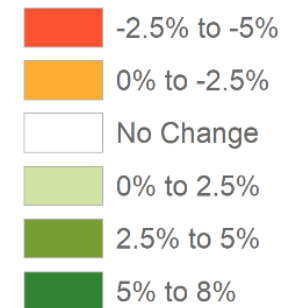
HUD MTSP Income Limits

2019-2020 Percent Change in VLI

For NEW Projects



2019-2020 Percent Change in VLI



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