

AREA MEDIAN INCOME (AMI) FOR 2016						
	1 person	2 people	3 people	4 people	5 people	6 people
80%	\$50,750	\$58,000	\$65,250	\$72,500	\$78,300	\$84,100
100%	\$63,500	\$72,500	\$81,600	\$90,600	\$97,900	\$105,100
120%	\$76,200	\$87,000	\$97,920	\$108,720	\$117,480	\$126,120

The Maximum Rent shall be determined in accordance with the methodology employed by the United States Department of Housing and Urban Development for determining maximum rents under its HOME Investment Partnership program (24 CFR 92)¹.

How to Determine your Tenant's Household AMI and Maximum Rent for Initial Lease

- Step 1* Create a list of the number of adults and children (all household members) to occupy the available tenant unit.
- Step 2* Collect 1040 Federal Tax Returns for the most recent year (or "Transcript of Tax Returns" issued by the IRS) for all household members generating income.
- Step 3* Determine each household member's income by using the ADJUSTED GROSS INCOME on the 1040 Federal Tax Return.
- Step 4* Add together the adjusted gross income for all household members to determine the Total Household Income.
- Step 5* Review chart above and determine whether Total Household Income is greater or less than the income of a family of the same size earning 80% AMI.

If the Total Household Income is greater than the income of a family of the same size earning 120% AMI, then the proposed tenant is not eligible to lease the available unit.

- Step 6* If the Total Household Income is less than or equal to 80% AMI, refer to "Eligible Tenant earning less than or equal to 80% AMI" on the chart below to determine the Maximum Rent for the available tenant unit (by bedroom count).

If the Total Household Income exceeds 80% AMI, refer to "Eligible Tenants earning more than 80% AMI" to determine the Maximum Rent for the available tenant unit (by bedroom count). 1

- Step 7* Submit to HPD for approval: (i) the documentation and calculations indicated in Steps 1 through 6; (ii) an Affidavit re: Household Makeup and Income from the proposed tenant; and (iii) the draft lease (including required Rider).

MAXIMUM RENT GUIDELINES, 2016					
<u>Eligible Tenant earning less than or equal to 80% AMI</u>					
High Home Rent					
	<u>Studio</u>	<u>1 bedroom</u>	<u>2 bedroom</u>	<u>3 bedroom</u>	<u>4 bedroom</u>
Max Rent (includes gas & electric)	\$991	\$1,063	\$1,278	\$1,468	\$1,618
Max Rent (T pays gas & electric)	\$936	\$1,006	\$1,220	\$1,396	\$1,543
Max Rent (T pays gas only)	\$975	\$1,046	\$1,261	\$1,450	\$1,598
Max Rent (T pays electric only)	\$952	\$1,023	\$1,237	\$1,414	\$1,563
<u>Eligible Tenant earning more than 80% AMI</u>					
30% of 120% of AMI					
	<u>Studio</u>	<u>1 bedroom</u>	<u>2 bedroom</u>	<u>3 bedroom</u>	<u>4 bedroom</u>
Max Rent (includes gas & electric)	\$1,905	\$2,040	\$2,448	\$2,828	\$3,153
Max Rent (T pays gas & electric)	\$1,850	\$1,983	\$2,390	\$2,756	\$3,078
Max Rent (T pays gas only)	\$1,889	\$2,023	\$2,431	\$2,810	\$3,133
Max Rent (T pays electric only)	\$1,866	\$2,000	\$2,407	\$2,774	\$3,098

1. For the purposes of determining the Maximum Rent, HUD guidelines assume that an apartment will be occupied by a family consisting of 1 person for a 0 bedroom (studio) apartment and 1.5 persons per bedroom for larger apartments. Hence, the Maximum Rent for a 2 bedroom apartment will be 30% of 120% of the Area Median Income of a 3 person family (2 bedrooms times 1.5 persons per bedroom), regardless of the number of persons actually occupying the apartment. For example, to determine the Maximum Rent for a 1 bedroom apartment for which the imputed occupancy is 1.5 persons, the Area Median Income for a 1.5 person family is determined by computing the average of the Area Median Income for a 1 person family and the Area Median Income for a 2 person family.

EXAMPLE: How to Determine Tenant's Household AMI and Maximum Rent for Initial Lease

Available Tenant Unit: 3-bedroom unit, rent includes utilities

Step 1 Household Members: Husband, Wife, One Daughter, Two Sons

5-person Household- Husband and Wife both have full time jobs. Daughter and Sons are all full-time students.

Step 2 Collect 1040 Federal Tax Returns from the most recent year (or "Transcripts of Tax Returns" issued by the IRS) for Husband and Wife.

Step 3 Husband's adjusted gross income is \$39,000

Wife's adjusted gross income is \$18,947.50

Step 4 Total Household Income = \$39,000 + \$18,947.50 = \$57,947.50

Step 5 Total Household Income = \$57,947.50

5 person 80% AMI = \$78,300

Total Household Income is less than 80% AMI for 5 person household.

Step 6 Refer to Maximum Rent Guidelines for "Eligible Tenant earning less than or equal to 80% AMI."

Maximum rent tenant is allowed to pay for the available 3 bedroom unit, including utilities = \$1,468.

How to Determine Maximum Rent for a Renewal Lease

Step 1 For a renewal lease, you may rely upon the Total Household Income determined at the time of initial occupancy.

Step 2 Obtain the most current Area Median Income and High HOME Rent on the New York City Department of Housing Preservation and Development website, www.nyc.gov/hpd². Such information is also available from the United States Department of Housing and Urban Development (HUD) at its website, www.hud.gov. If such information is not available on the websites, the Homeowner/Landlord may contact HPD's Homeowner Mortgage Servicing Unit for assistance: send an email to Mortintake@hpd.nyc.gov or call 212-863-6914.

² Mortgagee will endeavor to publish the Area Median Income and Maximum Rent on its website at:

<http://www1.nyc.gov/site/hpd/owners/homeowner-neighborhood-stabilization-program.page>

HPD may change its website at any time and no assurance can be given that such information will continue to be available in the same manner. If the Area Median Income or Maximum Rent are not available on the HPD website, Owner should refer to the HUD website. If Area Median Income or Maximum Rents have not been published for the then current year, Owner should use the most recent information.