

MILWAUKEE COUNTY HOME PROGRAM
AGREEMENT FOR HOME ASSISTED HOUSINGAttachment 1: **92.252 Qualification as Affordable Housing and Income Targeting: Rental Housing**

- (a) Rent limitation. A rental housing project (including the non-owner-occupied units in housing purchased with HOME funds in accordance with 92.254) qualifies as affordable housing under this part only if the project:
- (1) Bears rents not greater than the lesser of
 - (i) The fair market rent for existing housing for comparable units in the area as established by HUD under 888.111 of this title, less the monthly allowance for the utilities and services (excluding telephone) to be paid by the tenant; or
 - (ii) A rent that does not exceed 30 percent of the adjusted income of a family whose gross income equals 65 percent of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit, except that HUD may establish income ceilings higher or lower than 65 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes. In determining the maximum monthly rent that may be charged for a unit that is subject to this limitation, the owner or participating jurisdiction must subtract a monthly allowance for any utilities and services (excluding telephone) to be paid by the tenant. HUD will provide average occupancy per unit and adjusted income assumptions to be used in calculating the maximum rent allowed under this paragraph (a)(1)(ii);
 - (2) Has, in the case of projects with three or more rental units, or in the case of an owner of multiple one or two unit projects with a total of three or more rental units, not less than 20 percent of the rental units
 - (i) Occupied by very low-income families who pay as a contribution toward rent (excluding any federal or state rental subsidy provided on behalf of the family) not more than 30 percent of the family's monthly adjusted income as determined by HUD. To obtain the maximum monthly rent that may be charged for a unit that is subject to this limitation, the owner or participating jurisdiction multiplies the annual adjusted income of the tenant family by 30 percent and divides by 12 and, if applicable, subtracts a monthly allowance for any utilities and services (excluding telephone) to be paid by the tenant; or
 - (ii) Occupied by very low-income families and bearing rents not greater than 30 percent of the gross income of a family whose income equals 50 percent of the median income for the area, as determined by HUD, with adjustment for smaller and larger families, except that HUD may establish income ceilings higher or lower than 50 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes. In determining the maximum monthly rent that may be charged for a unit that is subject to this limitation, the owner or participating jurisdiction must subtract a monthly allowance for any utilities and services (excluding telephone) to be paid by the tenant. HUD will provide average occupancy per unit assumptions to be used in calculating the maximum rent allowed under paragraph (a)(2)(ii) of this section;
 - (3) Is occupied only by households that qualify as low-income families;
 - (4) Is not refused for leasing to a holder of a certificate of family participation under 34 CFR part 882 (Rental Certificate Program) or a rental voucher under 24 CFR part 887 (Rental Voucher Program) or to the holder of a comparable document evidencing participation in a HOME tenant-

based assistance program because of the status of the prospective tenant as a holder of such certificate of family participation, rental voucher, or comparable HOME tenant-based assistance document; and

- (5) Will remain affordable, pursuant to deed restrictions, covenants running with the land, or other mechanisms approved by HUD that will ensure that the property will remain affordable without regard to the term of any mortgage or the transfer of ownership, for not less than the appropriate period, beginning after project completion, as specified in the following table, without regard to the term of the mortgage or to transfer of ownership, except that, upon foreclosure by a lender or other transfer in lieu of foreclosure, the affordability period shall be terminated if the foreclosure or other transfer recognizes any contractual or legal rights of public agencies, nonprofit sponsors, or others to take actions that would avoid the termination of low-income affordability. However, the affordability restrictions shall be revived according to the original terms if, during the original affordability period, the owner of record before the foreclosure or other transfer, or any entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the project or property, the affordability period shall be revived according to its original terms. In addition, when HOME funds are used in connection with multifamily housing in which acquisition, new construction, or rehabilitation is financed with a mortgage insured by HUD under chapter II of this title, the minimum period of affordability is the term of the HUD-insured mortgage.

Activity	Minimum period of affordability in years
Rehabilitation or acquisition of existing housing per unit amount of HOME funds: Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000	15
New construction or acquisition of newly constructed housing	20

- (b) Rent schedule and utility allowances. The participating jurisdiction must review and approve rents proposed by the owner for units with "flat rents", i.e., units subject to the maximum rent limitations in paragraph (a)(1)(i), (a)(1)(ii), or (a)(2)(ii) of this section, and, if applicable, must review and approve, for all units subject to the maximum rent limitation paragraph (a) of this section, the monthly allowances, proposed by the owner, for utilities and services to be paid by the tenant. The owner must reexamine the income of each tenant household living in low-income units at least annually. The maximum monthly rent must be recalculated by the owner and reviewed and approved by the participating jurisdiction annually, and may change as changes in the applicable gross rent amounts, the income adjustments, or the monthly allowance for utilities and services warrant. Any increase in rents for lower income units is subject to the provisions of outstanding leases, in any event, the owner must provide tenants of those units not less than 30 days prior written notice before implementing any increase in rents.
- (c) Increases in tenant income. Rental housing qualifies as affordable housing despite a temporary noncompliance with paragraph (a)(2) or (a)(3) of this section, if the noncompliance is caused by increases in the incomes of existing tenants and if actions satisfactory to HUD are being taken to ensure that all vacancies are filled in accordance with this section until the noncompliance is corrected. Tenants who no longer qualify as low-income families must pay as rent the lesser of the amount payable by the tenant under State or local law or 30 percent of the family's adjusted monthly income, as recertified annually. The preceding sentence shall not apply with respect to funds made available under this part for units that have been allocated at low-income housing tax credit by a

housing credit agency pursuant to section 42 of the Internal Revenue Code 1986 (26 U.S.C. 42).

- (d) Adjustment of qualifying rent. HUD may adjust the qualifying rent established for a project under paragraph (a)(1) of this section, only if HUD finds that an adjustment is necessary to support the continued financial viability of the project and only by an amount that HUD determines is necessary to maintain continued financial viability of the project. HUD expects that this authority will be used sparingly. Adjustments in fair market rents and in median income over time should help maintain the financial viability of a project within the qualifying rent standard in paragraph (a)(1) of this section.
- (e) Manufactured housing. Purchase and/or rehabilitation of a manufactured housing unit qualifies as affordable housing only if, at the time of project completion, the unit --
 - (1) Is situated on a permanent foundation;
 - (2) Is connected to permanent utility hook-ups;
 - (3) Is located on land that is held in a fee-simple title, land-trust, or long-term ground lease with a term at least equal to that of the appropriate affordability period;
 - (4) Meets the construction standards established under 24 CFR 3280;
 - (5) Meets all requirements of this section.

(Approved by the Office of Management and Budget under OMB control number 2501-0013)

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MILWAUKEE COUNTY HOME PROGRAM
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Attachment 2: **92.253 Tenant and Participant Protections.**

- (a) Lease. The lease between a tenant and an owner of rental housing assisted with HOME funds must be for not less than one year, unless by mutual agreement between the tenant and the owner.
- (b) Prohibited lease terms. The lease may not contain any of the following provisions:
- (1) Agreement to be sued. Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease;
 - (2) Treatment of property. Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with state law;
 - (3) Excusing owner from responsibility. Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent;
 - (4) Waiver of notice. Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant;
 - (5) Waiver of legal proceedings. Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;
 - (6) Waiver of a jury trial. Agreement by the tenant to waive any right to a trial by jury;
 - (7) Waiver of right to appeal court decision. Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; and
 - (8) Tenant chargeable with cost of legal actions regardless of outcome. Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.
- (c) Termination of tenancy. An owner may not terminate the tenancy or refuse to renew the lease of a tenant of rental housing assisted with HOME funds except for serious or repeated violation of the terms and conditions of the lease; for violation of applicable federal, state, or local law; for completion of the transitional housing tenancy period; or for other good cause. Any termination or refusal to renew must be preceded by not less than 30 days by the owner's service upon the tenant of a written notice specifying the grounds for the action.
- (d) Maintenance and replacement. An owner of rental housing assisted with HOME funds must maintain the premises in compliance with all applicable housing quality standards and local code requirements.
- (e) Tenant selection. An owner of rental housing assisted with HOME funds must adopt written tenant selection policies and criteria that
- (1) Are consistent with the purpose of providing housing for very low-income and low-income families,
 - (2) Are reasonably related to program eligibility and the applicants' ability to perform the obligations of the lease,
 - (3) Give reasonable consideration to the housing needs of families that would have a preference under 960.211 (Federal selection preferences for admission to Public Housing) of this title; and

(4) Provide for

- (i) The selection of tenants from a written waiting list in the chronological order of their application, insofar as is practicable; and
- (ii) The prompt written notification to any rejected applicant of the grounds for any rejection.

(Approved by the Office of Management and Budget under OMB control number 2501-0013)

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MILWAUKEE COUNTY HOME PROGRAM
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Attachment 3: **Current HOME Income Limits and Unit Rents**

Updated: August 2, 2012

This is a summary of the HOME Program regulations at 24 CFR 92.252, compiled with published income and rent limits. In the event of a conflict with 92.252, the regulations shall govern. The rent and income limits apply only to HOME assisted units.

There are two types of rents.

1. Low Rent Units

Projects with 5 or more rental units (on 1 or more sites) must have at least 20% of the units occupied by households whose incomes do not exceed 50% of the area median (the Section 8 Very Low Income limits). The rent these households pay cannot exceed (a) 30% of the household's (actual) adjusted monthly income, OR (b) a (flat) rent determined by HUD, calculated at 30% of the gross income of a household at 50% of median income. If the household pays any utilities, a deduction is taken from the maximum rent. (The deduction varies with the utilities paid and the building type. The estimate below assumes the tenant is in a multi-unit building and pays all utilities. If an owner pays some utilities, the allowable rent would increase).

The Low Rent Unit income limits (50% of md) are:

1 person	25,650
2	29,300
3	32,950
4	36,600
5	39,550
6	42,500
7	45,400
8+	48,380

The "flat" Low Rent Unit limits are:

	<u>Maximum Rent</u>
0 bedrooms	608
1	686
2	823
3	951
4	1062

2. High Rent Units

As stated, at least 20% of the units must be Low Rent Units. Remaining units must be occupied by households whose incomes do not exceed 60% of the area median. (One exception exists. Up to 10% of all units can be occupied by households whose income does not exceed 80% of the median: the Section 8 Low Income limits). The High Rent Units cannot exceed the lesser of the Section 8 Fair Market Rents, OR a rent determined by HUD calculated at 30% of the adjusted income of a household at 65% of the median income. A deduction is made for any tenant paid utilities.

The High Rent Unit income limits (60% of md) are:

1 person	30,780
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2	35,160
3	39,540
4	43,920
5	47,460
6	51,000
7	54,480
8+	58,020

The High Rent income limits for up to 10% of the units (80% of md) are:

1 person	41,000
2	46,850
3	52,700
4	58,550
5	63,250
6	67,950
7	72,650
8+	77,300

The High Rent Unit limits are:

<u>Rent</u>	<u>Maximum</u>
0 bedrooms	608
1	725
2	866
3	1091
4	1124

All dollar amounts above are subject to revision by HUD at its discretion. Rents do not apply to 0 bedroom units without cooking or sanitary facilities.

UTILITY ALLOWANCE

Unless prior written permission is obtained from the Milwaukee County HOME coordinator, 414-278-4880, it assumed the Milwaukee Count Section 8 utility allowance is used. You may contact the Housing Choice Voucher Coordinator at 414-278-4908 annually for an updated utility allowance schedule.

MILWAUKEE COUNTY SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

UTILITY ALLOWANCE SCHEDULE (revised 10/11)							
BEDROOM SIZE	0BD	1BD	2BD	3BD	4BD	5BD	6BD
HEATING – Single Family							
Gas (therms)	24	30	48	59	70	80	91
Oil (gallons)	73	88	145	179	211	244	278
Electric (klwh's)	46	57	93	114	132	154	174
HEATING – Duplex							
Gas (therms)	22	28	44	54	65	75	85
Oil (gallons)	67	83	135	166	196	228	260
Electric (klwh's)	43	53	86	105	123	143	162
HEATING – 3 or More Units							
Gas (therms)	20	25	42	51	60	69	79
Oil (gallons)	63	76	124	154	182	210	240
Electric (klwh's)	40	48	80	98	114	136	150
WATER HEATING							
Gas	6	8	9	12	14	16	18
Oil	22	25	32	37	44	51	56
Electric	18	23	30	36	41	46	53

LIGHTING/ REFRIGERATION	19	28	36	40	44	47	52
COOKING							
Gas	4	5	6	6	7	8	9
Electric	6	9	12	13	14	16	17
WATER & SEWER	15	16	18	34	38	42	45
STOVE	1	1	1	1	1	1	1
REFRIGERATOR	2	2	2	2	2	2	2
FIXED CHARGES							
Gas	9	9	9	9	9	9	9
Electric	11	11	11	11	11	11	11