

Mayor's Office of Housing and Community Development
City and County of San Francisco



Edwin M. Lee
Mayor

Olson Lee
Director

TO: Sponsors of Affordable Rental Housing Projects Under Contract with MOHCD
RE: **2017 INCOME and RENT LIMITS**
2017 ALLOWABLE ANNUAL RENT INCREASES
DATE: April 21, 2017

The Mayor's Office of Housing and Community Development announces the publication of the 2017 MOHCD Income & Rent Limit Information, which includes income limits, maximum rents and allowable annual rent increases applicable to affordable, multifamily rental projects financed by this office. The following information is available immediately on the MOHCD web site:

- [Maximum Incomes by Household Size](#)
- [Maximum Monthly Rent by Unit Type](#) (including allowable rent increases)

This information has an effective date of April 14, 2017, and will remain in effect until MOHCD publishes updated information in 2018.

2017 AMI: increased by 7.06%

For 2017, the unadjusted Area Median Income (AMI) for the San Francisco HUD Metro Fair Market Rent Area (HMFA) has increased 7.06% from 2016; therefore, maximum gross rents for MOHCD-financed projects have increased by 7.06% from the previous year.

For projects whose maximum rents and allowable annual rent increases are limited by Area Median Income, the impact of the increase in AMI is twofold:

1. Project owners may increase rents for existing tenants up to the lesser of
 - a) 7.06%, or
 - b) an amount that would increase the rent for a unit up to the maximum rent for 2017.
2. For vacant units, project owners may charge up to the applicable maximum rent for 2017.

If a project's tenants pay directly for any housing-related utility expenses, please remember to factor the current applicable utility allowances when calculating any increase in gross rents.

Background

The following sources were used to create the 2017 MOHCD Income & Rent Limit Information:

- Unadjusted Area Median Income limits for the San Francisco HMFA, as published by the U.S. Department of Housing and Urban Development (HUD) on April 14, 2017
- Utility Allowances published by the San Francisco Housing Authority effective October 1, 2016

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The Mayor's Office of Housing and Community Development (MOHCD) of the City and County of San Francisco uses the *unadjusted* Area Median Income published annually by HUD to establish the income limits and maximum rents that must be used at MOHCD-funded affordable housing projects in a given year. Each year MOHCD publishes a chart of [Maximum Incomes by Household Size](#) that show these income limits as percentages of unadjusted AMI for households from 1 to 9 persons. MOHCD also publishes a chart of [Maximum Monthly Rent by Unit Type](#) that shows the maximum rents that may be charged in MOHCD-funded projects, depending on the applicable income limit.

Owners and managers of MOHCD-funded affordable housing projects must rent their units in accordance with the affordability restrictions contained in the City contract(s) that govern their projects, and they must always consult MOHCD's web site to determine the specific income limits and maximum rents in effect at any given time. The income & rent limits supplied by MOHCD are the *sole* source of information for income limits and maximum rents. MOHCD Asset Management staff will evaluate compliance with these income and rent limits during annual monitoring efforts.

As always, owners should fully review the requirements of all funders of each project to determine the most-restrictive covenants that apply to Income and Rents. The impacts may be different for households that are "over-income" and households that are supported by a rent or operating subsidy.

It is essential that all staff at your organization that are involved with the development, operations, asset and property management at any level – especially Directors – fully understand the potentially very dramatic implications that can result from using the wrong AMI data as the basis for their work, including but not limited to having to issue refunds to tenants that have been overcharged. MOHCD is willing to host AMI information sessions to help educate your staff if needed. Please contact Mike McLoone by email (Mike.McLoone@sfgov.org) to make arrangements for an information session.

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This letter and the Income & Rent Limit charts referenced are available on MOHCD website: <http://sfmohcd.org/limits-affordable-rental-projects-under-contract-mohcd>