

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: **2016 INCOME and RENT LIMITS**  
**2016 ALLOWABLE ANNUAL RENT INCREASES**  
DATE: April 8, 2016

The Mayor's Office of Housing and Community Development announces the publication of the 2016 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 March 28, 2016, and will remain in effect until MOHCD publishes updated information in 2017.

**2016 AMI:** increased by 5.69%

For 2016, the unadjusted Area Median Income (AMI) for the San Francisco HUD Metro Fair Market Rent Area (HMFA) has increased 5.69% from 2015; therefore, maximum gross rents for MOHCD-financed projects have increased by 5.69% 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) 5.69%, or
  - b) an amount that would increase the rent for a unit up to the maximum rent for 2016.
2. For vacant units, project owners may charge up to the applicable maximum rent for 2016.

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.

**Projects Governed by HOME Rent Limits or Rent Stabilization Board**

A small but significant number of projects financed by MOHCD have financing or regulatory agreements that set the maximum rents and/or the allowable annual rent increase based on maximum rents published by HUD for the HOME program or based on the allowable annual rent increase published by the San Francisco Rent Stabilization Board. The chart titled "Maximum Monthly Rent by Unit Type" contains both High HOME and Low HOME rents, as well as the

annual change in HOME rents from the previous year. It also contains the SF Rent Board's allowable annual rent increase.

## Background

The following sources were used to create the 2016 MOHCD Income & Rent Limit Information:

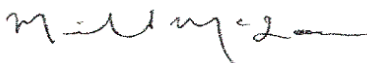
- Unadjusted Area Median Income limits for the San Francisco HMFA, as published by the U.S. Department of Housing and Urban Development (HUD) on March 28, 2016
- Utility Allowances published by the San Francisco Housing Authority on December 1, 2015
- HOME Rent Limits published by HUD on June 1, 2015
- Allowable Annual Rent Increase published by the SF Rent Board on December 10, 2015 that became effective on 3/1/16

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](mailto: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>