

MAXIMUM INCOME AND RENT LIMITS

The following charts which are applicable to all multifamily programs administered by the Agency list the maximum household income and corresponding rent by unit type. If your development is utilizing PennHOMES, use the chart for PennHOMES developments for those units – Chart MTXR044. If your development is utilizing PHARE Housing Trust Funds, use the Housing Trust Fund Program Rents for those units. If your development is a Tax Credit only development use the chart for Tax Credit only developments – Chart MTXR041.

The County corresponds to the County in which the development is located.

The percentage of Median Income corresponds to the income restriction selected by the owner as required by the various multifamily programs.

The rent limitation is the maximum total housing expense that may be paid by the tenant. Total housing expense includes, but is not limited to, the tenant rent paid to the owner, any utilities (excluding TV cable and phone) paid by the tenant, and any other payment that is mandatory for occupancy of the unit.

PennHOMES applications with SRO units that do not have cooking and sanitary facilities in each unit must use the HOME SRO rent.

The Income and Rent Limits provided in the Application may change based upon HUD issuance of revised limits. Applicants should check the Agency’s website prior to the submission of the Application to ensure the current limits are used.

At application, for preservation developments or any occupied housing development, an increase in rents greater than 7% from the rents listed in the “current rentals” chart in the core application is not permitted.

At application, with the exception of preservation developments, Market Rents should be shown no less than 10% below the Market Rents reflected in the Market Study.

Effective Immediately - PHFA Rent Approval Policy

Owner/Agents (O/A) may request increases from reservation up to initial occupancy and then may request an increase on an annual basis for existing properties.

Reservation to Closing

All Tax Credit applications rents may be increased up to 5% from reservation to closing. Any increase over 5% requires an updated Market Analysis to support the request. Maximum Rent Limits still apply. Requests must be submitted to the Lending Analyst and will be forwarded to the Management Representative for review. Controllable costs may also be adjusted due to any increase in rents.

Closing to Occupancy

- If a project increased rents at closing, rents are permitted to increase up to 5% per year from closing to initial occupancy of the first unit.
- If rents did not increase at closing, rents are permitted to increase up to 5% per year from the application date to initial occupancy of the first unit.
 - Example: Application June 1, 2020, and Initial Occupancy December 2023 – This project would be allowed a compounded 15% rent increase

Application 2020	2021	2022	Initial Occupancy 2023
Rent: \$1000	\$1000	\$1050	\$1102
Increase amount	5% = \$50	5% = \$52	5% = \$55
New Rent Request	\$1050	\$1102	\$1157

Existing Properties (After Rent-up)

Properties with certain funding programs must submit a Rent Summary for review and approval on an annual basis. The Rent Summary submission process ensures residents are paying rents at or below the applicable program limits and resident do not receive an undue increase from the previous year. PHFA must review and approve rent increases for properties with the following funding:

- HOMES (pre-July 1995 HOMES funds/ per Chapter 12 of the Property Operations Manual)
- PennHOMES with Federal HOME
- PennHOMES Match including Match properties that have concluded their affordability period but still have an outstanding PHFA loan
- PennHOMES with Tax Credits
- PHFA 1st Mortgage
- National Housing Trust Fund

- Housing and Redevelopment Assistance Program (HRA) / Keystone
- Pennsylvania Housing Affordability and Rehabilitation Enhancement Fund (PHARE)
- Capital Magnet Fund

Agents are encouraged to increase rents annually; however, rents cannot exceed the applicable maximum rent limits and the Agent may not impose an increase more than 5% without permission from the Agency. Tenant Rent plus utility allowances for tenant-paid utilities cannot exceed the published maximum rents.

Any increase exceeding the 5% threshold must be requested in writing and submitted to the Housing Management Representative for review. The written submission must include a detailed explanation regarding the need for the increase. The HMR and the Financial Analyst (FA) will review the request and issue a written response with an approval or disapproval. Consideration is given to the following factors to ensure residents do not receive rent increases due to unsatisfactory management policies or implementation:

- Consistent, adequate, and trained staff at the site
- Management policies and execution regarding:
 - Rental delinquency
 - Evictions
 - Occupancy and move-ins
 - Unit Turnovers
 - Rent collection
 - Overall affordability to residents
 - Management and usage of RFR account
- Review of project financials.