



CITY OF DULUTH

DEPARTMENT OF BUSINESS AND COMMUNITY DEVELOPMENT
Community Development Division
411 W 1st St., Rm 407 • Duluth, Minnesota 55802-1197
Phone: 218/730-5480 Fax: 218/730-5915

Keith A. Hamre, Manager
khamre@duluthmn.gov

MEMO TO: Housing Agencies and Other Interested Parties
FROM: Karen Olesen, Senior Planner
Kathie Severson, Planner II
Steven Robertson, Planner II
DATE: July 1, 2010
SUBJECT: 2010 New Limits – HOME and CDBG Programs

Included with this memo:

- HOME Program Limits Reference Guide
- 2010 HOME Program Duluth Area HOME Rents and Income Limits
- Rent Information for:
 1. HOME Program funded Duluth Rental Projects Completed 2002 or Later
 2. Duluth HRA – Housing Choice Vouchers – Rent Payment Standards
- *2010 HOME Program Maximum Subsidy Limits – Not Available – The Community Development Office will provide when HUD issues these limits.*
- 2010 HOME Program Value Limits (formerly 203(b) limits). HOME Program cannot use the temporary fha Mortgage Limits – Section 203(b) authorized by the Economic Stimulus Act of 2008. See attached.
- 2010 Duluth HUD Income Limits
- Overview of Fair Housing Laws from Minnesota Housing Finance Agency
- Accessibility Requirement and References for Housing – MN HUD Office

This information and other programmatic information can be found on the HUD website, www.hud.gov. It is the responsibility of all agencies participating in the HUD programs to follow the program limits in effect and all other program regulations. If you have any questions regarding what limits apply to your programs or any other questions, please contact the Community Development Office.

Telephone: (218) 730-5480 FAX: (218) 730-5915
Mailing Address: Community Development Division, 407 City Hall, Duluth MN 55802
E-mail: kolesen@duluthmn.gov kseverson@duluthmn.gov srobertson@duluthmn.gov

c: Keith Hamre, Manager

HOME PROGRAM LIMITS REFERENCE GUIDE

1. HOME Income Limits

Requirement:

Income Targeting: Tenant-based Rental Assistance and Rental Units - 24 CFR 92.216

- Not less than 90% of families living in HOME-assisted rental units or receiving rental assistance must be families whose annual incomes do not exceed 60% of the median family income.
- The remaining families must be households that qualify as low-income (80% of median family income).

Additional Rent Limitations - 24 CFR 92.252(b)

- In rental projects of 5 or more units, 20% of the HOME-assisted units must be occupied by very low-income families (50% of median family income).

Income Targeting: Homeownership - 24 CFR 92.217

- All units must be occupied by households that qualify as low-income (80% of median family income).

HOME Income Limit Exceptions

- The 1998 Housing Act authorized the Secretary to grant exceptions upon request to 10 jurisdictions who are "capped" at the national median income, in order to raise their low-income limits to 80% of the true median.
 - 62 communities in 10 MSAs have been notified that they have this option.
 - The increased limits *are not* reflected in the HOME Income Limits issuance which is calculated by HUD's Office of Policy Development and Research (PDR) and distributed by HUD's Office of Affordable Housing Programs (OAHP).

Over Income Tenants - Rental Housing - 24 CFR 92.252 (i)

- Tenants who no longer qualify as low-income families may continue to occupy HOME-assisted units, provided they pay as rent the lesser amount payable under State or local law or 30% of the family's adjusted income, except that tenants of HOME-assisted Low Income Housing Tax Credit (LIHTC) units must pay the rent governed by section 42 of the IRS code.
- In projects with floating HOME units, over-income tenants are not required to pay more than the market rent for comparable unassisted units.

Issuance

- Updated HOME Income Limits are calculated annually by HUD's Office of Policy Development and Research (PDR), once Section 8 income limits have been issued.
- HOME Income Limits are provided for each MSA, PMSA and "Area", "District" or County, by State. Income Limits are rounded to the nearest \$50 (except for the 60% limits).
 - 30% Limits (used for the Consolidated Plan)
 - Very Low-Income Limits (generally 50% of median income, but not less than the State non-metropolitan median)
 - 60% Limits (calculated in accordance with IRS guidance for Low Income Housing Tax Credit (LIHTC) projects and rounded to the nearest \$1)
 - Low-Income Limits (generally 80% of median income, but capped at the national median income with some exceptions)
- Home Income Limits are usually available in January and distributed in February to each HUD Field Office by a memorandum signed by the Director of HUD's Office of Affordable Housing Programs (OAHP). Income limits are also posted on the HOME web site.
 - The new Income Limits are effective thirty days from the date of the OAHP memorandum.
 - HUD Field Offices are responsible for distributing the new Income Limits to each to HOME Participating Jurisdiction (PJ).

Web Page:

<http://www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/income/index.cfm>

2. HOME Rent Limits

Requirement:

Qualification as Affordable Housing: Rental Housing - 24 CFR 92.252

- Rents are the “lesser of” the Fair Market Rent (FMR) for the unit size or 30% of the adjusted income of a family whose income equals 65% of the area median (“High HOME Rent”).
- In rental projects of 5 or more HOME-assisted units, 20% of the HOME-assisted units must be occupied by very-low income families whose rents do not exceed 30% of the annual income of a family whose income equals 50% of the area median (“Low HOME Rent”); Low HOME Rents may not exceed High HOME Rents for the unit size.
- HOME rents are not required to be lower than the HOME rent limits for the project in effect at the time of project commitment.
- Any increase in rents is subject to the provision of outstanding leases and tenants must be provided at least 30 days written notice prior to implementing any rent increase.

Federal or State Project-Based Assistance Combined with HOME Funds - 24 CFR 92.252(b)(2)

- The maximum rent (i.e. tenant contribution plus project-based subsidy) is the rent allowable under the federal or State project-based rental subsidy program *provided*:
 - The Home-assisted unit must be occupied by a very low income family.
 - The very low-income family must pay as a contribution towards rent not more than 30% of the family's adjusted income.

HOME Rent Limit Exceptions for HOME-Assisted Rental Projects - CPD-94-20

- HUD may adjust the HOME rents for a project if HUD finds that an adjustment is necessary to support the continued financial viability of the project. The adjustment is limited to the amount necessary.
- In general, exception rents should not exceed 120% of the applicable HOME rent.
- Section 8 “exception rents” are not used in calculating HOME program rents in high cost areas. HUD may consider waivers on a case-by-case basis.

Single Room Occupancy (SRO) and Group Housing Rents - CPD 94-01

- SRO Housing
 - If the unit has neither food preparation nor sanitary facilities, or only one, rents may not exceed 75% of the FMR for a 0 bedroom (BR) unit (the “lesser of” standard does not apply).
 - If the unit has both food preparation and sanitary facilities, “High HOME Rents” and “Low HOME Rents” for a 0 BR unit apply.

- Group Housing
 - Rents are based on the Fair Market Rent (FMR) for the unit size (number of bedrooms).

Section 8 Rents for HOME-assisted Units - PIH 96-63

- PIH 96-63 provides guidance on determining Section 8 rents for units in HOME-assisted projects; however, rents for HOME-assisted units can not exceed the maximum HOME rent for that unit.

Over Income Tenant Rents - Rental Housing - 24 CFR 92.252 (i)

- Over-income tenants must pay as rent the lesser amount payable under State or local law or 30% of the family's adjusted income, except that tenants of HOME-assisted Low Income Housing Tax Credit (LIHTC) units must pay the rent governed by section 42 of the IRS code.
- In projects with floating HOME units, over-income tenants are not required to pay more than the market rent for comparable unassisted units.

Issuance

- Updated HOME Rent Limits are calculated annually by HUD's Office of Policy Development and Research (PDR), once the Section 8 Fair Market Rents (FMRs) and income limits have been issued.
- FMRs are generally based on the higher of the 40th percentile rent level or the Statewide average of non-metropolitan counties, subject to a ceiling rent cap.
- Rent Limits are provided for each MSA, PMSA and "Area", "District" or County, by State.
 - Low HOME Rent Limit (can not exceed the High Home Rent; i.e. they are "capped")
 - High HOME Rent Limit (the "lesser of" the FMR or the 65% rent limit)
 - For information purposes only:
 - Fair Market Rent (also used for SRO housing rents)
 - 50% Rent Limit (the "uncapped" limit)
 - 65% Rent Limit (the "uncapped" limit)
- Home Rent Limits are usually available in January and distributed in February to each HUD Field Office by a memorandum signed by the Director of HUD's Office of Affordable Housing Programs (OAHP). Rent Limits are also posted on the HOME web site.
 - The new Rent Limits are effective thirty days from the date of the OAHP memorandum.
 - HUD Field Offices are responsible for distributing the new Rent Limits to each HOME Participating Jurisdiction (PJ).

Web Page: <http://www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/rent/index.cfm>

3. Maximum HOME Per-Unit Subsidy Limits

Requirement:

Assisted homebuyer, homeowner and rental units - 24 CFR 92.250(a)

- the amount of HOME funds that may be invested on a per-unit basis in affordable housing may not exceed the per-unit dollar limits established under Section 221(d)(3)(ii) for elevator type projects that apply to the area in which the housing is located (NB: there are no longer separate limits for non-profit mortgagors and others).
- If the Participating Jurisdiction's (PJ) per unit subsidy amount has already been increased to 210% as permitted, upon request to the HUD Field Office, HUD will allow the per-unit subsidy amount to be increased on a program-wide basis to an amount up to 240% of the original per-unit limits.

Issuance

- 221(d)(3) program "base" limits are established by Statute. The base limits are adjusted each year for various "base" cities (generally corresponding to cities where HUD has offices) using a high-cost percentage (HCP) which is adjusted for inflation. Generally, the updated HCPs are issued each January, effective January 1.
- 221(d)(3) base limit adjustments are issued by HUD's Office of Multi-Family Housing. HUD Handbook 4425.1 Rev-2 provides instructions.
- The maximum adjustment for each "base" city is capped at 210% of the original base limit, except for Alaska, Guam, Hawaii and the Virgin Islands.
- For individual buildings, the HUD Multi-Family (MF) Housing Hub Offices and Program Centers have the authority to approve limits up to 240% of the original base limits. The HOME program pursuant to 92.250(a) permits the HUD Field Office CPD Director to increase the subsidy limits up to 240% on a *program-wide basis* for an individual PJ.
- For cities which are not base cities (Key Localities), the MF Housing Hub Office or Program Center calculates the appropriate limits using the approved adjusted limits for the closest base city and applying a local construction cost multiplier.
- A master list of 221(d)(3) limits for all localities is not available, because of the decentralized nature of the process.

HUD Contact: Applicable HUD Multi-Family (MF) Housing Hub Office or Program Center for the jurisdiction.

Web Page: A listing of MF Hub Offices and Program Centers can be found at:

http://www.hud.gov/offices/hsg/mfh/mfbroch/hubs_pcs.cfm

Statutory mortgage limits and high cost percentage multipliers can be found at:

<http://www.hud.gov/offices/hsg/mfh/hicost/hicost.cfm>

4. Maximum Purchase Price or After-Rehab Value Limits

Requirement

Qualification as Affordable Housing: Homeownership - 24 CFR 92.254

- Acquisition with or without rehab
 - In the case of acquisition of newly constructed housing or standard housing, the housing may not have a purchase price for the type of single family housing that exceeds 95 % of the median purchase price for the area.
 - In the case of acquisition with rehabilitation, the housing may not have an estimated value after rehabilitation that exceeds 95% of the median purchase price for the area.
 - The participating jurisdiction may use the HUD Single Family Mortgage Limits under 203(b) or it may determine 95% of the median area purchase price for single family housing in the jurisdiction in accordance with the regulations.
- Rehabilitation not involving acquisition
 - Housing that is currently owned by a family qualifies as affordable housing only if the estimated value of the property, after rehabilitation, does not exceed 95% of the median purchase price for the area as described above.

Issuance:

- 203(b) ceiling limits for 32 metropolitan high cost areas and the base limit, or floor, in lower cost metropolitan areas are established by Statute, and are based upon a percentage of the Fannie Mae and Freddie Mac conforming loan limits (the limits on mortgages that they can buy). The ceiling is currently 87% and the floor is 48%.
- Mortgagee Letter 98-32 (12/30/98) "Single-family Loan Production-Increase in FHA Maximum Mortgage Limits" established the latest nationwide basic limits ("the ceiling" and "the floor"). The limits are set by County.
- The Director of the applicable HUD Single Family Homeownership Center (HOC) has the authority to approve or adjust maximum 203(b) mortgage limits for additional high-cost areas within the limitations set by the ceiling. The limits are developed by the Program Support Division.
- There is no standard timeframe for updating 203(b) limits. National limits are updated when Fannie Mae and Freddie Mac adjust their loan limits (about once a year). Local limits can be adjusted at any time.
- The latest FHA maximum mortgage limits are available from the HUD web site and are linked to the HOME web page.

HUD Contact: Applicable Single Family Homeownership Center (HOC).

Web Page: A listing of Single Family Homeownership Centers can be found at:

<http://www.hud.gov/offices/hsg/sfh/hoc/hsghocscfm>

The latest maximum mortgage limits can be found through the HUD web page under "Housing – Increase FHA Mortgage Limits" at:

<http://www.hud.gov/offices/hsg/sfh/lender/sfhmolincfm>

HOME PROGRAM LIMITS QUICK REFERENCE

<p>HOME INCOME LIMITS 92.252, 92.216, 92.217</p> <p>All Assistance 100% NTE 80% of median family income</p> <p>Rental Assistance 90% NTE 60% of median family income 20% NTE 50% of median family income in rental projects of 5 or more HOME assisted units</p> <p>Exception Limits (1998 Act) 80% of true median Optional for 62 PJs in 10 metro areas</p>	<p>Web Page:</p> <p>http://www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/income/index.cfm</p>
<p>HOME RENT LIMITS 92.252</p> <p>High HOME Rents lesser of FMR or 30% of 65% of median family income</p> <p>Low HOME Rents (20% of assisted units when 5 or more HOME assisted units) 30% of 50% of median family income NTE High Home Rents</p> <p>SRO (w/o both facilities) CPD 94-01 75% OBR FMR</p> <p>Federal/State Project-based Rent family must be very low income (NTE 50% median) family must pay no more than 30% adjusted income</p> <p>Over-income Tenant Rent 30% of family's adjusted income; or rent payable under local/State law; or LIHTC rent</p> <p>Rent Exceptions HUD may approve exceptions to support financial viability CPD 94-20</p>	<p>Web Page:</p> <p>http://www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/rent/index.cfm</p>
<p>MAXIMUM PER UNIT SUBSIDY LIMITS 92.250(a)</p> <p>All Assisted Units NTE 221(d)(3) limits for elevator type housing FO may increase limits to 240% on program-wide basis</p>	<p>Web Page:</p> <p>Multi-Family Housing HUB Office or Program Center http://www.hud.gov/offices/hsg/mfh/mfbroch/hubs_pcs.cfm</p> <p>Statutory mortgage limits and high cost percentages http://www.hud.gov/offices/hsg/mfh/hicost/hicost.cfm</p>
<p>MAXIMUM PURCHASE PRICE / AFTER REHAB VALUE 92.254</p> <p>Homeownership 203(b) limits; or 95% of median purchase price for the area</p>	<p>Web Page:</p> <p>Single Family Homeownership Center (HOC) http://www.hud.gov/offices/hsg/sfh/hoc/hsghoc.cfm</p> <p>Latest 203(b) Limits for High Cost Areas http://www.hud.gov/offices/hsg/sfh/lender/sfhmol.cfm</p>

Duluth Area HOME Rents

* = exception rent

mailed	effective	type	0BR	1BR	2BR	3BR	4BR	5BR	6BR
5-28-10	6-26-10	Low	409	499	629	780	870	960	1,050
		High	409	499	629	780	1,006	1,157	1,259
		FMR	409	499	629	780	1,006	1,157	1,259
		50%	525	562	675	780	870	960	1,050
		65%	663	711	856	980	1,074	1,167	1,259
4-6-09	4-27-09	Low	404	492	621	778	868	958	1,048
		High	404	492	621	780	994	1,143	1,257
		FMR	404	492	621	780	994	1,143	1,292
		50%	523	561	673	778	868	958	1,048
		65%	661	710	854	979	1,073	1,164	1,257
4-1-08	4-12-08	Low	394	480	605	760	853	941	1,030
		High	394	480	605	760	968	1,113	1,235
		FMR	394	480	605	760	968	1,113	1,258
		50%	515	551	662	765	853	941	1,030
		65%	650	698	839	962	1,054	1,144	1,235
4-4-07	4-28-07	Low	361	440	555	697	807	891	974
		High	361	440	555	697	888	1,021	1,154
		FMR	361	440	555	697	888	1,021	1,154
		50%	487	522	626	724	807	981	974
		65%	614	659	793	907	993	1,077	1,161
4-6-06	5-3-06	Low	351	427	539	677	807	891	974
		High	351	427	539	677	862	991	1,121
		FMR	351	427	539	677	862	991	1,121
		50%	487	522	626	724	807	891	974
		65%	614	659	793	907	993	1,077	1,161
3-10-05	3-31-05	Low	345	416	529	675	791	873	955
		High	345	416	529	675	862	991	1,121
9-30-04	10-1-04	FMR	345	416	529	675	862	991	1,121
		50%	477	511	613	710	791	873	955
		65%	601	646	777	889	971	1,054	1,137
3-4-04	3-15-04	Low	302	389	499	666	771	851	931
		High	302	389	499	666	776	892	1,009
	10-1-03	FMR	302	389	499	666	776	892	1,009
		50%	465	498	598	691	771	851	931
		65%	585	628	755	865	945	1,024	1,105
3-25-03	4-11-03	Low	300	386	496	662	755	833	911
		High	300	386	496	662	771	886	1,002
		FMR	300	386	496	662	771	886	1,002
		50%	456	488	586	677	755	833	911
		65%	573	615	741	846	925	1,002	1,079
2-8-02	3-7-02	Low	295	380	487	651	736	813	889
		High	295	380	487	651	758	871	985
		FMR	295	380	487	651	758	871	985
		50%	445	476	571	660	736	813	889

- Notes: 1) Rents include utilities (subtract utility allowance if utility is paid by tenant)
 2) Low & High rents are what should be used.
 3) The Low & High Rents could be the same.

For projects with 5 or more HOME Units:

80% of units must be at High HOME Rent – lower of FMR or 65%

20% of units must be at Low HOME Rent – lower of High rent or 50%

**St. Louis County and
Duluth-Superior, MN-WI
Income Limits**

effective date	% of median	Number of Persons							
		1	2	3	4	5	6	7	8
May 24, 2010 median: 60000 (sent via email 5.24.10) (60% sent 5.28, HOME eff. 6.26)	30%	12,600	14,400	16,200	18,000	19,450	20,900	22,350	23,800
	50%	21,000	24,000	27,000	30,000	32,400	34,800	37,200	39,600
	60%	25,200	28,800	32,400	36,000	38,880	41,760	44,640	47,520
	80%	33,600	38,400	43,200	48,000	51,850	55,700	59,550	63,400
March 19, 2009 median: 59900 (sent via email 3.19.09) (60% sent 4.6, HOME eff. 4.27)	30%	12,550	14,350	16,150	17,950	19,400	20,800	22,250	23,700
	50%	20,950	23,950	26,950	29,950	32,350	34,750	37,150	39,550
	60%	25,140	28,740	32,340	35,940	38,820	41,700	44,580	47,460
	80%	33,550	38,330	43,100	47,900	51,750	55,550	59,400	63,250
February 13, 2008 median: 58900 (sent via email 2.14.08) (60% sent 4.1, HOME eff. 4.12)	30%	12,350	14,100	15,900	17,650	19,050	20,450	21,900	23,300
	50%	20,600	23,550	26,500	29,450	31,800	34,150	36,500	38,850
	60%	24,720	28,260	31,800	35,340	38,160	40,980	43,800	46,620
	80%	32,950	37,700	42,400	47,100	50,850	54,650	58,400	62,150
March 20, 2007 ¹ median: 55500 (sent via email 3-20-07) (60% sent 4-4, HOME eff. 4-28)	30%	11,700	13,350	15,050	16,700	18,050	19,350	20,700	22,050
	50%	19,500	22,300	25,050	27,850	30,100	32,300	34,550	36,750
	60%	23,400	26,760	30,060	33,420	36,120	38,760	41,460	44,100
	80%	31,200	35,650	40,100	44,550	48,100	51,700	55,250	58,800
March 8, 2006 median: 55700 (sent via email 3-8-06) (60% sent 4-6, HOME eff. 5-3)	30%	11,700	13,350	15,050	16,700	18,050	19,350	20,700	22,050
	50%	19,500	22,300	25,050	27,850	30,100	32,300	34,550	36,750
	60%	23,400	26,760	30,060	33,420	36,120	38,760	41,460	44,100
	80%	31,200	35,650	40,100	44,550	48,100	51,700	55,250	58,800
February 11, 2005 median: 54600 (sent via email 2-11-05) (60% sent 3-10, HOME eff. 3-31)	30%	11,450	13,100	14,750	16,400	17,700	19,000	20,300	21,600
	50%	19,100	21,850	24,550	27,300	29,500	31,650	33,850	36,050
	60%	22,920	26,220	29,460	32,760	35,400	37,980	40,620	43,260
	80%	30,600	34,950	39,300	43,700	47,150	50,650	54,150	57,650
January 28, 2004 median: 53200 (sent via email 1-30-04)	30%	11,150	12,750	14,350	15,950	17,250	18,500	19,800	21,050
	50%	18,600	21,300	23,950	26,600	28,750	30,850	33,000	35,100
	60%	22,320	25,560	28,740	31,920	34,500	37,020	39,600	42,120

¹ Per March 20, 2007 email from Marie L. Lihn, HQ: "The 2005 American Community survey data for metropolitan areas greater than 65,000 was used. The ACS is known to provide generally lower estimates of incomes than the 2000 Census, and HUD's FY2007 median family income estimates reflect that difference. The FY2007 national median family income estimate is 1 percent lower than the FY2006 estimate. Note that Income Limits have been frozen at the FY2006 level in those cases where the Income Limit would otherwise be lower."

NOTE: The median income's tied to the national median income, which is capped. If the median income doesn't change, it may be due to the national cap. See briefing materials for more information.

HOME PROGRAM FUNDED DULUTH RENTAL PROJECTS COMPLETED 2002 OR LATER

June 15, 2010

The following HOME funded projects have HOME units that require a lower maximum rent than that allowed by the Duluth HRA's Section 8 Housing Voucher program. To date, those projects are:

<u>Project</u>	<u>Owner</u>
Windwood Townhomes	Center City Housing
New San Marco Apartments	Center City Housing
Young Mothers in West Duluth	YWCA
House of the Phoenix	Life House
West 5 th Street Duplexes	Northern Communities Land Trust
Sheila's Place	Center City Housing
Triplex at 18 West 5 th Street	Center City Housing
Duluth Supportive Housing	Accessible Space, Inc.
Memorial Park Apartments	Center City Housing
Veteran's Place	MACV
Gimaajii (old YWCA building)	AICHO

The new Fair Market Rents to use for the HOME units in the above projects are effective June 26, 2010:

0 Bedroom	\$409
1 Bedroom	\$499
2 Bedroom	\$629
3 Bedroom	\$780

For 4 Bedroom and above, or if you have any questions, please call the Community Development Office at 730-5480, or email kolesen@duluthmn.gov.

**Duluth Housing and Redevelopment Authority
Housing Choice Voucher Program
2010 Payment Standards**

By Bedroom Size

0 Bedroom	\$433
1 Bedroom	\$528
2 Bedroom	\$666
3 Bedroom	\$836
4 Bedroom	\$1,064
5 Bedroom	\$1,224

The Payment Standards have stayed the same for 2009 and 2010.

Duluth Housing and Redevelopment Authority
Housing Choice Voucher Program
218-529-6300 FAX: 218-529-6344

5

This page is located on the U.S. Department of Housing and Urban Development's Homes and Communities website at

<http://www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/subsidylimits.cfm>.



HOME Per-unit Subsidy Limits

HOME maximum per unit subsidy limits are based on the Section 221(d)(3) limits for elevator-type projects. These limits are determined by HUD's Office of Multi-Family Housing Programs. Limits for certain "base cities" are issued. However, there is no comprehensive list of these limits for all jurisdictions.

-  Information by State
-  Print version

Related Information

-  HOMEfires - Vol. 9, No. 4

Although the FY 2008 Appropriations Act increased the maximum exceptions that the Secretary can grant for the Section 221(d)(3) program, the Act did not make conforming changes to the HOME statute. Therefore, the maximum HOME per-unit subsidy limit that HUD can approve for a participating jurisdiction (PJ) remains 240 percent of the basic Section 221(d)(3) mortgage limit.

The HOME regulations authorizes the CPD Division in the HUD Field Office to increase a PJ's HOME per-unit subsidy limit when HUD's Office of Multi-Family Housing has increased the PJ's high cost percentage (HCP) above 210 percent of the basic Section 221(d)(3) mortgage limit. The CPD Division may authorize a PJ to use the most recent high cost percentage and corresponding Section 221(d)(3) mortgage limit, provided the resulting HOME per-unit subsidy limit does not exceed 240 percent of the basic Section 221(d)(3) mortgage limit (as required by the HOME statute). For a PJ whose HCP has been increased above 240 percent, the CPD Division must cap the HOME per-unit subsidy limit at 240 percent of the Section 221(d)(3) basic mortgage limit.

Participating jurisdictions should contact the CPD Division in their local HUD Field Offices to obtain the maximum HOME per-unit subsidy limits that apply to their jurisdictions. Participating jurisdictions should not calculate their own HOME per-unit subsidy limits by using the High Cost Percentages and the basic Section 221(d)(3)(ii) mortgage limits that are published in the Federal Register by HUD's Office of Multi-Family Housing.

The per-unit subsidy requirements are described in the HOME regulations at 24 CFR 92.250. The minimum HOME investment in rental housing or homeownership is \$1,000 times the number of HOME-assisted units as described in the HOME regulations at 24 CFR 92.205(c).

Content current as of 15 May 2010

U.S. Department of Housing and Urban Development
451 7th Street, S.W., Washington, DC 20410
Telephone: (202) 708-1112 [Find the address of a HUD office near you](#)

Non-Metro Counties & Duluth-Superior MSA

Value Limits ¹

formerly Section 203(B) Limits

Date	SF/Condo	2-Family	3-Family	4-Family
April 15, 2010	200,160	256,248	309,744	384,936
February 2009 ²	200,160	256,248	309,744	384,936
February 2008 ²	200,160	256,248	309,744	384,396
January 1, 2006	200,160	256,248	309,744	384,936
January 1, 2005	172,632	220,992	267,120	331,968
January 2, 2004	160,176	205,032	247,824	307,992
January 7, 2003	154,896	198,288	239,664	297,840
January 1, 2001	132,000	168,936	204,192	253,776
January 1, 2000	121,296	155,232	187,632	233,184
August 2, 2000	115,200	155,232	187,632	233,184
January 1, 1999	115,200	147,408	178,176	221,448
October 22, 1998	109,032	139,512	168,624	209,568
January 1, 1998	86,317	110,447	133,494	165,908
January 1, 1997	81,548	104,329	126,103	156,731
January 1, 1996				
May 8, 1995	79,350	98,700	119,350	148,300
March 15, 1993	74,250	83,600	101,600	117,200
1992	74,250	83,600	101,600	117,200

Cook County

Value Limits

formerly Section 203(B) Limits

Date	SF/Condo	2-Family	3-Family	4-Family
February 2009 ³	233,335	298,719	361,082	448,737
February 2008 ³	225,025	288,080	348,222	432,754

¹ The Economic Stimulus Act of 2008 (P.L. 110-185) raised the Section 203(b) limit above 95% of median sales price. HOMEfires Vol. 10 No. 1 (which supersedes Vol. 9 No. 3, March 2008) states a PJ may use the higher of the pre-stimulus 203(b) limit or actual 95% of median.

² Excludes Cook County, see separate table. (NOTE: Cook County has the same limits beginning April 15, 2010.)

³ Actual 95% of median prices higher in Cook County than 203(b) limit; see Footnote 1 above for more information.

Minneapolis-St. Paul MSA
(Counties of: Anoka, Scott, Carver, Dakota, Isanti, Ramsey, Wright,
Chisago, Hennepin, Sherburne, and Washington)
Value Limits ¹
formerly Section 203(B) Limits

Date	SF/Condo	2-Family	3-Family	4-Family
April 15, 2010	276,683	311,632	378,619	436,868
February 2009	276,683	311,632	378,619	452,179
February 2008	276,683	354,214	428,162	532,100
January 28, 2007	276,683	311,632	378,619	436,868
February 6, 2006	251,750	275,525	334,750	386,250
January 1, 2006 ²	244,625	275,525	334,750	386,250
August 26, 2004 ³	232,750	262,150	318,500	367,500
October 3, 2003 ⁴	221,160	249,096	302,640	349,200
January 7, 2003	218,405	245,993	298,870	344,850
May 9, 2001	199,405	224,593	272,870	314,850
January 1, 2001	173,755	195,703	237,770	274,350
January 1, 2000	173,755	195,703	237,770	274,350
August 2, 2000	173,755	195,703	237,770	274,350
November 2, 1998	155,800	175,480	213,200	246,000
January 1, 1998	116,850	131,600	159,900	184,500
January 1, 1997	116,850	131,600	159,900	184,500
January 1, 1996	116,850	131,600	159,900	184,500
May 8, 1995	116,850	131,600	159,900	184,500
March 15, 1993	110,200	124,100	150,800	174,000
1992	107,600	121,150	147,200	169,850

¹ The Economic Stimulus Act of 2008 (P.L. 110-185) raised the Section 203(b) limit above 95% of median sales price. HOMEfires Vol. 10 No. 1 (which supersedes Vol. 9 No. 3, March 2008) states a PJ may use the higher of the pre-stimulus 203(b) limit or actual 95% of median.

² January 1, 2006 same as August 2, 2005 updates. 1.1 changes emailed on 1.3.06

³ November 13, 2004 or January 1, 2005 changes did not raise limits.

⁴ January 2, 2004 changes did not raise limits.



CITY OF DULUTH

DEPARTMENT OF PLANNING & DEVELOPMENT
Community Development Division
407 City Hall Duluth, Minnesota 55802-1197

DATE: May 24, 2010

TO: All Agencies and Individuals participating in the City of Duluth HUD Community Development Block Grant (CDBG) funded projects and HOME Investment Partnership (HOME) funded homeownership projects.

FROM: Keith Hamre, Manager

RE: **2010 CITY OF DULUTH HUD INCOME GUIDELINES**

The 2010 CITY OF DULUTH MEDIAN FAMILY INCOME is \$60,000 per HUD calculations.

ANNUAL INCOME

FAMILY SIZE	VERY LOW- INCOME 30% of the Median	LOW-INCOME 50% of the Median	LOW-MODERATE INCOME 80% of the Median
1	\$12,600	\$21,000	\$33,600
2	\$14,400	\$24,000	\$38,400
3	\$16,200	\$27,000	\$43,200
4	\$18,000	\$30,000	\$48,000
5	\$19,450	\$32,400	\$51,850
6	\$20,900	\$34,800	\$55,700
7	\$22,350	\$37,200	\$59,550
8	\$23,800	\$39,600	\$63,400

Discontinue previous income guidelines and use the above guidelines until such time as they are revised again by HUD.

Received – May 20, 2010

Effective – May 14, 2010

Overview of Fair Housing Laws

Minnesota Housing Finance Agency
Section 42 Landlord Workshop
November 20 & 21, 2002

I. Fair Housing Laws - Overview

- A. **Fair Housing Act.** The FHA (Title VIII of the Civil Rights Act of 1968) is codified at 42 U.S.C. §§3601-3619 and §3631. The purpose of the act is to "provide, within constitutional limitations, for fair housing throughout the United States." 42 U.S.C. §3601.
- B. **Rehabilitation Act of 1973.** Section 504 of the Rehabilitation Act is found at 29 U.S.C. §§701 et seq. This act prohibits discrimination on the basis of disability. It applies to programs which receive federal funds and any program, activity or service that is run by a state or local government, regardless of whether the program receives federal funding.
- C. **Title VI of the Civil Rights Act of 1964.** This act is codified at 42 U.S.C. §§2000d et seq. It prohibits programs that receive federal funds from discriminating on the basis of race, color or national origin.
- D. **Age Discrimination Act.** This act is found at 42 U.S.C. §6102. Similar to Title VI, it prohibits discrimination by recipients of federal funds on the basis of age.
- E. **Gender Discrimination Act.** This act is codified at 20 U.S.C. §1681(a). Like the above it prohibits discrimination on the basis of gender by programs that receive federal funds.
- F. **Minnesota Human Rights Act.** This law is found at Minn. Stat. §§363.01 et seq. Similar to the FHA, it prohibits, among other things, discrimination in housing.
- G. **Local Laws.** Both St. Paul and Minneapolis have local ordinances prohibiting discrimination in housing. These are similar to federal and state fair housing laws. There are some differences. See Part II.C.

II. Protected Classes

- A. Under the Federal Fair Housing Act, discrimination on the basis of race, color, national origin, sex, religion, familial status and disability is illegal.
- B. Under the Minnesota Human Rights Act, discrimination based on race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, sexual orientation, and familial status is illegal.
- C. The Minneapolis ordinance protects the above referenced groups as well as ancestry. The St. Paul Human Rights Act protects the above referenced groups as well as ancestry and age. Many communities have adopted fair housing ordinances.

III. Properties covered by these laws

- A. The FHA prohibits discrimination in transactions that involve "dwellings." Dwellings, as defined by 42 U.S.C. §3602(b), are any "building, structure, or portion thereof which is occupied as, or designed or intended for occupancy as, a residence by one or more families . . ."
- B. Courts have found that the FHA applies to dwellings other than apartments. One court found that a home for needy children was covered by the act. See, *United States v. Hughes Memorial Home*, 396 F.Supp. 544 (W.D. Va. 1975). The court in this case looked at whether the home was occupied as a residence instead of a "place of temporary sojourn or transient visit." *Id.* at 549.
- C. The Minnesota Human Rights Act applies to all real property. Minn Stat. §363.06, Subd. 2(1).
- D. Exemptions:
 - 1. A non-profit organization is exempt from the prohibition on sex discrimination if that organization is renting rooms. Minn Stat. §363.06, Subd. 2(1)(a).
 - 2. An owner living in a single family home is exempt from the prohibition of discrimination when renting a room when the discrimination is based on sex, marital status, status with regard to public assistance, sexual orientation or disability. Minn Stat. §363.06, Subd. 2(1)(b).
 - 3. An owner occupying a duplex is exempt from the prohibition on discrimination based on sexual orientation. Minn Stat. §363.06, Subd. 2(1)(c).
 - 4. An owner-occupied building which contains four or fewer units is exempt from the prohibition on familial status discrimination. Minn Stat. §363.06, Subd. 2(2)(a).
 - 5. Buildings that qualify as housing for the elderly are exempt if the discrimination is based on familial status. Minn Stat. §363.06, Subd. 2(2)(b).

IV. Prohibited bases of discrimination

- A. **Refusal to rent.** A landlord or seller may not refuse to sell or rent, or refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny a dwelling based on race, color, religion, sex, familial status or national origin. 42 U.S.C. §3604(a); Minn Stat. §363.03, Subd. 2(1)(a). The act makes illegal conduct by a landlord who may avoid dealing with or use delaying tactics in dealing with protected class applicants. The practice of channeling protected class home seekers to designated areas, or "steering" is also illegal.
- B. **Terms and Conditions.** Section 3604(b) makes it illegal to discriminate against

any person in the terms, conditions, or privileges of sale or rental or in the provision of services or facilities in connection therewith. See also, Minn Stat. §363.03, Subd. 2(1)(b). For example, families with children cannot be charged extra simply because they have kids.

- C. **Advertising.** Virtually any discriminatory notice, statement, and advertisement that relates to a housing transaction is illegal. 42 U.S.C. §3604(c); Minn Stat. §363.03, Subd. 2(1)(c).
- D. **Interference, Coercion or Intimidation.** It is illegal to intimidate, threaten or interfere with any person in the exercise or enjoyment of any right protected by the Fair Housing Act. 42 U.S.C. §3617; Minn Stat., §363.03 Subd. 2(6). It is also illegal to interfere with any person who encouraged any other person in the exercise or enjoyment of any right or grant protected by the act. *Id.* A broad range of activities can constitute illegal behavior and it may not be necessary to show physical force, duress or violence to prove a violation. *Michigan Protection & Advocacy Service v. Babin*, 18 F.3d 337, 347 (6th Cir. 1994).
- E. **Disparate impact.** Acts by a landlord or seller that may not be discriminatory on their face may still be illegal under the act if they have a discriminatory impact on protected class populations. *United States v. City of Black Jack*, 508 F.2d 1179 (8th Cir. 1974). A disparate impact analysis is limited to cases where a defendant's policy or practice is at issue, not a single act or decision.
- F. **Affirmative duties for tenants with disabilities.** Landlords are required to take additional steps to insure that people with disabilities are afforded the same use and enjoyment of their homes.
1. Landlords must allow tenants to make certain modifications to property to allow disabled tenants equal access, use and enjoyment of their homes. 42 U.S.C. §3604(f)(3)(A); Minn Stat. §363.03, Subd. 2a(a)(2). For example, a landlord must allow a tenant who uses a wheelchair to install a ramp to access the apartment.
 2. Landlords must make reasonable accommodations to rules and policies to allow a tenant equal access and use and enjoyment of a dwelling. 42 U.S.C. §3604(f)(3)(B); Minn Stat. §363.03, Subds. 2(5) and 2a(a)(3). For instance, a landlord must make an exception to a no pets policy for a blind person's seeing eye dog. See also *Jankowski Lee v. HUD*, 91 F.3d 891 (7th Cir. 1996).
- G. **Laws Against Sexual Harassment in housing**
1. **Harassment:** As was traditionally the case in employment cases, two types of sexual harassment are actionable under Title VII: Quid Pro Quo claims and Hostile environment claims. *Shellhammer v. Lewallen*, 1 Fair Hous. Fair Lend. ¶15,472 (N.D. Ohio 1983), *affd*, 770 F.2d 167 (6th Cir. 1985); *Honce v. Vigil*, 1 F.3d 1085 (10th Cir. 1993).
 2. **Quid Pro Quo:** Quid Pro Quo claims arise when sexual favors are sought in exchange for continued occupancy or other housing benefits.

3. Examples:
 - a. An owner was held liable when he evicted tenants for refusing to pose for nude photos. *Shellhammer, Id.*
 - b. A landlord who damaged property, failed to perform repairs and harassed tenants when his demands for sexual favors were refused was held liable. *Grieger v. Sheets*, 689 F. Supp. 835 (N.D. Ill. 1988).
4. Hostile Environment: A hostile environment claim is actionable if the plaintiff can show plaintiff was subject to (1) unwelcome sexual advances, or (2) unwelcome contact of a sexual nature, or (3) unwelcome verbal or physical conduct of a sexual nature. *Meritor Sav. Bank v. Vinson*, 477 U.S. 57 (1986).
5. Disparate Impact Theory: Title VII also prohibits policies that are facially neutral but have a greater impact on a protected class. *HUD v. Ross*, P-H: Fair Housing-Fair Lending Rptr. ¶25,2075 (HUD ALJ 1994), holding that landlord's "no welfare" policy had a disparate impact on women and *HUD v. CBM Group*, HUDALJ 10-99-0538-8 (filed June 8,2001).
6. A landlord may not bar or limit a tenant's right to call for emergency assistance. See Minn. Stat. §504B.205 A landlord may not retaliate against a tenant for her enforcement of her rights under the law. See Minn. Stat. §504B.285

Fair Housing Resources

Bazelon Center for Mental Health Law
1101 15th St., NW, Suite 1212
Washington, DC 20005-5002

www.bazelon.org

Fair Housing Institute
3091 Holcomb Bridge Road, Suite A-1
Norcross, GA 30071
Tel 770.840.7005
Fax 770.840.8483

<http://www.mindspring.com/~fairhous/index.html>

Tennessee Fair Housing Council
719 Thompson Lane, Suite 200
Nashville, TN 37206

<http://www.fairhousing.com/>

Fair Housing Coach
Brownstone Publishers, Inc.
149 5th Avenue, 16th floor
New York City, New York 10010
Toll Free: 1-800-643-8095
NYC Area: 212-473-8200
Fax: 212-473-8786
Customer Service Fax: 212-674-2115

<http://www.brownstone.com/about/index.cfm>

**Resources for Communication with
People with Limited English Proficiency**

Intercultural Mutual Assistance Association
300 - 11th Avenue NW, Suite 110
Rochester, MN 55901
(507) 289-5960

Somali Community Resettlement Services, Inc.
1421 - 3rd Avenue SE
Rochester, MN 55904
(507) 252-5888

International Translation Bureau
3702 East Lake Street, Ste 102
Minneapolis, MN 55406
(612) 721-5432

MTS - Multilingual Training Services
(training, translation, interpretation)
5747 Ridge Creek Road
St. Paul, MN 55126
612-274-0505

AT&T Language Service Line
1-800-874-9426