

## Income Limits

HDFCs are required to house people who are low-income. Different HDFCs have different eligibility definitions, or ways of determining who qualifies as low-income. These are contained in the Certificate of Incorporation.

Some HDFCs use **Section 576** of the NYS Private Housing Finance Law and some use percentages of median income. Section 576(1)(b) states that “Dwellings in any such project shall be available for persons or families whose probable aggregate annual income does not exceed six times the rental (including the value or cost to them of heat, light, water and cooking fuel) of the dwellings to be furnished such persons or families, except that in the case of persons or families with three or more dependents, such ratio shall not exceed seven to one...”

For an HDFC under 576 that means that the maximum income is 6 times the annual maintenance + utilities for a person/family with 2 or less dependents and 7 times the maintenance + utilities for family with 3 or more dependents.

For example, if the monthly maintenance fee is \$500 and the electric and gas bills total \$150 per month: for a single person the income limit calculation would be:

$$(\$500 \times 12 \text{ months}) = \$6,000 \text{ annual maintenance} + (\$150 \times 12 \text{ months}) = \$1,800 \text{ annual utilities} \\ = \$7,800 \text{ total annual costs}$$

6 x (\$7,800 Total Annual costs) = \$46,800; therefore \$46,800 is the maximum income for this household

For buildings using **Area Median Income Guidelines**, a common definition of low-income is earning 80% or less of the median family income for the metropolitan area. Median family income and area median income is determined by the U.S. Dept. of Housing and Urban Development; those figures are listed in the chart below. This number may look high to you; the median income is determined for the entire New York City metropolitan area. Remember they are maximums. Any HDFC can decide to set its income limits lower than these numbers by amending its by-laws.

In some cases, HDFCs may house people considered "moderate income," or up to 120% of median income.

We believe HDFCs have a duty to keep both monthly charges and purchase prices at levels that will be affordable to low-income households, even if households of moderate or middle income are eligible to purchase. The total housing cost, which is the combination of the monthly charges and any financing or debt service, should not be so high as to exclude a range of people with incomes below 80% of AMI.

To use the Area Median Income (AMI) chart, refer to your family size in the “Household Size” column. Scan the corresponding row for the annual income amount that your household earns to find the percentage AMI that is closest to your household income.

Area Median Income Guidelines for Fiscal Year 2022:

Household Size	~30% of median: common cut-off for “extremely low-income” restrictions	50% of median: common cut-off for “very low-income” restrictions	80% of median: common cut-off for “low-income” restrictions	100% of median: within the range of “moderate-income” restrictions	120% of median: “moderate income” restrictions
1	\$28,000	\$46,700	\$74,800	\$93,400	\$112,080
2	\$32,000	\$53,400	\$85,450	\$106,800	\$128,160
3	\$36,000	\$60,050	\$96,150	\$120,100	\$144,120
4	\$40,000	\$66,700	\$106,800	\$133,400	\$160,080
5	\$43,200	\$72,050	\$115,350	\$144,100	\$172,920
6	\$46,400	\$77,400	\$123,900	\$154,800	\$185,760
7	\$49,600	\$82,750	\$132,450	\$165,500	\$198,600
8	\$52,800	\$88,050	\$141,000	\$176,100	\$211,320

The Median Family Income for the New York, NY Metropolitan Area is \$94,500.

The 2022 Area Median Income for New York City is \$133,400 for a four-person family (100% AMI).