

To: Property Owners and Managers Compliance Memorandum: 23-02
From: Coreen Ryan, Compliance Coordinator Date: May 17, 2023
Planning and Housing Development Division
Re: 2023 HOME Investment Partnership Programs Rent and Income Limits

The FY2023 Income and Rent Limitations have been released by the U.S. Department of Housing and Urban Development (HUD) and are effective as of June 15, 2023. North Dakota Housing Finance Agency (NDHFA) published the new HOME Investments Partnerships (HOME) limits on the agency's website, www.ndhfa.org, under Compliance and then HOME as [Rent and Income Limits, As of June 15, 2023](#).

Guidance for Implementing HOME Rent and Income Limit Changes and Utility Allowance Requirements

RENT: A HOME project's Gross Rent Floors are established in each project's Financial Award. Gross Rent Floors are the minimum gross rents a project will be required to lower rents to, throughout the project's HOME Affordability Period, regardless of future rent maximum changes within the HOME program. Rents may never exceed the currently effective limits, but you also are not required to decrease gross rents below their project's Gross Rent Floors as stated in the Financial Award.

Property owners and managers should compare their project's current Gross Rents for HOME-assisted units to the annually published HOME Rent Limits to determine if a unit's tenant-paid rent must be decreased to ensure the unit's Gross Rent does not exceed the newly published limits as of the new limit's Effective Date. Project are not required to decrease Gross Rents for HOME-assisted units beyond their project's Gross Rent Floors listed in the Financial Award. Gross rents include tenant-paid rent plus current utility allowance plus tenant-based or project-based rental assistance. In the event a tenant receives project-based rental assistance and resides and qualifies to live in a Low-HOME unit then gross rent can exceed the HOME limits.

RENT APPROVAL: Annually, HOME-assisted project rents must be approved by NDHFA. Within 30 days of the receipt of the new rent limits, owners/property managers must submit a [HOME Annual Rent Approval Form](#) to hfainfo@nd.gov.

An updated utility allowance must accompany the approval form.

HOME UTILITY ALLOWANCE: HOME rules require owners to use a project-specific utility allowance. Owners are NOT permitted to use Public Housing Authority's (PHA) utility allowance for HOME-assisted units if HOME funds were committed on or after August 23, 2013. If HOME funds were committed before August 23, 2013, owners may continue to use the PHA's utility allowances.

Review Section 1.08 of the HOME/HTF Compliance Manual to determine which methodology to use.

- Utility allowances must be implemented project wide.
- A project may not use more than one utility allowance method for the project.

INCOME: A unit's household income must be determined initially and be re-examined each year during the Period of Affordability in accordance with HOME regulations. See Section 1.12 of the compliance manual.

Initially qualified HOME-assisted units continue to qualify as HOME-assisted units despite temporary non-compliance of over-income households so long as the owner has taken actions allowable by regulation. See Sections 2.13 and 2.14 of the compliance manual.

If you have any questions regarding the new program limits, contact the Planning and Housing Development Division staff at hfainfo@nd.gov or (701) 328-8080.