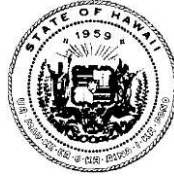


DAVID Y. IGE
GOVERNOR



DENISE ISERI-MATSUBARA
INTERIM EXECUTIVE DIRECTOR

STATE OF HAWAII
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

20:FIN/1060

677 QUEEN STREET, SUITE 300
HONOLULU, HAWAII 96813
FAX: (808) 587-0600

May 1, 2020

Dear Owners and Property Managers:

SUBJECT: Low-Income Housing Tax Credit (LIHTC) Program
Rental Housing Revolving Fund (RHRF) Program
Hula Mae Multi-Family Tax-exempt Bond (HMMF) Program
Rental Assistance Revolving Fund (RARF) Program

The U.S. Department of Housing and Urban Development (HUD) released its 2020 Multifamily Tax Subsidy Projects (MTSP) Income Limits on April 1, 2020. Pursuant to your property's Declaration of Land Use Restrictive Covenants, Regulatory Agreement, and/or IRS Ruling 94-57 regarding the effect of changes in area median income, project owners may rely on income limits previously issued by HUD for 45 days after HUD releases its new income limits. Accordingly, these new limits are effective May 15, 2020.

Attached, please find a chart showing the Maximum Income by Household and Maximum Tenant Contribution by county. The chart is provided as a convenience by Hawaii Housing Finance and Development Corporation and should be used only as a guide. Project owners and interested parties are ultimately responsible for ensuring the accuracy of, and compliance with, (i) income limits, (ii) rent limits, and (iii) eligibility under the hold-harmless provision for existing MTSP under Section 3009 of the Housing and Economic Recovery Act of 2008 (HERA). Also attached is a copy of notice PDR-2020-01 issued on April 1, 2020.

Should you have any questions, please contact Jocelyn Iwamasa (808) 587-0576, Patrick Inouye at (808) 587-0797, or Dean Sakata at (808) 587-0575.

Sincerely,

Darren K. Ueki
Finance Manager

Enclosures

c: Donna Ho, Property Management Coordinator

MULTIFAMILY TAX SUBSIDY PROJECT INCOME LIMITS



This chart is provided as a guide only for the following programs:
Low Income Housing Tax Credit (LIHTC)
Hula Mae Multi-Family Bonds (HMMF)
Rental Housing Revolving Fund (RHRF)
Rental Assistance Revolving Fund (RARF)

You are responsible to ensure the accuracy of the numbers.

MAXIMUM INCOME BY HOUSEHOLD

	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Honolulu, HI								
30% of Median	\$26,460	\$30,240	\$34,020	\$37,770	\$40,800	\$43,830	\$46,860	\$49,860
40% of Median	\$35,280	\$40,320	\$45,360	\$50,360	\$54,400	\$58,440	\$62,480	\$66,480
50% of Median	\$44,100	\$50,400	\$56,700	\$62,950	\$68,000	\$73,050	\$78,100	\$83,100
55% of Median	\$48,510	\$55,440	\$62,370	\$69,245	\$74,800	\$80,355	\$85,910	\$91,410
60% of Median	\$52,920	\$60,480	\$68,040	\$75,540	\$81,600	\$87,660	\$93,720	\$99,720
75% of Median*	\$66,150	\$75,600	\$85,050	\$94,425	\$102,000	\$109,575	\$117,150	\$124,650
80% of Median*	\$70,560	\$80,640	\$90,720	\$100,720	\$108,800	\$116,880	\$124,960	\$132,960
100% of Median*	\$88,200	\$100,800	\$113,400	\$125,900	\$136,000	\$146,100	\$156,200	\$166,200
110% of Median*	\$97,020	\$110,880	\$124,740	\$138,490	\$149,600	\$160,710	\$171,820	\$182,820
140% of Median*	\$123,480	\$141,120	\$158,760	\$176,260	\$190,400	\$204,540	\$218,680	\$232,680
Hawaii								
30% of Median	\$17,520	\$20,010	\$22,500	\$24,990	\$27,000	\$29,010	\$30,990	\$33,000
40% of Median	\$23,360	\$26,680	\$30,000	\$33,320	\$36,000	\$38,680	\$41,320	\$44,000
50% of Median	\$29,200	\$33,350	\$37,500	\$41,650	\$45,000	\$48,350	\$51,650	\$55,000
55% of Median	\$32,120	\$36,685	\$41,250	\$45,815	\$49,500	\$53,185	\$56,815	\$60,500
60% of Median	\$35,040	\$40,020	\$45,000	\$49,980	\$54,000	\$58,020	\$61,980	\$66,000
75% of Median*	\$43,800	\$50,025	\$56,250	\$62,475	\$67,500	\$72,525	\$77,475	\$82,500
80% of Median*	\$46,720	\$53,360	\$60,000	\$66,640	\$72,000	\$77,360	\$82,640	\$88,000
100% of Median*	\$58,400	\$66,700	\$75,000	\$83,300	\$90,000	\$96,700	\$103,300	\$110,000
110% of Median*	\$64,240	\$73,370	\$82,500	\$91,630	\$99,000	\$106,370	\$113,630	\$121,000
140% of Median*	\$81,760	\$93,380	\$105,000	\$116,620	\$126,000	\$135,380	\$144,620	\$154,000
Kauai								
30% of Median	\$20,400	\$23,310	\$26,220	\$29,130	\$31,470	\$33,810	\$36,150	\$38,460
40% of Median	\$27,200	\$31,080	\$34,960	\$38,840	\$41,960	\$45,080	\$48,200	\$51,280
50% of Median	\$34,000	\$38,850	\$43,700	\$48,550	\$52,450	\$56,350	\$60,250	\$64,100
55% of Median	\$37,400	\$42,735	\$48,070	\$53,405	\$57,695	\$61,985	\$66,275	\$70,510
60% of Median	\$40,800	\$46,620	\$52,440	\$58,260	\$62,940	\$67,620	\$72,300	\$76,920
75% of Median*	\$51,000	\$58,275	\$65,550	\$72,825	\$78,675	\$84,525	\$90,375	\$96,150
80% of Median*	\$54,400	\$62,160	\$69,920	\$77,680	\$83,920	\$90,160	\$96,400	\$102,560
100% of Median*	\$68,000	\$77,700	\$87,400	\$97,100	\$104,900	\$112,700	\$120,500	\$128,200
110% of Median*	\$74,800	\$85,470	\$96,140	\$106,810	\$115,390	\$123,970	\$132,550	\$141,020
140% of Median*	\$95,200	\$108,780	\$122,360	\$135,940	\$146,860	\$157,780	\$168,700	\$179,480
Maui								
30% of Median	\$21,540	\$24,600	\$27,690	\$30,750	\$33,210	\$35,670	\$38,130	\$40,590
40% of Median	\$28,720	\$32,800	\$36,920	\$41,000	\$44,280	\$47,560	\$50,840	\$54,120
50% of Median	\$35,900	\$41,000	\$46,150	\$51,250	\$55,350	\$59,450	\$63,550	\$67,650
55% of Median*	\$39,490	\$45,100	\$50,765	\$56,375	\$60,885	\$65,395	\$69,905	\$74,415
60% of Median	\$43,080	\$49,200	\$55,380	\$61,500	\$66,420	\$71,340	\$76,260	\$81,180
75% of Median*	\$53,850	\$61,500	\$69,225	\$76,875	\$83,025	\$89,175	\$95,325	\$101,475
80% of Median*	\$57,440	\$65,600	\$73,840	\$82,000	\$88,560	\$95,120	\$101,680	\$108,240
100% of Median*	\$71,800	\$82,000	\$92,300	\$102,500	\$110,700	\$118,900	\$127,100	\$135,300
110% of Median*	\$78,980	\$90,200	\$101,530	\$112,750	\$121,770	\$130,790	\$139,810	\$148,830
140% of Median*	\$100,520	\$114,800	\$129,220	\$143,500	\$154,980	\$166,460	\$177,940	\$189,420

*For purposes of the Rental Housing Revolving Fund Program only.

NOTE: This chart is provided as a guide only. You are responsible to ensure the accuracy of the numbers.

MULTIFAMILY TAX SUBSIDY PROJECT INCOME LIMITS



This chart is provided as a guide only for the following programs:
Low Income Housing Tax Credit (LIHTC)
Hula Mae Multi-Family Bonds (HMMF)
Rental Housing Revolving Fund (RHRF)
Rental Assistance Revolving Fund (RARF)

You are responsible to ensure the accuracy of the numbers.

MAXIMUM TENANT CONTRIBUTION (Incl. Utilities) CALCULATED BY NUMBER OF BEDROOMS

Area	Studio	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm
Honolulu, HI					
30% of Median	\$661	\$708	\$850	\$982	\$1,095
40% of Median	\$882	\$945	\$1,134	\$1,309	\$1,461
50% of Median	\$1,102	\$1,181	\$1,417	\$1,636	\$1,826
55% of Median*	\$1,212	\$1,299	\$1,559	\$1,800	\$2,008
60% of Median	\$1,323	\$1,417	\$1,701	\$1,964	\$2,191
75% of Median*	\$1,653	\$1,771	\$2,126	\$2,455	\$2,739
80% of Median*	\$1,764	\$1,890	\$2,268	\$2,619	\$2,922
100% of Median*	\$2,205	\$2,362	\$2,835	\$3,273	\$3,652
110% of Median*	\$2,425	\$2,598	\$3,118	\$3,601	\$4,017
140% of Median*	\$3,087	\$3,307	\$3,969	\$4,583	\$5,113
Hawaii					
30% of Median	\$438	\$469	\$562	\$649	\$725
40% of Median	\$584	\$625	\$750	\$866	\$967
50% of Median	\$730	\$781	\$937	\$1,083	\$1,208
55% of Median*	\$803	\$860	\$1,031	\$1,191	\$1,329
60% of Median	\$876	\$938	\$1,125	\$1,299	\$1,450
75% of Median*	\$1,095	\$1,172	\$1,406	\$1,624	\$1,813
80% of Median*	\$1,168	\$1,251	\$1,500	\$1,733	\$1,934
100% of Median*	\$1,460	\$1,563	\$1,875	\$2,166	\$2,417
110% of Median*	\$1,606	\$1,720	\$2,062	\$2,382	\$2,659
140% of Median*	\$2,044	\$2,189	\$2,625	\$3,032	\$3,384
Kauai					
30% of Median	\$510	\$546	\$655	\$757	\$845
40% of Median	\$680	\$728	\$874	\$1,010	\$1,127
50% of Median	\$850	\$910	\$1,092	\$1,262	\$1,408
55% of Median*	\$935	\$1,001	\$1,201	\$1,388	\$1,549
60% of Median	\$1,020	\$1,092	\$1,311	\$1,515	\$1,690
75% of Median*	\$1,275	\$1,365	\$1,638	\$1,893	\$2,113
80% of Median*	\$1,360	\$1,457	\$1,748	\$2,020	\$2,254
100% of Median*	\$1,700	\$1,821	\$2,185	\$2,525	\$2,817
110% of Median*	\$1,870	\$2,003	\$2,403	\$2,777	\$3,099
140% of Median*	\$2,380	\$2,549	\$3,059	\$3,535	\$3,944
Maui					
30% of Median	\$538	\$576	\$692	\$799	\$891
40% of Median	\$718	\$769	\$923	\$1,066	\$1,189
50% of Median	\$897	\$961	\$1,153	\$1,332	\$1,486
55% of Median*	\$987	\$1,057	\$1,269	\$1,465	\$1,634
60% of Median	\$1,077	\$1,153	\$1,384	\$1,599	\$1,783
75% of Median*	\$1,346	\$1,441	\$1,730	\$1,998	\$2,229
80% of Median*	\$1,436	\$1,538	\$1,846	\$2,132	\$2,378
100% of Median*	\$1,795	\$1,922	\$2,307	\$2,665	\$2,972
110% of Median*	\$1,974	\$2,114	\$2,538	\$2,931	\$3,269
140% of Median*	\$2,513	\$2,691	\$3,230	\$3,731	\$4,161

*For purposes of the Rental Housing Revolving Fund Program only.

NOTE: This chart is provided as a guide only. You are responsible to ensure the accuracy of the numbers.



Special Attention of:

NOTICE PDR-2020-01

Regional Directors, Field Office Directors,
Economists, Public & Indian Housing
Division Directors, Multifamily Hub Directors,
Multifamily Program Center Directors

Issued: April 1, 2020
Expires: Effective until superseded

Cross References:

Subject: Estimated Median Family Incomes for Fiscal Year (FY) 2020

This memorandum transmits median family incomes for FY 2020. They are calculated for each metropolitan and nonmetropolitan area using the Fair Market Rent (FMR) area definitions applied in the Section 8 Housing Choice Voucher Program. The national median family income for the United States for FY 2020 is \$78,500, an increase of almost four percent over the national median family income in FY 2019. Twice this change is 7.9 percent which is greater than five percent, so this higher value is used as the cap on increases.

For FY 2020, there are no changes to the geographic area definitions used last year. There is, however one fewer record in the EXCEL files because Bedford city in VA is no longer incorporated and is now part of Bedford County, VA. It remains part of the Lynchburg, VA MSA but is no longer listed separately as a Virginia city.

The 2017 American Community Survey (ACS) and Puerto Rico Community Survey (PRCS) median family income data (as opposed to household income data) are the basis of FY 2020 median family incomes for all areas of geography, except for the U.S. Virgin Islands and the Pacific Islands. The Consumer Price Index forecast published by the Congressional Budget Office (CBO) is used to bring the ACS and PRCS data forward from mid-2017 to the mid-point of the fiscal year, April 2020. The median family incomes in the U.S. Virgin Islands and the Pacific Islands (Guam, American Samoa and the Northern Marianas) are based on 2010 Decennial Census data which is the most current information available. The decennial data used for the U.S. Virgin Islands and the Pacific Islands is trended forward using the change in national median family incomes between 2009 (which is the year of the income in the decennial census) and 2017 (from the ACS). The same CBO forecast is then applied from mid-2017 to the mid-point of the fiscal year, April 2020.

HUD is considering a change that would replace the CBO forecast with the economic forecast of the Office of Management and Budget (OMB), beginning with the calculation of the FY 2021 Medians. This OMB forecast would match the economic assumptions used in the calculation of HUD median family income estimates with assumptions used in the formulation of the Administration's Budget. HUD has not used OMB forecasts previously because they have not been available for public release.

An explanation of the procedures used to develop FY 2020 median family incomes and related documents are attached. Attachment 1 provides an explanation of the estimation methods used; Attachment 2 provides state-level median family income estimates. The Section 8 Income Limits and income limits for the Section 221(d)(3) Below Market Interest Rate (BMIR) rental program, the Section 235 program, and the Section 236 program, that are not part of this transmittal notice, may be provided to you or your staff electronically.

Please note that the use of the HUD median family incomes is subject to individual program guidelines covering definitions of income and family, family size, effective dates, and other factors. If you have any questions concerning these matters, please refer them to our website at <http://www.huduser.gov/portal/datasets/il.html>.

HUD median estimates are also available at the Department's Internet site, which provides a menu from which you may select the year and type of data of interest <http://www.huduser.gov/portal/datasets/il.html>.

/s/

Seth D. Appleton
Assistant Secretary for Policy Development
and Research

Attachments

ATTACHMENT 1

HUD PROCEDURE FOR ESTIMATING FY 2020 MEDIAN FAMILY INCOMES

The FY 2020 median family incomes, which HUD is publishing at this time, use the median family¹ income data (as opposed to median household income data) from the 2017 American Community Survey (ACS) and the Puerto Rico Community Survey (PRCS). The Consumer Price Index forecast published by the Congressional Budget Office (CBO) is used to bring the ACS and PRCS data forward from mid-2017 to the mid-point of the fiscal year, April 2020. These medians are calculated for each metropolitan and nonmetropolitan area using the Fair Market Rent (FMR) area definitions applied in the Section 8 Housing Choice Voucher Program.

As mentioned above, the FY 2020 median family incomes incorporate the 2017 ACS and PRCS data into the calculation process. Specifically, for each metropolitan area, subarea of a metropolitan area, and non-metropolitan county, HUD determines if a statistically valid one-year ACS income estimate is available. If one-year data is not available, then statistically valid five-year ACS data (data collected from 2013 through 2017) is used. There are cases where statistically valid five-year ACS data is not available. In those cases, an average of at least two of the past three years of income estimates is used. If at least two years of median income estimates are not statistically valid, the state nonmetro median is used.

Statistically Valid Estimate

For the FY 2020 medians, HUD requires that the margin of error be less than half of the estimate **and** that the survey median is based on at least 100 responses (as identified by a count indicator value of 4 or more in HUD's special tabulations of ACS data). If the current year estimate does not meet both conditions, the previous years' estimates must meet the margin of error condition to be used in averaging. In the few cases where the statistical confidence interval for the 5-year ACS estimate of median family income is greater than half the estimate for more than one of the three years used in averaging (the current year and the two previous years), HUD assigns the state nonmetropolitan median.

CPI Inflation and Trend Factor

HUD uses a CPI forecast from CBO to inflate the 2017 ACS data to the mid-point of FY 2020. The CBO projection of fiscal year CPI, published in January 2020, is used to inflate the 2017 data.

HUD is considering a change that would replace the CBO forecast with the economic forecast of the Office of Management and Budget (OMB), beginning with the calculation of the FY 2021 Medians. This OMB forecast would match the economic assumptions in used in the calculation of HUD median family income estimates with assumptions used in the formulation of the Administration's Budget. HUD has not used OMB forecasts previously because they have not been available for public release.

¹ Family refers to the Census definition of a family, which is a householder with one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The definition of family excludes one-person households and multi-person households of unrelated individuals.

Median Calculations

Median family incomes start with the development of median family incomes for the nation (with national metropolitan and nonmetropolitan median family incomes) for each state and territory (again including national metropolitan and nonmetropolitan median family incomes) and for each metropolitan area and nonmetropolitan area using the FMR area definitions for the United State and its territories.

The major steps are as follows:

HUD uses 2017 ACS or PRCS median family incomes as the basis for FY 2020 medians for all areas designated as Fair Market Rent areas in the United States and Puerto Rico.² In areas where there is a statistically valid 2020 one-year survey estimate, that is used. If not, statistically valid 2017 five-year data is used. Where statistically valid five-year data is not available, HUD will average the valid income estimates from the current (where there is valid margin of error of the estimate) and two previous years of ACS or PRCS data or for two of these three years.

The 2016 five-year data and the 2015 five-year data are considered valid if the margin of error of the estimate is less than one-half of the estimate. These are inflated to 2017 using the change in national CPI calculated between 2015 or 2016 and 2017.

Metropolitan subareas, HUD Metro FMR Areas (HMFAs), do not use averaged data from the current and two previous years (adjusted to the current year) if the five-year data is not statistically valid. These subareas use the 2017 ACS data for the larger metropolitan area.

For all places in the United States and Puerto Rico:

All estimates (using either one-year data or five-year data) are then trended from 2017 to April 2020 using the CPI forecast produced by CBO.

For the non-Puerto Rico Insular Areas of the United States,³ which currently lack the annual survey of ACS or PRCS, 2010 Decennial Census data were used for the first time in the FY 2016 median family incomes and income limits. This continues to be the basis of the FY 2020 median family incomes and income limits. National ACS median family income changes are used to update 2010 Decennial Census data (which is 2009 median family income data) to 2017 and then the same CBO forecast trend factor is applied to bring the data forward to the midpoint of FY 2020.

² When HUD's Fair Market Rent area definitions match a standard census geography, the ACS data HUD uses to calculate median family income estimates may be obtained from ACS table B19113: Median Family Income in the Past 12 Months.

³ The areas without ACS coverage are the U.S. Virgin Islands, Guam, American Samoa, and the Northern Marianas Islands. Puerto Rico is covered by the ACS-equivalent Puerto Rico Community Survey.

ATTACHMENT 2

FY 2020 Median Family Incomes for States,
Metropolitan and Nonmetropolitan Portions of States

	-----	FY 2020	-----
	TOTAL	METRO	NONMETRO
Alabama	65300	69400	53600
Alaska	92200	95000	86500
Arizona	72100	73500	49300
Arkansas	61000	67400	52500
California	87100	87500	70700
Colorado	90200	93300	71000
Connecticut	99700	99400	102600
Delaware	81900	81900	62300*
District of Columbia	113100	113100	62300*
Florida	68000	68700	52800
Georgia	72200	76700	54700
Hawaii	97100	100700	81600
Idaho	68200	72300	60900
Illinois	84100	86700	67700
Indiana	72300	75000	65300
Iowa	79700	85700	72500
Kansas	76500	83400	64600
Kentucky	65400	75900	53400
Louisiana	64300	66800	50100
Maine	76600	84300	67300
Maryland	104500	105700	72800
Massachusetts	104900	105300	85400
Michigan	74000	76800	63900
Minnesota	91800	98700	72600
Mississippi	59400	67500	52700
Missouri	71500	78200	56100
Montana	73300	76700	71400
Nebraska	79800	85600	71600
Nevada	72500	72100	75000
New Hampshire	96700	106000	85300
New Jersey	103300	103300	62300*
New Mexico	61900	66200	54900
New York	85100	86700	67200
North Carolina	70000	74200	58100
North Dakota	86900	91000	83600
Ohio	73900	76500	65100
Oklahoma	65300	69900	57200
Oregon	77700	81700	61400
Pennsylvania	80700	83400	64900
Rhode Island	89800	89800	62300*
South Carolina	66300	69000	52400
South Dakota	77800	82100	73100
Tennessee	66800	71600	54800
Texas	74500	76300	58900
Utah	82800	83900	74100
Vermont	79000	89700	74600
Virginia	91600	98100	60400
Washington	89800	92900	67300
West Virginia	59600	63600	54900
Wisconsin	80100	83700	70800
Wyoming	79500	78600	79700
US	78500	81200	62300

* US non-metropolitan median