

## Mixed Income Housing: Leasing Compliance Overview

For all projects developed under the Mixed Income Housing Bonus (MIHB) or the Mixed Income Neighborhoods (MIN) Overlay, property owners and their designees (collectively referred to as Leasing Managers) are responsible for meeting affordability and auditing requirements for the duration of the compliance period.

### General Affordability Requirements

Designated units must be made affordable in compliance with the deed restriction recorded against the property. The deed restriction is the best way to find the applicable Area Median Income (AMI) limit for designated units for a specific project, but the chart below provides a general overview of requirements by program. Note that the applicable income limit for a household typically increases after initial occupancy.

Income Limits by Program			
Program	MIN Overlay	MIHB Low Income	MIHB Moderate Income
AMI Limit at Initial Occupancy	40% AMI	50% AMI	60% AMI
AMI Limit for Lease Renewals	80% AMI	100% AMI	120% AMI

Income Limits and Gross Rent Limits are updated annually and posted to DPD's website, available here: <https://www.phila.gov/documents/affordable-housing-zoning-bonus-review-application/>

### Determining Rent Limit

Gross Rent Limits are inclusive of utilities, which must be estimated and subtracted to determine Max Rent. Monthly rent charged to the tenant(s) cannot exceed Max Rent.

#### Max Rent = Gross Rent – Estimated Utilities

To estimate utilities, use the Philadelphia Housing Authority Utility Allowance Schedule here: <https://www.pha.phila.gov/housing/housing-choice-voucher/monthly-utility-allowance-and-payments/>  
The utility allowance must be calculated for each unit type based on any utilities to be paid for by the tenant. Tenants are responsible for paying any utilities included under their lease, even when actual utilities exceed the utility allowance.

## Marketing and Certifying Designated Units

**Marketing Phase.** Designated units must be constructed, completed, ready for occupancy, and marketed at the same time as market-rate units. Leasing Managers must market designated units in accordance with a DPD-approved marketing plan. Leasing Managers are strongly encouraged to target marketing of affordable units to eligible tenants for a minimum of thirty (30) days prior to offering affordable units to the general public. Strategies for targeted marketing include the following:

- ✓ Provide DPD advanced notice so staff can notify partner organizations with long waiting lists
- ✓ Advertise affordable units within widely read newspapers and on their websites
- ✓ Notify RCOs, places of worship, and mission driven organizations near the project
- ✓ Post advertisements on public billboards in grocery stores, employment centers, etc.

**Initial Certification.** Once a qualifying household has been identified, the Leasing Manager is responsible for submitting a completed **Resident Income Certification (RIC) Form**, along with the following supporting documentation:

- Credit report for all adults living within the unit
- Proof of Income for all income earning adults living within the unit
- Certification of Zero Income for all adults not earning an income
- Most recent federal income tax return for all income earning adults living within the unit
- Most Current State Identification for all adults living within the unit
- Lease template for unit
- Utility Allowance Calculation (unless the household is using a Section 8 Housing Choice Voucher)

During the initial certification period, Leasing Managers must obtain DPD's approval prior to executing leases on designated units. Once all affordable units are leased to approved households, Leasing Managers must complete the RIC Chart and provide all executed leases for designated units. DPD will then provide the project with its Initial Certification, as well as the due date for the annual report.

**Maintaining Compliance After Initial Certification.** Following Initial Certification, Leasing Managers must self-verify household income for designated units before renewing or signing new leases. Leasing managers must maintain accurate and up-to-date records and all supporting income eligibility documentation on site at all times and comply with annual reporting and recertification requirements.

- **Annual Report.** On an annual basis, Leasing Managers must submit an updated RIC Chart and current leases for all affordable units. DPD may request additional information at its discretion to verify accuracy. Once all documentation is received and verified compliant with program requirements, DPD will provide certification for that year, as well as the due date of the next annual report or recertification.
- **Recertification.** DPD will perform a complete audit of RIC Forms and supporting documentation to verify project compliance with affordability requirements every three (3) years.