



Mixed Income Housing: Leasing Compliance Explained

Developers providing affordable housing under the Mixed Income Housing (MIH) program must maintain affordability in accordance with the Zoning Code and their recorded deed restriction. The property owner or their designee (“Leasing Manager”) is responsible for maintaining compliance with all affordability and auditing requirements for the full compliance period.

Affordability Restrictions

Designated units must be made affordable in compliance with the zoning code and 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.

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

Affordable housing must be provided in a manner consistent with the Philadelphia Code, City-issued regulations, code bulletins, and any recorded deed restriction. **The Department of Planning and Development (DPD) may pursue all remedies available by law to ensure compliance.**

A detailed section on determining income and rent limits is provided in a later section of this fact sheet. 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/>

Marketing Requirements

Designated units must be constructed, completed, ready for occupancy, and marketed at the same time as market-rate units. If applicable, Leasing Managers must comply with an affordable unit marketing plan approved by DPD. If there is no DPD approved marketing plan, Leasing Managers are strongly encouraged to actively market the affordable units to eligible tenants for a minimum of thirty (30) days prior to offering affordable units to the general public. Strategies 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, libraries, etc.

Leasing Requirements

The Leasing Manager is responsible for collecting all required documentation prior to executing or renewing a lease for any household in an MIH affordable unit. The Leasing Manager must maintain accurate, current, and complete documentation indicating compliance with MIH leasing procedures throughout the full compliance period.

Required Documentation:

Prior to executing any lease or renewal for an MIH affordable unit, the Leasing Manager must confirm compliance with income and rent limits. This includes completing the **Tenant Leasing Certification (TLC) Form** and collecting the following supporting documentation:

Documentation required for each affordable unit:

- Tenant Acknowledgement Certificate (to be included as addendum to lease)

- Completed Utility Allowance Schedule*, unless household is using a Housing Choice Voucher
- Proof of Section 8 Housing Choice Voucher, if applicable

Documentation required for all individuals over 18-years of age living within the unit:

- Credit report
- Current State-issued identification
- For income-earning adults:
 - Two (2) most recent paystubs if paid biweekly or four (4) if paid weekly
 - Proof of any other type of income
 - Most recent Federal Income Tax return
- For adults with no income, Certificate of Zero Income Form

Leasing Managers shall maintain an **Annual Renter Chart** with accurate and up-to-date income and rent information for all MIH affordable units.

Standard Auditing Process

DPD's standard process for auditing leasing compliance is provided below. DPD retains the right to audit for compliance with MIH requirements at any time.

Initial Certification:

When MIH affordable units initially become available, DPD works with Leasing Managers to train them on all MIH leasing procedures and ensure compliance with program requirements. This process is called Initial Certification and involves the following:

- For developments with up to three (3) MIH affordable units, Leasing Managers must receive preapproval from DPD for each MIH affordable unit before executing a lease with a potential tenant.
- For developments with four (4) or more MIH affordable units, Leasing Managers must receive preapproval from DPD for the first three (3) MIH affordable units before executing leases with potential tenants.

As part of this process, Leasing Managers must submit all required documentation to DPD. If materials are accurate, complete, and demonstrate compliance with MIH requirements, DPD will return a signed copy of the TLC form to indicate approval. **During the Initial Certification period, Leasing Managers must obtain DPD's approval prior to executing leases on designated units.** This process ensures that Leasing Managers are fully trained on MIH leasing requirements before completing subsequent self-certifications for the remainder of the compliance period.

DPD will provide the project with its Initial Certification, as well as the due date for the **Annual Renter Chart**.

Maintaining Compliance After Initial Certification. Following Initial Certification, Leasing Managers must self-certify household income and rent limits for designated units before renewing or signing new leases. Leasing managers must maintain accurate, complete and up-to-date records on site at all times and comply with annual reporting and Three-Year audit requirements.

- **Annual Renter Chart.** By September 15th of each year (or the next business day), Leasing Managers must submit an updated Annual Renter 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. Annual Renter Charts may be submitted up to four-weeks prior to the September 15th deadline.
- **Three-Year Audit:** DPD will perform a complete audit of all documentation to verify project compliance with affordability requirements every three (3) years. This may include a site visit to verify files onsite are complete and up-to-date. Onsite visits will be scheduled in coordination with the Leasing Manager.

Determining Income and Rent Limits

Income and rent limits for affordable housing are based on the Area Median Income (AMI) for the Philadelphia Metropolitan Statistical Area reported annually by the U.S. Department of Housing and Urban Development (HUD). Mixed Income Housing programs use the Rent and Income Limit Calculator developed by Novogradac. To use this tool, visit <https://rent-income.novoco.com/free/calculator> and enter the following information:

Affordable Housing Program Other Federal, State, or Local Program
HUD Data [Insert Current Year]
State Pennsylvania
Statistical Area & Name Philadelphia County -- Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA

Check the disclaimer box and continue. On the next page, input the following information:

Base the calculations on the HUD Published Income Limit AMI
Display Home Rents? No
The calculator will display[...] Enter other scenarios below. [Insert Applicable AMI]
Imputed Persons Per Bedroom for Rent Limit Calculations 1.5 Persons/Bedroom

The next page will display the applicable income and gross rent limits. These numbers are updated every year in late spring to early summer. The numbers for 2026 are included below.

**TABLE 1: 2026 Gross Rent Limits
(Tenant rent +utility allowance)**

Bedrooms (People)	≤40% AMI	≤50% AMI	≤60% AMI	≤80% AMI	≤100% AMI	≤120% AMI
Eff/Studio (1.0)	\$859	\$1,073	\$1,288	\$1,718	\$2,147	\$2,577
1 Bedroom (1.5)	\$920	\$1,150	\$1,380	\$1,841	\$2,301	\$2,761
2 Bedrooms (3.0)	\$1,104	\$1,380	\$1,656	\$2,208	\$2,760	\$3,312
3 Bedrooms (4.5)	\$1,276	\$1,595	\$1,914	\$2,552	\$3,190	\$3,828
4 Bedrooms (6.0)	\$1,423	\$1,778	\$2,134	\$2,846	\$3,557	\$4,269
5 Bedrooms (7.5)	\$1,570	\$1,963	\$2,355	\$3,141	\$3,926	\$4,711

*If an affordable rental unit is rented to a household with a Section 8 Housing Choice Voucher, the contract rent may, for such period that the Tenant Voucher is in effect, exceed the maximum rent otherwise permitted by this Section.

TABLE 2: 2026 Income Limits

Household Size	≤40% AMI	≤50% AMI	≤60% AMI	≤80% AMI	≤100% AMI	≤120% AMI
1 person	≤\$34,360	≤\$42,950	≤\$51,540	≤\$68,720	≤\$85,900	≤\$103,080
2 person	≤\$39,280	≤\$49,100	≤\$58,920	≤\$78,560	≤\$98,200	≤\$117,840
3 person	≤\$44,160	≤\$55,200	≤\$66,240	≤\$88,320	≤\$110,400	≤\$132,480
4 person	≤\$49,080	≤\$61,350	≤\$73,620	≤\$98,160	≤\$122,700	≤\$147,240
5 person	≤\$53,000	≤\$66,250	≤\$79,500	≤\$106,000	≤\$132,500	≤\$159,000
6 person	≤\$56,920	≤\$71,150	≤\$85,380	≤\$113,840	≤\$142,300	≤\$170,760
7 person	≤\$60,840	≤\$76,050	≤\$91,260	≤\$121,680	≤\$152,100	≤\$182,520

Calculating the Utility Allowance

Gross rents are inclusive of the utility allowance, which must be deducted to determine the maximum monthly amount that can be charged for rent.

$$\text{Max Rent} = \text{Gross Rent} - \text{Utility Allowance}$$

To calculate the utility allowance, use the Philadelphia Housing Authority utility schedule here:

<https://www.pha.phila.gov/housing/housing-choice-voucher/monthly-utility-allowance-and-payments/> The utility allowance must be recalculated annually for each unit type based on any utilities to be paid for by the tenant. Tenants are responsible for paying for any utilities included under their lease, even when actual utilities exceed the utility allowance.