MANAGING RENTAL UNIT MIX UNDER HOME

FIXED			FLOATING		
Low HOME Unit			Low HOME Unit		
	Change in Tenant Income at Recertification	Owner Action		Change in Tenant Income at Recertification	Owner Action
_	Existing tenant income remains < 50%	Update rent to currently published Low HOME rent - utilities (net rent)		Existing tenant income remains < 50%	Update rent to currently published Low HOME rent - utilities (net rent)
	Existing tenant income rises above 50% but < 80%	Unit remains Low HOME (no change in rent) until there is a vacancy in High HOME unit. When High HOME unit is vacant, change that unit to Low HOME & rent to VLI household at net Low HOME rent. Now can designate original unit as High HOME & raise rent for original tenant to net High HOME rent. May also wish to check to see if swap possible with existing High HOME unit whose tenant income is \leq 50% AMI. If yes, can swap unit designation.	_	Existing tenant income rises above 50% but < 80%	Unit remains Low HOME (no change in rent) until there is a vacancy in High HOME-assisted unit. When High HOME unit is vacant, change that unit to Low HOME & rent to VLI household at net Low HOME rent. Now can designate original unit as High HOME & raise rent for original tenant to net High HOME rent. May also wish to check to see if swap possible with existing High HOME unit whose tenant income is \leq 50% AMI. If yes, can swap unit designation.
	Existing tenant income rises above 80%	Increase rent to 30% adjusted income. When HOME-assisted unit available, rent to VLI household at net Low HOME rent. Project remains "temporarily out of compliance" until existing OI tenant chooses to move out.		Existing tenant income rises above 80%	Increase rent to lesser of 30% adjusted income or market rent. When market unit available, rent to VLI household at net Low HOME rent OR check to see if tenant in a market rate unit happens to be VLI. If yes, can swap unit designation. At this point, original unit becomes market unit not subject to any HOME restrictions. Instead, if high HOME unit becomes available, rent at Low HOME to VLI household. To maintain total required HOME assisted units, next available market rate unit becomes High HOME unit rented to LI household & OI unit becomes market rate no longer subject to HOME rules.
Hi	igh HOME Unit		High HOME Unit		
	Change in Tenant Income at Recertification	Owner Action		Change in Tenant Income at Recertification	Owner Action
_	Existing tenant income falls < 50%	Check to see if swap possible with existing Low HOME unit whose tenant income is between 50 - 80% AMI. If yes, can swap unit designation. If no, existing unit can remain as High HOME at currently published High HOME rent - utilities (net rent).		Existing tenant income falls < 50%	Check to see if swap possible with existing Low HOME unit whose tenant income is between 50 - 80% AMI. If yes, can swap unit designation. If no, existing unit can remain as High HOME at currently published High HOME rent - utilities (net rent).
	Existing tenant income remains above 50% but < 80%	Update rent to currently published High HOME rent - utilities (net rent)		Existing tenant income remains above 50% but < 80%	Update rent to currently published High HOME rent - utilities (net rent)
	Existing tenant income rises above 80%	Increase rent to 30% adjusted income. When High HOME-assisted unit available, rent to LI household at High HOME rent. Project remains "temporarily out of compliance" until the existing OI tenant chooses to move out.		Existing tenant income rises above 80%	Increase rent to lesser of 30% adjusted income or market rent. When market rate unit available, rent to LI household at High HOME rent OR check to see if tenant in a market rate unit happens to be LI. If yes, can swap unit designation. At this point, original unit becomes market unit not subject to any HOME restrictions.

SUMMARY OF STEPS: MANAGING RENTAL UNIT MIX UNDER HOME

Income Recertification Conducted

Income between 50 - 80% AMI

MATTERS ONLY FOR LOW HOME RENT UNITS

- Rent: stays at Low HOME rent until High HOME rent unit is designated as Low HOME rent.
- Once replacement is identified, rent adjusts to High HOME rent
- Unit is now designated as a High HOME rent unit.

Income greater than 80% AMI

SAME ACTIONS FOR HIGH AND LOW HOME UNITS

Fixed unit:

- Rent: raise to 30% of monthly income
- Next Available HOME unit must address High/Low HOME unit proportions.
- No action for next available non-HOME unit.

Floating unit:

- Rent: raise to LESSER OF 30% monthly income or Comparable Market Rent
- Next available non-HOME unit
 - Must be designated as HOME unit and
 - Address High/Low HOME unit proportions