**Section 310.702 Income and Rental Limits**

a) General. A person's or family's initial occupancy of a unit held available for rental to persons and families of Very Low, Low or Moderate Income shall be limited to persons and families initially meeting the income limits set forth in Section 310.103. If a person or family meeting income requirements at the time of initial occupancy subsequently fails to continue to meet those requirements, that failure shall not constitute non-compliance by that Tenant.

b) Income Limits

1) For all Developments financed by the Authority before January 1, 1987, that proportion of the units (20%, or 15% in certain targeted areas) as is required by the Treasury Regulations under Section 103(b) of the United States Internal Revenue Code of 1954 (26 USC 103(b)) shall be reserved for Low Income Tenants.

2) For Developments that have not or will not receive subsidies from HUD or mortgage insurance through the Federal Housing Administration, a minimum of 20% of the units shall be reserved for Low Income Tenants.

3) For Developments that are financed with the proceeds of Tax-exempt Bonds after January 1, 1987, either 20% of the units must be reserved for Very Low Income Tenants or 40% of the units must be reserved for Low Income Tenants whose income is no greater than 60% of the Median Income.

c) Rental Limits. Rents for units in Developments shall not exceed 30% of the maximum income permitted for a Very Low or Low Income Tenant in the Development, as applicable, unless otherwise required by applicable federal and State law.

d) Certification. The Owner shall obtain from each prospective Tenant intending to occupy a unit held available for rental to persons and families of Very Low, Low or Moderate Income a certification of income that shall be submitted by letter to the Authority from the Owner.

e) In determining the number of units in a Development that shall be held available for rental to Very Low, Low and Moderate Income Tenants, the Authority shall require that the number of units be not less than the number required by applicable federal and State law.

g) The Owner of each Development shall enter into a Regulatory Agreement with the Authority setting forth, among other things, the income and rental restrictions governing the Development.

(Source: Amended at 31 Ill. Reg. 4392, effective February 28, 2007)