**Section 365.1204 Income and Rent Limits**

a) A Tenant's initial occupancy of a unit held available for rental to Low-Income Households and Very Low-Income Households shall be limited to persons and families initially meeting the income limits set forth in subsection (b) below. If a Tenant meeting income requirements at the time of initial occupancy subsequently fails to continue to meet such requirements, that failure shall not constitute non-compliance by that Tenant.

b) Determination of Income Limits

1) For all units reserved for Low-Income Households, the income limits shall be equal to 80% of the median family income with adjustments for family size, for the area in which the Development is located, as such median income is determined from time to time by the United States Department of Housing and Urban Development for purposes of Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437). The median income of the area of residence shall be attached to each application provided by the Authority and additionally shall be available upon request.

2) For all units reserved for Very Low-Income Households, the income limits shall be equal to 50% of the median family income with adjustments for family size, for the area in which the Development is located, as such median income is determined from time to time by the United States Department of Housing and Urban Development for purposes of Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437). The median income of the area of residence shall be attached to each application provided by the Authority and additionally shall be available upon request.

3) The Owner shall obtain from each prospective Tenant intending to occupy a unit held available for rental to Low-Income Households and Very Low-Income Households and on an annual basis thereafter a certification of income. The Owner shall verify each such certification in a manner approved by the Authority. The Owner shall submit each certification and verification thereof to the Authority by mail.

c) Determination of Rent Limits

1) Subject to subsection (c)(4) below, for all units reserved for Low-Income Households, Tenants occupying such units shall not be charged, including a Utility Allowance, rent in excess of thirty percent (30%) of the maximum allowable income as set forth in subsection (b)(1) above. The amount allocated for the Utility Allowance shall be determined by the Owner and approved by the Authority.

2) For all units reserved for Very Low-Income Households, Tenants occupying such units shall not be charged, including a Utility Allowance, rent in excess of thirty percent (30%) of the maximum allowable income as set forth in subsection (b)(2) above. The amount allocated for the Utility Allowance shall be determined by the Owner and approved by the Authority.

3) The Owner shall submit to the Authority for the Authority's approval on an annual basis the rent schedule for the Development. Rents shall not be increased without the Authority's consent.

4) No Tenant shall be required to vacate or move from a unit reserved for Low-Income Households or Very Low-Income Households due to an increase in income exceeding the income limitations contained in this Subpart. The Owner may increase the rent for such units, for so long as the Tenant's income exceeds such limits, to an amount not to exceed the fair market rent as approved by the Authority. The Authority shall have the right to charge and collect rental surcharges on any unit leased by a Tenant who initially qualified as a Very Low-Income Household or Low-Income Household, but whose income thereafter exceeded such income limitations.

d) For units not reserved for Low-Income Households or Very Low - Income Households, the Owner may charge fair market rents, as determined by the Authority.