



# Economic Stabilization Task Force

Appointed by the City & Borough of Juneau's Mayor

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**Date:** September 26, 2020

**From:** Max Mertz, Co-Chair

**To:** Economic Stabilization Task Force

**Re:** Income Limits as Related to Ordinances Under Consideration

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Income Limits for the ordinances under consideration will be a central part of the discussion on Monday and I am sure the Assembly. From what I have seen, there are a couple of broad measures that can be considered. First are the HUD-based low-income limits. The AHFC uses these guidelines for various programs. From the HUD site link (<https://www.hudexchange.info/programs/home/home-income-limits/>) the 'HOME' program (a HUD program) are defined as follows. I have attached the Juneau income limit chart for that program here:

"The HOME Income Limits are calculated using the same methodology that HUD uses for calculating the income limits for the Section 8 program, in accordance with Section 3(b)(2) of the U.S. Housing Act of 1937, as amended. These limits are based on HUD estimates of median family income, with adjustments based on family size. Please note that the 30 percent income limits for the HOME program have been calculated based on the definition of Extremely Low-Income Family (ELI) as described in Consolidated Submission for CPD Programs section of **24 CFR part 91.5**. Therefore, the ELI Limit is calculated as 30 percent of median family income for the area and may not be the same as the Section 8 ELI Limit for your jurisdiction. The Section 8 Limit is calculated based on the definition of ELI as described in **The 2014 Consolidated Appropriations Act**, (Section 238 on page 128 Stat 635) which defines ELI as very low-income families whose incomes do not exceed the higher of the Federal poverty level or 30% of area median income."

A second measure is Area Median Income (AMI). AMI is used by lenders and others for determining income requirements for borrowers as well as a host of other programs. AMI is the midpoint of a region's income distribution – half of families in a region earn more than the median and half earn less than the median. Translating incomes into affordable housing costs, these income levels are also a way to assess housing affordability. Fannie Mae has an AMI look-up tool

(<https://singlefamily.fanniemae.com/media/8326/display>) and I have attached a screenshot for the tool for Juneau.

The current amount in the ordinance is 80% of the AMI for Juneau, or \$94,240.

Ketchikan used a single measurement of income limits in their program, which is \$84,427. That amount is 80% of AMI for Ketchikan. I have attached their rent/mortgage application here. This is the direction we are heading for modeling the Juneau program. Ketchikan is in their second round of funding under this program. They increased their income limits in the second round to be greater than the first round. The application worked well for them in the first round and it resulted in about 930 awards in about 6 weeks.

Administration of this program needs to be simple and straightforward for both the administrator and the applicant.

U.S. DEPARTMENT OF HUD  
STATE:ALASKA

----- 2020 ADJUSTED HOME INCOME LIMITS -----

PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Denali Borough, AK								
30% LIMITS	23250	26550	29850	33150	35850	38500	41150	43800
VERY LOW INCOME	38700	44200	49750	55250	59700	64100	68550	72950
60% LIMITS	46440	53040	59700	66300	71640	76920	82260	87540
LOW INCOME	54950	62800	70650	78500	84800	91100	97350	103650
Dillingham Census Area, AK								
30% LIMITS	18200	20800	23400	25950	28050	30150	32200	34300
VERY LOW INCOME	30300	34600	38950	43250	46750	50200	53650	57100
60% LIMITS	36360	41520	46740	51900	56100	60240	64380	68520
LOW INCOME	48450	55400	62300	69200	74750	80300	85850	91350
Haines Borough, AK								
30% LIMITS	18200	20800	23400	25950	28050	30150	32200	34300
VERY LOW INCOME	30300	34600	38950	43250	46750	50200	53650	57100
60% LIMITS	36360	41520	46740	51900	56100	60240	64380	68520
LOW INCOME	48450	55400	62300	69200	74750	80300	85850	91350
Hoonah-Angoon Census Area, AK								
30% LIMITS	18200	20800	23400	25950	28050	30150	32200	34300
VERY LOW INCOME	30300	34600	38950	43250	46750	50200	53650	57100
60% LIMITS	36360	41520	46740	51900	56100	60240	64380	68520
LOW INCOME	48450	55400	62300	69200	74750	80300	85850	91350
Juneau City and Borough, AK								
30% LIMITS	24750	28300	31850	35350	38200	41050	43850	46700
VERY LOW INCOME	41250	47150	53050	58900	63650	68350	73050	77750
60% LIMITS	49500	56580	63660	70680	76380	82020	87660	93300
LOW INCOME	54950	62800	70650	78500	84800	91100	97350	103650
Kenai Peninsula Borough, AK								
30% LIMITS	18850	21550	24250	26900	29100	31250	33400	35550
VERY LOW INCOME	31400	35900	40400	44850	48450	52050	55650	59250
60% LIMITS	37680	43080	48480	53820	58140	62460	66780	71100
LOW INCOME	50250	57400	64600	71750	77500	83250	89000	94750
Ketchikan Gateway Borough, AK								
30% LIMITS	18350	21000	23600	26200	28300	30400	32500	34600
VERY LOW INCOME	30600	34950	39300	43650	47150	50650	54150	57650
60% LIMITS	36720	41940	47160	52380	56580	60780	64980	69180
LOW INCOME	48900	55900	62900	69850	75450	81050	86650	92250

