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### Section 7. Applicant Categories and Pricing

Income Categories are used by BCHA to determine the appropriateness of Community Housing development proposals in each location and to determine which Applicants must be considered for particular Community Homes. These Income Categories determined by BCHA are based on percentages of the Area Median Income (AMI) on an annual basis. A Household may purchase or rent a Community Home in a higher Income Category, but not in a lower Income Category. The Household Net Worth must not exceed the published allowable net worth specified for the Income Category. Current income limits and allowable net worth are available on BCHA’s website or by request.

**Table 7.1 Household Income Categories by Area Median Income (AMI).**

<b>Applicant Category</b>	<b>Percentage of Area Median Income</b>
1	Less than 50%
2	50% to 60%
3	60% to 80%
4	80% to 100%
5	100% to 120%
6	120% to 140%
Category Local	No Income Limit but must be a full-time resident of Blaine County

\*For Income Categories greater than 6, BCHA may recommend that proposed housing be classified as “Category L” which is housing that may be offered to the full-time residents and employees of Blaine County.

#### A. Calculation of Sales Prices for Existing Community Housing For Categories 1-6

- 1) Maximum sales prices are determined by BCHA based upon CPI and capital improvements, as defined by the deed covenant, made to the home. The price is calculated based upon the federal affordability calculation allowing thirty percent (30%) of Household Income to be allocated to monthly housing cost. The sales price for newly constructed/available Community Housing varies according to the Area Median Income in any given year and according to the calculation of the “maximum monthly housing cost.” “Maximum monthly housing cost” includes the following monthly payments:
  - a) Principal, interest, and mortgage insurance payment (if any) on first mortgage
  - b) Escrow payment of property taxes and property insurance
  - c) Land lease payments if any
  - d) Homeowners/condominium association fees if any
  - e) Utility costs

#### B. Calculation of Maximum Sales Price for Newly Constructed Community Homes

- 1) The maximum sales price is based on the minimum income of an Income Category to ensure that the price of a Community Home is affordable to every purchaser within that Income Category.
- 2) The amount is determined when BCHA performs a calculation utilizing a Community Housing Pricing Calculator

#### C. Maximum Monthly Gross Rental Rates for Community Housing

- 1) The maximum monthly gross rental rates for Community Housing are published by BCHA.
- 2) The latest maximum monthly gross rental rates can be found on BCHA’s website. These monthly Gross Rental Rates must be in effect for the term of the initial lease (twelve (12) month minimum). Thereafter, the maximum monthly gross rental rate can be adjusted in accordance with the published maximum monthly gross rental rates at the time of renewal.
- 3) The maximum monthly gross rental rates are based on an amount equal to or less than thirty percent (30%) of the Household Income per month. This gross rental rate figure includes utilities. Essential utilities include electricity, gas, water, sewer, trash and internet.
- 4) Please contact BCHA for a Utility Allowance Analysis based on each unit’s size, appliances, and heat source to get a net rental rate figure. The maximum Net Monthly Rent may be less than the published Monthly Gross Rental Rates.