Community Preservation Coalition
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The Most Important Rule to Remember for All CPA Housing Projects: Income Limits Apply to All CPA Housing Expenditures

There is an important rule to keep in mind when approving CPA funding for community housing programs and developments: CPA funds must be spent solely on housing projects that fit the definition of "community housing." In general, this means that CPA funds can only be expended on housing developments that will serve residents who earn less than 100% of the areawide median income for your city or town.

So, for example, if CPA funds are being used to help construct housing, the eventual occupants of that housing must earn less than 100% of the areawide median income. Or, if CPA funds were being used for downpayment or rental assistance, the recipient of the funds must earn less than 100%, as well.

Although 100% of the median income is the maximum threshold for CPA housing expenditures, some communities choose to support developments that serve persons and families earning no more than 80 percent of the areawide median income. Why? Because housing units made available to such low-income families qualify for inclusion on the community's Subsidized Housing Inventory (SHI) with the state. The SHI is a list of the percentage of each community's housing stock that meets the state's requirements as affordable. It is used to determine whether the community has reached the state mandated goal that 10 percent of its housing stock be affordable to those earning up to 80 percent of the areawide median income.

The income limits vary by community, and the link below contains a spreadsheet of the low and moderate income figures for each city and town in the state. Important note about the 80% income figures on the spreadsheet: **There is a difference in the 80% figure stipulated by the CPA legislation, which is used on the spreadsheet, and the 80% figure used by HUD.** The state's Executive Office of Housing and Livable Communities (EOHLC) uses the HUD number to determine if the unit will qualify for the state's Subsidized Housing Inventory. Communities should check with EOHLC prior to setting the income limits for their CPA low-income housing developments to be sure that EOHLC will include the units on the SHI. Contact EOHLC's main office at 617-573-1100 for help.

To see the maximum income limits for residents who will occupy CPA-funded community housing developments, view the charts linked at the bottom of our **CPA Income Limits page**. To read more about CPA and eligible affordable housing projects, **click here**.

CPA Definition of "Community Housing"

Section 2 of the CPA statue defines community housing as "low and moderate income housing for individuals and families, including low or moderate income senior housing." These terms are then further defined as follows:

- Low income housing is "housing for those persons and families whose annual income is less than 80 percent of the areawide median income as determined by the United States Department of Housing and Urban Development (HUD)."
- Moderate income housing is similarly defined, but is reserved for those persons and families whose annual income is less than 100 percent of the areawide median income as determined by HUD.
- Finally, low or moderate income senior housing is defined as "housing for those persons having reached the age of 60 or over who would qualify for low or moderate income housing."

Summary

All community housing programs that use CPA funds must serve persons, families, and seniors aged 60 or over whose annual income is less than 100 percent of the areawide median income for your community, as determined by HUD. If you are creating housing and wish the units to count on the state's subsidized housing inventory, the maximum income for residents should be less than HUD's 80% areawide median income figures.

If you're interested in learning more about how HUD determines the areawide median income for each community and for different family sizes, visit the **HUD website**.

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