



# FY 2019 INCOME LIMITS DOCUMENTATION SYSTEM

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## FY 2019 Low-Income Income Limits Calculation

In general, most 4-person low-income limits are the higher of 80 percent of the area median family income or 80 percent of the State non-metropolitan median family level. However, calculating low-income limits as 80 percent of the area median family income may produce anomalies inconsistent with statutory intent because the very low-income limits are not always based on 50 percent of the median(e.g., very-low income limits could be higher than low-income limits).

The calculation normally used, therefore, is to set the 4-person low-income limit at 1.6 (i.e. 80%/50%) times the relevant 4-person very low income limit. The only exception is that the resulting income limit may not exceed the U.S. median family income level (\$75,500 for FY 2019) except when justified by high housing costs. Use of very low-income limits as a starting point for calculating other income limits tied to Section (3)(b)(2) of the U.S. Housing Act of 1937 has the effect of adjusting low-income limits in areas where the very low-income limits have been adjusted because of unusually high or low housing-cost-to-income relationships.

1. The first step of calculating low-income limits is to establish the preliminary 4-person income limit. This is derived by multiplying the 4-person very low-income limit by 1.6 (80%/50%) and rounding the product to the nearest 50.

Area	4-Person Very Low-Income Limit	Preliminary 4-Person Low-Income Limit
<b>Charlottesville, VA HUD Metro FMR Area</b>	\$44,700	\$71,500

2. Next, a comparison is made to ensure that the preliminary 4-Person low-income limit is not greater than the U.S. median family income level:

Area	US Median Family Income	Comparison	Result
<b>Charlottesville, VA HUD Metro FMR Area</b>	\$75,500	Is \$71,500 > \$75,500? <b>No</b>	No Adjustment 4 Person LIL

= **\$71,500**

3. Next, a check is made to see if the area qualifies as a high housing cost area. This is similar to the high housing cost adjustment made for very low-income limits. An area's income limit is adjusted due to high housing costs if 85% of the area's annual 2 bedroom FMR is greater than 35% of the US median income. As we are deriving the low-income limit, the 85% of the annual 2-BR FMR is augmented by 1.6:

Area	2BR FMR	Annual 2BR FMR	Annual 2BR FMR* 1.6*85%	35% of US Median Income	Comparison	Result
<b>Charlottesville, VA HUD Metro FMR Area</b>	\$1,325	\$15,900	\$21,624	\$26,425	Is \$21,624 > \$26,425? <b>No</b>	No Adjustment 4-Person LIL = <b>\$71,500</b>

4. Subsequent to the comparisons above, low-income limits are calculated for each person size family between 1 and 8 persons. As is done with the very low-income limits, the 1-person limit is calculated by multiplying the 4-person limit by 70%, the 2-person is obtained by multiplying the 4-person limit by 80%, the 3-person by multiplying the 4-person by 90%, the 5-person by multiplying the 4-person by 108%, the 6-person by multiplying the 4-person limit by 116%, the 7-person by multiplying the 4-person limit by 124%, and the 8-person by multiplying the 4-person limit by 132%. The low-income limits for these family size are then rounded up to the nearest \$50.

Charlottesville, VA HUD Metro FMR Area								
Income Limit	1-person	2-person	3-person	4-person	5-person	6-person	7-person	8-person
<b>FY2019 Low-Income Limits</b>	\$50,050	\$57,200	\$64,350	\$71,500	\$77,250	\$82,950	\$88,700	\$94,400

**Low-Income Limit Calculation For Families With More Than 8 People**

Select family size ▼

Calculate