



April 9, 2020

colorado 2020 income limit and maximum rent tables published

On March 31, 2020, HUD released updated Multifamily Tax Subsidy Program income limits. The 2020 income limit and maximum rent tables for Colorado are now available on [CHFA's website](#).

IRS Revenue Ruling 94-57 allows LIHTC project owners to rely on the previous years income limits until 45 days after HUD has released new income limits. Therefore, the **2020 income and rent limits must be implemented no later than May 15, 2020**. The same timeframe applies to multifamily developments financed with CHFA loans.

Exceptions: The IRS allows two types of protection from rent decreases: HERA special limits and the hold harmless rule. While only some LIHTC projects may use HERA Special limits, all LIHTC projects are held harmless from decreases in limits. To identify the correct limits for your project, you must know its placed in service (PIS) date.

- In 2020, HERA Special limits are in place in 21 Colorado counties. To apply HERA Special limits, a LIHTC project must have PIS as of 12.31.2008. HERA limits **do not apply** to properties that were not financed with LIHTC (e.g., properties with only CHFA loans).
- Remember, once your LIHTC project is placed in service, it is **not** subject to any decrease in limits. To be held harmless, a LIHTC project must have PIS prior to the implementation date of the new limits. This year, LIHTC projects whose counties experienced a decrease in limits **and** PIS before 05.15.2020, may continue to apply the same limits they used in 2019.

As of 2020, CHFA extends this hold harmless protection to all multifamily developments financed with loans through CHFA, regardless of whether they were also financed with LIHTC.

- New projects that place in service on or after 05.15.2020, must use the 2020 income limits.

Utility Allowance Reminder: As a reminder, updated utility allowances must be implemented no sooner and no later than the first day immediately following the 90-day period that begins with the new utility allowance schedules effective date. To remain compliant when allowances increase and tenant rent must be decreased not to exceed the maximum rent, ensure that rents are lowered immediately following the 90-day period. Do not wait until a household is due for annual recertification to lower rents. For detailed guidance and exceptions, see [CHFA's Utility Allowance Memo](#).

Rent Increases: Any rent increases associated with higher maximum rents or utility allowance decreases may be implemented at lease renewal only. CHFA does not permit mid-lease term rent increases, unless required by the Section 8, USDA Rural Development, or similar rental assistance programs.

If you have any questions, please contact your Program Compliance Officer or visit our [website](#).

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federal, state, or local law. Requests for reasonable accommodation, the provision of auxiliary aids, or any complaints alleging violation of this nondiscrimination policy should be directed to the Nondiscrimination Coordinator, 1.800.877.2432, TDD/TTY 800.659.2656, CHFA, 1981 Blake Street, Denver, Colorado 80202-1272, available weekdays 8:00am to 5:00pm.