Qualifying a Property as IQ Using 80% AMI + Resident Income Data

If a property is not subsidized (HUD, MSHDA, LIHTC, etc.) and does not fall within a program-approved QCT, the last option to qualify as IQ is to use resident income data and compare it against either 80% of the area median income, or 250% of the federal poverty level.

First, we need to gather the appropriate data from the property. At the very **minimum**, the property will need to provide:

- The annual or monthly income for every unit
- The household size (# of residents living in unit) for every unit

If the property only supplies us with the income, but not household size, we will need to conservatively assume that every unit has only one resident. Area median income (AMI) and Federal Poverty Level (FPL) increase as the household size increases, so if the household size is provided by the property, it will give us more "wiggle room" when running the numbers.

Once you have received the data from the property, we are now ready to compare it against either the FPL or the 80% AMI. AMI varies from county to county, whereas FPL is a set standard for the entire country. You may need to check both figures to see which will give you a better shot at qualifying as IQ.

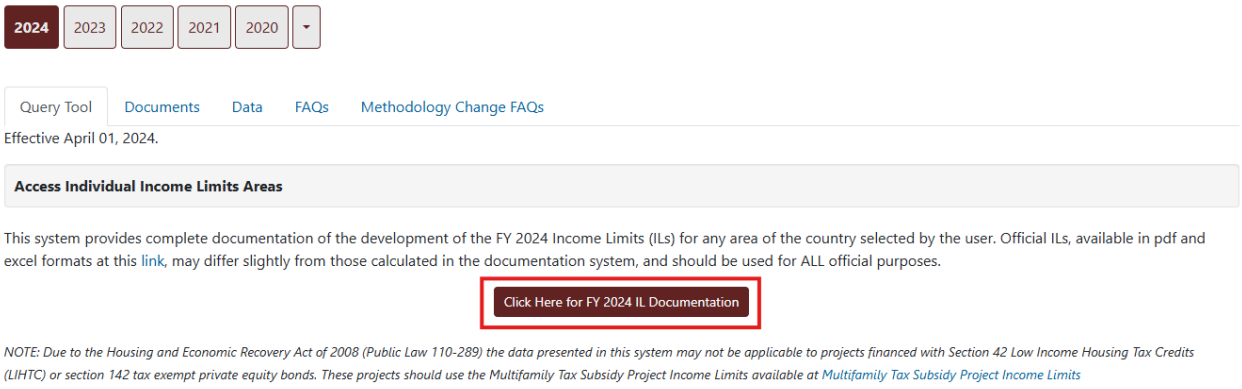
To view the FPL, visit - [Poverty Guidelines | ASPE]

- Note that the FPL listed is 100% of the FPL. Since we use 250% of the FPL as a metric, you will need to multiply the dollar figures (right column in the image below) by 2.5. Here is a sample table – note that this changes each year, so you should visit the link above to get the most current FPL chart.

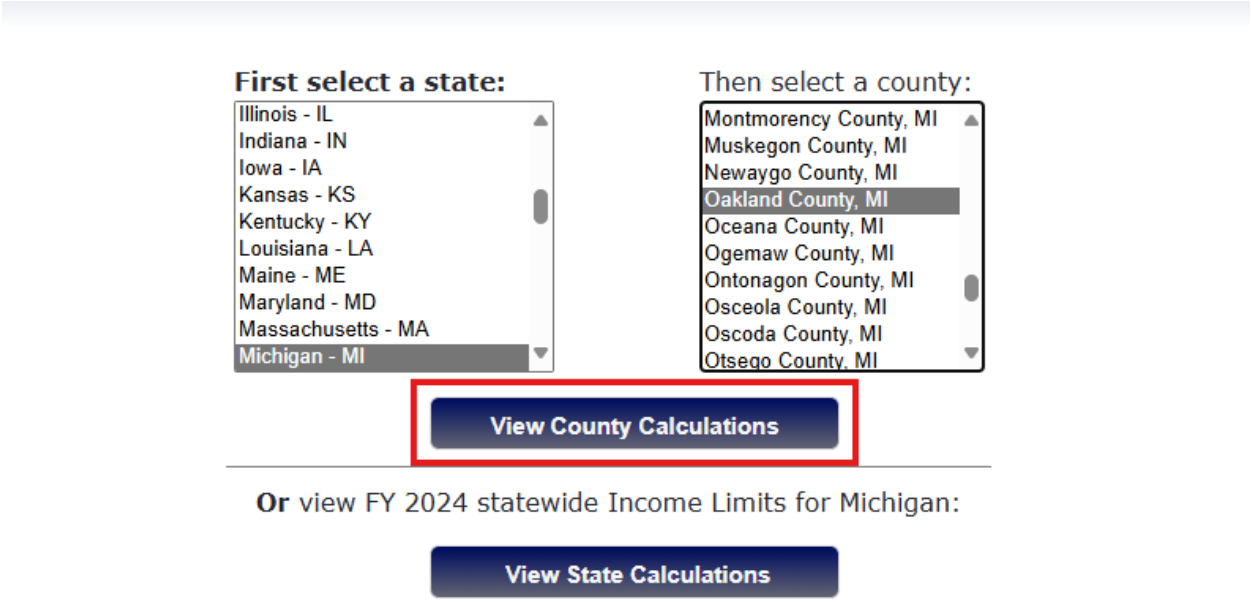
2025 POVERTY GUIDELINES FOR THE 48 CONTIGUOUS STATES AND THE DISTRICT OF COLUMBIA	
Persons in family/household	**Poverty guideline**
1	$15,650
2	$21,150
3	$26,650
4	$32,150
5	$37,650
6	$43,150
7	$48,650
8	$54,150
For families/households with more than 8 persons, add $5,500 for each additional person.	

To view AMI stats, visit - [Income Limits | HUD USER]

- AMI varies from county to county, so you will need to identify what county your property is in and navigate to that county. Select the current year, and click "**Click Here for FY (current year) IL Documentation**":



- Next, you will need to select "**Michigan**" and then scroll to the applicable county in the box on the right. Once you have selected both, click "**View County Calculations**":

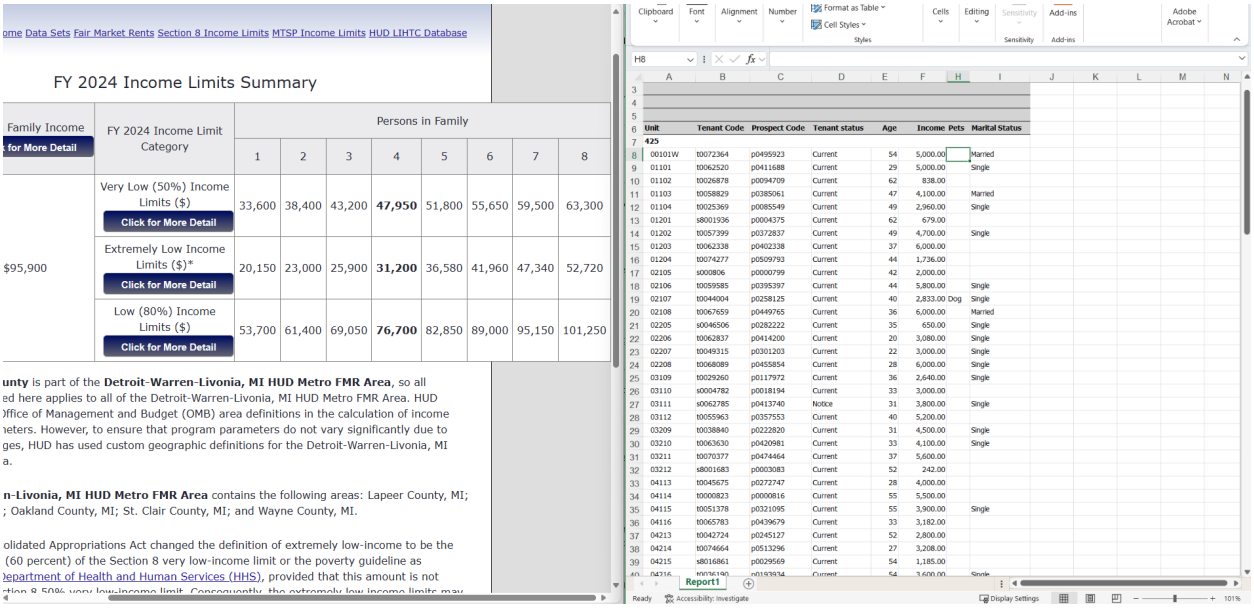


- This brings us to the AMI table we will compare the properties resident income documentation against. Because we use the "80% AMI" metric, we will reference the bottom row, displaying the 80% stats:

FY 2024 Income Limit Area	Median Family Income Click for More Detail	FY 2024 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Detroit-Warren-Livonia, MI HUD Metro FMR Area	$95,900	Very Low (50%) Income Limits ($) Click for More Detail	33,600	38,400	43,200	**47,950**	51,800	55,650	59,500	63,300
		Extremely Low Income Limits ($)* Click for More Detail	20,150	23,000	25,900	**31,200**	36,580	41,960	47,340	52,720
		Low (80%) Income Limits ($) Click for More Detail	53,700	61,400	69,050	**76,700**	82,850	89,000	95,150	101,250

- As you can see, the 80% AMI varies by household size. In the example above, a single resident 80% AMI is $53,700. A two resident household 80% AMI is $61,400 – and so on. If the property did not provide household size, we need to err on the side of caution and use the lowest dollar figure to verify by AMI – in this case, $53,700.

Now that you have the appropriate AMI chart, as well as the property-supplied resident income data – it will be useful to open both up at the same time. I find it useful to have them side by side while comparing, to make the process easy:



FY 2024 Income Limits Summary

Family Income for More Detail	FY 2024 Income Limit Category	Persons in Family 1	2	3	4	5	6	7	8
$95,900	Very Low (50%) Income Limits ($) Click for More Detail	33,600	38,400	43,200	**47,950**	51,800	55,650	59,500	63,300
	Extremely Low Income Limits ($)* Click for More Detail	20,150	23,000	25,900	**31,200**	36,580	41,960	47,340	52,720
	Low (80%) Income Limits ($) Click for More Detail	53,700	61,400	69,050	**76,700**	82,850	89,000	95,150	101,250

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n-Livonia, MI HUD Metro FMR Area contains the following areas: Lapeer County, MI; ; Oakland County, MI; St. Clair County, MI; and Wayne County, MI.

olidated Appropriations Act changed the definition of extremely low-income to be the (60 percent) of the Section 8 very low-income limit or the poverty guideline as epartment of Health and Human Services (HHS), provided that this amount is not

Unit	Tenant Code	Prospect Code	Tenant status	Age	Income	Pets	Marital Status
425							
00101W	t0072364	p0495923	Current	54	5,000.00		Married
01101	t0062520	p0411688	Current	29	5,000.00		Single
01102	t0026878	p0094709	Current	62	838.00		
01103	t0058829	p0385061	Current	47	4,100.00		Married
01104	t0025369	p0085549	Current	49	2,960.00		Single
01201	s8001936	p0004375	Current	62	679.00		
01202	t0057399	p0372837	Current	49	4,700.00		Single
01203	t0062338	p0402338	Current	37	6,000.00		
01204	t0074277	p0509793	Current	44	1,736.00		
02105	s000806	p0000799	Current	42	2,000.00		
02106	t0059585	p0395397	Current	44	5,800.00		Single
02107	t0044004	p0258125	Current	40	2,833.00	Dog	Single
02108	t0067659	p0449765	Current	36	6,000.00		Married
02205	s0046506	p0282222	Current	35	650.00		Single
02206	t0062837	p0414200	Current	20	3,080.00		Single
02207	t0049315	p0301203	Current	22	3,000.00		Single
02208	t0068089	p0455854	Current	28	6,000.00		Single
03109	t0029260	p0117972	Current	36	2,640.00		Single
03110	s0004782	p0018194	Current	33	3,000.00		
03111	s0062785	p0413740	Notice	31	3,800.00		Single
03112	t0055963	p0357553	Current	40	5,200.00		
03209	t0038840	p0222820	Current	31	4,500.00		Single
03210	t0063630	p0420981	Current	33	4,100.00		Single
03211	t0070377	p0474464	Current	37	5,600.00		
03212	s8001683	p0003083	Current	52	342.00		
04113	t0045675	p0272747	Current	28	4,000.00		
04114	t0000823	p0000816	Current	55	5,500.00		
04115	t0051378	p0321095	Current	55	3,900.00		Single
04116	t0065783	p0439679	Current	33	3,182.00		
04213	t0042724	p0245127	Current	52	2,800.00		
04214	t0074664	p0513296	Current	27	3,208.00		
04215	s8016861	p0029569	Current	54	1,185.00		

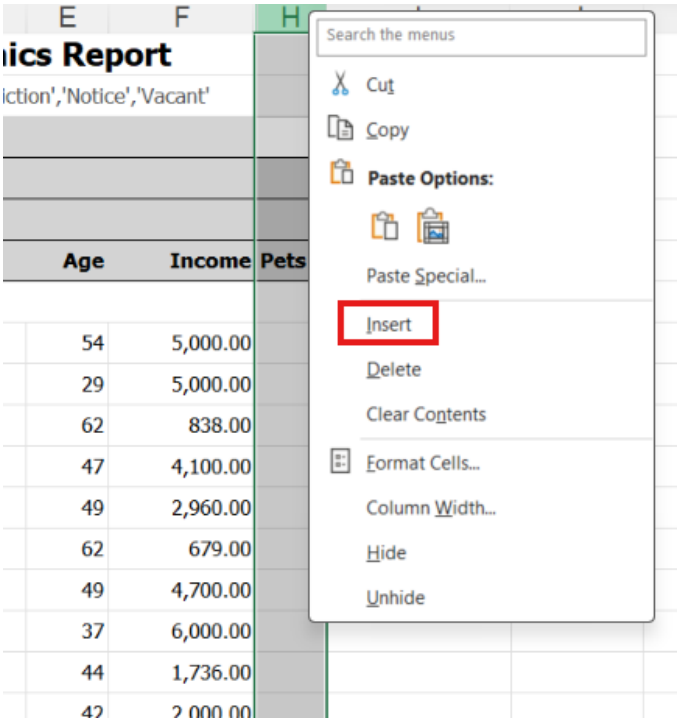
On this sample income data sheet, you'll notice that the given incomes are monthly and not annual.



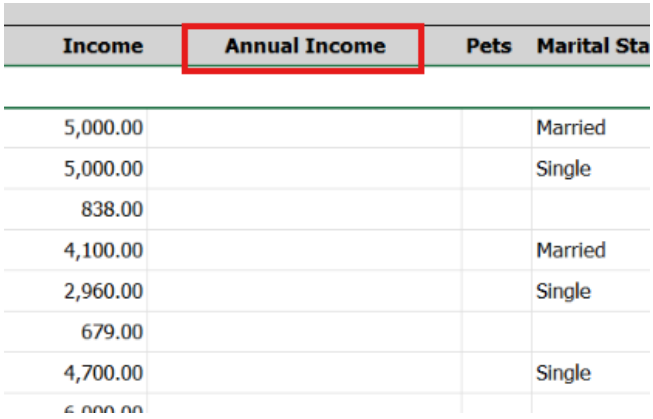
Income	Pets	Marital Status
5,000.00		Married
5,000.00		Single
838.00		
4,100.00		Married
2,960.00		Single
679.00		
4,700.00		Single

Because the AMI is given in annual figures, you'll need to convert these monthly incomes into annual incomes by multiplying by 12. You can do this manually for each line, but if your data is in an excel spreadsheet you can follow this workflow. (**Note that if you are given annual incomes, you will skip this step and scroll down to the highlighted text.**)

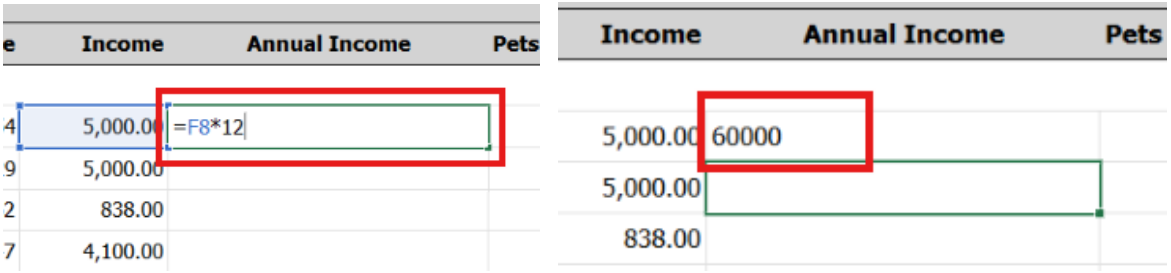
- Highlight the column to the right of the income column by clicking on the letter at the top of the column – in this example “H”. Then, right click the column letter and select “**Insert**”. This will add a blank column directly to the right of the monthly incomes:



- For clarity, you can label this new column “Annual Income”:



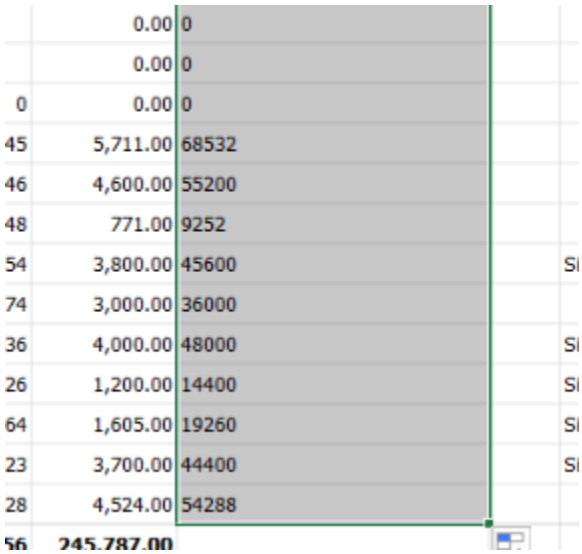
- Now we will need to set up a simple formula cell to calculate the annual income from the given monthly income. We will only need to do this for the first income given, then we can duplicate this formula for the rest of the cells.
- Select the first blank cell in the new "Annual Income" column. Your formula will vary depending on the layout of your excel sheet, but it will follow this format:
    - "**=(monthly income cell)*12**" – in this example, the exact formula used is "**=F8*12**". Once you type the formula and hit enter, the calculated annual income will appear:



- Once you have successfully calculated the first annual income, you can duplicate this formula automatically for the rest of the "Annual Income" column. Select the first calculated annual income cell and you will notice a small green square in the bottom right corner of the cell:



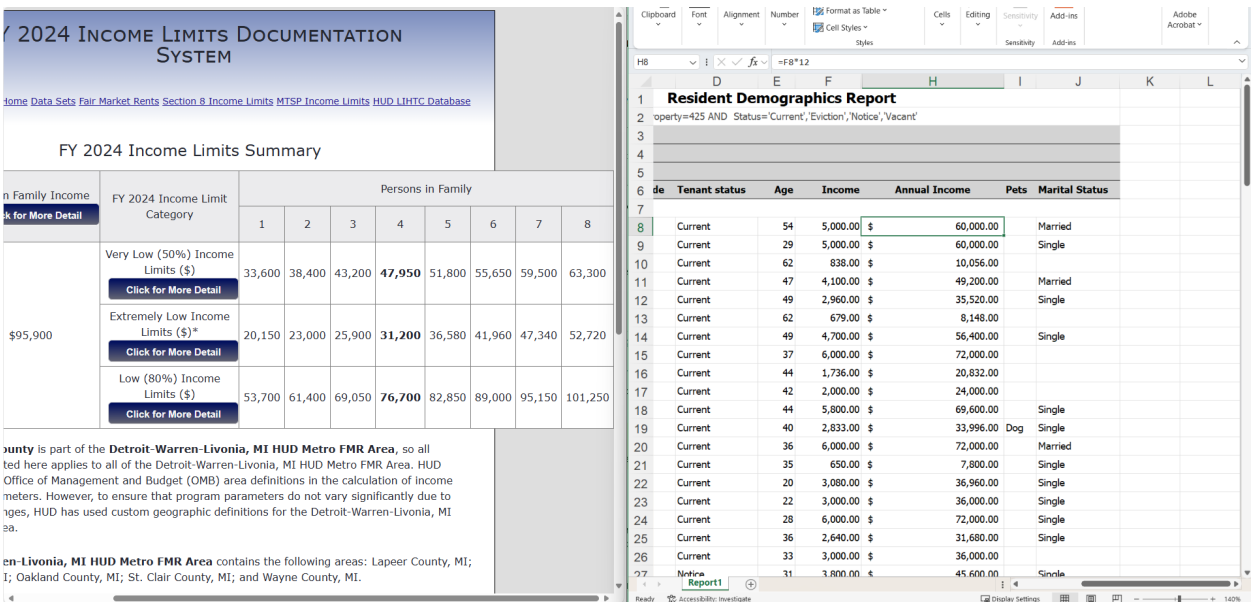
- Click and drag this small green square all the way to the bottom of your “Annual Income” column. When you release the left-click, it will duplicate the formula for all cells in this column and populate them with the annual incomes:



	0.00	0
	0.00	0
0	0.00	0
45	5,711.00	68532
46	4,600.00	55200
48	771.00	9252
54	3,800.00	45600
74	3,000.00	36000
36	4,000.00	48000
26	1,200.00	14400
64	1,605.00	19260
23	3,700.00	44400
28	4,524.00	54288
56	245,787.00	

You are now ready to compare these annual incomes against either 250% FPL or 80% AMI. In this example, I will use 80% AMI.

Now, you will simply need to go line by line and compare each annual income against the applicable 80% AMI figure (based on household size):



2024 Income Limits Documentation System

FY 2024 Income Limits Summary

Family Income	FY 2024 Income Limit Category	Persons in Family							
		1	2	3	4	5	6	7	8
	Very Low (50%) Income Limits ($)	33,600	38,400	43,200	**47,950**	51,800	55,650	59,500	63,300
$95,900	Extremely Low Income Limits ($)*	20,150	23,000	25,900	**31,200**	36,580	41,960	47,340	52,720
	Low (80%) Income Limits ($)	53,700	61,400	69,050	**76,700**	82,850	89,000	95,150	101,250

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Resident Demographics Report

'operty=425 AND Status='Current','Eviction','Notice','Vacant'

de	Tenant status	Age	Income	Annual Income	Pets	Marital Status
	Current	54	5,000.00	$ 60,000.00		Married
	Current	29	5,000.00	$ 60,000.00		Single
	Current	62	838.00	$ 10,056.00		
	Current	47	4,100.00	$ 49,200.00		Married
	Current	49	2,960.00	$ 35,520.00		Single
	Current	62	679.00	$ 8,148.00		
	Current	49	4,700.00	$ 56,400.00		Single
	Current	37	6,000.00	$ 72,000.00		
	Current	44	1,736.00	$ 20,832.00		
	Current	42	2,000.00	$ 24,000.00		
	Current	44	5,800.00	$ 69,600.00		Single
	Current	40	2,833.00	$ 33,996.00	Dog	Single
	Current	36	6,000.00	$ 72,000.00		Married
	Current	35	650.00	$ 7,800.00		Single
	Current	20	3,080.00	$ 36,960.00		Single
	Current	22	3,000.00	$ 36,000.00		Single
	Current	28	6,000.00	$ 72,000.00		Single
	Current	36	2,640.00	$ 31,680.00		Single
	Current	33	3,000.00	$ 36,000.00		
	Notice	31	3,800.00	$ 45,600.00		Single

In this example, you'll note that the first line reads "$60,000". We weren't exactly given household size in this case, but they have listed either "single" or "married". It's reasonable to assume that a "married" unit will have 2 residents, so in this example we will assume all units have a household size of 1, unless they are listed as "married", in which case it will be a household size of 2. Your particular dataset may specify the exact household size, or it may not have household size included at all (in which case you will need to conservatively use a household size of 1).

For this example, with a household size of 2 and an annual income of $60,000 – you'll see that the AMI 80% for this county (at household size 2) is $61,400. Because $60,000 falls below this, this unit qualifies as IQ. You can highlight this cell in green, or otherwise mark it, so you know it qualifies. Then move on to the next cell and repeat this process until you've reached the end:

5,000.00	$	60,000.00	Married
5,000.00	$	60,000.00	Single
838.00	$	10,056.00	
4,100.00	$	49,200.00	Married
2,960.00	$	35,520.00	Single
679.00	$	8,148.00	
4,700.00	$	56,400.00	Single

Note that the second line in the example above is also $60,000 – but it is listed as a single resident. Because the AMI 80% for a single resident household is $53,700 in this county, this unit is not IQ, and is not highlighted in green to denote IQ status.

Once you have gone through the entire dataset, you'll need to calculate what percentage of the total occupied units have qualified as IQ. To do this, tally up the total number of IQ units, as well as the total number of occupied units overall. Your calculation will look like:

- Total number of IQ units / total number of units

If you have 63 IQ units, and 110 units total – that's 63 divided by 110, which will give you a figure of "0.5727". Converted to a percentage, this is 57%. Because we need to show that **at least 66% of occupied units are at or below 90% AMI** – this example would not qualify.

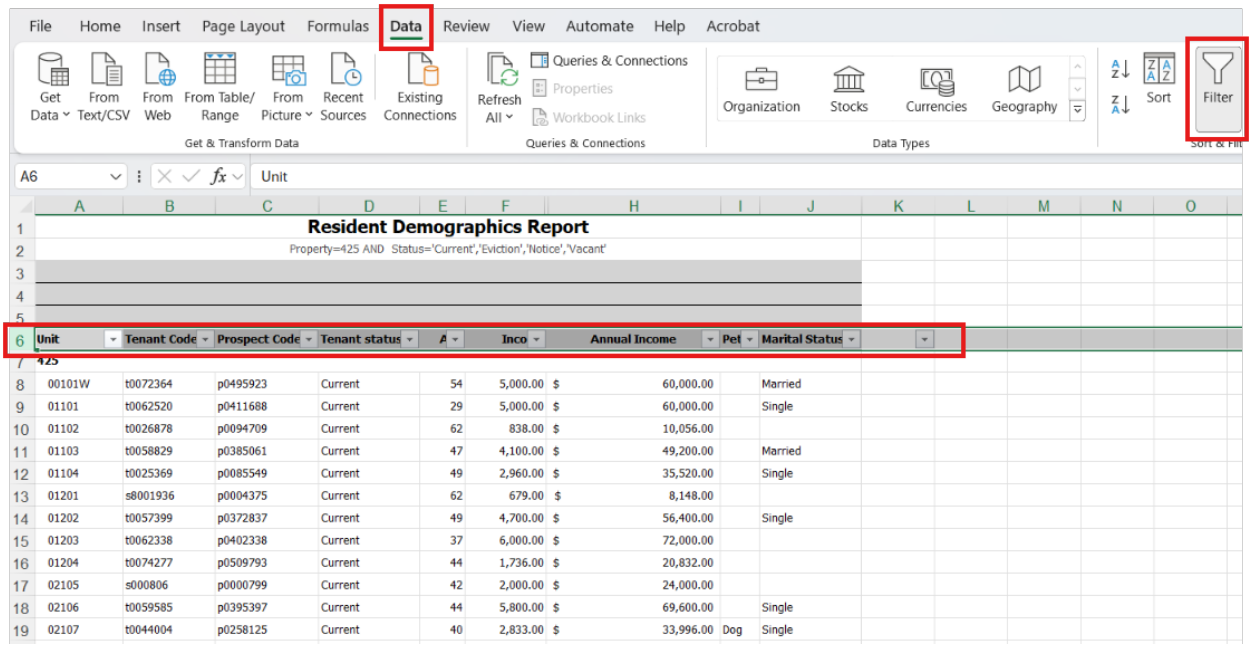
If, for example, you have 79 IQ units, and 110 total units – that would give you a figure of "0.7181" or 72%. This would qualify as IQ by 80% AMI stats, as it is greater than 66%.

Tips and Tricks

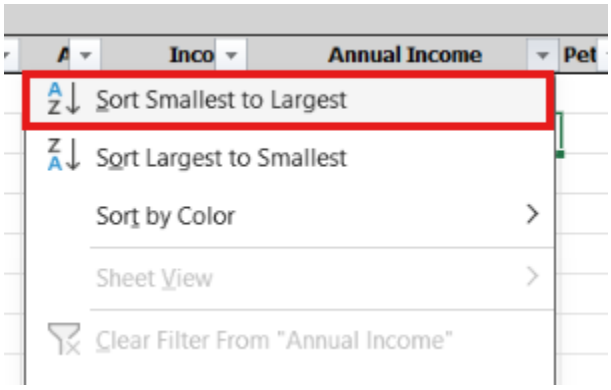
When going through the resident income data, you can sort and filter by income level to make your IQ selection easier.

In this example, the current table is not “sortable”. To be able to filter and sort the various columns, you will need to do the following:

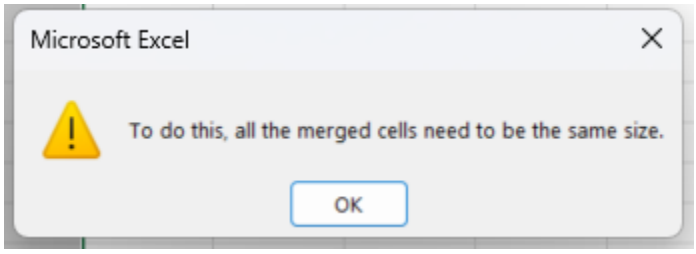
- Select the “header” row (top row with column labels) by clicking on the row number at the far right.
- Navigate to the “Data” tab.
- Click the “Filter” button. This will make the columns sortable.



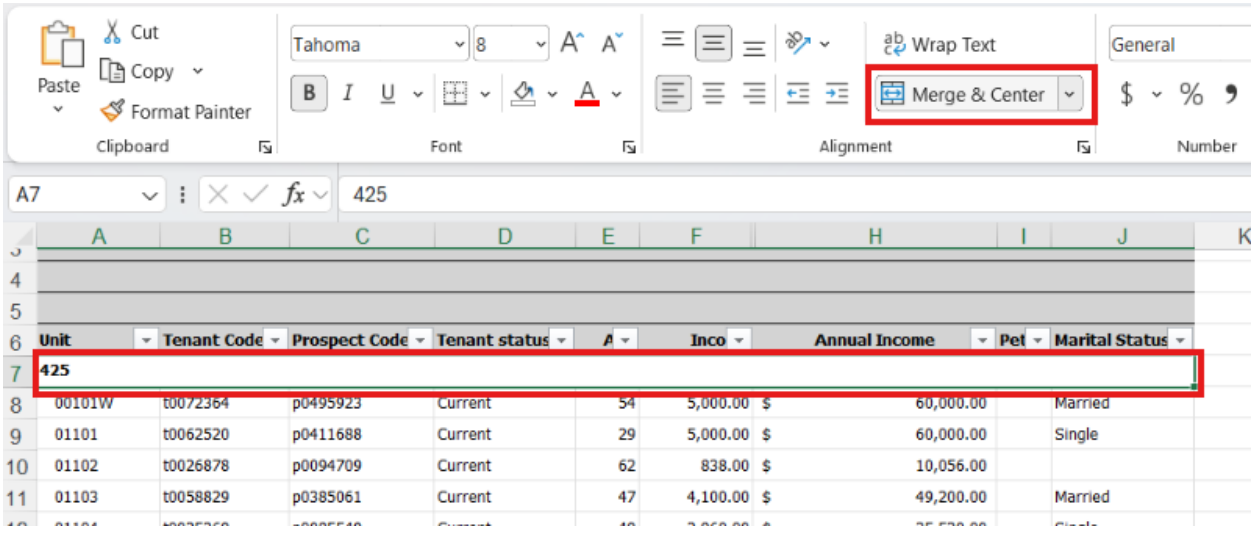
You will now see drop-down arrows on each of the column headers. Click the drop-down arrow on your “annual income” column and select “Sort Smallest to Largest”:



You may receive an error message:

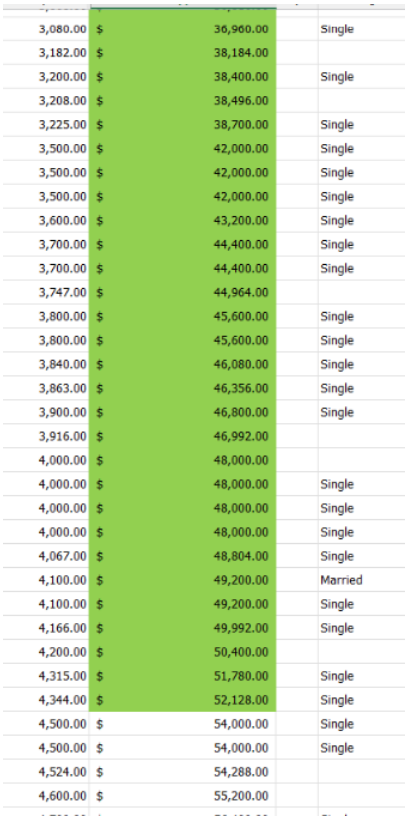


If this is the case, there is a merged cell somewhere that you will need to un-merge. Find the cell, select it, and navigate to the “merge button” and click:



You should now be able to sort the data from smallest to largest.

Once your data is sorted, take note of what the AMI 80% is for a single resident, this will be the smallest dollar amount. Any units that fall below this will automatically qualify as IQ, so you can quickly highlight all of these units in green. In this example, I've highlighted all units below $53,700:



3,080.00	$	36,960.00	Single
3,182.00	$	38,184.00	
3,200.00	$	38,400.00	Single
3,208.00	$	38,496.00	
3,225.00	$	38,700.00	Single
3,500.00	$	42,000.00	Single
3,500.00	$	42,000.00	Single
3,500.00	$	42,000.00	Single
3,600.00	$	43,200.00	Single
3,700.00	$	44,400.00	Single
3,700.00	$	44,400.00	Single
3,747.00	$	44,964.00	
3,800.00	$	45,600.00	Single
3,800.00	$	45,600.00	Single
3,840.00	$	46,080.00	Single
3,863.00	$	46,356.00	Single
3,900.00	$	46,800.00	Single
3,916.00	$	46,992.00	
4,000.00	$	48,000.00	
4,000.00	$	48,000.00	Single
4,000.00	$	48,000.00	Single
4,000.00	$	48,000.00	Single
4,067.00	$	48,804.00	Single
4,100.00	$	49,200.00	Married
4,100.00	$	49,200.00	Single
4,166.00	$	49,992.00	Single
4,200.00	$	50,400.00	
4,315.00	$	51,780.00	Single
4,344.00	$	52,128.00	Single
4,500.00	$	54,000.00	Single
4,500.00	$	54,000.00	Single
4,524.00	$	54,288.00	
4,600.00	$	55,200.00	

It will be beneficial to calculate the total percentage of IQ units at this time, as this may be enough to qualify as IQ without taking the higher-occupancy units into consideration. If it does not get you above 66%, you can now look at the units with higher occupancy and see if they qualify on a case-by-case basis until you reach the end of your dataset.