

MEMORANDUM NO. 06-03-06 TC-16

TO: Housing Tax Credit (HTC) Owners and Management Agents

FROM: Vona Johnson, Director of Rental Housing Programs *Vona*

SUBJECT: Revised Income and Rent Limits

DATE: March 17, 2006

New HTC income and rent limit schedules have been published and are effective as of March 8, 2006. Owners/managers are to implement the new schedules immediately. These schedules will assist you in determining income eligibility and maximum allowable rents for the Housing Tax Credit Program.

Attached are two schedules for use as follows:

1. Schedule IncLmt50: For projects that chose the **50%** of median income election and were allocated tax credits in 1990 or later. Income eligibility is based on **50%** of median income for family size, and rents are calculated based on unit size.
2. Schedule IncLmt60: For projects that chose the **60%** median income election and were allocated tax credits in 1990 or later. Income eligibility is based on **60%** of median family size income, and rents are calculated based on unit size.

If you are not certain which schedule to use, IRS Form 8609, Part II, 10(c); or the HTC Checklist will tell you whether you chose the 50% or 60% median income option.

In order for a tenant to move into a Housing Tax Credit unit, they must fall within the income limits for their family size listed on the first page of each schedule. The tenant portion of the rent, plus the utility allowance, plus additional charges for amenities included in the eligible basis cannot exceed the maximum allowable rents listed on the second page of each schedule.

Please be sure to use the appropriate schedule for each project you work with. These schedules replace any other schedules you are currently using.

VJ/ja

Attachments

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