

SOUTH DAKOTA  
**HOUSING**  
DEVELOPMENT AUTHORITY

MEMORANDUM NO. 15-03-04      TC-30

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

FROM:                Vona Johnson, Director *Vona*  
Rental Housing Management

SUBJECT:            Income and Rent Limits

DATE:                March 17, 2015

New HTC income limit schedules have been published and were effective March 6, 2015. Owners/managers are to implement the new income limits within 45 days of the effective date.

In order for a tenant to move into a HTC unit, they must qualify at the income limits according to family size. The tenant portion of the rent, plus the utility allowance, plus non-optional charges cannot exceed the maximum allowable HTC rents. Rents are listed by bedroom size. Please review your Declaration of Land Use Restrictive Covenants for further income/rent limits that were agreed to at the time the property was awarded Tax Credits, as they may be more restrictive than the federal restrictions.

The applicable income limit for a tax credit property is based on the year in which the building is placed in service and the county in which the building is located. Please be sure to use the appropriate income and/or rent limit for each development and/or each building.

This year more counties have the HERA hold harmless provision and as you know the income limits are based on the placed in service date. The placed in service date is listed on your IRS form 8609.

Because of the HERA hold harmless provision, we are now directing the Tax Credit Owners and Property Managers to the HUD published MTSP Tax Subsidy Project Income Limit Summary, which lists only the income limits and a good tool to check the calculation of the income limits would be the Novogradac income and rent calculator, which is a free tool available for your use. The link for both the HUD MTSP Income limits and the Novogradac website can be found at [www.sdhda.org](http://www.sdhda.org), Property Managers / Forms, Manuals & Resources / Housing Tax Credit Forms, Manuals and Resources / Resources / 2015 Income/Rent Limits.

You will receive a separate memorandum if your property is funded under the HOME.

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