



MEMORANDUM NO. 16-04-02 TC-31

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

FROM: Vona Johnson, Director
Rental Housing Management

A handwritten signature in blue ink that reads "Vona".

SUBJECT: HTC Income and Rent Limits

DATE: April 11, 2016

New Multifamily Tax Subsidy Project (MTSP) income limit schedules have been published and were effective March 28, 2016. Owners/managers are to implement the new income limits within 45 days of the effective date.

The applicable income limit for a HTC property is based on the year in which the building is placed in service and the county in which the building is located. The placed in service date is located on the IRS form 8609. Please be sure to use the appropriate income and/or rent limit for each development and/or each building.

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. In most instances, they are more restrictive than the federal guidelines.

We are now directing the HTC Owners and Property Managers to the HUD published MTSP Income Limit Summary, which lists only the income limits. A good tool to check the calculation of the income/rent 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, Property Managers / For Property Managers / Forms, Manuals & Resources / Housing Tax Credit Forms, Manuals and Resources / Resources / 2016 Income/Rent Limits.

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

VJ/ja

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