



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

---

**Memorandum**

**To:** Owners and Managers of TDHCA Sponsored Developments

**From:** Patricia Murphy  
Director of Portfolio Management and Compliance

**Date:** April 3, 2009

**Re:** 2009 Income and Rent Limits

The Texas Department of Housing and Community Affairs has published the 2009 income and rent limits for the Housing Tax Credit, Tax-Exempt Bond, Housing Trust Fund, and Preservation program properties.

**The Community Planning and Development Section of HUD administers the HOME Investment Partnerships and Community Development Block Grant (CDGB) programs. At this time, they have not provided guidance on income and rent limits. Until guidance is received Contract Administrators, HOME rental properties, and CDBG rental developments must continue using the existing 2008 income and rent limits.**

Note that there are three sets of income and rent limits:

- Income and rent limits for properties that had at least one building placed in service prior to December 31, 2008.
- Income and rent limits for properties that place their first building in service on or after January 1, 2009.
- Income and Rent Limits for certain rural cities.

These income and rent limits are based on data released on March 19, 2009 by the U.S. Department of Housing and Urban Development (HUD). Because of the Housing and Economic Recovery Act of 2008 (HERA), HUD published an additional set of income limits for “Multifamily Tax Subsidy Projects.” In the HUD materials, certain areas of the state have “HERA Special” limits. These limits are higher and are reflected in the income and rent limits for properties that had at least one building placed in service prior to December 31, 2008. **Only HUD hold harmless impacted projects may use the HERA limits.** The Department permits the use of the HERA limits for properties that have at least one building placed in service prior to December 31, 2008.

Please note that this guidance is being implemented in the absence of any controlling guidance on the matter from the Internal Revenue Service or the Department of Housing and Urban Development. If conflicting information is received, this guidance is subject to revision, as needed to comply with the applicable laws, regulations, and other controlling federal directives.

In addition, the Department has published rural income and rent limits which are based on the National Non-metropolitan income limit of \$51,300. The Housing and Economic Recovery Act of 2008 (HERA) increased the income limits for certain Housing Tax Credit rural properties, as defined in Section 520 of the Housing Act of 1949, to the greater of Area Median Income or the National Non-metropolitan income limit. **The rural income and rent limits do not apply to any rural Housing Tax Credit property that also received an allocation of tax exempt bonds or properties with HOME funds.**

If you have any questions about which income and rent limits your property should be using, please call Karen Treadwell at (512) 475-2330.

**DISCLAIMER:** This policy is for TDHCA Administrative compliance guidance only; it in no way constitutes legal advice or advice on tax matters pertaining to individuals or properties. If you have questions as to how any laws, including but not limited to the Internal Revenue Code, apply to your particular development and your particular facts, you should consult an attorney of your choosing.