

2010 HTC and Tax Exempt Bond Income Limits
Effective 05/14/2010

NOTE: There is a forty-five (45) day grace period from the effective date to when the income limits must be implemented. Implementation date is June 28, 2010.

2010 Income Limits for Minnesota projects with tax credits issued by Suballocators are attached. 2010 Income Limits for all Minnesota projects with tax credits are here.

Each year the Department of Housing and Urban Development (HUD) publishes revised income limits. There is no deadline date for HUD to publish such limits, so the effective date varies from year to year.

The Housing and Economic Recovery Act of 2008 (HERA) changed the procedure for calculating income limits. Income limits for projects funded with tax credits and/or financed with tax exempt housing bonds (TE Bonds) now are calculated and presented separately from the Section 8 income limits. Beginning with the publication of FY2009 Median Family Income estimates and Income Limits, the Section 8 income limits CAN NO LONGER BE USED for tax credit or TE Bond properties. **The tax credit and TE Bond limits published by HUD can be found at the following link:**

<http://www.huduser.org/datasets/mtsp.html> .

HERA established a second set of income and rent limits due to certain hold harmless provisions that affect some counties in Minnesota, including the Rochester HMFA and the St. Cloud MSA. According to HERA, the Placed in Service (PIS) date for a Project in these counties determines which set of limits to use.

(If you are interested in the rent and income limits formula for your general education and information, use http://www.mnhousing.gov/housing/tax-credits/compliance/MHFA_004656.aspx to reach Minnesota Housing's description of requirements for hold harmless counties.

Minnesota Housing is working on its database to update the rent limits, and will have new tables on its website as soon as possible. Affordable Housing Connections will send another notification when the rent limits are available. Meanwhile, another resource is Novogradac & Company <http://www.novoco.com/>, which is also updating its online calculator. For your information, according to IRS requirements, rent limits are based on an imputed formula of 1.5 persons per bedroom. For example, to calculate the one-bedroom rent limit: add the one person income limit to the 2 person income limit, divide by two, multiply by 30% and divide by twelve. **Any rent limit that ends in cents must be rounded down.** Rent is gross rent, which includes utilities paid by the tenant and other non-optional charges.

Use http://www.housinglink.org/Section_8.htm to reach the Minnesota Housing Link website. Locate the current PHA utility allowances for projects with tax credits issued by Suballocators.