



To: Owners and Managers of Tax Credit and Multifamily Bond Projects
From: Brian Carnahan, Director, Office of Program Compliance
Re: 2009 Income Limits for the Tax Credit and Multifamily Bond Programs
Date: 4-7-09

On March 19, 2009, the Department of Housing and Urban Development (HUD) issued the 2009 HUD Program Income Limits for programs, including Section 8, Section 221(d)(3) BMIR, Section 235 and Section 236. In addition, to the HUD Program Limits, or “Standard Limits”, HUD issued what it termed “Multifamily Tax Subsidy Income Limits”. These limits were issued in response to changes in the income limit methodology as required under the Housing and Economic Recovery Act of 2008. Counties where the hold-harmless methodology was used have been issued a separate HERA income limit. The HERA income and rent limits, if applicable, can be used by tax credit projects that received an allocation of tax credits on or before December 31, 2008. Multifamily bond projects that received a Section 42(m) letter on or before December 31, 2008 may use the HERA limits, if the limits are applicable to the county in which the project is located.

Only projects with tax credits and/or multifamily bonds may use the HERA income and rent limits in counties where HERA limits apply. In counties where the HERA limits are not applicable, projects must use the income and rent limits published by OHFA. The income and rent limit chart, available at www.ohiohome.org/compliance/incomelimits.aspx clearly identifies the applicable rents. Tax credit units with HOME or Ohio Housing Trust Fund-assisted units must continue to use the HOME rent and income limits, as published by HUD, for those units. Projects constructed using HOME or OHTF, but not tax credits or multifamily bonds, must continue to use the 2009 HOME income and rent limits (www.ohiohome.org/compliance/incomelimits.aspx). The HERA income and rent limits cannot be used by projects financed with HUD programs such as Section 8, or by Rural Development 515 projects.

OHFA has provided a specific file with the income limits necessary for the OHFA Compliance Tool. This special file is necessary because the Tool requires users to input income levels adjusted to 30%, 50% and 80% of AMI. OHFA calculated the Compliance Tool limits using the HUD standard limits in counties where HERA limits are not applicable; in counties where the HERA limits are applicable, the 30% and 80% of AMI limits were calculated using the HERA 50% income limit. Only this file should be used to populate the tables in the Compliance Tool. The 2009 Compliance Tool Income Limits file can be downloaded at www.ohiohome.org/compliance/incomelimits.aspx.

For underwriting purposes OHFA will use the non-HERA income limits for all counties. These limits are based on the HUD median income and are not adjusted based on the hold-harmless provisions.

Owing to the unique nature of the HERA income and rent limits, industry stakeholders continue to seek additional guidance from the IRS regarding the application of the HERA provisions. Therefore, this memo may be revised as additional information is available.