South Carolina
STATE HOUSING
Finance and Development Authority
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Memorandum

Date: April 28, 2009

To: Owners and Managers of Affordable Housing Developments

From: Compliance Monitoring Division

Subject: 2009 Income and Rent Limits

Historically, the Department of Housing and Urban Development (HUD) has annually published area median income limits which were used by affordable housing programs. The 2009 Standard Area Median Income limits were published on March 19, 2009. In addition to the standard area median incomes, provisions contained in the Housing and Economic Recovery Act of 2008 (HERA) introduced two other possible sets of income and rent limits for use in the Low-Income Housing Tax Credit and Multi-Family Tax Exempt Bond Programs. The determination as to which income/rent limits may be utilized by a specific development must be based on an examination of factors such as funding sources, location and placed in service status. While South Carolina State Housing Finance and Development Authority offers general guidance on the applicability of income and rent limits, Owners are strongly encouraged to seek the advice of legal and tax credit professionals prior to implementing any specific change to their Low-Income Housing Tax Credit policies and procedures.

Rural Developments

The Housing and Economic Recovery Act of 2008 allowed the usage of the greater of the standard area median gross income or the national non-metropolitan median income for Low-Income Housing Tax Credit developments located in designated rural areas.

1) Funding Sources – LIHTC developments with HOME, Housing Trust Fund or Tax Exempt Bond may NOT use the higher Non-Metropolitan Median Incomes.

2) Location – The development must be located in an area designated as “rural” (non-metropolitan) by the USDA (as defined in section 520 of the Housing Act of 1949). Please be aware that the USDA may change their designation of an area formerly designated as “rural” solely at their discretion. The following link to the USDA’s website may be helpful in determining if their property is located in a non-metropolitan area:

   http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=sfp&NavKey=property@12

HUD Hold Harmless Impacted Developments

Section 3009 (a)(E)(ii) of the Housing and Economic Recovery Act of 2008 defines projects in service on or before 12/31/08 within certain counties as "HUD Hold Harmless Impacted projects". These projects are given special income limits as defined in part (a)(E)(ii)(II) of section 3009.

1) Funding Sources – The "HERA Special" limits may be used for developments utilizing Low-Income Housing Tax Credits and for developments with Tax Exempt Bond funding. Please note that program regulations for other funding sources (i.e. HOME, Rural Development etc.) may require more restrictive income limits than those found in the HERA Special limits.

2) Location – For counties impacted, the income limits and their associated rents are identified as "HERA Special" limits on the South Carolina State Housing Finance and Development Authority's 2009 Income & Rent Limit chart. Those counties that were not impacted are identified on SCSHFDA's 2009 Income & Rent limit chart, with the "HERA Special" limits represented as "N/A".

3) Placed In Service Status – The "HERA Special" limits apply only to developments which were in service on or before 12/31/08.