



To: Owners and Managers of TDHCA Sponsored Developments

From: Patricia Murphy
Director of Portfolio Management and Compliance

Date: September 3, 2008

RE: Rural Income and Rent Limits

The Housing and Economic Recovery Act of 2008 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. Section 520 of the Housing Act of 1949 states:

“As used in this subchapter, the terms "rural" and "rural area" mean any open country, or any place, town, village, or city which is not (except in the cases of Pajaro, in the State of California, and Guadalupe, in the State of Arizona) part of or associated with an urban area and which

(1) has a population not in excess of 2,500 inhabitants, or

(2) has a population in excess of 2,500 but not in excess of 10,000 if it is rural in character, or

(3) has a population in excess of 10,000 but not in excess of 20,000, and

(A) is not contained within a standard metropolitan statistical area, and

(B) has a serious lack of mortgage credit for lower and moderate-income families, as determined by the Secretary and the Secretary of Housing and Urban Development. For purposes of this subchapter, any area classified as "rural" or a "rural area" prior to

October 1, 1990, and determined not to be "rural" or a "rural area" as a result of data received from or after the 1990 or 2000 decennial census shall continue to be so

classified until the receipt of data from the decennial census in the year 2010, if such area has a population in excess of 10,000 but not in excess of 25,000, is rural in

character, and has a serious lack of mortgage credit for lower and moderate-income families. Notwithstanding any other provision of this section, the city of Plainview, Texas,

shall be considered a rural area for purposes of this subchapter, and the city of Altus, Oklahoma, shall be considered a rural area for purposes of this subchapter until the

receipt of data from the decennial census in the year 2000.”

The starting point for determining which areas these new income and rent limits apply to was a listing of all places shown as rural on the **2008 Housing Tax Credit Site Demographic, County and Tract level** (published on the Department’s website). This list reflects the definition of rural found in §2306.004 of the Texas Government Code and was used to determine what areas:

- Are not part of or associated with a rural area and
- With a population between 2,500 and 10,000 are considered rural in character.

The following cities were eliminated from the list:

- Places with no Housing Tax Credit or Housing Trust Fund units,
- Places that have an income limit greater than the national non metropolitan income limit,
- Places that have a population in excess of 25,000 (as of the 2000 census) and
- Places with a population between 10,000 and 25,000 (as of the 2000 census) that are in a Metropolitan Statistical Area

The cities shown below are the result of this analysis and may begin using these increased income and rent limits immediately. If you believe that your property should qualify as a rural area and benefit from the income and rent limits based on the national non-metropolitan income limit, please contact James Roper at (512) 475-3907.

Income limits based on household size:

	1	2	3	4	5	6	7	8
30%	\$10,350	\$11,820	\$13,320	\$14,790	\$15,960	\$17,160	\$18,330	\$19,530
40%	\$13,800	\$15,760	\$17,760	\$19,720	\$21,280	\$22,880	\$24,440	\$26,040
50%	\$17,250	\$19,700	\$22,200	\$24,650	\$26,600	\$28,600	\$30,550	\$32,550
60%	\$20,700	\$23,640	\$26,640	\$29,580	\$31,920	\$34,320	\$36,660	\$39,060

Rent limits based on number of bedrooms:

	Efficiency	1	2	3	4	5
30%	\$258	\$277	\$333	\$384	\$429	\$473
40%	\$345	\$369	\$444	\$512	\$572	\$631
50%	\$431	\$461	\$555	\$640	\$715	\$788
60%	\$517	\$554	\$666	\$768	\$858	\$946

These new income and rent limits do not apply to any rural Housing Tax Credit property that also received an allocation of tax exempt bonds. Those properties continue to have income and rent limits set at the greater of area median income or the State non-metropolitan income limit.

The HOME program income and rent limits are not changed by the Housing and Recovery Act of 2008. HOME rental properties continue to have income and rent limits set at the greater of area median income or the State non-metropolitan income limit.

If your property received any other funding (i.e. Rural Development, HUD programs, other local funds, etc) it is the owner's responsibility to determine how these new income limits affect their other programs.

The Department permits the use of these new income limits for Housing Trust Fund or Preservation properties located in the cities listed below. The Department has the authority to measure Area Median Income by using a methodology acceptable under federal or state law (§2306.123 Texas Government Code). To provide this benefit to Housing Trust Fund and Preservation properties and streamline administration of layered properties, the Department is measuring Area Median Income in accordance with this new legislation.

The new income and rent limits apply to the Housing Tax Credit, Housing Trust Fund and Preservation properties located in the following cities:

City	County
Albany	Shackelford
Alice	Jim Wells
Alpine	Brewster
Alto	Cherokee
Alton	Hidalgo
Amherst	Lamb
Andrews	Andrews
Aransas Pass	San Patricio
Athens	Henderson
Bay City	Matagorda
Beeville	Bee
Big Lake	Reagan
Bogata	Red River
Bowie	Montague
Brackettville	Kinney
Brady	McCulloch
Breckenridge	Stephens
Brownfield	Terry
Brownwood	Brown
Bryson	Jack
Buffalo	Leon
Buna	Jasper
Cameron	Milam
Carrizo Springs	Dimmitt
Carthage	Panola
Center	Shelby
Chandler	Henderson
Childress	Childress
Cisco	Eastland
Clarksville	Red River
Clifton	Bosque
Clint	El Paso
Colorado City	Mitchell
Comanche	Comanche
Corsicana	Navarro
Cotulla	La Salle
Crockett	Houston
Crystal City	Zavala
Daingerfield	Morris
Dalhart	Dallam
Detroit	Red River
Devine	Medina

Dilley	Frio
Dimmit	Castro
Dublin	Erath
Eagle Pass	Maverick
Eastland	Eastland
Edcouch	Hidalgo
Edgewood	Van Zandt
Eldorado	Schleicher
Elsa	Hidalgo
Fabens	El Paso
Fort Stockton	Pecos
Frankston	Anderson
Gonzales	Gonzales
Grand Saline	Van Zandt
Grapeland	Houston
Groesbeck	Limestone
Groveton	Trinity
Hemphill	Sabine
Henderson	Rusk
Hereford	Deaf Smith
Hidalgo	Hidalgo
Hillsboro	Hill
Hondo	Medina
Horizon City	El Paso
Hallettsville	Lavaca
Hamilton	Hamilton
Hebbronville	Jim Hogg
Hubbard	Hill
Hughes Spring	Cass
Jacksboro	Jack
Jacksonville	Cherokee
Jasper	Jasper
Jefferson	Marion
Joaquin	Shelby
Karnes City	Karnes
Kerrville	Kerr
Kingsland	Llano
Kirbyville	Jasper
La Casita-Garciasville	Starr
La Feria	Cameron
Laguna Vista	Cameron
La Joya	Hidalgo
Lamesa	Dawson
La Villa	Hidalgo
Levelland	Hockley
Littlefield	Lamb
Livingston	Polk

Llano	Llano
Lone Star	Morris
Madisonville	Madison
Marfa	Presidio
Marlin	Falls
Marshall	Harrison
Mathis	San Patricio
Menard	Menard
Meridian	Bosque
Mexia	Limestone
Mineola	Wood
Mineral Wells	Palo Pinto
Mount Pleasant	Titus
Mount Vernon	Franklin
Muleshoe	Bailey
Navasota	Grimes
Newton	Newton
Nocona	Montague
Orange Grove	Jim Wells
Ozona	Crockett
Palacios	Matagorda
Palestine	Anderson
Pampa	Gray
Pearsall	Frio
Pecos	Reeves
Pittsburg	Camp
Plainview	Hale
Pleasanton	Atasocso
Port Isabel	Cameron
Port Lavaca	Calhoun
Poteet	Atascosa
Presidio	Presidio
Queen City	Cass
Quitman	Wood
Raymondville	Willacy
Refugio	Refugio
Reno (Lamar)	Lamar
Rio Grande City	Starr
Rio Hondo	Cameron
Rockport	Aransas
Roma	Starr
Runge	Karnes
Rusk	Cherokee
Saint Jo	Montague
San Augustine	San Augustine
San Diego	Duval
Santa Anna	Coleman

Santa Rosa	Cameron
Seagraves	Gaines
Sebastian	Willacy
Seven Points	Henderson
Sinton	San Patricio
Stephenville	Erath
Tatum	Rusk
Teague	Freestone
Three Rivers	Live Oak
Timpson	Shelby
Trinity	Trinity
Uvalde	Uvalde
Van	Van Zandt
Vernon	Willbarger
Wharton	Wharton
Whitney	Hill
Yantis	Wood
Yoakum	Lavaca
Zapata	Zapata