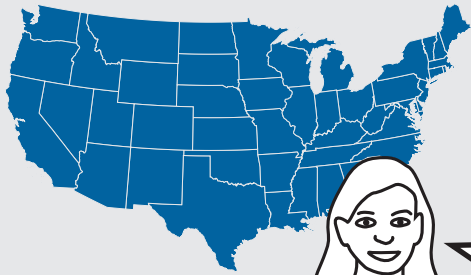


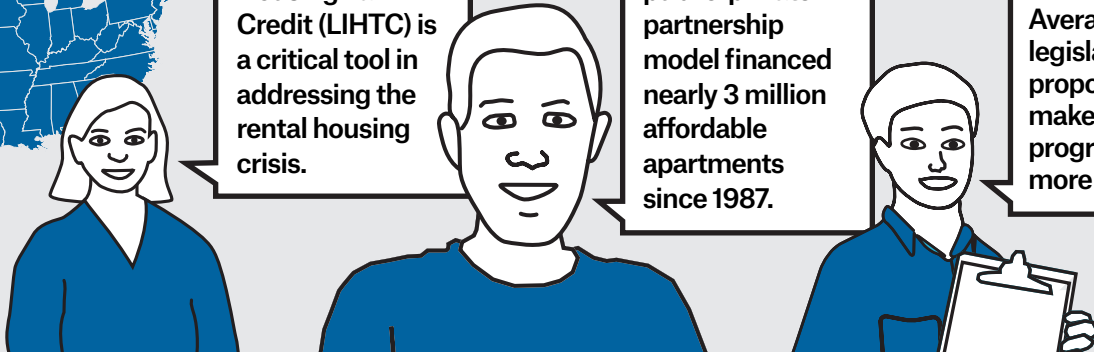
LIHTC Income Averaging



The Low-Income Housing Tax Credit (LIHTC) is a critical tool in addressing the rental housing crisis.

LIHTC's public-private partnership model financed nearly 3 million affordable apartments since 1987.

A new LIHTC Income Averaging legislative proposal can make the program even more effective.



Current LIHTC rules limit eligibility to families earning 60% of Area Median Income (AMI) and usually rely on other capital or rental assistance programs to serve extremely low-income individuals like seniors, people with disabilities, and those who have experienced homelessness.

- Household Income Limit \leq 60% AMI
- Usually serves 54-60% AMI absent other subsidy
- Limits income diversity in affordable buildings

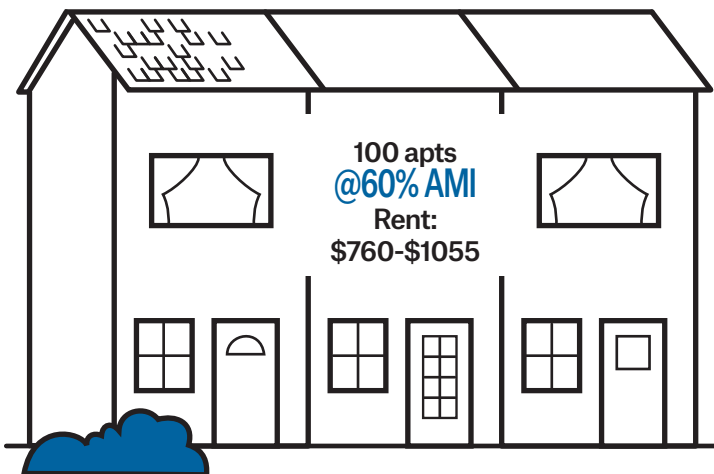
Proposed LIHTC income averaging rules increase flexibility to serve households across the low-income spectrum in buildings with mixed incomes.

- Household Income Limit \leq 80% AMI
- Average Household Income Limit \leq 60% AMI (average income of all tax-credit units in building)
- Greater ability to cross-subsidize for deeper affordability
- Optional program component for markets that need it

How Income Averaging Will Work

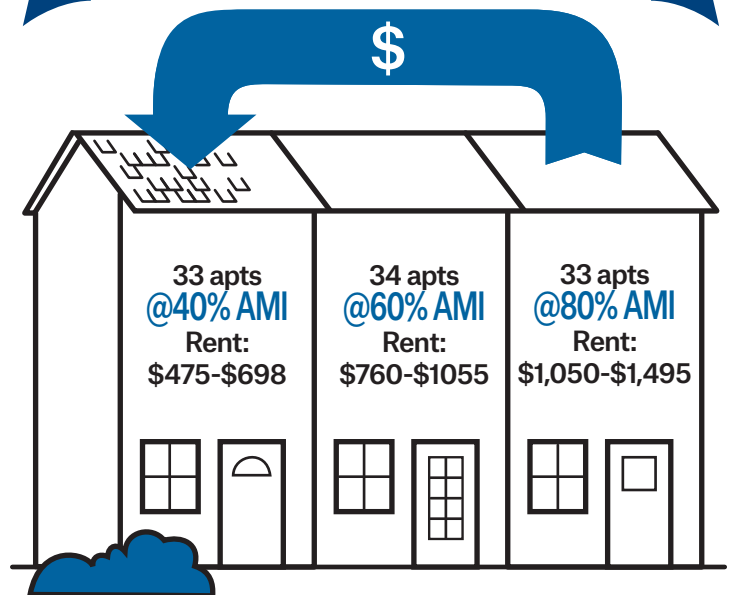
(in the same 100-apartment development)

CURRENT RULES



A typical LIHTC development with 100 apartments

WITH INCOME AVERAGING



Higher rent apartments cross-subsidize very low-income apartments

Note: Rents are based on Denver metro area tax credit rents for a mix of apartment sizes (1, 2 and 3 bedrooms)

Who would LIHTC Income Averaging Help?

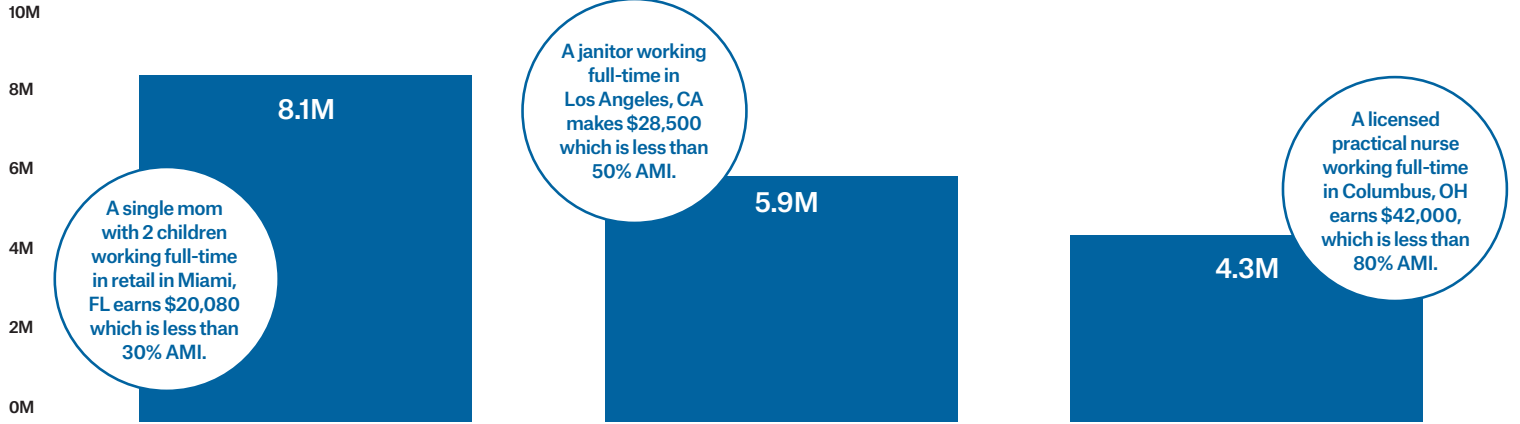
20.1 million working renter households are rent-burdened in the U.S. (Paying more than 30% of income on housing)

HUD
Income
Categories

Extremely Low Income (≤30% AMI)

Very Low Income (>30% AMI, ≤50% AMI)

Low Income (>50% AMI, ≤80% AMI)



Source: NHC's 2016 Housing Landscape Report

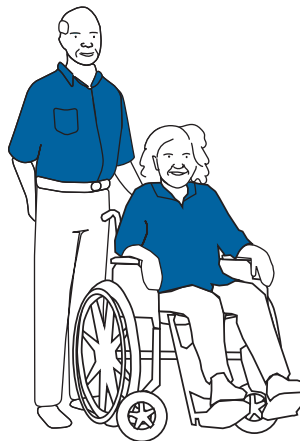
Real Families Who Could Qualify With Income Averaging



Young Family.

A single mom raising her two school-aged children works in a full-time job as a home health aide, dedicated to caring for the elderly in Columbus, OH. At present, she makes too little to afford a tax credit apartment in her hometown.

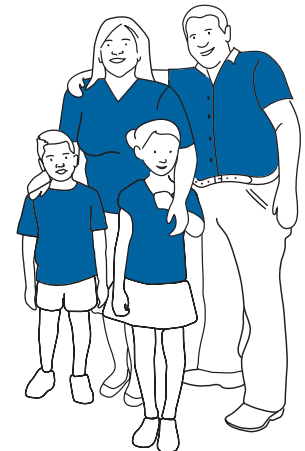
Household income: \$26,198
40% AMI



Disabled Household.

The husband of this family in Miami, FL is working as a security guard while his wife is currently unable to work. They make too little to afford a tax credit apartment.

Household income: \$27,244
40% AMI



Rent Burdened Family.

A family of four struggles to afford rent in Los Angeles, CA even with two full-time working parents supporting two young children. The dad works as a groundskeeper and the mom works as a receptionist in a local business.

Household income: \$68,602
80% AMI

Source: NHC's 2015 Paycheck to Paycheck report

The Low Income Housing Tax Credit is a successful program with bipartisan support.

Let's make it even more effective by enacting Congressional legislation for Income Averaging.



www.nhc.org



www.thenyhc.org