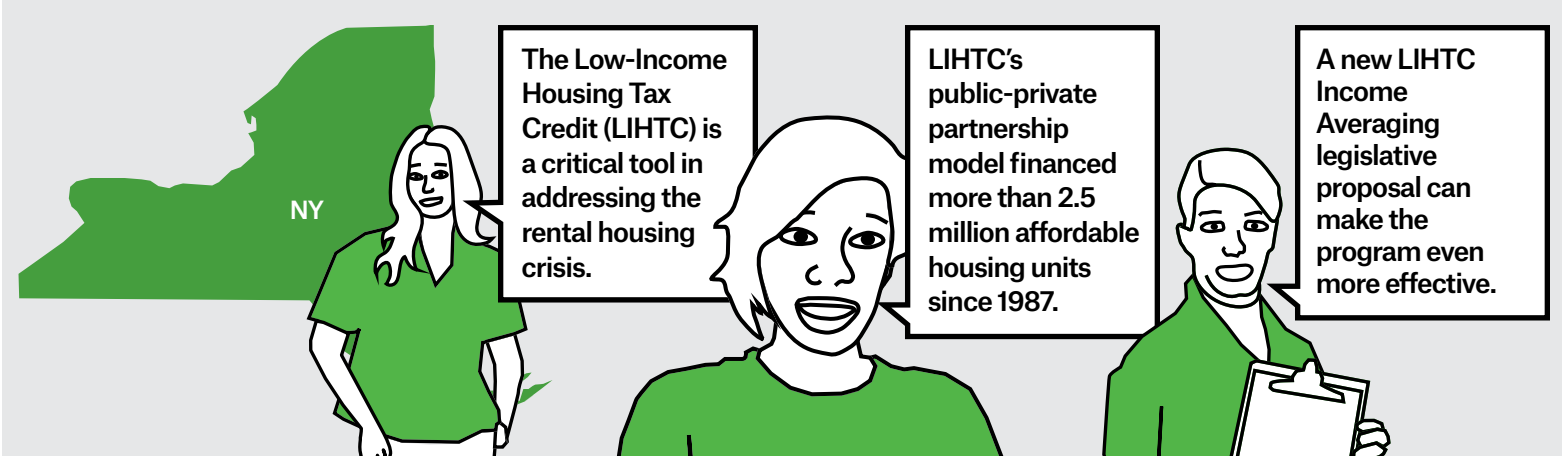


LIHTC Income Averaging



Current LIHTC Rules create housing for families at the very top of the eligible income range (54–60% AMI) unless paired with additional capital subsidies or rental assistance, which are needed to serve extremely low-income individuals like seniors and low-income working families.

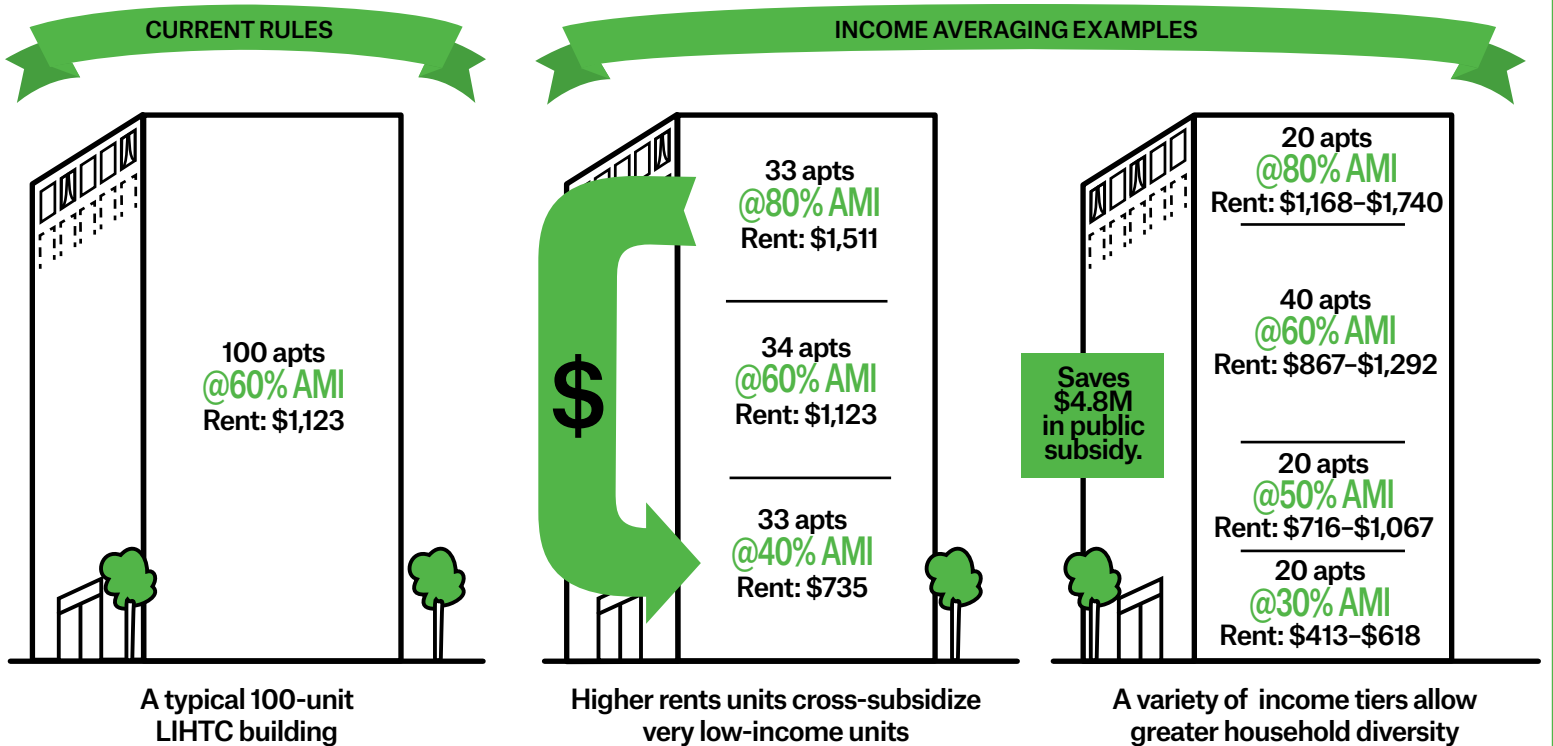
- Household Income Limit \leq 60% AMI
- Discourages cross subsidization in high-cost markets
- Limits income diversity in affordable buildings

Proposed LIHTC Income Averaging Rules offer a cost-neutral solution to better 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)
- Cross subsidization of rents allows deeper affordability
- Optional program component for markets that need it

How Income Averaging Will Work in New York

(in the same 100-unit building)



Note: 1st and 2nd bldgs show 2-bed rents. 3rd bldg shows range of rents for 0 to 3-bed units as per NYC finance programs.

Who would LIHTC Income Averaging Help?

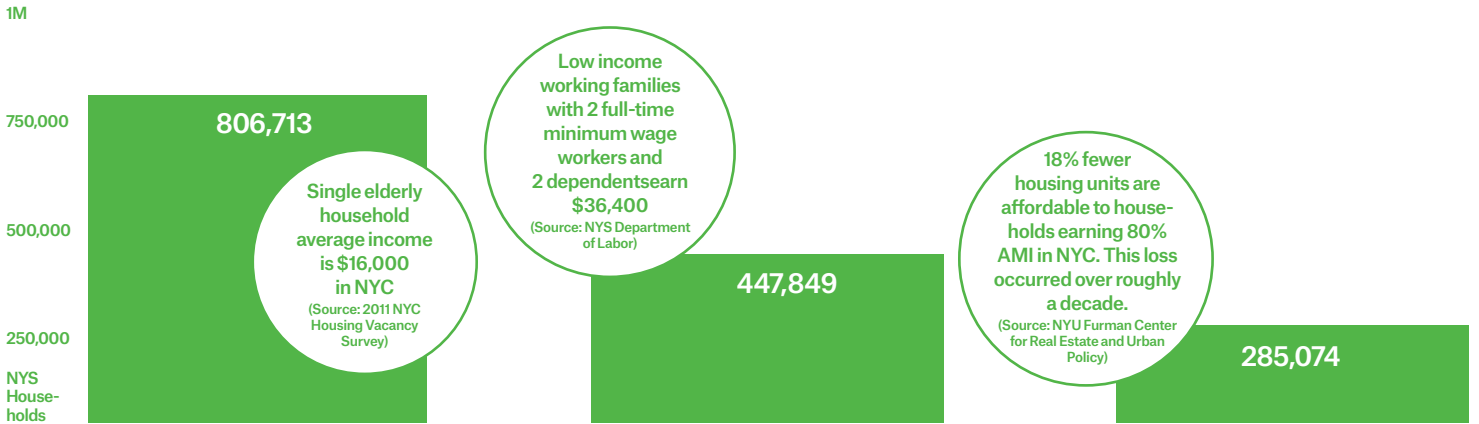
1,500,000 Renter Households Are Rent-Burdened in New York State
(Paying more than 30% of income on housing)

HUD
Income
Categories

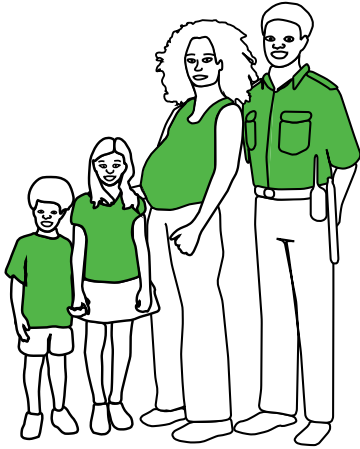
Extremely Low Income
($\leq 30\%$ AMI)

Very Low Income
($>30\%$ AMI, $\leq 50\%$ AMI)

Low Income
($>50\%$ AMI, $\leq 80\%$ AMI)



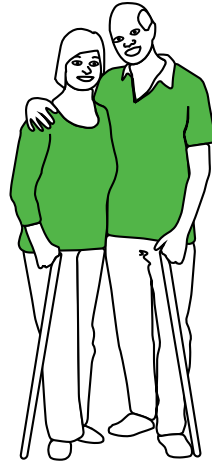
Real New Yorkers Who Could Qualify With Income Averaging



A young family.

This married couple with two small children is expecting a baby. The husband is a full-time security guard earning \$12.50/hr. The mom stays at home to care for the children. Their application was rejected due to insufficient income.

Household income: \$25,000
27% AMI



Elderly couple.

The husband receives Social Security income and his wife continues to work as a home health aide. These seniors were rejected from a housing lottery because they couldn't afford minimum rent.

Household income: \$22,985
33% AMI



Disabled household.

The husband is mobility impaired and uses a wheelchair. He receives social security disability insurance. His wife is employed by a local medical lab. They earn just over the tax credit income limit so their application to an accessible affordable building was denied.

Household income: \$41,932
61% AMI

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.

For more information:

Rachel Fee, Executive Director
New York Housing Conference, Inc.
rachel.fee@thenyhcn.org
646.923.8542

