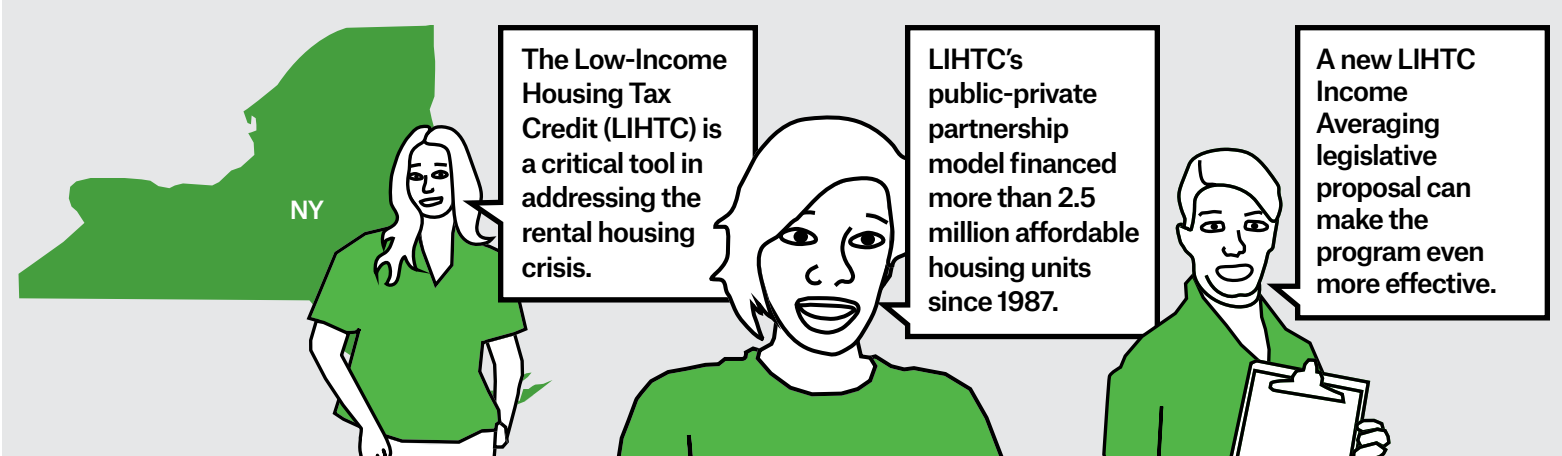


# LIHTC Income Averaging



**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.

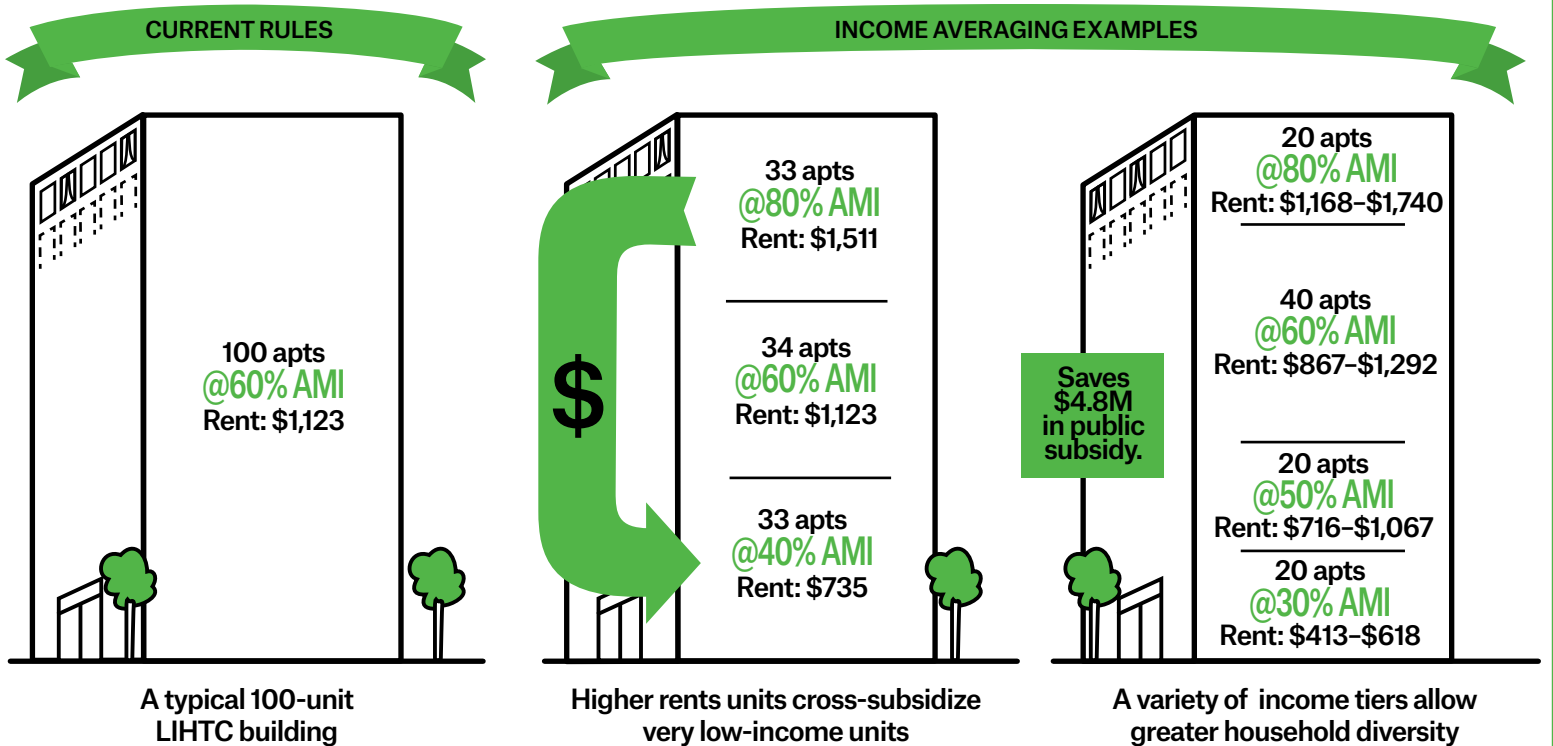
- Household Income Limit  $\leq$  60% AMI
- Discourages cross subsidization in high-cost markets
- Limits income diversity in affordable buildings

**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?

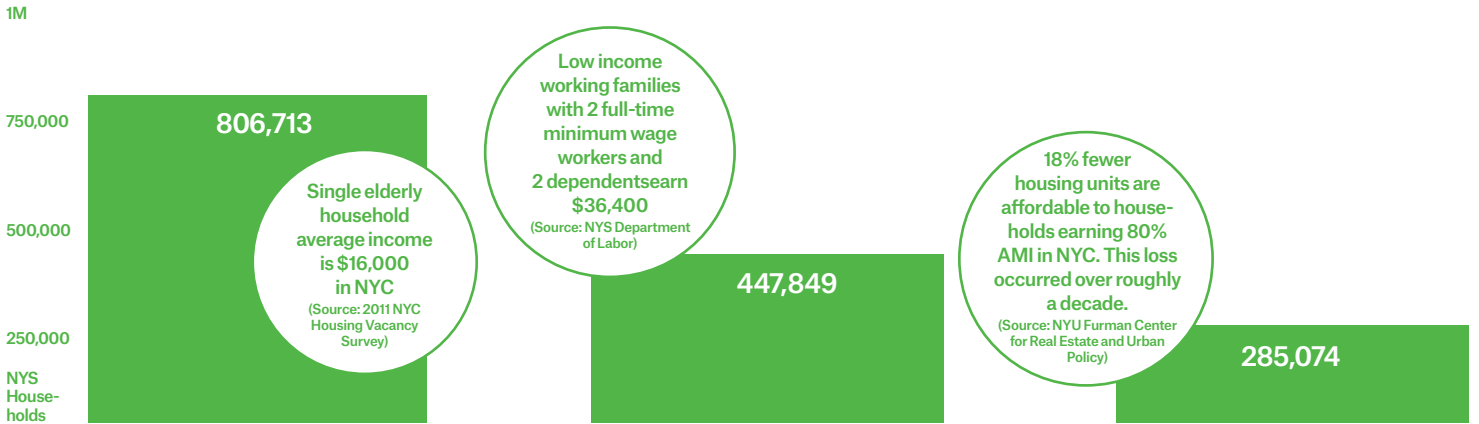
1,500,000 Renter Households Are Rent-Burdened in New York State  
(Paying more than 30% of income on housing)

HUD  
Income  
Categories

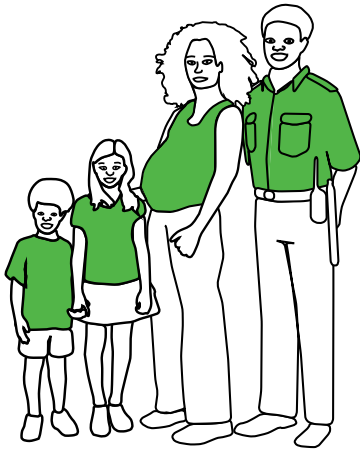
**Extremely Low Income**  
( $\leq 30\%$  AMI)

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

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



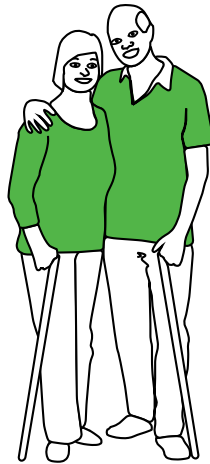
## Real New Yorkers Who Could Qualify With Income Averaging



### 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:

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