THE COMMUNITY BUILDERS

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Internal Revenue Service
U.S. Department of Treasury
1111 Constitution Ave. NW
Washington, DC 20224

RE: Docket No. REG-119890-18, Section 42, Low-Income Housing Credit Average Income Test Regulations

To Whom It May Concern:

The Community Builders, Inc. ("TCB") is grateful for the opportunity to comment on the Internal Revenue Services' ("IRS") proposed regulations on the Average Income Test for the Low-Income Housing Tax Credit ("Housing Credit") under section 42(g)(1)(C) of the Internal Revenue Code. TCB is one of the nation's largest nonprofit owners, managers and developers of affordable housing and other community based real estate projects. We currently own or manage more than 13,000 quality apartments across fourteen different states and the District of Columbia. Additional information about TCB is available on our website, www.tcbinc.org.

TCB recognizes that the introduction of the Average Income Test ("AIT") presents a unique opportunity to develop mixed income communities that serve individuals and families at a variety of affordability levels, thereby increasing the breadth and impact of our work. In fact, TCB is already using the AIT in some transactions, but additional guidance is needed to ensure that all of our strategic partners feel comfortable using this important new tool.

Several other organizations are submitting thoughtful comments with which we agree and which we fully support. We direct you to review comments submitted by Stewards of Affordable Housing for the Future, the National Council of State Housing Agencies and the Affordable Housing Tax Credit Coalition.

TCB would like to take this opportunity to add our voice to highlight what we consider our most pressing concern with the proposed rule – i.e. the so-called fixing of unit designations, which we believe will significantly undermine the efficacy of the AIT, particularly for properties that are financed partially with the benefit of rental assistance contracts or other subsidies. Fixing the unit designations would negate many of the intended benefits of expanding the Housing Credit to include housing for individuals at the 80% area median income level. In support of this concern, we highlight that there is not any evidence of congressional intent to prohibit the modification of unit designations. In fact, we feel that the proposed rule actually conflicts with existing and longstanding IRS policies which allow for the transfers of residents to new units within a Housing Credit project. We also note that fixing of unit designations may also conflict with existing federal legislation, such as the Fair Housing Act.

TCB appreciates the efforts that the IRS continues to put into Housing Credit program, and, specifically, the IRS' attention to the concerns noted in this letter.

Please feel free to contact me at 857-221-8634 with any questions about our comments above.

Sincerely,

Ethan Ceplikas
General Counsel/Vice President