

Public Comment Related to Section 42, Low-Income Housing Credit Average Income Test Regulations (REG-119890-18)

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Submitter Name: Arbour Valley Communities

To finalize income designations--by unit--at the end of the first year and never change it again is prohibitive to keeping the units filled. There is no way to predict which income restriction/set aside an applicant will qualify for. Limiting the ability to change the set asides will limit the property's ability to be responsive to market needs.

Further, we can market our vacant units, but we cannot advertise to only a certain income restricted group to draw only those applicants that meet our unit set-asides. That's targeting and is considered unlawful under Fair Housing guidelines.

The IRS needs to delegate authority to the agencies so that the agencies can establish rules permitting owners to alter the imputed income limitations designated for particular units. Income averaging is largely untested; pragmatic flexibility, thru the agencies, needs to be built into income averaging compliance.