

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

Posted: 12/28/2020

ID: IRS-2020-0038-0043

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My name is Geoff Brown and I am the President and majority owner of USA Properties Fund. USA has developed or acquired, and managed, over 12,000 units of affordable housing in California and Nevada. I am writing to advocate for continued income averaging for the Low Income Housing Tax Credit. Income averaging has allowed us to reach both lower income residents as well as potential residents who want to live in our communities, but are over qualified. Having this additional flexibility also helps our ability to structure affordable housing projects especially in areas where inclusionary zoning is required. In California we are able to get welfare exemption on projects up to 80 percent of median income which means that we can still go that high and serve incomes down to 40 percent of median income without creating an additional financial gap to the proforma. There are certain areas within our state and other states where the median income is so low that it doesn't take a lot of annual income to be over qualified especially if two roommates are sharing a two bedroom unit. Depending on the county where you are developing or acquiring an affordable project, 80 percent of median income can still be substantially below market. Our experience in over 30 years in the affordable housing industry is when there is more income flexibility on our projects the better our communities are. Thank you for the opportunity to comment on this regulation.