

WATERVIEW DEVELOPMENT, LLC

December 15, 2020

Via Upload to Federal Rulemaking Portal

CC:PA:LPD:PR (REG 119890-18)
Room 5203
Internal Revenue Service
P.O. Box 7604
Ben Franklin Station
Washington, D.C. 20044
Attention: Sunita Lough, Depute Commissioner for Services and Enforcement

RE: Comments on REG-119890-18: Section 42, Low-Income Housing Credit Average Income Test Regulations

Dear Ms. Lough:

Waterview Development, LLC recently developed a 326-unit multi-family housing development in Des Moines, WA. The tax credit investor expressed concern about potential IRS guidance on income averaging, so we elected to lease all apartment homes at the 60% AMI out of an abundance of caution.

This is disappointing as the need for affordable housing has never been greater. Individuals and families at a variety of income levels are finding it harder and harder to find a stable home near jobs, good schools and access to transit. Before income-averaging, there were not a lot of options for federally assisted housing for families with incomes between 61 and 80 percent AMI. The average income set-aside would have allowed us to reach a larger potential tenant base, which would have greatly benefited families in significant need of this housing. Unfortunately, the proposed regulations, as presented, has a disparate impact on households with dependents and large families who need to have options for quality housing in desirable areas.

You have the authority and obligation to modify the regulations to allow us to more equitably serve families in need of affordable housing.

We encourage your consideration of our comments.

Regards,



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Managing Member

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