



# Tennessee Housing Development Agency

Andrew Jackson Building Third Floor  
502 Deaderick St., Nashville, TN 37243

**Bill Lee**  
Governor

**Ralph M. Perrey**  
Executive Director

## MEMORANDUM

TO: All Interested Parties

FROM: Multifamily Programs Division

SUBJECT: Guidance Regarding Implementation of Low-Income Housing Tax Credit Income Averaging Federal Election

DATE: May 17, 2019

The following document is guidance regarding implementation of the Low-Income Housing Tax Credit income averaging federal election. More specifically, these topics were addressed in a THDA webinar on April 30, 2019.

THDA reserves the right to modify this guidance in any respect, as determined by THDA, in its sole discretion, to be appropriate.



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FROM: Multifamily Programs Division

SUBJECT: Frequently Asked Questions Regarding **Income Averaging Guidance**

DATE: May 17, 2019

Staff has made every effort to insure that the answers provided below are consistent with the 2019-2020 Low-Income Housing Credit Qualified Allocation Plan, as amended (the "2019-2020 QAP"). Any restatement of the 2019-2020 QAP made below shall not be construed as a change in the actual wording of the 2019-2020 QAP. THDA reserves the right to modify, in any respect, the answers provided below as determined by THDA, in its sole discretion, to be appropriate.

**Question 1:** Are applications proposing new construction and income averaging eligible for points under Section 14-B of the 2019-2020 QAP?

**Answer 1:** No.

**Question 2:** Are applications proposing rehabilitation able to opt for income averaging?

**Answer 2:** Yes.

**Question 3:** Are applications requesting a second (or subsequent) allocation of Low-Income Housing Credit able to opt for income averaging?

**Answer 3:** No.

**Question 4:** Will the tie-breaker in Section 15-F of the 2019-2020 QAP disqualify multi-building developments?

**Answer 4:** No.

**Question 5:** How will Section 8 Housing Choice Vouchers work with income averaging?

**Answer 5:** Subject to all applicable requirements of the 2019-2020 QAP and other guidance issued by THDA, Section 8 Housing Choice Voucher households may occupy income averaging units.

**Question 6:** If the IRS issues further guidance determining that the federal election is actually made at receipt of completed IRS forms 8609, will THDA possibly allow participation in income averaging past the submission of the Initial Application and into Carryover or Final Application?

**Answer 6:** At present, THDA views the election in the Initial Application as irrevocable.