

Current Position

PORTFOLIO	SITES	UNITS
Owned	222	32,394
Fee - Interim	9	965
TOTAL	231	33,359

PROPERTIES OWNED FOR:

0-4 YEARS: **71**
 5-9 YEARS: **44**
 10-14 YEARS: **53**
 15+ YEARS: **54**

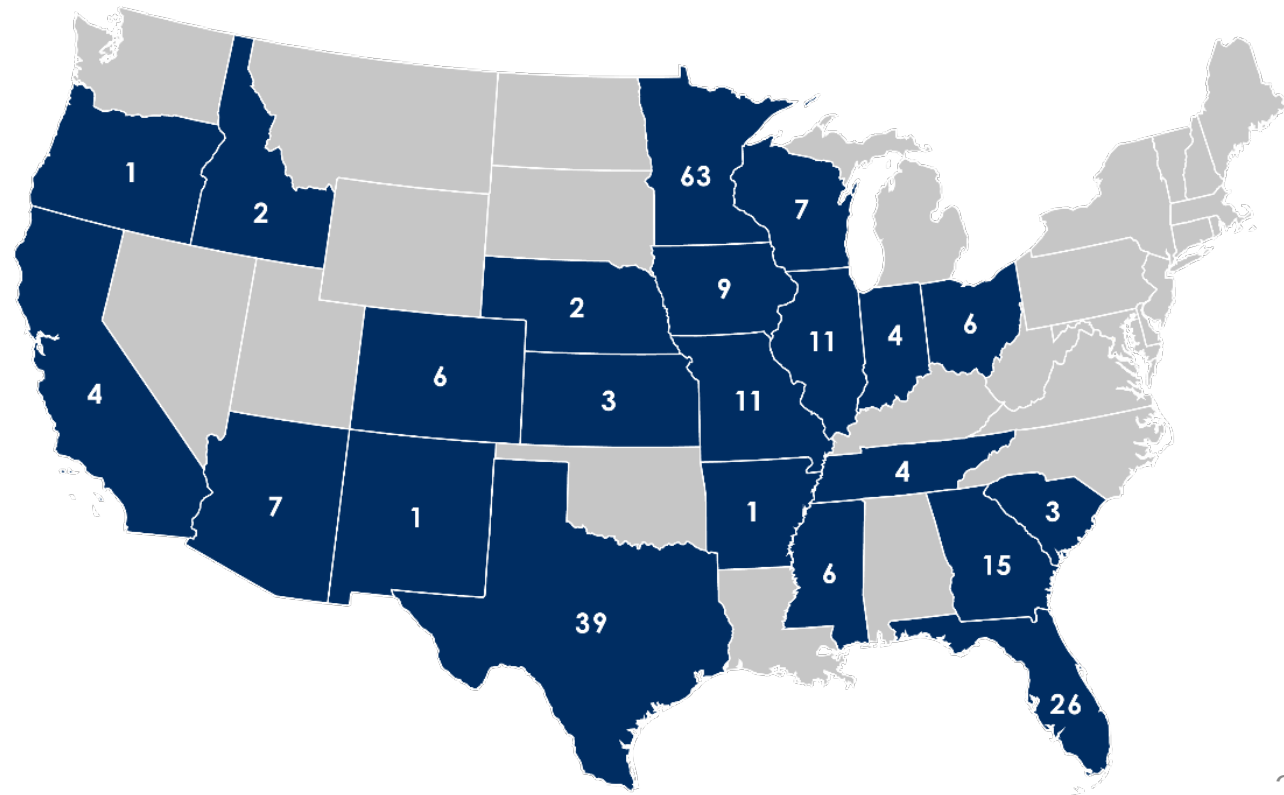
EMPLOYMENT

Site: **802**

Corporate:

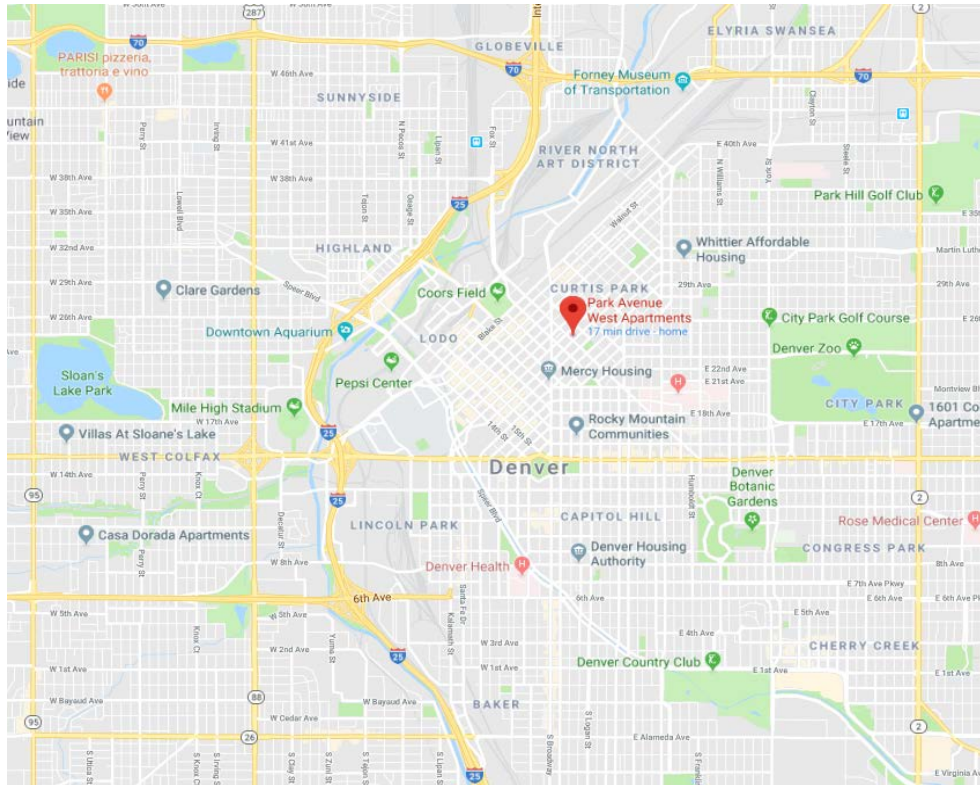
Property Mgmt 87
 Corporate Services 91
 Development 76

TOTAL 1,056



*Data as of 1/2019

Park Avenue West Apartments Denver, CO



Park Avenue West - Income Averaging

- Built in 2004
 - 9% LIHTC
- 122 units
 - 72 Affordable
 - 50 Market Rate
- Past Initial Compliance Period
- Planned Resyndication Q2 – 2019
 - 4% LIHTC and Tax Exempt Bonds





Current Restrictions

- Minimum Set-Aside 40% @ 60% AMI
 - At Least:
 - 5 units @ 30% AMI
 - 20 units @ 40% AMI
 - 21 units @ 50% AMI
 - 26 units @ 60% AMI
 - 50 unrestricted units

Park Ave West - Income Averaging			
Family Size	30% AMI	60% AMI	80% AMI
1 Person	\$ 18,900	\$ 37,800	\$ 50,400
2 Person	21,600	43,200	57,600
3 Person	24,300	48,600	64,800
4 Person	26,970	53,940	71,920

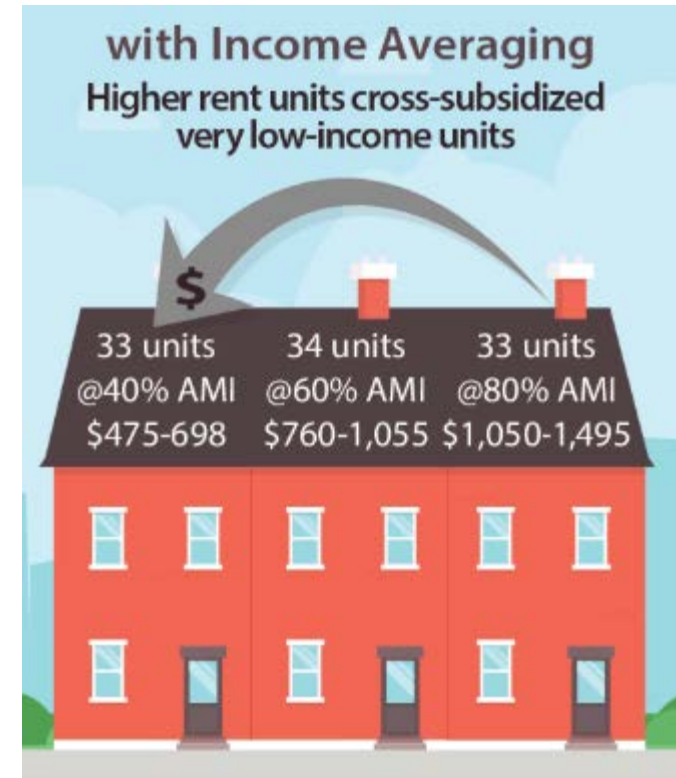
Income Averaging - Transition

Park Ave West - Income Averaging Transition		
Set-Aside	Current	Post- Resyndication
30%	5	5
40%	20	20
50%	21	21
60%	26	38
80%	-	38
Market	50	-
Applicable Fraction	59%	100%
Average		60.00%

- 80% rents have a 19% rent advantage to market
- 60% rents have a 39% rent advantage to market

Benefits of Income Averaging

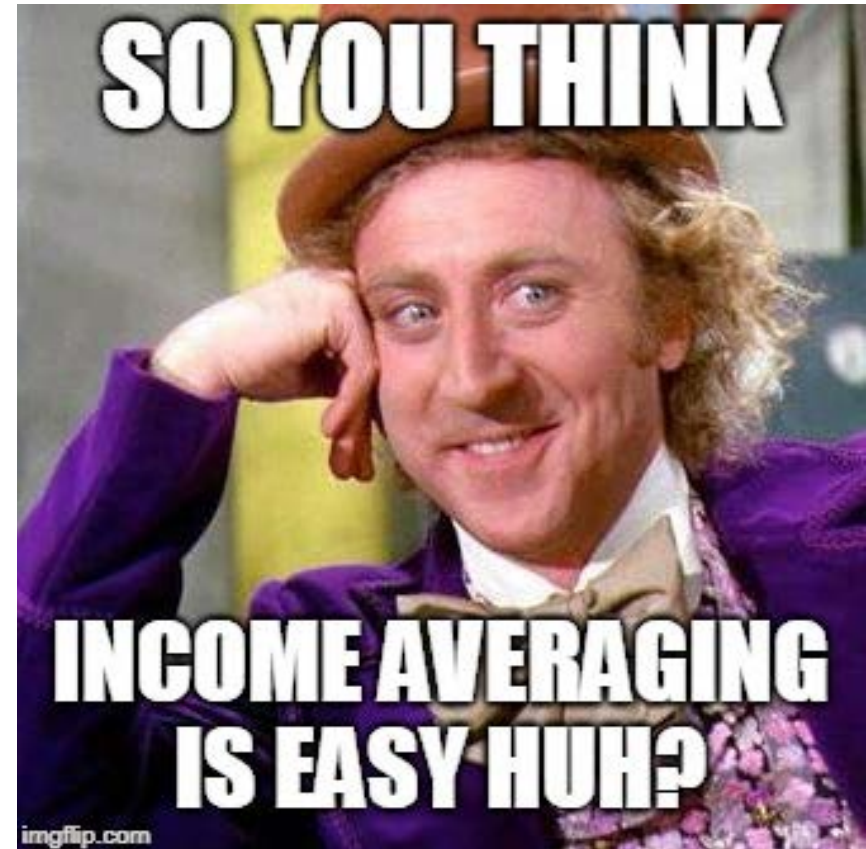
- \$5 Million in additional Tax Credit Equity
- Facilitates a \$43,000/ unit rehab (\$5.25m)
- 50 additional rent and income restricted units
 - Maintains 30%, 40% & 50% AMI units
 - “Missing Middle” of 60% - 80% AMI
 - Mixed Income Housing
 - Cross-subsidized Housing



*Tidwell Group

Challenges of Income Averaging

- Lack of IRS Guidance
- State Agency Implementation
- Investor uncertainty/ pricing expectations
- Industry Interpretations





Implementation Challenges

- There is No Cliff
 - Applicable Fraction is not the same as the minimum set-aside
- 58% AMI vs 60% AMI Average
 - “Safe Harbor”
 - \$55,000 lost income annually
 - \$775,000 in 1st Mortgage debt
 - There is no cliff

“(C) AVERAGE INCOME TEST.—

“(i) IN GENERAL.—The project meets the minimum requirements of this subparagraph if 40 percent or more (25 percent or more in the case of a project described in section 142(d)(6)) of the residential units in such project are both rent-restricted and occupied by individuals whose income does not exceed the imputed income limitation designated by the taxpayer with respect to the respective unit.



Dominium's Goals:

- Advocate with State HFA's to follow the Federal Guidelines
 - Allow for as much flexibility as possible
 - Do not limit to less than 60% AMI
 - Do not map incomes to specific units in LURA's
- Check Income Averaging Set-Aside on as many form 8609's as possible
- Exercise due diligence and creating strong policies to maintain compliance