

Avesta Housing's LIHTC portfolio: An analysis

A presentation for the National Low Income Housing Coalition conference

April 2014



Why did Avesta undertake this analysis?

1. To understand how the housing voucher program interacts with the LIHTC program
2. To understand the rent burdens our residents have
3. To ensure the financial feasibility of future developments
4. To better advocate for housing programs that would address the real need



What did we find?

- 889 units in our LIHTC portfolio
- Average AMI of residents: 33%

| Units | Average AMI |
|--------------|-------------|
| 30% units | 22% |
| 40% units | 28% |
| 50% units | 30% |
| 60% units | 36% |
| TOTAL | 33% |

The impact of Rental Assistance

- 57% of LIHTC residents have Rental assistance
 - Half of them have Housing Choice Vouchers

| Without RA | Average AMI |
|--------------|-------------|
| 30% units | 22% |
| 40% units | 33% |
| 50% units | 43% |
| 60% units | 46% |
| TOTAL | 43% |

| With RA | Average AMI |
|--------------|-------------|
| 30% units | 19% |
| 40% units | 21% |
| 50% units | 23% |
| 60% units | 26% |
| TOTAL | 24% |

Resident cost burden

- Average cost burden: 33%
- Households with rental assistance: 28%
- Households without rental assistance: 39%



Revenue from Rental Assistance programs

| Units without RA | Total \$ |
|---------------------|-----------|
| Total rent received | \$275,533 |
| LIHTC maximum rent | \$316,875 |
| Difference | -\$41,342 |

| Units with RA | Total \$ |
|---------------------|-----------|
| Total rent received | \$440,498 |
| LIHTC maximum rent | \$405,178 |
| Difference | \$35,855 |

- The “bonus” revenue Avesta receives through state and federal rental assistance programs offsets rent concessions provided to fill units
- These programs allow Avesta to serve households with low AMIs

Our takeaways

- The market for 60% units in our region is virtually non-existent
- The voucher program makes our LIHTC projects financially feasible
- Changes in the voucher program directly impact the LIHTC program



What are we doing with this information?

- Engaging the tax credit community to fight for the voucher program
- Educating MaineHousing
 - How do we change underwriting and get creative with financing to more deeply target?
- Examining how we reach 50%– and 60%–unit market

Affordable Housing Activity Report



Affordable Housing Activity Report March 2014

In March 2014, a total of 244 households sought an affordable home from Avesta. However, due to limited resources and scarce turnover in our existing apartments, we were only able to assist 14 new households in March. As of March 31, 2014, 1,986 households remain on Avesta's waiting lists.



Avg. applicant household size:
1.8 people

Of the 14 new households that Avesta served in March, 71% (10 households) required rental assistance in order to afford their housing, and their median household income was \$8,609. Only 29% (four households) were able to afford their housing without the benefit of rental assistance, and their median income was \$28,794. The median income of all applicants in March was \$12,000.

See the report at
avestahousing.org/news



Access other Affordable Housing Activity Reports at www.avestahousing.org/news



Thank you!

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