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?

- 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
- To better advocate for housing programs that would address the real need





What did we find?

- o 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

o Changes in the voucher program directly impact the







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



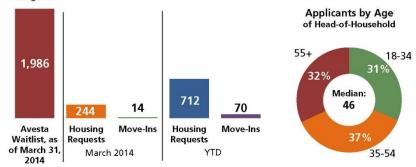
Affordable Housing Activity Report



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.

New Resident Households





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

See the report at avestahousing.org/news



Thank you!

www.avestahousing.org mwoerter@avestahousing.org

