**Instructions**

This form is required for 4% and 9% Housing Tax Credit projects that are electing the income averaging minimum set aside.

**Background**

The Consolidated Appropriations Act of 2018 (the Act) established income averaging (IA) as a third minimum set-aside election for new HTC projects. Under appropriate circumstances, this option can be elected by owners in lieu of the existing minimum set-aside elections of 40 percent of the units at 60% of MTSP, and 20 percent of the units at 50% of MTSP.

A project meets the Income Average Minimum Set-aside (IA MSA) when at least 40 percent of the units in the project are *both rent restricted and occupied by individuals whose imputed income average at initial occupancy* is at or below 60 percent of the Multifamily Tax Subsidy Project limits (MTSP) at the end of the first year of the credit period and at the end of each taxable year thereafter during the extended use period.

In addition, because the minimum set-aside election determines the income and rent limits for all low income units in the project, the project must also meet an overall imputed average of 60% of MTSP.

The IA MSA allows projects to restrict a percentage of units at higher rent and income levels by agreeing to restrict a percentage of its units at lower rent and income levels. The allowable income and rent limit restrictions are 20%, 30%, 40%, 50%, 60%, 70% and 80% of MTSP.

**Development Information**

Development Name:

Development Location:

Applicable Allocation Year(s):

Type of funding:

 [ ]  HTC only

 [ ]  HTC with MN Housing deferred or amortizing mortgage

Proposed Revisions:

 [ ]  No changes proposed rent/income tiers selecting income averaging for future use only

 [ ]  Changes to proposed rent/income tiers from originally underwritten

**Election**

**[ ]** The owner is eligible to make this election because form(s) 8609 have not yet been filed with the Internal Revenue Service (IRS).

[ ]  The owner intends to elect the Income Averaging Minimum Set Aside when filing the 8609(s) for the above development with the IRS.

**Select One:**

[ ]  The owner will elect to treat all buildings in the above development as **one** multiple building project by checking “Yes” on line 8b in Part II of IRS form 8609 and submitting the required attachment for such election when the owner files the form(s) 8609 with the IRS. **OR**

[ ]  The owner will treat one or more buildings in the above development as a single-building project or the development will elect multiple building project and contain more than one project for purposes of Section 42 (note that the IA MSA must be met for each project as defined by the owner on line 8b).

**Certification**

I(We) hereby certify that the information contained above is true and correct, that the development

has not made an irrevocable election by submitting Part II of the 8609 to the Internal Revenue Service

Acknowledged, agreed, and accepted: **OWNER**

 Typed or Printed Name of Ownership Entity

By:

 Signature

Typed or Printed Name of Signer

Dated: