

Tax Credit Income Averaging

In 2018 a new tax credit minimum set aside was added, the Average Income Test. It is anticipated that many owners will take advantage of important advantages this set-aside will provide. How does this set-aside work? Does it really allow up to 80% income limits at a tax credit property? What are the benefits and potential pitfalls of the new option? How does the Available Unit Rule work with averaging? These and many more questions will be addressed during this coverage of Income Averaging. The Costello Companies have developed and are managing several Average Income Test properties and are eager to share what they have learned in this session.



Instructor: Scott Michael Dunn

Scott Michael brings almost over three decades of direct experience in affordable housing management, auditing and training. He has worked with well over half of the state LIHTC agencies, many HOME participating jurisdictions, and HUD and Rural Development agencies. A recognized expert in the industry, Scott Michael has been published in numerous trade periodicals and is the author of several textbooks and regulatory manuals on various affordable housing programs. Besides his own subject matter expertise, he also has a proven track record of designing systems that leverage teams to review and ensure compliance while delivering excellent regulatory results and training.

Scott Michael first joined the Costello Companies in 1990 and served as manager for a portfolio of almost 300 units in Watertown, SD. This portfolio had units funded by all major housing programs, and he gained extensive experience in practical application of regulatory compliance rules in this role. This prepared him to assist in founding Costello Compliance in 2000. During time away from the Costello Companies from 2004 to 2015, Scott Michael served as executive vice president of Zeffert & Associates, a firm that operates nationally to provide regulatory compliance services to general partners, investors, state and federal agencies. There he oversaw the entire firm. During his tenure, Zeffert grew an average of over 20% annually and ended up employing over 50 compliance professionals and support staff. Scott Michael was honored to rejoin the Costello Companies as Director of Policy in 2015. Working in cooperation with the Chief Operating Officer, he oversees the Regional Managers and brings a wealth of practical application to the products offered by the Costello Companies. In 2017, Scott Michael also became CEO and owner of Costello Compliance. He oversees and is assisted by Costello's expert compliance staff in the development and refining of all file review and training products.