

Dear NAHMA Member,

A new interactive online tool is now available from a partnership between the Urban Institute and the National Housing Conference. Titled [The Cost of Affordable Housing: Does it Pencil Out?](#), the tool provides fact-based analysis about public and assisted housing with information on the costs of maintaining affordable rental housing. To illustrate the increasing costs of affordable housing, the tool examines data from the Denver metro area, which is experiencing a growth in rental housing demand but is not a traditionally high-cost city.

The tool outlines that the gap between the amount a building is expected to produce from rents and the amount developers will need to pay lenders and investors can stop affordable housing development before it even begins. It continues that in many places, the rent the poorest families can pay is too little to cover the costs of operating an apartment building, even if developers could build that building for free. Without relying on federal assistance such as the Low-Income Housing Tax Credit, it is often impossible to build and maintain housing for low-income households.

Users of the tool can learn about the average monthly rent charged, tenant income levels, the vacancy rate, various costs and expenses, debt service coverage, the loan interest rate, and loan to value ratio of affordable housing properties. They can also adjust the variables to view acquisition costs, construction costs, design fees, project management, and other expenditures.

The Cost of Affordable Housing: Does it Pencil Out? Tool can be found [here](#)

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