



Affordable Housing

Jobs

Services



Reason #1

Most successful affordable rental housing production program in history – produced and financed over 2 million affordable apartments for families, elderly, special needs, handicapped, homeless, etc.

Reason #2

Public/private partnerships are enabled by federal government, administered by state government and implemented by private enterprises.

Reason #3

Federal dollars are leveraged with private investments dollars.

Reason #4

The LIHTC program generates approximately 140,000 jobs and adds \$6.8 billion in income to the U.S. economy annually including \$1.5 billion in state and local taxes, versus the \$5.4 billion tax expenditure of the program.

Reason #5

100 LIHTC apartments generate \$7.9 million in local income and \$827,000 in taxes and other revenue for local governments as well as creates 122 local jobs.

Reason #6

Over 40% of the nation's renters need affordable options. LIHTC provides 75,000 to 100,000 units annually of desperately needed affordable housing, which is less than the affordable housing units lost each year to obsolescence, conversions and demolitions.



“The need for affordable housing continues to increase in our community for families. Being able to provide a premium, affordable product is a winning situation for everyone.”

— MAYOR CALVIN SHIFLET
CLUTE, TX

Reason #7

Since its inception in 1986, the LIHTC program has contributed over \$200 billion in wages.

Reason #8

Without the LIHTC program, low and moderate income renters would be forced into substandard housing in blighted neighborhoods where under maintenance is the norm or be forced into homelessness.

Reason #9

Banks and institutional investors have utilized investments in LIHTC equity to meet CRA requirements providing the primary source of equity to affordable housing investments.

“This new development will allow our residents to live in quality housing and enhance their living conditions with safe, decent and modern facilities, and access to supportive services.”

— CLIFFORD SCOTT, EXECUTIVE DIRECTOR
YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY

Reason #10

LIHTC stimulates and acts as a catalyst to revitalize neighborhoods and promote community development. The LIHTC program provides stabilization for many neighborhoods throughout the country, creating an environment that encourages additional revitalization by private owners to fix their units up to be competitive.



Reason #11

The LIHTC program strongly encourages energy conservative construction by awarding bonus points to energy efficient design, resulting in utility bills far less expensive than 35 year old “energy guzzling”, aged structures.

Demolishing or remodeling old structures saves enormous utility expenditures by the low and moderate income residents who need affordability the most.

Reason #12

HUD estimates that almost 9 million other very low income households still have serious housing needs and widespread of affordable housing is not available. The Joint Center for Housing Studies at Harvard University has determined the shortfall of housing for the very poorest at 3.3 million units. There is a severe affordable housing shortage in the nation.

The only way to increase the supply of affordable housing where it is desperately needed is through production programs such as the LIHTC program.

Reason #13

The LIHTC program is less vulnerable to inflation of market rents because federal regulations limit rents associated with development subsidies.



Reason #14

LIHTC projects often include services for tenants, especially special needs such as elderly, mobility impaired, homeless, etc.

Many LIHTC developments offer supportive services such as after-school programs, computer training, and other recreational, social and cultural programming.



Reason #15

The tax credit program is the most cost-efficient housing production/assistance program ever created by the federal government. The private sector takes all development and compliance risks, and the tenants themselves pay the largest share of the total cost.

Reason #16

In many markets, production programs such as the LIHTC program are the only sources of new, affordable rental units. Affordable housing does not exist in many markets.



Reason #17

The LIHTC program default rate is less than 2% on LIHTC projects since its inception in 1986.

Reason #18

The LIHTC program allows more flexibility in design and programming to meet the local needs than any other affordable housing program in history.

Sources: *Affordable Housing Finance Magazine*, the National Association of Home Builders, the U.S. Census, and Harvard Joint Center for Housing Studies.



Reason #19

The LIHTC program serves the low and moderate income working families. Between 2003 and 2009, the number of very low income (VLI) renters rose from 14.5 million to 15.9 million, while the number of affordable and available units shrank from 11.0 million to 10.4 million.

At the same time, the number of extremely low income (ELI) renters jumped from 8.3 million to 9.4 million, and the number of affordable and available units dropped from 3.3 million to 3.1 million.



Reason #20

Housing supply and demand impacts rents. Production of new housing adds apartments to local supply, creating downward pressure on market rents. In fact, many Credit apartments rent significantly below the maximum rents permitted by the program due to the influence of market pressure.



This effect was discussed in a 1990 article written by former HUD Assistant Secretary for Housing William Apgar, who stated that, "In addition, by expanding the supply of rental housing, subsidized new construction programs may limit future rent increases, benefiting not only recipients, but others in the form of reduced rent payments. The price effects of housing supply programs may be important and certainly must be included in any complete assessment of alternative housing assistance approaches."



Low Income Housing Tax Credit (LIHTC)



20 Reasons to Support LIHTC

