

FOR IMMEDIATE RELEASE

July 26, 2018

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KEY POINTS

Tax credits to finance 5,557 affordable rental units

Every eligible at-risk application will receive tax credits

2017 developments yielded approx. \$2.7B economic impact for state

Editors: Find conditional awards in your community (XLSX) and downloadable Affordable Housing graphic

State housing agency's \$76.6 million tax credit allocation to expand housing options for income-eligible Texans

Credits to help finance construction or rehabilitation of 72 affordable housing developments (AUSTIN) – Texas Department of Housing and Community Affairs (“TDHCA”) has announced awards through the 2018 Housing Tax Credit (“HTC”) Program allocation that will help finance the development of rental properties offering reduced rents and increased housing options.

TDHCA will provide \$76.6 million in housing tax credits to private developers constructing or rehabilitating 72 properties across the state that will offer rents affordable to households earning up to 60 percent of the area median family income. The 2018 allocation reflects a four-year 12.5% increase to the per capita tax credit allocation that was included in the federal Consolidated Appropriations Act of 2018.

The credits are expected to help finance the building of 64 high quality, new properties with a total of 4,997 units, and the rehabilitation of eight properties offering 560 units to income-eligible households across the state. The at-risk set aside, totaling more than \$11.5 million for the 2018 cycle, is used for the rehabilitation or reconstruction of aging housing developments that could soon lose rental subsidies provided to their low income residents.

“This year, every eligible at-risk application we received will be awarded their requested tax credits,” explained Marni Holloway, TDHCA director of multifamily finance. “Because of this, TDHCA’s efforts will go deeper into rural regions than previous award cycles and help preserve housing affordability for some of our most vulnerable Texans.”

The Housing Tax Credit Program, authorized under the Internal Revenue Code, is the state’s primary means of directing private capital toward the development of affordable rental housing. Investors purchase credits allocated to developers which they may apply toward their federal tax liability each year for ten years on a dollar-for-dollar basis in exchange for their investment in the property.

Developers use proceeds from the sale of the credits as financing for their property. The credits announced today are designed to cover approximately 70 percent of each property's eligible development costs.

“High quality affordable housing serves as a vital component to the state's economic prosperity, accommodating an ever-expanding workforce and meeting the needs of households living on fixed incomes,” explained Tim Irvine, Executive Director of TDHCA. “The tax credits allocated today give cities and communities long term solutions for sustainable and purposeful growth, providing a positive impact on local economies by retaining existing households and attracting new residents.”

Since 1987, more than 247,000 affordable housing units have been built or preserved in Texas using the Low Income Housing Tax Credit Program. It's estimated that the new construction and rehabilitation of developments that opened in 2017, alone, led to the creation of nearly 16,000 jobs statewide with compensation totaling \$625 million. The total economic impact generated for the state was approximately \$2.7 billion.

About the Texas Department of Housing and Community Affairs

The Texas Department of Housing and Community Affairs is committed to expanding fair housing choice and opportunities for Texans through the administration and funding of affordable housing and homeownership opportunities, weatherization, and community-based services with the help of for-profits, nonprofits, and local governments. For more information about fair housing, funding opportunities, or services in your area, please visit www.tdhca.state.tx.us or the Learn about Fair Housing in Texas page.