



The Basics of Low Income Housing Tax Credits (LIHTC)



Tax Benefits (Credits) are allocated from IRS to each State Housing Agency



Each state receives an annual housing tax credit allocation of \$1.75 per capita – in 2015 Texas will receive \$58.6M¹

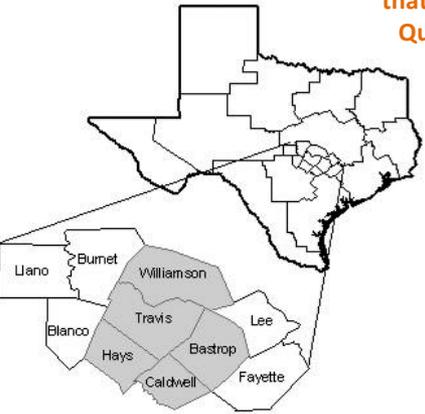


Tax Credits are then allocated through formula to 13 regions throughout the State³



TDHCA allocated LIHTCs totaling \$3.6M to Region 7 in 2013²

Tax Credits awarded to projects that score highest in annual Qualified Allocation Plan (QAP) max award of \$1.5M/yr.³



Austin is in Region 7, ten counties total five urban: Travis, Williamson, Hays, Caldwell, and Bastrop; five rural: Fayette, Lee, Blanco, Burnet, and Llano.³

Money (Equity) to the Developer's Project



Tax Benefits: (Credits) Dollar for Dollar Credit offsets other taxes over 10 years

Affordable Housing Developers

<p>9% Tax Credit (Competitive) Usually > 150 Units⁴</p>	<p>4% Tax Credit (Non-Competitive) Usually ≤ 150 Units⁵</p>
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Benefits to the Community



Loan to the developer



Loan repayment to the lender through rents collected



Lender

- Stable Affordable Housing to those who need it within the community
- Leveraging of Resources
- Future Tax Revenues
- Stable Workforce/Economic Competitiveness
- Increased Quality of Life
- Community Vitality and Diversity

Sources:
¹ [Novogradac Affordable Housing Resource Center](#)
² [TDHCA 2014 State of Texas Regional Funding Estimates](#)
³ [2013 Qualified Allocation Plan and Related Laws and Rules](#)
⁴ [Competitive 9% Housing Tax Credits](#)
⁵ [Non-Competitive 4% Housing Tax Credits](#)