



## Data Sources and Methodology

### Housing Credit Fact Sheets

Data Point	National Fact Sheet	State Fact Sheets	District Fact Sheets
Housing Credit homes developed or preserved <sup>1</sup>	2021 National Council of State Housing Agencies (NCSHA) <a href="#">State HFA Factbook</a> (1986 – 2021)		<a href="#">HUD Low-Income Housing Tax Credit database</a> (projects placed in service through 2020)
Low-income households served <sup>2</sup>	Calculated by the National Association of Home Builders (NAHB) using the 2020 HUD LIHTC data and the <a href="#">Census Bureau American Housing Survey</a>	Estimated using the NAHB national estimate and the 2021 NCSHA Factbook data	N/A
Jobs supported for one year <sup>3</sup>	Calculated using 2021 NCSHA Factbook data and a NAHB impact multiplier commissioned by Enterprise in 2020 based on historic Low-Income Housing Tax Credit (Housing Credit) investment data		Calculated using HUD LIHTC data and a NAHB impact multiplier commissioned by Enterprise in 2020 based on historic Housing Credit investment data
Tax revenue generated <sup>4</sup>	Calculated using 2021 NCSHA Factbook data and a NAHB impact multiplier commissioned by Enterprise in 2020 based on historic Housing Credit investment data		Calculated using HUD LIHTC data and a NAHB impact multiplier commissioned by Enterprise in 2020 based on historic Housing Credit investment data
Wages and business income generated <sup>5</sup>	Calculated using 2021 NCSHA Factbook data and a NAHB impact multiplier commissioned by Enterprise in 2020 based on historic Housing Credit investment data		Calculated using HUD LIHTC data and a NAHB impact multiplier commissioned by Enterprise in 2020 based on historic Housing Credit investment data
Severely cost burdened renter households <sup>6</sup>	Calculated using the <a href="#">2021 American Community Survey</a>		
Hours per week a minimum wage worker must work to afford a modest one-bedroom apartment <sup>7</sup>	National Low Income Housing Coalition's <a href="#">2022 Out of Reach report</a>		
Additional affordable homes that could be built by expanding the Housing Credit allocation authority as proposed in the <i>Affordable Housing Credit Improvement Act</i> <sup>8</sup>	Calculated by <a href="#">Novogradac</a> (December 16, 2022)		

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### **1 Housing Credit homes developed or preserved**

The National and State fact sheets use data from NCSHA's 2021 State HFA Factbook, which reflects Housing Credit units for which Housing Credits were awarded, as reported annually by state Housing Credit Agencies to the Internal Revenue Service. As this data is not available at the congressional-district level, the district fact sheets use data from the HUD LIHTC database, which reflects Housing Credit units that were placed in service after being awarded Housing Credits, as reported annually by state Housing Credit Agencies to HUD. In order to calculate the cumulative number of Housing Credit units developed or preserved in each congressional district, ACTION geocoded the addresses of Housing Credit properties.

### **2 Low-income households served**

In this analysis, ACTION defines low-income households as households that meet income requirements to occupy a Housing Credit unit. Different Housing Credit units may have different income requirements, but tenants with incomes of up to 80 percent of area median income (AMI) are generally eligible as long as the average income for tenants in a property is at or below 60 percent of AMI.

In July 2020, the National Association of Home Builders (NAHB) calculated the cumulative national estimate of low-income households served by Housing Credit units. NAHB explains this process in a [blog post](#).

To calculate the number of low-income households served in each state, ACTION apportioned NAHB's national estimate of eight million households served to each state based on its fraction of total national Housing Credit units. We calculated this fraction using the 2021 NCSHA State HFA Factbook by dividing the cumulative number of Housing Credit units in each state by the national total of Housing Credit units. ACTION then multiplied this fraction by the national estimate of households served to estimate the number of households served in each state. Importantly, this model does not take into account the average age of each state's developments nor the expiration of properties' extended use restrictions (as this data is not available), but rather assumes every unit is still in service. As a result, states with a disproportionate share of recent developments may overestimate households served, and states with a disproportionate share of older developments may underestimate households served.

### **3 Jobs supported for one year**

Based on historic Housing Credit data from Enterprise, NAHB estimates 186 full-time jobs are created per 100 new affordable homes financed using the Housing Credit program. NAHB estimates 128 full-time jobs are created per 100 rehabilitated (rehab) affordable homes financed using the Housing Credit program. It is noteworthy that the job estimates are not limited to a specific state or district but are nationwide estimates and applied to each individual geography's Housing Credit units.

To calculate the estimated number of jobs supported for one year between 1986-2021 at the *state* level, ACTION estimated the number of new versus rehab units by applying the five-year average of this breakdown, based on 2017 to 2021 NCSHA Factbook data, to the cumulative total number of Housing Credit units. At the *district* level, the HUD LIHTC database contains a breakdown of new versus rehab units for most units. ACTION applied the state-level five-year average of new versus rehab units to the units for which this data was not available or missing.

ACTION then applied NAHB's new units impact multiplier to the estimated total number of new Housing Credit units between 1986 and 2021, and NAHB's rehab units impact multiplier to the estimated total number of rehab Housing Credit units between 1986 and 2021. ACTION added these two estimates together to obtain the estimate of jobs supported based on that geography's Housing Credit units.

### **4 Tax revenue generated**

Based on historic Housing Credit data from Enterprise, NAHB estimates \$7.4 million is generated in federal, state, and local tax revenue per 100 new affordable homes financed using the Housing Credit program. NAHB estimates \$4.9 million is generated in federal, state, and local tax revenue per 100 rehabilitated (rehab) affordable homes financed using the Housing Credit program. It is noteworthy that the tax revenue generated estimates are not limited to a specific state or district but are nationwide estimates and applied to each individual geography's Housing Credit units.

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To calculate the estimated tax revenue generated between 1986 and 2021 at the *state* level, ACTION estimated the number of new versus rehab units by applying the five-year average of this breakdown, based on 2017 to 2021 NCSHA Factbook data, to the cumulative total number of Housing Credit units. At the *district* level, the HUD LIHTC database contains a breakdown of new versus rehab units for most units. ACTION applied the state-level five-year average of new versus rehab units to the units for which this data was not available or missing.

ACTION then applied NAHB's new units impact multiplier to the estimated total number of new Housing Credit units between 1986 and 2021, and NAHB's rehab units impact multiplier to the estimated total number of rehab Housing Credit units between 1986 and 2021. ACTION added these two estimates together to obtain the estimated amount of tax revenue generated based on that geography's Housing Credit units.

#### **<sup>5</sup> Wages and business income generated**

Based on historic data from Enterprise, NAHB estimates \$21.2 million is generated wages and business income per 100 new affordable homes financed using the Housing Credit program. NAHB estimates \$14.3 million is generated in wages and business income per 100 rehabilitated (rehab) affordable homes financed using the Housing Credit program. It is noteworthy that the wages and business income generated estimates are not limited to a specific state or district but are nationwide estimates and applied to each individual geography's Housing Credit units.

To calculate the estimated wages and business income between 1986 and 2021 at the *state* level, ACTION estimated the number of new versus rehab units by applying the five-year average of this breakdown, based on 2017 to 2021 NCSHA Factbook data, to the cumulative total number of Housing Credit units. At the *district* level, the HUD LIHTC database contains a breakdown of new versus rehab units for most units. ACTION applied the state-level five-year average of new versus rehab units to the units for which this data was not available or missing.

ACTION then applied NAHB's new units impact multiplier to the estimated total number of new Housing Credit units between 1986 and 2021, and NAHB's rehab units impact multiplier to the estimated total number of rehab Housing Credit units between 1986 and 2021. ACTION added these two estimates together to obtain the estimated amount of wages and business income generated based on that geography's Housing Credit units.

#### **<sup>6</sup> Severely cost burdened renter households**

Severely cost burdened renter households are households who spend 50 percent or more of their income on rent. Data is not available at the district level. The district fact sheets reference state-level data.

#### **<sup>7</sup> Hours per week a minimum wage worker must work to afford a modest one-bedroom apartment**

This data is not available at the district level. The district fact sheets reference state-level data.

#### **<sup>8</sup> Additional affordable homes that could be built by expanding the Housing Credit allocation authority as proposed in the *Affordable Housing Credit Improvement Act***

These are estimates of additional affordable homes over 10 years based on the primary affordable rental home financing provisions of the *Affordable Housing Credit Improvement Act of 2021*. For 9% estimates, the analysis assumes the temporary 12.5% allocation increase expiring at the end of 2021 is made permanent. Additionally, all of the estimates assume that gap financing is scalable with the increased availability of LIHTC equity and PAB debt. The scalability of gap financing applies more so to 4% LIHTC properties than to the 9% discussions that follow, because the 4% LIHTC is a shallower subsidy than the 9% LIHTC. The national estimate includes U.S. territories (Puerto Rico, Virgin Islands, Guam, American Samoa, and Northern Mariana Islands). This data is not available at the district level. The district fact sheets reference state-level data.

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