



Representative Darin LaHood

(R-IL-16)

**Lead sponsor of the AHCIA
since the 118th Congress**



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President & CEO
Family Scholar House



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Senior Director,
Community Finance
Capital One



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CEO & Principal
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Midwest Housing Equity
Group



Scott Farmer
Executive Director
North Carolina Housing
Finance Agency



Jennifer Schwartz
Director of Tax and Housing
Advocacy
NCSHA



ANYWHERE



PARTNERS



ALL SHAPES & SIZES

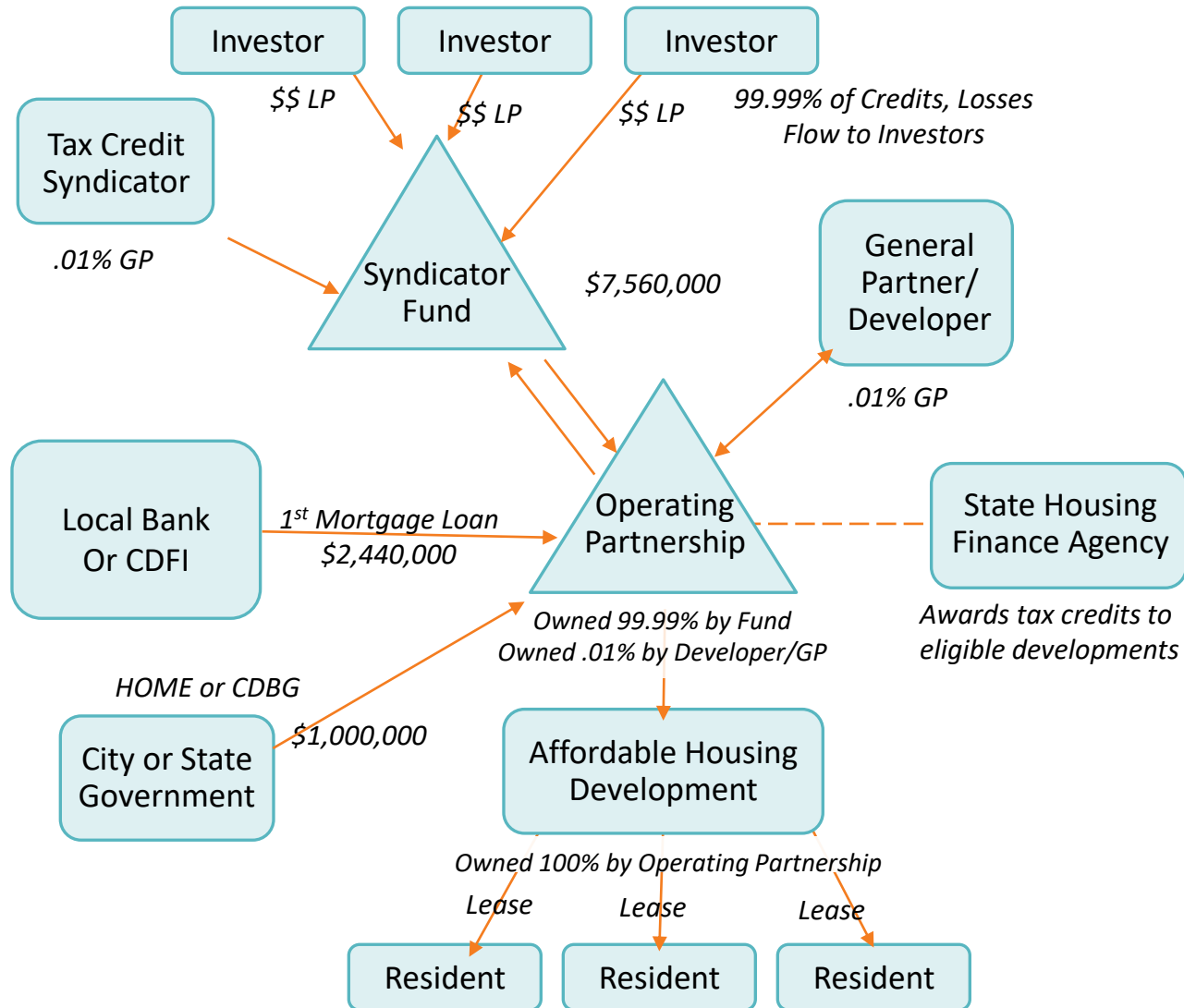


REDEVELOPMENT

Housing Credit Mechanics

- **The private sector takes the upfront capital risk, not the taxpayer.**
- **Pay-for-performance model** where the **credits cannot be claimed and kept unless** developments are:
 - Completed on-time,
 - Occupied by eligible low-income residents who pay affordable rents, and
 - Well-maintained.
- Housing Credit developments required to remain **affordable for 30 years**, and in some states longer, with state housing agencies monitoring for compliance beyond the 15th year.
- Credits **flow to investors over 10 years** and are **recaptured for noncompliance through 15 years**.
- Risk of recapture has led to strong private sector oversight, supplementing state level oversight, and an extremely low cumulative **foreclosure rate among Housing Credit properties of only 0.5% over the life of the program** – lower than any other real estate class.
- The “9%” Credit is available for new construction and substantial rehabilitation, limited by each state’s Housing Credit allocation authority cap. The “4%” Credit is available for new construction and acquisition/rehabilitation developments if at least 50 percent of the financing comes from Private Activity Bonds (PABs), limited by the state PAB authority cap.
- The annual credit equals a credit percentage (9% or 4%) multiplied by the development’s qualified basis, which is calculated based on eligible project costs and the portion of the development rented to eligible tenants.

Housing Credit Development Financing



Land	\$ 1,000,000
Building	<u>\$10,000,000</u>
Total Project Cost	\$11,000,000

Eligible Basis	\$10,000,000
Applicable Fraction	$x \frac{100\%}{1}$
	\$10,000,000

Qualified Basis	\$10,000,000
Applicable %	$x \frac{9\%}{1}$
	\$900,000

x 10 years =	\$ 9,000,000
	Total Tax Credits

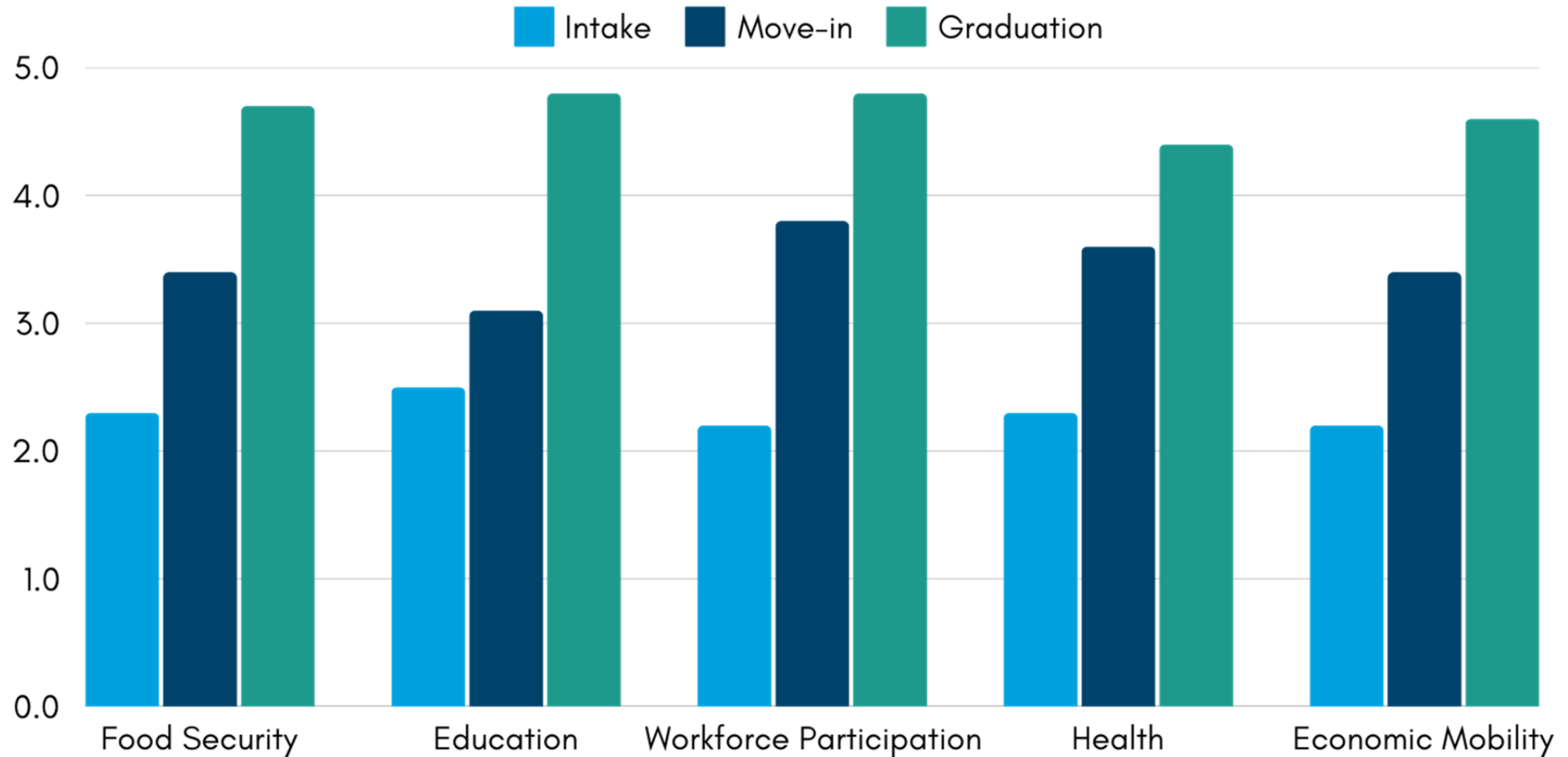
<u>Sources</u>	
LIHTC Equity (\$.84/credit)	\$ 7,560,000
1st Mortgage Loan	\$ 2,440,000
2nd Mortgage Loan	<u>\$ 1,000,000</u>
	\$11,000,000

<u>Uses</u>	
Land	\$ 1,000,000
Building	<u>\$10,000,000</u>
	\$11,000,000

Units must be both income- and rent-restricted for a minimum of 30 years. Income-restricted means that residents must have income < 60% of area median income. Rent-restricted means rents are capped at 30% of area median income (adjusted for family size).

Social Determinants of Health & Self-Sufficiency Research

FSH Residential Program Families

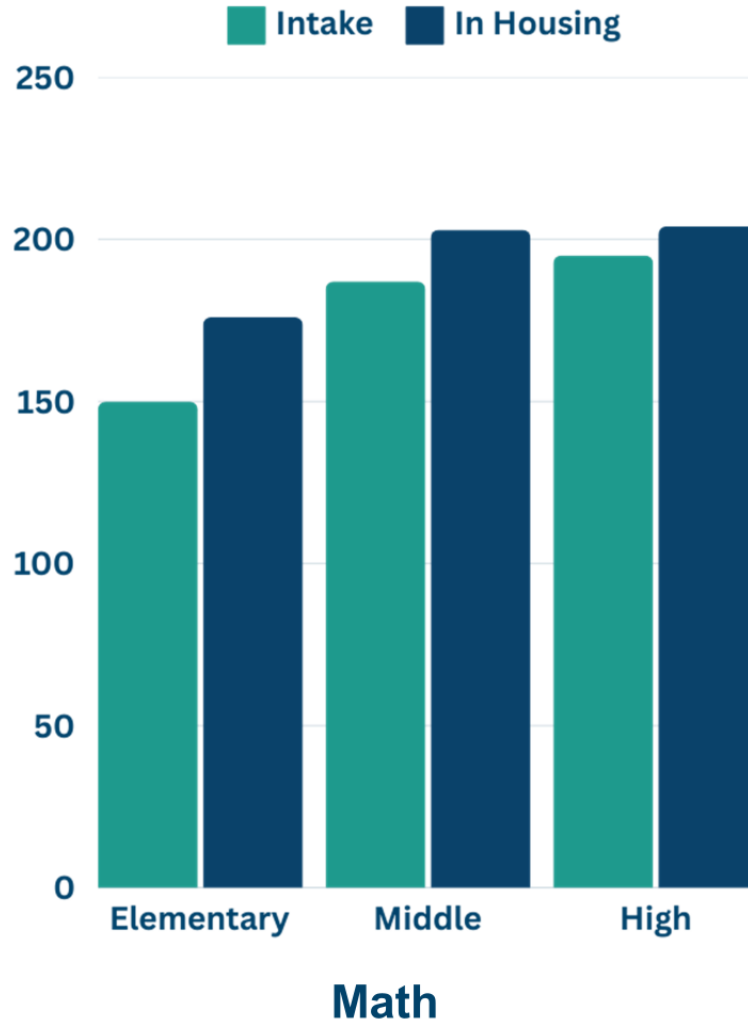
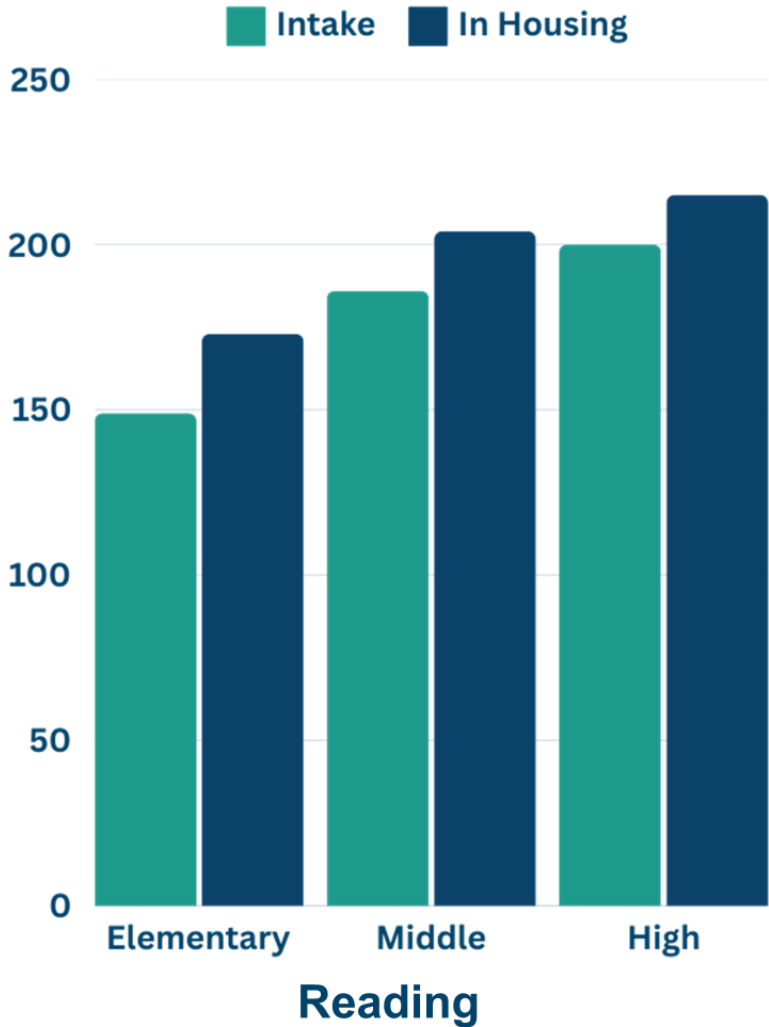


Scoring is based on the Arizona Self-Sufficiency Matrix 1-5 scale.

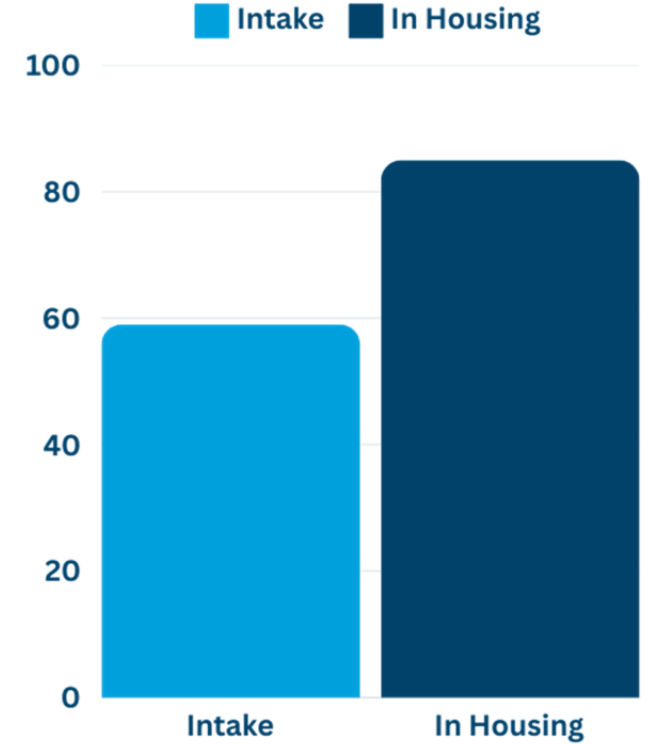
Family Scholar House is a national nonprofit organization. The parent company is Family, Inc.

FSH: Positive Impacts on Child Development

Measure of Academic Progress (MAP) - Grades 3-12

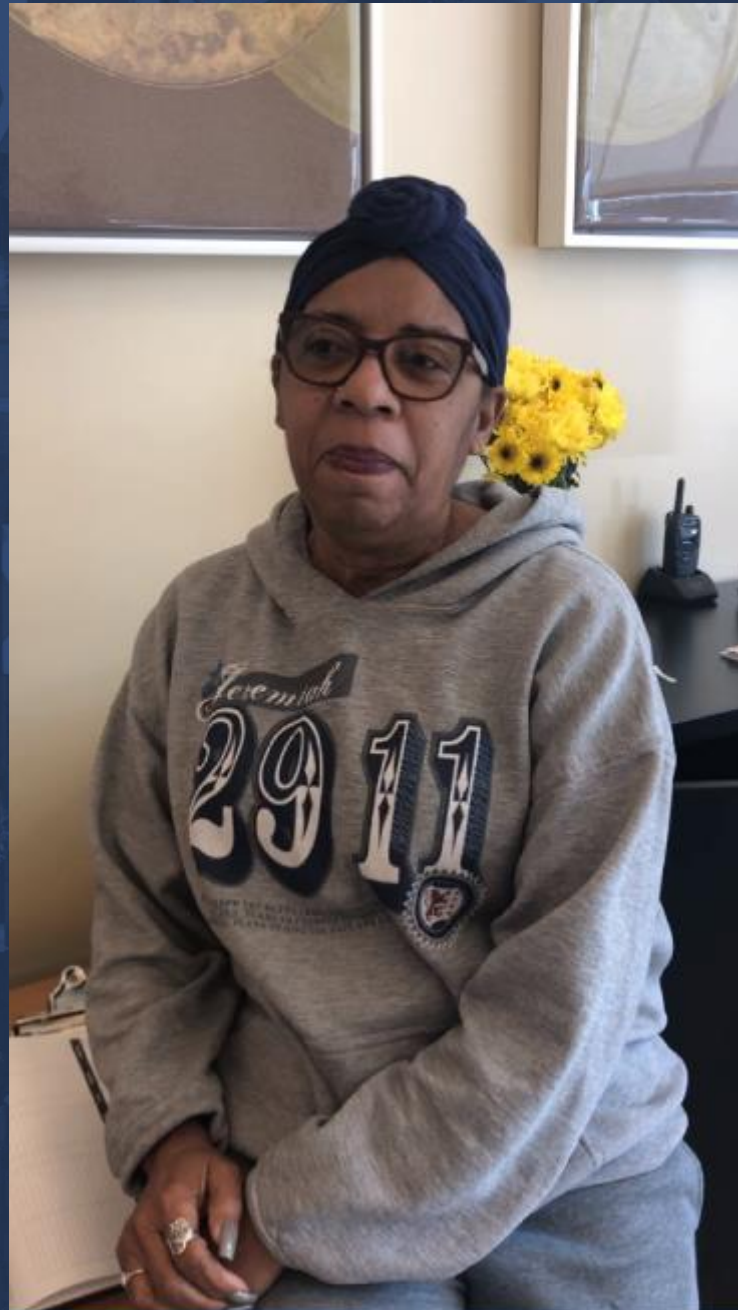


Ages & Stages (0-60 months)



For more research,
access our white
papers here.





Resident Testimony Archway Commons, Modesto, CA

[Watch here!](#)



**Learn more about the
Housing Credit**

The ACTION Campaign

rentalhousingaction.org

Contact: Ayrienne Parks

Email: aparks@enterprisecommunity.org

Contact: Jennifer Schwartz

Email: jschwartz@ncsha.org

Visit the ACTION Campaign!

