



FEDERAL POLICY PROJECT

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FPP Partners

California Housing Authority Association (CHAA)

California Coalition for Rural Housing (CCRH)

Housing Authority Association of Southern California (HAASC)

Housing California

Los Angeles Coalition to End Hunger and Homelessness

NAHRO Northern and Southern California Chapters

NonProfit Housing Association of Northern California (NPH)

Northern California Nevada Executive Directors' Association

Southern California Association of Nonprofit Housing (SCANPH)

The San Diego Housing Federation

More than 16,000 California Jobs At Stake in LIHTC Developments Planned for 2010

In conjunction with other regional housing advocacy organizations, the California Housing Partnership conducted a survey of California developers with Low Income Housing Tax Credit (LIHTC) properties that could start construction in 2010 if they had access to adequate equity and/or the ability to exchange 9% and 4% Tax Credits for cash through an expanded Tax Credit Exchange Program such as the one to be introduced by Congresswoman Linda Sanchez later this week.

The following is a summary of the survey results:

LIHTC Survey Highlights

- Thirty-nine (39) California developers responded by listing **155 LIHTC developments** with **12,703 apartments that could begin construction in 2010**.
- Using job creation ratios provided by the National Association of Home Builders, this translates into **16,814 potential LIHTC-related jobs**.
- Because not all California LIHTC developers were able to respond, we believe actual numbers of LIHTC apartments and jobs for 2010 could be higher by as much as 50%.

Detailed Findings

- Forty-eight (48) of the developments are planned as **rehabilitations** of existing buildings consisting of 4,250 apartments, or 33% of the total.
- 107 of the developments with a total of 8,453 apartments (67%) are planned as **new construction**.
- Of the 12,703 apartments,
 - 2,565 (20%) are intended to serve Extremely Low Income (ELI) households earning less than 30% of the Area Median Income;
 - 5,395 (42%) are intended to serve Very Low Income (VLI) households earning 31-50% of AMI;
 - 4,338 (34%) are intended to serve Low Income (LI) households earning 51-60% of AMI; and
 - 465 (4%) are intended to serve households at higher incomes
- 69 of the developments (45%) are planning to use 4% Credits if the Tax Credit Exchange Program is extended to include 4% Credits.
- 86 of the developments (55%) are hoping to use 9% Credits, although this demand far exceeds the 9% Credit available under the state's ceiling for 2010.
- 58% of the developments in the survey plan to be either Green Point Rated or LEED certified.
- 86 developments are planning to serve family households
- 47 developments are planning to serve senior households
- 22 developments are planning to serve special need households

Policy Implications

- Strengthening the LIHTC program would be an effective job producer for California. LIHTC improvement measures that would help include:
 - Extending and expanding the temporary 9% Tax Credit Exchange Program to include 4% Tax Credits and California State Credits;
 - Increasing the Housing Credit carryback period to 5 years for new housing and qualifying existing housing; and
 - Expanding the Housing Credit investor base by permitting Subchapter S, LLCs, and closely-held corporations to purchase LIHTCs.
- The number of planned apartments serving ELI households could grow significantly if Congress funded the National Housing Trust Fund as part of pending Jobs Legislation.

HOW DO I GET INVOLVED?

The Federal Policy Project is a coalition of California housing authorities, nonprofit housing developers, local government housing agencies and tenant advocates working to increase understanding for the need for increased federal investment in the creation and preservation of affordable homes for lower income households.

To learn more, please contact our Housing Policy Manager, Marilyn Wacks at mwacks@chpc.net or 415-433-6804x313.