



NEWS

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

FOR IMMEDIATE RELEASE
August 1, 2008

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NOTE: A complete list of applications receiving an award is located online at:
www.tdhca.state.tx.us/multifamily/htc/index.htm

State housing agency awards \$42.5 million in Housing Tax Credits to build 5,800 units of affordable housing

(AUSTIN) — Realizing that many young families and older individuals are struggling to keep pace with rising rent levels, the Texas Department of Housing and Community Affairs (TDHCA) has announced that it will help finance the development of 59 affordable rental properties throughout the state that will bring much-needed stability to the lives of tenants and monetary benefits to local economies.

TDHCA will provide \$42.5 million in financing through the 2008 Housing Tax Credit Program allocation cycle, helping create an estimated 5,800 units of affordable rental housing designed to serve Texans earning no more than 60 percent of the area median family income.

“The current housing market is quickly pushing rents beyond what many Texans can afford, undermining families and communities alike,” said TDHCA Executive Director Michael Gerber. “Our goal is to provide attractive, high quality housing with an affordable rent while offering tenants the long-term benefits of a stable, secure home life. The added bonus of these awards will be additional construction jobs and a significant infusion of payroll funds into local communities.”

This award will meet a growing demand throughout Texas for this type of housing, Gerber stated. The Department estimates that approximately 1.3 million households across the state are in need of affordable housing. “When 30 percent, 40 percent, or more of a household’s paycheck goes toward paying the rent, many of the family’s other needs are simply not going to be met,” he said.

In addition to needed affordable housing, several local economies are also expected to benefit from the economic stimulus of this award. A recent study by the National Association of Home Builders shows that the one-year impact of a typical 100-unit property financed through tax credits includes 151 local jobs, \$783,000 in taxes and other revenue for local governments, and \$7.3 million in additional income for the local economy.

The Housing Tax Credit Program is the state’s primary means of directing private capital toward the creation or retention of affordable rental housing. The tax credits provide private developers with a benefit used to offset a portion of their federal tax liability in exchange for producing housing units that offer tenants an affordable rent based on their income.

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In addition to a lower rent, most properties funded through the Housing Tax Credit Program also provide supportive services designed to foster self-sufficiency among young families or promote a healthy environment for older tenants. Examples typically include credit counseling, financial and computer literacy classes, General Educational Development (GED) courses for younger adults, and transportation services, health screening, and nutrition programs for seniors.

The Housing Tax Credit Program is extremely competitive. The Department annually receives far more applications than it can fund, demonstrating the high demand for affordable rental housing. The program is also the most productive in terms of creating safe, affordable rental housing, having helped build or repair an estimated 119,000 housing units since its first allocation cycle in 1987.

About The Texas Department of Housing and Community Affairs

The Texas Department of Housing and Community Affairs is the state agency responsible for affordable housing, community and energy assistance programs, and colonia activities. The Department annually administers more than \$400 million through for-profit, nonprofit, and local government partnerships to deliver local housing and community-based opportunities and assistance to Texans in need.