



NEWS

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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NOTE: Lists of award recipients are available at: www.tdhca.state.tx.us/multifamily/htc/index.htm

State housing agency invests \$78.7 million to expand rental housing choices in Texas

(AUSTIN) — Striving to increase the state's stock of affordable rental housing, strengthening families and communities in uncertain economic times, the Texas Department of Housing and Community Affairs (TDHCA) has announced a funding plan to help finance affordable rental properties across the state bringing stability to young working families and retired individuals while providing a boost to local economies.

TDHCA will provide \$78.7 million in housing tax credits to private developers constructing or rehabilitating 74 properties that will feature rents affordable to households earning up to 60 percent of the area median family income.

“Many working Texans and retired individuals are finding that their housing choices are limited, and there is a real need for decent housing these people can afford,” said TDHCA Executive Director Michael Gerber. “This award will provide needed housing while offering tenants the long-term benefits of a stable, secure home life. These awards are an excellent example of how the public and private sectors can partner to improve the quality of life for communities all across this great state.”

In addition to increasing the stock of affordable housing, cities are also expected to benefit from the economic stimulus of this award. Gerber cited a recent study by the National Association of Home Builders which shows that the one-year impact of a typical 100-unit property developed through housing tax credits includes 56 full-time construction jobs, \$5.4 million in total wages and salaries, and \$862,800 in taxes and other revenue to state and local governments.

TDHCA made these awards through the 2009 Housing Tax Credit Program, the state's primary means of directing private capital toward the creation or retention of affordable rental housing. The tax credits provide private investors with a benefit used to offset a portion of their federal tax liability in exchange for the production of affordable rental housing.

Properties funded through the Housing Tax Credit Program must reserve specific numbers of units for income eligible tenants and cap rents at set levels to ensure affordability. TDHCA provides oversight authority for health, safety, and program compliance for up to 30 years to make certain developers maintain the program's high standards.

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In addition to a reduced rent, most properties financed with tax credits 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, and General Educational Development (GED) courses for younger adults; and transportation services, health screening, and nutrition programs for seniors.

TDHCA allocates federal tax credits each year through a highly competitive application process. The Department annually receives twice as many applications as it can finance, demonstrating the high demand for affordable rental housing. TDHCA estimates the 2009 credit allocation of \$78.7 million will create approximately 7,000 affordable rental units statewide.

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 services, energy assistance, colonia housing programs, and disaster recovery housing programs. It currently administers over \$1 billion through for-profit, nonprofit, and local government partnerships to deliver local housing and community-based opportunities and assistance to Texans in need.