



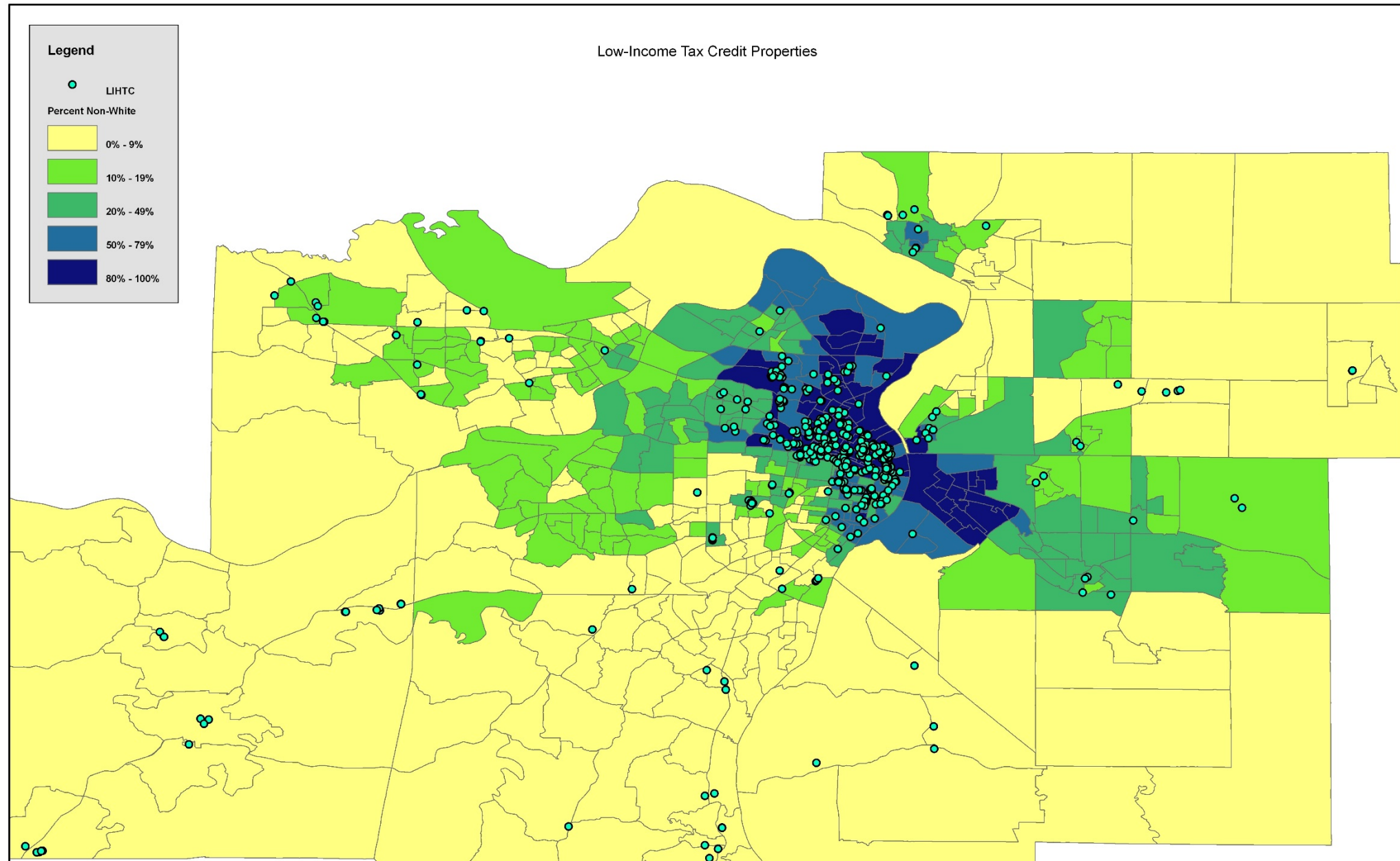
# **Affirmatively Furthering Fair Housing in the LIHTC Program: Recent Progress**

**Philip Tegeler**

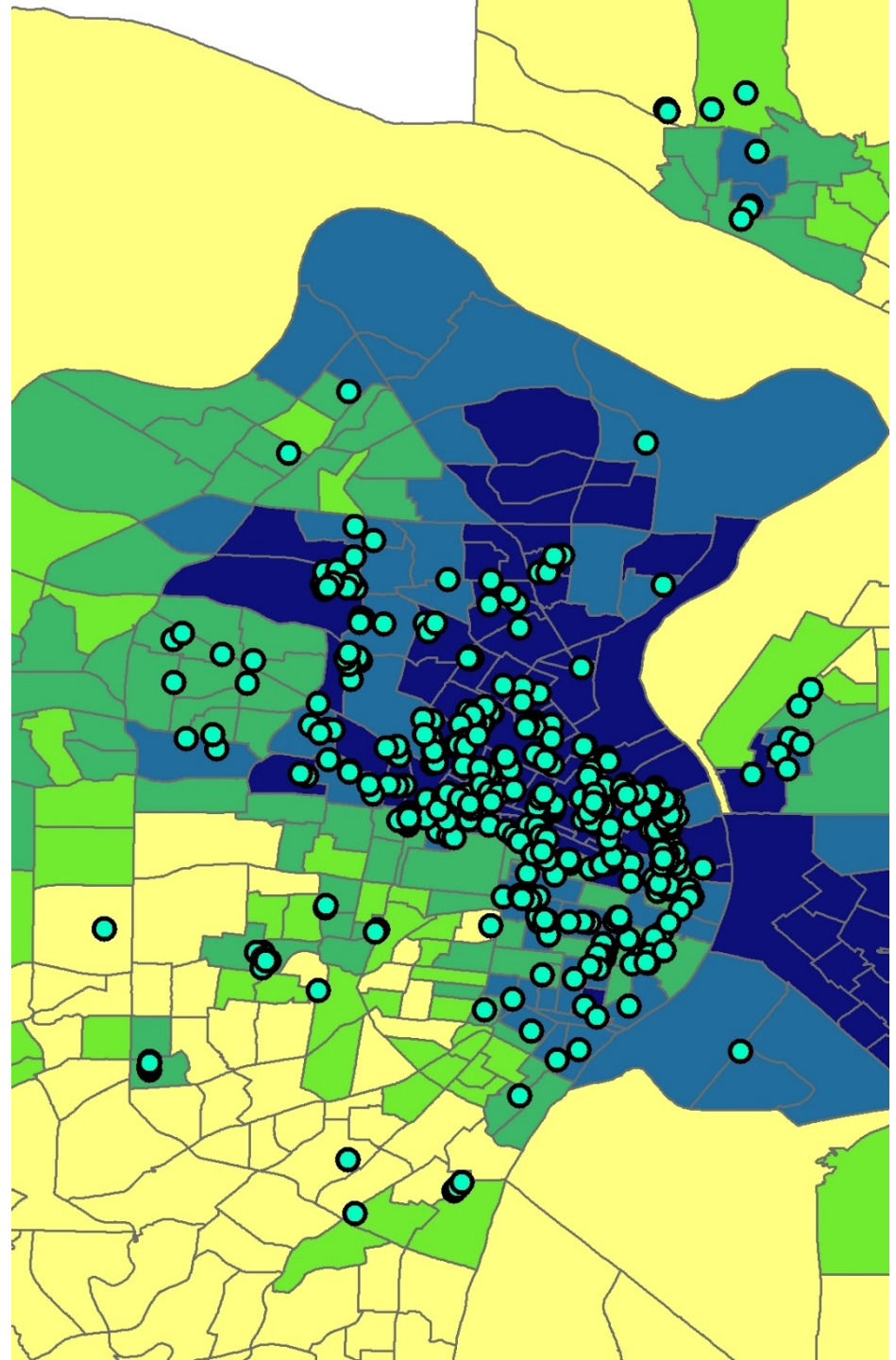
**HJN 2017**

# Why isn't the LIHTC program doing a better job giving families access to integrated communities?

(More than  
12,000  
LIHTC  
units in greater  
St. Louis)



LIHTC concentration in  
North St. Louis and  
North St. Louis County  
towns (Ferguson area)





### Legend

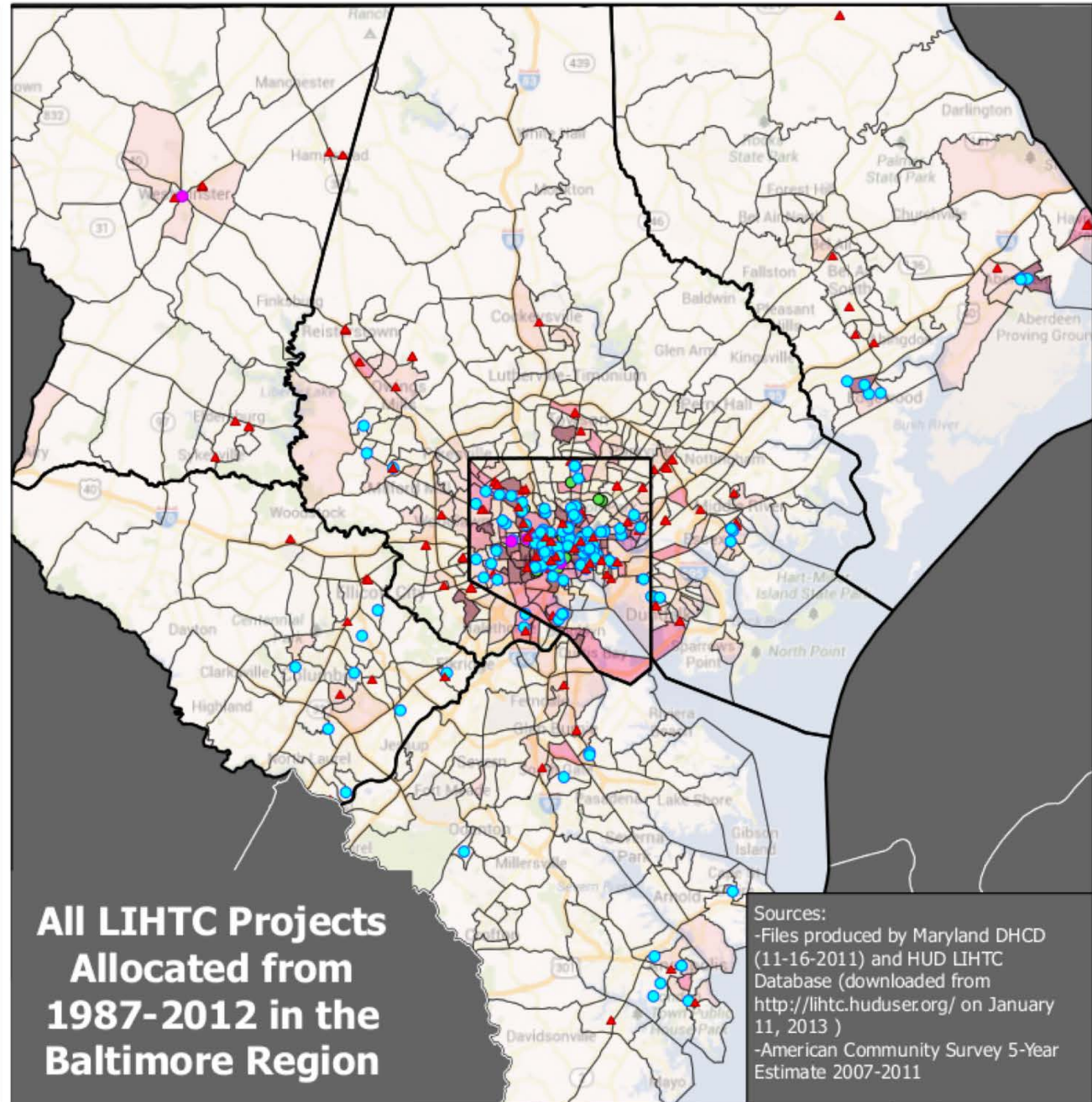
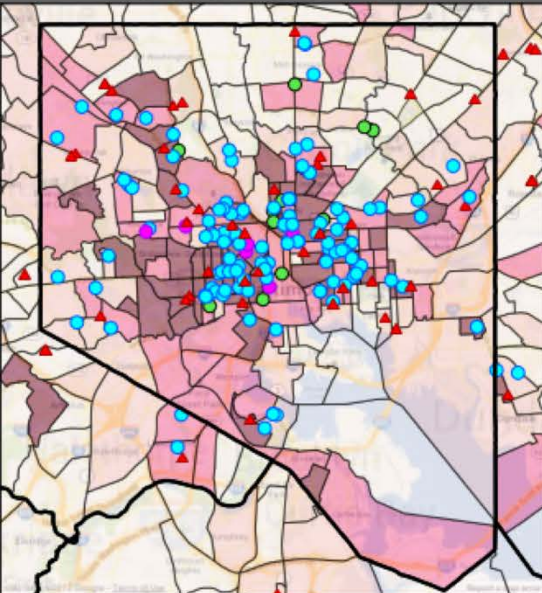
#### 1987-2012 LIHTC Allocations

- ▲ Elderly Project
- Family Project
- Unknown
- Special Needs Project

#### 2010 Census Tracts

- 0-9.9% Below Poverty Level
- 10-19.9% Below Poverty Level
- 20-29.9% Below Poverty Level
- 30% or Greater Below Poverty Level

#### Baltimore City Detail

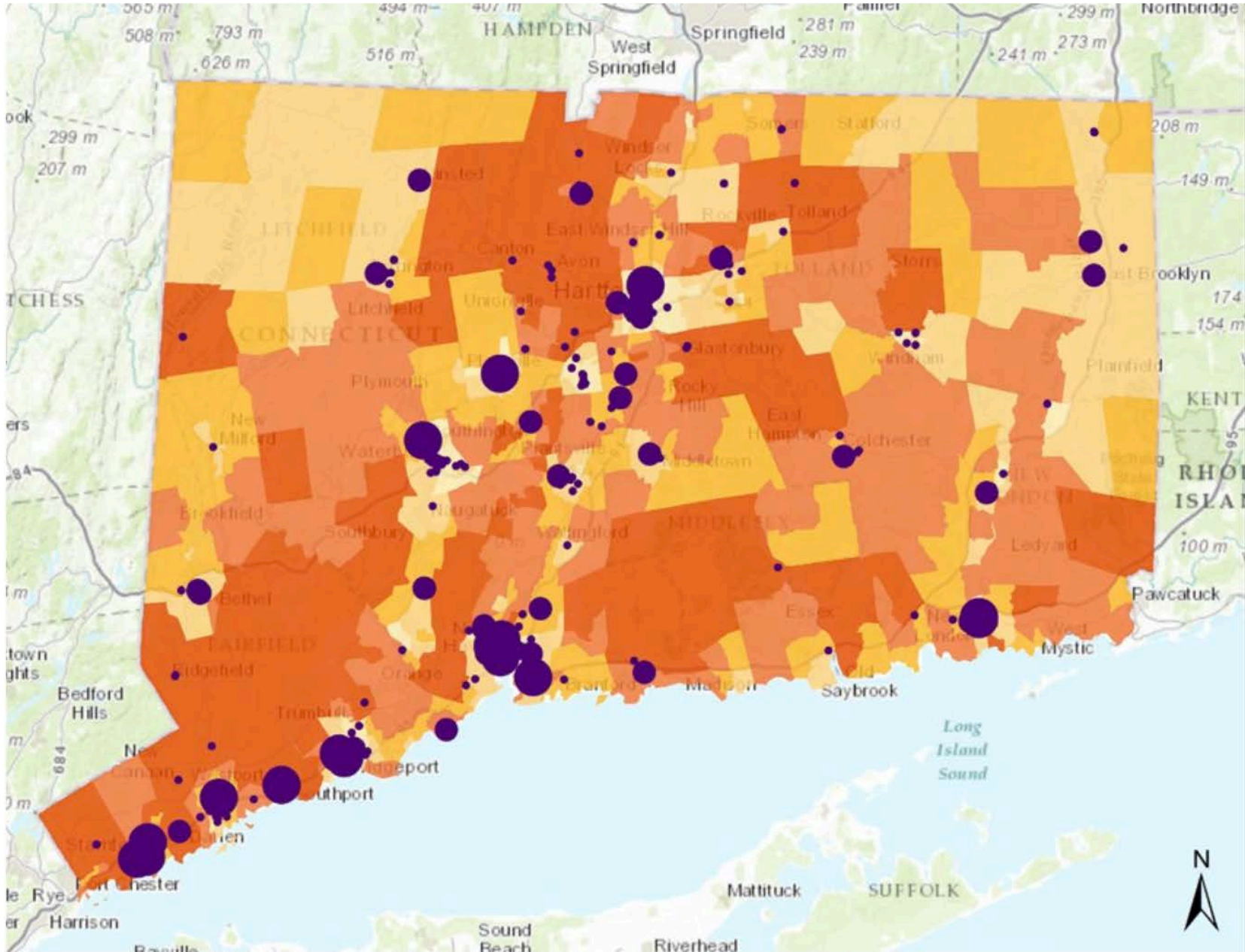


### All LIHTC Projects Allocated from 1987-2012 in the Baltimore Region

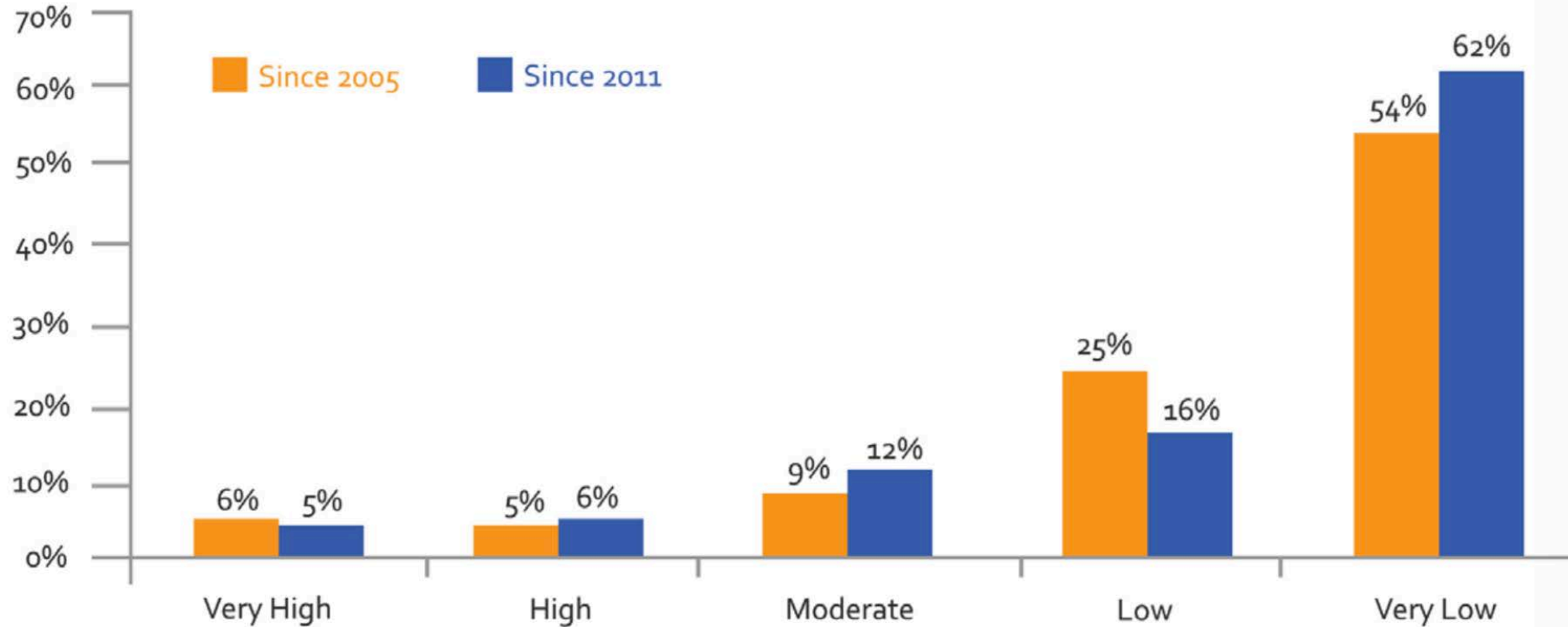
Sources:  
-Files produced by Maryland DHCD  
(11-16-2011) and HUD LIHTC  
Database (downloaded from  
<http://lihtc.huduser.org/> on January  
11, 2013 )  
-American Community Survey 5-Year  
Estimate 2007-2011



# Connecticut LIHTC



## LIHTC Units Since 2005 and 2011



% of LIHTC in Connecticut lower opportunity areas

- > Since 2005: 79%
- > Since 2011: 78%
- > Lifetime of program: 69%

*We know how to do better!*

Suburban set-asides for family units

Targeting family developments  
to high performing schools

Limits on LIHTC investment  
in higher poverty areas:  
“consistent with a CCRP”

Eliminating local approval and  
contribution requirements

Reducing incentives for development  
In high poverty neighborhoods



POVERTY & RACE RESEARCH ACTION COUNCIL  
LAWYERS' COMMITTEE FOR CIVIL RIGHTS UNDER LAW

Prepared by:  
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Jonathan Hooks • Shayla Parker • Philip Tegeler



# Do Qualified Allocation Plans Shape Siting Patterns of LIHTC Developments?

**Ingrid Gould Ellen**  
NYU Furman Center

**Keren Horn**  
University of Massachusetts Boston

Draws on Report prepared for HUD  
June 16<sup>th</sup>, 2015





## METHODOLOGY AND ANALYSIS

### Analyzing QAPs

Increased Siting in Low-Poverty Areas	
High Opportunity Areas	+
Access to Amenities	+
Approval by the Community	—
Investment in Blighted Areas	—
Avoiding Concentrations of Affordable Housing	+

# *Transforming the LIHTC program into a housing opportunity program*

## **Removing barriers & incentivizing opportunity**

- Treasury Department guidance on local approval
- Treasury Department guidance on “concerted community revitalization plans”
- Cantwell-Hatch LIHTC bill
- NCSHA Recommended Practices Guide
- Settlement in *Baltimore Regional Housing Campaign v. Maryland*
- *Inclusive Communities Project v. Department of Treasury and Office of the Comptroller of the Currency....*

## *Treasury Department guidance and regulation (Dec 2016)*

Treasury Department guidance on local approval: Rev. Rule 2016-29

- local notification & comment ≠ local approval
- recommended avoidance of requirements or incentives, citing fair housing concerns (cf June 2016 GAO report)

Treasury Department guidance on “concerted community revitalization plans”: IRS Notice 2016-77

- an actual plan “that contains more components than the development itself”

Treasury Department Title VI rule: 81 Fed. Reg. 89852 (December 13)

- LIHTC not (yet) considered “federal financial assistance”



To amend the Internal Revenue Code of 1986 to reform the low-income housing credit, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

MARCH 7, 2017

Ms. CANTWELL (for herself, Mr. HATCH, Mr. WYDEN, Mr. SCHUMER, Mr. SCHATZ, Mr. LEAHY, Mr. HELLER, Mr. MERKLEY, Mr. BOOKER, Ms. MURKOWSKI, Mr. YOUNG, Ms. COLLINS, and Mr. BENNET) introduced the following bill; which was read twice and referred to the Committee on Finance

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**A BILL**

To amend the Internal Revenue Code of 1986 to reform the low-income housing credit, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Affordable Housing Credit Improvement Act of 2017”.

6 (b) TABLE OF CONTENTS.—The table of contents for  
7 this Act is as follows:

Sec. 1. Short title; table of contents.

**Increases tax credit funding 50%**

**Raises DDA population cap**

**Threshold criteria for CCRP**

**Prohibits local  
Approval/ contribution**

**PRRAC**

*Poverty & Race  
Research Action Council*

## *NCSHA Recommended Practices Guide for state QAPs (July 2017 draft)*

Elimination of local approval and contribution requirements and incentives

- citing Treasury Guidance

Incentives for development in low poverty, high opportunity areas

- citing NYU study of QAPs and Raj Chetty research

Meaningful criteria for statutory preference for “developments in a Qualified Census Tract that contribute to a Concerted Community Revitalization Plan”

- actual plan, including public and private non-housing investment

# Baltimore Regional Housing Campaign

## NEW CHOICES

*for all*  
families & children

Opportunity incentives and map

Elimination of local approval  
and contribution (2014)

Equal points for opportunity vs QCTs

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1500 net new units Baltimore area

CCRP requirements

Equalizing transit incentives

Affirmative marketing

## VOLUNTARY COMPLIANCE AGREEMENT

AND

## CONCILIATION AGREEMENT

Between

The United States Department of Housing and Urban Development  
Office of Fair Housing and Equal Opportunity

Baltimore Regional Housing Campaign

And

The State of Maryland

The Department of Housing and Community Development  
For the State of Maryland

FHEO CASE NUMBERS: 03-12-0016-8, 03-11-0014-6, 03-11-0014-9



[www.prrac.org/projects/LIHTC.php](http://www.prrac.org/projects/LIHTC.php)

ptegeler@prrac.org

**PRRAC**

*Poverty & Race  
Research Action Council*