NYU Furman Center Releases Policy Brief on LIHTC Program Tenants

Posted under Resources on October 25, 2012

From the Furman Center

An analysis by NYU’s Furman Center for Real Estate and Urban Policy and its Moelis Institute for Affordable Housing Policy finds that the Low Income Housing Tax Credit (LIHTC) program serves a substantial number of households with incomes far lower than the program requires. Forty percent of LIHTC units house extremely low-income (ELI) households with incomes below 30 percent of the area median income, even though program rules allow the developments to serve households with incomes up to 60 percent of the area median income.

“What Can We Learn about the Low Income Housing Tax Credit Program by Looking at the Tenants?” finds that tenants experience a lower rent burden—pay less of their income for rent—than renters with similar incomes living in private housing. At the same time though, LIHTC tenants experience higher rent burdens than households with similar incomes living in HUD-subsidized units. Overall, the report finds that ELI households living in LIHTC properties without receiving additional subsidies tend to have significant rent burdens. Among the 30 percent of ELI households who do not have rental assistance, more than half pay over 50 percent of their income as rent, which is defined as “severe rent burden.”

Click here to read the full report