

# LIHTC Database Update and Upcoming Tenant Data Collection

Quarterly Housing Market and  
Research Update

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**Michael Hollar, Economist**

Office of Policy Development and Research  
Economic Development and Public Finance Division



**PD&R**

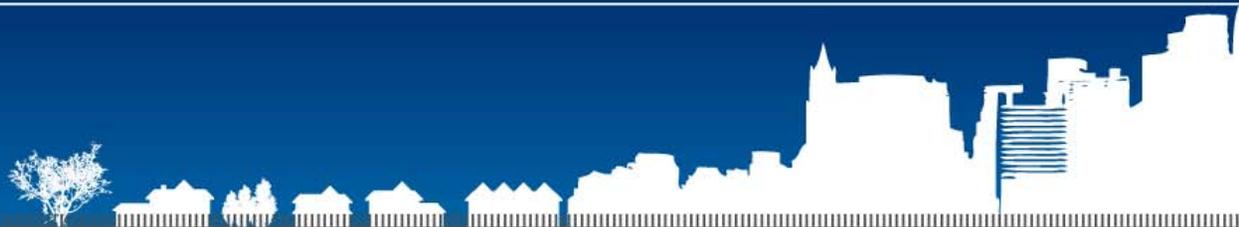


# LIHTC Data Collection

- Overview of the LIHTC Program
- New LIHTC Property Data
- Upcoming LIHTC Tenant Data Collection



PD&R



# Overview of the LIHTC Program

- Created in 1986 to encourage private development of low-income rental housing.
- State HFAs allocate federal tax credits to developers who maintain rent-/income-restrictions.
- HUD's authority is limited to the designation of DDAs and QCTs, which are geographically targeted areas for development.



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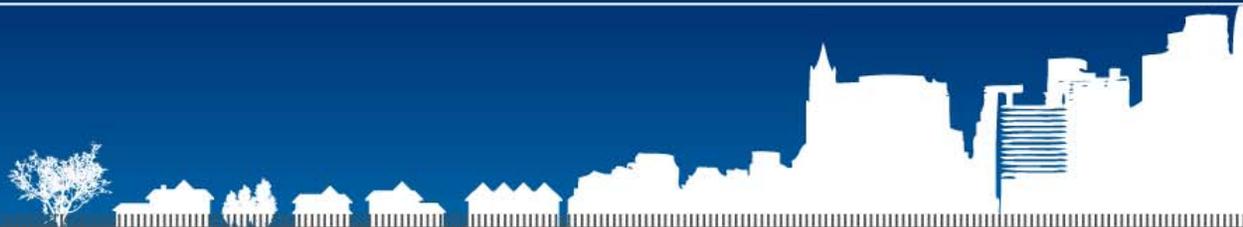


# Collection of LIHTC Data:

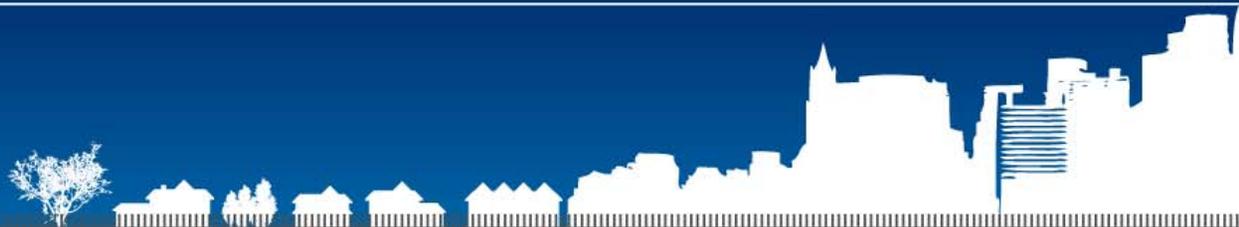
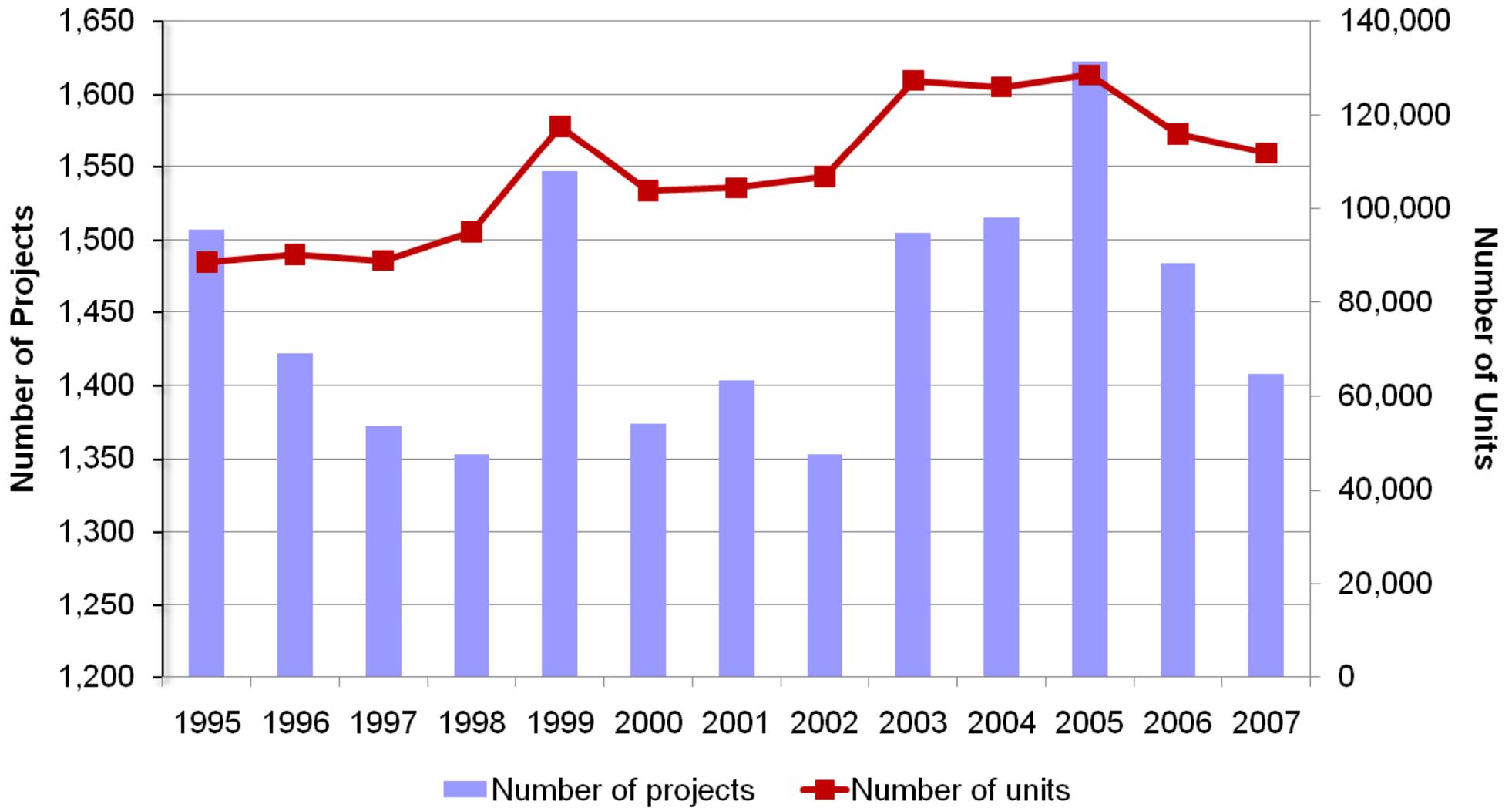
- In mid-1990's PD&R began collecting data from state HFAs on property characteristics.
- The latest update includes properties placed in service through 2007.
- Data can be accessed at:
  - <http://lihtc.huduser.org/>



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# LIHTC Production Peaked in 2005



# Geographical Differences

	Northeast	Midwest	South	West	All Regions
Average Project Size (Units)	55.4	63.0	89.6	83.3	74.7
Average Qualifying Ratio	91.0%	94.8%	97.1%	95.8%	95.1%
Average Number of Bedrooms	1.7	2.0	2.0	1.9	1.9
Distribution of Units by Size					
0 Bedrooms	7.7%	3.1%	1.2%	7.6%	4.2%
1 Bedroom	44.6%	31.7%	25.8%	32.4%	31.5%
2 Bedrooms	32.2%	42.8%	47.3%	37.2%	41.6%
3 Bedrooms	13.2%	19.2%	23.0%	19.6%	19.9%
4+ Bedrooms	2.2%	3.2%	2.7%	3.3%	2.9%
Construction Type					
New Construction	40.4%	64.0%	71.3%	69.6%	63.0%
Rehab	57.2%	33.9%	27.4%	29.8%	35.4%
Both	2.4%	2.1%	1.2%	0.6%	1.6%



# Geographical Differences

	Northeast	Midwest	South	West	All Regions
<b>Average Project Size (Units)</b>	<b>55.4</b>	<b>63.0</b>	<b>89.6</b>	<b>83.3</b>	<b>74.7</b>
Average Qualifying Ratio	91.0%	94.8%	97.1%	95.8%	95.1%
Average Number of Bedrooms					
Distribution of Units by Size					
0 Bedrooms					
1 Bedroom					
2 Bedrooms					
3 Bedrooms	15.2%	15.2%	23.0%	15.0%	15.5%
4+ Bedrooms	2.2%	3.2%	2.7%	3.3%	2.9%
Construction Type					
New Construction	40.4%	64.0%	71.3%	69.6%	63.0%
Rehab	57.2%	33.9%	27.4%	29.8%	35.4%
Both	2.4%	2.1%	1.2%	0.6%	1.6%

**LIHTC Projects Larger in South and West**



# Geographical Differences

	Northeast	Midwest	South	West	All Regions
Average Project Size (Units)	55.4	63.0	89.6	83.3	74.7
<b>Average Qualifying Ratio</b>	<b>91.0%</b>	<b>94.8%</b>	<b>97.1%</b>	<b>95.8%</b>	<b>95.1%</b>
Average Number of Bedrooms	1.7	2.0	2.0	1.9	1.9
Distribution of Units by Size					
0 Bedrooms					
1 Bedroom					
2 Bedrooms					
3 Bedrooms					
4+ Bedrooms					
Construction Type					
New Construction					
Rehab					
Both	2.4%	2.1%	1.2%	0.6%	1.6%

**LIHTC Projects Contain More Market Rate Units in Northeast and Less in South**



# Geographical Differences

	Northeast	Midwest	South	West	All Regions
Average Project Size (Units)	55.4	63.0	89.6	83.3	74.7
Average Qualifying Ratio	91.0%	94.8%	97.1%	95.8%	95.1%
<b>Average Number of Bedrooms</b>	<b>1.7</b>	<b>2.0</b>	<b>2.0</b>	<b>1.9</b>	<b>1.9</b>
<b>Distribution of Units by Size</b>					
0 Bedrooms	7.7%	3.1%	1.2%	7.6%	4.2%
1 Bedroom	44.6%	31.7%	25.8%	32.4%	31.5%
2 Bedrooms	32.2%	42.8%	47.3%	37.2%	41.6%
3 Bedrooms	13.2%	19.2%	23.0%	19.6%	19.9%
4+ Bedrooms	2.2%	3.2%	2.7%	3.3%	2.9%

Construction Type  
 New Construction  
 Rehab  
 Both

**LIHTC Units are Smaller in Northeast**



# Geographical Differences

	Northeast	Midwest	South	West	All Regions
Average Project Size (Units)	55.4	63.0	89.6	83.3	74.7
Average Qualifying Ratio	91.0%	94.8%	97.1%	95.8%	95.1%
<b>Average Number of Bedrooms</b>	<b>1.7</b>	<b>2.0</b>	<b>2.0</b>	<b>1.9</b>	<b>1.9</b>
<b>Distribution of Units by Size</b>					
0 Bedrooms	7.7%	3.1%	1.2%	7.6%	4.2%
1 Bedroom	44.6%	31.7%	25.8%	32.4%	31.5%
2 Bedrooms	32.2%	42.8%	47.3%	37.2%	41.6%
3 Bedrooms	13.2%	19.2%	23.0%	19.6%	19.9%
4+ Bedrooms	2.2%	3.2%	2.7%	3.3%	2.9%

Construction Type  
 New Construction  
 Rehab  
 Both

**LIHTC Units are Smaller in Northeast**



# Geographical Differences

	Northeast	Midwest	South	West	All Regions
Average Project Size (Units)	55.4	63.0	89.6	83.3	74.7
Average Qualifying Ratio	91.0%	94.8%	97.1%	95.8%	95.1%
Average Number of Bedrooms	1.7	2.0	2.0	1.9	1.9
Distribution of Units by Size					
0 Bedrooms	2.2%	3.2%	2.1%	3.3%	2.9%
1 Bedroom					
2 Bedrooms					
3 Bedrooms					
4+ Bedrooms					
<b>Construction Type</b>					
<b>New Construction</b>	40.4%	64.0%	71.3%	69.6%	63.0%
<b>Rehab</b>	57.2%	33.9%	27.4%	29.8%	35.4%
<b>Both</b>	2.4%	2.1%	1.2%	0.6%	1.6%

**Higher Percentage of Rehab Units in Northeast**

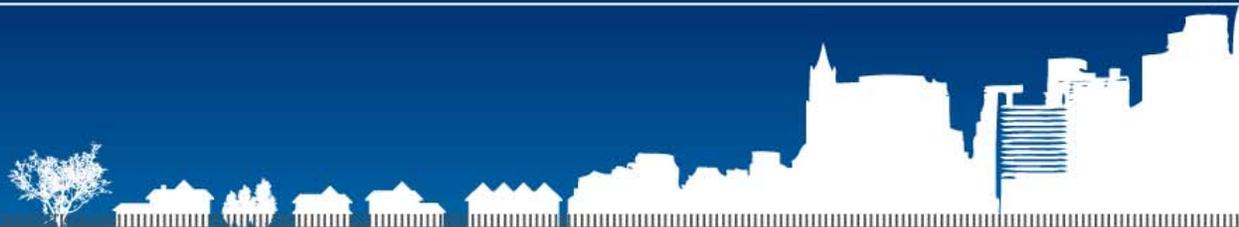


# Geographically-Targeted Areas

	In DDA	In QCT	Not in DDA or QCT	Total
Average Project Size (Units)	70.9	75.1	76.7	76.2
Rehab	45.4%	47.3%	29.8%	36.3%
Both	1.5%	2.7%	0.8%	1.5%

**DDAs** are areas with high development costs.

**QCTs** are census tracts with high poverty rates or high percentage of low-income households.



# Geographically-Targeted Areas

	In DDA	In QCT	Not in DDA or QCT	Total
<b>Average Project Size (Units)</b>	<b>70.9</b>	<b>75.1</b>	<b>76.7</b>	<b>76.2</b>
Average Qualifying Ratio	91.7%	94.0%	95.8%	94.0%
Average Number of Bedrooms	1.9	2.0	2.1	2.0
Distribution of Units by Size				
0 Bedrooms	1.0%	1.0%	1.0%	1.0%
1 Bedroom	38.2%	38.8%	43.4%	41.7%
2 Bedrooms	19.1%	19.9%	19.6%	19.6%
3 Bedrooms	2.9%	4.3%	2.0%	2.7%
4+ Bedrooms				
Construction Type				
New Construction	53.2%	50.0%	69.4%	62.2%
Rehab	45.4%	47.3%	29.8%	36.3%
Both	1.5%	2.7%	0.8%	1.5%

**LIHTC Properties in DDAs are Smaller**



# Geographically-Targeted Areas

	In DDA	In QCT	Not in DDA or QCT	Total
Average Project Size (Units)	70.9	75.1	76.7	76.2
<b>Average Qualifying Ratio</b>	<b>91.7%</b>	<b>94.0%</b>	<b>95.8%</b>	<b>94.9%</b>
Average Number of Bedrooms	1.8	1.9	1.9	1.9
Distribution of Units by Size				
0 Bedrooms	2.9%	4.5%	2.0%	2.1%
1 Bedroom				
2 Bedrooms				
3 Bedrooms				
4+ Bedrooms				
Construction Type				
New Construction	53.2%	50.0%	69.4%	62.2%
Rehab	45.4%	47.3%	29.8%	36.3%
Both	1.5%	2.7%	0.8%	1.5%

**Properties in DDAs have Fewer Restricted Units**



# Geographically-Targeted Areas

	In DDA	In QCT	Not in DDA or QCT	Total
Average Project Size (Units)	70.9	75.1	76.7	76.2
Average Qualifying Ratio	91.7%	94.0%	95.8%	94.9%
<b>Average Number of Bedrooms</b>	<b>1.8</b>	<b>1.9</b>	<b>1.9</b>	<b>1.9</b>
<b>Distribution of Units by Size</b>				
<b>0 Bedrooms</b>	<b>8.0%</b>	<b>7.6%</b>	<b>2.1%</b>	<b>4.2%</b>
<b>1 Bedroom</b>	<b>33.7%</b>	<b>31.5%</b>	<b>30.9%</b>	<b>31.7%</b>
<b>2 Bedrooms</b>	<b>36.2%</b>	<b>36.6%</b>	<b>45.4%</b>	<b>41.7%</b>
<b>3 Bedrooms</b>	<b>19.1%</b>	<b>19.9%</b>	<b>19.6%</b>	<b>19.6%</b>
<b>4+ Bedrooms</b>	<b>2.9%</b>	<b>4.3%</b>	<b>2.0%</b>	<b>2.7%</b>
Construction Type				
New Construction				
Rehab				
Both				

**Similar Unit Size Across Areas...**



# Geographically-Targeted Areas

	In DDA	In QCT	Not in DDA or QCT	Total
Average Project Size (Units)	70.9	75.1	76.7	76.2
Average Qualifying Ratio	91.7%	94.0%	95.8%	94.9%
<b>Average Number of Bedrooms</b>	<b>1.8</b>	<b>1.9</b>	<b>1.9</b>	<b>1.9</b>
<b>Distribution of Units by Size</b>				
0 Bedrooms	8.0%	7.6%	2.1%	4.2%
1 Bedroom	33.7%	31.5%	30.9%	31.7%
2 Bedrooms	36.2%	36.6%	45.4%	41.7%
3 Bedrooms	19.1%	19.9%	19.6%	19.6%
4+ Bedrooms	2.9%	4.3%	2.0%	2.7%

...but Differences in Distribution of Unit Size



# Geographically-Targeted Areas

	In DDA	In QCT	Not in DDA or QCT	Total
Average Project Size (Units)	70.9	75.1	76.7	76.2
Average Qualifying Ratio	91.7%	94.0%	95.8%	94.9%
Average Number of Bedrooms	1.8	1.9	1.9	1.9
Distribution of Units by Size				
0 Bedrooms	2.9%	4.3%	2.0%	2.1%
1 Bedroom				
2 Bedrooms				
3 Bedrooms				
4+ Bedrooms				
<b>Construction Type</b>				
<b>New Construction</b>	<b>53.2%</b>	<b>50.0%</b>	<b>69.4%</b>	<b>62.2%</b>
<b>Rehab</b>	<b>45.4%</b>	<b>47.3%</b>	<b>29.8%</b>	<b>36.3%</b>
<b>Both</b>	<b>1.5%</b>	<b>2.7%</b>	<b>0.8%</b>	<b>1.5%</b>

**More Rehab in Designated Areas**



# LIHTC Compared to Rental Market

Development Cost Category Based on Renter Units	All U.S. Rental Units	Multifamily Building Permit Units (1994-2006)	LIHTC Projects	LIHTC Units
Low	23.4%	30.1%	31.8%	25.2%
Moderate	23.5%	25.4%	25.5%	25.7%
High (non-DDA)	23.3%	25.6%	19.8%	27.8%
In DDAs	29.8%	18.9%	22.9%	21.4%
Total	100.0%	100.0%	100.0%	100.0%



# LIHTC Compared to Rental Market

Development Cost Category Based on Renter Units	All U.S. Rental Units	Multifamily Building Permit Units (1994-2006)	LIHTC Projects	LIHTC Units
Low	23.4%	30.1%	31.8%	25.2%
Moderate	23.5%	25.4%	25.5%	25.7%
High (non-DDA)	23.3%	25.6%	19.8%	27.8%
In DDAs	29.8%	18.9%	22.9%	21.4%
Total	<div style="background-color: #4a86e8; color: white; padding: 10px; text-align: center;"> <h2>LIHTC Units Skewed to Lower Cost Areas</h2> </div>			



# LIHTC Compared to Rental Market

Development Cost Category Based on Renter Units	All U.S. Rental Units	Multifamily Building Permit Units (1994-2006)	LIHTC Projects	LIHTC Units
Low	23.4%	<b>30.1%</b>	31.8%	<b>25.2%</b>
Moderate	23.5%	<b>25.4%</b>	25.5%	<b>25.7%</b>
High (non-DDA)	23.3%	<b>25.6%</b>	19.8%	<b>27.8%</b>
In DDAs	29.8%	<b>18.9%</b>	22.9%	<b>21.4%</b>
Total	<b>LIHTC Units Locating in Higher Cost Areas</b>			



# LIHTC Tenant Data Collection:

Housing and Economic Recovery Act (HERA) requires:

1) State HFAs must provide to HUD:

- Race;
- Ethnicity;
- Family Composition;
- Age;
- Income;
- Use of Rental Assistance;
- Disability Status;
- Monthly Rental Payments

2) HUD's Responsibility:

- Establish standards and definitions for the data collection.

3) Data must be collected at least annually and made publically available.



# Initial Submission of New Data

- First data collection will include:
  1. All properties placed into service in 2008 & 2009.
  2. All tenants in LIHTC units as of Dec. 31, 2009.
- HUD is requesting data by September 30.

