



Photo: Patrick Bennett

30 Years

of The Housing Credit
in Washington State

1986-2016

WASHINGTON STATE
HOUSING FINANCE
COMMISSION

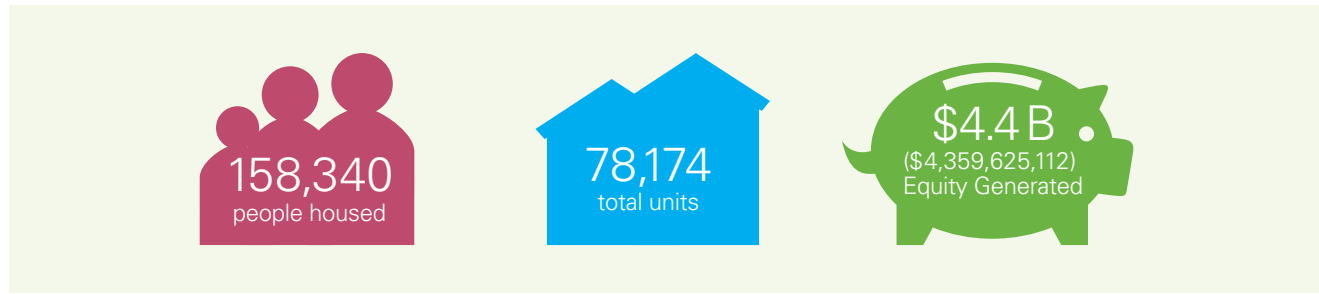


Three Decades—A Thousand Communities

For 30 years, the Low-Income Housing Tax Credit has helped make Washington state a better place. When housing is affordable and high in quality, people have more money for other expenses. Workers can live closer to their jobs and spend less time away from their families. Children are healthier and do better in school. Seniors and the disabled have stable, secure homes. People who were homeless can build a new life. **And communities are stronger.** The housing credit is our state's—and our nation's—most effective source of financing for affordable housing.

30 Years of The Housing Credit in Washington State

Housing People Supporting Families Enhancing Communities



Port Townsend: Renovated apartments for seniors/people with disabilities



1,005 Properties Statewide

Spokane: Homeless housing rises

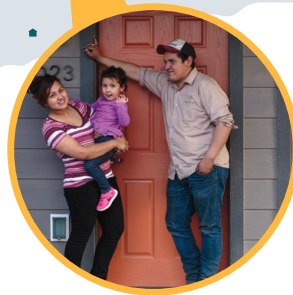


Seatac: Health fair at family apartment building

Walla Walla: Historic buildings renovated for homeless veterans



Granger: New apartments for farmworker families



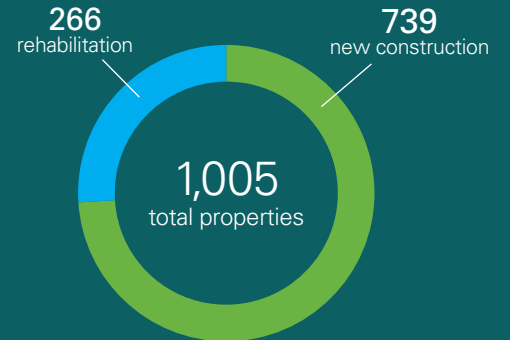
Photos: Patrick Bennett, Tom Turley, Jack Stormis

What is the Housing Credit?

The Low-Income Housing Tax Credit (LIHTC) is a federal income-tax incentive that encourages private investment in affordable housing. Since it was created in 1986, it has become the nation's most effective tool for creating and preserving affordable housing.

What does it do?

The housing credit allows developers to build and renovate affordable apartments, which must remain safe, decent, and affordable for at least 40 years.



Where does it work?

Everywhere. The credit is flexible enough to create and renovate housing in small towns, dense cities, suburban neighborhoods, and tribal lands.

Who Lives in this Housing?

Apartments built with the credit are reserved for people earning no more than a certain percentage of the **area median income (AMI)**—no more than 60% of AMI.

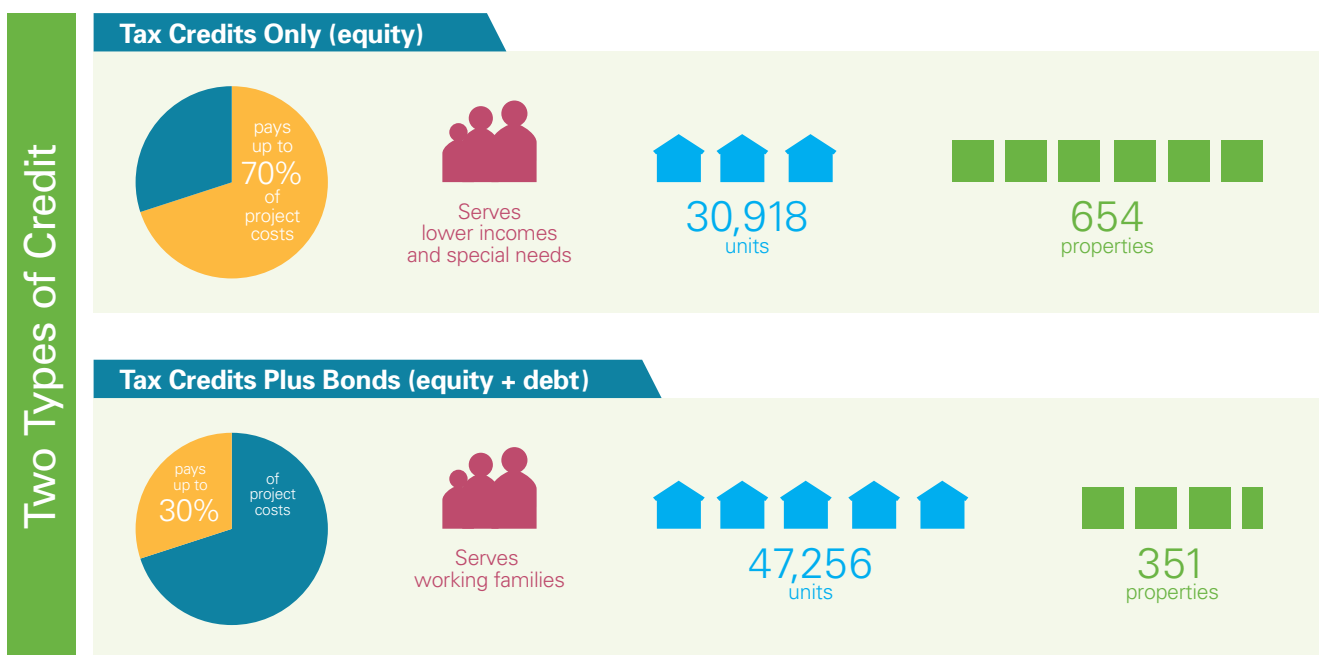
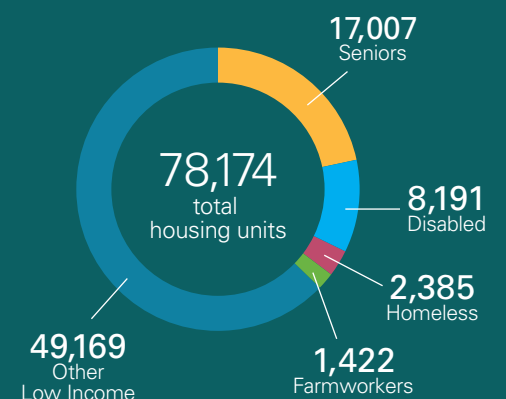
That means everyone from seniors on a fixed income and people leaving homelessness to teachers, retail workers, firefighters, and farmworkers.

Income Restrictions

- Up to 30% AMI:** 7,385 units
- 30 to 45% AMI:** 7,480 units
- Up to 50% AMI:** 14,775 units
- Up to 60% AMI:** 48,504 units
- Up to 80% AMI:** 30 units

People Served

About 37% of current units are set aside for a specific population.



What You Can Do



FOLLOW
Follow tax-reform efforts and other housing bills in Congress.



ADVOCATE
Help your elected representatives and neighbors understand the positive impacts of tax-credit investments in your community.



SUPPORT
Support affordable housing with your time, vote and money. Your community needs local funding to leverage tax-credit dollars.

What makes the housing credit unique?

The LIHTC program was created by Congress as part of the Tax Reform Act of 1986. A major target of the Act was ending real-estate tax shelters, which invested in affordable housing as a tax write-off.

The LIHTC replaced tax losses with tax credits tied to strict accountability: It awards ongoing tax credits to investors only if the units are built, rented, and maintained according to the program's high standards. This private investment reduces costs—and the savings result in lower rents.

Who are the housing developers?

Developers who use the housing credit include nonprofit and for-profit organizations, housing authorities, and tribes.

Who oversees the housing credit?

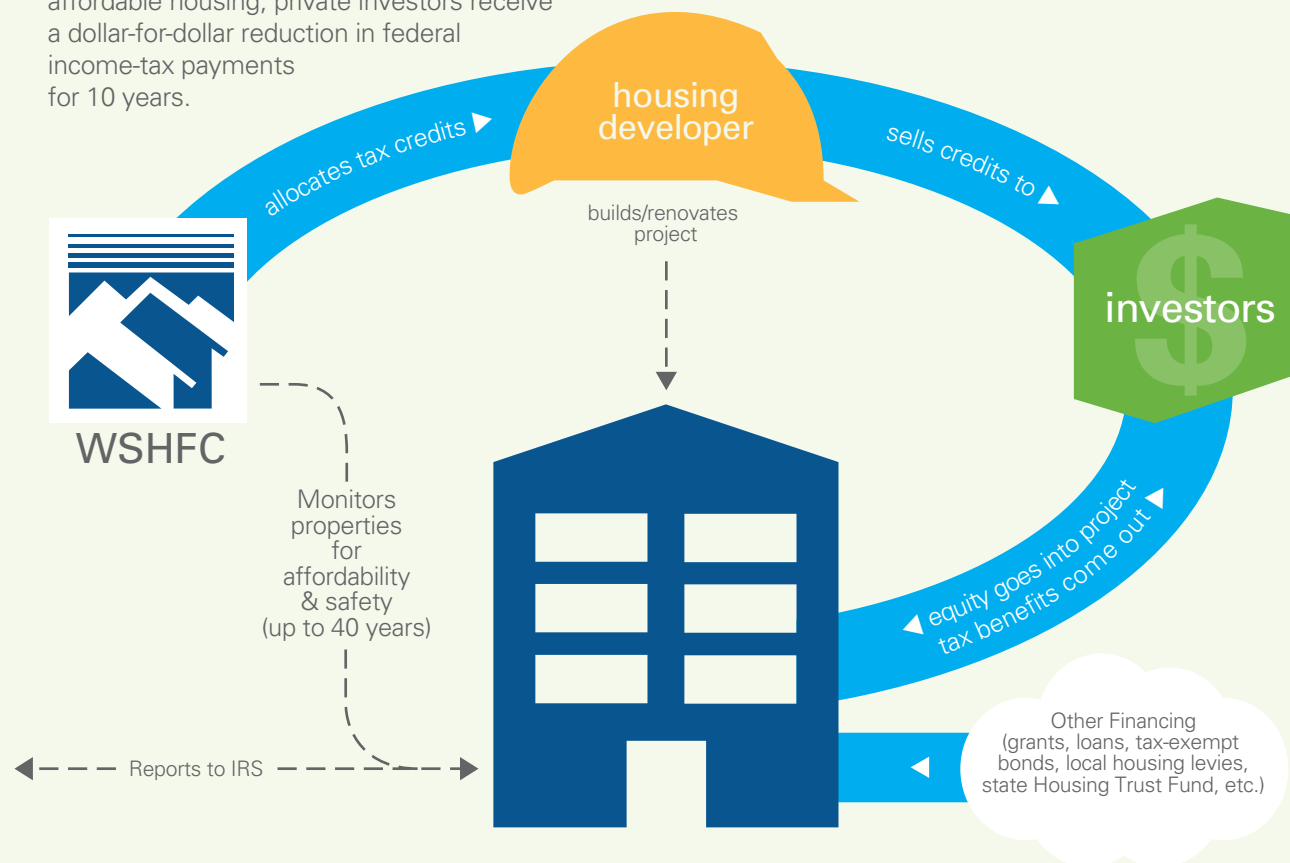
The housing credit is allocated by the Washington State Housing Finance Commission, a self-supporting state agency led by a board appointed by the governor and dedicated to financing affordable housing and other community needs.

The Commission is responsible for creating a plan and policies for the fair allocation of the credit to housing projects.

The Commission also monitors all tax-credit properties for compliance with the law. Serious violations are reported to the IRS, which may require investors to repay their tax credits if the problems aren't addressed.

How does the housing credit work?

In return for investing in new or rehabilitated affordable housing, private investors receive a dollar-for-dollar reduction in federal income-tax payments for 10 years.



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