 Partnership for Housing Affordability

 Richmond Regional Housing Framework

 Issue Brief

**Low Income Housing Tax Credit Properties[[1]](#footnote-1): City of Richmond**

 **Overview/Issue[[2]](#footnote-2) –**

*Economic IMpact*

New Manchester Flats V– **32 Units**

Estimated Job Creation: **63.31**

Estimated Gross Fiscal Revenues (Short Term): **$194,776.98**

Estimated Local Economic Growth: **$4,067,191.48**

Estimated Gross Fiscal Revenues (Long Term): **$71,160.74**

*Preservation*

**15 LIHTC properties**—**1,942 units**—will reach year 15 of their affordability period **in the next 5 years.**

**12 LIHTC properties**—**1,280 units**—will reach year 30 of their affordability period **in the next 10 years.**

* Since the 1980s, nearly all new dedicated affordable apartments are created using the Low-Income Housing Tax Credit (LIHTC) program.[[3]](#footnote-3)
* LIHTC primarily serves persons earning 40% to 80% AMI ($31,120 - $62,200 for a family of 3).
* Each LIHTC property has an expiration date for its affordability of either 15 or 30 years.

**Key Facts[[4]](#footnote-4) –**

* Richmond has 7,677 LIHTC units (out of 42,410 total multi-family units).
* The average LIHTC property is 109 units.
* Senior-restricted units account for roughly 22% of Richmond’s LIHTC stock.

**Policy Recommendations –**

1. Create a system to monitor expiring affordable properties.
2. Community development organizations explore acquisition of expiring affordable housing.
3. Partner with owners to incentivize and ensure that properties do not convert to market-rate.

**Implications –**

* Housing instability places a strain on public resources, requiring social services, courts, and providers to intervene.
* Demand for affordable units far exceeds the amount of LIHTC units produced annually.
* Without preservation, the loss of LIHTC units will result in displacement.
1. The LIHTC properties list was compiled using the Virginia Housing Development Authority and the National Housing Preservation Database [↑](#footnote-ref-1)
2. The Economic Impact Data is provided by Housing Virginia’s SOURCEBOOK Tool [↑](#footnote-ref-2)
3. Urban Institute. 2019. *The Low Income Housing Tax Credit: Past Achievements, Future Challenges* [↑](#footnote-ref-3)
4. Costar Property Search [↑](#footnote-ref-4)