Low Income Housing Tax Credit Program
A brief description of Low Income Housing Tax Credit (HTC) units in Texas.

WHERE ARE HTC PROPERTIES?
The HTC program is the single largest producer of income-restricted housing in Texas. Most HTC units are located in large urban areas. 46.2% of Texas HTC units are in Harris, Dallas, Travis, and Bexar counties.

The laws and rules that shape the Texas HTC program are meant to avoid reinforcing racially concentrated poverty by incentivizing the development of properties in high-opportunity areas to promote neighborhood choice for low-income tenants.

While recent changes to Texas’ rules have resulted in new awards in higher opportunity areas, the majority of HTC properties are still located in high poverty, majority nonwhite areas. 50.5% of Texas HTC units are in tracts with over 20% poverty and 80.1% are in majority nonwhite tracts.¹

HTC UNITS AREN’T NECESSARILY AFFORDABLE TO LOW-INCOME TENANTS

HTC rents and income limits are tied to Area Median Income (AMI). HTC units provide affordability for some, but they serve populations facing high rates of housing cost burden. Even if a low-income household secures an HTC unit, AMI changes can cause large rent increases. Rent increases based on AMI can occur midway through lease periods for tenants with certain forms of federal rental assistance such as Housing Choice Vouchers.

HOW MUCH DOES IT COST TO LIVE IN A 50% AMI HTC UNIT?

<table>
<thead>
<tr>
<th></th>
<th>Rent Limit 1 Bedroom 50% AMI</th>
<th>Income Limit 2 People 50% AMI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Houston</td>
<td>$831</td>
<td>$35,450</td>
</tr>
<tr>
<td>Dallas</td>
<td>$913</td>
<td>$39,000</td>
</tr>
<tr>
<td>San Antonio</td>
<td>$778</td>
<td>$33,200</td>
</tr>
<tr>
<td>Austin</td>
<td>$1,035</td>
<td>$44,150</td>
</tr>
</tbody>
</table>

Source: TDHCA Project Income and Rent Tool (2022).

DEBUNKING COMMON HTC MYTHS

MYTH: HTC properties bring down neighborhood property values.

HTC properties create significant external benefits.² They do not decrease property values in high-income neighborhoods and can increase property values in low-income neighborhoods.³

MYTH: HTC properties increase neighborhood crime rates.

HTC properties decrease crime rates in distressed, low-income neighborhoods and have no impact on crime in higher opportunity neighborhoods.⁴,⁵

MYTH: HTC properties put a burden on public infrastructure and services.

Well-planned HTC properties near jobs and amenities are cheaper to provide infrastructure than low-density single family homes.⁶ HTC residents create less traffic and have fewer school-aged children than higher-income neighbors in single-family neighborhoods.⁷ New HTC properties do not negatively impact local school performance.⁸

¹2015-2019 ACS 5-yr estimates
⁴Ibid.

For further information, please reach out to Ben Martin, research director, ben@texashousing.org
Low Income Housing Tax Credit Program
HARRIS COUNTY

MOST HTC UNITS ARE IN HIGH POVERTY, MAJORITY NONWHITE CENSUS TRACTS

61.2% of HTC units (33,540 units) are in high poverty (>20% poverty) tracts and 94.3% (51,689 units) are in majority nonwhite tracts. In Texas, this pattern is reinforced by the need for an HTC application to receive local government and representative approval in order to be competitive and viable. Such policies are effectively a local veto, and have been shown to potentially result in a discriminatory effect based on race. The IRS explicitly advises against such policies.

LOW-INCOME RENTERS RELY ON ADDITIONAL ASSISTANCE TO ACCESS TAX-CREDIT HOUSING

33.0% of Harris County HTC households receive additional rental assistance in order to afford their homes. Because of this assistance, household income is not an accurate indicator of the income set-asides in new HTC property contracts. Just 10.7% of units funded by 2022 competitive HTC awards in Harris County (79 units) were set aside for 30% AMI households.

Sources: 2015-2019 ACS 5-yr estimates, TDHCA Property Inventory (2022)

3. TDHCA Housing Sponsor Report (2022). The Housing Sponsor Report does not include all properties in the Property Inventory.
4. TDHCA 2022 9% HTC Applications.
5. For further information, please reach out to Ben Martin, research director, ben@texashousing.org
### Low Income Housing Tax Credit Program

**DALLAS COUNTY**

---

#### MOST HTC UNITS ARE IN HIGH POVERTY, MAJORITY NONWHITE CENSUS TRACTS

![Map of Dallas County showing high poverty, majority nonwhite census tracts](image)

**Sources:** 2015-2019 ACS 5-yr estimates, TDHCA Property Inventory (2022)

---

#### 63.1% of HTC units (19,784 units) are in high poverty (>20% poverty) tracts and 95.8% (30,034 units) are in majority nonwhite tracts.\(^1\) In Texas, this pattern is reinforced by the need for an HTC application to receive local government and representative approval in order to be competitive and viable. Such policies are effectively a local veto, and have been shown to potentially result in a discriminatory effect based on race.\(^2\) The IRS explicitly advises against such policies.\(^3\)

---

#### LOW-INCOME RENTERS RELY ON ADDITIONAL ASSISTANCE TO ACCESS TAX-CREDIT HOUSING

39.1% of Dallas County HTC households receive additional rental assistance in order to afford their homes.\(^4\)

Because of this assistance, household income is not an accurate indicator of the income set-asides in new HTC property contracts. 28.9% of units funded by competitive 2022 HTC awards in Dallas County (54 units) were set aside for 30% AMI households.\(^5\)

---

1. 2015-2019 ACS 5-yr estimates
4. TDHCA Housing Sponsor Report (2022). The Housing Sponsor Report does not include all properties in the Property Inventory.
5. TDHCA 2022 9% HTC Applications.

For further information, please reach out to Ben Martin, research director, ben@texashousing.org
### Low Income Housing Tax Credit Program

**BEXAR COUNTY**

#### MOST HTC UNITS ARE IN HIGH POVERTY, MAJORITY NONWHITE CENSUS TRACTS

<table>
<thead>
<tr>
<th>AMI Level</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>50% AMI</td>
<td>7,103</td>
</tr>
<tr>
<td>30% AMI</td>
<td>7,072</td>
</tr>
<tr>
<td>60% AMI</td>
<td>3,141</td>
</tr>
<tr>
<td>80% AMI</td>
<td>516</td>
</tr>
<tr>
<td>80% AMI+</td>
<td>222</td>
</tr>
</tbody>
</table>

#### Sources:
- 2015-2019 ACS 5-yr estimates, TDHCA Property Inventory (2022)
- TDHCA Housing Sponsor Report (2022)
- TDHCA 2022 9% HTC Applications.

#### Low-Income Renters Rely on Additional Assistance to Access Tax-Credit Housing

- **41.4%** of Bexar County HTC households receive additional rental assistance in order to afford their homes.  

Because of this assistance, household income is not an accurate indicator of the income set-asides in new HTC property contracts. Just **14.2%** of units funded by competitive 2022 HTC awards in Bexar County (31 units) were set aside for 30% AMI households.  

---

1. 2015-2019 ACS 5-yr estimates
4. TDHCA Housing Sponsor Report (2022). The Housing Sponsor Report does not include all properties in the Property Inventory.
5. TDHCA 2022 9% HTC Applications.

For further information, please reach out to Ben Martin, research director, ben@texashousing.org
Most HTC units are in high poverty, majority nonwhite census tracts.

34.0% of HTC units (9,286 units) are in high poverty (>20% poverty) tracts and 86.0% (23,469 units) are in majority nonwhite tracts. In Texas, this pattern is reinforced by the need for an HTC application to receive local government and representative approval in order to be competitive and viable. Such policies are effectively a local veto, and have been shown to potentially result in a discriminatory effect based on race. The IRS explicitly advises against such policies.

29.3% of Travis County HTC households receive additional rental assistance in order to afford their homes. Because of this assistance, household income is not an accurate indicator of the income set-asides in new HTC property contracts. Just 16.1% of units funded by competitive 2022 HTC awards in Travis County (27 units) were set aside for 30% AMI households.