

POLICY INNOVATION

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Understanding the Housing Credit Preservation Challenge

NCSHA Housing Credit Connect
San Francisco
Thursday, June 13, 2019



About National Housing Trust (NHT)



**POLICY
INNOVATION**



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**REAL ESTATE
DEVELOPMENT**

ENERGY SOLUTIONS

Informs everything we do & strengthens our impact



The National Housing Trust protects, improves, and maintains existing affordable housing so that low-income families can live in quality neighborhoods with access to opportunities.



Qualified Contracts

There are two exceptions to the requirement that Housing Credit properties remain affordable for 30 years: 1) in the case of foreclosure; and 2) where a request for a qualified contract is presented to the state Housing Credit agency.

An average of **10,000 units** are being lost from the Housing Credit program each year as a result of qualified contracts.

Qualified Contract Activity							
Total QC Activity by Year						Total QC Requests all 3 Years	
Total QC Requests (CY 2014)		Total QC Requests (CY 2015)		Total QC Requests (CY 2016)			
Props.	Units	Props.	Units	Props.	Units	Props.	Units
122	8,462	132	12,910	145	11,335	399	32,707



Qualified Contracts

Many states require or incentivize applicants to waive their right to a qualified contract in both the competitive 9% and non-competitive 4% Housing Credit programs:

QC Policies in the 9% Housing Credit Program			QC Policies in the 4% Housing Credit Program		
Requirement to waive right to QC	Incentive to waive right to QC	For how many years beyond the initial 15 year compliance period is the right waived?	Requirement to waive right to QC	Incentive to waive right to QC*	For how many years beyond the initial 15 year compliance period is the right waived?
28 states	20 states	3-35 years	27 states	7 states	



*While the 4% Housing Credit program is non-competitive, some states require that developers seeking the Credit score a minimum number of points in the scoring process used to rank applications for the 9% program. In some of these cases, developers may choose to claim points available for waiving their right to a QC in order to earn the minimum required score to receive 4% Credits.



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