The Low Income Housing Tax Credit (LIHTC):

Challenges Presented by the Onset of Year 15 in the St. Louis Region

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Contents

Executive Summary

The Low Income Housing Tax Credit (LIHTC) is the largest federal program for financing affordable housing development. The program encourages the private development of affordable rental housing for low-income individuals and families, and has provided more than two million units to date. Those involved in LIHTC partnerships encounter significant challenges with the onset of Year 15, which is the end of the original program compliance period.

This paper examines these challenges along with current and expected future trends in affordable housing preservation and development utilizing LIHTCs. Part 1 provides an overview of LIHTC and the problems it attempts to address. Issues surrounding Year 15 are explored and anticipated future trends are examined. A local analysis of LIHTC and Year 15 issues in the St. Louis region is presented in Part 2, due to its prominent function within the Federal Reserve's Eighth District. Existing literature is reviewed in combination with data gathered from the Department of Housing and Urban Development's (HUD) LIHTC database and findings from a recent roundtable meeting hosted by the Federal Reserve Bank of St. Louis.

Common challenges presented by Year 15 include:

- a lack of preparedness for Year 15;
- a need for repairs and rehabilitation of properties;
- issues related to restructuring partnerships and negotiating exit taxes;
- challenges related to refinancing debt;
- difficulties obtaining capital; and
- challenges related to the physical management and asset management of properties.

Challenges unique to the St. Louis region include:

- the absence of a proactive approach by many in the region in regard to Year 15;
- need for a citywide, strategic approach to the spatial development of LIHTC properties;
- issues related to the rules imposed by the state's housing finance agency;
- unwillingness of banks to refinance local LIHTC deals; and
- a general lack of communication by parties at a state, city and individual project level.

Data from the Department of Housing and Urban Development's (HUD) LIHTC database suggest that 1,090 affordable units are approaching Year 15 in 2012 in the St. Louis Metropolitan Statistical Area (MSA), while an additional 14,775 units are set to arrive at Year 15 between 2012 and 2024.

Several attendees at the aforementioned meeting have agreed to participate in a LIHTC working group to address the issues that were identified. This group is presently being convened by a respected regional nonprofit organization with extensive experience in the LIHTC field.

Part 1. Overview of LIHTC and Challenges Presented by the Onset of Year 15

Rising Demand for Rental Housing

With homeownership rates on the decline nationwide, individuals and families are turning to rental housing in increasing numbers (Callis & Kresin, 2012). From 2011 to 2012, the vacancy rate of rental units decreased while the median rent price increased, signaling an upswing in the rental market nationwide (Callis & Kresin, 2012). This stands in contrast to recent homeownership trends. The drop in homeownership from 2000 to 2010 was the largest since the decade between 1930 and 1940 (Mazur & Wilson, 2011). Much of this decline was tied to foreclosures stemming from a struggling economy, with the highest foreclosure rates occurring in low-income and minority communities (Joint Center for Housing Studies, 2011).

The rising demand for rental housing looks set to continue for several reasons:

- Many of those who defaulted on home loans will be forced to stay in the rental market for the near future (Keely, van Ark, Levanon, & Burbank, 2012).
- Young adults and those with uncertain employment prospects are more likely to rent than to buy homes until the employment outlook improves (Keely et al., 2012).
- New immigrants entering the country are likely to continue to contribute significantly to the demand for rental housing (Joint Center for Housing Studies, 2011).
- Uncertain attitudes about homeownership combined with tighter lending restrictions will likely lead to less demand for home purchases (Joint Center for Housing Studies, 2011).

This high demand for rental units, coupled with rising rent prices, has troubling implications for low-income families.

Housing is generally considered to be affordable when the amount paid toward it does not exceed 30 percent of families' overall budgets (Feldman, 2002). Although housing affordability generally appears to have improved over the last five years, a recent study by the Center for Housing Policy suggests that the affordability of homes and rentals for low- and moderate-income families has decreased, even though home prices have fallen (Williams, 2012). This is due in part to the impact of the recent recession on families' income and net worth. The average household income dropped an estimated 2.3 percent between 2009 and 2010 (DeNavas-Walt, Proctor, & Smith, 2011), while the average household experienced an estimated 39 percent drop in wealth between 2007 and 2010 (Bricker et al., 2012). In addition, while the job market is slowly recovering, unemployment rates remain high, with many individuals finding themselves out of work for long periods of time and some simply giving up their job searches (Ilg, 2011). When considered together, these trends indicate a growing need for affordable rental housing. Yet this need is not being adequately met at present.

Shortage of Affordable Housing

Recent data from the National Low Income Housing Coalition suggest that the demand for affordable rental housing exceeds the available supply (Pelletiere, 2009). Between 2007 and 2008, the amount of extremely low-income renters in the United States increased from around 8.9 million to 9.2 million (Pelletiere, 2009). During the same period, however, the number of rental units affordable to this group dropped from 6.2 million to 6.1 million (Pelletiere, 2009). HUD's 2009 Worst Case Needs report found a 20 percent increase in renters who paid more than 50 percent of their income toward housing or lived in severely inadequate conditions between 2007 and 2009; this increase was the largest recorded by HUD to date (Steffen et al., 2011). Nearly two-thirds of low-income families with children were estimated to be paying more than half their incomes toward housing in 2009 (Joint Center for Housing Studies, 2011). These findings indicate that there are simply not enough rental units available to families at an affordable price.

In many urban centers nationwide, there are often long wait lists for affordable rental units and vouchers (HUD, 2012c). In addition, competition for affordable units increased during the recent recession, resulting in an estimated drop of 370,000 units available to very low-income renters between 2007 and 2009 (Steffen et al., 2011). During this period, high demand and low supply of units drove the gross rent of very low-income tenants up by more than 10 percent (Steffen et al., 2011). Today, just 61 affordable units are available to every 100 low-income renters, with only 36 available to every 100 very low-income renters (those with less than 30 percent of the area median income (AMI)) (Steffen et al., 2011). In fact, a family with one member working full-time at a minimum wage job is unable to afford the fair market rent for a two-bedroom apartment anywhere in the nation (HUD, 2012a). Yet, rental assistance continues to be cut, dealing a further blow to those most in need of affordable housing (Steffen et al., 2011).

In order to meet their housing needs, low-income families are faced with several options. They can share housing with other families, which can lead to overcrowding; they can rent physically substandard housing; or they can pay a larger share of their budget toward housing expenses, leaving less available for other essentials or for savings (Omersa, 1998). In extreme cases, this can lead to homelessness. In most cases, however, it simply results in families becoming trapped in chronic poverty (Joint Center for Housing Studies, 2011).

Several programs have been developed to address this shortage of affordable housing at federal, state, and local levels. Among the most prominent is the Low Income Housing Tax Credit (LIHTC), which accounts for the development of around 90 percent of affordable rental housing each year (Lawrence, 2012).

LIHTC

Since its inception in 1986, the LIHTC has served as the federal government's primary vehicle for financing affordable housing development (Hettinger, 2005). As the longest running federal multifamily housing program, LIHTCs have been used in the development of more than two million affordable housing units (Kaplan & Lambert, 2009; UCAPA, 2007). The program uses an indirect subsidy to encourage private development of low-income rental property (Hettinger, 2005). A dollar-for-dollar credit against tax liability is paid over 10 years and awarded as one of two types of credit: A competitive "nine percent credit" that awards investors credits equal to 70 percent of qualified construction costs, and a noncompetitive "four percent credit" for projects financed with tax-exempt bonds and various other gap subsidies that provides credits equal to 30 percent of qualified costs (Melendez et al., 2008). Qualified costs include the total cost of the property that will be used for affordable housing minus land and other ineligible expenses (Melendez et al., 2008). These qualified costs are adjusted upwards by 30 percent if properties are located in a "qualifying census tract" or "difficult development area," as designated by the Federal Government (Melendez et al., 2008). Credits are issued to states, then usually distributed by state housing finance agencies according to the terms of their Qualified Allocation Plans (Kaplan & Lambert, 2009). Some states provide subsidies that match up to 100 percent of federal program funds (Mitchell & McKenzie, 2009).

Project developers generally make use of syndicates of investors to finance projects (Melendez et al., 2008). Intermediary agents group multiple low-income developments into investment funds, through which investors buy up tax-credit benefits in exchange for equity in the funds (Melendez et al., 2008). Funds are usually structured as limited partnerships, with developers serving as general partners holding a one percent share (Melendez et al., 2008). The structuring of these partnerships allows developers to receive funding up-front for projects, while investors receive tax credits over a 10-year period (Melendez et al., 2008).

A minimum of 20 percent of all units in LIHTC-funded developments must be rented by tenants with incomes at or below 50 percent of the AMI (Kaplan & Lambert, 2009). Alternatively, owners can opt to rent at least 40 percent of units to tenants with incomes at or below 60 percent of the AMI (Kaplan & Lambert, 2009). In many cases, 100 percent of available rental units are affordable, especially in developments operated by nonprofit organizations (Hettinger, 2005). As such, the program is a vital tool in the development of affordable rental properties, and is critically important considering the present shortage of such units.

<u>The Market for LIHTCs</u>

Throughout the program's history, the market for LIHTCs has generally been competitive, with the majority of credits purchased by groups of investors, government-sponsored enterprises, and financial institutions (Kaplan & Lambert, 2009). In the program's early years, a diverse range of individual investors and corporations from a wide variety of sectors participated in the program (Ernst & Young, 2009). Today, however, the market for LIHTCs is generally dominated by a small group of large financial institutions, many of which use the program to meet Community Reinvestment Act (CRA) requirements (DiPasquale, 2011).

The use of LIHTCs for affordable housing development peaked at a rate of roughly 100,000 units per year before the recent recession (Kaplan & Lambert, 2009). Today's market for LIHTCs is estimated to be around half the size of pre-recession levels, falling from around $9 billion to under $4.5 billion (Kaplan & Lambert, 2009). Fannie Mae and Freddie Mac, two of the largest investors in LIHTCs, went into conservatorship shortly after the recession, while many large banks had less of a need for tax credits due to the operating losses they experienced (Center for Housing Policy, 2011). This led to a significant drop in demand for LIHTCs, leading to many proposed affordable rental developments being stalled or cancelled (Kaplan & Lambert, 2009). Tax credits that had sold for 95 cents to the dollar dropped in value to around 65 cents to the dollar during this period (Center for Housing Policy, 2011).

The American Recovery and Reinvestment Act (ARRA) of 2009 introduced several temporary provisions intended to address this slowdown in demand for LIHTCs and the financial gaps that it created. As part of ARRA, the Tax Credit Exchange Program (TCEP) provided Treasury grants to replace unused credits at 85 cents to the dollar over 10 years (Kaplan & Lambert, 2009). The Tax Credit Assistance Program (TCAP) provided $2.25 billion in Home Investment Partnership Program funds to fill financing gaps in LIHTC deals. Although both of these programs brought additional financial investment to the stalled LIHTC market, they did not provide the long-term solutions needed to restore the LIHTC market to pre-recession levels (Joint Center for Housing Studies, 2009). The Housing and Economic Recovery Act (HERA) also attempted to stimulate the market for LIHTC credits. Among its provisions was a measure that would set a nine percent floor for competitive credits, as values had dropped to around eight percent at the time the bill was passed (NeighborWorks, 2008). However, this was also a temporary fix, and the nine percent floor is set to expire on December 31, 2013 (NeighborWorks, 2008).

While today's slow market for LIHTCs presents a hurdle for the development of new affordable housing, the aging of the existing stock of LIHTC-funded properties presents a challenge for the preservation of affordable units nationwide.

Year 15

The Tax Reform Act of 1986, under which the LIHTC was created, required LIHTC-funded properties to abide by affordability guidelines for a minimum of 15 years (Melendez et al., 2008). Today, although legislation passed in 1989 extended the compliance period to 30 years, limited partners are still only required to remain in partnerships for 15 years. After this period, they are free to exit (Hettinger, 2005). If general partners wish to continue owning and operating properties, they need to find new investors when limited partners exit. Alternatively, they can acquire (or receive through donation) limited partners' shares and obtain full ownership of properties (Melendez et al., 2008). Certain nonprofits are given priority of first refusal to buy properties for the sum of the outstanding debt plus capital gains taxes (Breed, 2003).

In other situations, general partners can request the state housing finance agency to search for a new buyer through their qualified contract process at any time after the 14th year of the original compliance period (Breed, 2003). If buyers cannot be found, general partners are then released from all restrictions and are free to sell the properties to any party willing to purchase them (Breed, 2003). New buyers are required to wait three years before raising rent prices above LIHTC limits or evicting low-income tenants, but are then free to do so (Breed, 2003). This situation poses a risk to affordable housing preservation. Some states have attempted to address the issue by lengthening the extended-use period considerably or having general partners waive their right to the qualified contract process upon application for credits (Breed, 2003). Most properties, however, do remain affordable after Year 15 (Khadduri, Climaco, & Burnett, 2012).

Characteristics of the markets where properties are located impact the likelihood of those properties remaining affordable or turning market rate (Khadduri et al., 2012). In weak housing markets, turning market rate may only lead to small increases in rents above LIHTC limits, yet may allow properties to remain financially viable (Khadduri et al., 2012). In stronger markets, there may be more incentive to move toward market rates (Khadduri et al., 2012). The ownership structure of properties also impacts this decision. Mission-driven nonprofit owners are very likely to continue to operate properties at affordable rates, while for-profit owners may make this decision based more on the financial position of properties in light of local market conditions (Khadduri et al., 2012). Regardless of the structure of property ownership and future affordability plans, dealing with Year 15 is a challenging process.

Challenges Created by the Onset of Year 15

The onset of Year 15 presents developers and investors with many significant challenges, including restructuring of existing debt on properties, finding funds to repair aging units, payment of exit taxes, financial challenges, and other issues related to property and asset management (Hettinger, 2005; LISC, 2007). The following is a summary of common challenges that arise in Year 15.

Restructuring Debt. LIHTC projects are typically financed with one mortgage, sometimes two or more, often combining various sources of hard and soft debt in addition to investors' funds (Hettinger, 2005). At the end of the original compliance period, much of this debt generally remains outstanding

(Hettinger, 2005). For the partnership structure of properties to be dissolved and ownership transferred, this debt must be paid, restructured or forgiven (Hettinger, 2005). Due to budget shortages, however, state and local government agencies may be unwilling to forgive outstanding soft debt outright, especially from second mortgages with large amounts of accrued interest (Hettinger, 2005). Today's tight restrictions on credit and limited available capital make borrowing and debt restructuring even more challenging (Joint Center for Housing Studies, 2011).

Repairs and Rehabilitation. By the time projects reach Year 15, many are in need of considerable repairs, presenting another financial challenge. While these repairs are often necessary, some owners may be reluctant or unable to provide funds to cover them due to the high cost of rehabilitation in relation to the value of properties (Cook, Mitchell, & McCarthy, 2007). A survey of LIHTC-funded property owners by the Federal Reserve Bank of Dallas (2001) found that 28 out of 100 properties needed moderate to substantial repairs after Year 15. Only three of these properties, however, had adequate funds to carry out these repairs (Federal Reserve Bank of Dallas, 2001). If properties do not meet local health, safety and building codes, they face citation and potential recapture of tax credits by the IRS (Federal Reserve Bank of Dallas, 2001).

Some state housing finance agencies also place a higher priority on funding the development of new projects and can be reluctant to fund rehabilitation of existing properties if some of the funding is likely to be used to pay "exit taxes" to investors leaving the partnerships (Hettinger, 2005). The set-aside ratios allocated for preservation varies from state to state. Some states provide up to 40 percent of LIHTC funds toward preservation, while others allocate extra points for preservation projects in applications for credits.

Exit Taxes. With affordable properties, rents often do not grow as quickly as investors may hope (Hettinger, 2005). In addition, high operating costs and high interest rates on debt often lead to operating losses (Hettinger, 2005). These losses provide tax benefits to limited partners as long as partnerships exist, allowing them to write off losses against owed taxes. However, when partnerships are dissolved, losses must be recaptured, resulting in tax liabilities for the limited partners (Hettinger, 2005). To safeguard against this loss, syndicators and investors often include provisions in partnership agreements that require tax liabilities to be paid by assets of the partnerships or by the general partners (Hettinger, 2005). General partners are then left to pay a hefty "exit tax" when the partnerships are dissolved. This "exit tax" can serve to discourage owners of low-income housing from continuing to invest in properties or making repairs that will result in further financial loss (Cook et al., 2007). Some owners decide to sell their properties to entities that are able to afford a large enough sales price to cover the recapture taxes. However, if these entities later convert units to market rates, a loss of affordable housing units and potential displacement of tenants results (Enterprise, 2007; NMHC, 2012a).

Management Issues. Finding and maintaining quality property management is essential for ensuring that properties are well-managed both physically and financially (Tax Credit Advisor, 2012). There are numerous challenges, however, to the management and operation of low-income rental housing. Many property managers face the challenge of operating decent, safe housing in neighborhoods that struggle with concentrated poverty, violence and drug crime (Schwartz, Bratt, Vidal & Keyes, 1996). Properties operated by small nonprofit organizations often have slim budgets, increasing the difficulty of effective management (Schwartz et al., 1996). Low salaries, high turnover rates and a lack of professional recognition often characterize the affordable property management industry (Schwartz et al., 1996).

Finding skilled people to manage LIHTC properties presents a further challenge. Some contend that it takes a greater skill set to manage a LIHTC property than a conventional property (Tax Credit Advisor, 2012). In addition to the standard duties of property managers (collecting rents, selecting and evicting tenants, making repairs, maintaining property grounds, etc.), compliance with LIHTC regulations involves a lot of training, documentation, record-keeping and ongoing education (Institute of Real Estate Management [IREM], 2008). Marketing to and finding tenants who fall within the LIHTC's income restrictions can also be challenging and time-consuming, but is critical to ensure that units do not lie vacant (IREM, 2008). Compliance-related tasks often take up the bulk of property managers' time, leaving little for other general management duties (IREM, 2008). Some LIHTC-funded projects are small and spread over several sites, making management challenging (LISC, 2007).

Overseeing property-management staff is part of the owners' asset-management responsibilities. Asset managers are responsible for the long-term financial viability of LIHTC properties (Abramson, 2011). Without careful asset management and long-term planning, properties face the risk of underperforming and viability issues as they age (Abramson, 2011).

Financial Challenges. LIHTC-funded properties often struggle with high expenses as well as limited revenue and cash flow. Rents for many properties are often kept below LIHTC ceiling rates due to market conditions or prior regulatory agreements (LISC, 2007). Many projects, therefore, often barely break even. Some operate at a loss and many have very little funds in operating reserves (LISC, 2007). High turnover rates of units can also be a drain on capital reserves. Replacing carpeting, painting, cleaning and advertising can amount to significant burdens on properties, especially those with rents well below market rates (Harris, 2011). Housing standards also change, and developments may be expected to provide amenities such as central air to remain competitive (LISC, 2007). Over time, this can impact the viability of properties. Owners are faced with the challenge of finding money to feed into properties that struggle to stay afloat.

Another financial challenge owners face is related to incorrect assessment for property taxes (Jennings, 2010). Often, assessors cannot easily tell that properties are affordable and thus issue improperly high assessments (Jennings, 2010). Owners then have to challenge assessments and undergo a time-consuming reassessment process (Jennings, 2010). Because property taxes make up a large portion of expenses for LIHTC properties, incorrect valuation can mean the difference between a property making debt service and operating at a loss (Jennings, 2010).

<u>Strategies for Properties Approaching Year 15</u>

Planning ahead for Year 15 is key. Having a disposition plan in place is essential to ensure a smooth transfer of properties to new owners upon the exit of limited partners (Enterprise, 2007). Periodic capital needs assessments are recommended, along with capital improvement plans, although many partnerships fail to take these important steps proactively (Housing Development Center, 2006). Running a cost-benefit analysis, estimating exit taxes, and keeping records of all prior tax returns and investors' tax capital are steps that should be taken several years before the onset of Year 15 (Xue & Thesman, 2011).

In addition to ensuring good property management, it is also important that owners engage in careful asset management of properties. This involves long-term financial and capital planning, monitoring the condition of properties both physically and financially, overseeing property managers, and remaining abreast of obligations to regulators, lenders and limited partners (Schwartz et al., 1996). This long-term focus is crucial for the ongoing viability of properties. Vacant units should be tracked to attempt to decrease turnover time and cut costs (Abramson, 2011). Budgeting should take place annually and financial performance should be reviewed against budgets (Abramson, 2011). Abramson also found that best practices in asset management included board member and senior staff involvement, as well as staff training (2011.) The National Association of State and Local Equity Funds (NASLEF) also provides a list of best practices for asset management of LIHTC investments (NASLEF, 2011).

For property disposition, there is no single strategy that works for all properties approaching Year 15. As discussed previously, partnerships can be maintained, restructured or dissolved, depending on the performance of the property and the desires of the general and limited partners. Bargain sales of properties to nonprofit general partners or other charitable organizations are other common scenarios after Year 15 (Xue & Thesman, 2011). Sometimes properties are donated outright (Xue & Thesman, 2011). Another strategy is to re-syndicate properties and apply for new tax credits; some opt to apply for noncompetitive "four percent" LIHTC credits in combination with tax-exempt bonds (Hettinger, 2005). Receiving this additional tax credit helps provide capital for necessary repairs, allowing partners to keep rents low following Year 15 (Enterprise, 2007; Xue & Thesman, 2011).

Lease purchase has been another strategy that has had some success. Pioneered by the Cleveland Housing Network, this strategy can be used to transition tenants of LIHTC properties to homeownership in tandem with education and counseling services (Cleveland Housing Network, 2012). This option is usually used for tenants of single-family homes and can be an effective tool for targeted neighborhood redevelopment (Cleveland Housing Network, 2012).

Anticipated Future Trends

Several recent amendments to the LIHTC program are being piloted, with a goal of making the program more efficient. HUD's Tax Credit Pilot will be tested in four cities—Boston, Chicago, Detroit and Los Angeles—in an attempt to make the application process more streamlined (HUD, 2012d). The program will try to significantly accelerate the HUD approval process for purchasing or refinancing eligible properties and streamline mortgage insurance applications (HUD, 2012d). The IRS' Physical Inspection Pilot Program aims to reduce the duplication of inspections that properties have to undergo if funded by LIHTCs and other federal agencies (IRS, 2012). It is likely that additional attempts will be made to streamline the implementation of the LIHTC program in order to cut costs and improve efficiency.

Several other efforts put forward by policymakers to amend the program and increase demand for LIHTCs have not yet been successful. The Affordable Housing Preservation Tax Relief Act of 2009 was introduced to amend the Internal Revenue Code of 1986. The bill was created to provide property owners with "exit tax" relief from depreciation recapture taxes if properties were sold to owners willing to invest in them and keep rents at affordable rates (NMHC, 2012a). The bill was introduced in June 2009 but was not enacted. Another bill was H.R. 4109, which proposed extending the carryback period for claiming LIHTCs from one to five years in an attempt to generate more demand for the credits (Missouri currently allows three years carryback) (Kaplan & Lambert, 2009). Introduced in November 2009, this bill also failed to be enacted.

As part of his proposed 2013 budget, President Obama included several provisions that would impact the LIHTC program. Provisions included allowing LIHTC property owners more flexibility by permitting the "income averaging" of tenants, potentially opening developments up to a greater mix of incomes (HUD, 2012b). Further, a measure to encourage Real Estate Investment Trusts (REIT) to invest in LIHTC was proposed by the president, with the aim of diversifying the investment sources for LIHTCs while creating new demand for credits (HUD, 2012b). This proposal would allow REITs to provide tax-exempt dividends to investors at a rate almost triple that of LIHTCs (HUD, 2012b). A 30 percent basis boost was also proposed for tax-exempt bond-financed properties located in areas that are difficult to develop, as was a proposal to prevent the discrimination of LIHTC properties against victims of domestic violence (HUD, 2012b). It remains to be seen if any of these provisions will be approved.

While efforts will continue to make the LIHTC more efficient and increase demand, it is likely that the program will also encounter political opposition at both state and federal levels. As comprehensive tax reform seems to be an eventual likelihood, possible changes could include the lowering of statutory corporate tax rates (Lawrence, 2012). Because housing credits make up a large part of expenditures, they are potentially vulnerable to reductions in funding (Lawrence, 2012). Some opponents of the LIHTC program have used austerity measures as a platform from which to call for the repeal of the LIHTC and other tax credits. As part of his "Back in Black" proposal, Senator Tom Coburn (R-OK) recently called on the LIHTC program to be ended as a cost-saving measure (Coburn, 2011), while Missouri S.B. 548 proposed sunsetting the program over the next seven years. Although these efforts to bring an end to the LIHTC have been unsuccessful, it is likely that the program will continue to encounter political challenges amid calls for greater austerity, although in general it continues to receive considerable bipartisan support (Joint Center for Housing Studies, 2009).

Moving LIHTC Forward

As those in the field become more experienced with the Year 15 process, it is important that best practices continue to be documented and developed. It is also crucial that all those involved in LIHTC partnerships are trained and prepared for Year 15 well ahead of time. Organizations such as Enterprise Community Partners offer these services on an individual project basis, while some other organizations provide free training and education sessions. The Ohio CDC Association and Ohio Capital Corporation for Housing recently partnered to offer a free training workshop that addressed Year 15 disposition. Other organizations, such as Novogradac & Company and the National Association of Home Builders, have begun to offer webinars to discuss Year 15-related issues. Taking this proactive, educational approach and disseminating best practices will help those in LIHTC partnerships be better prepared for the challenges that Year 15 brings.

Because many general partners are nonprofit organizations, it is essential that they are supported by strong institutional support networks. Organizations within the community, such as government agencies, foundations, financial institutions, trade associations and other nonprofits can provide the necessary support, resources and training to give nonprofit general partners the best chance of success (Schwartz et al., 1996). These networks are especially important in today's economy as many traditional government funding sources continue to be cut.

At a state level, it is important that preservation is adequately addressed in Qualified Allocation Plans. At present, this is done at varying degrees across states, in line with their specific conditions and needs. This can be difficult to determine, however, as allocations for set-asides need to strike the right balance between preservation of existing properties and creation of new ones (Khadduri & Rodda, 2004). Some states have taken steps to ensure that separate pools of money are available for affordable housing preservation, creating affordable housing preservation funds (Wong, 2005). Several state governors have also appointed task forces to assess and address their states' affordable housing needs (Ratliff & Tan, 2007).

Many cities across the country also have funds devoted to affordable housing preservation. New York City's Department of Housing Preservation and Development (HPD) operates a Year 15 Preservation Program specifically for the preservation of LIHTC-funded units (HPD, 2012). The city conducts a tax-credit investor exit review for approved properties, assessing the needed repairs and developing a repositioning strategy to address financial needs (HPD, 2012). If additional funds are needed, the program can provide loans of up to $15,000 per unit, issued as 30-year repayable balloon mortgages with no interest (HPD, 2012). Eligible properties are required to work with a technical assistance provider, such as Enterprise or LISC, to complete the application and develop the repositioning strategy. Efforts such as this, where cities devote resources specifically to LIHTC property preservation, can ensure that funds are available for those who wish to preserve properties beyond Year 15, and are especially important considering the difficulty many property owners presently face refinancing and raising capital.

In 2006, the Housing Development Center (a Portland, Ore., nonprofit) conducted an electronic survey of nonprofit and for-profit partners in LIHTC-funded projects set to reach Year 15 between 2006 and 2011 (Housing Development Center, 2006). The survey received a 77 percent response rate and enquired about topics that included owners' intent to continue operating units as affordable, available capital and reserves, and readiness for year 15 (Housing Development Center, 2006). This survey provided some very valuable information: 77% of respondents indicated a desire to maintain properties as affordable after year 15; only 12.3% believed they had adequate reserves to pay exit taxes; and around 75% of projects did not have significant rehabilitation needs (Housing Development Center, 2006). Data-driven endeavors such as these are useful as they allow cities and states to accurately gauge the number of affordable units approaching year 15, the preparedness of project partners for this transition, and the intentions for properties to be kept as affordable (Housing Development Center, 2006). Making this information widely available could also potentially be useful to third parties, such as potential developers of new LIHTC properties, as it could provide valuable information about potential future market conditions.

It is also beneficial for cities and regions to adopt a more comprehensive view of how LIHTC developments fit in with their broader housing agendas and existing community supports and services (Khadduri & Rodda, 2004). LIHTC development should be used as a tool that functions as part of a larger critical mass of services, guided by a broader agenda of bringing about neighborhood revitalization and maximizing economic opportunities, especially for very low-income families (Khadduri & Rodda, 2004). Additionally, it is essential that LIHTC developments are located in areas where both a need and demand for them exist, in order to achieve the program's goals. According to McClure (2010), LIHTC projects are not currently being developed in many of the areas with the greatest need for them. While there is an overall shortage of rental units for families making 30-60 percent of AMI, many LIHTC developments are located in areas where there is no shortage of rental options for this group (McClure, 2010). The areas that are in the greatest need of LIHTC projects (areas with a shortage of options, especially for very low-income renters) are often overlooked (McClure, 2010). Dawkins (2011) also found that clustering LIHTC developments in close proximity to one another is common in many metropolitan areas. Therefore, it may be advisable for cities, regions and states to develop more comprehensive plans with regard to the spatial distribution of LIHTC developments. This could be incorporated into Qualified Allocation Plans, providing more incentives for the development of properties in the areas with the greatest shortage of affordable units, especially for very low-income families (Khadduri & Rodda, 2004).

At a policy level, while temporary measures such as TCAP and TCEP were beneficial, longer-term measures may be needed to improve investor demand for LIHTCs (Joint Center for Housing Studies, 2009). Efforts to make successful temporary measures permanent, (e.g., a nine-percent floor for competitive credits) may also be worthy of consideration (NMHC, 2012b). Bold, creative solutions for moving the program forward could also breathe new life into the market for LIHTCs. The Federal Reserve Bank of St. Louis commissioned a report that garnered ideas from experts in the LIHTC field, aimed at improving the program (Kaplan & Lambert, 2009). Ideas included:

- altering the CRA to attract increased investment in LIHTCs;
- reviving the market through federal co-investment in the credit;
- expanding the market to encourage the inclusion of individual investors;
- taking steps to develop a viable secondary market for LIHTCs; and
- developing a LIHTC fund that would provide equity for preservation projects (for a full discussion of ideas presented, see Kaplan & Lambert, 2009).

Many of the issues at hand were related back to the problem of the LIHTC program relying on a small group of large banks as investors. There seemed to be a common theme among proposed solutions that this landscape of investors should be broadened to include small and mid-sized banks, corporations and even individuals in order to provide more capital to LIHTC development and preservation and to better buffer the program against dips in the broader economy.

Some have called for a greater proportion of federal support for housing to be allocated to rental affordability programs (Novogradac, 2011). In 2009, the federal government provided four times the amount of funding for homeownership support than it allocated to improving rental affordability (Congressional Budget Office, 2009). With the amount of renters increasing nationwide, allocating a greater amount of funds to affordable rental housing programs could help to address the present shortage of units.

The shortage of affordable housing units can also be viewed as a problem of inadequate income. Feldman (2002), of the Federal Reserve Bank of Minneapolis, argued that this issue was at the root of the lack of affordable housing and should thus be the focus of policymakers. Steffen et al. (2011) also made this connection in their 2009 report to Congress, Worst Case Housing Needs. In light of today's economy and present income trends, significant gains in average income are likely to be a long way off; it is thus important to continue to improve affordable housing policy to ensure that those with the greatest needs receive assistance, and that programs function as efficiently and effectively as possible in order to maximize available resources.

Part 2. LIHTC and Year 15 Challenges in the St. Louis Region

Affordable Housing

In light of the shortage of affordable rental units, the current slowdown in the LIHTC market, and the challenges that arise when properties approach Year 15, it is important to examine the impact of these issues at a local level. The growing St. Louis MSA is home to approximately 2.8 million people, covering the city of St. Louis and 16 counties in Missouri and Illinois (U.S. Census Bureau, 2010). The city is home to roughly 319,000 people and has long faced the challenge of ongoing population decline, although this trend has slowed in recent years (U.S. Census Bureau, 2010). While the region overall is relatively stable, there are areas that face significant levels of poverty. Like most urban areas, the highest rates of poverty are found in parts of the city of St. Louis and the industrial suburb of East St. Louis, Ill. (Theising, 2003), although the past decade has seen a considerable shift of poverty to suburban areas (Kneebone & Garr, 2010).

As is the case with many other large urban areas, the St. Louis region faces the problem of providing enough adequate affordable rental units for low-income families. The minimum wage for Missouri in 2012 is $7.25, while the fair market rate for a two-bedroom apartment in the city of St. Louis is estimated to be $792 (Bravve, Bolton, Couch, & Crowley, 2012). In order for this amount to fall below 30 percent of total household expenditure, city residents would need to work 2.1 full-time jobs at minimum wage (Bravve et al., 2012). In addition, the mean rental cost for a two-bedroom apartment is barely affordable for someone working full-time earning the mean income for renters in the city. In St. Louis County, it is even less affordable; residents have to work 1.1 jobs at the mean renters' wage to afford a two-bedroom apartment (Bravve et al., 2012). In the city, 56.9 percent of residents pay above 30 percent of their household income toward rent, a rate that exceeds the national average (U.S. Census Bureau, 2010). Table 1 provides a comparison of trends in the St. Louis region and the nation.

Housing in the city of St. Louis is aging, with 66.5 percent of units built prior to 1950 (U.S. Census Bureau, 2010). At 54.8 percent, the city has a far higher rate of renter-occupied units than the national average. The rental vacancy rate is also significantly higher; they are likely inflated due to the high number of abandoned properties in the area, the result of decades of population decline (Cummings, 2004). Because so much of the housing stock is pre-1950, the cost of rehabilitating badly damaged historic units may be discouraging to potential owners, even though the overall eventual benefits of historic rehabilitation outweigh the initial costs (Mason, 2005). In addition, abandoned properties may be left standing due to high demolition costs, although the maintenance of abandoned properties also requires significant expense (GAO, 2011). Abandoned properties have been linked to lower rates of homeownership in surrounding neighborhoods, possibly contributing to the city's high rate of rental housing (Cummings, 2004). However, this rate does not mean there is a glut of affordable housing units in the area. On the contrary, there is still a great need for safe, quality affordable rental units in St. Louis. Many of the vacant units are unsafe and uninhabitable, and therefore cannot be included in the available supply of rental housing in the area (Cohen, 2001).

The state of Missouri recognizes the need for affordable housing for its residents. The latest five-year consolidated plan from the Missouri Department of Economic Development (2008) identified the creation of new units and the preservation of existing units as among its top five housing priorities. Recognizing that far too many Missouri families paid more than 30 percent of their income toward housing, the Missouri Housing Development Commission (MHDC) planned to produce 600 new affordable units each year from 2008 to 2012 using HOME funds, state programs and LIHTCs (Missouri

Department of Economic Development [MDED], 2008). MHDC also planned to finance the rehabilitation of 400 existing low-income rental units over the same period using the same funding sources (MDED, 2008). MHDC's LIHTC Qualified Allocation Plan for 2013 further identified affordable housing preservation as a priority area.

LIHTC in Missouri and the St. Louis Region

Since the LIHTC program began, the credits have funded the creation of more than 52,000 affordable housing units in the state of Missouri (LIHTC database, 2012). These state LIHTCs are generally awarded on a dollar-for-dollar basis alongside federal credits (Cook et al., 2007). The program has been successful in generating economic benefits for the state and the St. Louis MSA (Cook et al., 2007). A 2007 cost-benefit analysis for MHDC found that, for each dollar of state tax credit awarded, $9.60 in economic activity was generated and $5.45 in gross state product was added (Cook et al., 2007). For the St. Louis MSA, each LIHTC dollar led to an estimated $10.79 in economic activity and $6.32 in gross regional product (Cook et al., 2007). Another MHDC report conducted by Watts (2010) on the state LIHTC program found similar benefits. Watts predicted that each Missouri LIHTC dollar led to $2.99 in personal income, $4.17 in new value-added gross state product, and $5.85 in new economic output. Missouri's state LIHTC program was also found to increase the production of affordable housing by 43 percent in comparison to states that relied solely on federal credits (Mitchell & McKenzie, 2009).

Studies on the Missouri LIHTC program have found that it generates significant economic impact and value-added to state and regional economies, although the estimated amounts vary. Watts (2010) estimated that state LIHTCs were able to generate more than $4 million in direct and indirect benefits in 2010. According to Mitchell and McKenzie (2009), between 2000 and 2005 state LIHTCs led to a total value-add of roughly $2.44 billion in Missouri and $1.25 billion in the St. Louis region, with approximately 10 full-time jobs created for every 100 LIHTC-funded units built in St. Louis. Cook et al. (2007) estimated that LIHTC projects accounted for an estimated $6.5 billion in economic impact for the state and the creation of 41,800 full-time jobs during the same period, 19,242 of which were in the St. Louis MSA (Cook et al., 2007). During this period, 21,250 affordable units were created, with 8,499 of those situated in the St. Louis MSA (Cook et al., 2007). LIHTCs were estimated to have generated $1,084,946,821 in value-added by construction in the St. Louis MSA and $54,560,011 added by the annual operations of properties (Cook et al., 2007). Without the credits, it was estimated that rent prices would have increased between 18.7 percent and 24.3 percent (Cook et al., 2007). Watts also predicted that the credits would bring a reduction of roughly $141 in monthly rent to 1,739 households between 2012 and 2024 (Watts, 2010).

Missouri LIHTCs also allowed for better quality properties to be built, with more amenities than would have been possible without the credits (Cook et al., 2007). Typical investors in Missouri LIHTCs were large corporations, insurance companies, financial institutions and high-income individuals who invested in LIHTCs to manage their tax liability and earn a return on their investment (Cook et al., 2007).

Although LIHTC properties generate significant employment and economic activity, they also result in some loss of tax revenue for states as money is paid to developers (Mitchell & McKenzie, 2009). These losses appear to be significantly more pronounced when projects are developed in rural areas. Losses were estimated to be around 45 cents per dollar in urban areas and 82 cents per dollar in rural areas between 2000 and 2005 (Mitchell & McKenzie, 2009). Mitchell and McKenzie (2009) argued that federal tax credits provide far greater returns than state tax credits. When the overall costs and benefits of the Missouri LIHTC program are considered, however, the program still appears to be a valuable tool for providing economic stimulus, employment and housing production in low-income areas where it may not otherwise be feasible to develop (Cook et al., 2007).

Although harder to quantify, it is important to also consider the social benefits generated by the LIHTC program. The LIHTC and other tax-credit housing programs have been found to lead to:

- a decline in the risk of homelessness;
- safer, less crowded neighborhoods;
- improved school performance and reduced drop-out rates among children;
- improved mental health;
- increased prosocial behavior and motivation among children; and
- better overall health of residents (Cook et al., 2007; Sweaney et al., 2006).

These benefits, and the financial and social costs that the program may also prevent, are not easily captured in traditional cost-benefit analyses (Cook et al., 2007). The LIHTC has a more successful track record than other affordable housing programs, a low rate of foreclosure and a high compliance rate, indicating that the program is successful in achieving its goals (Novogradac & Company, 2011). It appears that the benefits of the state and federal LIHTC programs outweigh the costs for Missouri and the St. Louis region.

Year 15 Challenges

The number of LIHTC-funded units approaching Year 15 nationwide will escalate over the coming decade (Destorel, 2012). In 2012, an estimated 80,000 units are set to hit that mark (Destorel, 2012). The St. Louis region mirrors these trends; data from HUD's LIHTC database show that more than 14,000 units will approach Year 15 in the St. Louis MSA by 2024 (see Table 2 for the number of units approaching Year 15 from 2012 to 2024 and their sponsorship status). The LIHTC database contains some duplicate recordings, while some of the properties listed in the database may no longer be in service for a variety of reasons. These figures should, therefore, be viewed as a guideline and not as a precise measurement.

The Community Development department of the Federal Reserve Bank of St. Louis recently held a roundtable discussion to identify Year 15 issues unique to the St. Louis region. Parties in attendance included:

- Representative of the state housing finance agency
- Staff of the city's community development administration
- Representatives from local equity funds
- Representatives of banks and community development financial institutions (CDFIs)
- Staff of local housing developers
- Representatives of local nonprofit organizations involved in LIHTC property development, syndication and management
- Consultants
- Realtors
- Federal Reserve Bank of St. Louis staff members

The goals of the meeting were to clarify the issues related to Year 15 in the region; allow those involved to share successful strategies; generate ideas for new, creative strategies; and plan next steps, both short- and long-term. Participants of the meeting confirmed that the St. Louis region faces many of the same key challenges surrounding Year 15 as other regions, in addition to several unique issues.

Challenges Identified

There was agreement that, overall, many involved in the regional LIHTC field are not currently taking a proactive approach to address the issues at hand. Syndicators reported that those involved in LIHTC partnerships typically begin addressing issues related to Year 15 shortly before its onset, which does not leave ample time to address the complex situations that ensue. Many also contended that there is no citywide plan for the spatial development of LIHTC projects at present. This was felt to be problematic due to the potential competition between existing LIHTC properties and new developments. Several participants voiced concern that, due to the mobile nature of Section 8 vouchers, some tenants may be likely to move to newer developments if they open in close proximity to existing properties.

Concerns were raised regarding the capacity of several local nonprofit general partners to continue managing LIHTC properties. Some felt that, while these organizations may originally have been strong when entering into deals, their situation has changed as time passed. Many in attendance agreed that 15 years is a long time to plan and account for, and saw this as an issue related to the timeframes imposed by the LIHTC compliance period and subsequent extended-use period. When nonprofit partners were no longer viable as general partners, finding new parties willing to take over was identified as a challenge.

There was also discussion of situations in which LIHTC properties were no longer viable. Several participants expressed a need for the involved parties to be able to admit the nonviability of these properties without being penalized, instead of continuing to put money into properties that were likely to fail eventually. Such properties may have been developed during a time when the surrounding neighborhoods were predicted to be heading toward improvement and growth. However, if this did not turn out to be the case, properties often lost viability. External neighborhood factors were thus found to be highly influential on the success of properties in the region.

There was also some concern regarding banks' reluctance to provide financing for LIHTC deals. Several participants insisted that banks have less of a focus on community development real estate financing in general today, but instead focus more on commercial and industrial financing. Others argued that investors are unable to convince banks to refinanceeven well-performing LIHTC properties, adding that banks currently seem to have no desire to work with them on second, or even first, mortgages. Some even felt that these issues were not limited to Year 15, and that banks had a desire to deleverage most of their underperforming loans to meet regulatory requirements. This raised the issue of banks having to balance safety and soundness with the compliance criteria of the CRA.

Bank representatives also shared their perspective. Banks want to turn over their balance sheets regularly, instead of holding on to debt for 30-year periods. Additionally, in the case of LIHTC properties, debt service coverage may work, yet loan-to-value ratios may not, providing some explanation for banks' reluctance to finance LIHTC properties. Issues were also identified in relation to tax abatement and property assessment. A few participants expressed concern that properties were sometimes assessed at market value, causing a large increase in taxes owed. Others complained that, because there is no state law regarding this issue, it has to be handled individually by each county jurisdiction, which can take years to resolve.

Another issue related to the rules set by the state housing finance agency for LIHTC compliance. Several participants expressed frustration that these rules were changed, and felt like this occurred somewhat regularly. Concern was expressed at the potential burden that could be placed on property owners in these situations and the difficulty this presented for long-term planning.

Many participants agreed that the Year 15 process is time-consuming, complex and costly. While every deal is unique, participants felt that a clearer strategy is needed. Perhaps one of the most pressing issues identified, however, was a current lack of communication and deliberate dialogue surrounding all of the issues related to Year 15. Many felt that the meeting was a good starting point for beginning this dialogue, although regular, ongoing communication was seen as necessary.

Strategies Identified

The creation of loan funds for tenants was suggested as a possible strategy, potentially leading to the purchase of single-family units by tenants. Several participants agreed that St. Louis would be a good market for this, and that the strategy would work best with new construction projects.

Others suggested that CDFIs could play a larger role, especially in cases where banks are unwilling to work with properties and where smaller loans are involved. It was recommended that CDFIs be sought out early in the transition process for deals to happen smoothly. Others suggested that products available from Federal Home Loan Banks be explored in order to provide access to low-cost debt. It was also suggested that the state housing finance agency, along with other potential sources, explore the possible development of a guarantee pool.

There was a strong consensus that all parties involved in partnerships conduct deliberate, targeted conversations regarding their individual situations. Many expressed the importance of identifying best practices and predictable outcomes, as well as a desire to see if successful approaches could be replicated.

At a citywide level, some suggested that pursuing an integrated approach to affordable housing development was ideal, involving community residents and resources to a larger degree. Some contended that all neighborhoods in the area matter and that affordable housing development should be viewed as an integrated factor of a broader neighborhood development agenda. The adaptive re-use of properties beyond Year 15 for new endeavors, such as supportive housing for elderly or disabled residents, was also suggested.

Outcomes

The meeting yielded several actionable outcomes. There was very constructive dialogue surrounding the challenges presented by the onset of Year 15, allowing issues, strategies and goals to be clearly formulated. Many of those in attendance expressed that this type of dialogue was sorely lacking and contended that the meeting was the first time all parties had convened to discuss the issues at hand. Further meetings are being planned for other departments within the Community Affairs function of the Federal Reserve Bank of St. Louis to clarify issues related to the CRA and safety and soundness, in light of the issue raised regarding banks' reluctance to refinance properties.

Perhaps the most encouraging outcome was that the meeting led to steps being taken to develop a working group to address the issues that were identified, with many parties in attendance agreeing to participate. This strategy has been demonstrated to be successful in Portland, Ore. With support from Enterprise Community Partners, the National Equity Fund and the city of Portland's Bureau of Housing and Community Development, the Housing Development Center created the LIHTC Work Group. Comprised of staff from nonprofit housing sponsors, state and city housing departments, National Equity Fund staff, community development lawyers and other LIHTC stakeholders, the group was tasked with assessing the risk of loss of affordable units approaching Year 15 and developing recommendations to avoid this loss (Housing Development Center, 2006). Important topics were identified; the group then convened to discuss strategies to overcome common challenges (Housing Development Center, 2006). This project provides a good example of a city and state partnering with local and national organizations to address important issues related to affordable housing preservation. The findings of the LIHTC Work Group also influenced the city of Portland's Preservation Agenda and the state's Qualified Allocation Plan (Housing Development Center, 2006). It is hoped that, by taking this same proactive approach, the working group that is in development in St. Louis can have similar success in crafting effective strategies to overcoming the unique challenges that the region faces.

Conclusion

LIHTC is an important program that helps meet a critical need for affordable housing in communities throughout Missouri and nationwide. In spite of its challenges, the program has an excellent track record of success and extremely low foreclosure rate (Novogradac & Company, 2011). It should be preserved and improved to ensure maximum impact in the areas of greatest need and efficient use of resources. There appears to be a need to view LIHTC as part of larger state and local agendas for neighborhood development. Best practices should be documented and applied, and all parties involved in LIHTC policymaking, service provision and implementation should communicate regularly and openly. A more proactive approach appears to be needed in addressing issues related to Year 15, at both state and local levels as well as among those involved in individual LIHTC projects.

It is important to examine affordable housing issues at a regional level in order to identify unique challenges and opportunities that exist. The St. Louis region has greatly benefited from the federal and state LIHTC programs. However, the region is lacking a proactive, comprehensive approach to LIHTC development and preservation. The willingness of so many local stakeholders to engage in constructive dialogue and their commitment to address ongoing issues is extremely commendable and encouraging. It is hoped that the working group that is in formation will be successful and that other regions can adopt a similar collaborative approach to address the issues they face.

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Table 1. 2010 Housing Characteristics of the U.S., St. Louis MSA and St. Louis City*

	United States		St. Louis MSA		St. Louis City	
Variable	N	(%)	N	(%)	N	(%)
Total Number of Housing Units	131,791,065	—	1,236,146	—	175,950	—
Housing Units Built Prior to 1950	25,296,711	(19.2)	287,246	(23.2)	116,947	(66.5)
Renter-Occupied Units	39,694,047	(34.6)	328,304	(29.5)	77,883	(54.8)
Rental Vacancy Rate	—	(8.2)	—	(7.0)	—	(9.6)
Occupied Rental Units with Tenants Paying Above 30% of Income for Rent	19,421,588	(53.0)	155,208	(50.9)	41,845	(56.9)

*Based on 2010 American Community Survey data

Table 2. LIHTC Units Approaching Year 15 from 2012 to 2024 in the St. Louis MSA*

Original 15-Year Compliance Period Ends	Number of Properties	Number of Low-Income Housing Units	Number of Properties with Nonprofit Sponsors	Number of Properties with For-Profit Sponsors
2012	19**	1,090	6	12
2013	15	826	7	8
2014	9	545	3	6
2015	20	1,024	8	12
2016	14	1,326	4	10
2017	23	1,164	5	18
2018	16	1,308	4	12
2019	21	1,419	5	16
2020	23***	1,775	6	13
2021	19	1,313	6	13
2022	19	1,751	0	19
2023	1****	71	0	1
2024	10	1,143	4	6
Total	209	14,775	58	146

* Based on data from HUD's LIHTC database for properties placed in service from 1997 to 2009 in the St. Louis MSA. The following Missouri counties are included: Franklin, Jefferson, Lincoln, St. Charles, St. Francois, St. Louis City, St. Louis County, Warren and Washington. The following Illinois counties are included: Bond, Calhoun, Clinton, Jersey, Macoupin, Madison, Monroe and St. Clair.

** Data on the sponsorship status of 1 property was unavailable for this year.

*** Data on the sponsorship status of 4 properties was unavailable for this year.

**** Data for properties placed in service in 2008 (15 years prior to 2023) was unavailable.