



## PRESERVE AND EXPAND LOW INCOME HOUSING TAX CREDITS (LIHTC)

### CALIFORNIA TAX CREDIT ACTIVITY

California Tax Credit Allocation Committee, August 29, 2024

#### FEDERAL 9% CREDIT AWARDS

Annual Federal Credits Awarded:  
\$110,559,098

Total State Credits Awarded:  
\$160,313,311

Projects Awarded:  
57

Total Number of Units:  
2,936

Total Number of Low-Income  
Units: 2,991

#### FEDERAL 4% WITH TAX-EXEMPT BOND FINANCING AWARDS

Annual Federal Credits Awarded:  
\$387,010,314

Total State Credits Awarded:  
\$529,373,901

Projects Awarded:  
127

Total Number of Units:  
14,975

Total Number of  
Low-Income Units:  
14,796



JANUARY 2025

## DID YOU KNOW?

- The LIHTC Program is the most important resource for creating affordable housing in the United States today. Created by the Tax Reform Act of 1986, the LIHTC Program gives State and local LIHTC-allocating agencies the equivalent of approximately \$10 billion in annual budget authority to issue tax credits for the acquisition, rehabilitation, or new construction of rental housing that will remain income and rent restricted over a long period (55 years for California). The amount of tax credits allocated is based on the number of qualified low-income units that meet Federal rent and income targeting requirements.
- The U.S. Department of the Treasury administers the LIHTC Program, which is not a direct subsidy but rather a tax credit that can be used to offset tax liability.
- Since 1986, LIHTC has developed or preserved 3.85 million homes for about 8.97 million low-income households nationwide. LIHTC developments also support local economies with over \$257.1 billion in tax revenue generated and \$716.3 billion provided in wages and business income.
- In addition to the Federal LIHTC, California has its own LIHTC Program, which supplements the Federal credits to further incentivize the development of affordable housing within the State. This State program helps bridge the funding gap, ensuring that more projects can be completed and providing additional support for mixed-income developments.

**As Congress works on developing future tax packages, the Los Angeles County Development Authority (LACDA) urges Congress to include the following provisions to preserve and expand the LIHTC Program:**

**Restore the 12.5% increase** in the 9% Housing Credit authority which expired in 2021, and apply the cap increase to calendar years 2023, 2024, and 2025.

**Lower the bond-financing threshold for 4% Housing Credit developments** financed with bonds that have an issue date prior to 2026 from 50% to 25%.

**Include the tax proposals contained in the Affordable Housing Credit Improvement Act (AHCIA)**, a bipartisan proposal introduced in the past four Congresses that would critically increase the per capita amount of LIHTC and its ceiling. Passing the AHCIA proposals is the single most important step Congress can take to address the nation's affordable housing supply crisis. Up to 1.94 million additional affordable homes could be financed and would result in 3 million jobs, \$115 billion in additional tax revenue, and \$333 billion in wages and business income.