



REPORT

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MISSOURI'S LOW-INCOME HOUSING TAX CREDIT

By Elias Tsapelas

KEY TAKEAWAYS

- Established in 1986, the low-income housing tax credit (LIHTC) program is the federal government's primary policy tool for the development of affordable rental housing.
- Missouri implemented its own version of the LIHTC program in 1992 as a supplement to the federal program, and it is now one of the most generous state programs in the country.
- From 2017 to 2019, Missouri suspended its LIHTC program by halting the issuance of new credits, and despite the program's absence, there were minimal effects on affordable housing development.
- Given the lack of evidence supporting continued investment on behalf of state taxpayers, Missouri's LIHTC program should be suspended once again until lawmakers can find a better way to improve the state's affordable housing landscape.

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INTRODUCTION

The cost of housing plays a key role in the financial well-being of not only every family, but also an area's economy. Access to affordable housing is crucial to the establishment of prosperous communities, which raises the question of what should be done when sufficient housing is out of reach for too many.

Government's role in addressing a lack of affordable housing is a complex topic. Over the past century, policy efforts to improve housing affordability have achieved decidedly mixed results. In 1986, the federal government began a new approach by establishing the low-income housing tax credit (LIHTC). The idea was simple: provide a supply-side incentive to make housing more affordable through the tax code.

Instead of the government building places to live (housing projects) or directly subsidizing the rent of low-income individuals (vouchers), the LIHTC program forgoes future federal tax revenues in an effort to incentivize housing developers to build more rental units. In exchange for the tax credits, the developers agree to adhere to requirements for keeping subsidized units "affordable" for 30 years after a project's completion. These requirements entail setting aside a fraction of units for people with incomes below a prescribed threshold and capping rent based on the area's median income as defined by the U.S. Department of Housing and Urban Development (HUD).¹

The LIHTC program has grown enormously over the past 35 years and is now the federal government's largest tax expenditure on affordable rental housing. Since the LIHTC was established at the federal level, multiple states have created their own state-based complements to the program. Missouri implemented its own version of the LIHTC program in 1992, and from 1996 to 2017 matched 100% of all federal dollars allocated to the program. Today, the LIHTC program is Missouri's primary housing policy tool and is the state's most expensive tax-credit program. Despite the program's growth and political durability, the question remains: is Missouri's LIHTC program effective and cost-efficient at improving housing affordability?

As an initial step toward an answer, this paper details the structure of the LIHTC program and the economic

incentives it creates—in the process drawing from a wide range of empirical studies about the LIHTC program. Next is a discussion of the impact of the temporary suspension of the Missouri state-level LIHTC program on the number of new units for which developers sought or received federal LIHTC credits.

TAX CREDIT SUMMARY

Tax credits are a \$1-for-\$1 offset in tax liabilities. Governmental entities agree to forgo future tax revenues by issuing credits to participants in exchange for performing desired activities (e.g., building "affordable" housing). In most cases, the recipients are then required to make qualifying expenditures to receive the tax liability reduction. And although tax credits are not labeled as direct government expenditures, they can function in the same way.

BACKGROUND

Overview

The federal LIHTC program was created by the Tax Reform Act of 1986 and operates through the U.S. Tax Code.² The program provides tax incentives for the development and rehabilitation of affordable rental housing. The LIHTC program is intended to help those with limited incomes find affordable places to live by expanding housing supply through awards of tax credits to developers for building qualified rental projects and agreeing to meet certain rent affordability guidelines for 30 years. Developers can use the tax credits to offset their tax liability or, if they have insufficient tax liability, they can sell the credits to investors with higher future tax liabilities in exchange for upfront capital to fund their real estate projects. In short, the purpose of the LIHTC program is to induce an increase in the supply of affordable housing in areas where it otherwise might not be built by reducing effective costs to developers.

EXAMPLE

Let's say you're a housing developer and you want to apply for low-income housing tax credits. First, you need to develop a plan for the project and estimate how much it will cost. For simplicity, let's assume you want to build a new apartment complex that will cost \$1.25 million. Of those costs, only \$1.11 million are eligible expenditures for tax credits because land and several other expenses aren't allowable. Because it is new construction, the project would be eligible for the 9% credit, which means that up to 90% of all eligible projected costs could be covered. So, if approved, you could receive nearly \$1 million in tax credits over ten years, or approximately \$100,000 in tax liability reduction each year.

- At least 20% of the residential units in the development must be occupied by tenants whose income is 50% or less than the area median gross income (AMI), adjusted for family size
- At least 40% of the residential units in the development must be occupied by tenants whose income is 60% or less than the AMI, adjusted for family size.
- At least 40% of the residential units in the development must be occupied by tenants whose average incomes are no greater than 60% of the AMI, with no tenants in set-aside units having incomes higher than 80% of the AMI.

The “gross rents test” requires that rents (adjusted for number of bedrooms) for the subsidized housing not exceed 30% of the chosen income cutoff listed above [e.g., 60% of the area's median income adjusted for household size as determined by the United States Department of Housing and Urban Development (HUD)]. In other words, the rent cap is not set based on the actual income of the tenant, but rather based on income in the surrounding area. See Figure 1 for an illustration of how LIHTC rents are determined in practice.

Types of Credits

Within the federal LIHTC program, there are two types of tax credits: a 9% and a 4% credit. The two credits differ in the amount of each project's costs that can be eligible for the tax incentive. New construction projects are the most common type of development to receive LIHTCs and are eligible to receive up to 9% of the project's qualified “basis” (primarily construction costs) in credits each year, for 10 years, resulting in a potential total subsidy of 90% of the project's eligible costs. Generally, the 4% credits are used for rehabilitation developments, which can receive a maximum 40% total subsidy, but can also be used for other projects that are being partially financed through tax-exempt bonds.³

LIHTC Qualifications

To qualify for LIHTCs, proposed projects must pass an income test and a “gross rents” test. The income test requires that the owner agree to meet one of the following three conditions:⁴

Allocation Process

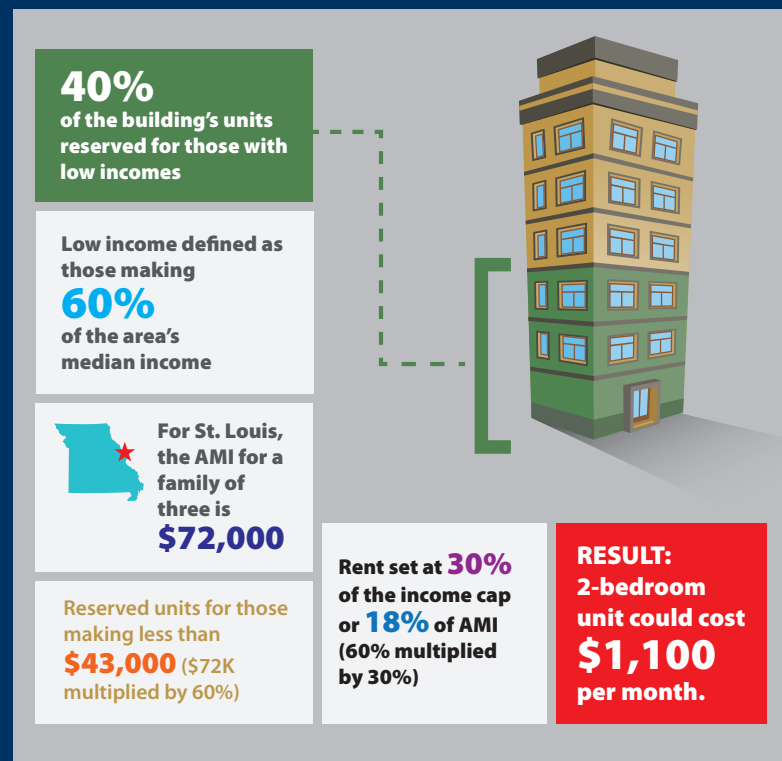
The process of allocating, awarding, and then claiming federal LIHTCs is complex and lengthy. In practice, the program is administered almost entirely by state housing finance authorities. Each year, the Internal Revenue Service (IRS) allocates federal LIHTCs for new construction projects (9% credits) across all 50 states based on population. For example, in 2021, the Missouri Housing Development Commission (our state housing agency) was allocated approximately \$2.81 per full-time resident from the federal government, which translated to approximately \$17.3 million in available federal tax credits.⁵ It is then the responsibility of each state's housing agency to award the credits to developers according to federally required, but state created, Qualified Allocation Plans (QAPs).

Each year state housing agencies publish QAPs. These can vary significantly by state, but they generally outline

Figure 1

Example of Rent Calculation for Possible LIHTC Development in St. Louis

Despite the stated intent of the program, LIHTC rents may not be affordable in practice to many with low incomes.



all the specific state and federal requirements for LIHTC eligibility.⁶ The plans also put forth the state's priorities for awarding financing assistance in a given year. Examples of what would be included are things like the federal requirement that states give priority to projects that serve the lowest-income households and projects whose developers commit to keeping them "affordable" for the longest period of time. States can also set their own priorities, such as favoring projects in certain locations, certain types of housing, or certain ownership arrangements.⁷

Once a plan meets the qualifications to be considered, the 9% credits are then awarded through a competitive process. During this time, state housing agencies accept project applications and allocate credits to developers according to the rules and priorities outlined in the

year's QAP, which are then posted publicly (applicants and awards).⁸ In Missouri, this includes assigning a score to each application according to a rubric defined in the QAP, with the highest scoring applications in each region of the state being most likely to receive awards.

A tax-credit allocation does not necessarily mean that every credit will eventually be claimed, but rather that a portion of the state's yearly allotment of tax credits has been set aside for the chosen developer. The allocation might best be thought of as a cap, because it is based on the project's estimated eligible costs. Those costs need to be incurred—and the project must be completed—before any credits can be claimed.

Using the Credits

Awarding tax credits for the cost of construction decreases the investment required by the approved project developers, but not necessarily in the way one might expect. Developers who apply for credits—which are nontransferable, nonrefundable, and stretched out over a 10-year period—tend to have more immediate financing

needs and may lack sufficient tax liability to fully benefit directly from the credits. Thus, to acquire up-front capital for a project, a developer will usually enter into a partnership (typically an LLC) with investors who purchase, at a discount today, the right to claim the project's LIHTCs over the next decade (Figure 2). After the project is completed, the credits are awarded to the legal partnership for the investors to redeem as agreed upon. This allows the investors use the credits as dollar-for-dollar reductions in their business or individual tax liabilities over the 10-year period.

Selling Credits

Arranging financing for an LIHTC-subsidized housing development can be incredibly difficult. Developers

4% CREDITS

Despite having many similar characteristics, the allocation processes for 9% and 4% credits were separated here for simplicity. Each year, applications for 4% credits are subject to the same QAP as 9% credits, and account for approximately 20% of the total LIHTCs awarded in a year. While the 9% credits are awarded on a competitive basis, the 4% credits are considered “non-competitive.” This means they are not subject to the yearly IRS allocation like the 9% credits. Since they are not competitively awarded, applications for 4% credits are accepted year-round, but are generally limited by the availability of tax-exempt bonds.

need to find investors with sufficient capital to purchase tax credits today—and who are willing to do so because they expect to have sufficient tax liability to claim the credits over the following 10 years. To do this, most developers turn to what are called tax syndicators. These are professionals specializing in connecting developers with investors and arranging the partnerships necessary to make the proposed project a reality.⁹

Once investors are found, the next issue is determining how much they’ll pay for the credits. Ultimately, the price is a function of the current market, the tax situation of the investor, and the time value of money. Federal tax credits are typically sold for between 85% and 92% of face value, in large part because the net present value of any benefit delivered over 10 years is less than it would be if all of it were delivered immediately.¹⁰ Some investors do receive additional federal benefits from investing in affordable housing—such as banks that use LIHTCs to meet obligations they face under the Community Reinvestment Act—which can help prop up the sale price of credits. However, the credits are almost always sold for less than the full value in tax liability reduction they represent. The state tax credit portion of the sales process will be explained in greater detail later in this report.

Compliance

LIHTCs are also unique in that the program’s compliance rules are enforced by the IRS and state housing agencies. Once an affordable housing project is completed and low-income renters are able to move in, the awarded tax credits can be claimed over the following 10 years. However, federal law requires that LIHTC-funded projects comply with program rules for at least 30 years. In other words, the agreed-upon affordable rents and tenant composition must be maintained for 30 years. If a project fails to remain in compliance during the entire first 15 years, the IRS may recapture any tax credits that have been claimed.¹¹ However, if a project falls out of compliance over the final 15 years, the IRS does not have the authority to recapture those credits. For this reason, it is common for many non-managing investors of a LIHTC project to exit the partnership after their credits have been claimed and 15 years have passed.

The Impact of LIHTC on Housing Supply: A Survey of the Research

Despite the fact that LIHTCs have been awarded for a significant fraction of all recent multi-family construction, a growing body of research casts doubt on whether LIHTC has increased the net supply of affordable housing, with Malpezzi (2002) suggesting that LIHTC crowds out private development that otherwise would have occurred.¹² In support of this hypothesis, Sinai and Waldfogel (2005) estimated that, because of substantial crowd-out effects, one government-subsidized unit results in only one third to one half of a unit added to the net housing stock.¹³ Similarly, Eriksen (2009) studied years of data that tracked where LIHTC projects were built across the country and found that there was not a significant increase in housing supply where the program had been deployed.¹⁴ In a stark analysis, Eriksen and Rosenthal (2010) concluded that nearly 100% of LIHTC development is offset by a reduction in the number of newly built unsubsidized units.¹⁵ The analysis in Freedman and McGavock (2015) yielded similar results.¹⁶

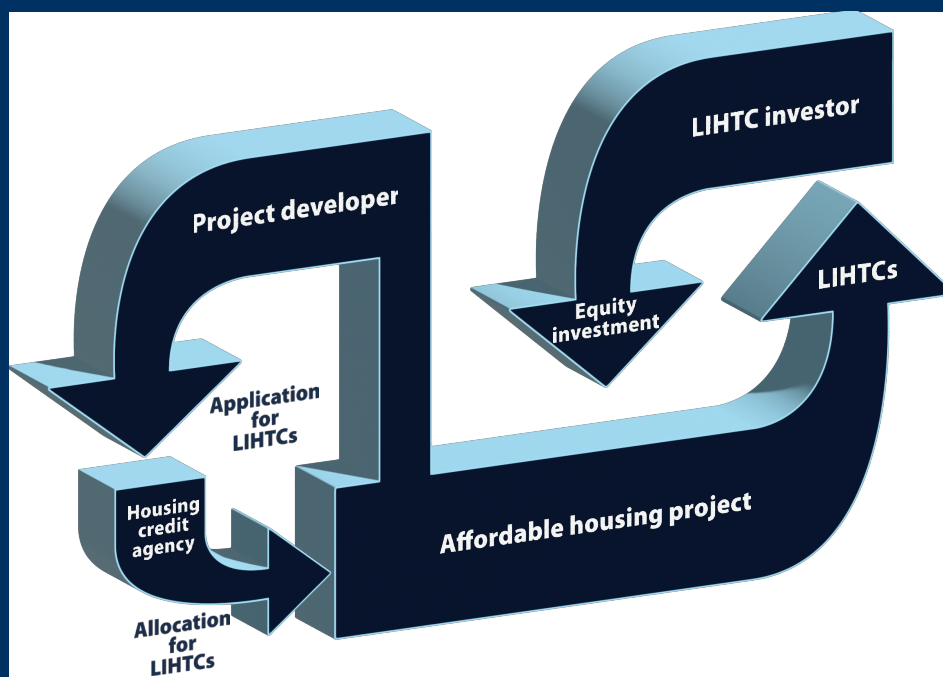
Eriksen (2017) explained that part of the reason that LIHTC has only limited effects on the total supply of affordable rental housing is that states operate the program in an untargeted manner.¹⁷ In particular, he showed

Figure 2

Example of Legal Structure for LIHTC-financed Project

Using LIHTCs to finance a housing development often requires a complex legal structure to connect developers to investors:

1. Project developer applies to a state housing agency for an LIHTC allocation for a specific affordable housing project.
2. If approved, tax credits are awarded to the project; these credits provide an incentive for investors.
3. Developer offers investors an ownership interest in the affordable housing project.
4. Investors then receive tax credits and real estate losses through the newly-formed partnership in proportion to their ownership interest in the project.



Source: Office of the Comptroller of the Currency.

housing is relatively inelastic, or where it is comparatively hard to increase.¹⁸ For example, housing supply in New York City is far more inelastic than it is in rural Missouri.

Absent a more stringent QAP implemented by the state, LIHTC also may do little to increase the supply of housing at below-market rents. In particular, according to Eriksen (2017), the maximum rent set forth by the gross rents requirement—30% of 60% (i.e., 18% overall) of area median income—is above the market level of rent in 66 of the 100 largest U.S. cities, rendering the requirement toothless. Accordingly, you would expect a smaller impact on rental prices from an LIHTC development in an area that already has relatively affordable rents but higher than average median incomes. Unfortunately, most state QAPs do not effectively target the program to areas that have struggled to develop affordable rental housing.

As mentioned previously, the vast majority of LIHTCs awarded are sold to investors

that the location of LIHTC construction exhibits little correlation with underlying need or the tightness of supply conditions. In other words, for the LIHTC program to increase the supply of housing, it needs to be deployed in areas where there is a need for such housing that otherwise would not be met by private investors. For this reason, Eriksen (2020) concluded that the most effective places for using LIHTC subsidies would be areas where the supply of

to fund the project's construction. The problem is that LIHTCs are allocated based on a project's estimated qualified costs, which can distort project spending decisions because only certain costs are covered. For example, since LIHTCs can cover construction costs but not the land on which the structure is being built, developers are incentivized to propose projects in areas where the land is cheaper. In addition, as Lang (2015)

explains, this subsidy design also encourages excess spending on structures.¹⁹ The result is that LIHTC-funded developments are typically more expensive than their privately financed counterparts, and are placed in areas that research has shown are not as economically advantageous.

Missouri's LIHTC Program

In addition to federal LIHTC efforts, Missouri launched its own version of the program in 1992. The state's program works in conjunction with the federal version; project applicants can request state tax credits on top of federal credits.²⁰ Starting in 1996, Missouri began matching 100% of all federal tax credits. Since that time, Missouri's LIHTC program has become the state's most expensive tax credit. As Figure 3 shows, Missouri has spent over \$2 billion on state LIHTCs since FY 2006 (on top of the federal credits).

Most LIHTCs awarded are sold to investors to raise capital and help lower those investors' tax liability, but state tax credits typically sell for much less than federal credits. In addition to factors that also affect the pricing of federal credits—such as the time value of money—tax implications can also play a big role in the pricing of state credits. When an investor claims a state credit (thus lowering their state tax liability), this reduces the claimable portion of the federal tax deduction that comes from state taxes paid. In other words, using state credits can increase federal tax liability. As a result, the value of the state credit to each investor drops by the federal tax rate they would have to pay on those funds—sometimes up to 35% of the credit's

value. Over the years, the selling price of Missouri's LIHTCs have fluctuated significantly, but they typically sell for between 40 to 60 cents on the dollar, or 25% to 50% less than the federal credit.²¹

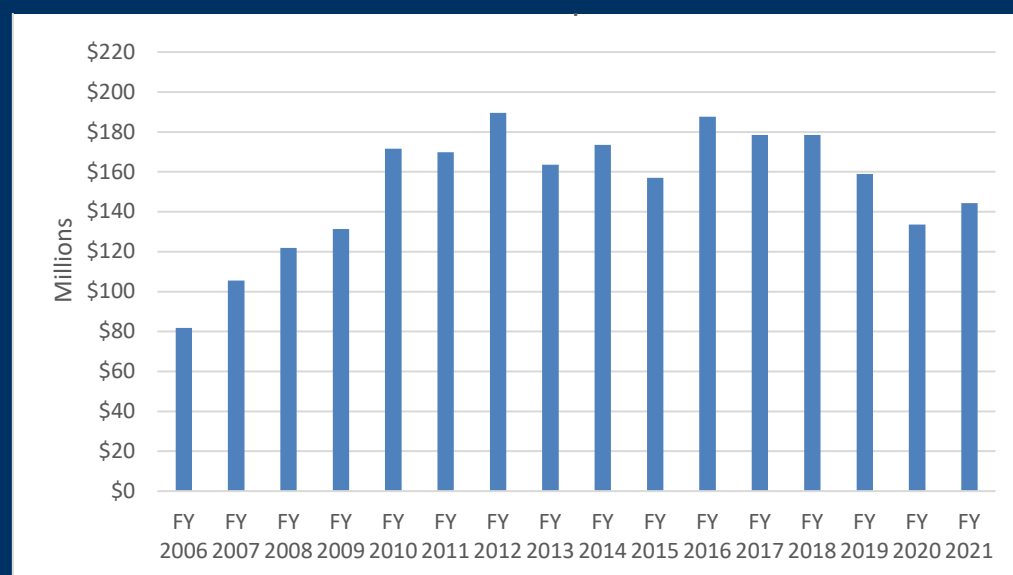
The Temporary Suspension of Missouri's LIHTC

Recognizing the inefficiencies of LIHTC as implemented, Missouri's governor in 2017 suspended the state LIHTC program. By immediately halting issuance of the state-level credits, the governor brought about a long-needed discussion of the program's efficacy. Though the stoppage only lasted two years, the experience provided an excellent opportunity to gauge the importance, or lack thereof, of Missouri's investment in the program.

In the few years prior to 2017, Missouri was issuing around \$16 million per year in state tax credits (approximately \$160 million in total over 10 years) to subsidize the development of around 35 new LIHTC projects. These expenditures were in addition to the same number of federal credits being awarded to the same projects. In total, these approximately 35 projects

Figure 3
LIHTC Redemptions

Missouri's LIHTC program costs state taxpayers more than \$120 million per year.



Source: Missouri Department of Revenue.

were receiving more than \$300 million from the LIHTC program to help subsidize around 1,700 rental units.

An often-used argument supporting the state's investment in the LIHTC program is that these projects would not be financially feasible with federal investment alone. Fortunately, the suspension of the state program offered a perfect opportunity to test this claim. What happened when the state of Missouri halted its yearly investment, thus nearly halving the amount of LIHTCs available in a given year? As shown in Figure 4, despite the lack of state credits, Missouri still awarded its entire allocation of federal LIHTCs in both 2018 and 2019.

In fact, there was only a moderate decline in the number of applications for LIHTCs during the state's stoppage. Though the state credit suspension only lasted two years, as Figure 5 shows, the MHDC still received more than 100 project applications in both of those years. These totals remain far above what could be awarded in a given year, and for some context, the 2018 applications still exceeded the total applicants from 2014 to 2016. This should allay concerns that without state credits there would be less competition for federal awards (thus

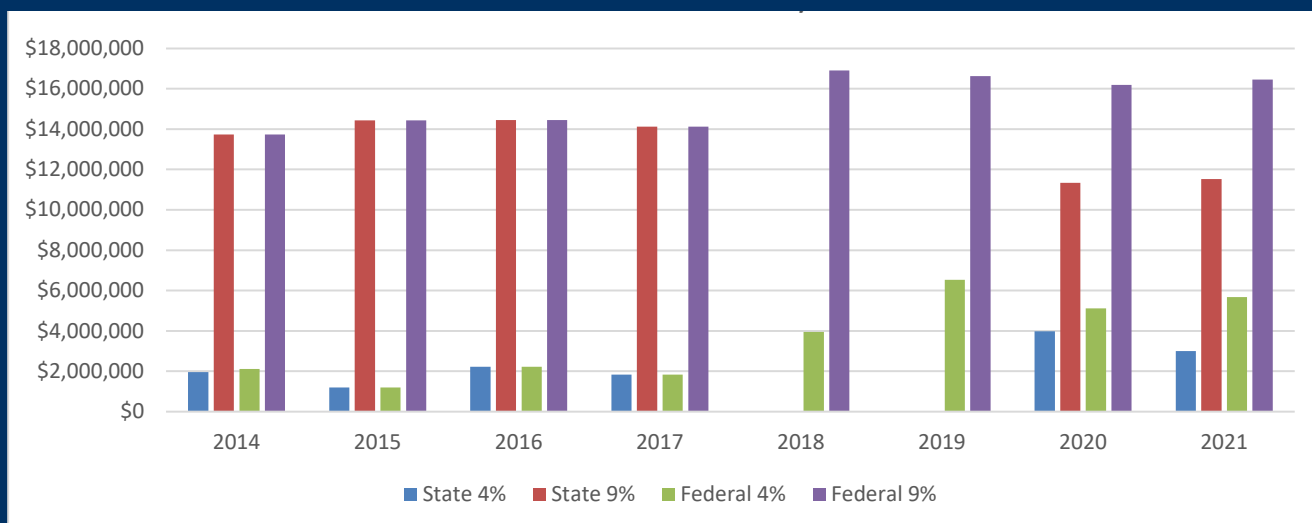
lowering the quality of affordable housing projects receiving credits).

The next question is whether there were material differences in other factors such as the number of projects or units approved, the size of approved projects, or the amount of federal subsidy, as a result of Missouri's program's hiatus.

As Table 1 shows, the number of projects awarded LIHTCs in a given year remained relatively stable. There was a drop from 35 projects awarded in 2017 to only 30 in 2018, which upon further inspection appears to be more of a function of the type of projects being awarded. As mentioned earlier, Missouri awarded its entire allocation of federal LIHTCs in the years the state program was suspended, so it follows that some of the projects approved in 2018 were likely larger (more costly) than those awarded in 2017. As shown in Figure 6, looking at the total rental units subsidized by year, this appears to be true. All told, the number of units approved in the first year of Missouri's suspension of the state program exceeded those approved in 2017 (when it was still active) by more than 500.

Figure 4
Total LIHTCs Awarded by Year

Missouri awarded more than \$16 million in federal 9% credits in each of the two years the state's LIHTC program was dormant.



Source: Missouri Housing Development Commission.

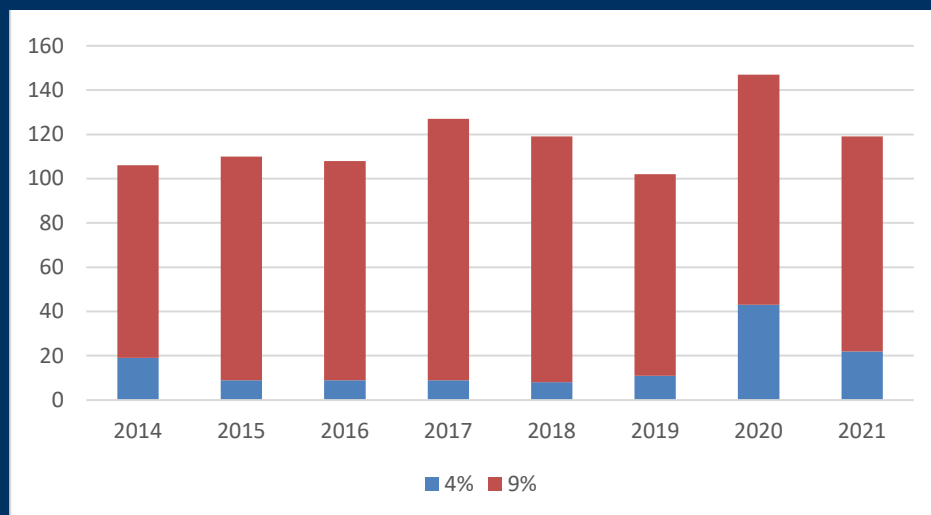
A similar trend continued once Missouri's LIHTC program resumed in 2020, as data from the MHDC confirms. The state program demonstrated little effect on the number of projects or units subsidized with federal credits in a given year. It should be noted that when the MHDC started awarding state credits again in 2020, the program was a little different than it had been in years past. Instead of state credits matching the federal award for 9% projects on a one-to-one basis, the state subsidy matched 70% of the federal subsidy. This change did not appear to impact the desirability of these credits, as the number of units and projects awarded in 2020 decreased compared to 2019, though not by much. For 2021, the number of approved units decreased again, along with approved projects. In other words, by these metrics, it's hard to say whether the state credit or lack thereof plays much of a role in determining how many units or projects will receive LIHTCs in a given year.

If the state program doesn't impact the total number of projects or units subsidized, does the same hold true for the 4% and 9% credits individually?

For the 9% credits (new construction), the size of each project remained relatively stable regardless of whether or not state LIHTC subsidies were available. The 4% credit represents an interesting case because, as Figure 7 shows, there's a significant increase in the average units per project in 2018, the first year of state credit suspension. But in the years that followed, the averages returned to levels closer to what were seen in years past. Unfortunately, without additional years of data without state LIHTC investment, it's unclear what role the state credit played in the jump, or whether 2018 was simply a

Figure 5
LIHTC Applications

Each year, the MHDC receives more than 100 LIHTC project applications.



Source: Missouri Housing Development Commission.

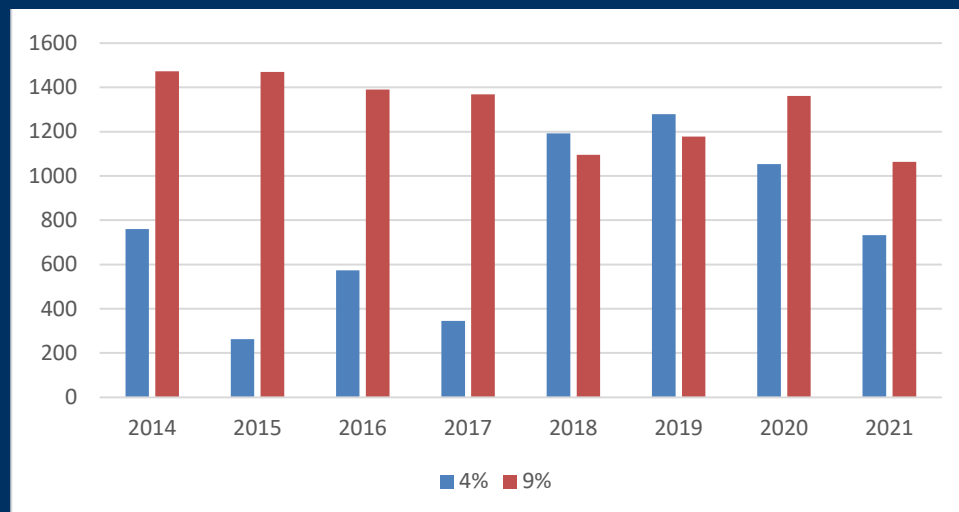
Table 1: LIHTC Project Approvals

Year	State		Federal		Total
	4%	9%	4%	9%	
2014	6	27	6	27	33
2015	4	32	4	32	36
2016	5	31	5	31	36
2017	6	29	6	29	35
2018	0	0	5	25	30
2019	0	0	11	29	40
2020	11	26	11	26	37
2021	6	24	8	24	32

Source: Missouri Housing Development Commission

Figure 6 LIHTC Applications

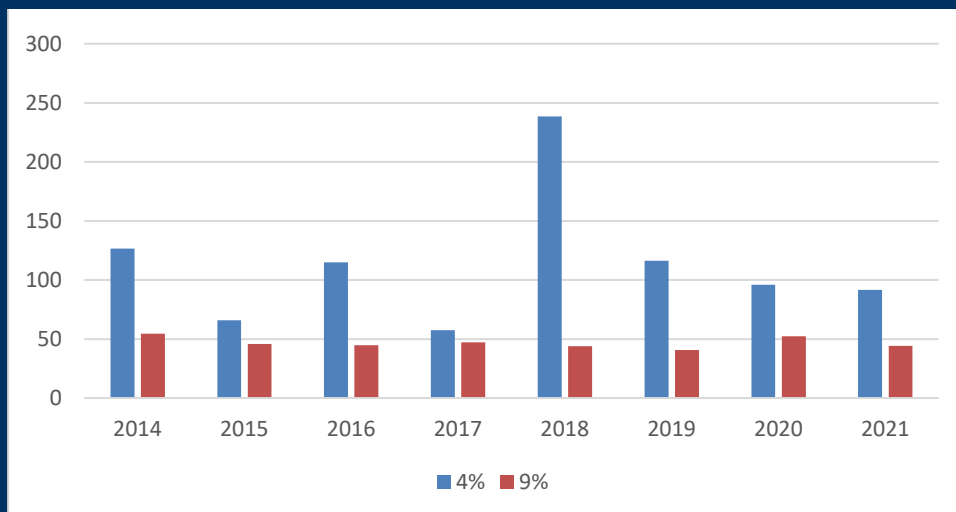
Despite the state program's absence in 2018 and 2019, there was no negative impact of total units approved for LIHTC subsidy.



Source: Missouri Housing Development Commission.

Figure 7 Average Units per Project

In 2018, the average number of units in a project approved for 4% credits increased significantly, but in 2019 returned to levels in line with past years.



Source: Missouri Housing Development Commission.

year with uncharacteristically large projects among 4% applicants.

Without enough data to determine a significant change in project type, what other quantifiable differences can we compare for Missouri's LIHTC program?

First and most obvious is the total subsidy per unit. This result follows mechanically from our previous finding; if the state matches federal investment but doesn't increase the number of units subsidized, the total subsidy per unit must be lower when there's no state investment. As shown in Figure 8, the subsidy per unit dropped by over \$5,000 for 9% credits and by over \$7,000 per unit for 4% credits when the state's LIHTC program was suspended.

Another often-used argument in favor of Missouri's LIHTC program is that state investment helps put downward pressure on requests for federal credits. The idea is that since the federal 9% credits are a set yearly allotment from the federal government, if each project needs fewer of them to be developed, then more affordable housing can be subsidized each year.

As Figure 9 shows, as soon as the state LIHTCs were removed, the federal subsidy per unit for 9% credits

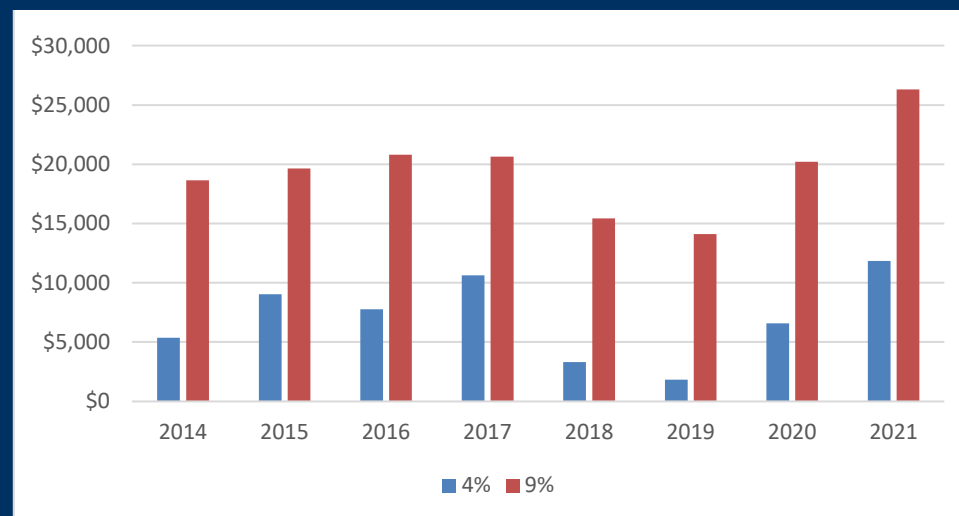
increased significantly while the 4% credits remained nearly the same. This could suggest there is some truth to the claim that state credits have an effect on federal 9% requests, but more years of data would be advisable. Without more information, it's difficult to discern whether the increase in 9% average was a result of the state LIHTC suspension, and if it was, it's unclear why the value for 2021—after the state LIHTC was reinstated—is similar to the 2019 value when it was in a period of suspension.

While Missouri's LIHTC program was not dormant long enough to fully analyze the effects of its absence, a few things appear likely. First, the state program may modestly increase the number of yearly applicants, because the total credit award per unit is higher in the years in which both state and federal programs are active. Second, the state program does not appear to have a significant effect on the number of projects or units that will be awarded LIHTCs in a given year. Third, Missouri's contribution to the program may impact the amount of federal 9% credits requested for each unit, but there does not appear to be a similar effect on 4% requests. And finally, further years of this type of study would provide useful information.

Figure 8

Total LIHTC Subsidy per Unit

In 2018 and 2019 there was a significant drop in the total subsidy per unit for both 4% and 9% credits.

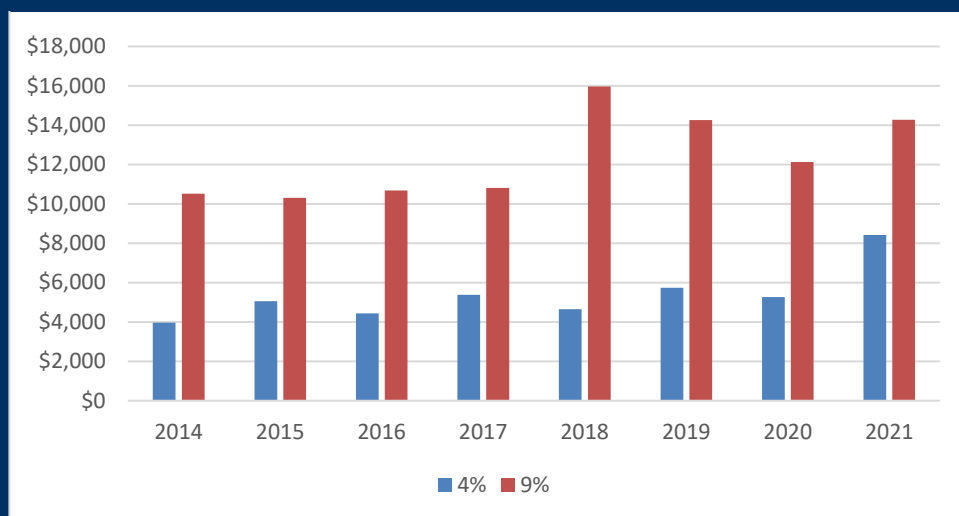


Source: Missouri Housing Development Commission.

Figure 9

Federal LIHTC per Unit by Project

Federal subsidy per unit for 9% credits increased by more than \$5,000 per year in 2018.



Source: Missouri Housing Development Commission.

If Missouri taxpayers can reduce their investment in the program while maintaining similar results, such a reform would be worthwhile.

CONCLUSION

Since its inception in 1987, LIHTC has become the largest source of financing for subsidized low-income construction. Unfortunately, a growing body of evidence finds that LIHTC as it is often implemented may not be effective at increasing the net supply of affordable housing due to features that lead to crowding out and inflated costs. Overall, the program does not appear to be well-targeted, suggesting the need for further study and reform. The logic behind these conclusions applies not only at the federal level but also in Missouri, which also suffers from low tax-credit prices that reduce the program's cost-effectiveness. Given this evidence, it was sensible for the Governor to suspend Missouri's LIHTC program in 2017 to assess the situation and devise appropriate reforms. There were few if any negative effects on the number of applications for credits or projects approved.

Going forward, it only makes sense that Missouri's LIHTC program should be halted once again until a better plan for increasing the supply of low-income housing can be agreed upon. Good stewardship of taxpayer funds means insisting that programs deliver value and achieve results, and it's clear the last thing Missourians can afford is continued inaction on the state's LIHTC program.

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NOTES

1. Traditionally, 20% of units for people earning below 50% of area median income or 40% of units for people earning below 60% of area median income (AMI). The rents are then set at 30% of the income threshold for the set-aside units. For example, this means the rent in a unit reserved for those earning below 60% of the AMI would effectively be set at 18% of the AMI (60% × 30%). Each year, HUD releases AMI estimates based on data from the U.S. Census Bureau. The “areas” are typically counties, but if the county is within a metropolitan area, the figure will refer to the median income for the entire metropolitan statistical area.
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3. Keightley, Mark P. An Introduction to the Low-Income Housing Tax Credit. Congressional Research Service, 26 Jan. 2021. crsreports.congress.gov/product/pdf/RS/RS22389/65.
4. Ibid.
5. Internal Revenue Service. https://www.irs.gov/irb/2021-11_IRB
6. “2021 Qualified Allocation Plan for MHDC Multifamily Programs.” Missouri Housing Development Commission. http://mhdc.com/rental_production/2021-fy-items/2021%20Final%20QAP.pdf
7. “Low-Income Housing Tax Credits: Affordable Housing Investment Opportunities for Banks.” Office of the Comptroller of the Currency, 15 Mar. 2014. www.occ.gov/publications-and-resources/publications/community-affairs/community-developments-insights/ca-insights-mar-2014.html.
8. Due to various rules surrounding how LIHTCs are claimed (explained later), recipients of these credits are typically newly formed limited liability companies (LLCs) established specifically for each approved project. This means that despite the public posting requirements for tax credit awards, little useful information is gained about the credits' true recipients.
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