

Housing Tax Credit Program

- What is it?
 - Created by the Tax Reform Act of 1986 –under § 42 of the Internal Revenue Code, 26 U.S.C. § 42
 - Financing program to build affordable rental housing
 - Primary means of directing private capital towards development of affordable rental housing for workforce households





Housing Tax Credit Program

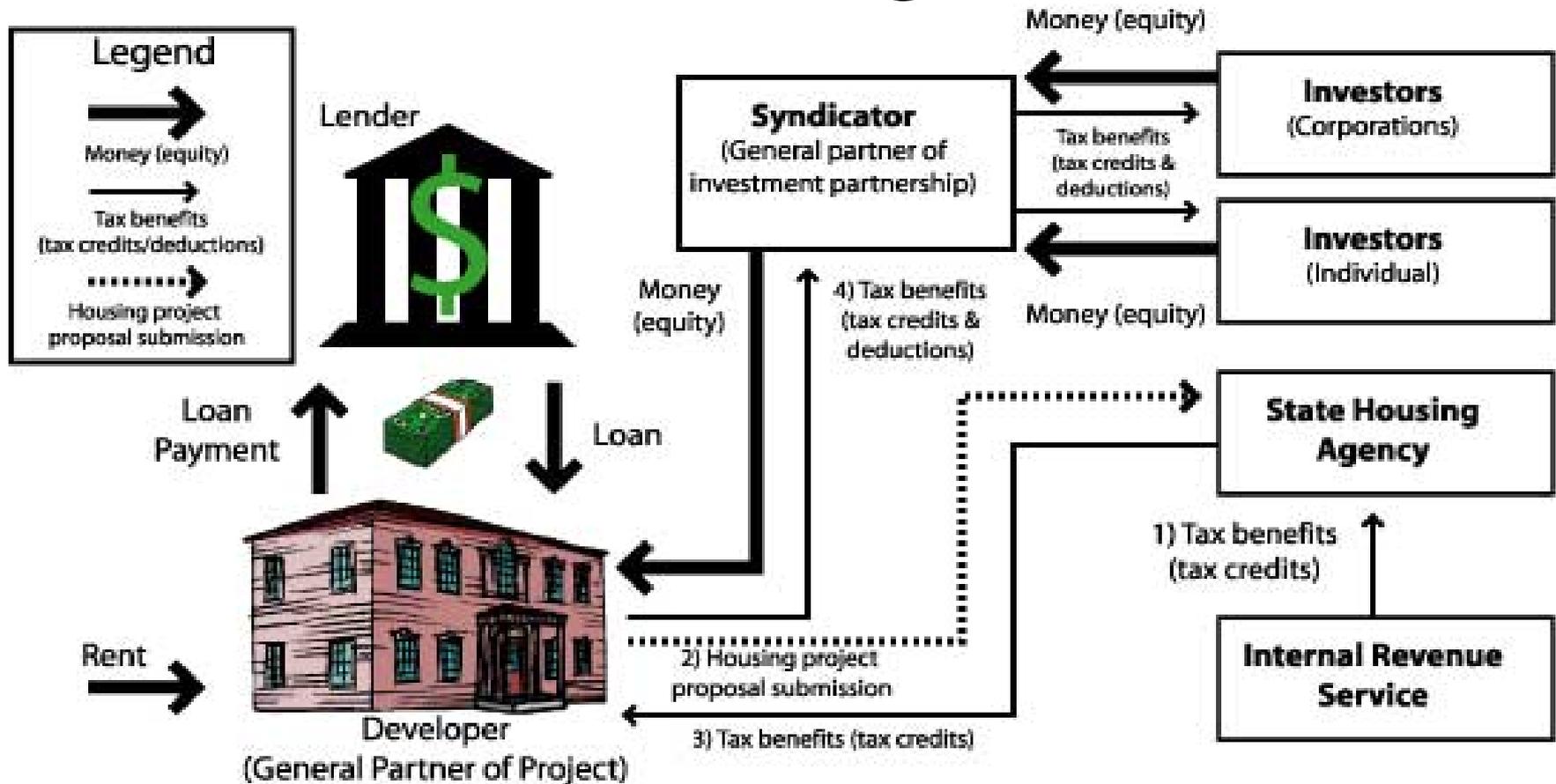
- What is it?
 - The incentive is an annual tax credit in exchange for equity in the development
 - Each state receives a per capita allocation = \$2.35
 - The developer markets the tax credits to investors that need a reduction of federal tax liability
 - The private capital allows the developer to reduce the mortgage on the development and pass on savings in form of affordable rent structures



Housing Tax Credit Program

- What is it?
 - Awarded annually to developers who compete within the state for an allotment of tax credits
 - Governed by Texas Department of Housing & Community Affairs w/ 15 year compliance period
- Housing units must be occupied by persons with incomes less than 60% of area median income
- Units must remain affordable for 30 years

How the Program Works: Follow the Funding





Housing Tax Credit Program

- Who are the beneficiaries?
 - Persons earning at or below 60% of the Area Median Family Income (AMFI) –4 person family \$35,580
 - Housing tax credit rents are based on tenants at maximum incomes paying no more than 30% of their incomes for rent
 - Residents receive social service programs, after school programs, education courses and social activities

Housing Tax Credit Program

- Five tax credit developments in Killeen
 - Village at Fox Creek (128 units)
 - The Veranda (88 units)
 - Stone Ranch Apartment Homes (129 units)
 - Killeen Ridge Point (172 units)
 - Tremont Apartment Homes (112 units)

No decline in surrounding property values since development.

Village at Fox Creek

- 128 units of 1,2,3 bedrooms
- Opened in 1998 – 2900 Illinois Ave



Veranda at Twin Creek

- 88 units, 1 and 2 bedroom units
- Opened in February 2000- 1101 Twin Creek Drive



Stone Ranch Apartment Homes

- 129 units of 1 and 2 bedrooms
- Opened in April 2004 – 4401 E Rancier



Killeen Ridge Point Apartment Homes

- 172 units of 1,2 and 3 bedrooms
- Opened in March 2006 – 1900 Bacon Ranch Road



Tremont Apartment Homes

- 112 units of 1,2,3 bedrooms
- Opened in 2012 – 1700 Bacon Ranch Rd.

