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ontrary to what many people think, the Housing Tax Credit (HTC) Program is not a subsidy program. Rather, the HTC program is the primary means of directing private capital towards the creation of affordable rental housing. The tax credits provide developers of low income rental housing with a benefit, which is usually sold to an investor and used to offset a portion of their federal tax liability, in exchange for the production of affordable rental housing. The value associated with the tax credits allows residences in HTC developments to be leased to qualified persons at rents that are often below market rates. The HTC program only addresses Federal taxes; HTC developments pay the normal state and local property and sales taxes unless they are specifically granted abatement by the local taxing jurisdiction.



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WHAT IS THE HOUSING TAX CREDIT PROGRAM?



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Studies prove Housing Tax Credit developments add value to the entire community.



Housing Tax Credits are awarded annually by the Texas Department of Housing and Community Affairs. Since there are many more applicants than there are available tax credits,

the TDHCA utilizes a competitive process in which all applicants are given a score based on the quality of their product, amenities offered, local support, and other factors. This process is very competitive, and only a fraction of those applying for HTC will actually receive an allocation.



A major difference between residents in subsidized housing, versus residents in an HTC community, is that HTC residents pay their own rent, and are subject to income verification and credit checks to ensure that they can pay the rent. Additionally, prospective residents must submit to a criminal history check, and we have a zero-tolerance policy regarding crime in our apartment communities.



When I first decided to move here eight years ago I never thought I'd be so happy with my decision. The management and maintenance staff are great, and my family feels comfortable and safe.

Resident



An additional requirement of the HTC program which benefits local residents comes in the form of units that are more accessible

to the disabled. In addition to making all of our ground-floor units adaptable for people with disabilities, we also make a minimum of 5% of our units fully outfitted for those with mobility impairments (typically wheelchair-bound) and an additional 2% of our units are equipped for those with hearing or visual impairment. This is especially important in smaller communities where these resources often do not currently exist.



One concern that many people have is how their property values will be affected by new HTC developments near them.

While many people fear that an HTC development will reduce their property values, several studies have shown that the opposite is actually true. In addition to this, a study by the National Association of Home Builders estimates that the average HTC development also generates around 150 jobs during its construction phase, which translates into a \$7.8 million injection into the local economy. The same study showed that an ongoing \$2.2 million is generated annually after the development is built and occupied.



I'm very happy with the lifestyle here—it's peaceful and quiet. I couldn't ask for a better place to live.

Resident



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