



Addressing the Challenges of Affordable Housing & Homelessness: The Housing Tax Credit

Clark County

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CLARK COUNTY IS FACING AN AFFORDABLE HOUSING AND HOMELESSNESS CRISIS

The Low-Income Housing Tax Credit, which Senator Cantwell has championed, is an important tool that drives private sector investment in affordable housing for families and the homeless. However, as this report demonstrates, the demand for this program far outstrips the need in Clark County and across Washington state. That is why Senator Cantwell, alongside a coalition of more than 1,300 organizations, has proposed **S. 2962 – the Affordable Housing Credit Improvement Act**, legislation which includes a 50 percent increase in resources for Low-Income Housing Tax Credit, enough to build another 400,000 affordable homes over the next 10 years.

The Affordable Housing Crisis

ACROSS THE COUNTRY, 11 million renter households, or one in four renters, spend more than half of their monthly income on rent. More than half of renters spend more than 30% of their income on rent. Nationwide, there are 11.2 million extremely low-income renters competing for only 7.3 million affordable units. The number of households spending a majority of their income on rent is only projected to grow.

IN WASHINGTON STATE, 169,000 extremely low income families do not have access to affordable housing. More than 36% of the state’s 2.5 million households—936,260—pay more than one-third of their income on rent and more than 390,000 households pay more than half of their income on rent. Since 2000, incomes in the state have declined by 2.4% while median rents rose by 7.8% - from \$884 to \$951 in inflation adjusted dollars.

IN CLARK COUNTY, there are only 16 affordable and available units for every 100 extremely low-income households—**much lower than the Washington state average of 28 units per 100 for extremely low-income households**. According to the Washington State Department of Commerce, this disparity in the number of affordable housing units Clark County needs to meet the needs of its citizens, will not have improved by 2019.

Currently, there are more than 16,505 low income families in Clark County that are considered cost burdened, and more than 10,400 of them pay half of their monthly income on rent. Clark County currently has 99 dedicated housing sites that provide nearly 6,350 affordable rental units. Over 518 of those units will see their subsidies expire by the end of 2017.

Clark County – Vancouver, WA

The City of Vancouver in Clark County and Oregon has over 17,690 low-income renter households (those with 0-50% of median household income). Of extremely low-income households, there are only 16 available and affordable units for every 100 households in the Vancouver-Portland area. Over 16,000 low-income households are cost burdened, and over 6,855 households pay more than half their income on rent.

**Clark County
In Focus**

16 in 100

Number of extremely low income households in Clark County who have access to affordable housing

10,400

Low income families paying more than half of their monthly income in rent

8,904

Extremely low-income renters in Clark County do not have access to affordable housing

Homelessness in Clark County

The Department of Housing and Urban Development's January 2015 point-in-time homelessness count identified 564,708 individuals experiencing homelessness across the United States. The January 2015 point-in-time homelessness count documented nearly 19,419 homeless individuals in Washington state. One-third, or 7,212 of those individuals, were unsheltered. Between 2013 and 2015, homelessness increased by 9.3%. This includes 1,136 additional homeless individuals—an increase of 10%.

Washington is one of only twelve states and the District of Columbia that have elevated rates of homelessness above the national average of 18.3 homeless people per 10,000 people. In Washington, the rate is 26.5 persons per 10,000. While there was a 2.3% decrease in homelessness across the United States from 2013 to 2014, in Washington state, homelessness actually rose by 3.8%.

IN CLARK COUNTY, there were 662 homeless individuals in 2015 according to the U.S. Department of Housing and Urban Development 2015 Continuum of Care report. Of those homeless individuals, 206 were unsheltered and living in cars, abandoned buildings, tents, or on the streets. Many communities will multiply their Point in Time Count by 2.2 as an estimate of the actual number of unsheltered individuals not all accounted for.

Clark County by the Numbers (2015)

662

Total Homeless Population

- 206 unsheltered
- 226 in emergency shelters
- 362 households with minors
- 143 victims of domestic violence
- 32 veterans
- 44 unaccompanied youth

Expanding the Low-Income Housing Tax Credit (LIHTC)

The Low-Income Tax Credit (LIHTC) program was created 30 years ago by the Tax Reform Act of 1986, and is one of the federal government’s primary tools for encouraging the development and rehabilitation of affordable rental housing. These non-refundable federal housing tax credits are awarded to developers of qualified rental projects via a competitive application process administered by state housing finance authorities.

**LIHTC in
Clark County: 30
years of success**

- **48 total projects have created 4,330 affordable units**
- **\$188 million in private sector investment**
- **175 for extremely low income, 382 units reserved for the elderly, 100 units for the homeless, and 113 for farmworkers**

Across the United States, the Low-Income Housing Tax Credit (LIHTC) has been responsible for financing the development of nearly **2.9 million rental homes**. Between 1986 and 2013, more than 13.3 million people have lived in homes that have been financed by the LIHTC. Over 30 years, the credit has helped leverage over **\$100 billion in private capital** used for affordable housing, including \$4.2 billion in Washington state.

Washington State

Since its creation in 1986, the Low-Income Housing Tax Credit has helped develop more than 75,000 affordable housing units throughout Washington state, including 15,346 units for the elderly, 4,097 units for individuals with disabilities, 1,640 for farmworkers, and 2,365 units for the homeless. In addition, the LIHTC helps support approximately 70,000 jobs each year in Washington state.

PROPOSAL: Expand the LIHTC by 50 percent

Senator Cantwell recently introduced the *Affordable Housing Credit Improvement Act*, which calls for a 50 percent increase in the annual amount of 9 percent credits available to states, allowing the creation or preservation of an additional 400,000 affordable rental units over the next 10 years. This proposal has been endorsed in the Bipartisan Policy Center’s Housing Commission report: “Housing America’s Future,” as well as by more than 1300 groups through the A.C.T.I.O.N. Campaign.

Projecting a 50% increase in resources in Clark County

Region	4% units	9% units	total units
Clark County baseline	1,507	241	1,748
50% Increase	--	120	
Total Units	1,507	361	1,868
WA state baseline	22,353	8,575	30,928
50% Increase	--	4,288	
Total Units	22,353	12,863	35,216

Nearly **120 additional affordable units** will be built in Clark County over the next 10 years under this proposal.

LIHTC as a whole will provide a total of nearly **1,868 affordable units**.

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