

10 GOOD REASONS WHY LOW-INCOME HOUSING TAX CREDITS WORK FOR MISSOURI

Low-Income Housing Tax Credits (LIHTCs) are beneficial to the state of Missouri and the people of Missouri in many different ways. Here are 10 Good Reasons why these tax credits work for Missouri:

- ① **Low-Income Housing Tax Credits create many thousands of tax-paying jobs.** At a time they're needed most, the tax credits produce many needed jobs – mostly in construction but also other fields. From 2000 to 2005, the Low-Income Housing Tax Credit Program generated over 41,800 jobs, according to a report of the Missouri Department of Economic Development.
- ② **The Low-Income Housing Tax Credits attract private equity.** Though the tax credits are for many public purposes, they also leverage a considerable amount of private investment for affordable housing. This allows for more affordable housing, an even better deal for taxpayers.
- ③ **LIHTCs produce affordable and livable housing for working families.** The Missouri Low-Income Housing Tax Credit Program has been said to be “the major, if not the primary force” in producing affordable housing for Missouri’s low income population.”
- ④ **LIHTCs produce affordable and secure housing for our senior citizens.** One of the major benefits of the Low-Income Housing Tax Credit Program is it provides affordable, dignified, safe and secure housing for seniors who are eligible. The moderate rents would be nearly \$300 a month more if not for the program – an amount out of reach for many seniors.
- ⑤ **Without Low-Income Housing Tax Credits, a considerable amount of affordable housing in Missouri would never get built.** According to the February 2010 report of the Missouri Department of Economic Development, 41 of 78 project authorized in 2009 would not have been feasible without the tax credits, resulting in a loss of 1,931 affordable rental units and a considerable amount of economic activity.
- ⑥ **Low-Income Housing Tax Credits stimulate the economy.** For every dollar of tax credits awarded for affordable housing, \$9.60 of economic activity is generated for the Missouri economy. The study funded by the Missouri Housing Development Commission found that the low-income tax credits had a \$6.5 billion economic impact on the state for the years from 2000 to 2005.
- ⑦ **Affordable housing helps to stabilize families and neighborhoods.** Providing livable housing for low-income families helps prevent homelessness and keep families together. This allows more income to be spent on food and clothing, results in safer neighborhoods and also better health and school performance for children.
- ⑧ **Low-Income Housing Tax Credits support the construction industry.** Along with the Historic Preservation Tax Credits Program, the LIHTCs are making hundreds of millions of dollars of construction projects possible – keeping many firms in business and many thousands of workers on the jobs. The unemployment rate in the construction trades has been greater than 30 percent.
- ⑨ **Small businesses are also helped by increased construction.** Most affordable housing created by Low-Income Housing Tax Credits are medium-size projects that allow work for smaller contractors. For example, an apartment facility for seniors that opened in Columbia in spring of 2010 had 110 subcontractors. Many were small firms in need of business.
- ⑩ **Low-Income Housing Tax Credits are good for Missouri!** The tax credits help to build communities, provide affordable housing that increases the quality of life for many citizens and generate additional tax dollars for schools and essential services. Governor Jay Nixon has said tax credits can be used for “good and solid purposes.” Affordable housing is one of those purposes.

Low-Income Housing Tax Credits

Jobs, affordable housing and growth for Missouri.