

Targeted Units in Cumberland County

▪ **Low-Income Housing Tax Credit Program**

The largest affordable housing development program in the country is not a HUD program, but a program implemented by state housing finance agencies according to Internal Revenue Services (IRS) regulations. Enacted as part of the 1986 Tax Reform Act, the Low-Income Housing Tax Credit (Housing Credit) Program is a vehicle by which the federal government funds the construction of new rental housing and the acquisition and rehabilitation of existing rental housing for low-income households.

State housing finance agencies award housing credits to developers of low-income housing. These developers sell the credits to investors who get a dollar-for-dollar reduction on their federal taxes. Developers then use the money raised through the sale of credits to help fund development and construction of affordable apartment units.

Within the limits of IRS regulations, states are allowed to set specific allocation criteria for awarding tax credits. States are required to develop **Qualified Allocation Plans (QAPs)** that identify and prioritize housing needs. (See Chapter 5 for more information about QAPs.) In North Carolina, the NC Housing Finance Agency administers the Housing Credit program and monitors Housing Credit properties for compliance with IRS regulations.

In order to qualify for Housing Credits, units must be affordable to and occupied by households with incomes equal to or less than 60% of area median income. While many states, including North Carolina, require targeting at lower percentages (even down to 30% in some counties), most Housing Credit properties are not affordable to persons with extremely low incomes unless some form of rent/operation assistance is available.

Owners of Housing Credit properties must accept otherwise qualified applicants that have Housing Choice Vouchers (Section 8 vouchers). In addition, some Housing Credit properties also have some form of project based rental assistance.

▪ **Targeting and the Key Program**

Since 2004, 10% of the units in North Carolina's Housing Credit Program have been targeted to persons with disabilities. The **Key Program** provides rent/operating assistance for persons with disabilities living in Housing Credit properties. The Key Program is a **bridge subsidy program**, assisting extremely low-income tenants with disabilities until they receive Housing Choice Vouchers.

Access to Key Program eligible units is through referral from a local Housing Support Committee (HSC), a collaborative group of service providers who work closely with property managers of local Housing Credit developments. The HSC refers qualified tenants to the property for the 10% of their units covered by a Targeting Plan and works to assure that tenants in these units have access to the services they may need to live successfully in the community

- Reference: N.C. Housing Coalition June 2007
- To access the above housing in Cumberland County call your local Housing Specialist,(William H. Robinson) at 910-222-6105.