

Subject Rent regulation in senior housing awarded a low-income housing tax credit

Authors Stephenson and others

Analyst Justin Cope

Date March 4, 2024

Overview

The low-income house tax credit (LIHTC) is a federal income tax credit provided to housing developers to subsidize the development of multifamily rental properties in which the developers agree to set aside a percentage of units for households below an income threshold. The requisite percentage of units and income threshold both depend on a choice by the developer receiving the credit. Those units are “rent-restricted” and must keep rents at or below 30 percent of the applicable income threshold.

This bill would impose a limitation on rental increases in rent-restricted units in senior housing funded with an LIHTC. Rent in these units could not increase by a percentage greater than the percentage that Social Security benefits were increased in the preceding year.

Summary

Section	Description
---------	-------------

- | | |
|---|---|
| 1 | Limitation on rental increases.
Limits rental increases in rent-restricted units in a project that received the low-income housing tax credit and is restricted to seniors to the percentage increase in Social Security in the preceding year. |
|---|---|