RESEARCH BRIEF

Expected Outcomes for Residents of Multi-Family Rental Properties Supported by LIHTC & the Charlotte Housing Trust Fund

URBAN INSTITUTE

Results from a Review of the Literature / *Angelique Gaines, Mia Gaddy*

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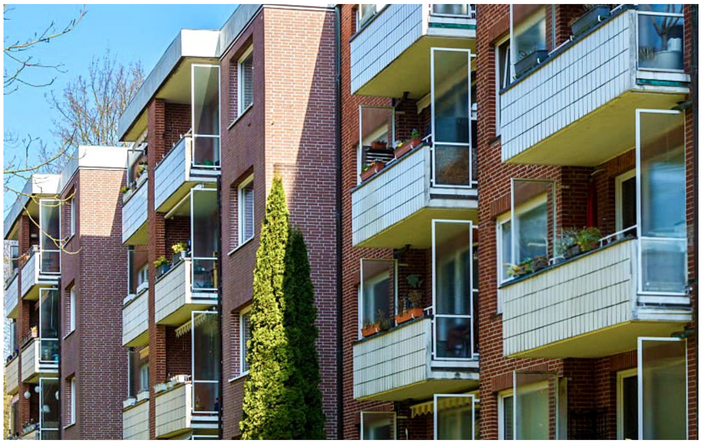
Why This Matters

"The Low-Income Housing Tax Credit (LIHTC) program is the federal government's primary policy tool for encouraging the development and rehabilitation of affordable rental housing."[1] The program has created 3.7 million affordable homes since it was established under the Reagan administration in 1986.[2] LIHTC awards developers federal tax credits to help offset construction costs in exchange for the availability of affordable units. Properties must either have at least 20% of their units occupied by households with an income of 50% or less of the area's median income (AMI), at least 40% of their units occupied by households with an income of 60% or less of AMI or at least 40% of their units occupied by households that earn up to 80% AMI but not exceeding the average of 60% AMI of all households. Properties must also ensure rents for these units do not exceed 30% of that 50% or 60% AMI.[3] These program characteristics make LIHTC different from other affordable housing subsidies such as public housing and housing choice vouchers.

The Low-Income Housing Tax Credit does not completely offset the cost of affordable housing development. The Charlotte Housing Trust Fund (HTF) helps fill this funding gap, aiding the creation of affordable multi-family rental housing in the City of Charlotte (the City). "Housing trust funds are established by elected government bodies—at the city, county, or state level—when a source or sources of public revenue are dedicated, by ordinance or law, to a distinct fund with the express and limited purpose of providing affordable housing." There are 131 city housing trust funds in thirty-six states across the country.[4] The HTF was established by the City of Charlotte in 2001 and is funded from voter-approved housing bonds to finance affordable housing.



Since the HTF began disbursements in 2002, it has invested over $300 million in housing that is affordable for households earning 80% or below of the area median income, creating or preserving 10,869 affordable units.[5]

A focus on residents and their outcomes is important as the City of Charlotte seeks to understand the dynamics and impact of the financing for affordable housing provided through the HTF. To better understand the expected outcomes of those residing in rental housing supported by LIHTC and the Charlotte Housing Trust Fund, the UNC Charlotte research team conducted a literature review. The literature review examined the outcomes of residents living in LIHTC supported properties.

What We Found

Although the LIHTC program is an important source of funding for affordable housing and there are a number of examples in the literature that focus on neighborhood and spillover effects of LIHTC and the location of LIHTC properties, **the body of existing literature that focuses**

[1]Library of Congress. (2025). An Introduction to the Low-Income Tax Credit. https://www.congress.gov/crs-product/RS22389

[2]HUD User Office of Policy Development and Research. (revised date: 5/8/25). Low-Income Housing Tax Credit (LIHTC): Property Level Data. https://www.huduser.gov/portal/datasets/lihtc/property.html

[3]Library of Congress, 2025

[4]National Low Income Housing Coalition. (n.d.) Housing Trust Fund Project: Overview of Housing Trust Funds. https://nlihc.org/housing-trust-fund-project#city-housing-trust-funds

[5]City of Charlotte. (2022). The Housing Trust Fund. https://www.charlottenc.gov/Streets-and-Neighborhoods/Housing/Resources-for-Developers-and-Contractors/Housing-Trust-Fund

on the experiences and outcomes of LIHTC residents is small. This may be due to data constraints. State housing finance agencies (HFAs) were mandated to provide the US Department of Housing and Urban Development (HUD) with data about tenants residing in LIHTC units with the passage of the Housing & Economic Recovery Act in 2008.[6] Thus, collection of LIHTC tenant data by HUD did not begin until after this time.

The research team identified resident insights and outcomes related to ***housing***, ***well-being***, ***education*** and ***employment***.

- *Rent Savings.* Rent savings for low-income households is acknowledged as an intended and desired outcome of the LIHTC program.[7] There were three studies that examined rent savings for individuals and families residing in LIHTC properties. Oluku and Cheng (2024) studied LIHTC rents to assess LIHTC **rent savings** in 12 diverse housing markets in the United States. They found that LIHTC rents were more affordable for households when compared to market-rate rents in proximity to LIHTC properties in all 12 cities. Among the cities examined, LIHTC rent savings are markedly higher in large metropolitan areas with strong housing markets (Chicago, Illinois; Miami, Florida; San Jose, California, and Washington, DC). Rent savings in mid-sized cities with weaker housing markets (Albuquerque, New Mexico; Buffalo, New York; Indianapolis, Indiana, and Louisville, Kentucky) and in small cities with stronger housing markets (Manchester, New Hampshire; and Midland, Texas) were smaller than rent savings in large metropolitan areas with strong housing markets, but still sizable.[8] This research suggests that LIHTC rent savings may be considerable in Charlotte given the size of the metropolitan area and its strong housing market. Oluku (2019) also found rent savings (up to one-third of market rents) in St. Louis, Missouri.[9] Burge (2011) found modest rent savings in a study focused on Tallahassee, Florida.[10]
- *Decreased Experiences of Cost Burden.* Cost burden, or the percentage of income spent on housing, was also studied to better understand housing affordability for LIHTC residents. O'Regan and Horn (2013) sought to understand rent burdens in LIHTC housing given that LIHTC rents are not directly tied to residents' income, differing from other forms of federal affordable housing subsidies. Rather, the maximum rent that could be charged is tied to either 50% or 60% AMI. O'Regan and Horn compared LIHTC rent burdens across 14 states with those of all renters in similar income categories nationally and found that LIHTC residents are consistently **less likely to experience severe rent burdens** (rent above 50% of income). This was especially evident for LIHTC residents with extremely low incomes (at or below 30% of the area median income), a majority of which receive other forms of rental assistance (either place based or tenant based). O'Regan and Horn also found that rent burdens are lowered by owners who charge below federal maximum rents.[11] Williamson (2011) found that among voucher-holding residents in LIHTC units, the cost burden experience is largely reduced compared to those without a voucher.[12] These findings suggest that additional rental assistance in addition to restricted rents through LIHTC are necessary to decrease experiences of cost burden for those with the lowest incomes.
- *Ability to Age in Place.* Fallon and Price (2020) examined statewide perceptions of seniors and persons with a disability residing in LIHTC properties in Ohio. They found that seniors with or without a disability believed that their housing provided them with the **ability to age in place**. Although non-seniors with a disability were significantly less likely to feel supported as they age, a majority still shared they do not plan to move. This may be due to limited affordable housing that meets the needs of those with disabilities and challenges with locating affordable and accessible homes according to Fallon and Price.[13]

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[6]Office of Policy Development and Research. (n.d.) HUD's Low-Income Housing Tax Credit (LIHTC) Database. https://www.huduser.gov/portal/ongoing/HUD-LIHTC-Database.html

[7]Oluku, U., & Cheng, S. (2024). The Low-Income Housing Tax Credit Program: A Multicity Rent Savings Analysis. Housing Policy Debate, 34(3), 326–352. https://doi.org/10.1080/10511482.2022.2070651

[8]Ibid.

[9]Oluku, Uche A. (2019). The Low-Income Housing Tax Credit Program: An Evaluation of Household Rent Savings. Journal of Housing Research, 28(2), 215–235. https://doi.org/10.1080/10527001.2020.1776515

[10]Burge, G. S. (2011). Do Tenants Capture the Benefits from the Low-Income Housing Tax Credit Program? Real Estate Economics, 39(1), 71–96. https://doi.org/10.1111/j.1540-6229.2010.00287.x

[11]O'Regan, K. M., & Horn, K. M. (2013). What Can We Learn About the Low-Income Housing Tax Credit Program by Looking at the Tenants? Housing Policy Debate, 23(3), 597–613. https://doi.org/10.1080/10511482.2013.772909

[12]Williamson, Anne R. (2011). Urban Affairs Review, 47(6), 775-799. https://doi.org/10.1177/1078087411417078

[13]Fallon, K. F., & Price, C. R. (2020). Meeting the needs of low-income housing for senior and disabled populations: an analysis of low-income housing tax credit residents in Ohio. Housing and Society, 47(3), 244–268. https://doi.org/10.1080/08882746.2020.1783940

- *Educational Success.* Reid (2018) explored the links between LIHTC and children's educational outcomes, examining the experiences of 251 LIHTC residents in California in an exploratory study utilizing a point-in-time survey and detailed interviews. The majority of study participants had children that resided with them. Among college-aged children, more than half were enrolled in college. Reid found that interview participants recognized **housing stability as the most important factor to their children's success**. A resident shared that when housing is stable their children are able to remain in the same school. Resident services provided by the property were also recognized by LIHTC residents as an important factor in their child's school performance and orientation towards college.[14]

- *Ability to Leverage Opportunities for Employment Advancement.* Reid (2019) examined resident perspectives on LIHTC and explored ties between housing affordability and access to economic opportunity utilizing surveys and interviews. The findings speak to the benefits of affordable housing as well as the challenges households confront to advance economic conditions. Residents shared that the stability of rent costs allowed them to **develop strategies for employment advancement** including going back to school. Additionally, residents shared they appreciated living close to their work and having access to job opportunities close by, but residents also described the barriers they encounter in lower skilled and lower paid industries. Reid found "LIHTC residents represent a diverse spectrum of working households, who appear to be more constrained by conditions in contemporary labor markets, including low wages, variable work hours, and limited benefits, than by a lack of access to labor markets or social capital. The research suggests that **affordable housing provides an important buffer to** these **labor market dynamics**, and that **residents seek to leverage stable rents into greater economic mobility for themselves and their children**" (p.664).[15]

How We Did It

The UNC Charlotte Urban Institute research team examined the literature focused on individuals and families living in LIHTC supported properties and their outcomes. The research team completed this search by screening studies from academic journals and institutions, identifying documented LIHTC resident experiences and outcomes (see Appendix A for more details about methods used). The team also assessed the quality of articles and reports, examining the research design and methods. Appendix B details the articles reviewed.

Future Research & Evaluation

Although there is literature examining household outcomes related to other affordable housing interventions such as the Moving to Opportunity and Family Options studies, **the lack of available literature that focuses on LIHTC resident experiences and outcomes points to a need for additional research and evaluation.** The few studies that are available show that access to housing through LIHTC provides more affordability for residents than the private market, a key benefit for low-income households. The studies also suggest that housing through LIHTC has the potential to increase well-being in seniors and provide the stability needed for residents and their children to advance their educational and employment pursuits. Overall, the studies suggest that this is an important program that has had an impact on the lives of residents. Furthermore, providing layered support for eligible LIHTC residents with an expansion of additional rental assistance (place based or tenant based) could benefit Charlotteans with the lowest incomes.

With the findings related to data access shared in Research Brief "Housing Trust Fund Tenant Data: What data is collected and how to access it?", the City of Charlotte now has the opportunity to engage in rigorous and innovative quantitative and qualitative research to understand the experiences and outcomes of residents living in HTF and LIHTC funded properties. A focus on the quality of life of residents and their standard of living after receiving access to housing supported by LIHTC and the HTF would help the City of Charlotte better understand the impact of the Charlotte Housing Trust Fund. Future studies might focus on the outcomes above-mentioned. Longer-term research proposals will be forthcoming from the UNC Charlotte Urban Institute research team.

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[14] Reid, C. K. (2018). The Links Between Affordable Housing & Economic Mobility: The Experiences of Residents Living in Low-Income Housing Tax Credit Properties. https://ternercenter.berkeley.edu/research-and-policy/links-between-affordable-housing-and-economic-mobility/

[15] Reid, C. K. (2019). Rethinking "Opportunity" in the Siting of Affordable Housing in California: Resident Perspectives on the Low-Income Housing Tax Credit. Housing Policy Debate, 29(4), 645–669. https://doi.org/10.1080/10511482.2019.1582549

CITY OF CHARLOTTE

Prepared for the City of Charlotte.

Appendix A - Literature Review Process

Process

The research team completed a search of empirical studies which included published (last 15 years) peer-reviewed journal articles and studies completed by academic research institutions such as Harvard's Joint Center for Housing Studies and Terner Center for Housing Innovation UC Berkeley. The search also included examining referenced sources from articles found.

The key words used for this search included Low-income Housing Tax Credit (LIHTC) program, individual level outcomes, resident outcomes, education, health, economic mobility, income, employment, social capital, housing, safety, transportation, access to jobs, access to amenities, children, justice-involved individuals, people with disabilities, seniors. Keyword searches were conducted through the UNC Charlotte Atkins Library research databases (EBSCOhost and Web of Science), Google Scholar, and research institutions' webpages.

The research team screened the studies to determine its relevance in answering the research question and assessed the quality of articles/reports, examining the research design and methods. The research team then summarized and organized the available evidence in the literature. The literature review identified approximately 8 empirical sources relevant to the research questions/topic.

Appendix B - Literature Review Table

Full citation	Study Summary	Methodology	Sample/ Population	Limitations
Housing				
Oluku, U., & Cheng, S. (2024). The Low-Income Housing Tax Credit Program: A Multicity Rent Savings Analysis. Housing Policy Debate, 34(3), 326–352. https://doi.org/10.1080/10511482.2022.2070651	The study uses Low-Income Housing Tax Credit (LIHTC) rents to evaluate LIHTC rent savings in 12 diverse housing markets across the US.	Previous studies of LIHTC rent savings rely on federally mandated maximum gross LIHTC rents due to difficulties associated with collecting this data (not readily available and primary data collection very time consuming). This study collected and analyzed actual LIHTC rents using various data sources (including apartments.com. LIHTC developments' own websites, rent.com, communicating directly with the owner or management agent) as well as collected market-rate data (apartments.com) for developments within 1000ft to 1500ft. of a LIHTC development for rent comparison. Mapping (spatial selection) and regression analysis was completed.	Albuquerque, Buffalo, Indianapolis, Louisville, Billings, Sioux Falls, Midland, Manchester, Chicago, San Jose, Washington DC, Miami/12 Cities Cities were chosen based on their ability to show how factors (housing markets, population, geography, etc.) impact rent savings	None specified.
Oluku, Uche A. (2019). The Low-Income Housing Tax Credit Program: An Evaluation of Household Rent Savings. Journal of Housing Research, 28(2), 215–235. https://doi.org/10.1080/10527001.2020.1776515	This study assesses rent savings that accrue to LIHTC households.	Rent savings are analyzed using a two-stage empirical procedure with two sets of regression models for the market-rate and LIHTC housing units.	886 observations in total: 681 observations from 123 market-rate apartments and 205 observations from 46 LIHTC apartments in the city and county of St. Louis, Missouri. The data represents vacant market-rate and LIHTC units during a specific time period in 2017.	None specified.

Burge, G. S. (2011). Do Tenants Capture the Benefits from the Low-Income Housing Tax Credit Program? Real Estate Economics, 39(1), 71–96. https://doi.org/10.1111/j.1540-6229.2010.00287.x	The study examines the rent savings realized by LIHTC households over the life cycle of Low-Income Housing Tax Credit (LIHTC) project and compares it to allocated tax credits.	Rent savings are analyzed examining non-LIHTC and LIHTC observations using a two-stage procedure: modeling/hedonic regression techniques and out-of-sample prediction	371 observations (represents 20,000 individual units within the 126 apartment complexes that were operational in 2002): 356 non-LIHTC and 15 LIHTC in Tallahassee, Florida (a representative medium-sized metropolitan statistical area)	Small number of LIHTC units are available for the study but accurate estimates of the rent savings to tenants are obtainable Maximum rent ceiling instead of actual rent utilized for analysis
O'Regan, K. M., & Horn, K. M. (2013). What Can We Learn About the Low-Income Housing Tax Credit Program by Looking at the Tenants? Housing Policy Debate, 23(3), 597–613. https://doi.org/10.1080/10511482.2013.772909	Study examines tenant incomes, rental assistance, rent burdens and economic diversity for residents in LIHTC housing.	2009/2010 tenant data is provided by state housing financing agencies and the National Council of State Financing Agencies across 18 states in the US excluding identifying information. Descriptive analysis examining income and rental assistance, rent burdens and rent charged, and income diversity was completed.	The 18 States in the sample cover almost 40% of the LIHTC housing stock and have developments that are, on average, about the same size nationally. Only states that have near-complete coverage, after comparing units with those found in HUD's LIHTC database, are included in the sample. Examined 530,000 LIHTC units in approximately 8,500 properties.	Not all variables for particular analyses are available in all 18 states, the number of states varies across subsections
Williamson, Anne R. (2011). Can They Afford the Rent? Resident Cost Burden in Low Income Housing Tax Credit Developments. Urban Affairs Review, 47 (6), 775-799. https://doi.org/10.1177/1078087411417078	The study examines affordability as defined by the cost burden measure for residents in LIHTC units.	Resident income and rents were analyzed from Tenant Income Certification (TIC) records submitted in late 2003 or early 2004. These records were obtained from the Florida Housing Finance Corporation, Florida's designated state housing credit agency. Descriptive and logistic regression analysis was completed.	37,904 Tenant Income Certification (TIC) in the state of Florida The records cover 311 LIHTC properties (47% of those in service in Florida as of 2004) and represent 30% of Florida's LIHTC tenants in 2004.	Single state sample but diverse population in Florida is cited as a mitigator of potential concern with using the sample to make inferences about LIHTC residents

Well-Being				
Fallon, K. F., & Price, C. R. (2020). Meeting the needs of low-income housing for senior and disabled populations: an analysis of low-income housing tax credit residents in Ohio. Housing and Society, 47(3), 244–268. https://doi.org/10.1080/08882746.2020.1783940	This study examines LIHTC residents' perceptions about their ability to age in place alongside other preferences and their satisfaction with LIHTC housing.	A cross-sectional survey (including both close-and open-ended questions) was mailed to Ohio residents living in LIHTC properties that received 9% LIHTC allocations. Heads of households were identified through Annual Owner Certifications, linking household information with unit addresses. Stratified random sampling was utilized to obtain representation from different geographies and property types. Descriptive and inferential (t-tests) analysis as well as qualitative analysis (thematic coding) of open-ended survey responses was conducted.	633 LIHTC residents who lived in units that received 9% LIHTC allocations: Senior (No Disability) n=197, Senior (Disability) n=135, Non-senior (Disability) n=114, Non-senior (No Disability) n=187	Response rate is lower than standard survey practices, which aim for 20% of higher but the response rate is not uncommon for studies of LIHTC residents
Education				
Reid, C. K. (2018). The Links Between Affordable Housing & Economic Mobility: The Experiences of Residents Living in Low-Income Housing Tax Credit Properties. https://ternercenter.berkeley.edu/research-and-policy/links-between-affordable-housing-and-economic-mobility/	Study examined the experiences of residents living in LIHTC-funded properties in California to better understand how affordable housing impacts low-income households.	Exploratory study that utilizes intercept point-in-time surveys and qualitative interviews. Quantitative (descriptive and inferential) and qualitative analyses were conducted.	18 LIHTC properties from California Community Reinvestment Corporation (CCRC) portfolio of funded projects that met inclusion criteria (family buildings, occupied for at least 5 years, both lower and higher poverty neighborhoods). Sample skewed towards neighborhood with higher poverty rates. N=251 residents (251 survey and 180 interview respondents)	There is a potential for response bias making it difficult to generalize the findings to the entire population of LIHTC renters, but results explore important dimensions that lay the groundwork for future research.

Employment				
Reid, C. K. (2019). Rethinking "Opportunity" in the Siting of Affordable Housing in California: Resident Perspectives on the Low-Income Housing Tax Credit. Housing Policy Debate, 29(4), 645–669. https://doi.org/10.1080/10511482.2019.1582549	This article explores the experiences of LIHTC residents and the ties between affordable housing and access to educational and economic opportunity.	Exploratory research. Intercept surveys and semi-structured interviews were conducted with LIHTC residents in California. Quantitative and qualitative analyses were completed.	18 LIHTC properties across California, occupied for at least 5 years, a focus on family housing, owned and operated by one of six nonprofit developer partners Sample skewed toward neighborhoods with poverty rates of 20% or higher 251 residents (251 surveys and 180 interviews)	Sample does not include properties owned by for-profit developers Housing market changes in CA since the 2009 recession Potential response bias Demographics of this sample of LIHTC residents represent the state's large immigrant population therefore this representation may be different than other states Findings may not be generalizable to the entire population of LIHTC residents nationwide

Appendix C - Acknowledgements

Thank you to the Housing Assessment and Review Panel (HARP) for your contributions to this brief.

HARP Members
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