

REVEREND  RAPHAEL
WARNOCK
U.S. SENATOR *for* GEORGIA

The Housing Market Transparency Act

Bill Summary: This bill will require state housing finance agencies to submit property data on properties receiving low income housing tax credits (LIHTC) on an annual basis to the Secretary of Housing and Urban Development. This will include development costs, habitability standards, and ownership data. The legislation is introduced by U.S. Senator Reverend Raphael Warnock.

The Need for Legislation: Since Congress created it, the Low Income Housing Tax Credit (LIHTC) program has financed over 3.6 million affordable rental units. The Joint Committee on Taxation estimated that the tax expenditures for the LIHTC will increase to \$11.6 billion for Fiscal Year 2024. The LIHTC program is essential in providing the necessary support for development of affordable housing. However, the public-private partnership nature of the program has created a lack of transparency surrounding property specific data. The accessibility of property data has been the subject of multiple studies from the Government Accountability Office (GAO), which suggested that “Congress should consider designating an agency to regularly collect and maintain specified cost-related data from credit allocating agencies.”¹ The GAO also suggested that “Congress should consider designating HUD as a joint administrator of the program.”²

The lack of data transparency also affects tenants. Currently, there is no centralized public data that includes when the affordability period ends for specific buildings within the LIHTC program. This means that tenants could be unaware when their rents will increase. There is also no centralized public data that includes whether a building owner has waived the right to qualified contract. If an owner seeks a qualified contract after the 15 year affordability period, then tenants could see their rents increase when the ownership of the building transfers. Without any available data, tenants could be caught unaware of changes in their buildings ownership or prices.

The Solution: This bill would help address the need for more data transparency within the LIHTC program by designated that Secretary of Housing and Urban Development should collect annual LIHTC property data from housing finance agencies. This data will enable researchers, regulators, and advocates to make the program more efficient as well as keep tenants well informed.

How the Bill Works: The Housing Market Transparency Act would establish that the Secretary of Housing and Urban Development should collect property data on buildings receiving an allocation from the LIHTC program. This data should include developments costs, property ownership, whether the owner is acting as a pass through entity, habitability standards, whether the owner has waived the right to qualified contract, the date of expiration on affordability, and any other data that the Secretary deems relevant. Housing finance agencies should submit data on properties no later than 18 months after the property is placed in service as well as provide data on the last owner and sale of the property if it is no longer in compliance.

Stakeholder Support: National Low Income Housing Coalition

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¹ <https://www.gao.gov/products/gao-18-637>

² <https://www.gao.gov/products/gao-15-330>