Neighborhood Revitalization Programs Compared:

Neighborhood Homes Investment Act
vs.
Low Income Housing Tax Credit and New Markets Tax Credit

	NHIA	LIHTC	NMTC
Use	New construction or rehabilitation of homes for owner-occupants	Rental housing construction and rehabilitation	Businesses and nonresidential real estate in targeted areas; limited housing use
Neighborhood (census tract) eligibility criteria	Must meet all three: (1) Poverty >130% of metro/state rate (2) Median income (MI) <80% of area MI (3) Median home value <metro/state median Additional census tracts eligible in high-poverty cities	None, but allocation preference if project helps revitalize tract with (1) MI <60% of area MI or (2) poverty rate >25%	1.)MI <80% of area MI or 2.) Poverty >20% Allocation preference for serving "severely distressed" neighborhoods
Resident income limitations	Homeowners must have incomes < 140% of area MI	>40% of units at <60% of area MI or >20% of units at <50% of area MI	>20%of units: <80% of area MI
Administrating entity	States and IRS	States and IRS	CDFI Fund and IRS
Volume limits (annual)	Per capita allocation to states with a small state minimum; Approximately $2 billion in tax credits annually	Per capita allocation to states with a small state minimum; Approximately $7.8 billion in tax credits annually; Additional credits with tax-exempt bond financing at state discretion	$5 billion of investments annually

Applicants	Includes developers, lenders, localities	Developers	Community development entities (CDFIs, lenders, developers, state/local instrumentalities)
Tax credit amount	35% of eligible development costs, claimed in full upon completion and owner-occupancy	90% of development costs; 40% of building acquisition or bond financed property cost; Claimed over 10 years upon completion and occupancy	39% of amount invested; Claimed over 7 years after investment is made

Updated: March 2021