

How States' Low Income Housing Tax Credit Allocation Plans Can Help Increase Students' Access to Integrated, Well-Resourced Schools

A Guide for Education Advocates¹

70 years after the U.S. Supreme Court declared school segregation unconstitutional in *Brown v. Board of Education*, American classrooms remain persistently isolated along racial and class lines. American youth are more diverse than ever before, and yet more than a third of students attend schools where over 75% of students come from the same racial or ethnic background.² And despite the harmful effects of concentrated poverty, Black, Latinx, and Native students are over five times more likely to attend high-poverty schools than white students.³

Housing policy directly impacts schools. Public schools typically reflect their neighborhood demographics because most students are assigned to schools based on their residence. In 2021, over two thirds of K-12 public school students nationwide attended their neighborhood school.⁴ Thus, any serious hope of integrating America's public education system requires us to consider not only educational policies and practices but also whether our housing policies make our communities more—or less—integrated.⁵

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- 1 This policy brief is the third in a recent series of reports on the Low Income Housing Tax Credit Program and the potential of state Qualified Allocation Plans to reach key policy goals, including *Building Opportunity III: Affirmatively furthering fair housing in the Low Income Housing Tax Credit program* (PRRAC, 2023) and *Social Housing Goals in State Allocation Plans: A 50-State Survey* (PRRAC, 2023).
 - 2 U.S. Government Accountability Office, *K-12 Education: Student Population Has Significantly Diversified, but Many Schools Remain Divided Along Racial, Ethnic, and Economic Lines* (2022), <https://www.gao.gov/products/gao-22-104737>. Full report at <https://www.gao.gov/assets/gao-22-104737.pdf>.
 - 3 National Center for Education Statistics, *Concentration of Public School Students Eligible for Free or Reduced-Price Lunch* (2020), <https://nces.ed.gov/pubs2020/2020144.pdf>.
 - 4 U.S. Government Accountability Office, *supra* note 2.
 - 5 Roslyn Arlin Mickelson, *The Reciprocal Relationship Between Housing and School Integration 1* (National Coalition on School Diversity, 2011), <https://www.school-diversity.org/pdf/DiversityResearchBriefNo7.pdf>.

Neighborhood and school integration can help ensure that every student has equitable access to educational opportunities and adequate resources. Living and learning in diverse communities also prepares all students to become effective members of our multiracial democracy.⁶ This guide explains how policymakers can consider educational criteria when developing affordable housing under the Low Income Housing Tax Credit (LIHTC) program through the state Qualified Allocation Plan (QAP) process, which governs which affordable housing developments are developed each year.

I. HOUSING POLICY AND SCHOOL POLICY

There is a reciprocal relationship between residential segregation and school segregation.⁷ Federal housing policy and historical patterns of housing segregation have created stark divides between wealthy, predominantly white communities with high property values and communities of color with more limited resources. Though racially segregated and economically disadvantaged communities possess community cultural wealth,⁸ they have experienced ongoing disinvestment and exclusion from wealth-building opportunities through measures such as exclusionary zoning, restrictive covenants, and historical government support for whites-only suburban homeownership.⁹ Most districts nationwide rely on local property taxes for at least a portion of their public school funding, so wealthier communities with higher property values generate more revenue for their local schools than lower-income communities.¹⁰

These socioeconomic and racial divisions perpetuate themselves in a vicious cycle. Better school funding is often correlated with more comprehensive educational resources and higher test scores, which drive up the price of homes in the school district. As such, high-quality schools are disproportionately located in wealthier communities, where homes—and therefore, their local public schools—are inaccessible for many low and moderate-income families. Housing and school policies have a strong reciprocal effect on patterns of racial and economic segregation, which makes it especially important for educators and education advocates who understand the benefits of school integration to become involved in housing and land use policy.¹¹

6 Linda R. Tropp and Suchi Saxena, “Re-Weaving the Social Fabric through Integrated Schools: How Intergroup Contact Prepares Youth to Thrive in a Multiracial Society” (National Coalition on School Diversity, May 2018) http://www.school-diversity.org/wp-content/uploads/2018/05/NCSD_Brief13.pdf.

7 Roslyn Arlin Mickelson, *supra* note 5.

8 Tara J. Yosso, “Whose culture has capital? A critical race theory discussion of community cultural wealth,” *Race Ethnicity and Education*, 8:1, 69-91 (2005), DOI: 10.1080/1361332052000341006.

9 Richard Rothstein, *The Color of Law: A Forgotten History of How Our Government Segregated America* (2017).

10 National Center for Education Statistics, Public School Revenue Sources (May 2024), <https://nces.ed.gov/programs/coe/indicator/cma/public-school-revenue>.

11 Philip Tegeler & Michael Hilton, “Disrupting the reciprocal relationship between housing and school segregation,” in *A Shared Future: Fostering Communities of Inclusion in an Era of Inequality* (Joint Center for Housing Studies, 2018), https://www.prrac.org/pdf/Disrupting_the_Reciprocal_Relationship_JCHS_chapter.pdf.

Many under-resourced, high-poverty communities are also home to under-resourced schools, where virtually all student outcomes—including academic achievement, graduation and college matriculation rates—are worse than those of students in nearby wealthier communities.¹² Not only do these schools often receive less funding than low-poverty ones,¹³ their students are less likely to have access to the supplemental resources they need to succeed in school, including stable housing, quality nutrition, and reliable healthcare. America's predominantly neighborhood-based method of school assignment preserves this deeply segregated and unequal educational system, where students with the highest needs don't receive the investment and support they need to thrive.

Housing policy, especially low-income housing, can address the significant need for affordable housing for families while also facilitating greater educational equity. By collaborating with stakeholders in the housing sector, education advocates can achieve numerous goals, including reducing student turnover and churn by helping families stay in the same school attendance zone, ensuring that students with high housing insecurity and at risk of homelessness have more stable housing, addressing declining enrollment by bringing more housing for young children into the local school district, and increasing student diversity in high-income school districts while reducing segregation and poverty concentration in lower-income districts.¹⁴

Scholars, advocates, and lawmakers alike seem increasingly open to working across the housing and school sectors to rectify decades of exclusive policies that have led to entrenched segregation and inequality in our classrooms and communities. For example, in 2016, HUD, the Department of Education, and the Department of Transportation issued

a joint letter emphasizing the national, state, and local imperative to “ensure that every child and family is provided with transportation, housing, and education tools that promote economic mobility.”¹⁵ Additionally, a 2016 HUD report recommended that federal and state housing agencies “encourage affordable housing development near high-quality schools.”¹⁶

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- 12 Bruce D. Baker, Matthew Di Carlo, and Preston C. Green III, “Segregation and School Funding: How Housing Discrimination Reproduces Unequal Opportunity” (Albert Shanker Institute, 2022), <https://www.shankerinstitute.org/sites/default/files/2022-05/SEGreportfinal.pdf>.
- 13 Ivy Morgan, “Equal Is Not Good Enough: An Analysis of School Funding Equity Across the U.S. and Within Each State” (The Education Trust, 2022), <https://edtrust.org/wp-content/uploads/2014/09/Equal-Is-Not-Good-Enough-December-2022.pdf>.
- 14 National Education Association & Poverty and Race Research Action Council, “Housing and Schools: The Importance of Engagement for Educators and Education Advocates” (2019), https://www.prrac.org/pdf/NEA-PRRAC_housing-schools.pdf.
- 15 U.S. Department of Education, Department of Housing and Urban Development, & Department of Transportation, Dear Colleague Letter regarding AFFH and school integration (2016), <https://www2.ed.gov/documents/press-releases/06032016-dear-colleagues-letter.pdf>.
- 16 U.S. Department of Housing and Urban Development, *Breaking Down Barriers: Housing, Neighborhoods, and Schools of Opportunity* 1 (2016), <https://www.huduser.gov/portal/sites/default/files/pdf/insight-4.pdf>.

The authors further suggested that “the Low Income Housing Tax Credit (LIHTC) Program... could provide a bonus for development located near high-performing schools, and HUD’s Section 8 Management Assessment Program could encourage PHAs to increase voucher use near high-quality schools.”¹⁷

This guide focuses primarily on the first strategy: using the LIHTC program to incentivize low-income housing development near high-quality schools.

Low-Income Housing Tax Credits and Qualified Allocation Plans

The Low Income Housing Tax Credit (LIHTC) is the federal government’s largest affordable housing development program. The LIHTC program costs the federal government an average of \$13.5 billion every year.¹⁸ LIHTC was enacted in 1986 and made permanent in 1993. The program provides state and local LIHTC-allocating agencies roughly \$9 billion per year,

The Low Income Housing Tax Credit (LIHTC) is the federal government’s largest affordable housing development program.

enabling them to issue tax credits to developers and investors who agree to build or rehabilitate affordable housing.¹⁹ Over its 20-year history, LIHTC has helped create over 3 million homes in more than 52,000 developments throughout the country—that’s more than 50,000 new housing units annually. LIHTC has financed between three and five percent of all new housing units since the early 1990s.²⁰ The Urban Institute estimates that between 2000 and

2019, 25% of all new multifamily housing built across the US was supported in some way through LIHTC.²¹ However, for new affordable housing, those numbers are estimated to be closer to 90%.²²

LIHTC gives private investors a tax break when they invest in an affordable housing development. These investments fund the acquisition, rehabilitation, or new construction of rental housing for low-or-moderate-income households. The tax credit lowers investors’ total tax bill every year for 10 years by the amount of the credit, which is purchased at a discount. In addition, most of these investors use their ownership stake in these projects to claim asset

17 Id.

18 Congressional Research Service, “An Introduction to the Low-Income Housing Tax Credit” (2023), <https://sgp.fas.org/crs/misc/RS22389.pdf>

19 U.S. Department of Housing and Urban Development Office of Policy Development and Research, “Low-Income Housing Tax Credit (LIHTC),” <https://www.huduser.gov/portal/datasets/lihtc.html>.

20 Yonah Freemark & Corianne Payton Scally, Urban Institute, “LIHTC Provides Much-Needed Affordable Housing, But Not Enough to Address Today’s Market Demands,” July 11, 2023, <https://www.urban.org/urban-wire/lihtc-provides-much-needed-affordable-housing-not-enough-address-todays-market-demands>

21 Id.

22 Miriam Axel-Lute, “The Only Tool in the Box: What it Means that LIHTC Dominates Affordable Housing,” (Shelterforce, December 8, 2023), <https://shelterforce.org/2023/12/08/the-only-tool-in-the-box-what-it-means-that-lihtc-dominates-affordable-housing/>

depreciation, lowering their tax bill even further. This is obviously not a cost-effective way to support affordable housing, but because it is embedded in the tax code, it is not subject to annual budget negotiations, and it also enjoys substantial support in the banking and investment community. Thus, it has become a reliable source of financial support for low-income housing development, despite its other shortcomings.

The LIHTC program incentivizes developers to build low-income housing, but simply proposing a project with affordable units does not guarantee a tax credit. The LIHTC application is a competitive process.

Every year, the federal government issues a set number of credits to states. State housing agencies then use a guiding document called a Qualified Allocation Plan, or QAP, to determine which applications will receive a tax credit. QAPs allow states to shape low-income housing development based on local needs and priorities.

QAPs use a scoring system: proposed development projects earn points based on how they fulfill the QAP's specified criteria. Projects that score the most points are eligible to receive tax credits. For example, take a common QAP incentive: access to transportation. Most states award points for developments located near public transportation based on empirical evidence that access to affordable transportation is important for low-income families.²³ Thus, developers, seeking to earn points on their application to qualify for a tax credit, will be strongly incentivized to choose sites near public transit.

State agencies—and the developers and policy advocates that influence their decisions—can shape low-income housing development by modifying the incentives in their QAPs.

Most QAPs undergo an annual or bi-annual revision process, through which state agencies—and the developers and policy advocates that influence their decisions—can shape low-income housing development by modifying the incentives in their QAPs.

Why Consider Education When Developing a QAP?

Low-income children and children of color disproportionately attend schools with insufficient resources, including subpar facilities, inadequate materials, concentrated poverty, and less qualified teachers.²⁴ The disparity is even more acute for families receiving federal housing assistance, which includes the LIHTC program. Research shows that families in LIHTC developments are significantly more likely to live near a high-poverty, lower-performing school than the typical American family, the typical renting family, and even the typical low-income

23 Shima Hamid, "Promoting Upward Mobility Through Transportation Policy" (Eno Center for Transportation, March 29, 2018), <https://enotrans.org/article/promoting-upward-mobility-transportation-policy/>

24 National Center for Education Statistics. (2023). "Access to Effective Teaching," Education in Equity Dashboard, U.S. Department of Education, Institute of Education Sciences, https://nces.ed.gov/programs/equity/indicator_f10.asp.

family.²⁵ Additionally, among all families receiving housing assistance, families of color are more likely to live near under-resourced, lower-performing schools than white families.²⁶

By advocating for change to state QAPs, which determine how LIHTC funds are allocated, we can increase access to educational opportunities and resources for low-income children and develop integrated, equitable schools and communities, which benefit families from all socioeconomic backgrounds.

Siting LIHTC development in low-poverty communities can help ensure that children from diverse backgrounds benefit from living and learning together.

Siting LIHTC development in low-poverty communities—disrupting entrenched patterns of housing segregation—can help ensure that children from diverse backgrounds benefit from living and learning together. Research shows that school integration has positive impacts on students from all racial and socioeconomic backgrounds, including improved academic achievement, enhanced intergroup relations, and positive long-term life outcomes.²⁷ Socioeconomically and racially integrated schools help students to discover their commonalities and acknowledge meaningful differences in perspective and experience, which can enhance mutual understanding and foster inclusion and participation in a multicultural democracy.²⁸

The flexibility and authority afforded to states to identify priorities for LIHTC in the QAP creates a powerful opportunity for advocates and organizers to influence the types of affordable housing built in their communities. Using the QAP, organizers can work to ensure that LIHTC contributes to our vision of integrated, equitable schools and communities.²⁹

25 Ingrid Gould Ellen & Keren Horn, *Housing and Educational Opportunity: Characteristics of Local Schools Near Families with Federal Housing Assistance* (PRRAC, July 2018), <https://www.prrac.org/pdf/HousingLocationSchools2018.pdf>

26 Id.

27 Jennifer Ayscue, Erica Frankenberg, & Genevieve Siegel-Hawley, “The Complementary Benefits of Racial and Socioeconomic Diversity in Schools” 1 (National Coalition on School Diversity, 2017), <https://school-diversity.org/pdf/DiversityResearchBriefNo10.pdf>.

28 Linda R. Tropp and Suchi Saxena, *supra* note 6.

29 PRRAC and the Alliance for Housing Justice, *Moving LIHTC Towards Social Housing: A Toolkit* (forthcoming 2024)

II. PROMOTING SCHOOL INTEGRATION BY INCENTIVIZING LIHTC DEVELOPMENT IN LOW-POVERTY AREAS WITH HIGH-PERFORMING SCHOOLS

Promoting school integration in LIHTC allocation plans

- Incentivize family LIHTC development in low-poverty, high-opportunity areas with high-quality schools.
- Funding set-asides for developments with access to low poverty, high performing schools
- Prioritize families with children in the tenant selection process for units in high-opportunity areas.
- Require larger bedroom sized units so that families can access the community.
- Require strong affirmative marketing and anti-discriminatory tenant selection policies. to ensure that families who have been historically excluded from the community have a real opportunity to apply and succeed
- Eliminate Local Contribution and Approval requirements or incentives that tend to exclude LIHTC developments from high-performing school districts.
- Push back against discriminatory “fiscal zoning”

The most important reform that education advocates can seek in their state's QAP is a stronger priority for family developments located near low poverty, high performing schools. High-opportunity areas (or “well-resourced areas”) in state QAPs are lower-poverty neighborhoods (usually census tracts) offering access to jobs, high-performing schools, healthcare, and other amenities.³⁰ 29 states currently incentivize development in high-opportunity areas in their QAPs. Many states, though not all, provide a corresponding “opportunity index” that measures the level of access to opportunity in a community. Examples of metrics used in opportunity indices include poverty rate, employment rate, job accessibility, median income, and school performance.

17 states include some version of education proficiency, school quality, or school/student performance as a competitive factor in selecting among proposed LIHTC projects. Of these 17, only 11 provide a measurable definition of educational quality, and many of these rely on state or national test scores, which are a one-dimensional measure of school performance.³¹

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30 Janelle Taylor, Robert Lindsay, and Philip Tegeler, *Building Opportunity III: Affirmatively furthering fair housing in the Low Income Housing Tax Credit program 5* (PRRAC, 2023), <https://www.prrac.org/pdf/BuildingOpportunityIII.pdf>

31 James Noonan and Peter Piazza, “Accountability Systems and the Persistence of School Segregation: Research Evidence and Future Directions” (National Coalition on School Diversity, 2023), https://www.school-diversity.org/wp-content/uploads/NCSD_RB16.pdf.

California provides an example of a multi-factor K-12 school performance metric:³²

- Math proficiency: Percentage of 4th graders who meet or exceed math proficiency standards.
- Reading proficiency: Percentage of 4th graders who meet or exceed literacy standards.
- High school graduation rates: Percentage of high school cohort that graduated on time.
- Student poverty rate: Percent of students not receiving free or reduced-price lunch.

Maryland's metric expands the definition of "educational opportunity" to include post-graduate educational attainment in the community. This indicator is measured by the following variables:

- Maryland School Assessment (MSA) scores, proficient and advanced, for elementary, middle, and high school students obtained from Maryland Department of Education for the 2011/2012 academic year. These scores play a key role in determining educational advancement as well as opportunities available to students. The MSA scores are positively correlated with educational opportunity.
- Percent of population with a college degree (both undergraduate and graduate degrees) obtained from the ACS 2007-2011, five-year estimate. This variable is positively related to educational opportunity.
- Percent of population with no high school diploma, obtained from the ACS 2007-2011, five-year estimate. This variable is inversely related to educational opportunity.³³

Another model metric comes from Washington State, which accounts for teacher qualification. Access to qualified teachers is essential to students' educational success, and experienced teachers are disproportionately concentrated in the most well-resourced schools.³⁴

Importantly, even the QAPs that included school performance metrics did not account for the quality of schools' cultural and social environments.³⁵ Low-income families and families of color that move into high-opportunity areas may still experience feelings of exclusion or implicit bias in their communities and schools. Mobility counseling and engagement with district leadership can also help families identify safe, supportive educational environments for their children.

32 Janelle Taylor et al, *supra* note 30.

33 *Id.*

34 National Center for Education Statistics, *supra* note 24.

35 Carolina K. Reid, "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 (2019), <https://doi.org/10.1080/10511482.2019.1582549>

Set-aside funding for projects in high-opportunity areas

To ensure that a portion of LIHTC funds are always awarded to projects in low-poverty areas, at least three states (Pennsylvania, New York, and Ohio) have set-aside funding categories for high-opportunity development.³⁶ This requirement, stronger than just awarding points on an application, guarantees some balance in project siting, despite other priorities in the QAP that might counteract opportunity area incentives. By maintaining a separate funding pool for projects in opportunity areas, states can guarantee that these developments will receive a portion of their available LIHTC funds every year. Set-asides are a best practice that advocates seeking to dismantle residential and educational segregation should urge their states to implement.

Prioritize families with children in the QAP process and tenant selection process for units in high-opportunity areas.

Besides guaranteeing that state QAPs offer specific incentives for developers to build low-income housing in communities of opportunity with high-quality schools, education advocates should ensure that families with children receive priority in these developments. Currently, 10 QAPs contain incentives for family developments in high-opportunity areas. Massachusetts considers family housing production in areas of opportunity a priority funding category.

Require larger bedroom sizes to accommodate growing families

Limiting the LIHTC bedroom mix to 1-2 bedroom units in common tactic for exclusionary towns that want to appear to be open to affordable housing without welcoming families with children. These provisions also have a racially exclusionary impact in most metropolitan areas. It is important to reject these types of limitations and demand a mix of larger bedroom sizes, particularly in high-opportunity communities.

Require strong affirmative marketing to marginalized communities. Require and enforce anti-discriminatory tenant selection policies.

Locating a family LIHTC development in a high-opportunity, low-poverty community is an important first step, but the next step is ensuring that all low-income families in the housing market have access to the development (especially families from higher poverty areas who have been excluded from these communities in the past). Inadequate affirmative marketing and exclusionary tenant selection policies can have the effect of disproportionately excluding Black and Latino applicants, families with Housing Choice Vouchers, and applicants with disabilities.

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Many—though not all—state QAPs do incentivize or require strong affirmative marketing. Some best practices include early outreach to targeted populations prior to general marketing,

36. Janelle Taylor et al, supra note 30.

including families from groups least likely to apply, applicants with special needs (Oklahoma) and families with Housing Choice Vouchers (Iowa). Pennsylvania requires all LIHTC units to be listed on the state affordable housing search database. Currently, the strongest affirmative marketing requirement is in Missouri, where family developments proposed in opportunity areas must proactively target families currently living in census tracts where the poverty rate exceeds 40%.

In addition to affirmative marketing, QAPs should outlaw discriminatory tenant selection practices like local residency preferences, “first come first served” waitlists, in-person application procedures, etc. QAPs should also explicitly protect against “source of income discrimination,” which refers to the practice of some landlords to reject families because they have federal housing assistance (or other forms of government support).³⁷

Eliminate local contribution and approval requirements or incentives that tend to exclude LIHTC developments from high-performing school districts.

Requirements or incentives for local government support of LIHTC developments have traditionally been viewed as the most exclusionary provision in state QAPs, effectively giving local governments veto power over any LIHTC development, and deterring developers from even attempting to propose family housing developments in known exclusionary communities.

Over the past decade, local contribution and approval requirements have become increasingly less common in state QAPs. This shift is partially due to a 2016 IRS Revenue Ruling on the LIHTC statute, which held that while jurisdictions must be given the opportunity to comment on proposed projects, local government approval is *not* a requirement for LIHTC development.³⁸ The ruling also stated that the practice of requiring local approval could create a pattern of “allocating housing credit dollar amounts” in a way that perpetuates residential segregation and, as a result, has a discriminatory effect based on race in violation of the Fair Housing Act.

Additionally, a 2017 report by the National Council of State Housing Agencies recommended that “Agencies should not require local approval...as a threshold qualification or allocate points for local approval as part of a competitive scoring system.”³⁹ The report also recommended that states not require local financial contributions as a condition for receiving housing credits. These recommendations also recognized that giving localities the ability to actively or passively “veto” the development of LIHTC properties raised fair housing concerns.⁴⁰

In response to strong federal consensus on the discriminatory nature of local approval provisions, most states have eliminated or are phasing out these requirements. Thus, this

37 Id.

38 IRS Revenue Ruling 2016-29, https://www.irs.gov/irb/2016-52_IRB#RR-2016-29.

39 National Council of State Housing Agencies, “Recommended Practices in Housing Credit Administration” 8 (2017), <https://www.ncsha.org/wp-content/uploads/2018/05/NCSHA-Recommended-Practices-in-Housing-Credit-Administration-Updated-Dec-2017.pdf>

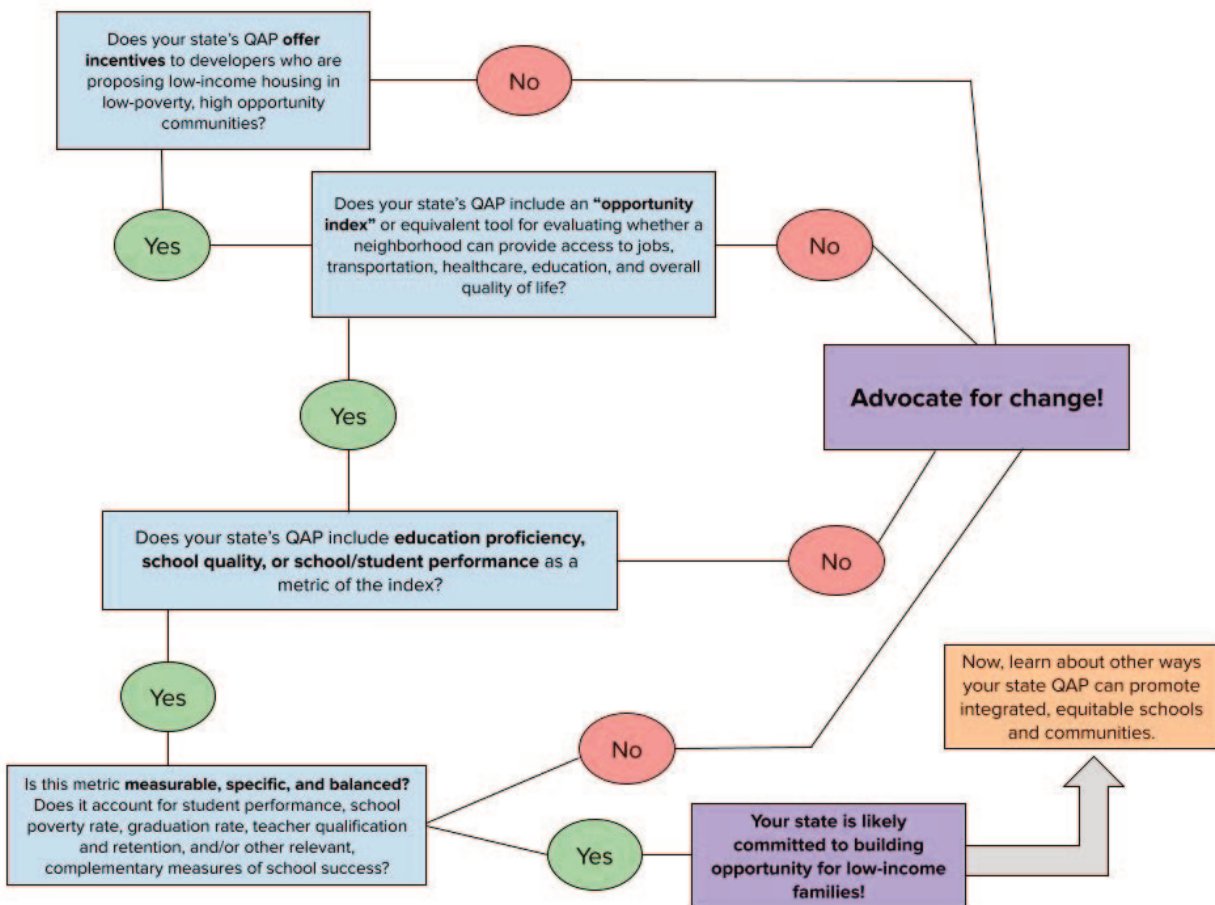
40 Id.

aspect of QAPs is a relatively lower-priority item for education and housing advocates. However, some states still either require or incentivize local approval.⁴¹ If your state is one of them, it is essential to urge your housing finance agency to remove or phase out this requirement from its QAP to promote integrated and equitable housing.

Push back against exclusionary “fiscal zoning” arguments

Opponents of affordable housing often use the excuse that affordable housing will burden local schools and add additional costs to local school budgets. It is important for advocates to call out these specious arguments whenever they appear – pointing out that a) the number of children in any given development will have a small impact on overall school enrollment, b) that the (suburban) district is likely suffering from declining enrollment and will benefit from additional children, c) that openly raising the “fiscal zoning” argument is blatant discrimination against families with children, which is prohibited by the Fair Housing Act, d) and that assumptions about low income children “burdening” the school district are ultimately racist and classist and contrary to the mission of the school district.

Promoting Educational Opportunity Via Your State’s QAPs



41 Janelle Taylor et al, supra note 30.

III. INTEGRATION AND INVESTMENT STRATEGIES FOR LIHTC DEVELOPMENT IN HIGH-POVERTY AREAS

Promoting educational equity and integration for LIHTC developments in higher poverty neighborhoods

- Require LIHTC development in areas of concentrated poverty to be part of a broader, well-defined Concerted Community Revitalization Plan (CCRP) that includes creative engagement with local school districts to improve schools and expand choice for children in LIHTC developments.
- Incentivize robust on-site social services and community development for tenants in CCRP developments, including tutoring and after-school programs.
- Give low income students in LIHTC developments (including public housing redevelopment sites) priority access to diverse, high performing schools in their district.

Revising state QAPs to incentivize LIHTC development near high-opportunity schools is one strategy to ensure low-income families have access to high-quality education. School choice and investment in historically disinvested neighborhoods are other common strategies to achieve this goal. Both can offer broad benefits to communities, but neither is sufficient to rectify what Gloria Ladson-Billings calls our national “education debt.”⁴²

Encouraging LIHTC development in high-opportunity areas and investing in historically disadvantaged ones are not mutually exclusive. As David Kirkland writes, “The fight for integration isn’t to diminish the work of those fighting to fairly fund our schools and our neighborhoods. That work is important too. From a racial equity perspective, the goals of integration are not in opposition to the idea that all communities should have schools that work for all our children.”⁴³

Historically, however, LIHTC projects have too often been located in highly segregated communities with limited educational opportunity and without a comprehensive plan for non-housing investment in these communities. But LIHTC projects in higher poverty communities *are required to include a broader community revitalization plan* as part of the development. An ideal plan will increase access to resources and services and will be developed in partnership with stakeholders to meet neighborhood-specific needs.

Require LIHTC development in higher poverty neighborhoods to be part of a broader, well-defined Concerted Community Revitalization Plan (CCRP) that includes creative engagement with local school districts to improve schools and expand choice for children in LIHTC developments.

42 Gloria Ladson-Billings, “From the Achievement Gap to the Education Debt: Understanding Achievement in U.S. Schools,” *Educational Researcher*, vol. 35, no. 7, 3-12 (2006), <http://www.jstor.org/stable/3876731>.

43 Poverty & Race Research Action Council, “Connecting Housing and School Integration Research, Practice, and Policy” (2021), <https://www.prrac.org/newsletters/oct-dec2021.pdf>

Most states allocate a substantial share of LIHTC credits to projects in high poverty, disinvested neighborhoods, or Qualified Census Tracts (QCTs).⁴⁴ States are required to give preference among these proposals to projects accompanied by a “Concerted Community Revitalization Plan,” or CCRP.

A Concerted Community Revitalization Plan is a strategy developed in partnership with community stakeholders that outlines a specific, comprehensive plan for a neighborhood’s development. HUD-designated QCTs are areas of high poverty by definition, and state housing agencies that choose to give preference to LIHTC projects in QCTs must provide a robust definition of CCRP to ensure those projects do not contribute further to the concentration of poverty in QCTs.

State QAPs should provide a definition of a CCRP that aligns with the criteria below and prioritize proposals where LIHTC development is part of a local CCRP that meets this definition. 42 states currently provide a CCRP definition in their QAPs, though they vary in terms of quality and substantive content.

A Concerted Community Revitalization Plan is a strategy developed in partnership with community stakeholders that outlines a specific, comprehensive plan for a neighborhood's development.

A successful CCRP will meet the following criteria:

- A ***Concerted*** plan will (a) identify any planned private or public development and (b) enumerate resources committed to revitalization;
- A ***Community*** plan will (a) set clear geographic boundaries and (b) describe the community itself
- A ***Revitalization*** plan will (a) include housing and non-housing development and (b) coordinate with State and Federal standards;
- The ***Plan*** itself will (a) articulate meaningful and achievable goals; (b) identify barriers to revitalization; (c) delineate measures to be taken and a timeline for implementing those measures; and (d) engage community partners and individuals in revitalization planning.⁴⁵

Most state QAPs do not refer explicitly to public schools in their CCRPs. This gap needs to be an area of focus for education advocates. Of the 42 states that provide a CCRP definition in their QAPs, *only* six mention education as a potential area for non-housing investment.⁴⁶

44 The term “qualified census tract” means any census tract which is designated by the Secretary of Housing and Urban Development and, for the most recent year for which census data are available on household income in such tract, either in which 50 percent or more of the households have an income which is less than 60 percent of the area median gross income for such year or which has a poverty rate of at least 25 percent. 26 U.S.C. § 42(d)(5)(B)(ii). See Janelle Taylor et al, *supra* note 30.

45 Poverty & Race Research Action Council, “Assessment Criteria for ‘Concerted Community Revitalization Plans’: A Recommended Framework” 2 (March 14, 2017), https://www.prrac.org/pdf/PRRAC_CCRP_recommendations_3_14_17.pdf

46 OH, UT, DE, MA, MS, NY. Two definitions (MA and MS) are circular. See Appendix F: CCRP Definition Table, Janelle Taylor et al, *supra* note 30, <https://www.prrac.org/pdf/AppendixF-CCRP-Definition-Table.pdf>

Furthermore, none identify education as a standalone category, instead including it under a larger umbrella of non-housing public investment possibilities such as transportation, infrastructure, jobs, and healthcare.

By implementing stronger provisions for public school investment in their CCRPs, states can further ensure that all students, regardless of zip code, race, or socioeconomic status, have access to equal educational opportunities. Examples of project-based educational enhancements include academic enrichment through tutoring, after-school, and summer programs.

State QAPs should also ensure that LIHTC development in high-poverty communities do not intensify existing school segregation and poverty concentration in local schools. They should include a CCRP definition that meets the above criteria and strongly emphasizes non-housing development that will serve the community. Ideally, a portion of such investment will also be allocated to support local public schools and facilitate creative collaboration with districts, potentially through investment in magnet schools, targeted redistricting, or other means of improving access to integrated educational opportunities for resident children.⁴⁷

Unregulated choice policies often lead to segregation and can leave the lowest-income children behind.⁴⁸ But carefully designed public school choice programs, such as the following examples, can expand educational opportunity and promote voluntary school integration, decoupling educational access from housing.

- Controlled choice policies enable parents to rank their preferred school options but give districts the final say in enrollment decisions. Districts with controlled choice programs consider a variety of student and school characteristics with the ultimate goal of balancing school enrollments by race, family wealth, and student achievement.⁴⁹
- Magnet schools offer a special curriculum capable of attracting substantial numbers of students from different backgrounds. “Magnet” refers to how schools attract students across boundaries with innovative curricula to reduce racial isolation.⁵⁰
- Charter schools, through a charter agreement with state and local entities, commit to obtaining specific educational objectives. They are exempt from significant state or local regulations related to operation and management but otherwise adhere to the regulations

47 Philip Tegeler and Laura Gevarter, “Mixed Income Neighborhoods and Integrated Schools: Linking HUD’s Choice Neighborhoods Initiative with the Department of Education’s Magnet Schools Assistance Program” (PRRAC, March 2021), <https://www.prrac.org/pdf/choice-neighborhoods-and-magnet-schools.pdf>

48 Pearman, F. A., & Swain, W. A. (2017), “School Choice, Gentrification, and the Variable Significance of Racial Stratification in Urban Neighborhoods,” *Sociology of Education*, 90(3), 213–235 (2017), <https://doi.org/10.1177/0038040717710494>. See also <https://edopportunity.org/segregation/explorer/>

49 Casey Cobb, Do School Choice Programs Contribute to the Resegregation of American Schools? (National Coalition on School Diversity, March 2022), https://www.school-diversity.org/wp-content/uploads/NCSD_RB15.pdf.

50 Magnet Schools Assistance Program Technical Assistance Center, “MSAP Center Frequently Asked Questions,” <https://msapcenter.ed.gov/faq.aspx>.

of public schools.⁵¹ “Diverse by design” charters use the charter school mechanism to counter increased segregation in public schools and intentionally bring students together across race, ethnicity, class, and ability.⁵²

- Interdistrict integration programs, which operate in only a few states, are typically partnerships between urban and suburban school districts that facilitate student enrollment across district boundaries. One example is Boston’s METCO program, through which 3,200 Boston students attend schools in one of 33 suburban districts.

States should encourage LIHTC developers through the QAP process to prioritize these types of school choice options for children in LIHTC developments who would otherwise be attending high poverty, under-resourced neighborhood schools.

CONCLUSION

Low-income housing advocacy is an indispensable tool for building integrated, equitable schools and communities. Housing and school policy have long operated in separate spheres, but advocates, scholars, policymakers, developers, and citizens alike increasingly recognize the untapped potential of cross-sector housing/schools collaborations.

We can use LIHTC—the federal government’s largest affordable housing program—to promote school integration and educational justice. Advocating for changes to your state’s QAP, including more LIHTC development in high-opportunity areas with quality schools, as well as intentional, community-driven investment in high-poverty neighborhoods with under-resourced schools, will help create inclusive and just communities where all students can thrive.

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The format of this brief was inspired by a publication from ChangeLab Solutions entitled *A Primer on Qualified Allocation Plans Linking Public Health & Affordable Housing*. We are grateful to ChangeLab Solutions for their QAP work, including this publication.

51 U.S. Department of Education, National Charter School Resource Center, “What is a Charter School?,” <https://charterschoolcenter.ed.gov/what-charter-school>.

52 Teachers College, Columbia University, “Moving the Needle on Desegregation: Performance Outcomes and Implementation Lessons from Diverse-by-Design Charter Schools” 1 (June 2021) https://www.tc.columbia.edu/media/news/images/2021/august/TC-Diverse-by-Design_Final.pdf

How Can I Get Involved in Shaping My State's QAP?

Here's a quick guide to navigating your state's QAP revision process.⁵³

Understand the Process

- The first step of QAP advocacy is to identify the Housing Finance Agency (HFA) responsible for the QAP process in your state.
- Using the housing agency's website, learn the timeline for the QAP revision process, including the length of the public comment period and how the public will be notified when the draft QAP is issued.
- Learn how to participate during the public comment period.

Connect With Stakeholders

- Contact individuals and organizations working in areas such as educational equity, housing justice, and poverty alleviation to form a strong advocacy coalition.
- Engage developers. They may not always agree with your position, but they are key stakeholders in the LIHTC program.
- To identify active developers, see the HFA website for a list of recent applicants and/or awardees.

Analyze Your State's QAP

- Review your state's most recent final QAP to learn how the HFA currently approaches educational equity and opportunity in LIHTC allocation.
- See our summary of the fair housing-related criteria from each state's 2022-23 QAP.⁵⁴
- Analyze your state's draft QAP when it is released. Compare the proposed criteria to the recommendations in this guide.

Advocate for Change

- Coordinate with stakeholders to identify the education-related criteria you would like to see included in your QAP and prepare your case for including them.
- Submit public comments to the draft QAP. This may include a collective submission on behalf of a coalition of individuals and/or organizations.
- Monitor the process and review the final QAP once it is issued.
- Engage the agency and understand why proposals were accepted or rejected. This can help you address concerns during the following year's QAP revision process.

LIHTC and QAP Resources

2024 National Low Income Housing Coalition Advocates' Guide (published annually)

- Low Income Housing Tax Credits

Appendices from PRRAC *Building Opportunity III* (2023), which provide detailed summaries on if/how each state has implemented the QAP criteria referenced in this guide. (Available at

<https://www.prrac.org/pdf/BuildingOpportunityIII.pdf>)

Appendix A: State by State Summaries

Appendix D: Affirmative Marketing provisions

Appendix B: Opportunity Maps & Indices

Appendix E: QAPs Mentioning Source of Income Discrimination

Appendix C: Tenant Selection

Appendix F: CCRP Definition Table

⁵³ For a more detailed checklist, see ChangeLab Solutions, *A Primer on Qualified Allocation Plans Linking Public Health & Affordable Housing*

⁵⁴ Janelle Taylor et al, *supra* note 30.