Housing Tax Credits and GICH

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Overview

- What is the Housing Tax Credit (LIHTC)?
- Why would we want it in our community?
- How does it work?
- How can it work for us?
- What about this GICH letter?
What is the Housing Tax Credit?
What is the Housing Tax Credit?

- Largest producer of affordable housing in the country
- Highly accountable: private sector participation and state administration
- Georgia authorized matching state housing credit in 2001
Why Would We Want This?
Housing Credit Impact

Addresses critical need for safe, decent housing for:

- Seniors seeking independent living
- Georgia working families with low and moderate incomes
- Individuals with disabilities

Residents at Lone Mountain Village, Ringgold GA
Bartlett Crossing (after)
Economic Impact for every 100 tax credit units built:

- 161 local jobs are created in 1st year
- $11.7 million generated in local income
- $2.2 million generated in local gov’t revenue

Construction jobs created at Waterford Estates, Dublin, GA
Ware Hotel, Waycross
What About…

- **Property Values?**
  - Several studies have shown that affordable housing generally has no adverse effects and may even have positive impacts
  - Design, Management, Location, and Dispersion

- **Traffic?**
  - Affordable housing helps reduce the number of cars on the road by allowing working people to live near jobs
  - Studies show that affordable housing residents own fewer cars and drive less than residents of market-rate homes

http://www.housingpolicy.org/assets/TalkingPoints/TP_AffordHsgEffects.pdf
http://www.affirmedhousing.com/resources/myths.html
How Does the Housing Credit Work?
How Competitive LIHTC Works:

- The IRS allocates ~$2.35/resident to each state
- State Housing Finance Agency sets the rules (QAP)
- Developers compete to win award of credits
- Credits are sold to private investors to provide equity to build housing
- Housing is built and rents must be affordable (typically 60% AMI) for at least 30 years
- Once housing is inhabited, then tax benefits begin
Snapshot: 2015 Funding Round

- 35 (of 75) properties funded
- Around 40% in rural areas
- 11% went to preservation
- Around 2,500 homes financed
- 12 new and rehabilitated senior properties funded
How Can the Credit Work for Us?
DCA Community Initiatives (1 point)

- GICH Community support for an Application within its jurisdiction gives competitive advantage

- Must issue letter for *only one* Application, signed by Primary or Secondary Point of Contact (See 2016 QAP, p. 19 of Scoring)

- Additional Local Government letter in support of decision
Other Opportunities to Score

Leveraging (1-8 Points)
- 1-4 points for HOME, CDBG, or other funds
- 1-2 points for off-site investments
- 2 points for nominal long-term ground lease

Innovation: Community-Driven Strategies (3 points)
- 1 Application that shows holistic, place-based initiative
- GICH communities essential in helping drive initiatives
Other Opportunities to Score

Revitalization Efforts (2-7 Points)

- 2-3 Points for a site within a revitalization plan area that meets DCA standards

- Bonus 3-4 points if concerted effort:
  - Desirable amenities
  - Education improvements
  - Job improvements
  - Off-site investments
  - Mixed-income development
Other Opportunities to Score

Transportation Options (2-5 points)

- 2 points are available for on-call bus
- The closer a site is to a regular route, the more points it can receive

Brownfield Development (2 points)

- Incentive for clean-up and redevelopment
Know This Date

June 9 at 4 pm EST
Competitive (9%) LIHTC APPLICATION SUBMISSION DEADLINE
What About this GICH Letter?
Team Contact and Leader Update Form

- GICH letter must be signed by the Primary or Secondary Contact on file with the UGA Housing and Demographic Research Center

- These roles can be officially re-designated
  - Complete form from UGA or DCA website
  - Primary Contact should be an active member
  - Local Government: Controlling elected body
Contacts

- TEAM MEMBERS - Database of GICH team members, past and present - Updated yearly in January
- TEAM LEADER (PRIMARY AND SECONDARY) CONTACT INFORMATION - Effective April 15, 2015
- Team Leader contact update form - use this form to officially change team leader contacts
- LISTSERV ANNOUNCEMENTS - To sign up for the GICH listserv email Karen Tinsley at klt@uga.edu

Updated Position Designations

Primary Contact: __________________________ Email: __________________________ Phone: __________________________
Secondary Contact: __________________________ Email: __________________________ Phone: __________________________
Team Leader (must also be Primary or Secondary Contact): __________________________
Number of times your GICH team met in the last full calendar year: __________________________

Certification

Current GICH Team Leader or Official Representative
Signature: __________________________ Date: ______________
Printed Name: __________________________

OR

Executed confirmation of change letter from the Local Government (attach letter to this document)
Q&A
Wrap Up

- To receive information on trainings, workshops, and general program updates, sign up on our email list at:
  
  http://www.dca.ga.gov/housing/HousingDevelopment/programs/OAH.asp

- Contact Philip Gilman or Robert Fink at philip.gilman@dca.ga.gov or robert.fink@dca.ga.gov with questions