



# Awarding Your LIHTC Support Letter

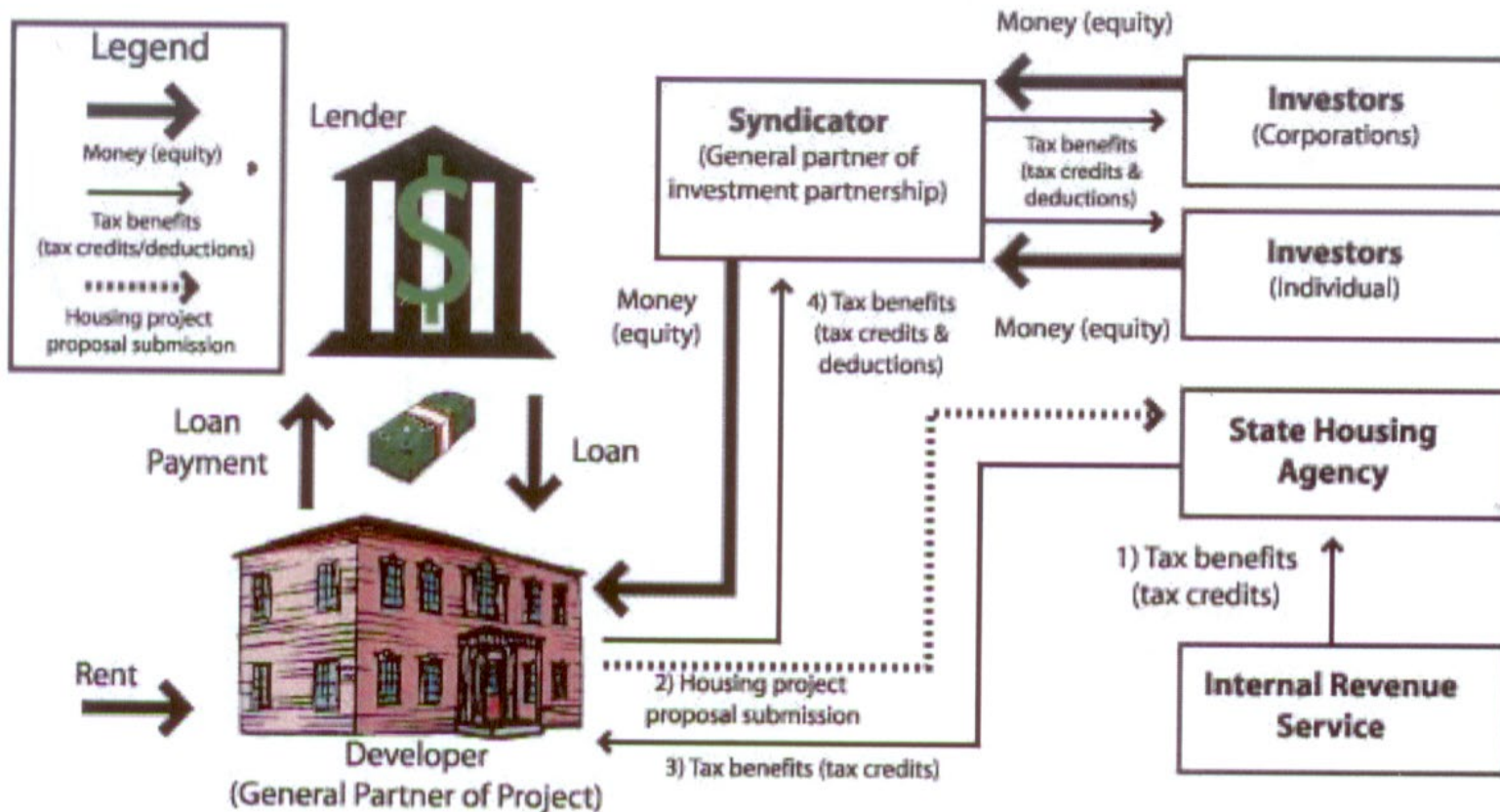
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# LIHTC Overview

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- Created by the Tax Reform Act of 1986
- Allows investors to reduce their federal income taxes by \$1 for every dollar of tax credit they receive. Investors receive the credits for 10 years
- Tax credits are assigned to individual developments by designated state agencies (GA Department of Community Affairs)
- Total dollar amount of credits available is determined by state population. In 2020, states could allocate \$2.81 or a total of \$3.2 million
- Properties must remain occupied by low-income households for at least 30 years
- Both 9% and 4% tax credits
- The size of the tax credit is based on the housing development's cost and the proportion of units occupied by low-income households





# Low Income Housing Tax Credit Program

- Developers compete to win award for 9% credits
- Housing developers receive tax credits from state housing agency and sell them to investors for construction funds
- Private investors contribute equity and receive benefits of the tax credits
- Investors, syndicators, and developers form limited partners in a tax credit development
- Housing is built and rents must be affordable (typically 60% AMI) for at least 30 years
- In some cases, “gap financing” is needed for the development to pencil out

# DCA LIHTC Incentives for GICH Communities (2022 QAP)



- Provides competitive advantage for current GICH communities and certified alumni
- Developers can earn up to 2 additional points on LIHTC applications
- Each GICH team may issue only one (1) letter for one project. Issuing more than one (1) will result in no project in that community being awarded this point.
- Additional local government letter in support of decision is required
- For Scattered Site Projects, the above documentation is required from each Local Government for each non-contiguous site.



# GICH Housing Team Support Letter

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Signature \_\_\_\_\_

Date \_\_\_\_\_



# Benefits of Support Letter Guidelines

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- Standardizes the criteria for a community to determine who to support.
- Provides a clear process for developers to receive housing team support.
- Provides opportunity for community to determine specific housing interests.
- Ensures that local housing interests are met through the development.





## DCA LIHTC Support Letter Requirements

1. It must identify the boundaries of their GICH community.
2. Is must identify the development as being within the community's stated GICH boundaries.
3. The letter must be executed (signed) by the GICH community's primary or secondary contact on record with the University of Georgia Housing and Demographic Research Center as of the date provided in the annual QAP.



# What should developers include in LOS requests?

- List of all requested letters from local government.
- Developer background, history, experience.
- Outline of proposed project components (i.e., timeline, zoning changes, compliance, etc.)
- Description of project (i.e., site plan, unit mix/numbers, building types, land use, etc.)
- Impact statement that details projected outcomes of the project.

# Choosing the Right Developer



# Things to consider when selecting developers

## **Developer Experience**

- Does the developer have experience in the city/county or nearby jurisdictions?
- Does the developer provide examples of completed LIHTC projects?
- Does the developer provide references for previous projects?
- Has the developer ever received a GICH point, and if so, where? Is contact information provided for that community?

## **Project Approach**

- Does the development proposal have a feasible timeline included?
- Does the does the development proposal clearly explain the project?
- Does the proposed project consider the goals of the LIHTC program?
- Are the project renderings clear, easy to read, and detailed?
- Are there any potential zoning or other land use issues related to the proposed development?



# Things to consider continued...

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## Streetscape

- Do the proposed streetscape elements effectively fit into the existing network?
- Is the project's block and street pattern conforming with the surrounding neighborhood?
- Are sidewalks present and continuous in all public frontages in urban areas? Do the sidewalks connect with existing streets and pathways?
- Is on-street and private parking addressed effectively in a manner that maximizes pedestrianism?
- Is the continuity of built-out frontages appropriate given the surroundings?

## Architectural Aesthetics

- Is the proposed development architecturally pleasing?
- Does the architecture of the project match the surrounding community?
- Are the building elements and proportions appropriate for the area, including height?
- Is the proposed density appropriate for the surrounding area, including potential increased traffic effects?
- Does the developer use high-quality, durable building materials?



# Things to consider continued...

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## Connectivity

- Does the proposed project support increased connectivity to the community as a whole?
- Does the project fit within the existing street network without significant new construction necessary?
- Does the project increase connectivity options for pedestrians and bicyclists, including sidewalks?
- Is the project located within  $\frac{1}{4}$  mile of existing transit options?
- Does the development appear inclusive to the larger community instead of exclusive?

## Location

- Neighborhood infill/urban development – does the development use existing streets, water, sewer, and other utilities?
- Urban greenfield development – is the proposed location on previously vacant property within an urban area?
- Suburban greenfield development – is the proposed location on previously vacant property in a suburban area?
- Development in floodplain, wetlands, wildlife habitat, or other vulnerable location

# Things to consider continued...

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## **Civic, Green, and Recreational Space**

- Does the project incorporate effective use of nearby civic, green, or recreational space within ¼ mile (walking distance)?
- Consider parks (passive, active, or pocket), Center Park, plazas or squares, sports complexes, trails or greenways, and gardens.

## **Mixed Use (Non-Residential)**

- Does the project contribute to mixed land uses within ¼ mile (walking distance)?
- Consider retail and services (grocery, convenience, personal care, pharmacy, banks, etc.), restaurants, entertainment, churches, education, government services (City Hall, library, museums, etc.), medical facilities.

## **Housing Choice and Inclusiveness**

- Is the proposed development located ¼ mile (walking distance) of other diverse housing establishments which would promote a more inter-connected community and increase the variety of housing options?





# Things to consider continued...

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## **Economic and Sociological Impact**

- Overwhelmingly positive effect on the community at large with little or no potential negative impact resulting from the development.
- Positive effect on community at large with a mild chance of negative impacts resulting from the development.
- Positive effect on the community with a greater chance of negative impacts resulting from the development.
- The likelihood of positive effects of the development only slightly outweighs potential negative impacts.
- Negative impacts outweigh positive impacts.

## Other Considerations

## Community Engagement

- Developer identifies important and relevant stakeholders, utilizes best practices in community engagement, and has a reasonable timeline of completion.

## Local Partnerships

- Developer has formal partnerships and involvement with affordable housing stakeholders in.

## Commitment to Diversity

- Developer has demonstrated experience working with women and minority-owned businesses. Applicant has demonstrated Section 3 contracting experience.



# Questions & Feedback

