Georgia Dream
Homeownership Program

February 20, 2019
Cynthia Harrison, Housing Outreach Coordinator
First Time Homebuyer - Definition

- A home buyer who has not owned a primary residence within the prior three years

- Cannot own any other real estate at time of closing

- No mortgage interest on tax returns

- If a primary residence was owned within three years, Georgia Dream still available if purchase is in targeted area
Asset limits

- Applicant must not have more than $20,000 or 20% of purchase price (whichever is greater) in liquid assets after closing.

- Retirement accounts are not considered liquid assets.
Income & Purchase Price Limits – MSA’s

- If property purchased in Barrow, Bartow, Carroll, Cherokee, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Heard, Henry, Jasper, Newton, Paulding, Pickens, Pike, Rockdale, Spalding or Walton Counties

- 1 – 2 persons maximum household income $76,000

- 3 or more persons maximum household income $87,500

- Maximum purchase price $250,000
Income & Purchase Price Limits – Rest of State

- 1-2 persons $64,000
- 3 or more persons $73,500
- Maximum purchase price $200,000
Targeted Counties

From the Freshmen Communities the following counties are considered targeted counties under the Georgia Dream Program:

Calhoun  Early

Applicant does not have to be a first time homebuyer, but cannot own any other real estate.
Home Buyer Education

- All Georgia Dream participants must complete a pre-purchase home buying counseling class prior to closing

- Workshop, one-on-one counseling or online class

- Only online class acceptable is through www.ehomeamerica.org/dca
Down Payment Assistance Requirements

- Georgia Dream Down Payment Assistance must be used in conjunction with Georgia Dream first mortgage

- Customer must contribute minimum of $1,000 to the purchase of the property

- Down payment assistance is repaid when property is sold, refinanced or property transferred
Down Payment Assistance Options

- Standard Program $5,000 – all eligible home buyers
- PEN $7,500 – all eligible home buyers who are employed in qualified protection, military, health care or education fields
- CHOICE $7,500 – all eligible home buyers whose household includes an individual living with a disability
- Funds are used in any combination for down payment, closing costs or pre-paid items.
Georgia Dream Process Overview

- Middle credit score of 640 or greater
- Ready Set Go
- Take home buyer education class
- Pre-qualified with a participating lender
- Locate property
- Lender takes application
- Lender – Georgia Dream - Closing
Georgia Dream Homeownership

- www.gadream.com

Information and requirements within this presentation are applicable at this time only. Please visit website for current information when considering purchasing your home.
Homeownership Not for Me

- Georgia Housing Search
- Data base of rooms, apartments, houses
- Contact landlord
- Do due diligence for cleanliness and safety
- Website – [www.georgiahousingsearch.org](http://www.georgiahousingsearch.org)
HomeSafe Georgia

- For Homeowners
- Underwater - owe more than the home is worth
- Reinstatement – making monthly payment, but behind on your mortgage
- Program ending in 2019
Some Requirements

- Owe less than $453,100 on the mortgage
- Must be able to afford future mortgage payments
- Property must be your primary residence and purchased prior to January 1, 2015
- Gross household income cannot exceed county income limit
- Cannot have received assistance previously through HomeSafe Georgia
HomeSafe Georgia website

www.HomeSafeGeorgia.com
Housing Outreach Contact

Cynthia Harrison
404-502-6176
cynthia.harrison@dca.ga.gov

The Georgia Department of Community Affairs is committed to providing all persons with equal access to its services, programs, activities, education and employment regardless of race, color, national origin, religion, sex, familial status, disability or age.
DCA Housing Finance Tools: LIHTC and CHIP
What is the Housing Tax Credit?

- Largest affordable housing development resource in the US
- Highly accountable: private sector participation and state administration
- Georgia authorized matching state housing credit in 2001
- Competitive (9%) and non-competitive (4%) tax credits
How Does it Work?

- IRS allocates $2.70 per resident to each state
- State Housing Finance Agencies (DCA) set the rules in the Qualified Allocation Plan (QAP)
- Developers compete to win award of either 4% or 9% credits
- Private investors purchase tax credits and cover up-front costs of housing development
- Rents must be affordable (50-60% Area Median Income) for at least 30 years
Non-competitive (4%) tax credits

- Rolling applications accepted from developers throughout the fiscal year
- Tax credits are leveraged with tax-exempt bonds
- Proposed developments must meet baseline criteria in QAP to ensure financial feasibility
- Can increase viability of developments in rural areas
- Federal Opportunity Zones as gap financing
Competitive (9%) QAP Criteria

- GICH communities choose one property to receive 1 point
- Leverage with local HOME, CDBG, or other funds
- Community-driven revitalization strategies earn points
- Sites with access to high-performing schools, job opportunities, and health care
Annual QAP Development in Georgia

- Aug – Sept: Listening sessions and consultation
- Early Oct: QAP draft released for public comment
- Mid Nov: QAP finalized based on public input
- Jan – Feb: Governor signs QAP

Application submission deadline in May
Housing Credit Properties Revitalize Corridors

Walton Oaks in Augusta

Before

After

Photo credit: Augusta Chronicle
Snapshot: 2016 Funding Round

79 applications received

29 applications funded (37%)

12 senior properties funded

11 rural properties (38%)
### 2016 Georgia Housing Credit Economic Impact

2,438 units total in 2016  
Average 90 units per project

In the first year after 90 units have been placed in service, the surrounding community benefits:

<table>
<thead>
<tr>
<th>Local Government (average, 90 units)</th>
<th>Statewide (total, 2,438 units)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Income</td>
<td>Local Income</td>
</tr>
<tr>
<td>$10.5 million</td>
<td>$302.3 million</td>
</tr>
<tr>
<td>Tax and Local Government Revenue</td>
<td>Tax and Local Government Revenue</td>
</tr>
<tr>
<td>$2.0 million</td>
<td>$80.5 million</td>
</tr>
<tr>
<td>Local Jobs</td>
<td>Local Jobs</td>
</tr>
<tr>
<td>149 jobs</td>
<td>4,145 jobs</td>
</tr>
</tbody>
</table>
Resources and Questions

Contact:
Joe Fretwell
Joe.Fretwell@dca.ga.gov

OR

Grace Baranowski
grace.baranowski@dca.ga.gov
What is CHIP?

Community HOME Investment Program

- Rehab & New Construction of Single Family Homes
- Funded with Federal HUD HOME funds
- $3-6 million statewide annually
- 10-15 grantees per year
- Over last 20 years: $34 million for 4,000 households
Eligible Applicants:

- City and County Governments
- Public Housing Authorities
- Nonprofits with 501(c)(3) or (c)(4) designation

Ineligible Applicants:

- Applicants that are current grantees with more than 50% in unspent funds will not be eligible to apply
Typical Grant Application Cycle

Application information at DCA CHIP website:
http://www.dca.state.ga.us/housing/housingdevelopment/programs/CHIPApplication.asp

Application listening sessions: Last week of July
Application released: 1st week of September
Applications due: 1st week of December
$300,000 for housing rehab grants

Estimated funds per house:
- Up to $50,000 per home for repairs (to code), lead testing and abatement
- $4,000/home in project delivery costs for the grantee

Funds provided to homeowner as a 0% interest 5-year forgivable loan
Grantees are responsible for:

- Qualifying homeowners
- Qualifying and overseeing contractors
- Inspections and work write ups
- Lead Testing
- Environmental Reviews
- Processing loan documents and deeds
Single Family Development Grants

$600,000 for housing construction (new/reconstruction)

No set limit for construction costs

- $5,000/home in project delivery costs for the grantee
- 15% or $20,000 for developer fee
- $14,999 homebuyer subsidy: Homebuyer signs affordability period lien for up to 15 years

Grantees reuse the program income for more affordable housing activities
Single Family Development Grants

- Market Analysis
- Site control: ownership, long-term lease or an option to buy the land
- Project ready
  - Plans, Specs, Photos
  - Cost Estimates
  - Historic Preservation Clearance

Homes must be sold within 9 months of construction completion
Grantees are responsible for:

- Procuring a Developer
- Building/Renovating the Homes
- Qualifying Homebuyers
- Pre Purchase Housing Counseling
- Selling the Home and Filing the Affordability Period Lien
CHIP Housing Reconstruction

Home Reconstructed in Sylvester by Southwest Georgia Regional Commission

Before

After
CHIP Housing New Construction

Rusher Street Neighborhood in Washington

Before

After
Grantees
Questions and Resources

- **Program Manager:**
  
  Dean Nelson  
  Community Housing Program Manager  
  Dean.Nelson@dca.ga.gov  
  (404) 852-2160
Other Resources & Questions

- **USDA-Rural Development**
  Section 504 Home Repair Program

- **Habitat for Humanity**
  A Brush with Kindness and Critical Home Repair Program

- **Community Action Councils/Agencies**
  Weatherization programs
Community Development Block Grant

- Federally funded block grant which focuses on benefiting low- and moderate-income individuals
- Provides resources for community/economic development and housing rehabilitation
- Approximately $26 million available annually in CDBG Competition
  - Up to $750,000 per community for single-activity
  - Up to $1,000,000 per community for multi-activity
CDBG Housing: City of Dublin

- Awarded $545,755 in 2018 CDBG Round to support affordable housing activities
  - City provided 6% match

- Funds will support demolition and clearance of vacant dilapidated homes and rehabilitation of 13 homes

- Project will benefit 82 persons, 80 of which (98%) are LMI
CDBG Innovative Project Set-Aside

- $2,000,000 set aside for projects which will produce long-term, transformational change
- Encourages local governments to use community revitalization strategies in developing applications to create innovative public-private partnerships
- Pre-applications due by May 31, 2019
- Final applications due Aug. 31, 2019
Questions and Resources

Malisa Thompson

Malisa.Thompson@dca.ga.gov

OR

Kim Carter

Kim.Carter@dca.ga.gov