Housing Tax Credits and GICH
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?
- Case Studies
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
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, Macon
Bartlett Crossing (after)
Housing Credit Impact (cont.)

First-year Economic Impact for every 1,000 tax credit units built:

- 1,130 jobs created
- $107 million generated in local income
- $42 million generated in tax 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?
  - Studies show that affordable housing residents own fewer cars and drive less than residents of market-rate homes
How Does the Housing Credit Work?
How Competitive LIHTC Works:

- The IRS allocates ~$2.76/resident to each state
  - Georgia in 2019: $28,994,303
- State Housing Finance Agency sets the rules via the Qualified Allocation Plan (QAP)
- Developers compete to win award of 9% credits
- Private investors contribute equity to build housing and receive benefits of the tax credits
- 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: 2019 Funding Round

- 39 properties funded
- Around 49% in rural areas
- 13% went to preservation
- 2,788 units financed
- 16 new and rehabilitated senior properties funded
How Can the Credit Work for Us?
GICH Advantages in QAP

DCA Community Initiatives

- 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 2020 QAP, p. 26 of Scoring)

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

- Leveraging with local HOME, CDBG, or other funds
- Long-term ground lease (no less than 45 years and must be from local PHA or government entity)
- Community Revitalization or Redevelopment plans adopted by local government
- Community Transformation initiatives
- Purpose Built Communities and Choice Neighborhood Implementation
- Mission-driven Public Housing Authority
Other Opportunities to Score

- Proximity to desirable amenities (licensed child care, medical care providers, retail options, public library, etc.)
- Proximity to regular or on-call bus or transit routes
- Historic preservation
- Above average or Beating the Odds schools
- Access to local jobs
Key Dates

- GICH certification due March 20, 2020
- 2020 Applications due May 21, 2020, 4pm
- 2021 and future QAPs will be developed year-round
2021 QAP Development

- QAP policy is an annual, iterative process
- Draft will be available in early October with a 30-day comment period
- What to expect:
  - Substantive Changes document
  - Redlined version of QAP
What About this GICH Letter?
Team Contact and Leader Update Form

- GICH community must be a current participant or a certified alumni – re-certify every 2 years
- 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
Resources

Did you know that the GICH Program is the primary outreach initiative of the Housing Demographics and Research Center (HDRC)? Learn more about the latest applied housing research from HDRC here.

For Alumni

- "New" FAQ for the updated Alumni Certification Process
- 2020 GICH Alumni Certification Application Manual
- 2020 GICH Alumni Certification Application

Contacts

- GICH TEAM LEADERS, PRIMARY AND SECONDARY CONTACTS (Updated 010218)
- Team Leader contact update form - form to officially change team leader contacts
- TEAM MEMBERS - Database of GICH team members, past and present - Updated March 2017 (For GICH participants, passcode protected)

For New Communities

- GICH Planning Committee Contacts
Steps to Success with LIHTC

Case Study – Griffin, GA
Griffin’s Steps to Success

- Partnerships
  - Public Housing Authority
  - City
  - Land Bank
  - Housing Council
- Housing plan
- Developer relationships
- Alternate funding sources
- Communication
Steps to Success with LIHTC

Case Study – Rome, GA
Rome’s Steps to Success

- Partnerships
  - City
  - South Rome Redevelopment Agency
  - South Rome Redevelopment Corporation
  - Purpose Built Communities
  - Public Housing Authority

- Land ownership

- Developer relationships

- Additional Funding
Steps to Success with LIHTC

Case Study – Thomasville, GA
Thomasville’s Steps to Success

- GICCH letter scoring criteria
  - Housing choice and diversity
  - Mixed use
  - Civic space
  - Connectivity to existing neighborhoods
  - Location
  - Streetscape
  - Architectural aesthetics
  - Economic and sociologic impact
- Zoning overlay and design guidelines
Q&A

Link to list of LIHTC developments (including developer name):
https://www.dca.ga.gov/node/3814
Wrap Up

- To receive information on trainings, workshops, and general program updates, sign up on our email list at:
  
  https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/housing-tax-credit-program-lihtc

- Contact Jack Popper or Grace Graszer at jack.popper@dca.ga.gov or gm.graszer@dca.ga.gov