



GEORGIA DEPARTMENT
of COMMUNITY AFFAIRS

LIHTC 101



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of COMMUNITY AFFAIRS

“

Committed to helping build
strong, vibrant communities
across Georgia.

Housing Tax Credit Impact 2020 - 2024

29,298

Units created or
preserved

289

Developments funded

122

Communities served



What is the Housing Tax Credit?

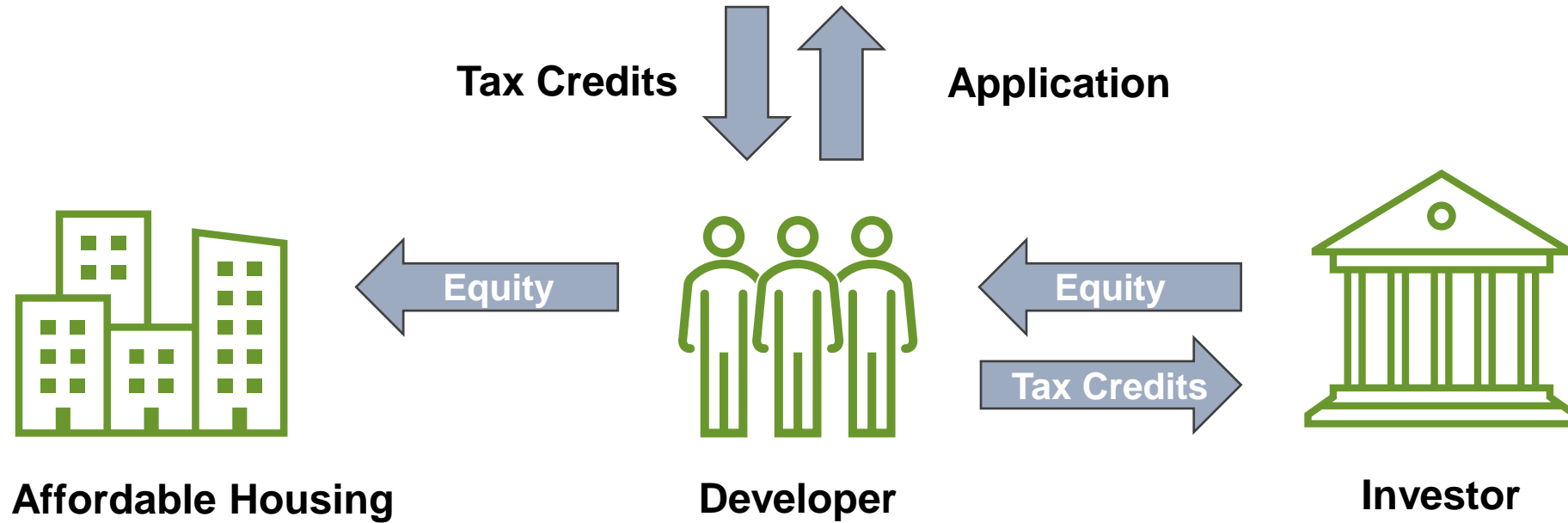
"an indirect federal subsidy used to finance the construction and rehabilitation of low-income affordable rental housing."

- Novogradac

How does the Housing Tax Credit work?



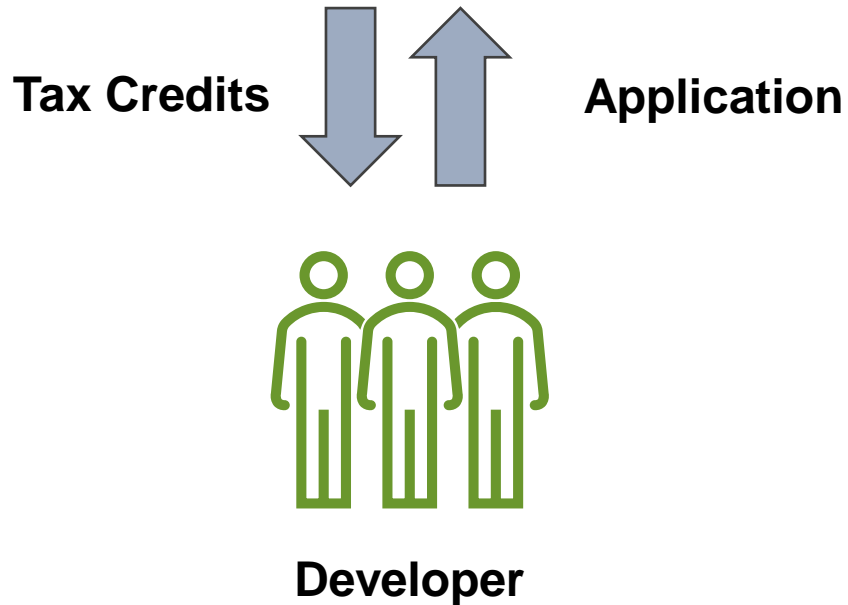
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How does the Housing Tax Credit work?

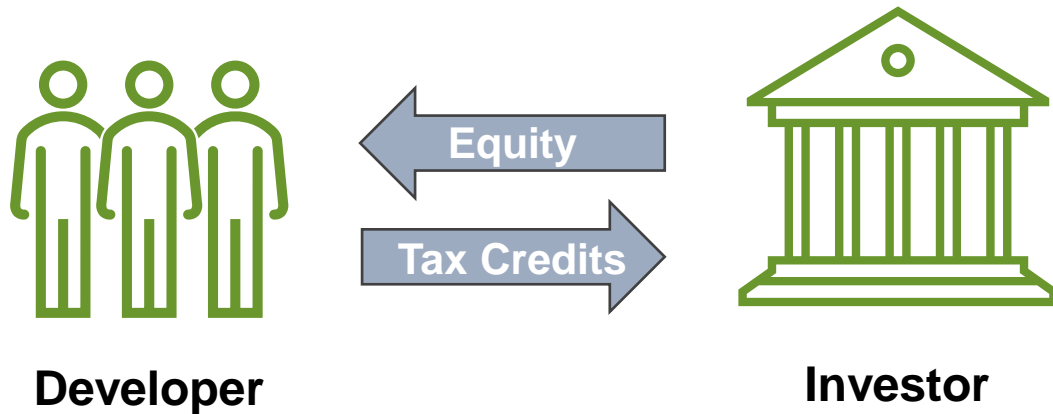


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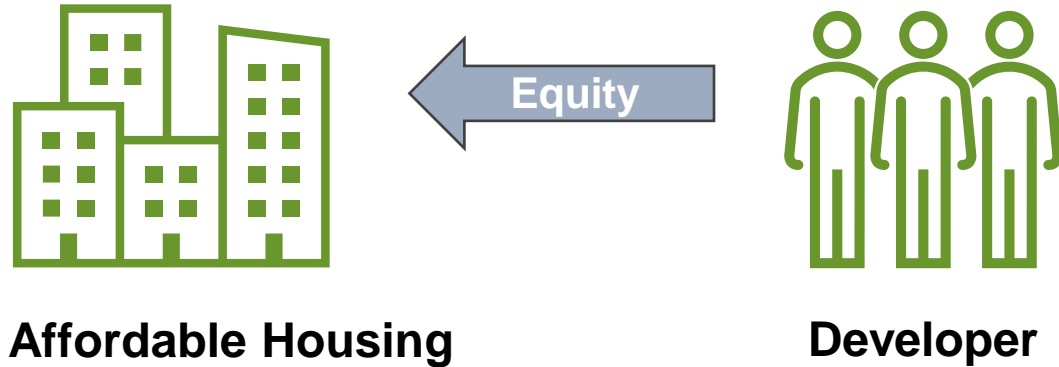
- Developer puts together plan for a housing development
 - New Affordability / New Construction
 - Preservation / Rehabilitation
- Developer completes application for Tax Credits
 - Competitive process
 - Two rounds per year
- DCA awards Tax Credits to highest scoring applications
 - Set-asides for priority housing needs

How does the Housing Tax Credit work?



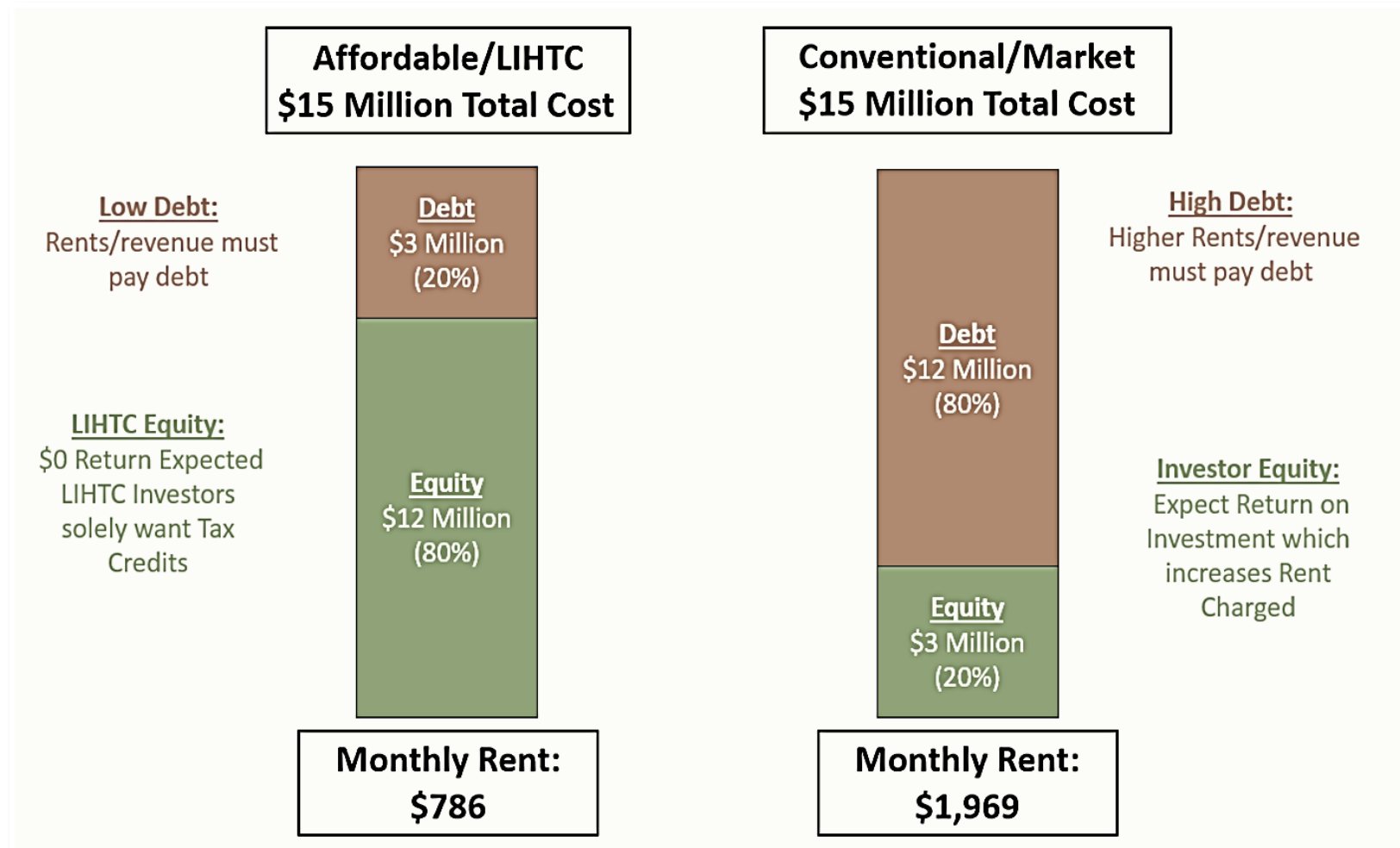
- Investors with tax liability purchase tax credits
 - Also helps banks (and others) meet Community Reinvestment requirements
- Tax credits cost less than the amount of tax owed to the IRS
- Developer receives actual dollars in exchange for the tax credits

How does the Housing Tax Credit work?



- Developer uses funds from the tax credit sale as equity investment in affordable housing property
- "Equity investment" = down payment
- End result is low mortgage or NO mortgage on completed property

Housing Tax Credit Effect





Who can apply?



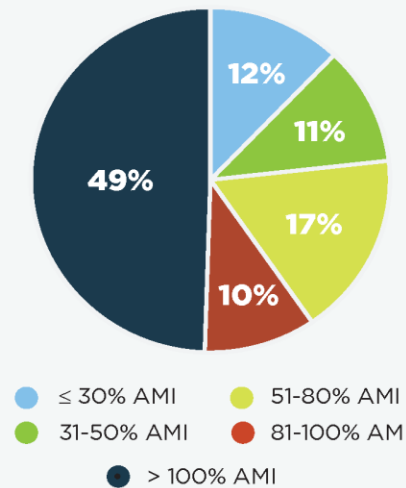
For Profit
Developers

Non-profit
Developers

Public Housing
Authorities &
Affiliates

Who do we serve?

Household Incomes Across Georgia



Source: [Comprehensive Housing Affordability Strategy Data, U.S. Department of Housing and Urban Development](#)

Area Median Income

- A key metric used to determine affordability and eligibility for various housing programs.
- AMI represents the midpoint of household incomes in a specific geographic area.
- These thresholds help determine who qualifies for subsidized or income-restricted housing.

Examples of Jobs in Georgia



A **waitress** in Athens making \$10.93/hr qualifies for 30% AMI housing.



An **auto mechanic** in Rome making \$18.75/hr qualifies for 60% AMI housing.



A **truck driver** in Cordele making \$22.50/hr qualifies for 80% AMI housing.

All income limits are for a 3-person household.

Source: [Multifamily Tax Subsidy Income Limits, U.S. Department of Housing and Urban Development](#)

2025 Income Limits for GLCH Freshman Communities*

To qualify for LIHTC housing for a family of 4 in...

- Union County: Approximately \$50,000/year household income (\$24/hour)
- Crawford County: Approx. \$42,000/year household income (\$20/hour)
- Henry County: Approx. \$60,000/year household income (\$29/hour)
- Murray County: Approx. \$45,000/year household income (\$22/hour)
- Ware County: Approx. \$40,000/year household income (\$19/hour)

Qualified Allocation Plan (QAP)

- Every state HFA has a QAP
- “Rulebook” for how DCA allocates tax credits
- DCA updates its QAP biannually
- Three sections:
 1. Core Section (administrative topics)
 2. Threshold (minimum requirements)
 3. Scoring (points are king)

Rehabilitation – Removing Blight



Capitol View, Atlanta
Columbia Residential

New Construction



Villas at Mount Zion & Flats at Mount Zion, Stockbridge
Zimmerman Properties Southeast

Scoring

- How to get your deal funded – POINTS
- Scoring sections (30+)

- GICH
- Community Transformation
- Revitalization Plan



Planning

- Favorable Financing
- Phased Developments
- PBRA Contracts
- Enriched Property Services



Participation

Scoring Criteria (2024-2025 QAP)

- Extended Affordability Commitment
 - LIHTC properties are required to stay affordable for a minimum of 15 years
 - Developers can choose to extend this commitment for points
- Favorable Financing
 - Bringing in funds from another resource
 - Examples: Historic tax credit proceeds, HOME funds (from DCA or City), SPLOST, CDBG, etc.
 - This lowers the amount of Tax Credits needed, meaning DCA can award more developments
 - Tax abatement
 - Examples: PILOT (Payment in Lieu of Taxes), TAD (Tax Allocation Districts)
 - This lowers the cost to operate the property

Scoring Criteria (2024-2025 QAP)

- Compliance
 - Experienced developers will lose points if they have previous developments that are not in compliance
- Integrated Supportive Housing
 - 10% minimum of units reserved for those with disabilities
 - Extra points if property will also have rental subsidy
- Readiness to Proceed
 - Threshold documents: third party reports
 - Utility letters
 - Financing commitments

Scoring Criteria (2024-2025 QAP)

- Deeper Targeting
 - Lower rents means serving more people
 - Can be achieved with PBRA or PBV
 - Partnership with public housing authority
- Desirable/Undesirable Activities
 - Retail & restaurants, medical care, education & childcare, community assets
 - Many options are given to achieve points
- Community Transportation Options
 - Most points are for being directly connected to mass transit (Metro areas)
 - Publicly operated / sponsored in Rural areas

Scoring Criteria (2024-2025 QAP)

- Quality Education Areas
 - The most points are given to areas with high performing schools
- Revitalization / Redevelopment Plans
 - Local government must have established official Community Revitalization Plan
 - Extra points for extra designations (PlanFirst, Rural Zone)
- Community Transformation
 - Community partnerships and joint planning efforts
 - Seeking improvement of resident and community outcomes
 - GICH support letter
 - Community investment commitment from foundation, trust, business, and/or local government

Scoring Criteria (2024-2025 QAP)

- Stable Communities
 - Areas not in need of revitalization
- Community Designations
 - HUD Choice Neighborhood Implementation grant
 - Purpose Built Communities
- Phased Developments
 - Incentive to do more units over multiple funding rounds
- Previous Projects
 - Seeking to spread out resources, don't want all Tax Credit housing concentrated in one area

Scoring Criteria (2024-2025 QAP)

- Economic Development Proximity
 - Intended to identify areas with a lot of new jobs coming to town
- Mixed Income
 - Income averaging
 - Market rate units
- Historic Preservation
 - Adaptive re-use
- Enriched Property Services
 - Extended services for residents
 - CORES certification gets extra points

Scoring Criteria (2024-2025 QAP)

- Preservation
 - Occupied developments needing rehabilitation
 - Property age considered
 - Existing Tax Credit housing
 - USDA existing developments

Important Dates

9%

May

9% Housing Tax Credit
application deadline

September-
October

9% Housing Tax Credit
award announcements

4%

October

4% Housing Tax Credit/
Bonds application deadline

January-
February

4% Housing Tax Credit/
Bonds award
announcements

Thanks!

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