



GEORGIA DEPARTMENT  
*of* COMMUNITY AFFAIRS

# LIHTC 101



**Housing Tax Credit  
Impact 2021 - 2025**

**34,731**

Units created or  
preserved

**334**

Developments funded

**124**

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**

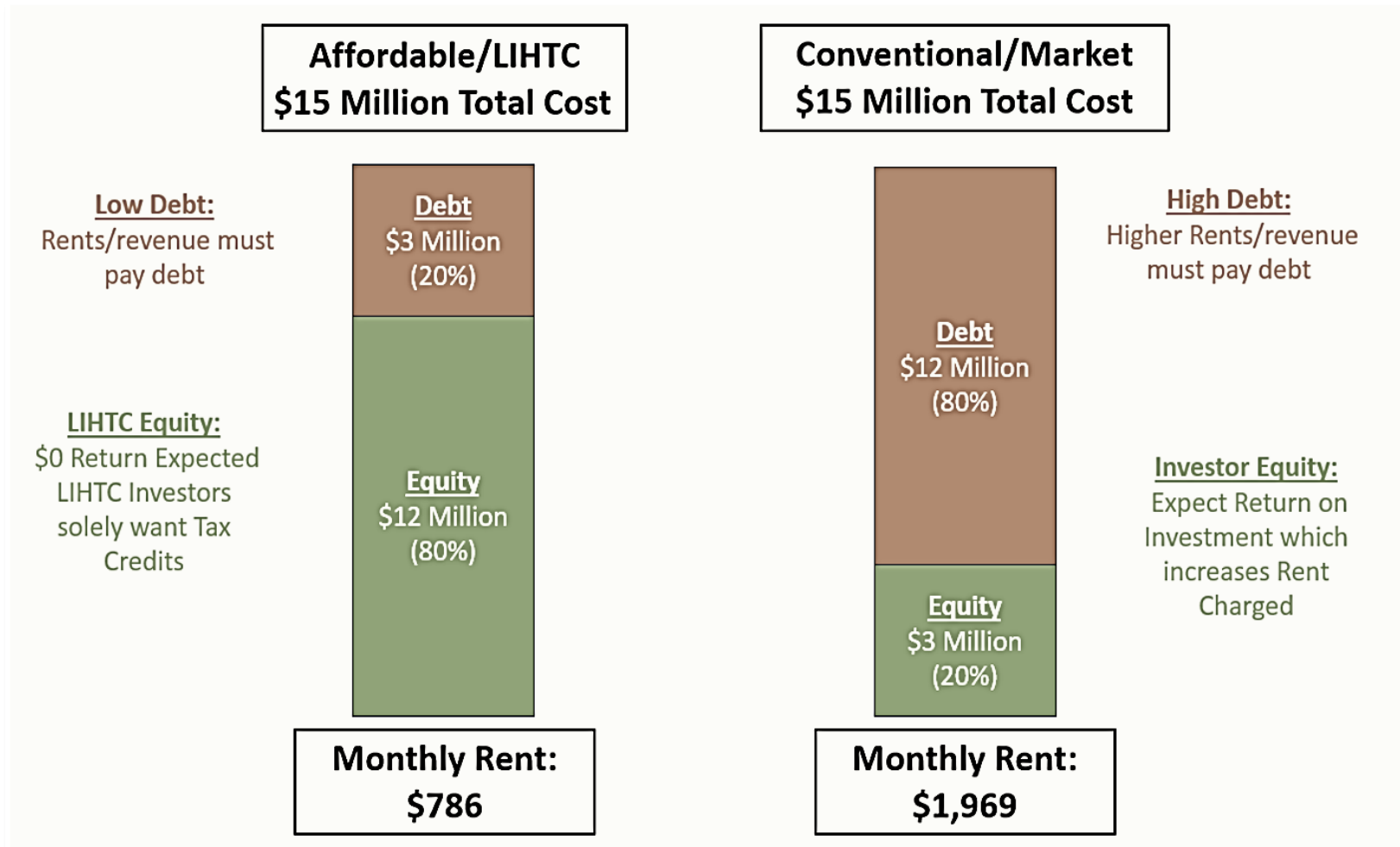
# Public Housing

- Appropriated by Congress
- Government has direct ownership and participation in developing housing units
- The private market is not involved
- The program is run by public housing authorities and US Department of Housing and Urban Development (HUD)
- Property management is monitored for compliance – both residents and the landlord

# LIHTC

- No appropriations necessary
- Government does not own or operate housing units
- The private market owns, operates, and develops the housing units
- The program is run by State Housing Finance Authorities and the US Internal Revenue Service (IRS)
- Property management is monitored for compliance – both residents and the landlord
- Tax incentive program, public-private partnership

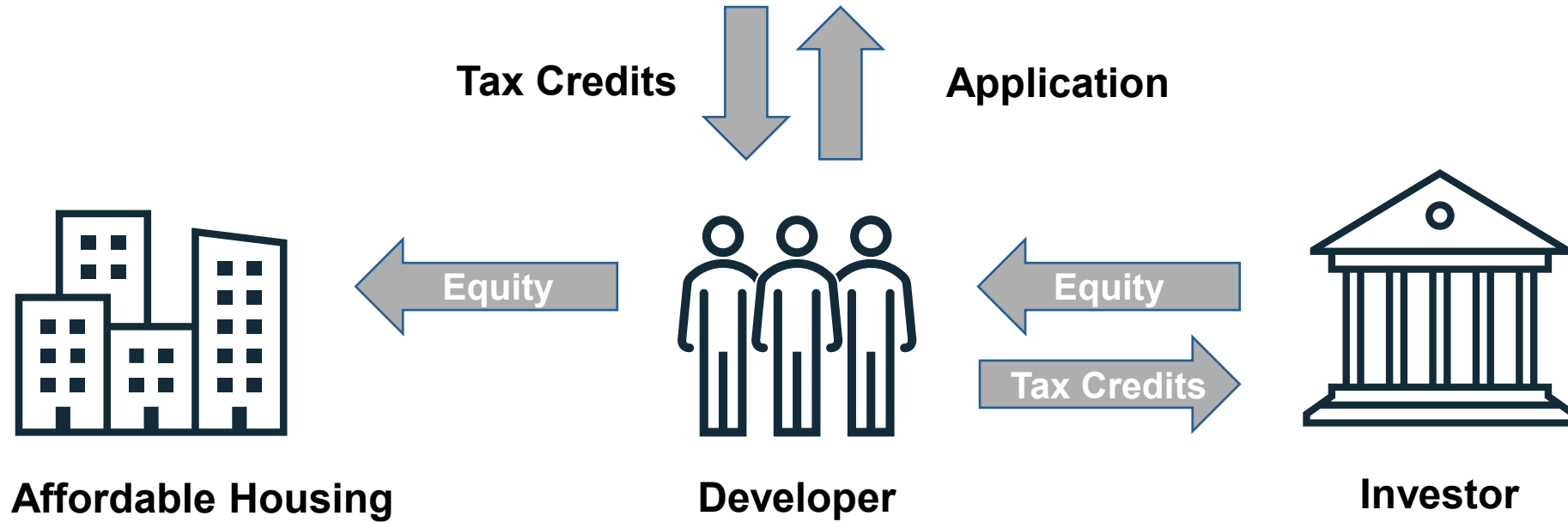
# Housing Tax Credit Effect



# How does the Housing Tax Credit work?



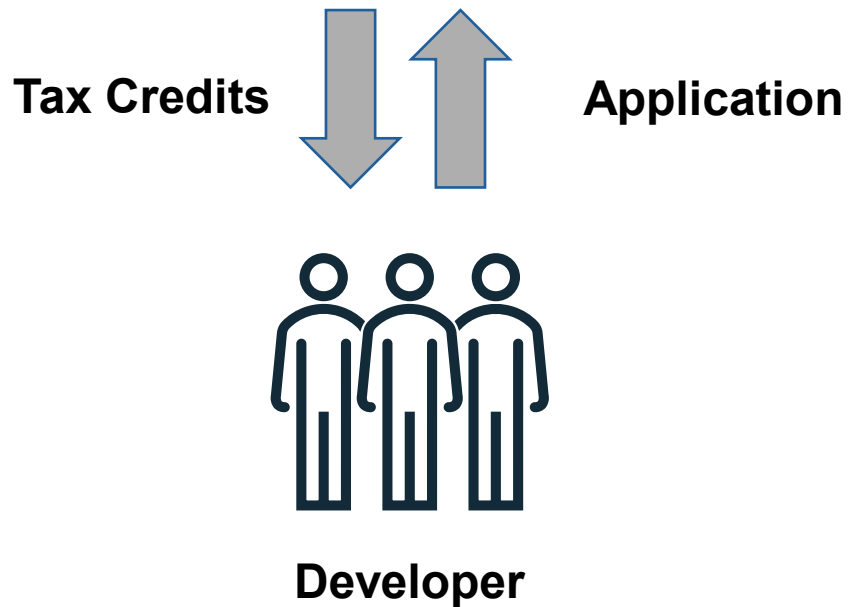
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# How does the Housing Tax Credit work?

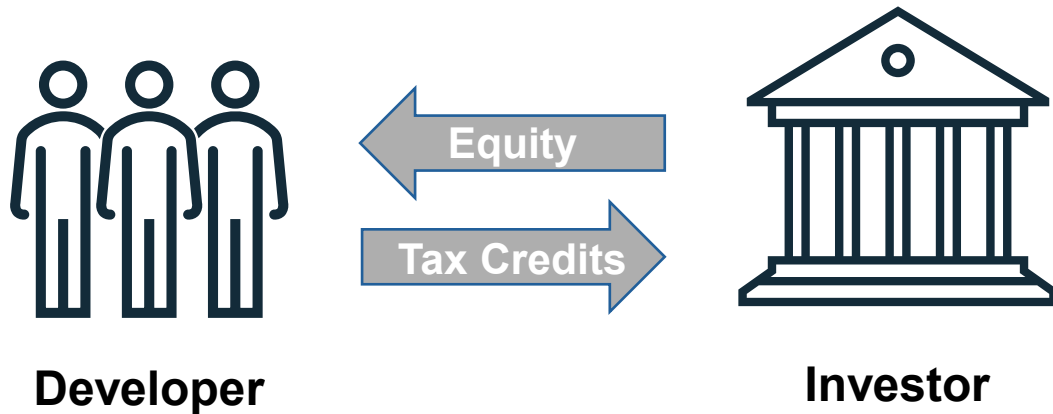


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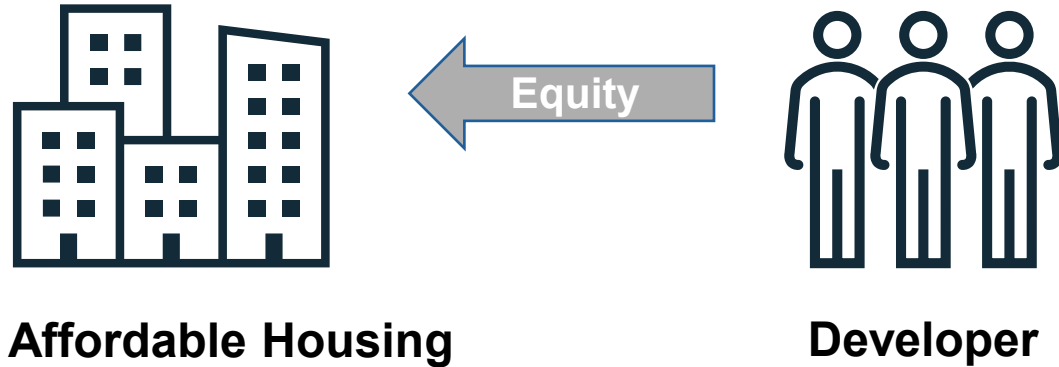
- Developer puts together plan for a housing development
  - New Affordability / New Construction
  - Preservation / Rehabilitation
- Developer completes application for Tax Credits
  - Competitive process
  - Two rounds per year
- DCA awards Tax Credits to highest scoring applications
  - Set-asides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

# 4% Tax Credit

- Usually large, over 100 units
- Unit production is a higher priority than “extra” resident services
- About 30% of eligible development costs
- Tax credits are paired with tax-exempt Private Activity Bonds
- Portfolio applications allowed

# 9% Tax Credit

- Usually smaller, 60 units
- High expectations for Project Teams to coordinate resident services on site
- About 70% of eligible development costs
- No tax-exempt Private Activity Bonds are issued with the award
- Portfolio applications not accepted



# Who can apply?

For Profit  
Developers

Non-profit  
Developers

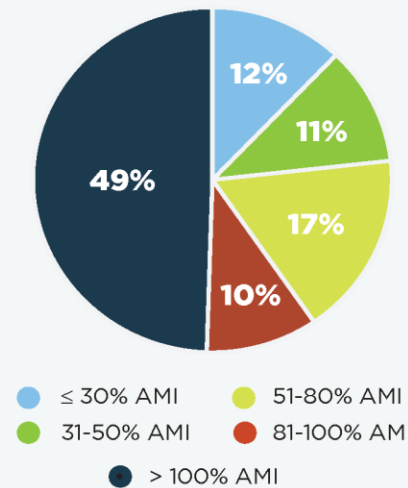
Public Housing  
Authorities &  
Affiliates

# Qualified Determination

- Project Teams must receive a **Qualified Determination (QD)** in order to be considered for funding
- DCA performs an evaluation of:
  - Experience
  - Capacity
  - Financial solvency
  - Performance meeting required deadlines
  - Compliance with program rules
  - Proven track record of development AND ownership of LIHTC properties in Georgia & other states
  - Vacancy rates at existing properties (must have low vacancy)
- New Project Teams must partner with a Qualified Project Team until they can receive QD on their own merit

# 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 2026 GICH Freshman Communities\*

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

County	Salary	Hourly Rate
Dade (Trenton)	\$57,300	\$27.50
Clayton (Forest Park)	\$68,520	\$33.00
Lumpkin (Dahlonega)	\$53,460	\$25.70
Taylor	\$45,720	\$22.00
Stewart (Richland)	\$45,720	\$22.00

# Rehabilitation – Removing Blight



Capitol View, Atlanta  
Columbia Residential

# New Construction



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

# What happens after award?

- Properties and their Project Teams are monitored and inspected during construction
- Once a property is complete the development is required to follow program rules and maintain on-site amenities and resident services for 15 – 30 years
  - Starting in 2026 Project Teams will be required to commit to 30 years
  - This is called the **Compliance Period**
- Many properties re-apply for LIHTC at the end of the Compliance Period
- Non-Compliance leads to strict penalties for Project Team: Owners, Investors, and Property Management

# 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)

# 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

# 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

**February-March**

4% Housing Tax Credit/  
Bonds award announcements

# Thank You!

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