

Housing Tax Credit Program Fact Sheet

Purpose	The production of affordable multifamily rental housing statewide through the allocation of federal income tax incentives to building owners.
Incentive Form	The federal Low Income Housing Tax Credit (the "Credit") is available annually for a 10-year period. With certain exceptions, owners may receive an annual Credit of approximately thirty percent (30%) of the present value of depreciable basis for developments involving acquisition, and an annual Credit of approximately seventy percent (70%) of the present value of depreciable basis for developments involving new construction or rehabilitation.
Eligible Applicants	<p>Any individual, corporation, partnership, trust or other legal entity which owns, or intends to construct or acquire one or more eligible residential buildings for occupancy by low and very low income households as set forth in the State of Georgia's 2003 Qualified Allocation Plan, the OAHD Application Manual, and Section 42 of the Internal Revenue Code. Eligible buildings contain one or more units designed for long-term, continuous residential rental use. Buildings used as transitional housing for the homeless also may be eligible. Detached single-family houses, "scattered site" developments, or any buildings used in connection with a "limited-equity" or leasing cooperative are not eligible.</p> <p>Furthermore, applicants must not be out of material compliance or disqualified from any program administered by the Department of Community Affairs or under debarment, proposed debarment, or suspension by a federal agency, and must meet all requirements outlined in the State of Georgia's 2003 Qualified Allocation Plan, the OAHD Application Manual, and Section 42 of the Internal Revenue Code.</p>
Eligible Activities	<ul style="list-style-type: none"> • Acquisition-To qualify for the acquisition Credit, the building must have been last placed in service at least 10 years prior to application - certain exceptions apply - and must involve rehabilitation. • Rehabilitation-To qualify for the rehabilitation Credit, rehabilitation expenditures chargeable to capital account must equal the greater of 10 percent of the building's adjusted basis or average at least \$12,000 per low-income unit. • New construction

Funding Notice	Formal applications will be solicited by means of a Notice of Funding Availability that will be published in major newspapers in the State and mailed to previous participants and other interested parties.
Application	Formal applications must be submitted in the form prescribed by the OAHD in the 2003 Qualified Allocation Plan (QAP) and 2003 Application Manual.
Deadline	Complete applications for the 9% Tax Credit Competitive round must be delivered to DCA on or before 5:00 p.m., May 15, 2003. Complete formal applications for 4% Tax Credit letters of determination for Tax Exempt Bond Applications may be delivered to DCA throughout the year.
Determination	Applications will be evaluated in accordance with minimum threshold requirements, competitive selection criteria, and policies as described in the State of Georgia's 2003 Qualified Allocation Plan, including but not limited to market and financial feasibility, income and rent restrictions, site and location characteristics, proposed development characteristics, and compliance history. A projected positive net operating income, as well as a projected overall debt service coverage ratio of no less than 1.10, is required throughout the compliance period.
Special Conditions	Rent and occupancy restrictions will apply, as described in the State of Georgia's 2003 Qualified Allocation Plan, the OAHD Application Manual, and Section 42 of the Internal Revenue Code. These restrictions will be secured by a Land Use Restrictive Covenant that will have duration equal to the term of the affordability period.
Reporting	All reporting requirements as outlined in the OAHD 2003 Application Manual must be met throughout the compliance period.
Other Requirements	Award recipients must meet and remain in compliance with State of Georgia's 2003 Qualified Allocation Plan, the OAHD Application Manual, and Section 42 of the Internal Revenue Code.
Governing Statute	All activities must be conducted in full compliance with all program statutes and the U.S. Department of Treasury ("Treasury") regulations published at Section 42 of the Internal Revenue Code. No provision of this program description shall be enforced if Treasury or DCA determined that such provision is invalid under the federal statute or regulations.
Credit Available	Approximately \$14.7 million in total annual Credit authority, with a federally mandated 10% set-aside for nonprofit-sponsored developments, as defined in the State of Georgia's 2003 Qualified Allocation Plan.