

GEORGIA
Housing Finance
& Development

2022

IMPACT REPORT

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Young residents of Midtown Villages, Gainesville, Ga.

Legacy Villas, Eastman, Ga.





Christopher Nunn
Commissioner

Commissioner's Welcome

Georgia's Department of Community Affairs helps build strong, vibrant communities throughout the state.

The agency's toolkit enables a range of activity from infrastructure investment and jobs creation to historic preservation and downtown revitalization. To exist as a community, it is essential that people have safe, affordable places to live and call home.

Thus, housing is fundamental to the Department of Community Affairs' mission. The agency's commitment to safe, affordable housing spans a broad programmatic spectrum. From financial assistance to local organizations targeting homelessness to providing rental assistance through the federal Housing Choice Voucher program, and from helping first-time homebuyers through Georgia Dream to Georgia's collaborative, innovative Housing Tax Credit program, the agency strives to provide resources to support community housing.

The Housing Tax Credit program is Georgia's most significant program focused on developing new housing stock to meet the growing demand for affordable senior and workforce housing across the state. Funded through federal and state housing tax credits, this program is effective because of its public-private partnership model. Since 2018, this program has resulted in 39,398 units of new or rehabilitated housing in 218 counties across the state of Georgia. The following report goes into detail about the program's impacts.

2022 at a Glance

CHIP 2022

\$7 million awarded

\$8 million in community invested matching funds

15 communities benefited

Gap Funding for Construction Cost

Covid-19 resulted in significant funding gaps for 9% HTC developments

27 developments stabilized with low-interest loans

2,100+ affordable homes were constructed or preserved

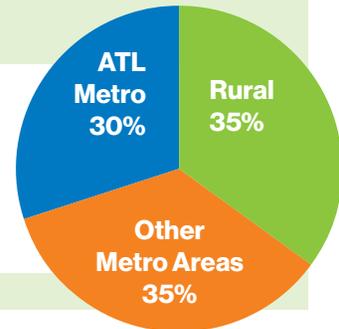
\$84 million in federal funding

9% Housing Tax Credit Developments Awarded in 2022

\$27 million received in 9% HTC allocation across Georgia

1,777 units of 9% housing tax credits awarded

DCA 9% HTC geographic distribution



4% Housing Tax Credits/Bond Developments

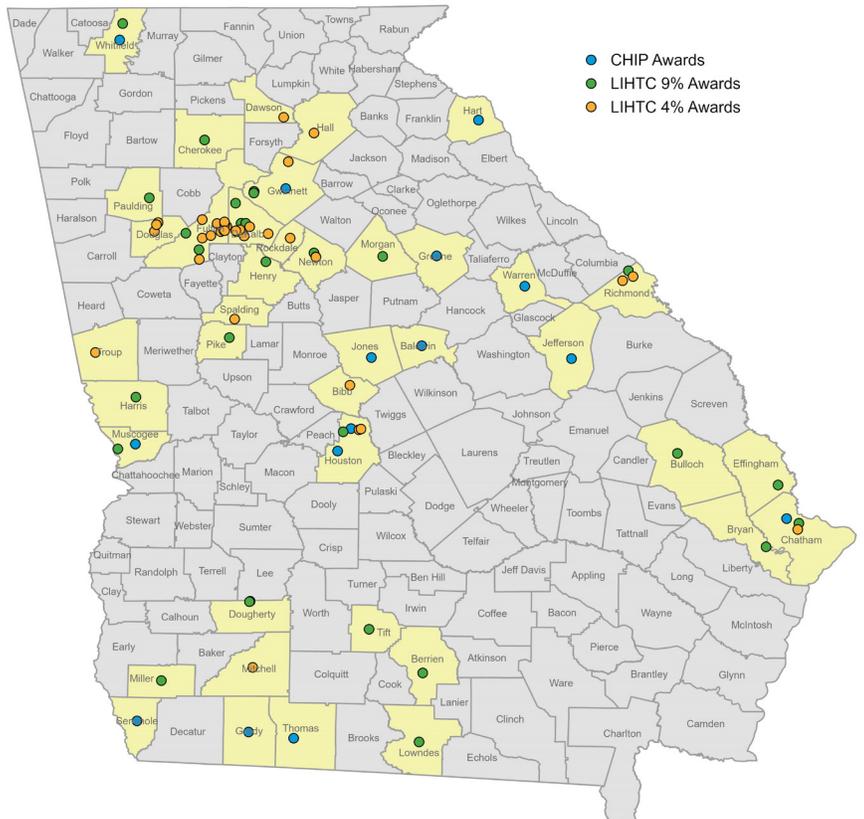
6,397 units funded with 4% Housing Tax Credits

First Time DCA accepted competitive 4% Housing Tax Credit/Bond applications

\$1.814 billion for 73 applications received

9x oversubscribed

LIHTC 4%, 9% and CHIP Awards, 2022





NW Metro Atlanta Habitat for Humanity: Building an Affordable Neighborhood for Veterans in Douglasville, Georgia

In 2020, the NW Metro Atlanta Habitat for Humanity was awarded \$600,000 from CHIP to develop housing for low-income veterans. Since 2018, Habitat NW Metro Atlanta has built a total of eight homes for veterans in need of safe, reliable housing in this all-veteran community in Douglasville, five of which were provided with CHIP funding.

Their model is unique because every homebuyer must complete 200 hours of sweat equity, helping build their home and others, and 100 hours of homeowner education. These homes were purchased by the homeowners at no profit and with a 0% interest mortgage through Habitat NW Metro Atlanta.

“There’s no place like home and I’m proud to be back.”

— Retired Engineman Chief Petty Officer Marilyn Clark at a special ceremony and dedication in Douglasville, on Veteran’s Day



“Habitat for Humanity is proud to partner with people who have the grit and determination to earn a safe and affordable home for their family. The CHIP program helps to support local Georgia affiliates through supplemental funding that allows for the building of homes for working class citizens who are the heroes of our lives: veterans, public servants and healthcare workers”

— Jessica Gill, CEO of Habitat for Humanity of NW Metro Atlanta



Perry, Georgia: Addressing Blight with DCA Funds

Since 2016, the City of Perry obtained over \$3 million in Community HOME Investment Program and Community Development Block Grant funds and invested City dollars with private matching to address blight. The city has rehabilitated and reconstructed more than 50 homes in target neighborhoods. The Perry Community Development

Department identified 120-130 vacant, abandoned, or deteriorated properties throughout the city. Perry has reduced blight, crime, and related service calls. Known for its tourism, Perry understands that community and housing development go hand in hand with economic development to create a thriving community.

2022 CHIP GRANTS

Cities/Counties	CHIP Funds Awarded	Activity
Baldwin County	\$ 400,000	Owner-occupied rehabilitation
Grady County	\$ 400,000	Owner-occupied rehabilitation
City of Gray	\$ 400,000	Owner-occupied rehabilitation
City of Hartwell	\$ 400,000	Owner-occupied rehabilitation
City of Louisville	\$ 600,000	New construction
City of Perry	\$ 400,000	Owner-occupied rehabilitation
Seminole County	\$ 400,000	Owner-occupied rehabilitation
City of Warner Robins	\$ 400,000	Owner-occupied rehabilitation
City of Warrenton	\$ 400,000	Owner-occupied rehabilitation
Whitfield County	\$ 400,000	Owner-occupied rehabilitation
Nonprofits		
Garden City Housing Team	\$ 400,000	Owner-occupied rehabilitation
Gwinnett County Habitat for Humanity	\$ 600,000	New construction
Greene County Habitat for Humanity	\$ 600,000	New construction
Thomasville Habitat for Humanity	\$ 600,000	New construction
NeighborWorks of Columbus	\$ 600,000	New construction



Midtown Villages, Gainesville, Ga.



Office of Housing Finance

Housing Tax Credits

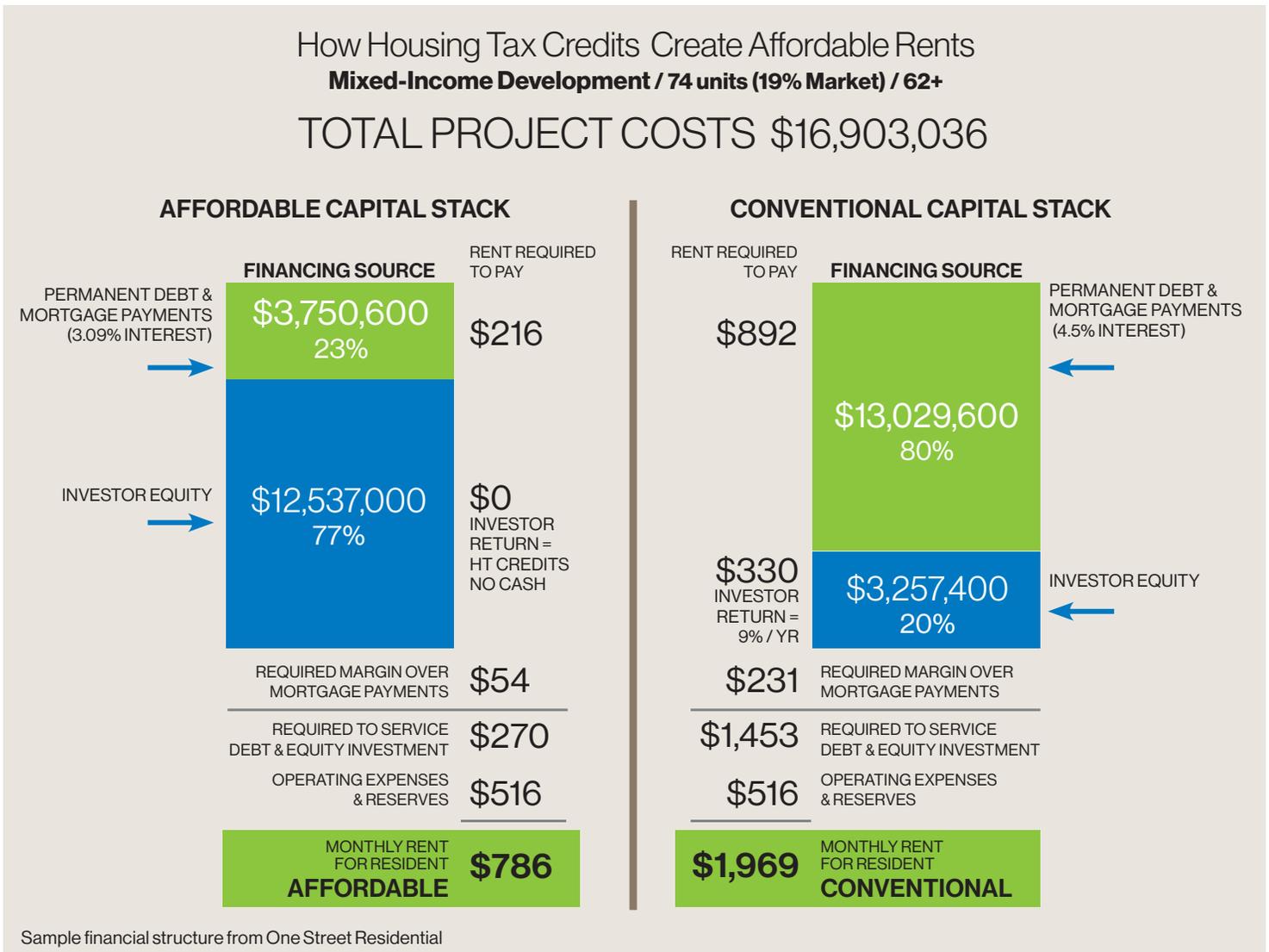
According to the National Council of State Housing Agencies, housing tax credits are awarded to non-profit and for-profit developers who then sell them to private investors, resulting in greater equity and reduced debt for the development. The program promotes public-private partnerships to address housing needs across the nation, laying the foundation for stronger and more vibrant communities. The Housing Tax Credit program is the largest resource for developing and preserving affordable housing in both Georgia and the United States. This program benefits individuals, families, seniors, veterans, and persons with disabilities throughout Georgia.

Federal tax credits are issued by the Internal Revenue Service. The private investors claim these housing tax credits over a 10-year period. To ensure compliance with

regulatory and state requirements, each development is monitored by several parties, including private investors and DCA. The partnership between the private and public sectors results in the highest quality affordable housing for Georgians.

In 2002, the Georgia Legislature enacted a State Housing Tax Credit, which provides a dollar-for-dollar match of the Federal Housing Tax Credit to further incentivize affordable housing development. Georgia's State Housing Tax Credit program is regarded as one of the nation's strongest programs.

DCA's allocation of housing tax credits creates and preserves thousands of affordable homes every year. DCA administers both 4% and 9% Housing Tax Credit allocations for the state of Georgia.

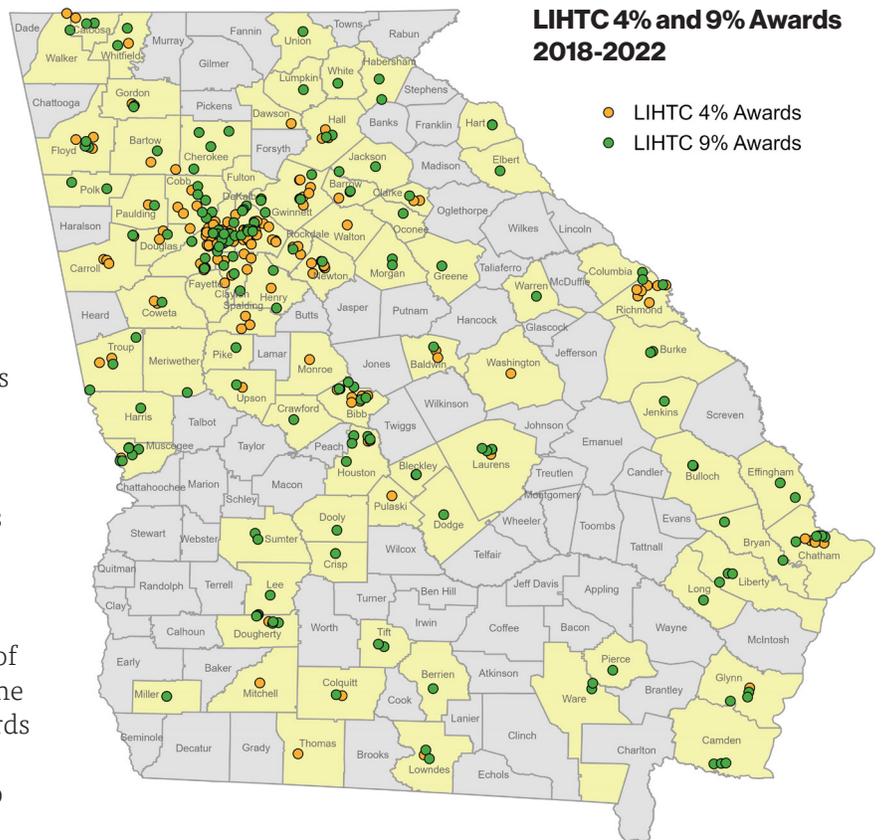


4% Housing Tax Credits

The 4% Federal Housing Tax Credit program funds a significant number of affordable units across the country, and Georgia has taken advantage of the program. From 2018 to 2022, Georgia has leveraged the 4% housing tax credit allocations to fund 27,854 units of workforce housing across the state. According to the National Association of Home Builders, these awards generate more than \$8 billion of construction based economic investment and more than 34,000 jobs in Georgia’s cities and towns over five years.

9% Housing Tax Credits

The 9% Federal Housing Tax Credit program funds a significant number of affordable units across the country, and nowhere is that truer than in Georgia. From 2018 to 2022, Georgia has leveraged the 9% housing tax credit allocations to fund 11,544 units of workforce housing across the state. According to the National Association of Home Builders, these awards generate more than \$4.8 Billion of construction based economic investment and more than 14,000 jobs in Georgia’s cities and towns over five years.



Bear Creek Hampton, Georgia

“We feel safe. It’s well-lit. Everybody is friendly. I want to be a part of that type of community, and I found that here!”

Neshronta Tolen, Resident

“I couldn’t ask for better. It’s been a blessing, truly been a blessing.”

Peggy Daniel, Resident



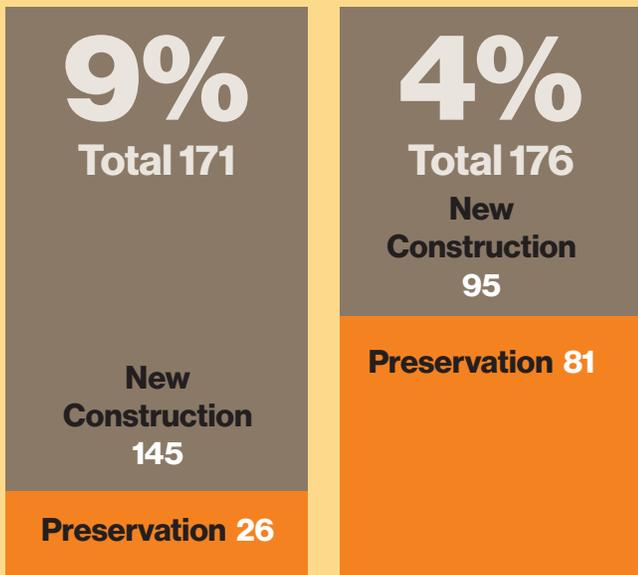
Neshronta Tolen, Bear Creek



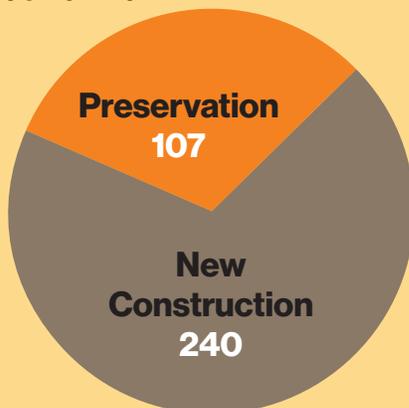
Housing Tax Credit Impact in Georgia 2018-2022



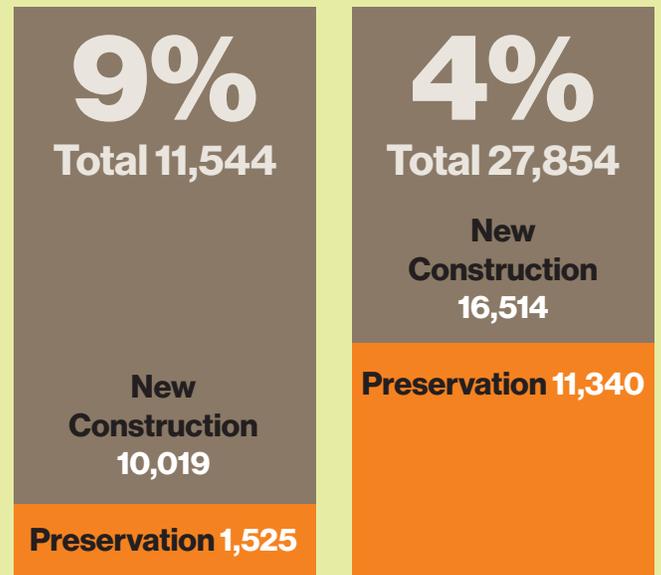
Total Developments 2018-2022



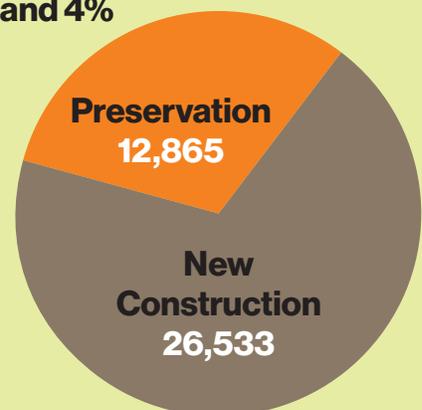
Total 9% and 4%



Total Units 2018-2022



Total 9% and 4%



Office of Portfolio Management

With a mission to provide safe and sanitary housing to the residents of DCA-funded properties, DCA has three main objectives once DCA-funded multifamily properties are built. DCA provides oversight to all DCA-funded properties, the majority of which receive LIHTC funding. Additionally, DCA provides financial review and oversight of properties financed with HOME and Housing Trust Fund loans. Finally, staff maintain data integrity for all DCA-funded properties to ensure accurate reporting and compliance with program policies.

Maintain Oversight of Low-Income Housing Tax Credit (LIHTC) Properties: 1,051 properties

- During the first 15 years of the LIHTC program, staff conduct and review physical inspections and the audits of the tenant files every three years to ensure compliance with federal program rules and property legal agreements (Land Use Restrictive Covenant).
- Staff report all noncompliance to the IRS in years 1-15 of the LIHTC program.
- During years 16-30, staff conduct drive-by property reviews every 3 years for all LIHTC funded properties.
- Staff review resident concerns and engage property management to ensure resolution.
- Additionally, staff track and monitor troubled properties beyond IRS requirements.

Monitor Financial Performance and Maintain Oversight of all properties with DCA/GHFA loans, including HOME and Housing Trust Fund:

310 properties

- Staff track the status of loan payments and review annual audited financials for all DCA-funded properties.
- At least every three years, during the term of affordability, staff conduct physical inspections and audit tenant file.
- Annually, staff review HOME rents at HOME-funded properties (195 properties).
- Staff closely monitor and review troubled assets.

Ensure Portfolio Data Integrity:

- Staff ensure accurate data set-up in internal and external property databases.
- When an owner wishes to materially change a feature of the property or change the management company, staff review these requests and make approvals or issue denials to ensure compliance with program rules and equitable outcomes for residents.
- Staff track submission of ownership changes for all DCA-funded properties.

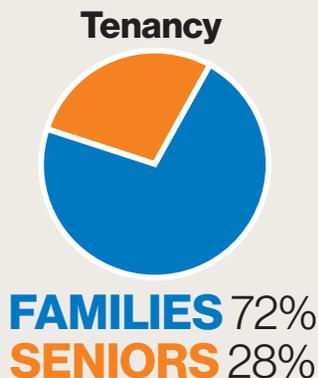
PORTFOLIO OVERVIEW

Our properties cover the entire state and our affordable housing developers take the local environment into consideration when building their properties. Our properties look just

like market-rate properties and fit into their surrounding landscape. On the following pages, find examples of our properties and learn first-hand how our efforts are received across Georgia.

Main funding programs
LIHTC
HOME
HTF
FDIC

Active properties
1,159
 Current Units (1989-2022)
92,000+



Management Companies operating DCA-funded properties
190

Compliance Office of Portfolio Management: January-October 2022

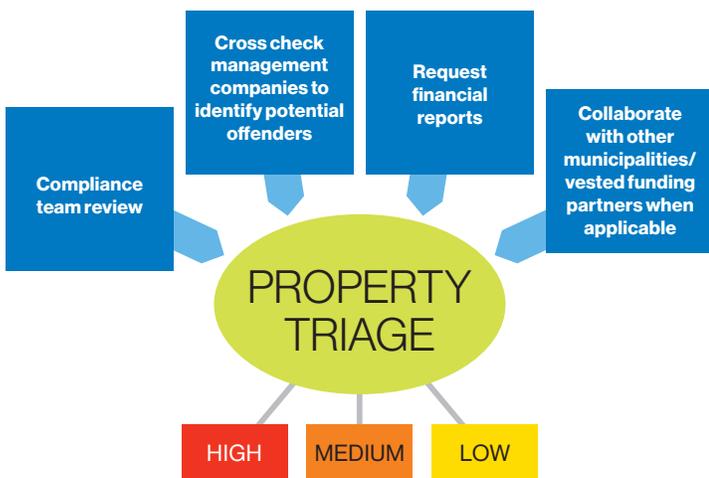
Compliance Item	Count
Physical Inspections & File Audits	261
New Properties Set-Up in Emphasys	200
Project Concept Changes Processed	53
Management Approvals Processed	29
Resident Concerns Addressed	285 closed
Currently Open Items	26

Loan Statistics, Number of Loans, Outstanding Loan Balance

Funding Source	Number of Loans	Amount of Loans
HOME	195	\$286,554,328
Housing Trust Fund	22	\$6,243,904
Other Loans	93	\$150,548,280
Total	310	\$443,346,512

Addressing Troubled Properties

As DCA-funded properties age past 15 years, some may require rehabilitation or significant repairs to maintain their physical condition. In the LIHTC program, after year 15, DCA no longer has the backing of the IRS to financially hold owners responsible for maintaining compliance with the program, despite it being a 30-year program. In some cases, this has resulted in properties with lower than acceptable physical conditions. To address these properties and ensure residents can live in safe, sanitary, affordable

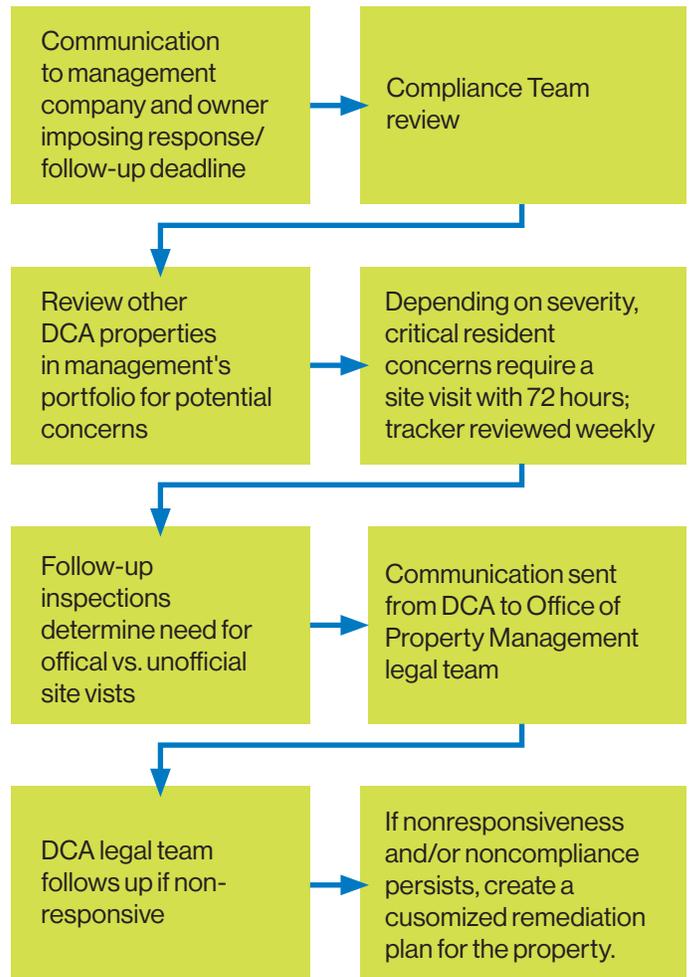


Report problem properties to compliance@dca.ga.gov

homes, DCA has developed criteria to identify troubled properties and methods to ensure their improvement.

DCA proactively identifies properties as "troubled" based on financial reporting, resident concerns, uncorrected non-compliance, poor communication with DCA, local government notification, and partner agency identification. Once identified as troubled, properties are categorized as low-, medium-, or high-priority depending on the severity of the issues identified. DCA focuses on high-priority properties first, triaging and working with the property owner and manager to improve physical conditions and regain compliance with program requirements. This may occur through onsite inspections, phone calls, legal letters, and virtual meetings. Continued noncompliance results in communication from DCA legal services to the property owner. Additionally, owners with troubled properties face negative consequences if they attempt to apply for LIHTC funding in the future. Similarly, management companies of multiple troubled properties may be barred from managing additional DCA-funded properties.

Troubled Property Workflow



Housing for Georgia's Workforce

DCA's Workforce Housing Impacts:
Georgia residents of workforce housing around the state are employed by many of the world's largest employers.



Pennrose of Herndon Square, Atlanta



Resident Testimonials

DCA properties make a difference in the lives of our residents. Residents feel safe, take pride in their homes, build community, and see the need for more affordable housing throughout the state. This annual report includes a few examples of the impacts our programs and properties have on residents.

Bear Creek in Hampton

<https://bit.ly/BearCreekInHampton>

The Village at Winding Road in St. Mary's

<https://bit.ly/WindingRoadStMarys>

Hearthside Peachtree City Peachtree City, Georgia

"Safe, secure...anything that I need, I call downstairs. Maintenance is wonderful. The staff is phenomenal. This is probably my forever home!"

— Diane Iseminger, Resident

"You couldn't ask for better scenery and a better place to live."

Minnie Williams, Resident

St. Andrew's Court – Byron, Ga.



Larry Moore Manor – Union City, Ga.



Village at Winding Road St. Mary's, Georgia

"When I moved in, it literally took my breath away. I wasn't expecting anything like that. If this place wasn't here, it would be a lot of homeless seniors."

— Peggy Jackson, Resident

"I think we need more communities like this."

— Marsha Lawson, Resident



Lorraine Greene, Resident, Village at Winding Road



Main Street Walton Mill Monroe, Georgia



Abbingdon Perimeter –
Decatur, Georgia

“I never had a problem with the neighbors. I never had a problem with the security gate. I couldn’t appreciate it more. I love where I live.”

— Arizona Lamar,
Resident



Midtown Villages
Gainesville, Georgia



Legacy Villas
Eastman, Georgia



What's on the Horizon for 2023

CHIP

In 2023, the CHIP program will award \$5 million to local communities to build new affordable homes and to rehabilitate homes for low- to moderate-income homeowners. In calendar 2022, the CHIP program built or rehabilitated 69 homes and is on track to do the same for an additional 83 homes in the CHIP portfolio.

HOME Investment Partnerships American Rescue Plan Program (HOME-ARP)

In 2021, Congress enacted the American Rescue Plan allocating \$5 billion to HOME grantees to reduce homelessness and increase housing stability. Georgia received \$87,655,165 in federal HOME-ARP funds, to spend by September 30, 2030, to develop rental housing units; to build non-congregate shelters; and to provide rental assistance and supportive services for people who are homeless, or live in an unstable housing situation. Non-congregant, transitional housing is key to stabilizing rural homelessness in the 152 balance of state counties we serve. HOME-ARP funds, layered with the housing tax credits, will build affordable rental housing set aside for critical subpopulations, including Veterans, those diagnosed with Level-3 mental illness, children aging out of foster care, and families with children living in unstable housing.

Housing Tax Credits

DCA will continue to manage and accept the extremely popular 9% Housing Tax Credit and 4% Housing Tax Credit/Bond applications in 2023 with the objective of creating or preserving thousands of affordable homes. DCA plans to fully integrate the application process into Emphasys, our housing management software, as well as simplify and shorten the application, making it easier for applicants to complete the process.

Plans for 2023 include hosting roundtable discussions and engaging with various groups of external partners to improve policy, application reviews, the development

process, and the IRS Form 8609-issuance process. The 4% Housing Tax Credit/Bond applications will again be submitted through a competitive process. The 2023 Qualified Allocation Plan provides more clarity on this process.

DCA will continue to work with development partners to ensure developments continue to move forward, while bringing millions of federal tax dollars back to Georgia.

DCA will also continue to advocate for the effectiveness of the State Housing Tax Credit, which provides additional gap financing, to keep Georgia competitive for development of workforce housing.



Midtown Villages, Gainesville, Ga.

Appendix 1

An April 2020 study from the National Association of Home Builders (NAHB) shows that housing stands poised to lead an economic rebound. Building 1,000 average single-family homes creates 2,900 full-time jobs and generates \$110.96 million in taxes and fees for all levels of government to support police, firefighters, and schools, according to NAHB's National Impact of Home Building and Remodeling report. Similarly, building 1,000 average rental apartments generates 1,250 jobs and \$55.91 million in taxes and revenue for local, state, and federal government. Moreover, \$10 million in remodeling expenditures creates 75 jobs and nearly \$3 million in taxes.

Type of Construction	Jobs Created per Unit	Taxes Generated
Single Family Homes	2.9	\$129,647
Apartments	1.25	\$55,909
Remodeling Expenditures (per \$1 million spent)	7.5	\$297,970

www.nahb.org/blog/2020/04/building-1000-homes-packs-an-economic-punch/



Veterans Place, Douglasville, Ga.



60 Executive Park South, NE | Atlanta, Georgia 30329 | dca.ga.gov