

September 30, 2020

MEMO

To: Interested Parties and Development Partners  
From: The Office of Community Development  
Re: Private Activity Bond Allocation Program Updates

In accordance with 26 U.S. Code § 42. Low-income Housing Credits, as long as 50 percent or more of a residential rental property's aggregate basis of land and buildings is financed through tax-exempt Private Activity Bonds (PAB), the building owner is generally eligible to claim tax credits without receiving an allocation from the allocating agency's Low-income Housing Tax Credits (LIHTC) volume cap.

In an effort to responsibly manage and preserve this limited resource in future funding years, the Georgia Department of Community Affairs will institute program updates as follows:

All applications received on, or after, October 1, 2020 will require Housing Finance Division underwriting review and either a Notice to Apply (NOA) or Letter of Determination (LOD) to be considered complete and officially booked against available funds.

Additionally, effective January 1, 2021, the Department of Community Affairs will establish a funding ceiling in an amount equal to 55% of a residential property's aggregate basis of land and building expenses that are to be financed by tax-exempt bonds. This change is effective for all new 4% tax credit applications.

Any applications already submitted, currently under pre-application review, or booked will be unchanged and processed in the amounts previously submitted for approval.

Questions about these changes, or inquiries for additional information can be submitted to the Bond Allocation Program.