

# GEORGIA'S LOW INCOME HOUSING TAX CREDIT: A TOOL FOR THE CREATION OF AFFORDABLE HOUSING

## WHAT IS THE GEORGIA LOW INCOME HOUSING TAX CREDIT?

Georgia's Low Income Housing Tax Credit (LIHTC) has been available since 2001. It is a federal subsidy program provided to housing developers. The goal of the LIHTC program is to motivate investors and developers to build housing that is affordable to families making below 60% of the local median income. In Georgia, the state matches 100% of the federal LIHTC.

**Since 2021, LIHTC has contributed to the building or renovation of 95,000 affordable rental units in Georgia.<sup>1</sup>**

The Georgia Department of Community Affairs determines the type of housing and/or populations to prioritize for its LIHTC. This annual prioritization process is called the Quality Allocation Plan (QAP). Some states require that a percentage of LIHTCs are set aside for housing for people with disabilities, which helps to incentivize developers to build affordable housing that is also accessible.

## HOW DOES A TAX CREDIT WORK?

A developer is building a 10-unit development at a cost of \$4,000,000. Two of these units will be reserved for tenants with an annual income that is 50% or less than the area median income, to be considered eligible for the federal LIHTC. The developer receives roughly 9% from the federal program, totaling \$360,000. Georgia's LIHTC matches this amount, lowering total costs by \$720,000.

## WHAT ARE THE BENEFITS OF GEORGIA'S LOW INCOME HOUSING TAX CREDIT?<sup>1</sup>

The LIHTC is especially important for increasing affordable housing in rural areas. Relative to the proportion of the rural population, there are more LIHTC developments and units in non-metro areas of Georgia.

Construction and operations of LIHTC-supported developments and units created (or will create over the life of these developments) a **total economic impact of \$12.03 billion (2019 dollars) for Georgia between 2001 and 2019.**

In addition, developments from the state **4% LIHTC program account for 4,284 new jobs per year, on average.** If LIHTC were eliminated, Georgia could lose nearly 4,300 jobs per year. This figure is conservative, because it includes only the related construction and construction-related jobs created from 2001 to 2019.



## HOUSING NEEDS AMONG PEOPLE WITH DISABILITIES

People with disabilities often live on a fixed income which limits housing options. Most people with IDD rely on Social Security and Supplemental Security Income (SSI) benefits for their income, which can make average rent unaffordable for people with disabilities. Georgia's LIHTC increases the number of affordable housing units available to low-income Georgians, including those with disabilities. Georgians for a Healthy Future conducted a study to better understand the needs of Georgians with intellectual or developmental disabilities (IDD) and their caregivers. The results included the following:

- People with IDD experience higher rates of homelessness than the general population in Georgia (4.2% vs 1.8%).
- Affordability and accessibility were two of the primary concerns expressed among respondents.
- Finding accessible and affordable homes was a struggle (73% of responses were "somewhat challenging" or "very challenging").

"In my dream house, I hope to have a convenient bathroom and a separate workshop. I want my house to be on my own. I can have comfort and privacy. And there's a little balcony where I can plant some flowers. The most important thing is that I can afford it."  
- Respondent with IDD

"As rent goes up for the individuals, it affects the amount of money they have for food. As their money goes up, their food stamps go down. Every month, I'm having to go out of pocket to pay for an individual's rent as she doesn't have enough money provided by the state to cover her expenses."  
- Caregiver from focus group

## THE GEORGIA DEPARTMENT OF COMMUNITY AFFAIRS IS OFF TO A GOOD START

Within the last decade, DCA stopped funding congregate housing for people with disabilities to incentivize integrated housing, which can help create more inclusive communities and provide people with disabilities with more housing options.

DCA has listed integrated housing opportunities for people with disabilities as a priority in Georgia's current QAP, but they do not yet set aside a minimum or specific allocation of the LIHTC for integrated disability housing.

Average monthly SSI benefit in 2024:  
**\$943**

Proportion of monthly SSI benefit needed for 1-bedroom in Atlanta-Sandy Springs-Roswell: **174%**

Proportion of monthly SSI benefit needed for a 1-bedroom in Stewart County: **71%**

## WHAT CAN GEORGIA LEADERS DO TO STRENGTHEN THE LOW INCOME HOUSING TAX CREDIT?

1. Set aside at least 10% of the LIHTC for developments that are built with accessibility in mind and prioritize the needs of people with disabilities. Increasing the amount of LIHTC funds set aside for Georgians with disabilities can create more inclusive communities. Example: Florida directs 5% of their LIHTC to housing that supports people with disabilities. This commitment of LIHTCs is supplemented with grants from The Florida Housing Finance Corporation and has expanded the capital funding available for housing that explicitly includes people with disabilities.
2. Ensure that tax credits are used efficiently to attract investment while supporting affordable housing.

### REFERENCES

1. University of Georgia, Center for Housing and Community Research, Revisiting the Economic Impact of Low-Income Housing Tax Credits in Georgia. <https://www.fcs.uga.edu/docs/LIHTC-Economic-Impact-022223-Digital.pdf>
2. Georgians for a Healthy Future, Realizing the Promises of Olmstead Housing Study, [https://healthyfuturega.org/ghf\\_resource/housing-report-2023/](https://healthyfuturega.org/ghf_resource/housing-report-2023/)