



HOUSING TAX CREDITS:

CREATING A CLIMATE OF
SUCCESS FOR GEORGIA'S
FAMILIES AND BUSINESSES



A Georgia Success Story

In the 10 years since the Georgia Legislature authorized a state housing credit to augment the federal credit, the housing tax credit has blossomed into a resource that truly benefits the entire state.

What makes the story of the housing tax credit extraordinary is that its benefits transcend housing. In the hands of enterprising communities across Georgia—both big and small—the housing tax credit has become a powerful economic development tool.

Rural communities are using housing tax credits to spur downtown comebacks, save cherished historical landmarks, and generate much needed economic activity for the local economy. In a typical funding round, a majority of housing tax credits are awarded to developments serving rural Georgia.

Meanwhile, in Georgia's metropolitan areas, housing tax credits are helping to transform communities. The City of Atlanta's nationally recognized model for transforming severely distressed public housing into mixed-income communities with access to better schools and economic opportunities relies on the equity generated from housing tax credits. Other metropolitan areas like Macon, Savannah, Augusta, and Columbus are making remarkable transformations to once disinvested neighborhoods through tax credit financing.

Regardless of the context, developments financed with housing tax credits are providing tangible benefits to Georgia communities. A national study¹ has found

that for every 100 units built in a typical tax credit development, 122 local jobs are created. Additionally, that same development is also projected to pump \$7.9 million into the local economy.

In Georgia, where the unemployment rate is still above the national average, developments financed by housing tax credits continue to create jobs for the plumbers, electricians, framers, bricklayers and roofers, to name a few, who have been devastated by the stalled housing market. In fact, tax credit developments served as a lifeline for thousands of Georgia workers during the worst of the Recession, generating an estimated 11,294 jobs even as Georgia shed a staggering 50,000 construction jobs².

The results and resilience of the housing tax credit program make for a truly remarkable success story. Inside this booklet you'll find the stories within the story—those Georgia communities, families, and businesses that have experienced firsthand the benefits of the housing tax credit. We thank you for taking the time to read their stories and consider the positive impact of the housing tax credit on Georgia's families and businesses.

1 | The Local Impact of Typical Housing Tax Credit Developments,* National Association of Home Builders (March 2010)

2 | United States Department of Labor, Bureau of Labor Statistics

A RECENT STUDY HAS
FOUND THAT FOR EVERY

100

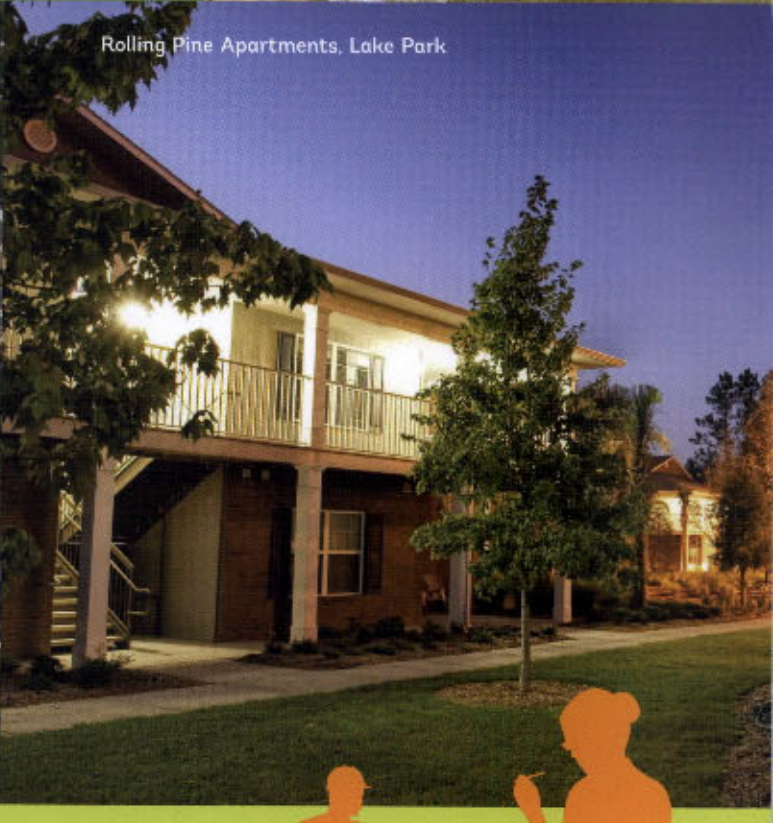
units built in a typical
tax credit development



Creating local jobs at Rosewood Estates in Dublin, GA.



Bartlett Crossing, Macon



Rolling Pine Apartments, Lake Park

122

local jobs
are created

A graphic element featuring a green circle with a white outline of two hands shaking. Below this, there are orange silhouettes of four construction workers: one digging with a shovel, one holding a clipboard, one holding a tool, and one holding a bag. The background is a gradient of green and yellow.

Creating a Climate for Small Business Success

→ Braden Development

For more than 15 years Braden Development has leveraged housing tax credits with HOME loans administered by DCA to address one of Georgia's most urgent needs—housing options for seniors in rural areas. Braden Development's tax credit portfolio currently stands at over 1,700 homes on 52 development sites, all but two of which serve communities designated as rural by the United States Department of Agriculture.

Despite the company's efforts, though, founder Jerry Braden feels the need is only growing. "In most of the towns we're in there's no housing for seniors besides maybe a nursing home, and many of the conditions there are sub-standard," said Braden. "And in many cases [a tax credit development] is the only elderly housing in the entire county. The need is just booming, up to double what I've seen because of the Baby Boomers."

Braden's analysis of market demand in rural areas—a field that he specialized in for 12 years prior to becoming a developer—is substantiated by his portfolio's performance. The total occupancy rate across the Braden Development portfolio is at 95%, far above the rate for the rental market in general in Georgia.

But the extremely high demand for quality rental housing is causing Braden to fear that without continued investment, rural seniors will find themselves in dire circumstances. "There are absolutely no resources to meet this need through private enterprise in rural areas because the rent would be too high," notes Braden, whose developments offer rents between \$300 and \$400 per month. "That's why the state tax credit, federal tax credit and HOME funds are so critical."

Braden feels that the housing tax credit is the right tool to address the need because it aligns well with rural values, unlike past programs that relied on direct subsidies at the expense of taxpayers. Housing tax credits generate private investment, create economic activity for rural areas, and provide an opportunity—not a handout—for residents.

"These seniors are proud about paying their fair share. They can see that the tax credit program is not a typical government program. It doesn't take money from the taxpayer's pockets and it's very efficient."

For Braden, rural Georgia isn't just an area with an urgent need for housing; it's also home. After growing up on a dairy farm in northwest Georgia and moving on to receive his degree from the University of Georgia, he has dedicated his career to impacting rural Georgia.

"When I get up every day now I feel good about the impact I've had. It's not the kind of job where you make a living but it has no impact on people's lives."

Braden Development: Housing Tax Credit Portfolio



1,700
homes



52
development sites



95%
total occupancy rate





DCA's mission is to help create a climate of success for Georgia families and businesses.

Creating a Climate for Transforming Lives

The housing tax credit is indeed multi-dimensional. But the most important dimension isn't economic—it's human. Housing options for Georgia's rapidly growing senior population are critically few.

Without communities to meet their physical, social, and financial needs, seniors are often forced to seek nursing home care far too early and usually at the expense of Georgia taxpayers. And families headed by members with moderate incomes, like firefighters, law enforcement officers and medical assistants, are often unable to obtain decent housing in the very communities which they serve.

The housing tax credit is intentionally designed to target these Georgia residents, annually producing over 2,000 quality housing units for seniors and working families. For these Georgians, as you'll see in this booklet, a safe and decent home with access to opportunities can create a climate of success that can help them transform their lives.

Building Homes for Working Georgians

AVERAGE SALARIES IN GEORGIA



Promoting Economic Development

The Ware Hotel

Downtown Waycross teemed with excitement at the original grand opening gala for the Hotel Ware on February 21, 1929. The civic pride on display that day was immense, as one of Georgia's finest hotels was opening after a resourceful group of local leaders made sure the vision became a reality. A journalist for the *Waycross Journal-Herald* observed, "The *Hotel Ware* is a material evidence of the community spirit in Waycross, for, in reality, this is a community hotel."

Those words ring just as true in 2012, as the Waycross community rallied again to make sure their grand hotel would be a downtown asset for years to come. Only this time, their "community hotel" will actually serve as a home to 35 local families in a fully renovated, tax credit-funded community called *The Ware Hotel*.

Waycross leaders know the benefits of a restored *Hotel Ware* extend far beyond the area's need for rental housing. The renaissance of perhaps its most prominent historic structure is pivotal to an aggressive economic development strategy for downtown Waycross. "We believe *The Ware Hotel* is going to bring a lot of new business, not to mention help existing downtown businesses flourish," said Sloan Fountain, Manager of Waycross Main Street.

The Ware Hotel also fits squarely into Waycross's "Live, Work, Play" aspirations for its downtown district. "Our downtown has a grocery store, pharmacy, banks, parks—everything people are looking for in a place to live," said Fountain. "Even our seniors are interested in living at *The Ware Hotel*."

In the midst of the ongoing recession, housing tax credit financing was the perfect, if not the only, tool available to fuel the restoration of the iconic *Hotel Ware*. It was efficient, too. The private equity generated from a combination of housing credits, historic credits, and deferred developer fee accounted for almost 90% of *The Ware Hotel* total development cost.

The city believes it will all translate into significant returns in terms of economic development and the provision of quality housing. But what seems to bring the most satisfaction to the citizens of Waycross is that once again their innovative spirit has saved their prized community hotel.



FAMILY LIVING

Population:
14,649

Rent Range:
\$340-\$474

Tax Credits Awarded:
\$619,728

Developer:
Bill Gross

General Contractor:
W.H. Gross Construction
Company (Kingsland, GA)

Small Business Roll Call:
R & L Enterprises (Kingsland)
Arthur Sapp Plumbing (Blackshear)
Paul Moxley Plastering (Vidalia)

The renovation of *The Ware Hotel* is central to Waycross's "Live, Work, Play" aspirations for its historic downtown district.



JOBS
CREATED



43

HOUSING
UNITS



35

LOCAL ANNUAL
ECONOMIC IMPACT



Business

Government

\$840,000

\$154,350

"We believe The Ware Hotel will be a catalyst. As people recognize downtown as a viable place to live, businesses like ours will benefit from their purchasing power."

—Danny Yarbrough
Yarbrough Office Products & Printing



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Revitalizing Local Communities

→ Bartlett Crossing

The *Bartlett Crossing* community, located just west of downtown Macon, needed something dramatic to happen. The neighborhood was sick, and the primary host of its ailment was the 20-acre site of the former Macon Homes. Situated in the heart of this once-proud neighborhood, the site's battered collection of abandoned concrete structures sheltered all sorts of criminal activity, including rampant drug dealing and prostitution, and served as a grim reminder to residents that their community was slowly dying.

Thankfully, a coalition of leaders, including the Macon Housing Authority, In-Fill Housing, Inc., the city's Economic and Community Development Department, Manna Ministries, and Lizzie Chapel Baptist Church, weren't willing to watch *The Bartlett Crossing's* demise any longer. What they envisioned was indeed dramatic—a \$13.2 million heart transplant of sorts that would demolish the Macon Homes ruins and replace them with 75 quality single-family homes that would pump new life into the surrounding community.

Realizing the vision for *The Bartlett Crossing* depended on several layers of financing, including a grant from the Macon Housing Authority, a permanent loan from the City of Macon, and Neighborhood Stabilization funds totaling \$2.5 million. But the lion's share of funding for the development was raised through housing tax credits, which the development team received in 2009. Despite the sluggish economy, more than \$8.8 million in equity funding was generated through housing tax credits. With all the financing pieces in place, demolition of Macon Homes began in October of 2009 and construction commenced a year later.

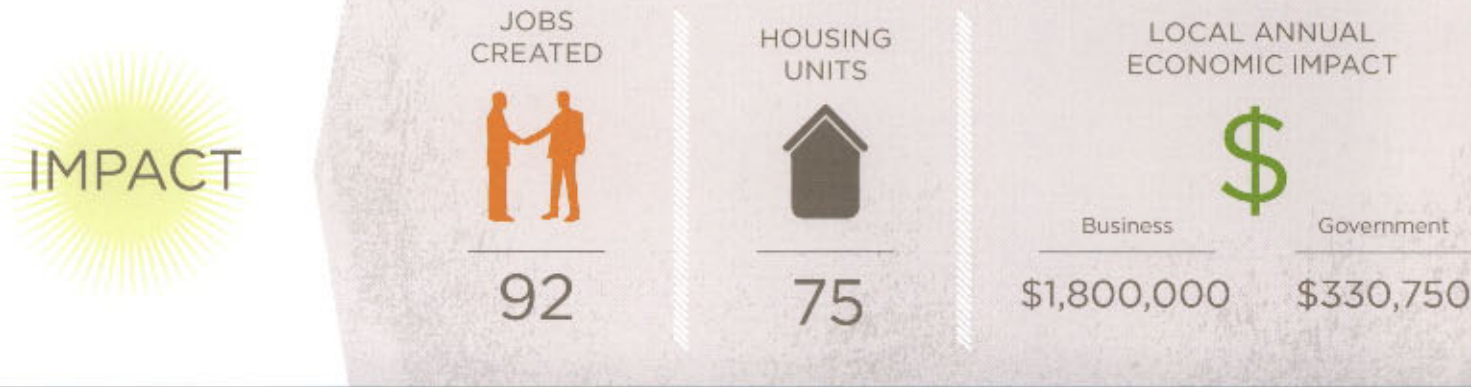
Now, in a little over two years, the physical transformation of Macon Homes into *The Bartlett Crossing* is almost complete. As the finishing touches are put on the final home in early 2012, it is hoped that all of the planning and hard work will make a difference. For some families it already has, in simple but profound ways. "My girls always wanted to play in their own yard," said Shequita Manson, who has lived in a cramped apartment for six years with her two daughters. "When I surprised them they were just so happy about the front yard. So happy."



FAMILY LIVING

- Population:** 91,351
- Rent Range:** \$430-\$590
- Tax Credits Awarded:** \$950,000
- Developer:** Infill Housing, Inc. (Macon)
- General Contractor:** Catamount Construction (Roswell)
- Small Business Roll Call:** MG Construction Management (Decatur)
Ragghianti Foundations (Alpharetta)
WHB Contractors (Norcross)

The remarkable transformation of 14 blighted acres is bringing new hope to one of Macon's core neighborhoods.



“When I surprised them they were just so happy about the front yard. So happy.”

— *Shequita Manson*
Bartlett Crossing Resident



AFTER

BEFORE



Addressing Senior Housing Needs

Lone Mountain Village

Lone Mountain Village is a recently completed tax credit development designed to give seniors in the Catoosa County area quality affordable housing options. Like all senior tax credit developments in Georgia, *Lone Mountain Village* is intentionally designed to delay the need for nursing home care by promoting active lifestyles in an environment that fosters meaningful relationships—key factors in keeping seniors healthy and happy.

Creating independent living communities for seniors is critically important to all Georgia residents. When seniors are forced to seek nursing home care, chances are that state taxpayers will be left to foot the bill. In fact, Georgia Medicaid pays for the nursing home care of 74% of all nursing home residents in the state—at an average cost of \$26,552 per recipient¹.

For Catoosa County residents JB and Carolyn Carter, the decision to leave their modest home was difficult. After all, their home was more than a roof and four walls. It represented the self-sufficiency and independence they had worked so hard for over the years—JB as a Marine Corps veteran and manager for Sears Roebuck and Carolyn as a dental assistant for 46 years. But with their finances becoming strained and with the mounting difficulty of maintaining their own home, the Carters turned to *Lone Mountain Village* with conflicted hearts. In the midst of their difficult decision, they never expected what they would soon find in their new neighbors.

"At first my wife and I didn't want to have anything to do with these people," JB remembers with a smile. "But now our very best friends are here. We're a close-knit bunch."

JB believes the sense of community felt by residents at *Lone Mountain Village* is about more than a shared season of life—it's about serving one another. Residents are helping each other make doctor's appointments, run errands, and visit loved ones in the hospital. They formed a Resident's Association, where JB serves as President, to promote the well-being of all residents. "When people here need help they call their neighbors before the property manager or even their families. No one wants to leave this community now."

For the Carters, it hasn't taken long to embrace *Lone Mountain Village* as a home they'll stay in for as long as possible. "It's given us a sense of belonging, not just to ourselves but to others," said JB. "We are just blessed to have this community at a time of need."

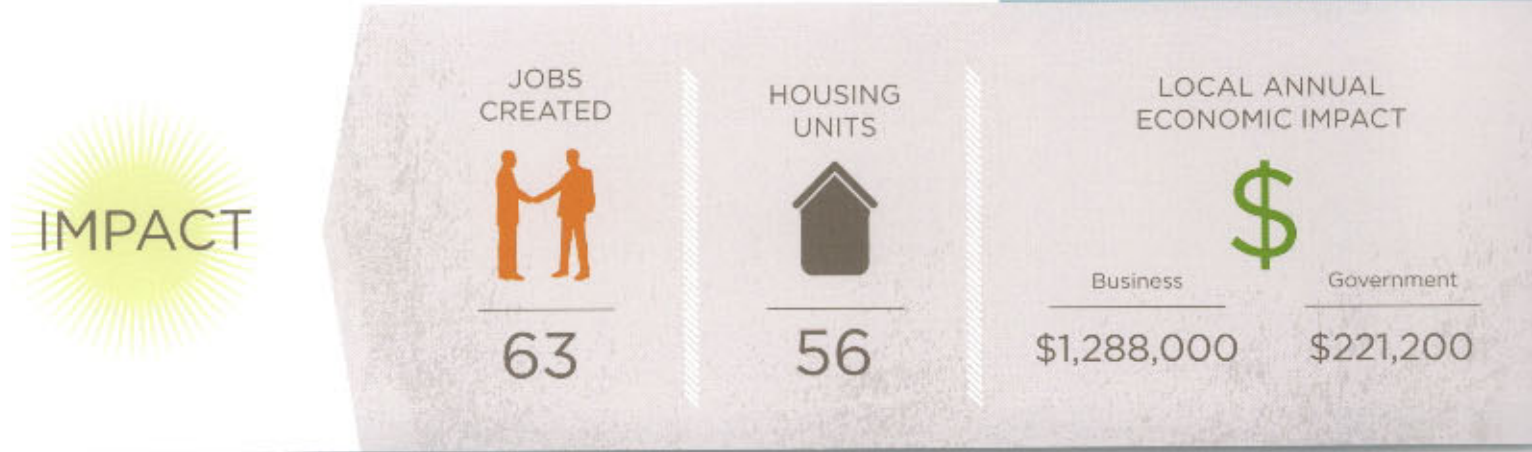
¹ Georgia Department of Community Health, www.georgia.gov



SENIOR LIVING

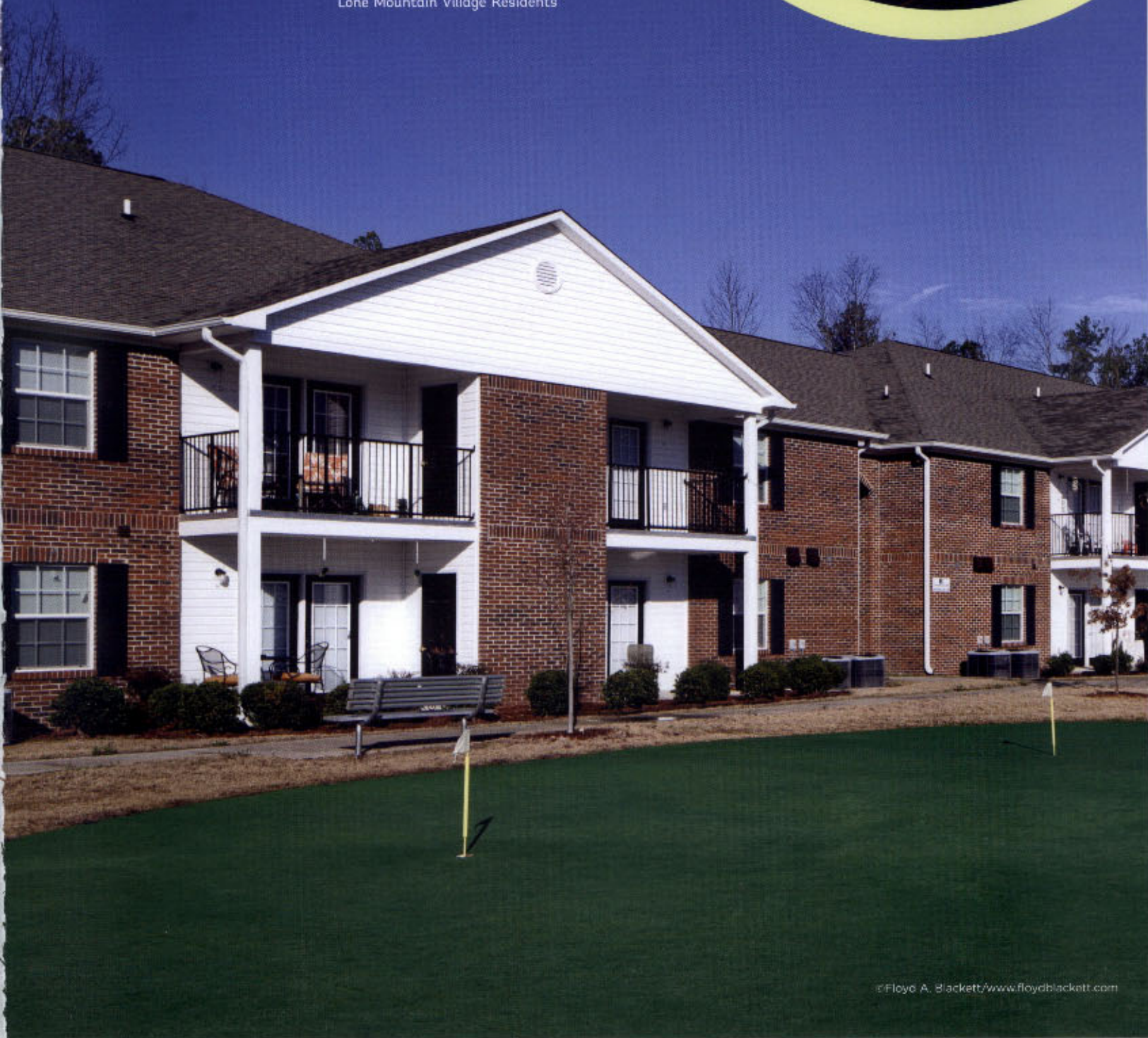
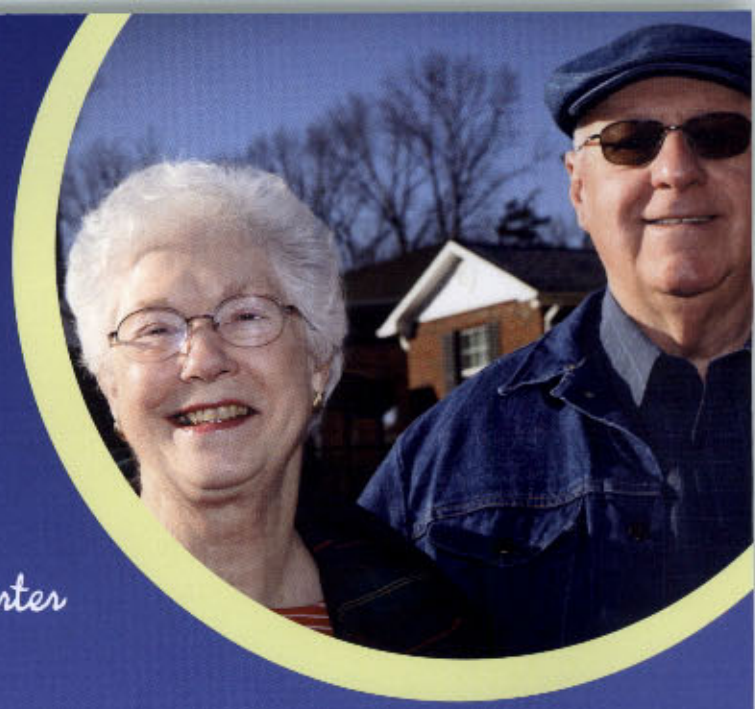
- Population:**
2,850
- Rent Range:**
\$312-\$365
- Tax Credits Awarded:**
\$354,639
- Developer:**
Braden Development (Summerville)
- General Contractor:**
Olympia Construction
- Small Business Roll Call:**
Purdy Electric Co. Inc. (Rome)
South Georgia Plumbing Inc (Valdosta)
William D. Patty Construction Company (Sandersville)

Lone Mountain Village is addressing the urgent need for housing in Ringgold following deadly tornados that struck the area in 2011.



“It’s given us a sense of belonging,
not just to ourselves but to
others... we are just blessed to
have this community at a time
of need.”

—JB and Carolyn Carter
Lone Mountain Village Residents



Developing Downtown Urban Infill

Retreat at Dorsey Manor

The *Retreat at Dorsey Manor* is the first phase of a multi-phased infill strategy to leverage housing tax credits to revitalize key properties just a block away from the vibrant Historic Marietta Square District. The development, which offers 72 new apartment homes designed for seniors aged 62 and older, was nationally recognized as a "Best Affordable Senior Living Community" by 50+ Builder Magazine for both the quality of project itself as well as its positive impact on the surrounding Historic District.

For incoming resident Martha Blalock, *The Retreat at Dorsey Manor* was an answer to prayer. For years she worked tirelessly to make sure each of her four children had opportunities to succeed in life. And even well after they moved on and started families of their own, she continued in her housekeeping job at Dobbins Air Force Base in Marietta, determined not to become a burden to her children—or anyone else for that matter. But it became a struggle for Martha to make ends meet, as the monthly rent at her senior citizen complex was high, while the quality of life was low. "I paid a lot in rent, but didn't even have a dishwasher in my apartment. And I didn't feel safe coming in from work at night." Unfortunately her situation worsened when she encountered a series of medical difficulties that prevented her from working.

Soon after she discovered *The Retreat at Dorsey Manor*, however, Martha's outlook dramatically improved. Her new apartment home offered more spacious rooms, a separate dining area, washer/dryer connections and—of course—a fully functional dishwasher.

The features offered outside of her apartment were just as important in helping Martha improve her quality of life. *The Retreat at Dorsey Manor* includes amenities like a fitness center, walking trails, computer center, and a furnished patio. Its prime location next to Marietta's Historic Square ensures that seniors remain connected to the community, in addition to providing them with access to key services.

Martha feels safe now, and enjoys the environment of support shared among the residents. "My friends and I go on walks to the pharmacy and to the square. My neighbor even takes me to the grocery store. I just feel blessed."

And with rents set at a reasonable level, Martha feels like she has regained her financial footing. "My kids don't have to help me out anymore," says the proud grandmother of six. "They have their own children to take care of."



SENIOR LIVING

Developer:
Columbia Residential (Atlanta)
Lemon Street Development Corporation (Marietta)

Tax Credits Awarded:
\$836,524

Rent Range:
\$570–\$830

General Contractor:
Walton Construction Services (Marietta)

Small Business Roll Call:
Electrical Services Unlimited (Hiram)
Triad Mechanical (Lawrenceville)
Georgia Storefronts (Conyers)



2010 BEST AFFORDABLE
SENIOR LIVING COMMUNITY
— 50+ Builder Magazine



JOBS
CREATED



81

HOUSING
UNITS



72

LOCAL ANNUAL
ECONOMIC IMPACT



Business

Government

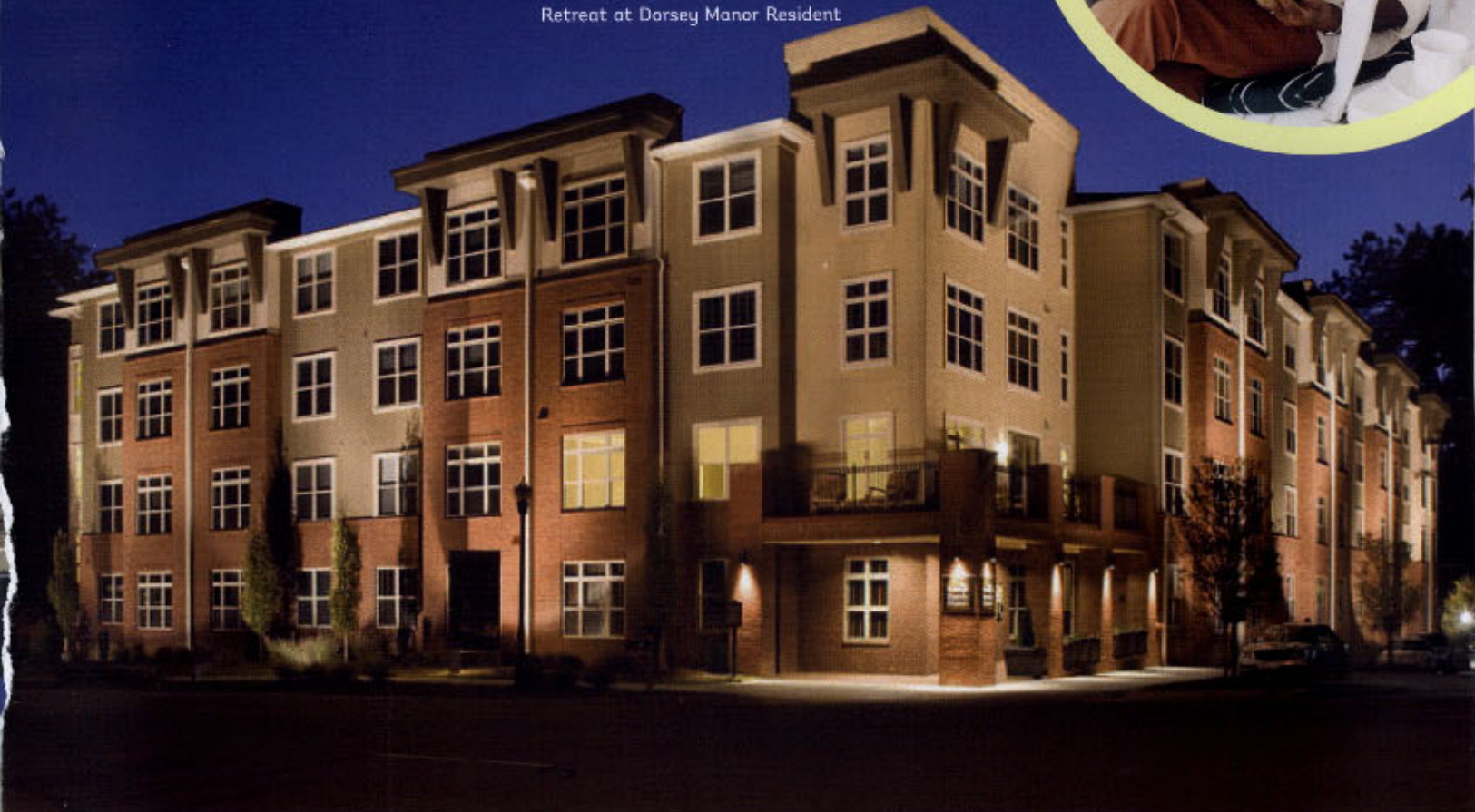
\$1,656,000

\$284,400

“My friends and I go on walks to the pharmacy and to the square. My neighbor even takes me to the grocery store. I just feel blessed.”

— *Martha Blalock*

Retreat at Dorsey Manor Resident



Preserving Historic Structures

Waynesborough Academy

The historic school grounds near downtown Waynesboro, located 30 miles south of Augusta, were always much more than just a collection of buildings. For generations of this close-knit community, it served as the setting for many of their most cherished memories of childhood. A typical Waynesboro youth would enter its halls in first grade and not depart until many years later, armed with a high school diploma and a treasure of memories that would last a lifetime.

But soon after its useful life as a school came to an end, the property fell into a state of steady decline over the next 15 years. By 2007, it was a particularly disheartening site for those who remembered the school in its glory. "The building was being vandalized, and that hurt the community to see," recalled Waynesboro Mayor George Deloach, who attended school there from the age of five until he graduated high school in 1958. "We hated to see a landmark with so many memories go to waste."

The tide finally began to turn for the old Waynesboro High School when a coalition of community leaders resolved to take action. They approached developer Gary Hammond of Bridgeland Development with a bold vision to save the school through a combination of historic tax credits and housing tax credits administered by DCA.

In December of 2011, the beloved school on the brink of disrepair was officially reborn as *Waynesborough Academy Senior Residences*. The development created 39 homes for the community's seniors, 19 of which are located in the former classrooms of the high school building. Located just steps from the Downtown Historic District, residents will benefit from easy access to grocery stores, medical offices, and local shopping.

But for the community, the centerpiece is the school itself. Old wooden lockers were returned to the great hallways, original hardwood floors were restored, and even a closet wall graced by the signatures of graduating students was discovered and displayed, all part of a partnership between the development team and historic consultants to preserve the school's rich heritage.

Community leaders have high hopes that the school's renaissance will reinvigorate neighborhoods surrounding the core historic district. Already plans are in place to follow up the *Waynesborough Academy* success with a new downtown park to serve local residents. Deloach is quick to point out too, that the city will benefit by adding the property to the tax digest.

Perhaps most important to the community, though, is that one of its most important landmarks has been saved.



SENIOR LIVING

Population:
5,766

Rent Range:
\$350-\$525

Tax Credits Awarded:
\$754,839

Developer:
Bridgeland Development, LLC
(Atlanta)

General Contractor:
General Construction, Inc.

Small Business Roll Call:
JR Hobbs Mechanical (Lawrence)
Gill Plumbing, inc. (Lilburn)
AF Electrical Contractors, Inc.
(Ellenwood)

Waynesboro has used tax credits to save its beloved historic school and address a critical local need for senior housing.



JOBS
CREATED



44

HOUSING
UNITS



39

LOCAL ANNUAL
ECONOMIC IMPACT



Business

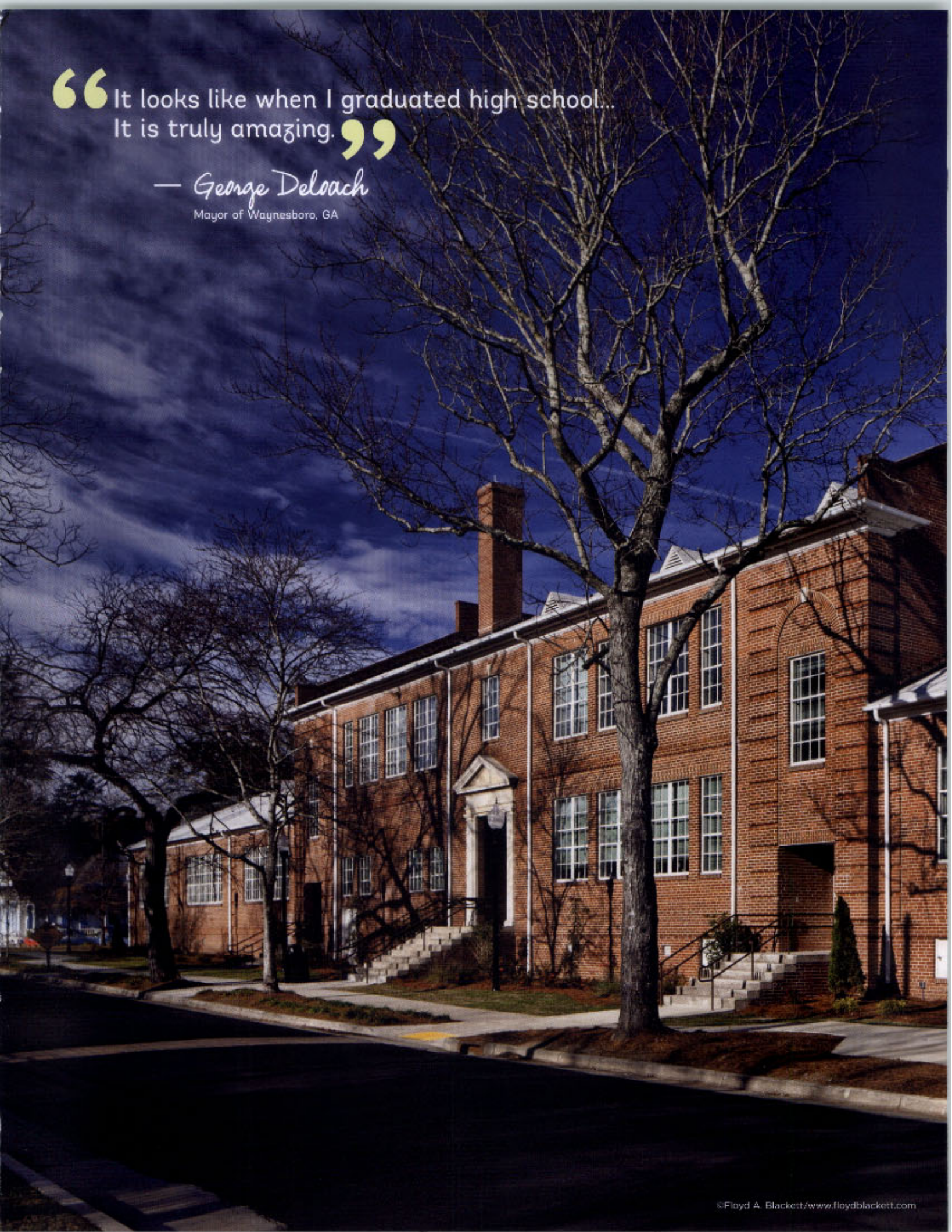
Government

\$897,000

\$154,050

“It looks like when I graduated high school...
It is truly amazing.”

— *George DeLoach*
Mayor of Waynesboro, GA



Anchoring Local Redevelopment Plans

The Landing at Southlake

By almost any measure—poverty rate, unemployment rate, median income levels—the City of Albany is one of Georgia’s most economically stressed areas. To heighten an already challenging situation, the Great Recession chased away practically all of the city’s development activity, and with it, hopes for creating more jobs and revenue for small businesses and local government.

One bright spot for Albany and surrounding Dougherty County during this difficult time has been the completion of *Southlake Village*, a master planned community consisting of three phases, each financed with housing tax credits.

The construction of *Southlake Village*, located south of downtown Albany, created an estimated 159 jobs despite the recession, in an industry perhaps hit hardest by the economic turmoil. Collectively, the three phases at *Southlake Village* are expected to annually generate up to \$568,130 in local government revenue and more than \$3.1 million in local economic activity as residents move in and conduct their lives in their new neighborhood.

Additionally, *Southlake Village* is poised to play a key role in the revitalization of the South Albany Redevelopment Area. *The Landing at Southlake*, *The Bridges at Southlake*, and *The Cove at Southlake* have reclaimed more than 11 acres of once-disinvested infill sites, with hopes that surrounding parcels will benefit as well.

The greatest impact will undoubtedly be felt by the families moving into a new townhome or apartment at *Southlake Village*. Lula Jackson, who worked for 15 years in a local nursing home and for 23 years as a cafeteria manager in the Dougherty County School System, was thrilled last February to lease one of the 40 apartments at *The Landing at Southlake*, built for seniors aged 55 and over.

“At my old place I didn’t even have money for groceries sometimes,” said Ms. Jackson. “Here I feel safe and I’m at peace. It’s just wonderful.”



SENIOR LIVING

Population:
77,434

Rent Range:
\$326-\$444

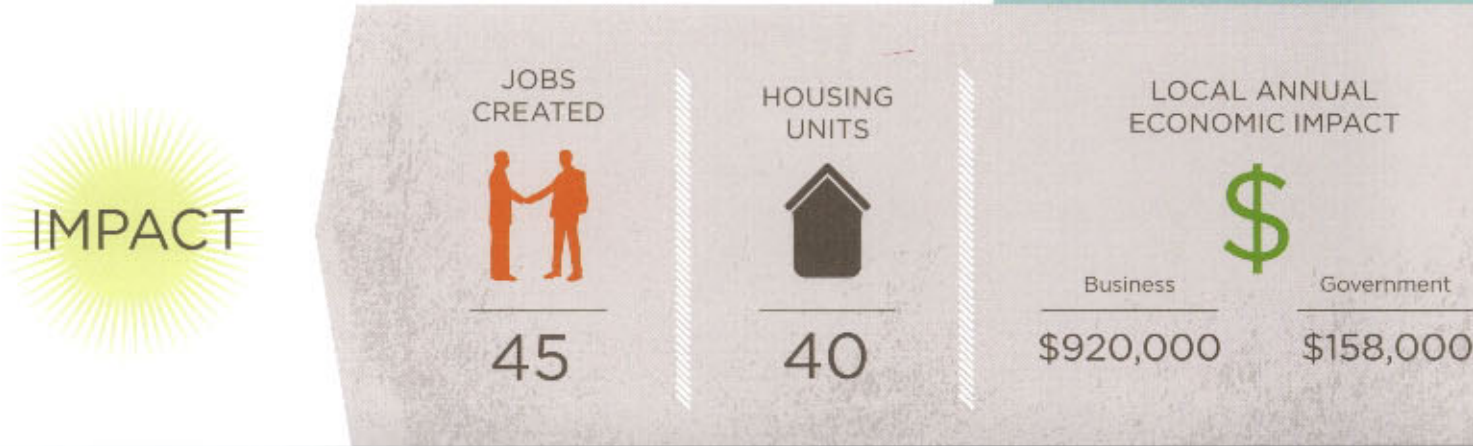
Tax Credits Awarded:
\$461,817

Developer:
Vantage Development, LLC.

General Contractor:
Fyffe Construction Company

Small Business Roll Call:
Hatcher Tractor Services (Albany)
South GA Plumbing (Valdosta)
Pace Electrical Contractors
(Savannah)

Albany is harnessing tax credit financing to revitalize the South Albany Redevelopment Area.



“ At my old place I didn't even have money for groceries sometimes... here I feel safe and I'm at peace. It's just wonderful. ”

Lula Jackson

The Landing at Southlake Resident



Spurring Rural Growth

→ Camellia Lane

Rural communities across Georgia are successfully leveraging housing tax credits to generate economic activity and create quality housing in areas where obtaining conventional financing is made difficult. In Sandersville, where the population barely exceeds 6,000 residents, housing tax credits helped create 52 apartment homes and scores of local jobs through a new development called *Camellia Lane*. The grand opening of *Camellia Lane* addressed an urgent housing need for seniors in the Sandersville area, where 24% of seniors age 65 and over are below the poverty line.

For new residents Bill and Margaret Smith, *Camellia Lane* opened its doors just in time. Despite their Medicare benefits, the Smiths were buckling under the weight of medical bills. With Bill no longer able to work in the textile mills where he had made a living, and with Margaret encountering severe health issues, their financial struggle evolved into a crisis.

Unfortunately, the Smiths' story is shared by thousands of Georgia seniors struggling with mounting health care costs. An alarming new national study¹ has found that a 65-year old couple retiring this year will need \$230,000 to pay for medical bills throughout retirement. Only the cost of housing eclipses the average monthly health care costs for senior couples, which stands at \$535 per month.

The good news for the Smiths and other financially burdened seniors is that communities across Georgia are addressing the crisis by creating affordable homes for seniors through housing tax credits. The Smiths found their home—and a welcome feeling of security—at *Camellia Lane*. Their monthly rent is set at \$337 and will remain affordable for the long-term, largely due to cost-cutting energy technologies at the property like geothermal heating and cooling, photovoltaic solar panels, and compact fluorescent lighting.

"We have extremely high medical bills, even with insurance," said Bill. "It (*Camellia Lane*) has been a God-send. Seldom can you find a place like this." The Smiths now enjoy a 2-bedroom home that is designed to accommodate Margaret's need for wheelchair access—a key feature their previous home lacked. *Camellia Lane* has allowed the Smiths to continue to live independently and, as Bill happily notes, to still have their grandchildren over.

"We're finally comfortable here," said Bill. "It's just been a great place for us."

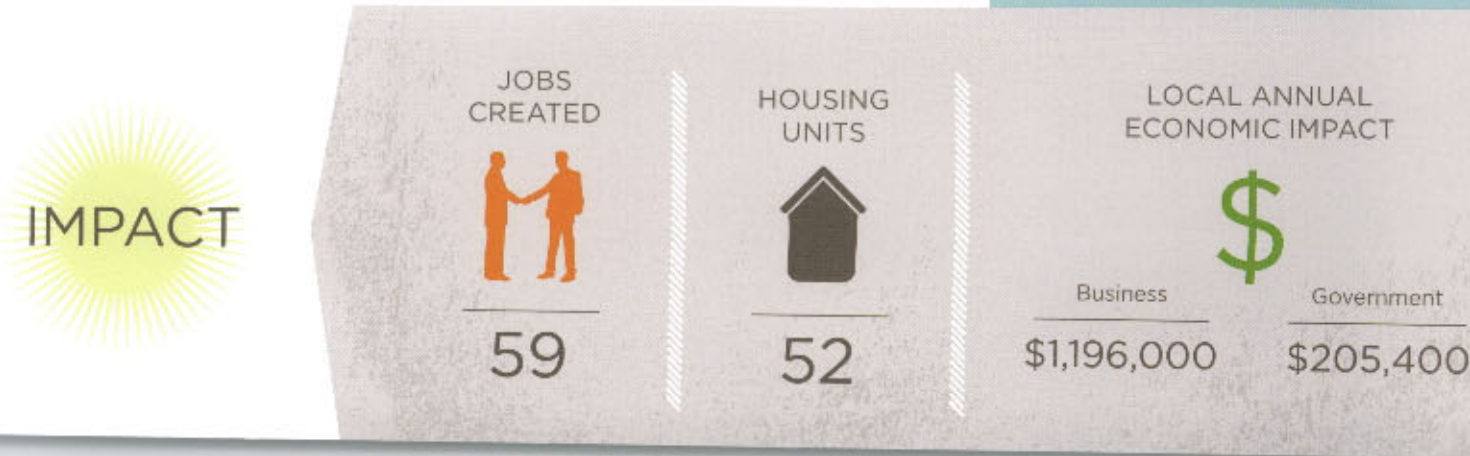
¹ | Fidelity Retiree Health Care Costs Estimate, 2011



SENIOR LIVING

- Population:**
6,097
- Rent Range:**
\$299-\$337
- Tax Credits Awarded:**
\$637,990
- Developer:**
Nicholas Sherman, Tower Development (Cartersville)
- General Contractor:**
Olympia Construction
- Small Business Roll Call:**
Purdy Electric Co. (Rome)
Martin & Grady (Toccoa)
South Georgia Plumbing (Valdosta)

Camellia Lane incorporates an array of energy efficiency components to reduce utility costs for residents.



“It [Camellia Lane] has been a Godsend.
Seldom can you find a place like this.”

— *Bill Smith*
Camellia Lane Resident





The Georgia Department of Community Affairs believes success should be judged by the impact our efforts have on the Georgia families and communities we serve. Whether it is by offering special financing programs for first-time homebuyers, providing economic incentive packages to local governments and small businesses, or ensuring decent housing opportunities for Georgia's families and seniors, DCA's mission is to partner with communities to create a climate of success for Georgia's families and businesses.



Department of Community Affairs: (404) 679-4940



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