

# Housing Georgia's Workforce

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## Panel Introductions

- Mayor of Columbus  
Skip Henderson
- Cathy Williams,  
President and CEO,  
NeighborWorks  
Columbus and GDOT  
Commissioner
- Bill Gross, President,  
WH Gross Corporation
- Chris Hite, CEO, Sugar  
Creek Capital

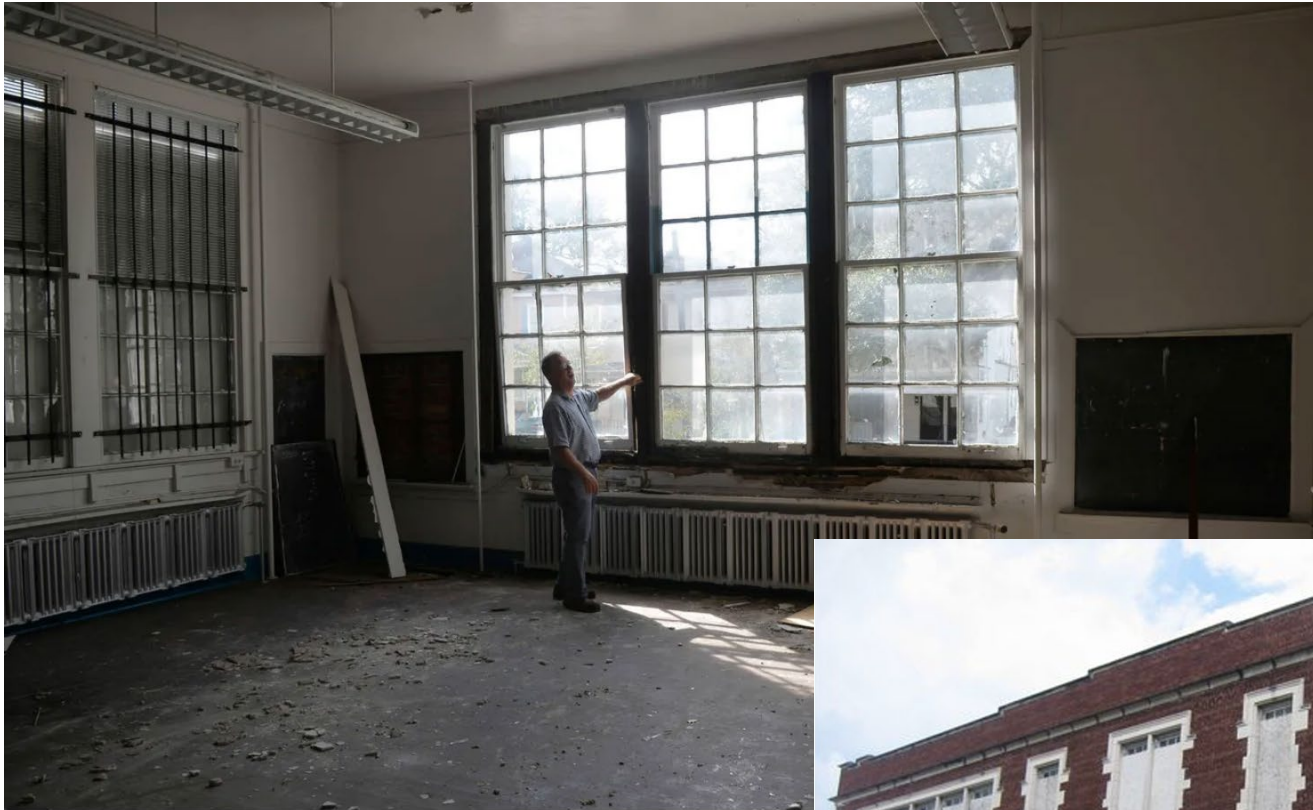




Housing  
Credits  
(LIHTC)

Legacy Villas, Eastman, Ga.





Before: Romana  
Riley School  
Savannah, GA



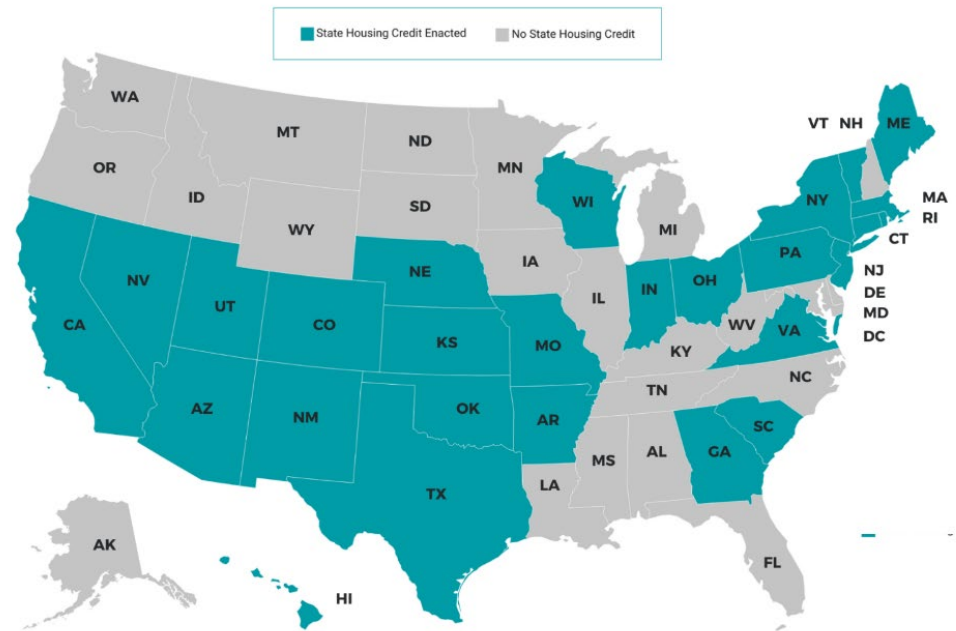


After: Romana Riley  
Savannah, GA

# State Housing Credit Overview

- ✓ **Public Policy Objective:** Construct and rehabilitate affordable rental housing, maximizing federal investment
- ✓ **Efficient:** Mirroring existing federal program = Reduced administrative cost
- ✓ **Effective:** Pay for Performance and Public Private Partnership (Reagan Era alternative to public housing and direct rent payments)
- ✓ **Competitive:** Strong demand from developers (2x-3x) and Georgia families seeking housing (2x-20x)

ENACTED STATE HOUSING CREDIT PROGRAMS



Source: Affordable Housing Tax Credit Coalition

# Georgia Workforce, 2022 Snapshot

*Employment by industry,  
top 10 NAICS codes*

Industry	Employment %	Average Annual Wage
Professional Services	8%	\$101,140
Finance & Insurance	5%	\$97,292
Wholesale Trade	5%	\$89,440
Construction	5%	\$68,692
Manufacturing	10%	\$63,960
Health Care	13%	\$61,620
Transportation	6%	\$57,356
Admin & Support Services	9%	\$51,376
Retail Trade	13%	\$38,220
Accommodation & Food Service	11%	\$24,700

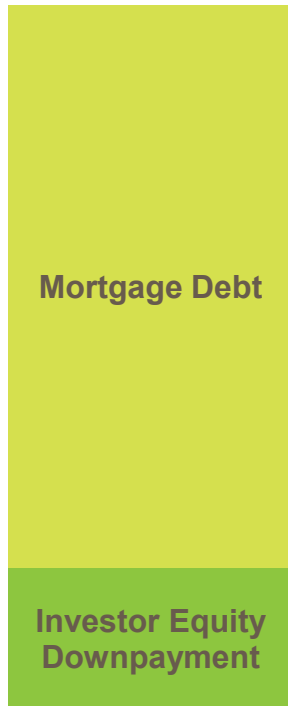
## Key Takeaways

- Wage ranges vary according to and within industry
- Industries in darker green have most difficulty affording average rent or mortgage payments
- At least one-third of workforce is employed in industry where *average wage* is LIHTC eligible
- Survey of local tax credit properties demonstrates tenants are mostly employed by industries on lower end of wage spectrum

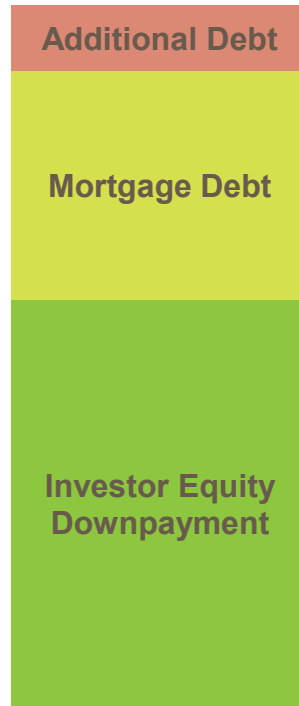


# Financing Structures by Rent Levels

**Conventional Product  
High Rent = High Debt**

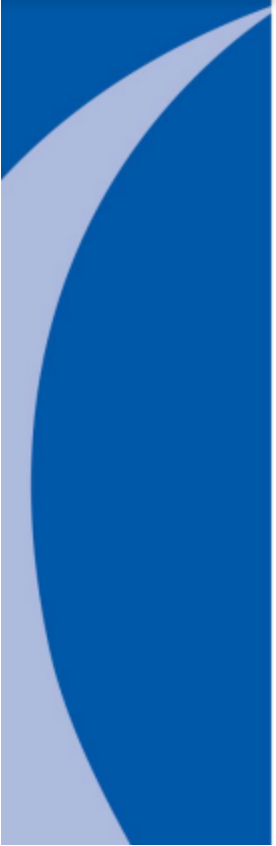


**4% Housing Credit  
Moderate Rent = Moderate  
Debt**



**9% Housing Credit  
Lower Rent = Lower Debt**





June 2022

# Fiscal Research Center

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## **Tax Incentive Evaluation: Georgia Low-Income Housing Tax Credit**

# DCA Housing Credit Impact

2019-2022 DCA Production Data

	4%	9%	Total	%	Difference
<b>Actual Production</b>	<b>24,097</b>	<b>8,499</b>	<b>32,596</b>	<b>100%</b>	<b>0</b>
<b>Production without State Credit</b>	<b>5,974</b>	<b>5,999</b>	<b>11,973</b>	<b>37%</b>	<b>(20,623)</b>

Source: DCA Property Data



## Why is there a 75% reduction in 4% units?

- Can't increase mortgage without increasing rents
- Can't increase federal credit equity for 4% deals
- Additional debt is a limited pool for all deals
- DCA would have to consolidate limited additional funds to make one deal work

## Panel Discussion

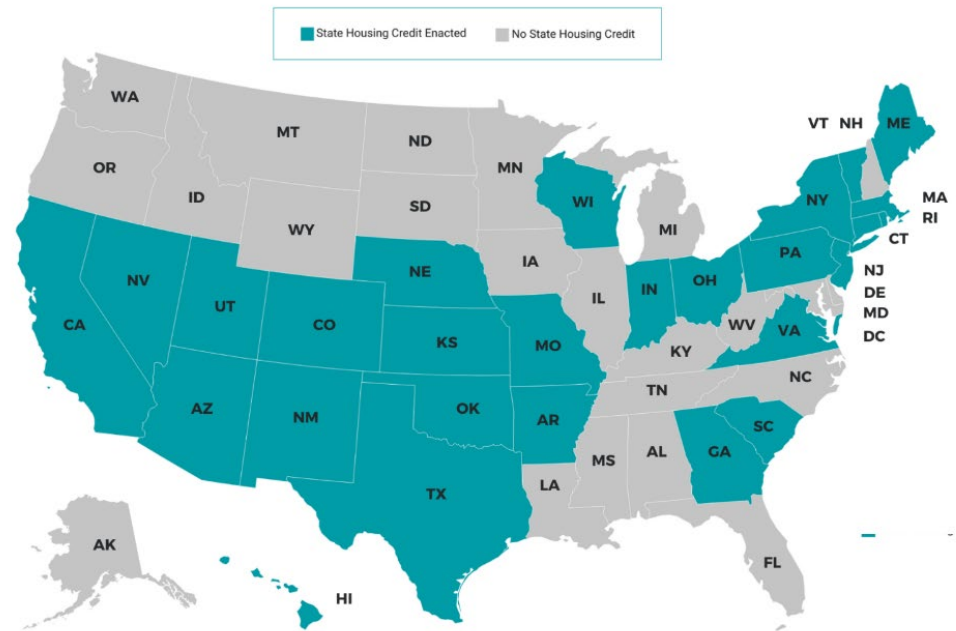
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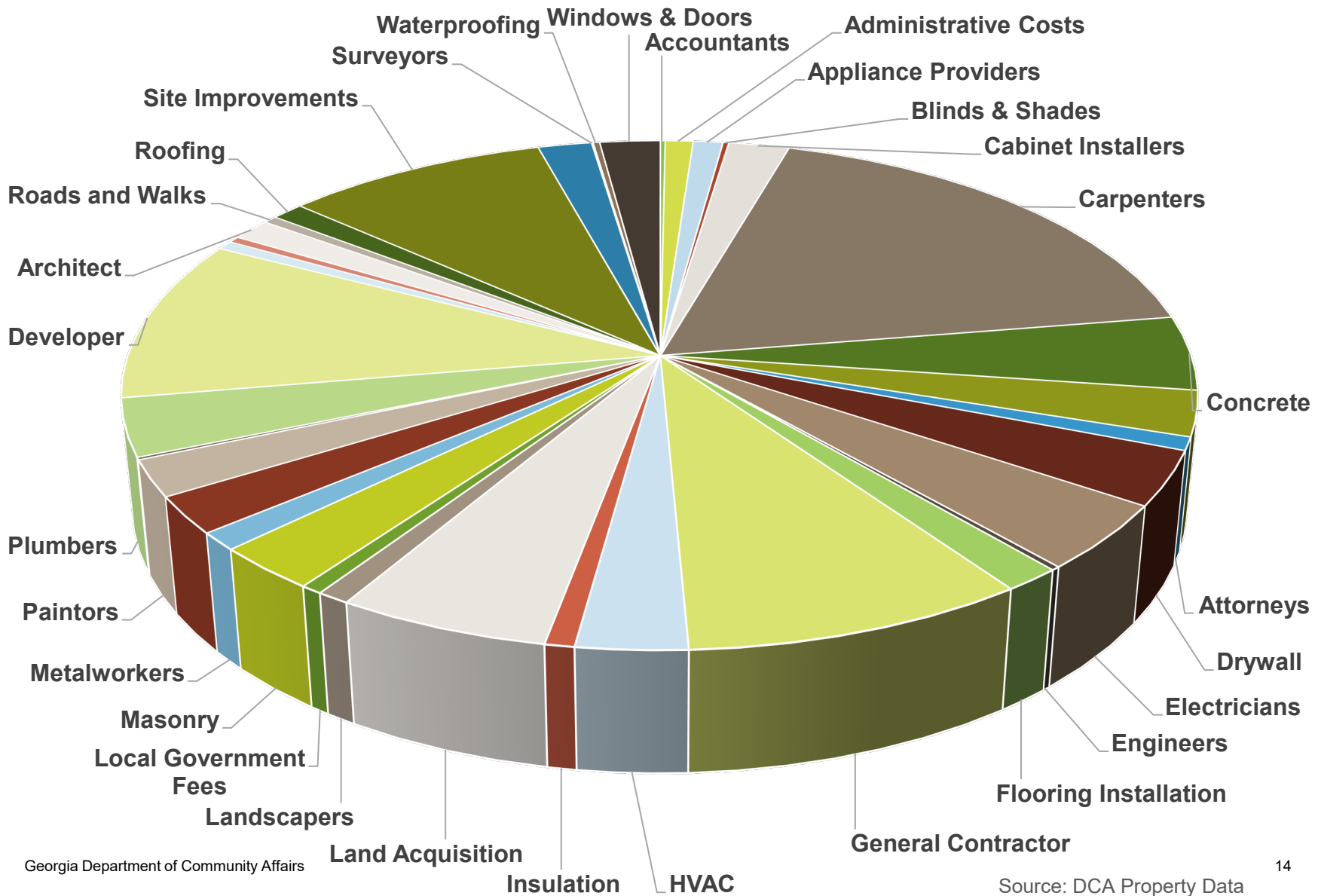
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ENACTED STATE HOUSING CREDIT PROGRAMS



Source: Affordable Housing Tax Credit Coalition

# Housing Credit Development Costs by Trade



# Housing for Georgia's Workforce

Housing Credit residents work in nearly every sector of Georgia's growing economy.



## Top 10 Employers Columbus Housing Deals

- Walmart
- Muscogee County School District (MCSD)
- Burger King
- Rolling Hills Food Services
- TSYS
- AFLAC
- Family Dollar
- McDonalds
- Magnolia Manor
- Koch Foods

Source: DCA Program Survey Data

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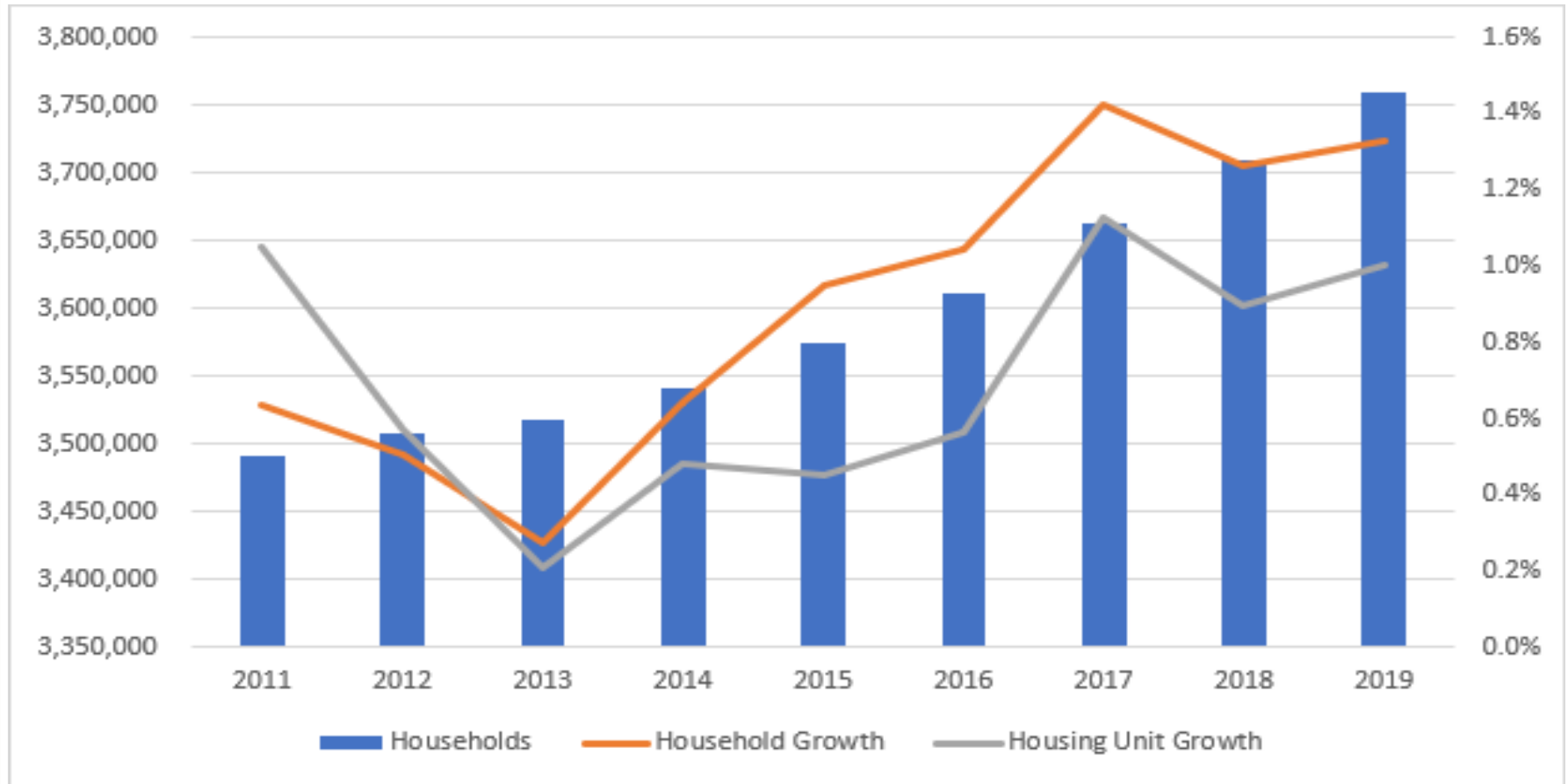
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# Household growth is outpacing unit production

Due to birthrate, in-migration, and lifestyle preference changes



Source: ACS 5-Year Estimates, 2010-2019: DP04

Questions?





**Community Affairs**

# Appendix Slides



# Ranking State by Output (>2,000 units)

\*Federal Funding is Per Capita

4% Unit Production (2022)*		
1	California	9394
2	New York	7250
3	Texas	4036
4	Georgia	3829
5	Washington	3307
6	New Jersey	2799
7	Virginia	2640
8	Ohio	2312
9	Minnesota	2129
10	Florida	2124
11	Colorado	2099

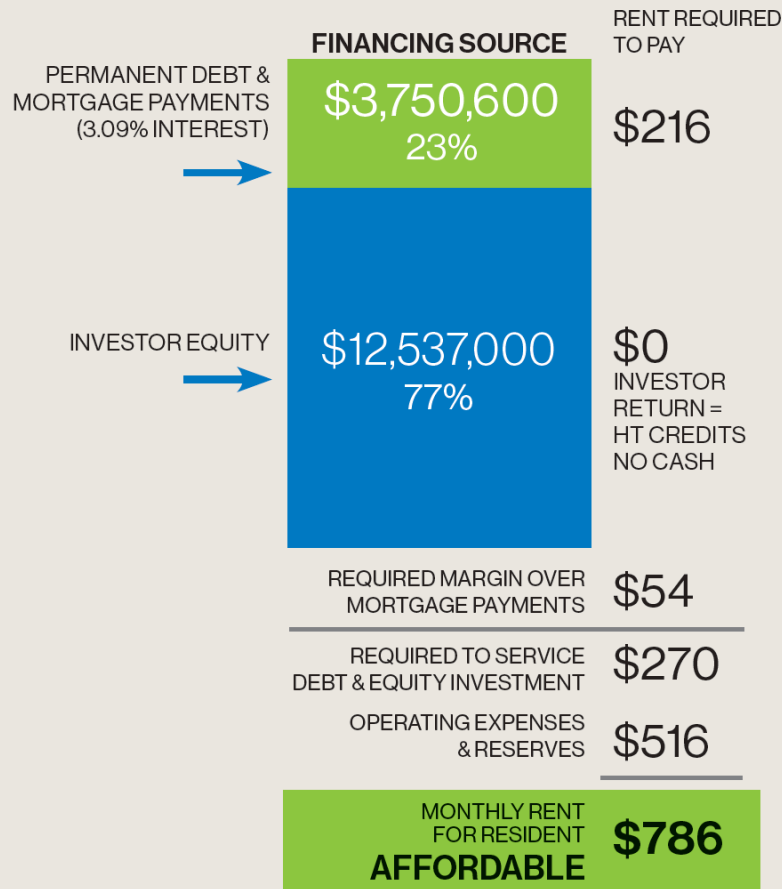
Source: NCSHA Factbook 2022

# How Housing Tax Credits Create Affordable Rents

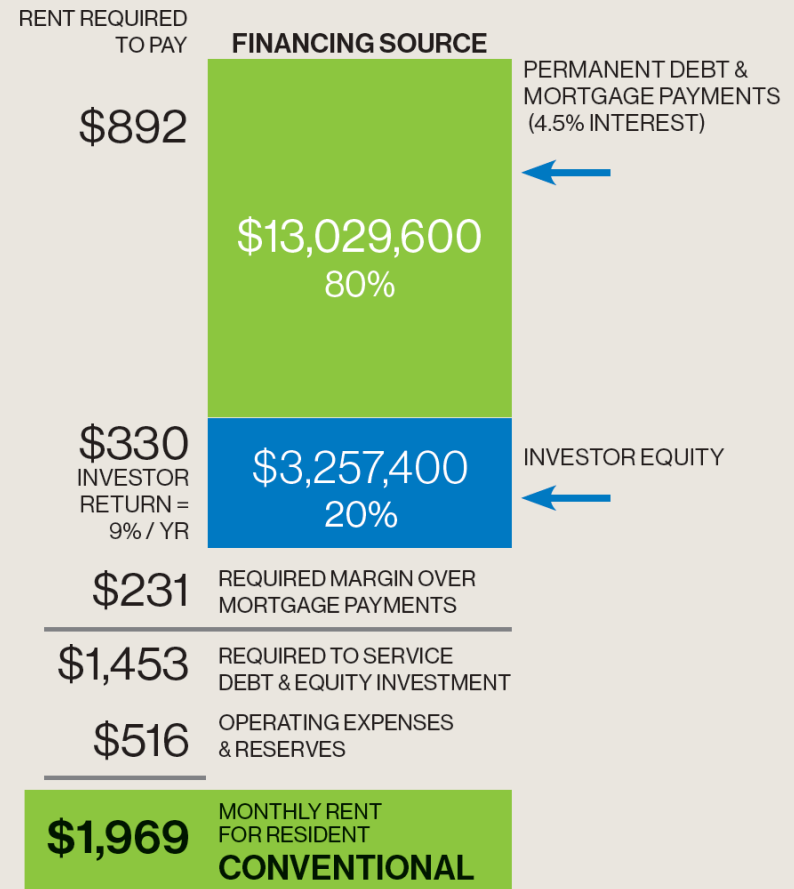
**Mixed-Income Development / 74 units (19% Market) / 62+**

**TOTAL PROJECT COSTS \$16,903,036**

## AFFORDABLE CAPITAL STACK



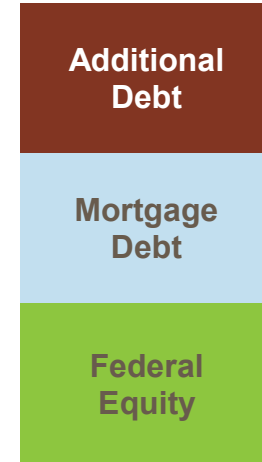
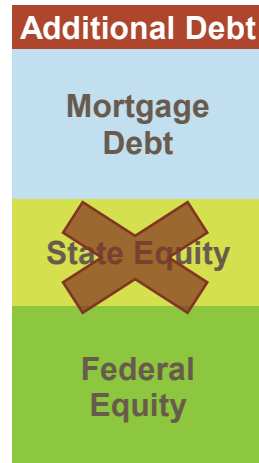
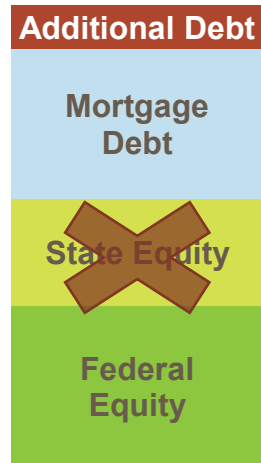
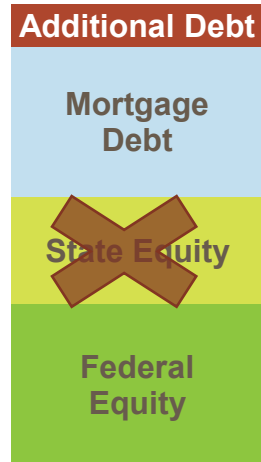
## CONVENTIONAL CAPITAL STACK



Sample financial structure from One Street Residential

# What Happens When State Credit is Removed?

Only 1 in 4 Deals Survive (4% Credits)



## Outcome:

- Can't increase mortgage without increasing rents
- Capped ability to increase credit equity for 4% deals
- Additional debt is a limited pool for all deals
- DCA would have to consolidate limited additional funds to make one deal work