

## MULTIFAMILY TAX EXEMPT BONDS



### PROGRAM OVERVIEW

The Atlanta Development Authority is a public authority created by the City of Atlanta to promote the revitalization and growth of the City. To accomplish growth in residential housing, tax-exempt bonds for new construction or rehabilitation of multifamily housing are issued by the Urban Residential Finance Authority (URFA), ADA's financing arm.

URFA is empowered to issue tax exempt bonds to make below market interest rate mortgage loans to developers for rental housing provided certain Internal Revenue Service requirements are met to ensure that a percentage of the rental units benefit low and moderate income renters.

Each year the URFA receives a bond allocation from the State of Georgia. URFA serves as a conduit bond issuer and bond proceeds are loaned to developers to provide low interest rate financing for multifamily housing.

### AMOUNT OF BONDS AVAILABLE PER DEVELOPER

Bonds will be allocated on a first-come first served basis based on availability of allocation. There is no maximum amount of bonds that can be allocated to a single development.

### PURPOSE OF THE PROGRAM

The purpose of the tax exempt program is to encourage the construction of affordable housing for families having incomes that do not exceed 60% of the area median income. Additionally, at a minimum at least 25% of the units must be set aside for market rate tenants with no income restrictions.

### ELIGIBLE DEVELOPMENTS

- New construction
- Conversion of an existing property not being used for housing
- Acquisition and rehabilitation

### APPLICATION DOCUMENTS

- ADA Bond Application
  - Market Study/Environmental Study
  - Other Lender Commitment Letters
  - 30 year proforma/Term Sheet
  - Project Schedule
  - Community Support Documents
- \* Additional documents may be requested



# FREQUENTLY ASKED QUESTIONS

**Q: How do I get started?**

A: Visit our website at [www.atlantada.com](http://www.atlantada.com) and download our multi-family application (Program guidelines are included).

**Q: Is there a deadline for submitting the application?**

A: No, applications will be accepted anytime during the calendar year.

**Q: How long does it take to get the funding?**

A: After the submission of a completed application, it takes approximately 60-90 days for staff review. Projects must close within 150 days from the date of approval of the Inducement Resolution or the allocation is subject to recapture.

**Q: Does the project have to be in the City of Atlanta?**

A: Yes, all projects must be located within the City of Atlanta corporate limits.

**Q: How much money can a developer apply for and is there a priority list?**

A: Bonds will be allocated on a first-come first served basis based on availability of allocation. There is no maximum amount of bonds that can be allocated to a single development .

**Q: Does URFA require credit enhancement on all bond transactions?**

A: URFA requires that if the bonds are publicly sold then credit enhancement has to be provided. If its a private placement then no enhancement is required .

**Q: Does URFA charge fees?**

A: Yes, visit our website to see the complete list of fees associated with our Tax Exempt Bond program.

**Q: Can I use other funds in combination with tax exempt financing?**

A: Yes, you are allowed to leverage other financing.

**Q: As a new developer in affordable housing will this program work for me?**

A: Due to financing complexities with Tax Exempt Bonds this product works best for developers with total development project cost in excess of \$5 million.



Brookside Park



Columbia at Sylvan Hills

## APPLICATION PROCESS

- Application submitted to ADA
- ADA staff review and recommendation to Board
- Board Approval of Inducement Resolution
- Board Approval of Bond Resolution
- Bond Validation Hearing
- Closing and Distribution of funds

## PROJECT REVIEW CRITERIA

- Application completeness
- Financial Feasibility of project
- Addresses special population and community revitalization needs
- Cost effectiveness
- Readiness to proceed
- Experience of Development Team
- Meeting Housing Needs
- Ability to leverage other financing

## LEARN MORE ABOUT THE TAX EXEMPT BOND PROGRAM

Visit our Website ([www.atlantada.com](http://www.atlantada.com)) for additional information.