

LOCAL GOVERNMENT'S PERSPECTIVE

Tax Credits 101

NC Community Development Association

May 21, 2009

- A proposed project should meet a local need (seniors or low income).
- Analyze the proposed site. Are there support systems in place to make the project successful? Public transit, grocery stores, shopping centers, proximity to jobs, etc.
- If the City has land and wishes to pursue a tax credit project, conduct a Request for Qualifications and select a partner. If a tax credit developer approaches the City for support or financing, thoroughly investigate the developer. Look at the quality of their developments and especially how the units are managed once they are built.
- Most tax credit developers desire financial participation from the City in order to score points with NCHFA. If the City participates financially make sure the project has community buy-in and that it conforms to any small area plans or revitalization plans. City financing has to be approved by the City Council and nothing is worse than having Council commit to a project that turns south because it creates public resentment or protest.
- Concord has loaned HOME funds to two senior tax credit projects. One project was supported due to the location of the project, the design and the company's reputation. The other project will be built on City-owned property and it conforms to a very large revitalization plan. The City partnered with a developer, loaned HOME funds and leased the land for a long period at \$1 a year. The first project is being constructed and the second project was awarded tax credits in 2008.
- For a City site or important project I recommend visiting with NCHFA to discuss the project and get feed back prior to an application being submitted. The staff is very helpful and willing to offer suggestions and tips that may help the viability of the project.
- My contact information is Steve Osborne, City of Concord, 704-920-5132, osbornes@ci.concord.nc.us