



Georgia

Department of Community Affairs

Atlanta Commercial Revitalization Deduction Program

Pursuant to
The Community Renewal Tax Relief Act of 2000 as codified under
Title 26, Subtitle A, Chapter 1, Subchapter X, Section 1400I, et seq.
of the Internal Revenue Code of 1986, as amended

2009 APPLICATION MANUAL

Georgia Department of Community Affairs
Community Development and Finance Division
Office of Economic Development
60 Executive Park South, N.E.
Atlanta, Georgia 30329-2231

In Cooperation With the
Atlanta Renewal Community Responsible Coordinating Authority (ACoRA)

c/o

Enterprise Community Partners
34 Peachtree Street
Suite 2350
Atlanta, GA 30303
404.522.3970

Commercial Revitalization Deduction Application Information

General Information

Federal law established a Community Reinvestment Program in the Community Renewal Tax Relief Act of 2000 as codified under Title 26, Subtitle A, Chapter 1, Subchapter X, Section 1400I, et seq. of the Internal Revenue Code of 1986, as amended ("the Internal Revenue Code"). Information on the various tax incentives authorized by the law is described at <http://www.irs.gov/pub/irs-pdf/p954.pdf>.

The Internal Revenue Code, among other things, authorized certain community revitalization federal tax deductions for taxpayers in designated Renewal Communities, provided that these deductions are allocated by a Commercial Revitalization Agency of the state where the Renewal Community is located and further provided that the deductions are allocated pursuant to a Qualified Allocation Plan (the "Plan"). In regards to the Atlanta Renewal Community, the Georgia Department of Community Affairs (DCA) has agreed to act as the Atlanta Renewal Community's Revitalization Agency and was so designated by Governor Perdue's Executive Order of January 17, 2009. Copies of the Qualified Allocation Plan can be viewed or downloaded from: www.dca.ga.gov/economic/DevelopmentTools/programs/revitalization.asp/ The City's implementing agent for the program is ACoRA whose management entity can be reached at 404.522.3970 c/o Mr. William McFarland or Ms. Lisa Hawkins.

Through the program, taxpayers that construct or substantially rehabilitate commercial property within the Atlanta Renewal Community (RC) can depreciate a portion of the costs of construction or acquisition and rehabilitation over a shorter period of time than permitted under standard depreciation rules. A business can elect to deduct one-half of "qualifying revitalization expenditures" (QRE) in the year the building is placed in service or can deduct all QRE pro-rata over 10 years. The project must receive an allocation from DCA to take advantage of this incentive. DCA may allocate up to \$12 million each year through 2009, with no one annual allocation exceeding \$10 million.

Eligibility (project must meet all five criteria)

1. The property is located within the federally designated Atlanta Renewal Community (RC). If you are unsure if your property falls within a target area visit <http://egis.hud.gov/egis/cpd/rcezec/welcome.htm> and click on "Address Locator." Print the page that indicates the property is within the Atlanta RC and include it with your application. You may also contact the Atlanta Coordinating Responsible Authority's (ACoRA's) management entity for Renewal Community activities, Enterprise Community Partners, at 404.522.3970 c/o Mr. William McFarland or Ms. Lisa Hawkins.
2. The owner of the property is a for-profit business. Non-profits, churches, or government entities cannot benefit from this incentive.
3. The redevelopment project is a commercial project that represents qualified revitalization expenditures to a new or substantially rehabilitated building(s). This includes retail, industrial, office, and some mixed use buildings (See eligibility requirements for mixed use buildings below). Buildings that are 100% residential are NOT eligible. Mixed use buildings are those with both commercial and residential components. To qualify for a CRD allocation the portion of income from the residential component must not exceed 80% of the total income. Those buildings or projects with residential income exceeding 80% of total income will NOT qualify.
4. The project will be placed in service by December 31, 2009.
5. All project partners (individuals and entities) are in good standing with the Georgia Department of Revenue.

Initiating an Application

In order to meet the requirements of Section 1400I (e)(1)(B) of Title 26, DCA encourages applicants to originate their application process by contacting Enterprise Community Partners (the ACoRA's management entity), at **404.522.3970**. ACoRA is the Mayor's designated entity for commenting on proposed Commercial Revitalization Deduction Allocations within the City of Atlanta. Should an application be submitted directly to DCA, delays will result since the Department will transfer a copy of the application to ACoRA in order to allow a reasonable time for comment. Copies of this application and the most recent Qualified Allocation Plan may be obtained from DCA at www.dca.ga.gov/economic/DevelopmentTools/programs/revitalization.asp/

Application Deadlines

For calendar year 2009 allocations, and as noted in the Qualified Allocation Plan, the application must be physically received by DCA by 5:00 o'clock p.m. October 30, 2009. **As such, and as noted above, the applicant should ensure time is available for Enterprise Community Partners to review their applications and submit them to DCA prior to the deadline.** Also, each application must include an original and two (2) copies with all required DCA forms and documentation.

Application and Allocation/Monitoring Fees

The following fees are applicable for each separate Commercial Revitalization Deduction application. The fees are non-refundable and must be submitted in the form of a cashier's check made payable to the Georgia Department of Community Affairs.

NOTE:

Applicants deemed eligible for a Commercial Revitalization Deduction award will be notified regarding the amount of their prospective award and the applicable fees due to DCA. Upon receipt of the applicable fees, DCA will issue the Commercial Revitalization Deduction award.

FEES:

1. Application Fee.

An Application Fee is required for each separate Commercial Revitalization Deduction application. The Application Fee is due upon submission of the Commercial Revitalization Deduction application and applications submitted without the Application Fee will not be considered for the Commercial Revitalization Deduction award.

The Application Fee is one tenth of one percent (.0010) of the total requested Commercial Revitalization Deduction not to exceed \$1,000. The formula for computing the Application Fee is as follows:

Total requested Commercial Revitalization Deduction multiplied by .0010 (not to exceed \$1,000)

2. Allocation/Monitoring Fee

For all projects receiving a Commercial Revitalization Deduction award, a one time Allocation/Monitoring Fee will be assessed and is one quarter of one percent (.0025) of the total Commercial Revitalization Deduction award. The formula for computing the Allocation/Monitoring Fee is as follows:

Total Commercial Revitalization Deduction award multiplied by .0025

Georgia Department of Community Affairs
 Commercial Revitalization Deduction Program
 2009 Application Summary
 Form CRD 1

Application is hereby made for a Commercial Revitalization Deduction Allocation in accordance with the Community Renewal Tax Relief Act of 2000 as codified under Title 26, Subtitle A, Chapter 1, Subchapter X, Section 1400I, et seq. of the Internal Revenue Code of 1986, as amended ("the Internal Revenue Code").

Leave Blank – DCA use only

Date Received

Application Number

Legal Taxpayer/Applicant	Building Information	Type of Project (Check All That Apply)
1. Name of Applicant/ Taxpayer: 2. Address: 3. Telephone #: 4. Fax #: 5. Email: 6. Federal Tax ID or SSN: 7. DUNS Number: <i>(for partnerships include a separate page with 1-5 info for each partner or entity)</i>	8. Name of Project/ Building: 9. Site Address: 10. Tax Parcel Number: <i>(for projects with more than one qualified revitalization building, include a separate page with 8-10 information for each building)</i>	11. <input type="checkbox"/> New Construction; 12. <input type="checkbox"/> Acquisition/Rehabilitation; 13. <input type="checkbox"/> Rehabilitation <i>(See Section 1400I(b)(2)(B) of Title 26 for limitations on the inclusion of acquisition cost and new construction costs as qualified revitalization expenditures. Also see Section 47(c)(1)(C) for the definition of "substantial rehabilitation" and associated expenditure requirements.)</i>

14. Brief Title and Description of Project	Type of Allocation (Check One)
[Empty space for project description]	15. <input type="checkbox"/> An Allocation for Project/ Building Placed in Service by December 31, 2009; ;
	16. Location Map: (check) Enclosed <input type="checkbox"/>
	17. Total Allocation Amount Requested: \$ _____

I, the undersigned, authorized representative of the applicant, certify that to the best of my knowledge and belief that the information contained in the application, exhibits, attachments, and any further or supplemental documentation is true, and correct to the best of my knowledge and belief. I understand that misrepresentation may result in cancellation of a tax deduction, notification of the Internal Revenue Service (IRS), and other actions which DCA is authorized to take pursuant to applicable law, regulation, or IRS revenue procedure.

18. Signature of Authorized Representative	19. Name & Title of Authorized Representative	20. Date Signed

Georgia Department of Community Affairs
Commercial Revitalization Deduction Program
Deduction Summary
Form CRD 2

Determination of Qualified Revitalization Building (Section 1400I(b)(1) of Title 26)

Include a separate Form CRD 2 for each building for which you seek a CRD deduction. Note that the development budget and supporting documentation must reconcile with your answers here.)

21. In regards to the building described under item 8-10 on form CRD 1, please answer the following questions as appropriate:

- (a) Address and Parcel Number of Building: _____
- (b) Type of Business: _____
- (c) Was the building newly constructed and placed in service by the applicant/taxpayer within the Renewal Community during calendar year 2009? Yes ___ or No __, OR;
- (d) Was new construction started during calendar year 2009 and pursuant to Section 42(h)(1)(E) and (F) and Section 1.42-6, the building will be placed in service by December 31, 2009 and the taxpayer will meet the applicable basis requirements? Yes ___ or No __; OR
- (e) Was the building substantially rehabilitated within the meaning of Section 47(c)(1)(C) by the taxpayer and placed in service within the Renewal Community during 2009? Yes ___ or No __, OR
- (f) Was substantial rehabilitation started during 2009 and pursuant to Section 42(h)(1)(E) and (F) and Section 1.42-6, the building will be placed in service by December 31, 2009 and the taxpayer will meet the applicable basis requirements? Yes ___ or No __.

Determination of Qualified Revitalization Expenditure (See Section 1400I(b)(2) of Title 26)

22. In regards to the building described in 22(a) above and under item 8-10 on form CRD 1, please answer the following questions as appropriate:

- (a) Are the building's expenditures for expenses that are properly chargeable to a capital account for property for which depreciation is allowed pursuant to Section 168 and that is: (i) "nonresidential real property" as defined in Section 168(e)(2)(B) or (ii) Section 1250(c) property that is functionally related or subordinate to the nonresidential real property and (for both classifications) exclude expenditures that represent acquisition costs in excess of 30 percent of the aggregate qualified revitalization expenditures (which do not count the cost of the building itself)? Yes ___ or No __ (if no, your building is likely not eligible for a CRD deduction.
- (b) For mixed -use properties that include a combination of nonresidential and residential uses, will the property's gross rental income from dwelling units exceed 80% of the building's total income? Yes ___ or No __ (if yes, your building is likely "residential" pursuant to Section 168(e)(2)(B) and not eligible for a CRD deduction.)

Qualified Revitalization Building -- "Placed in Service" Date

23. Please enter either the:

- (a) Date the building received a permanent certificate of occupancy and was placed in service (month, day and year): ___ ___ or NA ___; OR
- (b) Estimated date that the building will receive a permanent certificate of occupancy and be placed in service (month and year): ___.

Georgia Department of Community Affairs
 Commercial Revitalization Deduction Program
 Item 24. Development Budget
 Form CRD 3

	Expenditure Amounts	Subtotals	Eligible QRE	for DCA use only
LAND COST & ACQUISITION				
Land Cost				
Demolition				
Existing Improvements Value				
Other				
Subtotal				
REHABILITATION				
Site Work				
Structures				
Other				
Subtotal				
NEW CONSTRUCTION				
Site Work				
Structures				
Other				
Subtotal				
ARCHITECTURAL & ENG				
Design, Supervision, Other				
CONST. INTEREST & FEES				
Interest, Origination, Other				
PERMANENT FINANCING				
Interest, Origination, Other				
LEGAL				
Fees, Other				
EQUIPMENT & FURNISHINGS				
M&E				
Furnishings, Improvements				
Subtotal				
OTHER				
Other				
DEVELOPER COSTS				
DCA App/Allocation/Monitor Fee				
Environ/Permits/Marketing/Studies				
Admin, Management,				
Other				
Subtotal				
TOTAL PROJECT COST				

**Georgia Department of Community Affairs
Commercial Revitalization Deduction Program
Required Supporting Documentation**

EXHIBITS WHICH SHOULD BE INCLUDED:

25. **Verification of Address and Location** that demonstrates the project/building location is within the boundaries of the Renewal Community. Applicants may use the address locator at <http://hud.gov/crlocator> and include a copy of the map/output as preliminary verification. **Enclosed []**
 26. **Business Plan:** Provide a brief business plan, history, and description of the taxpayer's business. Include information concerning: the type of business, products, marketing information, major customers, etc. **Enclosed []**
 27. **Taxpayer Financial Statements:** Provide balance sheets and income statements for the past three years. Also provide a pro-forma balance sheet and projected income statements for one year. If financial statements are unaudited or unavailable, provide copies of taxpayer's federal tax returns and related schedules. **Enclosed []**
 28. **Organizational documents for applicant/taxpayer business/development entity**, list of partners, affiliates or subsidiaries and resumes of principals & key management personnel. **Enclosed []**
 29. **Sales Agreement, Deed and Plat** to demonstrate you own/control the subject site and property; **Enclosed []**
 30. "As built" copies of **Site Plans, Architectural Reports, Construction Drawings, and Documents** approved by local and state permitting agencies as applicable. For project/buildings that seek forward binding commitments and carry-forward allocations, proposed plans and drawings will suffice for the application. If awarded and prior to DCA's close-out of the file, the "as built" copies must be submitted to DCA. **Enclosed []**
 31. **Audited statement of Qualified Revitalization Expenditures (QREs)** or an unaudited statement backed by payment vouchers, paid invoices, or cancelled checks/digital drafts which reconcile with the QRE's listed on the CRD-2 and 3 forms. **Either method of documentation must be signed and certified as eligible expenditures by a licensed Certified Public Accountant or Tax Professional.** For projects/buildings that seek carry-forward allocations, a schedule of proposed QRE's that reconciles with the budget along with a detailed cost-estimate will suffice for the application. If awarded and prior to DCA's transmission of final allocation documents, the "as built" copies must be submitted to DCA. **Enclosed []**
 32. For project/buildings that seek forward binding commitments, the most competitive applications will submit financial commitment letter(s) from participating financial institution(s). The letter(s) should indicate the amount of any financing and any contingencies associated with the financial institution's loan (see sample formats). The purpose of such commitment letters is to document that a carry-forward allocation would likely be used and not wasted. **Enclosed []**
 33. The most competitive applications will contain a **Schedule of Jobs** to be created or retained and information on any benefits that may be provided (such as health, retirement, leave, etc.). Please indicate any special efforts to make employment opportunities available to Renewal Community residents. **Enclosed []**
 34. **Schedule of Taxes Paid** to include the actual amount of local and state ad-valorem (property) taxes, local and state sales taxes, and federal income taxes paid on/by the subject building/business prior to the undertaking the project. Also include an estimate of the new local, state, and federal taxes to be paid after the building is placed in service. **Enclosed []**
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Note: Following Section to be completed by City of Atlanta

35. Documentation that an **opportunity has been provided for the City of Atlanta's Mayor's Office or the Mayor's designee, the Atlanta Coordinating Responsible Authority (ACoRA), to comment on the proposed project** and allocation. Any comments obtained must be in written correspondence and addressed to either the applicant/taxpayer or DCA. Ideally, the comments will document the degree to which the project will contribute to the implementation of the Renewal Community's strategic plan and include the participation of local non-profit organizations and support of residents of the Renewal Community. **Enclosed []**

Georgia Department of Community Affairs
Commercial Revitalization Deduction Program
Applicant Certification
Form CRD 4 – Page One

DCA Use Only

Application Number: _____

Date Received: _____

Applicant Name: _____

(Staple Certified Check for Application Fee Here)

Project Name: _____

The undersigned applicant hereby makes application to the Georgia Department of Community Affairs (DCA or the Department) for an allocation of federal Commercial Revitalization Tax Deductions in the amount(s) of

\$ _____ total federal tax deductions, and

for the purpose of providing economic benefit to the Atlanta Renewal Community as provided for in the Community Renewal Tax Relief Act of 2000 as codified under Title 26, Subtitle A, Chapter 1, Subchapter X, Section 1400I, et seq. of the Internal Revenue Code of 1986, as amended. I understand that should an amount be preliminarily reserved for this project, if any, may be adjusted over time based upon changing project costs and financial feasibility analyses performed or reviewed by DCA or its partners.

I agree it is my responsibility to provide DCA with an original and two copies of a complete application and to provide such other information as DCA requests as necessary to evaluate my application. I represent that if an allocation of tax deductions is made as a result of this application, I will also furnish promptly such other supporting information and documents as may be requested. I understand that DCA may need to verify information provided and analyze materials submitted as well as conduct its own investigation to evaluate the application. To accommodate DCA's review, I hereby authorize the department to obtain a Dun and Bradstreet Report on the business and affiliates that is the subject of this application. Should DCA determine it is needed, I also authorize the department to obtain a personal credit report. The cost of such reports shall be born by the Department. I further recognize that I have an affirmative and proactive duty to inform DCA when any information in the application or supplemental materials is no longer true or no longer applies and to supply the Department with the latest and accurate information.

I acknowledge that if I receive a reservation of tax deductions, I will be required to submit requisite documentation at placed-in-service and also agree to provide periodic reports to DCA that will be required for its monitoring of the performance of the project and to also allow and accommodate periodic site-visits to the project/building site.

I represent I have read Section 1400E et seq. of the Internal Revenue Code pertaining to the commercial revitalization tax deduction program, the Qualified Allocation Plan pertaining to the program and this Application Manual. I understand that the program is complex and involves long-term involvement and performance of project(s) within a renewal community. I acknowledge that DCA has recommended that I seek advice from a tax professional familiar with the program and understand that DCA's allocation of a commercial revitalization deduction in no way warrants the legality or eligibility of my tax plan and tax deductions.

I agree to hold DCA, the City of Atlanta, the City's Agents and each organization's members, officers, agents, and employees harmless from any matters arising out of or related to the program.

I agree that the Department will determine the tax deduction amount to comply with requirements of IRC Section 1400E et seq. but that DCA in no way warrants the feasibility or viability of the project to anyone for any purpose. I acknowledge that the Department makes no representation regarding the effect of any tax deduction which may be allocated and makes no representation regarding the ability to claim any deduction which may be allocated.

I acknowledge that all materials and requirements are subject to change by enactment of federal or state legislation, Governor's executive order, promulgation of federal or state regulations or the issuance of guidelines, procedures, or rulings by the Internal Revenue Service.

In carrying out the development and operation of the project, I agree to comply with all applicable federal, state, and local laws regarding unlawful discrimination and will abide by all program requirements, rules, and regulations.

I acknowledge that the program is not an entitlement program and that my application will be evaluated based on the statutes, regulations, and the Qualified Allocation Plan adopted by DCA which identify the priorities and other standards which will be employed to evaluate applications.

I acknowledge that the information submitted to DCA in this application or supplemental information provided thereto may be subject to the Georgia Open Records Act (Title 50, Chapter 18, Article 4, and O.C.G.A.) or other disclosure. I understand that, with the exception of certain proprietary financial information and tax records that I have explicitly labeled as "Trade Secrets", DCA may make such information public pursuant to the provisions of applicable law. In regards to information that I have deemed a "Trade Secret", should the State Law Department or court determine that the referenced information is subject to release, the Department will release said information in accordance with the State Law Department's or court's guidance.

I declare under penalty of perjury that the information contained in the application, exhibits, attachments, and any further or supplemental documentation is true and correct to the best of my knowledge and belief. I understand that misrepresentation may result in cancellation of a tax deduction, notification of the Internal Revenue Service, and other actions which DCA is authorized to take pursuant to applicable law, regulation, or guidelines.

I certify that I believe that the project can be completed within the development budget and the development timetable set forth and can be operated in the manner proposed within the budget set forth.

I agree that DCA is not responsible for actions taken by the applicant in reliance on a prospective CRD reservation or allocation.

Dated this ___ day of _____, _____ at
_____, Georgia.

By:

(Original Signature)

(Typed or printed name)

(Title)