2025 9% General Set-Aside – Single-Site Supportive Housing

In alignment with DCA's mission and strategic goals, DCA will utilize the General Set Aside in the 2025 9% Housing Tax Credit round, as outlined in the 2024-25 QAP (Core Plan, V. Competitive Rounds, B. Set Asides and Allocation Targets).

Subject to the discretion of the Commissioner, DCA may award up to two Applications that propose Single-Site Supportive Housing and demonstrate the capacity to provide quality development standards, operational support, and support services for the residents. This set-aside applies to the 2025 9% round only.

Definitions

<u>Supportive Housing</u> is an intervention that combines permanent affordable housing and housing assistance with voluntary support services to address the needs of vulnerable populations such as (but not limited to) people experiencing chronic homelessness, people living with serious mental illness, intellectual or developmental disabilities, chronic substance use disorders, and/or other vulnerable populations.

<u>Single-Site Supportive Housing</u> is a model in which an affordable housing development dedicates at least 25%, and up to 100%, of units to Supportive Housing in conjunction with on-site and other community-based supportive service delivery. The owner and property management coordinate with one or more supportive service partners to design and deliver services to supportive housing tenants and support housing stability.

Set-Aside Selection Process and Applicable Limitations

Supportive Housing projects applying in the 2025 9% Competitive Round may apply for consideration under either of the below but not both:

- a) The General Set Aside as a Single-Site Supportive Housing application, without applying for points under (Scoring) Integrated Supportive Housing A. or B.; or
- b) The 9% Competitive Round general competition with the ability to claim points under (Scoring) Integrated Supportive Housing A. or B.

Subject to the discretion of the Commissioner, DCA will select the two highest scoring Single-Site Supportive Housing General Set-Aside applications, based upon existing and applicable QAP scoring criteria, and subject to the additional requirements listed above and below. Specifically, DCA will attempt to award the highest scoring New Affordability and Preservation Single-Site Supportive Housing applications; however, DCA may award the two highest scoring New Affordability applications if doing so better satisfies State priorities. Similar to other QAP set-asides, Single-Site Supportive Housing General Set-Aside applications will only compete against other applicants electing this set-aside. DCA reserves the right to award less than two applications.

Within the General Set Aside competition, applications will be considered according to the quality and degree to which applications align with the priorities set forth in this guidance. If necessary, within the General Set Aside competition, DCA will break a tie based upon the higher percentage of total units dedicated for supportive housing as defined above. This tiebreaker will be utilized within the General Set Aside before other tiebreakers listed in the QAP.

Single-Site Supportive Housing applications under the General Set-Aside will be subject to existing

Application and Award Limitations under the QAP (Core Plan, V. Competitive Rounds, C. Application and Award Limitations).

Single-Site Supportive Housing projects awarded under the General Set-Aside are exempt from the maximum of 25% of units that "prioritize or are correlated with disability status." (XXIV. Supportive Housing Requirements, A. Housing Opportunities for Persons with Disabilities)

Set-Aside Application Process

Applicants must indicate within Emphasys if they are applying under the General Set Aside. Under the Application Designation tab, select General Set Aside – Single-Site Supportive Housing.

In order to satisfy the Demonstrated Capacity section below, Applicants must submit one narrative no longer than four pages, 12 point font, Times New Roman, single spaced, along with their application, attesting to and describing how the project meets each of the bullet points under Quality Development Standards, Operational Support and Underwriting, and Support Services. In addition, Applicants must submit information through the 2025 Supportive Services Plan and Budget Template; see further details below. All other requirements will be verified at Threshold review, unless specified otherwise.

Demonstrated Capacity

Applicants seeking a Single-Site Supportive Housing set-aside in the 9% tax credit round must demonstrate capacity to provide the following.

Quality Development Standards:

- All projects awarded must meet all applicable LIHTC QAP Threshold requirements.
- Applicants must be in good standing with DCA, for all LIHTC properties and other programs, and be eligible to develop using Georgia Housing Tax Credits.
- Projects must ensure that Supportive Housing units are accessible and adaptable per the Fair Housing Amendments Act of 1988. Applicants are encouraged to also meet the standards set forth in the "Increasing Accessibility" section of the <u>QAP Accessibility Manual</u>.
- Projects are required to incorporate trauma-informed design (TID) standards.
- Projects may not create or preserve Single-Room Occupancy (SRO) units.
- Project concepts and designs must incorporate not only required LIHTC features and amenities, but also reflect typical aesthetics of an affordable housing development. Supportive Housing should not resemble a homeless shelter, licensed healthcare facility, or other institutional facility. Project concepts and designs should also include additional features and amenities as may be appropriate for supportive service delivery and identified vulnerable subpopulations; e.g., private rooms for medical or other clinical services, increased community spaces, increased accessibility, assistive technology, etc.
- All residents must be provided a lease agreement without language or riders that would not ordinarily be found in a standard lease agreement.
- Per best practice, while effective coordination is necessary for best resident outcomes, property
 management and supportive services must be offered by separate staff, or separate entities.
 Property management operations will align procedures with the supportive services plan and
 resident engagement managed by the assigned service provider.

Operational Support and Underwriting:

• Projects must plan for adequate operations and maintenance expenses and reserves, including

but not limited to Operations Expenses, Operations Deficit Reserves, and Replacement Reserve Requirements, to ensure building and operational quality throughout the affordability period of the property.

- Projects must meet all QAP underwriting standards and additional Supportive Housing project underwriting standards, which may include, but are not limited to:
 - Projects should be underwritten to ensure adequate cashflow throughout the building affordability period, incorporating project-based rental assistance as feasible.
 - Projects should be underwritten to account for vacancy rates that reflect a typical Supportive Housing development.
- Developers will be required to utilize standards for underwriting, operating expenses, reserves, and other guidelines that are different than typical tax credit standards. DCA will publish further guidance on Supportive Housing requirements prior to the 2025 9% tax credit round.
 - Update: General Set Aside applications must follow DCA Supportive Housing underwriting guidelines, linked here.
- Property management company must have previous experience serving formerly homeless households or other vulnerable populations.

Support Services:

- Projects must demonstrate a formal agreement (i.e. through an MOU) with at least one supportive services provider with experience and expertise to serve the populations living in the property.
- Projects must include a detailed Services Plan and a Services Budget to ensure adequate and appropriate services are offered to Supportive Housing residents.
 - O Update: Applicants will submit the 2025 Supportive Services Plan and Budget Template, linked here, along with their competitive application. Applicants must complete the Program Summary, Budget Y1, Budget Y2, Budget Y3, Budget Y4, and Budget Y5 tabs. The Services Plan tab must be completed by the 2025 9% Threshold deadline. Please note that the information submitted in these tabs is intended to capture the budget and plan of the supportive service provider(s). If a Services Plan and Budget was submitted for an award under the 2025 Rental Housing NOFO with Service Priorities, and the same information remains applicable to the proposed tax credit project, the same Services Plan and Budget may be re-submitted.
- Supportive services must be voluntary for residents.
- Supportive services may vary based on the population of focus and their specific needs.
 However, at minimum services offered should include housing retention services, housing case management, and referral and coordination for other services needed by residents that are not being addressed through on-site services. Additional services, depending on identified needs, may include mental health support, substance use support, physical healthcare, employment services, and others.
- Projects should demonstrate adequate staffing ratios that reflect the needs of the population served.
- Properties that serve homeless households must demonstrate an agreement with the local Continuum of Care (CoC) to make units available through the Coordinated Entry process.