



Office of Portfolio Management Updates

Don't miss the latest Compliance and Asset Management Updates

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The **BLAST**

September 1, 2022

What's New?

DCA offices will be closed Monday September 5, 2022 for Labor Day

Compliance

Annual Owners Certification

The last quarter of the year is upon us... *Keep Calm and Fall into Compliance* Non-compliance notices and 8823s continue to be sent this week. Start planning for the 2022 AOC.

Have you reviewed your Tenant Selection Plan?

Housing partners must have written tenant selection policies and criteria that include eligibility and income requirements for admission, occupancy standards, procedures for accepting and denying applications as well as procedures for selecting tenants from the waitlist. The Tenant Selection Plan should be free of discriminatory verbiage. Additionally, it is to be submitted to DCA at least 30 days prior to the beginning of *Lease Up*.

Physical Inspections

Urgent Health & Safety Violations

On the inspection day, DCA inspectors will give Management a copy of any health and safety violations at the site, email the Compliance Officer, and report on the Urgent Notice of Health and Safety Violation form. The inspector will specify on the form whether the violation must be cured within 24, 48, or 72 hours. See here for more information. https://youtu.be/VXr13Uw_w1Q

Re-inspections

Under certain conditions, DCA may elect to conduct follow-up inspections. If it is deemed necessary to complete a re-inspection, fees may apply as outlined [here](#). See the applicable QAP for the billing and payment process.

Compliance FAQ

OPM
YouTube
Page

File Audit
& Physical
Inspections

Reporting
to DCA

Q: I want to ensure that we accurately monitor the current Square Foot fraction requirement per the LURC. Do you not monitor by BIN?

A: We monitor by BIN/Building. Only the unit fraction will be examined to determine a building's applicable fraction. The portion of a building treated as low income equals the smaller of the Unit Fraction or the Floor Space Fraction relative to the total residential building (units or square footage). It relates to the Qualified Basis formula selected for credits claimed.

Q: Over-income units could have been removed and swapped around over the years. Will the current Square Footage fraction be ok?

A: Mixed-use projects require that when a low-income household's income exceeds 140% of the income limit, the next available unit of smaller or comparable size must be rented to a LIHTC-qualified household until the applicable fraction is restored. Over-income households continue to qualify as Tax Credit households **IF** the next available unit of the same or smaller size **in the building** is rented to a qualified tax credit household. This continues until the applicable fraction is restored, not counting the over-income household(s).

- The AUR "Available Unit Rule"
- The NAUR "Next Available Unit Rule"; or
- the "140% Rule"

You can read more details about this topic:

- in the IRS 8823 Guide Chapter four (4)
- or DCA LIHTC Compliance Manual [here](#), Section 6.2.

What's a BIN?

Check our *Building Identification Number (BIN)* Learning Nugget on our YouTube page here <https://youtu.be/d6aoCEKt1hl>

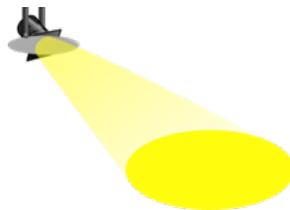
Friendly Reminders

Corrections or Changes to Documents

When a change is needed on a document, the person correcting must draw a line through the incorrect information, write or type the correct wording or number, and have all parties initial and date the change. If corrections are needed on the Tenant Income Certification Form (TIC), you are not required to redo the form. If the information is clear and legible, you can place one line through the incorrect information and write in the correct information. All parties required to sign the TIC must initial and date the change(s).

First Year Files

DCA will require a first-year tenant file review and issuance of a clearance letter from an industry recognized HTC training and file review specialist. Each first-year file with all tax credit qualification documents must be reviewed by a specialist and a summary of their findings must be submitted to DCA within 18 months from the date of the first building being placed in service. Failure to submit the findings will impact future scoring as applicable under the Compliance Performance section for tax credit applications submitted by the owner and the property's ability to be issued a Recertification Waiver (allowing the Ownership Entity to cease full annual recertifications and process tenant self-certifications for subsequent annual recertifications for **100% HTC** properties).



Form Spotlight

The **Placed in Service form (PIS)** is used when your property has come out of the Construction phase

and the first building has been *Placed in Service* or, in other words, has been approved for occupancy by the local governmental construction inspection official. This is a very important date since it “turns on” the tax credits. DCA, your owner, and the IRS use this date on a regular basis and this form notifies DCA of this important date.

The Placed in Service form **must** be submitted to DCA within **30 days** following the 1st building being placed in service, as part of the final Construction submission. The form can be found through the link below. Email the completed form to ComplianceOnboarding@dca.ga.gov. Remember that failure to submit timely may result in potential non-compliance.

The PIS Form may be found [here](#). Please note that an Instruction page is contained within this document.

Our PIS form is often coupled with the Property Information Form. When completing the form(s), please double-check your information and make certain that it is correct, thorough, and complete and that both forms agree with one another. We will return the form(s) if they are not correct.

For a well written and thorough discussion on this subject, please click on this link to [Novagradac](#). As always, if you have questions, please reach out to your POD Team.

Asset Management

Georgia Housing Search (GHS) – Affordable Housing Listing Website

This is a friendly reminder that all Georgia DCA monitored properties **are required to be listed on the GHS website**. Your listings must include the required photos, (bedroom(s), kitchen, dining, living room for each floorplan, and the main entrance and monument/sign) <https://www.georgiahousingsearch.org/>

Ownership Transfers and Sales of DCA properties

Remember owners are responsible for filing a formal request for DCA’s approval of GP transfers of interest and/or the sale of a GHFA/DCA funded and monitored property at least 30 days prior to proposed sale or transfer. Please email: AssetManagement@dca.ga.gov

Straight from DCA’s Management Company Approval Policy – Real Estate Licenses

DCA will deny approval or revoke current approval status to manage DCA monitored property if a management company is performing third-party management without a licensed brokerage in Georgia. If you’ve not done so already: email a copy of the Georgia Real Estate License that your company operates under to the assigned DCA Pod Team for your property, or to Compliance@dca.ga.gov. Your email must include the property name, Georgia DCA ID number and “GA RE License”. Self-managed properties should send an email stating they are not providing a GA RE Broker’s License because they are not providing third-party management services for any DCA properties.

Penalty Fees - Management Company Approvals/Changes

Owners that do not submit requests for DCA’s approval of a change in management company at least 30 days in advance, are subject to a \$250 penalty for failure to timely file a request and notify DCA. This fee is covered under the DCA’s Management Company Approval Policy; for the policy document click [here](#).

Extended Use Period properties – always be ready

Properties in the LIHTC Extended Use Period (EUP) are subject to a physical inspection at DCA’s discretion. Please note that unlike physical inspections performed during the Compliance Period, DCA does not provide advance notice for these inspections. Properties in the EUP (meaning properties in years 16-30) are required to continue to report Tenant transactions in the Emphasys Certification Portal by the 10th of each month. Failure to file these monthly reports may be considered a finding of non-compliance.

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