

GENERAL

The purpose of the Application package is to provide the Department of Community Affairs (DCA) the necessary information to select proposals for the most feasible and demand-driven affordable housing. Selections are made in accordance with the 2020 Qualified Allocation Plan, Manuals, and Forms, and Section 42 of the Internal Revenue Code, 24 CFR Part 92, 26 CFR Part 1.42, and O.C.G.A. Title 50-26-8(a)(32). **DCA is not responsible for consequences of an applicant's misunderstanding or lack of awareness of any regulation, policy, law, or other information on the public record.**

Any application submitted becomes the property of DCA at the time of submission. Applicants may not obtain an original application submitted in a previous year or original documents from an application package submitted in a previous year.

Contact Rachel Allen at Rachel.Allen@dca.ga.gov for accommodation to read this document, such as a large-print version.

All sections of the Application package and all supporting documentation must conform to the applicable sections of the 2020 DCA Application Manuals, 2020 DCA Qualified Allocation Plan, and 2020 Application Forms. Should there be a discrepancy between the 2020 DCA Qualified Allocation Plan and any other 2020 DCA document, then what is stated in the Qualified Allocation Plan shall rule.

DCA will hold owners to all representations made in the HFDD 2020-0xx Core Application Form and all supporting documentation, whether the representations apply to specific competitive selection criteria or not, for the duration of the greater of the Credit Compliance Period or term of the DCA HOME loan, if applicable.

Please read these entire Instructions carefully and thoroughly for complete comprehension.

Contact HFDround@dca.ga.gov prior to the end of the annual application Question and Answer period for clarifications.

If there is any feature on an electronic tool offered by DCA that limits the ability to accurately display values or information, contact Stephen Barrett at Stephen.Barrett@dca.ga.gov for assistance.

FEES

A "Walk-In Submission Form and Application Fee Calculation Worksheet" is attached for the Applicant's use in determining the fee due and facilitating the application submission process. Applicant must complete this form as indicated, attach a completed money order or cashier's check to it (payable to Georgia Housing and Finance Authority), and include it in the application submission binder as instructed in the next section. DCA will assign a Project Number upon delivery.

REQUIRED EXECUTION AND DELIVERY

Please read these entire Instructions carefully and thoroughly for complete comprehension. Information not submitted on DCA-required forms will not be reviewed.

APPLICATION DELIVERY INSTRUCTIONS

DELIVER TO:

Georgia Department of Community Affairs
Housing Finance and Development Division
ATTN: OHF Application Processor
<<List either "Felecia Speakman" for 9% or "Phyllis Carr" for 4% >>
60 Executive Park South NE
Atlanta, Georgia 30329-2231

CONTENTS: HFDD 2020 OHF Application Package
<<Enter either "4% Credits" or "9% Credits" here>>
<<Enter Project Name here>>
<<Enter DCA Pre-Application Nbr here>>

Please note that the Applicant is solely responsible for Applications being delivered prior to the deadline and that late deliveries will **NOT** be accepted.

Competitive Application Cycle

The Application Packages must be received by DCA no later than 4:00 p.m. on June 18, 2020. No assembly or copying of applications will be allowed on DCA grounds. **No applications will be accepted after 4:00 p.m. on June 18, 2020.** Individual packages must have all the application materials required for the submission for each of their applications prior to securing a place in line.

Mailed or courier packages must be received by DCA on or before 4:00 p.m. June 18, 2020. DCA is not responsible for any delivery delay or failure. If an Applicant chooses to use a postal or courier service and such service fails to deliver the package by the deadline, then the Application Package will be deemed by DCA as untimely and, consequently, will not be reviewed for project awards.

APPLICATION PACKAGE ASSEMBLY INSTRUCTIONS

For each proposed project, the Applicant must ensure completion, execution and delivery of all necessary forms and supporting documentation, in the appropriate order determined by the 2020 Application Tabs Checklist. The "Application Binder" is an electronic set of prescribed submission folders containing all required project documents. The "tabs" are electronic folders.

I. Application Package (3-ring not required):

One "binder" (3-clasp school/presentation folder with inside pockets – preferred) containing:

- A. **Two** flash drives (see requirements in II below), each containing the complete Application Binder.
- B. **One** fully completed "**Walk-In Submission Form and Application Fee Calculation Worksheet**" (one form, on paper). A blank copy is located at the very end of this document.
- C. A certified funds check or money order for the correct fees made out to "**Georgia Housing and Finance Authority**".
- D. **One** fully completed and executed Application Certification Letter (on paper), for the proposed project.



E. **One** paper copy of page 1 from the Project Information Tab I from the fully completed electronic core application included in the flash drives. *Must be the most current version of the core application.*

II. **ELECTRONIC Application:**

Two working, VIRUS-FREE USB flash drives in a small, protective re-sealable container with a built-in fastener - e.g., Velcro, zipper, freezer Ziploc, string or metal clasp - (all supplied by Applicant) containing exact electronic copies of **ALL** (fully completed and, where applicable, fully executed) necessary forms and supporting documentation. This container must be affixed inside the binder described above and labeled according to instructions that follow. All electronic forms and documentation must be placed into the DCA-provided electronic folder structure and arranged in the order prescribed by the Tabs Checklist. Only one project submission per flash drive is permitted. The USB flash drive must be of sufficient size and must contain **all** files being submitted from **all** Project Participants.

A. **Requirements for Electronic TABS / FOLDERS.**

1. Upon opening the flash drive, the **only** item visible should be the electronic Application Binder - a project folder titled **“2020-0xx YourAbbreviatedProjectName”**. **Do NOT include the Pre-application Number (assigned by DCA) in file names - use “2020-0xx” as shown.** Upon opening this project folder, the following items, corresponding to the Application Tabs Checklist (TC), must be visible. **Required: name and number Application Tab folders as follows:**

00ProjOverview	11OperUtil	22CHDO	33StableComms	2020-0xxProjName
01Feasibility	12WtrSwr	23ReqdLegalOpin	35CommDesig	AppCert (signed PDF)
02CostLimit	13Amenities	24OccupiedDev	36PhasedDev	
03Tenancy	14RehabStds	25IntegSuppHsg	37PrevProj	2020-0xxProjNameTC
04Services	15SiteInfoDevPlan	26DeeprTargtg	38ExtAffordComm	
05Market	16BldgSust	27DesirUndes	39ExceptNP_PHA	2020-0xxProjName
06Appraisal	17AccessStds	28CommTransOpt	40DCACommInit	Core (in Excel)
07Environmental	18DesignStds	29EnrichPropSvc	41FavorFinan	
08SiteControl	19ExperCapPerf	30PlaceBasOpp	42HistoricPres	2020-0xxProjName
09SiteAccess	20NonprofThresh	31RevitRedevPlan	43CompliancePerf	Core (in PDF)
10Zoning	21RurHOMEPres	32CommTransform	434AddlDoc	

This folder structure has been created and included in a .zip file for your download and use in compiling the electronic copy of the complete application. This file is located on the 2020 HFDD Funding Round web page. **Note** that the completed core application (original in Excel *and* a PDF copy) and the **accurately completed** Tabs Checklist, as well as the executed Application Certification Letter (executed in PDF) must **all** be included **outside** of the folders. Applicants may create separate electronic standalone copies of the various narrative tabs for the required order in 01ProjOverview folder.

2. **DO NOT CREATE ADDITIONAL SUBFOLDERS.** Each folder name becomes part of the file path for each file it contains. This file path is limited in size/length – when the length is exceeded, the file is unopenable.

3. If a folder will be empty with no documents in it, include NA at the end of the folder name.

4. **Remove from the Excel core application all circular references and links to external spreadsheets.** Check this by opening the core application from a computer that does not contain the external spreadsheets and is not on the same network.

5. **BEFORE** uploading the populated project folder to the flash drive for submission to DCA, first move the entire folder to the top (root) level of your C drive to avoid adding unnecessary subfolders to the file path (see note 2 above). To do this on a Windows-based PC:



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- a. Copy the populated project folder
 - b. Click Start and select (My) Computer
 - c. Click C: drive (Hard Disk). The C: root level window opens; Apps and Users folders are seen.
 - d. Paste the project folder here
 - e. Copy it from C: root and paste it to the flash drive.
6. **BEFORE** unplugging the USB flash drive from the computer, use the “Safely Remove Hardware” option in the System Tray at the bottom right of the computer Desktop screen to avoid potential file corruption. Be sure to wait for the confirmation pop-up box to appear, notifying you that it is safe to remove the flash drive.
7. Remove duplicate files that have been added by use of Apple/Macintosh operating systems. Check this by opening the loaded flash drive from a PC computer not on the same network. These files will appear “greyed-out” and will be unable to be opened.
8. Double-check the USB drive. Verify that it contains all application files and that it operates properly.

B. Requirements for Electronic FILES / DOCUMENTS.

1. **LARGE** text files of 3rd-party reports must allow electronic word searches. Any PDF formats of such files must be created from the original electronic document, not from a scanned paper copy, so as to be searchable. The author provides this version. Any such documents requiring signatures must be executed in the PDF version. Examples of such documents include, but are not limited to:
 - a. Market studies
 - b. Appraisals
 - c. Environmental/engineering reviews
 - d. Physical needs assessments
 - e. Redevelopment/revitalization plans
2. Electronic submissions of **all** DCA forms created in Microsoft Excel, including but not limited to the Core Application and the Performance Workbook, **must be in Excel format**. Any DCA Excel documents requiring signatures must be signed in the paper version and then scanned into PDF before inclusion.
3. Electronic non-PDF versions of such documents in 1 or 2 above must be identical to the PDF version but for the signature.
4. **SMALL** text files (letters/forms) requiring signatures must be executed, scanned and put into PDF format to preserve signatures. The electronic word search capability is not required for such files. Files containing only standalone maps, photos, charts, etc. also do not need to be searchable in this manner.
5. Do not combine the documents for each tab into one combined pdf file. Each document in the Tabs Checklist is required to be standalone.
6. **NAMING** electronic files (the electronic file name, not the title that appears at the top when it is opened):
 - a. Use CondensedTitleCaseFormat (no spaces or underscores)
 - b. Do **NOT** use special characters (e.g., &, /, \, \$, -, +, *, #, %, @, periods “.”, etc.). These can prevent your files from being uploaded to the DCA server.
 - c. Remove any references to your version number or version date from the file name
 - d. Name files sensibly such that it will be obvious to DCA what is in the file without having to open it.

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- e. Abbreviate to reduce filename size to a maximum of about 30 characters. When naming Performance Workbooks, use first initial and surname for project team members. See (i).
- f. Decide on a project name abbreviation that uses the fewest characters yet still makes sense. Do not include the developer's name. Include this abbreviation near the front of each file name. Use the same abbreviation for each file.
- **OMIT** words such as "Apartments", "Residences", "Estates", "Homes", "Townhomes", "Lofts", "Villas", "Phase", "The", "of", "on", "at" and "Ltd Partnership" **altogether** in electronic file names.
 - **INCLUDE** abbreviations such as shown below **if** using the related words:

<u>Abbrev For</u>		<u>Abbrev For</u>		<u>Abbrev For</u>	<u>Abbrev For</u>		
Ave	Avenue	Hghld	Highland	Plc	Place	Terr	Terrace
Brk	Brook	Lawrvl	Lawrenceville	Pltn	Plantation	Trc	Trace
Ct	Court	Lgcy	Legacy	Pte	Pointe	Trl	Trail
Ctr	Center	Lk	Lake	Rdg	Ridge	Twr	Tower
Crk	Creek	Lndg	Landing	Redev	Redevelopment	Ver	Veranda
Crsg	Crossing	Ln	Lane	Schl	School	Vw	View
Gdn	Garden	Ldg	Lodge	Sr	Senior	Vlg	Village
Fmly	Family	Mtn	Mountain	Slvr	Silver	Vly	Valley
Frdm	Freedom	Nth	North	Sq	Square	Wtr	Water
Frst	Forest	Ovrk	Overlook	St	Street	Wd	Wood
Grv	Grove	P1	Phase I	Sth	South		
Hvn	Haven	Pk	Park	Stn	Station		

- g. Begin each file name with 6-digit ID numbers (e.g., 010101, 010201, 020121, 020231 ...) at the beginning of each file name inside each tab/folder so as to arrange files in the order prescribed by the Tabs Checklist. **Do NOT create additional subfolders.** The numbering sequence is #####:



In cases where not all line items in a folder will be submitted, use the same numbering as if all were in fact submitted, but just skip the number for those documents that will not be submitted.

For example: in the 01Feasibility folder, the first few files listed could look something like this:

```
010101AbbrevProjNameOperCostEst
010102AbbrevProjNameWtrTapFee
0102AbbrevProjNameAudOperStmt
0103AbbrevProjNameOperExpWvr
010401AbbrevProjNameRentLim
010402AbbrevProjNameUA
010501AbbrevProjNamePBRAAgrmt
010502AbbrevProjNamePBRARenew
```

- h. Some files have specific **required** electronic file naming formats.
- Core Application: "2020-0xxAbbrevProjName**Core**"
 - Tabs Checklist (standalone): "2020-0xxAbbrevProjName**TC**"
 - Performance Workbook: ##### "AbbrevProjName**PWR**RoleLtrCodeTeamMbrName"
- Use these Role Letter Codes to group similar entity roles together:
- A – Owner
 - B - Developer

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- Market Study: "05012020-0xxAbbrevProjNameMS"
- Appraisal: "060100AbbrevProjNameApprsl"
- Environmental Study: "07012020-0xxAbbrevProjNameESAPh1" (for Phase I)
"07022020-0xxAbbrevProjNameESAPh2" (for Phase II)
- Physical Needs Assessment: "14022020-0xxAbbrevProjNamePNA"
- Tax-exempt bond projects: Substitute "2020-5xx" for "2020-0xx" in file names

i. **Examples** of possible abbreviation and naming:

- "Developer Name George Washington Senior Residences at Gateway Crossing Pointe Phase III 2020 HFDD Core Application v2"
Could be: 2020-0xxGWshSrGCPte3Core
- "Ty Cobb Heights Senior Residences Performance Workbook for Owner Benjamin Franklin Hill Jr 031012"
Could be: 1914013012-xxxTCobbHtsSrPWABHill
- "Martin Luther King Freedom Vision Homes Performance Workbook for Developer Patricia Smith v4 April"
Could be: 191401MLKFrmdVsnPWBPSmith
- "Ryan Seacrest Hometown Lofts at Discovery Landing Performance Workbook for Washington Gateway Management v2 031212"
Could be: 191401RSeaHmDisclDgPWCWashGtwy

- | | |
|-----------------------------------------------|-----------------|
| | <u>Could be</u> |
| - Abbington Ridge | AbbgtnRdg |
| - Ashleigh Place Senior Apartments | AshleighPlcSr |
| - Baker Village Apts. Phase IV | BakerVlg4 |
| - Industrial School Senior Lofts | IndustSchlSr |
| - Legacy at Walton Oaks Phase II | LgcyWaltOak2 |
| - Liberty District Apts. Phase I | LibrtyDist1 |
| - Meriwether Redevelopment Phase I | MeriwthrRedev1 |
| - Mountain View Senior Residences | MtnVwSr |
| - Pauldoe Redevelopment Phase II | PauldRedev2 |
| - Potemkin Senior Village of Warner Robins II | PotmknSrWR2 |
| - The Gardens at Young Harris | GdnsYgHrs |
| - The Landing at South Broad | LndgSthBrd |
| - The Legacy at Kenton | LgcyKenton |
| - Veranda at Groveway | VerGrovwy |

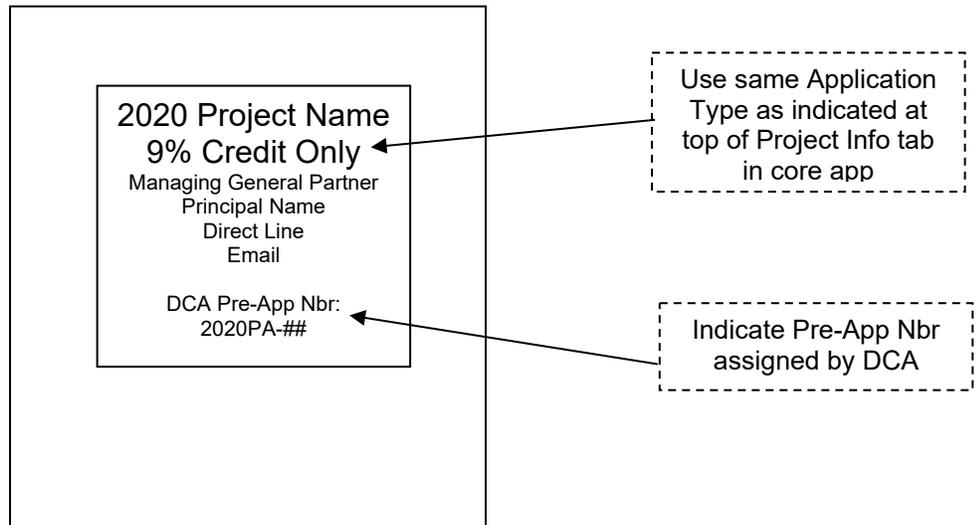
C. Applicants Using Apple/Mac Computers.

Applicants using Mac computers are responsible for all their submitted files being openable and readable on PC computers. (DCA recommends transferring Mac files to a flash drive and downloading the files to a PC computer to verify that all files are openable and readable.) Also delete from the flash drive any Mac-produced "conversion" files that appear "greyed-out" (that are only seen on the PC but are unopenable on the PC).

APPLICATION PACKAGE LABELING INSTRUCTIONS

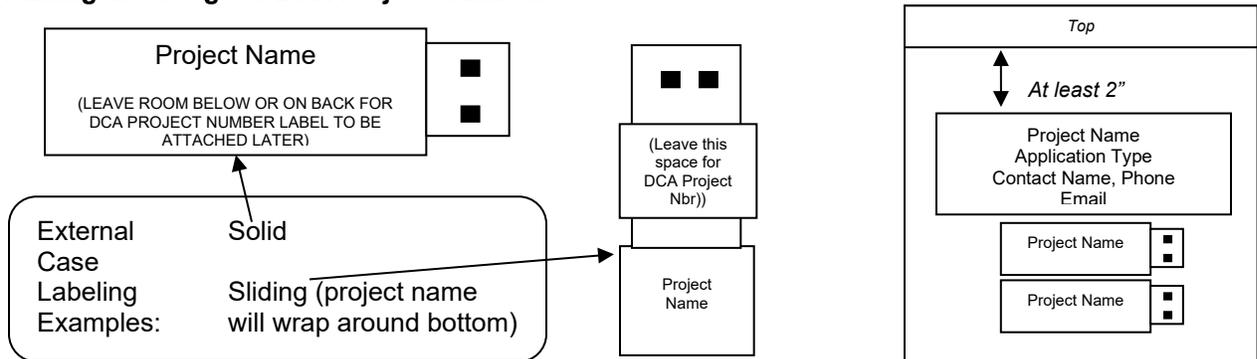
Label Specifications. The following label specifications are required.

- Printed from: Computer printer (Labels typically come with instructions for use on computers)
 - Label size: As needed to adequately display required text and enable label placement as shown.
 - Font: Arial Narrow, bold-face, 14-point minimum
 - Nbr of labels: 1
 - Label text: 2020Project Name (*should be same name used at pre-application, if applicable*)
- Label Affixing: Affix label in center of front face of 3-clasp school/presentation folder or manila folder (*not 3-ring binder*). See the sample illustration below. Label all binders **before** arriving at DCA.



USB FLASH DRIVE LABELING INSTRUCTIONS

Both the small, protective re-sealable container and the external casing of the flash drive itself must be labeled with the project name. Place a small label *cut to best fit* on the external casing of the flash drive, leaving room for DCA staff to affix a project number label at application submission. *Place the label such that it will not interfere with the opening or operation of the flash drive itself.* Use transparent tape to keep the label attached. The protective re-sealable envelope/pouch/sleeve **must also** be labeled with the Application Type and the name, phone number, and email of the person to contact in case of flash drive failure. This person must be easily accessible within the 3 business days immediately following the submission deadline at this email and phone and must respond quickly. **Leave 2” at the top of the protective case for DCA to place a label containing the assigned DCA Project Number.**



SPECIAL INSTRUCTIONS FOR COMPLETING ELECTRONIC CORE APPLICATION

All applicants must use the most recent DCA-protected electronic HFDD Core Application Form provided on the DCA website under the applicable funding round. To download, click on the link at the DCA web site, select Save Target As and choose the storage location on your computer. If during download a message box appears requiring a password, keep clicking "OK". Otherwise, download on a computer with Excel 2017 or later version. Applicants with computers running later versions of Excel will need to first save the file as an Excel 2017 version after entering their data and before submitting it to DCA. If prompted by the computer to upgrade the file to a newer version of Excel, choose "NO". Applicants should email webmaster@dca.ga.gov regarding download problems.

The tabs contained with each core application are interconnected with references to each other and are NOT standalone. As such, the tabs must not be deleted and must not be moved to external Excel files. Use the core application as downloaded from the DCA website and do not alter its structure in any way.

Do not substitute or transfer tabs between different versions or copies of the core application. Do not copy or transfer tabs from one core app file to another, even if it is for the same application. The built-in references will still be tied back to the original file. Also, deleting the existing tab in the destination file will destroy references to the existing tab in the data collector feature built into each core application. Thus no data will be collected for either the existing tab or the new tab.

To submit more than one application, make additional electronic copies of the HFDD 2020 Core Application Form file only **after** completing portions that *are* common to your applications and **before** completing any portions that are *not* common to all applications. This copying process must occur while the electronic file is unopened. In other words, right-click on the closed file in the folder where you have stored it on your computer, select Copy, right click in a white space of the destination folder and select Paste.

DCA prohibits the copying of cells from external spreadsheets and pasting over the corresponding DCA core application cells. This is to preserve the existing formatting, conditional formatting, data validation and data retrieval mechanisms built into the core application. DCA allows applicants to copy multi-cell data blocks only from the Development Team tab of one core application to the Development Team tab of another core application **IF** the following conditions are met:

1. The areas being copied must be unlocked, contiguous and identically arranged in both the originating file and the destination file. DCA has made changes in these areas over time that effect the arrangement in some cases.
2. **The applicant must NOT select "Paste" or click CTRL-V to deliver the data.** These options produce data errors in DCA's internal data collection system. **Instead, simply right-click on the upper-left destination cell and select "Paste Special" from the pop-up menu and choose either "Values" or "Values Only".** This brings over only the data and preserves the formatting in the destination location. Otherwise, the entire destination cell is in effect deleted, including references attached to it, and is replaced by the new cell being copied in that is unreferenced. Contact Stephen Barrett (Stephen.Barrett@dca.ga.gov) for assistance.

DCA recommends that users close all other applications, files, and windows before and during use so as to improve performance. The electronic HFDD 2020 Core Application Form is created in a Microsoft Excel 2017 spreadsheet workbook and is best viewed on a PC-compatible computer using at least Microsoft Windows 10 and Microsoft Office 2017 or later version, equipped with at least 8 GB of RAM.

Do enter information using sentence or title case, not all upper case or all lower-case letters.

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1. There are fourteen electronic tabs in the Excel workbook that represent separate spreadsheets for applicant use. Applicants are encouraged to print out a blank version of each tab below beforehand to be aware of all contents:

Project Narrative

I: Project Information	VI: Revenue & Expenses
II: Development Team	VII: Pro Forma
III: Sources of Funds	VIII: Threshold Criteria
IV-A: Uses of Funds	IX: Scoring Criteria
IV-B: Other Items	X: Applicant Certification Letter
V: Utility Allowances	

After opening the workbook, simply click the mouse pointer on the appropriate tab at the bottom of the screen to navigate to the desired form. The small black directional arrows in the bottom left corner will also assist in navigating the workbook.

2. Fill in only the areas shaded in Blue or Green. The Project Narrative tab is the only exception. Green shaded cells automatically calculate information provided by the applicant but are unlocked. All questions (generally denoted by black or blue font in the electronic application) are intended to elicit a response, so do not leave out any requested information. Yellow- or white-shaded cells are not for applicant use and have been locked.
3. DATA ENTRY RULES: When entering **text** data, do not use all upper-case letters or all lower-case letters. When entering phone and cellular numbers or zip codes, enter **numbers** only with no blank spaces, parenthesis or hyphens – these cells are pre-formatted. Phone and cellular numbers will require area codes. **Zip codes will require 4-digit extensions (enter 4 zeroes at end if needed)**. Applicants must complete **all** boxes that apply to their project – if a box does not apply, then leave it empty (do not enter zero, “n/a”, nor a space “ ”). Do **NOT** enter zeros or blank spaces in any cell in order to cause the spreadsheet to function in a certain way, or for any arbitrary reason. Leave all number cells completely empty unless a number greater than zero is entered to indicate actual pertinent data.
4. Applicants may initially enter a formula or reference into a cell to determine a correct amount, but **do NOT leave formulas or references to other cells in cells requesting numerical values**. All circular references must be removed before application submission. However, using the Comments section to explain a calculation (i.e., soft debt service payment = cash flow x .75) can be valuable to DCA’s review and prevent the necessity of a clarification later.
5. **If cell references are made to external spreadsheets, those references must also be removed prior to submission to DCA**. Failure to do this may result in automatic removal of the application from consideration for funding.
6. **Do not import external tabs/spreadsheets into the core application Excel workbook, even if they are from other copies of the core application**. Doing so may result in automatic removal of the application from consideration.
7. Test final spreadsheet before submission by reviewing it alone on a separate non-networked computer from the one used for data entry. **Remove any Shared workbook settings enabled for group use before submission**.
8. If a particular cell’s text appears to be cut off, simply highlight the cell and the entire text will appear in the text box directly above the document body. If the text font is too small or appears shoved together, simply adjust the zoom percentage. Selecting Print Preview will show how the text will look when printed out.

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9. This electronic application has been designed so that some information, such as the project name and address, need only be entered once. In order to take advantage of this feature, the user must enter information in the order in which it is requested. An exception to this is the completion of the Rent Chart in the “Revenues and Expenses” tab, which feeds back into the “Project Information” tab.
10. Unless otherwise noted, enter all comments/recommendations in spaces provided in the electronic application.
11. In order to maintain the integrity of the electronic application, many cells are locked and inaccessible by the applicant. Any attempt to access or tamper with the formulas in those cells or to otherwise “fool” the system or its intent will be cause for **automatic rejection of the application**. This includes entering zeros or blank spaces in blue-shaded cells intended for actual data. Leave all number cells completely empty unless a number greater than zero is entered to indicate actual pertinent data.

Any attempt to replicate the form in such a manner so as to remove the DCA-protection feature and then submit the unprotected (or re-protected) replicated version for consideration will be cause for automatic rejection of the application.

12. Print margins may shift in viewing and printing due to different printers and printer drivers. In these cases, applicants are requested not to adjust margins except just prior to printing. Margin adjustments must not be saved and should be returned to the preset positions before submitting to DCA. To do this, save the document BEFORE making margin changes (close and re-open if necessary), then make margin changes, then print, then either click the “Undo” button at the top of the open file or else close the file without saving, and then re-open the file if needed. DCA has pre-set the margins to work on DCA printers.
13. Contact Stephen Barrett via email at Stephen.Barrett@dca.ga.gov regarding any questions or difficulties with the electronic version of the application or these instructions. Save time by including the following:
 - A virus-free **compressed** (e.g., right-click on closed file, select “Add to <<filename>>.zip”) copy of the electronic HFDD 2020-0xx Core Application Form workbook you are working in as an attachment. Perform a virus scan on the file prior to sending (right-click on the unopened file and select **Scan for Viruses** *after* updating your anti-virus files from the manufacturer’s web site – e.g. Norton or McAfee).
 - Electronic Core Application Tab Name and cell reference (column letter, row number), if applicable
 - Detailed description of the nature of your problem
 - Your computer’s basic specs: operating system and Excel version

2020 APPLICATION TABS CHECKLIST

Located separately on the DCA funding round website, the 2020 Application Tabs Checklist lists each tab number, a brief name or description of each tab, and the required order of the tab contents. Since the Application Binder is all electronic, the “tabs” are electronic folders. The checklist also includes item numbers for each document in each tab, and a form name for each item. Some items comprised of multiple documents also have form numbers to distinguish between these documents and to auto-arrange them in the order DCA desires. Finally, the applicable Threshold or Scoring section and a check box are provided. The order of the Tabs Checklist is loosely based on the order of the QAP. All applicants should review the Application Tabs Checklist carefully.

Several items on the HFDD 2020-0xx Core Application Form will require the attachment of additional pages. Note there are items required by the Application Tabs Checklist that are not mentioned in either the HFDD 2020-0xx Core Application Form or in these Instructions. Follow the directions for each item, label the item accordingly, and insert it into the electronic Application Binder in the appropriate tab as indicated by the Application Tabs Checklist. Check the appropriate box for each document included. Also included in the electronic 2020-0xx Core Application (Excel workbook), is the Applicant Certification tab. **An original signed Applicant Certification should be included with the application binder on paper, and a scanned electronic copy of the signed version saved into PDF must be included on the flash drive.**

HFDD 2020 CORE APPLICATION FORM INSTRUCTIONS

PROJECT NARRATIVE

Project Narrative – Include where indicated by the Tabs Checklist a narrative explaining the project concept. Identify the needs of the tenant population and specifically address how the project will meet the needs of the tenant population. Any information which will help DCA understand the project concept, the market viability, the qualifications for a set-aside (if applicable) and any unique features should be included in the Narrative. **A form is included in a tab in the electronic core application for your use.** Press and hold Alt-Enter to start new paragraphs in the box provided.

PART ONE—PROJECT INFORMATION

Applicants must enter all clarifications and/or comments pertaining to this Part into the Applicant Comments and Clarifications boxes at the bottom of this section in the electronic application.

Do not enter data using all upper case or all lower-case letters. For entries comprised of multiple words (except for Comments), use Title Case capitalization.

Zip Codes are preformatted to require nine digits with no punctuation. Phone Numbers are preformatted to require ten digits with no punctuation.

Blue cells are unlocked for your use and do not contain references/formulas. **Green cells** are unlocked for your use and do contain references/formulas that can be overwritten.

I. DCA RESOURCES

The LIHTC request will auto-feed from the Uses of Funds tab. The DCA HOME amount will auto-feed from the Sources of Funds tab and must match the amount that the project received in the DCA HOME Consent Letter.

For applications requesting additional credit in the year of the project placement in service, the LIHTC Amount should be only the additional credit amount. Credits previously allocated are listed elsewhere.

Enter the DCA Pre-Application Number assigned to the pre-application submission associated with this project, if applicable.

II. TYPE OF APPLICATION

Application Type – Indicate 9% Credit Competitive Round only, 9% Credit & HOME, 4% Credit/TE Bond, 4% Credit/TE Bond & HOME, 4% Credit/TE Bond & HOME NOFA, 4% Credit & NHTF, or 4% Credit & NHTF & HOME.

Pre-Application Number – if the project was submitted for pre-application review during the current competitive round, provide the DCA Pre-Application Number assigned to the project.

Changes in Project – if this project was submitted for pre-application review, indicate whether any changes have occurred in the project concept since that time. If Yes, include a detailed explanation of changes in the Comments box at the end of the tab.

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Project Previously Submitted – if this project was previously submitted for full DCA review, provide the previous Application Type, the former Project Name submitted and DCA Project Number assigned. Indicate whether this new application is requesting Additional Credits for the previously submitted project. Also indicate whether any changes have occurred in the Project Team since the submission of the previous application. If No, then indicate the DCA Qualification Determination for the Team at that time.

III. APPLICANT CONTACT FOR APPLICATION SUBMISSION AND REVIEW

Include the name, address, city, state, zip, title, email, phone number, fax and cell phone number of the contact person. The person listed here will be the primary contact with which DCA corresponds during the application review process. The contact information must be accurate and the person named must be available to respond to DCA in a timely manner.

Please also provide the requested information for an Alternate Contact should the first be unavailable.

IV. PROJECT LOCATION

Project Name — Enter the name of the proposed project. Do NOT use all upper case or all lower-case letters. If this project was submitted for pre-application, use the same project name here.

Phased Project — Enter whether the application is for a project that is part of a phased development per the 2020 QAP definition of “Phased Development”. Choose from: “Yes – no Master Plan”, “Yes – w/ Master Plan”, or “No”.

Scattered Site — Enter whether the application is for a Scattered Site project. If Yes, also indicate the number of non-contiguous sites.

Site Street Address — Enter the street address (*MUST enter actual address or, if street number unavailable, road name/intersection description*), city (select from drop-down list), **nine (9)**-digit ZIP code (MUST be verified by the applicant at <http://www.usps.com/zip4/welcome.htm?from=global&page=2132findzip>), and county (automatically completed) of the proposed site/parcel. Regardless of whether the project is located in any city’s limits, be sure to include the correct city that will be used in the *postal* address. Do NOT use all upper case or all lower-case letters. Do not indicate “Unincorporated” for city on the project address.

If street number is unknown at the time of application, provide the street name or a description of the project location. In addition, complete the “Nearest Physical Street Address” box.

Nearest Physical Street Address — If the actual Street Address is unavailable for the project, provide the nearest physical street address, *in addition to* the description provided in the “Site Street Address” box above.

Site Geo Coordinates — Provide the site’s geo-coordinates, in addition to the description provided in the “Site Street Address” box above.

Acreage — Enter the area of the site in acres. This should be accurate and correspond to the site control documents. Use the Comments section in the Uses tab of the core application to explain any discrepancy, or how acquisition cost was calculated, if not obvious.

County – Type the correct county name should it not appear in the County box.

Site Predominant Location— Indicate whether the project is located inside the city limits or in an unincorporated area of the county. Do NOT leave this box blank. If the site straddles the jurisdiction line,

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determine whether or not the majority of the buildable area that will contain units lies within the city limits. Use the Comment box provided for this Tab to explain any such situations.

Census Tract Number — Enter the census tract number in which the proposed site/parcel is located.

QCT (Qualified Census Tract) or DDA (Difficult Development Area) — Note whether the proposed site/parcel is located in a qualified census tract or difficult development area. Insert documentation evidencing site/parcel is in QCT or DDA stating the census tract and the property address in the application binder where indicated by the Tabs Checklist. The QCT/DDA lists can be accessed on the HUD website at <http://www.huduser.org/portal/datasets/qct.html>.

USDA Rural Area — Indicate whether the project is located in rural area as determined by the USDA website at <http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>. The USDA Rural eligibility in effect as of the application submission date is appropriate. However, for purposes of determining applicable income and rent restrictions, applicants must use the U. S. Dept of Housing and Urban Development FY 2020 Income Limits Area Definitions and Fair Market Rent tables.

HUD Statistical Area (SA) Name — Indicate the applicable MSA/non-MSA name as designated by HUD. These lists can be accessed on the HUD website at <http://www.huduser.org/datasets/pdrdatas.html>. Should the correct HUD Statistical Area not appear in the HUD Statistical Area box, simply type in the correct HUD Statistical Area.

Legislative Districts — Identify the applicable districts in which the parcel lies for the U.S. House of Representatives, the Georgia State Senate, and the Georgia State House of Representatives. For United States Congressional Districts, the applicant MUST verify the correct district at <http://www.govtrack.us/congress/findyourreps.xpd>. If the property lies on a "line," i.e., in more than one district, indicate the other district in the second (bottom) space provided. Enter only a number with no letters (e.g., 8, not 8th).

Local Political Jurisdiction Information — Do **not** use all upper case or all lower-case letters. When entering phone, fax, or zip codes, enter numbers only with no blank spaces, parenthesis or hyphens. Phone and fax numbers will require area codes. Zip codes will require 4-digit extensions (enter 4 zeroes at end if not applicable).

Name of Political Jurisdiction — (city if within city limits; county if outside of city limits).

Jurisdiction's web site address — (if one exists), and

Name of the Chief Executive Official — (elected official—e.g., mayor, county commission chairman, etc.), and that person's title, address, city, county, zip code, email address, telephone number, and fax number.

V. PROJECT DESCRIPTION

A. Type of Construction – these boxes are mostly locked and will be filled in based on applicant entries in the rent chart. Please provide the date of original construction for projects involving acquisition and rehabilitation.

B. Mixed Use – Indicate whether project is a mixed-use development (ex. residential and commercial or public space). For a mixed-use development, please include in the application binder where indicated by the Tabs Checklist the:

- Development Budget for commercial component
- Sources of Funds for commercial component
- Annual Income Statement for commercial component
- Annual Expense Statement for commercial component
- 15-year Operating Proforma for commercial component

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- Evidence of Preliminary Financing for commercial component
- Leases and/or letters of intent from prospective lessees

C. Unit Breakdown — these boxes are locked and will be filled in based on applicant entries in the rent chart.

D. Unit Area — these boxes are locked and will be filled in based on applicant entries in the rent chart.

E. Buildings — Enter the number of residential (not considered common space) and non-residential buildings proposed. Also enter the total common area square footage from nonresidential areas (ex. Interior enclosed hallways and leasing office space).

F. Total Residential Parking Spaces — indicate number of parking spaces to be available as residential parking spaces. Minimum required is 1.5 spaces per unit for family projects and 1 space per unit for Senior projects.

VI. TENANCY CHARACTERISTICS

A. Family or Senior — Indicate the applicable population from the choices provided: Family, Senior (Elderly), Senior (HFOP), or Other. If using a program that utilizes a different approved definition of Senior, then select “Other” and list the program in the box provided. If the project concept combines a majority of “Other” units with small portions of Family or Senior units, then provide the number of units of each tenancy type. The definition according to the “Other” program should be detailed in both the Comments and in the Narrative. Confirmation of these instructions is required prior to Pre-application.

B. Mobility Impaired – indicate the number of units equipped for tenants whose mobility is impaired. These units do not count as satisfying the requirements for units equipped for the Sight/Hearing Impaired.

Curbless (“roll-in”) Showers – indicate the number of units equipped for the mobility-impaired that also feature a roll-in shower. This number must be at least 40% of the units for the mobility impaired, and no less than 1 (one).

C. Sight / Hearing Impaired - indicate the number of units equipped for tenants whose sight/hearing is impaired. These units cannot be counted as satisfying the requirements for units equipped for the Mobility Impaired.

VII. RENT AND INCOME ELECTIONS

A. Tax Credit Election — Indicate the desired set-aside election (Income Averaging, 20% of Units at 50% of AMI, 40% of Units at 60% of AMI). Note: this election must be made if you are applying for any low-income housing tax credits. Please be advised that all HOME applications seeking Low Income Housing Tax Credits must choose a Tax Credit minimum set-aside in addition to their HOME Set-Aside Election below.

B. DCA HOME Projects Minimum Set-Aside Requirement (Rent and Income) — Projects (with 5 or more units) funded with DCA HOME must set aside at least twenty (20) percent of the HOME assisted units to be occupied by very low-income families and meet one of the following rent requirements, whichever is lower:

- Low HOME rents (or the lower of Low HOME or 50% LIHTC rents if HOME/LIHTC and deeper targeting points are claimed), or
- The HUD Fair Market Rent for the area.

The balance of low income units must have rents set at or below 60% of AMI or the High HOME Rent, whichever is lower.

VIII. SET ASIDES

Indicate any competitive round set-asides applicable to the project (choose from eligible set-asides listed).

A. LIHTC

- **Non-Profit** - 10% of the available 9% Credits are set aside for non-profit- sponsored Applications pursuant to the Code
- **General** (must first be notified by DCA)
- **Rural HOME Preservation**
- **Disaster Rebuilding**

B. **HOME: CHDO** — Only if pre-designated by DCA and a DCA HOME Consent has been granted.

IX. COMPETITIVE POOL

Competitive Pool – Select from Flexible, Rural or N/A-4% Bond.

X. TAX EXEMPT BOND FINANCED PROJECTS

Tax Exempt Bond Financed Project — Enter the name of the bond issuer and contact information, inducement date, Applicable QAP, and the tax-exempt bond dollars to be issued. The applicable QAP is the one in effect at the time of the Application submission unless a pre-approval from DCA was received stating otherwise.

XI. AWARD LIMITATIONS FOR CURRENT DCA COMPETITIVE ROUND

Applicants should provide all information that DCA will need to ensure that each individual and/or entity has not received a combined allocation more than the Federal LIHTC Limit or submitted more than the maximum number of applications allowed. For purposes of calculating this cap, applicants submitting Additional Credit applications should list only the amount requested in the 2020 competitive round.

XII. PRESERVATION

Preservation -- If the application involves an existing tax credit, Section 8, or affordable housing project funded by HUD or USDA, then select "Yes" from the box provided.

A. Subsequent Allocation — If applying for LIHTCs for an existing tax credit project that was placed in service prior to 2020, indicate as such and provide the GHFA/DCA project number previously assigned to that project from the earlier Allocation, the first year of the credit period, the first and last building identification numbers (BINs) in the project, whether the project is an expiring LIHTC property, and the date that all buildings will complete the 15-year compliance period.

B. Expiring HUD – indicate whether the project is an expiring public or nonpublic housing project, or a Section 8 project.

C. Expiring USDA — indicate whether the project is an affordable housing project funded by USDA.

XIII. ADDITIONAL PROJECT INFORMATION

Do NOT use all upper case or all lower-case letters.

A. PHA units — State whether the proposed project is part of a local public-housing replacement or rehabilitation program.

Indicate the sum total number of both units reserved for and units rented to public housing tenants. Percent of PHA units to total residential units will auto-calculate.

Indicate the sum total number of both units reserved for and units rented to PHA tenants with PBRA. The corresponding percent of total residential units will auto-calculate.

Indicate number of households on waiting list. The corresponding percent of total residential units will auto-calculate.

Name of Local Public Housing Authority — Enter the name of the local PHA. Do NOT use all upper case or all lower-case letters. Also enter the PHA website.

Contact Name — Enter the name of the individual who will serve as the primary contact with the applicant.

Office Street Address — Enter the **street address** (not a P. O. Box), city, state, and ZIP code for the ownership entity or the individual or organization serving on its behalf in dealings with DCA

Contact Email Address — Enter the electronic mail address of the individual who will serve as the primary contact with the applicant.

Phone Numbers — Enter the main office telephone number, extension (if applicable), direct number, and cellular phone number. Enter numbers only with no blank spaces, parenthesis or hyphens – these cells are pre-formatted. Direct line and cellular numbers will require area codes.

B. Extension of Cancellation Option Period — For *existing* properties, indicate whether there is currently an Extension of Cancellation Option. For *new* properties, indicate whether there will be an Extension of Cancellation Option. For 9% tax credit applications enter the number of years the Owner agrees to forgo the Cancellation Option beyond the 15-year compliance period. This must coincide with the Appendix II Exhibit A Waiver of Qualified Contract Right.

C. Tenant Ownership Plan — Indicate whether there is a tenant ownership plan in place.

D. Current Occupancy—If the proposed project involves rehabilitation, state whether the project has existing tenants. Identify both the total number of *existing* units and the total number of *occupied* units. The *percentage* of units occupied will calculate. Please also see the “Relocation and Displacement of Tenants” policy in the 2020 QAP, as well as the Relocation and Displacement Manual.

E. Waivers / Pre-Approvals --- Note (indicate with a “Yes”) which of the pre-approved waivers or approvals listed apply to this project. Include a copy of any DCA waiver approval in the application binder where indicated by the Tabs Checklist. Projects with a DCA HOME Consent may submit a Payment and Performance Bond waiver request at the time of Application.

- **Sustainable Communities Site Analysis Packet or Feasibility Study** --- Indicate whether the application includes a Memorandum of Understanding received from Southface Energy Institute as a result of the site analysis.
- **Operating Expense Waiver Approved** — If the project has an Operating Cost waiver from DCA, enter the new Operating Cost Limit into the box provided.
- **Per Unit Cost Limitation Waiver** — If the project has a Per Unit Cost Limitation Waiver from DCA, enter the new Cost Limit into the box provided.

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- **Credit Award Limitation Waiver** (extraordinary circumstances) --- If the project has a Credit Award Limitation Waiver from DCA, enter the new Award Limit into the box provided.

F. Projected Place-In-Service Date --- Indicate projected place-in-service date.

XIV. APPLICANT COMMENTS & CLARIFICATIONS

Include all clarifications or comments pertaining to this Part in this section.

PART TWO—DEVELOPMENT TEAM INFORMATION

It is the strict policy of the Georgia Department of Community Affairs that all applicants will be held to all representations made in the HFDD 2020-0xx Core Application Form and all supporting documentation, whether the representations apply to specific competitive selection criteria or not, for the duration of the greater of the Credit Compliance Period or term of the DCA HOME loan if applicable. Please refer the 2020 QAP for definitions and details regarding Development team requirements for experience and capacity.

SPECIAL NOTE: If the proposed project is awarded funding by the Georgia Department of Community Affairs (DCA), the project must proceed with the team members as presented in this HFDD 2020-0xx Core Application Form unless written approval is obtained in advance from DCA.

INSTRUCTIONS FOR EACH PARTNER AND/OR TEAM MEMBER INFORMATION SECTION

Please enter information using sentence or title case, not all upper case or all lower case letters.

Enter for the individual or entity serving on its behalf in dealings with DCA the:

- **Name** of the proposed partner/team member entity, including the type of business entity (“Inc.”, “LP”, “LLC”, etc.).
- **Street address** (no Post Office boxes)
- **City**
- **State**
- **ZIP Code** - enter nine (9) digit code only with no blank spaces, parenthesis or hyphens (cell is pre-formatted). This **MUST** be verified for the Ownership Entity and the Managing General Partner by the applicant at <http://www.usps.com/zip4/welcome.htm?from=global&page=2132findzip>
- **Name of Principal**
- **Title of Principal**
- **Email Address**
- **Website Address**

For each of the following, enter 10-digit phone numbers only with no blank spaces, parenthesis, decimals or hyphens (the cells are pre-formatted).

- **Phone Number** (for Main Office), **extension** (if applicable)
- **Direct line Phone Number** (if no extension)
- **Cellular Phone Number**

ADDITIONAL INSTRUCTIONS FOR SPECIFIC PARTNER AND/OR TEAM MEMBER SECTIONS

I. OWNERSHIP INFORMATION

A. Ownership Entity — Please enter the exact name of the project ownership entity.

Federal Tax ID - Enter the federal tax identification number for the project ownership entity, if available.

B. Proposed Partnership Information

If **more than one entity** comprises any of the partners, provide all requested information for all the entities and/or principals making up that partner entity in the Organizational Chart in the application binder where indicated by the Tabs Checklist.

II. DEVELOPER(S) (Refer to the Compliance Summary section at the end of the Instructions).

Enter the name of the principal(s) or business entity(-ies) serving as the Developer(s). **Complete this section for “Development Consultant” if applicable.**

III. OTHER PROJECT TEAM MEMBERS

If the proposed project is awarded funding, the project must proceed with the team members as presented in its Application Form unless DCA provides written approval in advance.

IV. OTHER REQUIRED INFORMATION

A. Land Seller — provide the requested contact information for the seller of the land.

B. Identity of Interest — Applicants must answer ALL questions. Answer “No” for “N/A” situations. Indicate whether any of the listed entity combinations have an identity of interest. If Yes, explain the relationship in the corresponding box provided. Row size may be adjusted as needed. If additional pages are needed, place them where indicated by the Tabs Checklist. If an identity exists for two parties not listed in combination, please use the “Other” box to explain.

C. Additional Information — Applicants must answer ALL questions for each participant in the spaces provided. Answer “No” for “N/A” situations.

V. APPLICANT COMMENTS & CLARIFICATIONS

Include all clarifications or comments pertaining to this Part in this section.

PART THREE A - SOURCES

I. GOVERNMENT FUNDING SOURCES

Government Funding Sources — Check **all** applicable government funding sources (DCA and non-DCA) in the project and/or identify any “other” source not listed. If DCA issued a HOME Consent for this application, enter the amount in the box provided.

II. CONSTRUCTION FINANCING SOURCES

For each construction-financing source, enter the entity providing the financing, the principal amount, annual interest rate, and term in months. Categorize each source under private loans, federal loans or grants, state, local or private loans or grants, deferred developer fees, LIHTC equity investment pay-ins during construction,

Historic Rehabilitation tax credit proceeds paid-in during construction, and acquisition and construction grants. All amounts and terms displayed must be identical to those on supporting documentation.

III. PERMANENT FINANCING SOURCES

Categorize each source.

Required Information

Name of Financing Entity — e.g. lender name, PHA name, local jurisdiction name, etc. — also include the funding program used, if applicable. Be specific.

Principal Loan Amount, Interest Rate, Term in Years, Amortization Period in Years, Annual Debt Service — required for all loans with amortizing debt, whether fully-amortizing or not, including developer notes and deferred developer fees (even if the interest rate is 0%, do not leave DDF interest rate cell blank). The annual debt service will be automatically calculated based on the information inputted by the Applicant. However, the automatic calculation can be modified, if necessary.

For variable interest rate loans, enter the higher of the initial interest rate or the maximum rate.

DCA requires all permanent debt financing to have a minimum term of ten (10) years or fifteen (15) years for Deferred Developer Notes.

Loan Type — The drop down list contains the following choices: amortizing, DCA HOME IPS (irregular payment stream), cash flow or adjusted interest. *DCA HOME Loans are **NOT** cash flow loans, they can either be fully amortizing or irregular payment stream (IPS).* Only DCA HOME Rural loans can use IPS, which will result in balloon payments at the date of maturity.

Total Permanent Financing — The application will automatically total all of the principal amounts listed in the schedule.

Total Costs from Development Budget — The total costs from the development budget are linked to this cell.

Surplus/Shortage of Permanent Funds to Development Costs — this must be zero.

Deferred Developer fees - Deferred developer fees count as a source of debt financing but will not be considered in the Gap Method of the LIHTC calculation. Include the first year's payment in the debt service column.

Comments must be included to reference the location of all supporting documentation, any atypical circumstances, and confirmation of whether any source listed originated as Federal Funds.

IV. APPLICANT COMMENTS & CLARIFICATIONS

Include all clarifications or comments pertaining to this Part in this section.

PART FOUR—USES OF FUNDS

I. DEVELOPMENT BUDGET

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Identify development costs in the categories provided and calculate the proposed total development cost. If requesting tax credits, indicate the level of eligible basis (4%/Acquisition Credit or 9%/New Construction/Rehabilitation Credit) to which applicable project costs are appropriate. Non-specified "Other" lines are provided in various sections for Applicant use, and each such line has an accompanying section in the "Tab IV-B Other Items". If you encounter a development cost for the proposed project that is not addressed by the development budget AND does not fall into a budget section containing an "Other" line, then your electronic application form may perhaps be able to be customized to meet your need. Applicants can include cell references in the LIHTC Basis cells of the development budget section of the application so long as they only reference the Total Cost cell on the same line item **and** the Total Cost cells being referenced do not themselves contain formulas or references to other cells.

Projects that include any combination of "Acquisition", "Rehabilitation", and/or "New Construction" must break out the associated costs related to each activity for which they are claiming credits in the appropriate Eligible basis columns. Adaptive reuse is considered "Rehabilitation".

Land — Acquisition cost must coincide with site control documentation or an explanation is required in "Comments".

Off-Site Improvements/Preparation is generally not eligible for inclusion in eligible basis for tax credit purposes, and is not eligible for subsidization with HOME funds.

Construction Contingency — Do NOT leave formulas or references to other cells as the Total Amount – enter an actual numerical value before submitting the electronic application. "Soft Cost Contingency" is not allowed.

Contractor Services — Please refer to the 2020 QAP policies regarding "Builder Cost Limitations" and itemize all cost in the appropriate lines.

Other Construction Hard Costs — This covers any work items performed by the owner that are not included in the general contractor's scope of work. Provide detailed description in box provided and use Comments section if needed.

Construction Period Financing — Itemize all Construction Period Financing expenses and fees in the appropriate lines. DCA HOME loan Applicants that are requesting pre-approval to obtain a construction loan in lieu of a payment and performance bond for applications where there is an identify of interest between the owner and the contractor may itemize the construction loan interest and fees in this section. Include comments regarding the calculation of Construction financing interest and fees.

Professional Services — Itemize all professional services fees in the appropriate lines. Include comments regarding the calculation of Professional Costs and Fees.

Local Government Fees — Itemize all Local Government Fees in appropriate lines and do not include these items in Unit/Building Construction line items. Indicate whether Water Tap Fees or Sewer Tap Fees have been waived and include documentation or comments supporting these estimates.

Permanent Financing Fees — As represented in the commitment letters provided in the appropriate tab.

DCA-Related Costs — Itemize all applicable DCA related fees in the appropriate lines. DCA fees are listed in the 2020 QAP Exhibit A "DCA Post Award Deadlines and Fee Schedule". Tax Credit Allocation Fee is calculated as 8% of the annual federal allocation amount for both 4% and 9% credit projects. Tax Credit Compliance Monitoring Fees are listed in the 2020 QAP Exhibit A "DCA Post Award Deadlines and Fee Schedule". Do NOT leave formulas or references to other cells as the amount – an actual numerical value must be entered before submitting the electronic application.

Equity Costs — The Preliminary Equity Commitment should document fees associated with obtaining equity financing and the organization of the partnership.

Developer's Fee — Includes the total of all Consultant (please review Plan definition) fees (regardless of whether the Consultant is serving as a developer, construction manager, development administrator, etc.), developer's overhead, and developer's profit. Generally developer's overhead should not account for more than 50% of the full fee. **Do NOT leave formulas or references to other cells as the amount – an actual numerical value must be entered before submitting the electronic application.**

Start-Up and Reserves - please refer to the 2020 Core Policies for policies and requirements regarding the following start-up expenses and reserves. Any other resources or escrows listed must be documented requirements of lenders or equity providers.

Marketing — Include all pre-stabilization marketing expenses in this section, exclusive of rent-up reserves.

Rent Up Reserves — All projects must have a reasonable rent up reserve based on the estimated projected lease up deficit, exclusive of marketing cost. Absent information to the contrary, DCA will assume that three months of projected operating expenses is reasonable.

Operating Deficit Reserve — LIHTC and HOME funded projects must generally establish an operating deficit reserve account equal to six months' debt service for all secured debt on the project plus six months projected operating expenses. This amount may be greater, depending upon the requirements of other lenders or investors. DCA will determine the reasonableness for a project.

Replacement Reserves — Only enter existing or pre-funded replacement reserves and document any requirements.

Furniture, Fixtures and Equipment — All **common space** furniture and equipment must be included in this line item of the development budget. Do **not** include these costs in the construction contract. Interior Design Consultants are included in the Developer Fee, not this location.

Other Costs — Specify the costs in the space(s) provided. Do not use vague, general terms that may include several unrelated items – be specific. Provide further detail in the Comments section.

Soft Cost or "Project" Contingencies — Amounts above construction contingency are not allowed and will not be a part of the development cost.

II. TAX CREDIT CALCULATION – BASIS METHOD

Subtractions from Eligible Basis — Complete the table, identifying those items that are required to be deducted from the project's eligible basis.

Eligible Basis Adjustment Calculation — Complete the table. Projects in a QCT or DDA are eligible for up to 30% basis boost for new construction and/or rehab. The Applicant Comments section must indicate the basis for requesting the State Designated Boost, and the Sources must reflect the appropriate deferred developer fee. **All required backup documentation substantiating the need and indicating eligibility category(ies) for the state designated basis boost must be identified in Comments with a reference to the Application tab.**

The **applicable fraction** will be automatically calculated (the lesser of the percentage of low-income units or low-income square footage).

For purposes of an application for 9% LIHTCs use the Applicable Credit Percentage for May 2020. For purposes of an application for 4% LIHTCs (Tax-Exempt Bond), use the Applicable Credit Percentage for the month preceding the submission of the application.

III. TAX CREDIT CALCULATION – GAP METHOD

Project Cost Limit (PCL) — This number is auto-calculated based upon the Applicant’s entries into the following parts of the electronic core application:

1. Per Unit Cost Limitation Waiver Request (Part I – Project Information tab; Section XII – Additional Project Information, E – Waivers and Approvals)
2. Rent and unit configurations (Part VI – Revenues & Expenses tab; Section I – Rent Schedule and Section II – Unit Summary)

NOTE: For further detail see Section 2 – Cost Limits portion of the “Part VIII – Threshold Criteria” tab of the core application. The Project Cost Limit (or Total Per Unit Cost Limit for Project, as shown there) is the sum total of the applicable individual per unit cost limits multiplied by the number of units of each unit type. The amount of any Per Unit Cost Limitation waiver request granted by DCA and entered by the Applicant is also reflected in the formula for this box.

Total Development Cost (TDC) — Enter the lesser of the DCA Project Cost Limit (PCL) or the TDC, if the proposed TDC is within DCA’s PCL.

If the TDC exceeds the PCL, the applicant must:

1. Enter the proposed TDC amount less the required non-profit foundation funding or charitable organization funds in the box. If there is no such funding to cover the cost in excess of DCA’s cost limit, the TDC for the purposes of the Gap Method of the LIHTC calculation cannot exceed the applicable DCA cost limit, unless DCA granted a waiver of the PCL at pre-application.
2. Identify on the “Foundation or charity funding” line in the Permanent Financing section (Part III – Sources of Funds, Section III) the foundation/charitable organization name and the funding amount, which must be greater than or equal to the cost more than the DCA Project Cost Limit. (This will transfer to the section to the right of the PCL box in Uses).

If the project involves a **Historic Designation**, select “Yes” in the box provided.

Equity Factors – The equity factor used will be the price per federal and state LIHTC dollar based on the equity commitment in the Application. DCA may adjust the prices.

IV. TAX CREDIT ALLOCATION

Tax Credit Allocation — The credit amount determined by the eligible basis calculation establishes the *maximum* credit amount. However, DCA cannot allocate more credit to a project than is necessary for financial feasibility. If the credit amount resulting from the equity gap calculation is **less than** the credit amount resulting from the eligible basis calculation, then the maximum credit amount *needed* will be the credit amount resulting from the equity gap calculation. Finally, the amount of actual tax credit allocation will be the lesser of:

1. This maximum credit amount *needed*
2. The DCA per owner project award limitation (determined in the Plan) or
3. Any lower credit amount requested by the applicant.

V. APPLICANT COMMENTS & CLARIFICATIONS

Include all clarifications or comments pertaining to this Part in this section.

PART FOUR (IV-B) – OTHER ITEMS

Use this tab to further explain “Other” line costs listed in the development budget.

PART FIVE – UTILITY ALLOWANCES

UTILITY ALLOWANCE SCHEDULES

Utility Allowance Per Unit Information— The application provides two separate Utility Allowance Schedules to capture up to two different utility configurations. In the tables provided, indicate which utilities the owner would pay and which the tenant would pay. For the tenant-paid utilities, indicate the allowance amounts from the appropriate source documentation. Use the allowances appropriate to the structure type – i.e., multifamily (2+ units), single family detached or manufactured housing. If using DCA Utility Allowances, note the applicable DCA Utility Region – north, middle or south shown at the top of the chart (for more information refer to the map provided at <http://www.dca.state.ga.us/housing/HousingDevelopment/programs/utility.asp>). The total utility allowance per bedroom size calculates automatically. Further instructions are as follows:

Enter the **Source** and **Date** of the source document for the utility allowance amounts obtained. Be certain to use the most recently released allowances.

Indicate the applicable **Structure Type** as defined in the source document from which the utility allowance amounts were obtained. For example, applicants using the DCA Utility Allowances would choose MF, SF Detached or Mfd Home.

For each of the seven utility categories shown (Heat, A/C, Cooking, Hot Water, Lights, Water & Sewer, and Refuse Collection), indicate the following in the spaces provided (Elderly allowances cannot be used except at properties that have 100% HUD PBRA and satisfy the appropriate HUD program definition for elderly):

1. For the Heat, Cooking and Hot Water utilities, select the applicable Fuel Type.
2. For Water & Sewer, indicate whether the units will be submetered. **Georgia law requires all new multi-unit residential buildings permitted on or after July 1, 2012 to install submeters and bill tenants according to their individual water use.**
3. Indicate whether the utility will be paid by the Tenant or by the Owner.
4. For the tenant-paid utilities, indicate the allowance amounts from the source documentation mentioned above. Calculate the total utility allowance per bedroom size. **If a local public housing authority administers the Section 8 program in your area, contact that authority for water, sewer, and refuse collection allowances.** Use the DCA allowance if the entity administering the Section 8 program in the project’s local jurisdiction does not have one or more of these.

No changes will be allowed after application submission in the fuel types, utility providers, or payers of the utility bills.

APPLICANT COMMENTS & CLARIFICATIONS

Clarifications or comments pertaining to this Part should be entered in this section.

PART SIX – REVENUES AND EXPENSES

I. RENT SCHEDULE

Floating or Fixed HOME units — Indicate whether the HOME funded units will be floating or fixed. DCA will assume that all HOME units are floating unless otherwise designated in this section. All LIHTC units are considered to be HOME assisted and subject to those restrictions.

100% HUD PBRA — Indicate whether all units in the project are HUD PBRA units.

For the Rent Schedule section all applicants must show the proposed Unit Mix by answering all column questions in each row used. To avoid errors, fill in the chart from left to right without skipping columns. Order the columns first by Unit Rent Type, then by Nbr of Bedrooms (all 50% units first, broken down by nbr of bedrooms, then 60% next, etc).

Rent Type is a drop-down box. Select the appropriate Unit Rent Type from the drop down box. Please also see the “Distribution across Unit / Bedroom Sizes” policy in the 2020 QAP. To better capture and evaluate Income Averaging configurations, the rent chart designates the top few rows, above the bold line, for common space units and market rate units only. The remaining rows, below the bold line, are reserved only for AMI units. **Please use order shown below:**

<u>For a Unit Rent Type of:</u>	<u>Select:</u>
Common Space	N/A-CS
Market Rate / Unrestricted	Unrestricted
20% of AMI	20
30% of AMI	30
40% of AMI	40
50% of AMI	50
60% of AMI	60
70% of AMI	70
80% of AMI	80

If electing to Income Average, note the “LI Income Average %” box underneath the first two columns in the chart. The number showing here must be below 60. Applicants for 4% credits should note the results in the “40/60 Test” box and “20/50 Test” box directly below the Proposed Gross Rent and Utility Allowance columns.

Number of Bedrooms — indicate the number of bedroom(s) in the units by choosing from the options provided (Efficiency, 1, 2, 3, or 4) in the column.

Number of Bathrooms – indicate the number of bathrooms in the units described in the row.

Unit Count – indicate the number of units that reflect each unit configuration.

Unit Area – indicate the square footage that reflects each unit configuration.

Max Gross Rent Limit – Enter the program maximum unit rent that can be charged for the units as governed by DCA LIHTC or HOME rent and income limits.

9% LIHTC projects located in a rural area (as defined in section 520 of the Housing Act of 1949) are eligible to use the greater of area median gross income or national non-metropolitan median income. 4% LIHTC projects are not eligible to use the national non-metro adjustment under the Housing Act of 2008.

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Proposed Gross Rent – enter the proposed rent to be charged for each unit (includes utility allowance). This rent cannot exceed the Max Gross Rent Limit, except if there is PBRA for 10 yrs or more which allows for higher rents. If HOME or LIHTC units are subject to a PBRA agreement (with a minimum 10 year term or 10 years remaining term), then use the PBRA rents. If the HOME or LIHTC units are not under a rental assistance agreement (or one with less than 10 years remaining) then use the HOME or LIHTC rents.

Mandatory Fees Paid by Residents – enter the per-unit total of any mandatory fees that all residents will be required to pay.

LIHTC / PHA units with an operating subsidy – The proposed Unit Gross Rent and the Net Rent will generally be reflected as zero. Applicants must enter a Utility Allowance of zero for these units into the rent chart. **Applicants must enter the operating subsidy in the Non-Occupancy Based income part of the Other Income Sources section.**

If the application will have an operating subsidy provided through a public housing authority, please select “PHA Oper Sub” from the dropdown menu. **If “PHA Oper Sub” is selected, then applicants must also enter a zero “0” for Proposed Gross Rent AND enter the operating subsidy amount in the Non-Occupancy Based income part of the Other Income Sources section.** Use “RAD” if the public housing units will convert to RAD subsequent to the requested allocation.

Utility Allowance – Allowances are auto-filled from the first Utility Allowance Chart. If a particular line of units uses allowances from the second utility allowance chart, simply enter the utility allowance for the unit size from the second utility allowance chart. A zero must be entered here for market rate units and for **PHA operating subsidy units with an investment/operating subsidy.**

PBRA Provider or Operating Subsidy – If neither PBRA nor Operating Subsidy applies, then leave box empty. If the application has or will have any project based rental assistance (PBRA), select the provider of the PBRA for such units from the dropdown menu.

Net Rent – The application will automatically subtract the Utility Allowance from the Gross Rent to determine the net rent to be collected by the Owner for each unit. The Application will automatically calculate the total net rent the Owner will receive for all units and then transfers it to the Proforma.

Employee Unit is a drop-down box. If the Employee Unit is a low income restricted unit, then the employee must be income-qualified and the unit will be subject to both income and rent restrictions and the Applicant must select “Residential” from the drop down menu. If the Employee Unit is a market rate unit, then rent may be charged and no rent and income restrictions are applicable, so choose “No” from the drop down menu. If the Employee Unit is a “common space” unit, then no rent may be charged for this unit, a Rent Type of “N/A-CS” must be selected and “Common” should be chosen from the drop down menu. Common space employee units are included in the Total Unit count but not the Residential Unit count.

Building Type is a drop down box. Indicate the appropriate building type for each unit in the row from the choices provided: Single-family detached, Manufactured home, Duplex, Townhome, 1 Story, 2 Story, 2 Story Walk up, 3+ Story, 3+ Story Elevator. These building types correspond to typical types used in various utility allowance sources.

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For purposes of calculating cost limits, these building types translate as follows:

<u>Building Type for Utility Allowance Purposes</u>	<u>Building Type for Cost Limits Purposes</u>
Single-family detached	Detached / SemiDetached
Manufactured home	Detached / SemiDetached
Duplex	Detached / SemiDetached
Townhome	Row House
1 Story	Row House
2 Story	Elevator
3+ Story Elevator	Elevator
2 Story Walk up	Walkup
3+ Story	Walkup

Type of Activity is a drop down box. Indicate the appropriate activity for each unit in the row from the choices provided: New Construction, Rehabilitation, or Acquisition/Rehabilitation.

Certified Historic or Deemed Historic is a drop down box. Indicate the appropriate response for each unit in the row from the choices provided: Indicate “Yes” if the unit(s) on this row will be included in that part of the project for which scoring points will be requested under Historic Preservation. However, the Type of Activity selected on this row must not be “New Construction”.

II. UNIT SUMMARY

This section automatically fills in based upon the lines **completed correctly** in the rent chart, except for the following two items:

Adaptive Reuse units – enter the number of adaptive reuse units of each bedroom size.

Historic Adaptive Reuse units – enter the number of historic adaptive reuse units of each bedroom size.

If this section does not appear to calculate correctly, carefully review the rent chart to ensure the rows used are completed and correct. Partial or illogical (e.g., common space units showing a Rent Type of something other than “N/A-CS”) completion of rows in the rent chart can result in incorrect numbers in the unit summary.

If electing to Income Average, note the “Income Limit Distribution among Bedroom Sizes” section. Differences between the Proposed and Exact Units that are within ± 2 units is considered equal distribution.

III. ANCILLARY AND OTHER INCOME SOURCES

Ancillary Income — refers to regular anticipated income that depends on project occupancy rate and that will be trended in the pro forma at the DCA revenue trend rate. Ancillary income may involve laundry and vending machines, nonrefundable deposits and fees, etc. Ancillary income defaults to 2% of gross income for DCA underwriting purposes, though a lower percentage may be entered.

Other Income — refers to regular income that does not depend on project occupancy rate and that will not trend in the pro forma at the DCA revenue trend rate. Enter the annual actual dollar amounts in the spaces provided, for each year of anticipated income.

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This income category is further divided into two sections for each year:

1. Other Income that is typically *included* in the calculation of the property management fee.

Operating Subsidy – Enter the operating subsidy amount for each of the applicable years. Substantiate all annual payment schedules with original documentation detailing the source, amounts, and duration inserted in the application binder where indicated by the Tabs Checklist. **For operating subsidies provided by PHAs, the Rent Schedule should show Proposed Gross rents of zero (0) charged for the units receiving the operating subsidy, as well as a selection of “PHA Oper Sub” from the drop-down list in the “PBRA Provider or Operating Subsidy” column for such units.**

Other – Enter the source and other income amount for each of the applicable years for applicable sources. All annual payment schedules must be substantiated with original documentation detailing the source, amounts, and duration inserted in the application binder where indicated by the Tabs Checklist. Use Comments as necessary.

2. Other Income that is typically *NOT included* in the calculation of the property management fee.

Tax Abatement – Enter the annual tax abatement amount for each of the applicable years. Substantiate all annual payment schedules with original documentation detailing the source, amounts, and duration inserted in the application binder where indicated by the Tabs Checklist. The Real Estate Tax box in the Annual Operating Expense Budget should include the anticipated real estate tax *before* abatement.

To show tax *exemptions*, simply leave the Real Estate Taxes box in the operating expense budget empty and enter an explanation into the comments section provided for this section.

Other – Enter the other income amount and source for each of the applicable years for applicable sources. Substantiate all annual payment schedules with original documentation detailing the source, amounts, and duration inserted in the application binder where indicated by the Tabs Checklist.

IV. ANNUAL OPERATING EXPENSE BUDGET

Break out all expenses delineated in the Operating Budget in as many categories as apply.

Enter the on-site staff costs, on-site office costs, professional services, maintenance expenses, utilities, taxes and insurance, on-site security costs and management fee in the applicable categories. The Total Operating Expenses and the Total Annual Expenses will automatically calculate. The Total Operating Expenses less management fee and the replacement reserve contributions will automatically transfer to the Pro Forma.

Other (describe here)—must be described in the space(s) provided. Do not use vague, general terms that may include several unrelated items – be specific. If unable to accomplish this in the space provided, enter “See Comments” in the space and provide further detail in the applicant comments section that follows.

Note: The annual operating expense budget, net of replacement reserve contributions, must be no less than \$5,000 per unit for projects located in the City of Atlanta, \$4,500 for other urban areas (projects located in metropolitan statistical areas), \$3,750 for Rural areas (as defined in the Qualified Allocation Plan) that are also in a Metropolitan Statistical Area (MSA), \$3,250 for Rural projects not in an MSA or \$3,000 for Rural projects using USDA 515 funds.

Real Estate taxes – Amount entered must be gross taxes without any deduction for abatement. Show abatements in the “Other Income” section in the line provided and include the calculation methodology in the Applicant Comments. If project has a tax exemption, then leave this amount blank or enter a zero.

Management Fee – Use the boxes provided at the top of the Proforma to indicate Management Fee

The annual **replacement reserve contribution** must be no less than \$350 per unit for projects involving rehabilitation, \$250 per unit for new construction projects, \$420 per unit for single-family units, or \$420 per unit for projects involving historic rehabilitation. DCA will use the reserve levels in the LIHTC policy for HOME underwriting purposes unless a greater amount is specified. The application will automatically calculate the reserve based on the number of units inputted in the project information section.

Operating Expenses per unit and Replacement Reserves per unit - The electronic application automatically calculates actual proposed Operating Expense per unit and Replacement Reserve per unit based on applicant's entries.

V. GROUND LEASE PAYMENT

Enter the Annual Payment and Number of Years, which will auto-calculate the Total Payments. If there is a graduated lease payment or step-up provision in the lease, answer the questions about that and revise the Total Payments as needed. Also use the Comments Box to provide any further detail.

VI. APPLICANT COMMENTS & CLARIFICATIONS

Enter clarifications or comments pertaining to this Part and the methodology for projecting the real estate expense.

PART SEVEN - PROJECT CASH FLOW PRO FORMA

Complete the entire pro forma forecast for the greater of:

1. The entire credit Compliance Period
2. HOME loan term, or the
3. Period of Affordability, as applicable.

Much of the Proforma will be automatically generated.

I. OPERATING ASSUMPTIONS

The assumption for

- **revenue** growth for project-based rents, project-based rental assisted rents, and occupancy-based income will be 2% per year;
- **expense** growth for operating costs net of management fee and replacement reserve contributions will be 3% per year;
- **annual reserve contribution** growth will be 3% per year;
- **vacancy** and **collection loss** will be a minimum of 7%;
- **ancillary/other income** growth will be 2% per year.

Asset Management Fee — Enter the appropriate asset management fee total charges by all lenders and investors.

Property Management Fee Growth — Applicants must indicate the trending method to be used in the operating forecast by using the choice boxes provided. Applicant must choose only one of the following options:

- "Expense Growth Rate" - also provide the Year One Management Fee amount, or
- "Percent of Effective Gross Income" - also provide the percentage to be used

Do not make any entry in the box for the option not chosen – leave it empty.

II. PROFORMA

Vacancy Rate — enter applicable rate of DCA Policy minimum or greater if determined by market study.

Management Fee — The annual amount of the property management fee will be automatically calculated based upon the applicant's choice of fee calculation methods.

Ground Lease Payment — Enter the annual payments for each year as provided in the lease.

Debt Service — The spreadsheet automatically calculates a fully amortizing debt service value default based on the numbers entered on the Permanent Financing summary in the Sources & Uses Tab. For other debt service types, the applicant must enter the debt service amount (enter each amount as a **negative** integer for proper calculation of the pro forma) for each loan for each year, in accordance with the terms of the loan. Include comments **and** an amortization schedule from the lender if the payments are not based on standard amortization.

Cash Flow (Before-Tax) must be positive during the entire credit compliance period or term of the DCA HOME loan.

Debt Service Coverage Ratio (DCR) — The Debt Service Coverage Ratio, or the last calculated DCR line shown in the Application, must be no less than **1.20 for New Construction and 1.25 for projects involving rehabilitation** during the entire credit Compliance Period, HOME loan term, or the Period of Affordability, whichever is longer. For purposes of determining the debt coverage ratio, deferred Developer Fee will not be considered tangible debt.

Operating Expense Coverage Ratio — used to evaluate no-debt proposals.

Balance of DCA HOME Loan — If applying for a DCA HOME loan, enter the outstanding balance of the loan in one of the "Other Source Balance" spaces provided. **The outstanding balance may not exceed the principal loan amount during any year of the term.**

Review the completed Proforma to ensure that all figures have flowed in as appropriate.

III. APPLICANT COMMENTS & CLARIFICATIONS

If applicants have any clarifications or comments pertaining to this Part, they must be entered into this section.

PART EIGHT – THRESHOLD CRITERIA

All Applicants must complete each section as follows:

- 1) Review and answer all applicable questions by selecting an answer from the drop down menu provided or entering the requested information. Take note of multiple subsections.
- 2) Complete the justification box for each section by providing a brief summary of why the submitted Application should obtain a Pass rating. In addition, reference any supporting documents included in the Application and indicate the tab number. Explain any questionable circumstances involving the project or its participants.
- 3) Recheck all answers to ensure completion.

PART NINE A – SCORING CRITERIA

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All Applicants must complete each section in the self-score as follows:

- 1) Enter the Applicant's self-score for each section and subsection. Take note of multiple subsections indicating AND or OR for requesting appropriate scores.
- 2) Review and answer all applicable questions by selecting an answer from the drop down menu provided or entering the requested information. Take note of multiple subsections.
- 3) Complete the justification section for each applicable scoring section by providing a brief summary of why the Applicant believes that the submitted Application should obtain the requested score. Failure to include comments in this section will result in a point deduction. In addition, reference any supporting documents that are included in the Application and indicate the tab number from the current Tabs Checklist.
- 4) Recheck all scores, answers, and totals to ensure completion and accurate calculation of self-score.

