

**STATE OF GEORGIA**  
**NATIONAL HOUSING TRUST FUND ALLOCATION PLAN**  
(Updated 15 October 2021)

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## I. **Introduction**

The National Housing Trust Fund (NHTF) was established under Title I of the Housing and Economic Recovery Act of 2008, Section 1131 (Public Law 110-289), to complement existing federal, state and local efforts to increase and preserve affordable housing for extremely low-income and very low-income households, including homeless families. NHTF is administered by the Department of Housing and Urban Development (HUD). The Governor has designated the Georgia Housing Finance Authority to receive and administer the annual NHTF grant from HUD for the State of Georgia. The Georgia Housing Finance Authority is administered by the Georgia Department of Community Affairs.

The Georgia NHTF Allocation Plan describes how the State of Georgia intends to use its NHTF funds to address priority housing needs and how the State will distribute the NHTF allocation. Moreover, the NHTF Allocation Plan describes the activities that may be undertaken, including how Applicants and projects will be selected.

DCA's Strategy for addressing housing priority needs include:

- Increasing access to thriving communities through outreach and development in areas of opportunity.
- Collaborating across Georgia to grow and achieve local visions for strong communities.
- Fostering communities free of barriers to individuals underserved by existing housing programs.
- Increasing health outcomes for residents of DCA funded multifamily properties.

### **First Time Homebuyer**

Although the NHTF regulations allow funds to be used for both homeownership and rental housing, Georgia will limit the use of these funds to affordable rental housing due to the high demand for rental housing, especially for extremely low-income households. Because NHTF funds will not be used for first time homebuyer activities, there are no applicable resale, recapture, or affordability provisions related to homebuyer activities.

### **Subgranting of NHTF Funds**

The State will not sub-grant any NHTF funds.

### **Refinancing Guidelines for NHTF developments**

Historically, the State of Georgia does not refinance existing debt and it does not intend to use NHTF funds to refinance existing debt in multifamily housing projects. Therefore, a guideline has not been established to refinance debt.

### **Davis Bacon Standards**

HERA did not make the labor standards of Davis Bacon applicable to the NHTF, and HUD did not require Davis-Bacon standards in the NHTF final rule.

### **Affirmatively Furthering Fair Housing**

The Affirmatively Furthering Fair Housing requirements applicable to HUD funding recipients and all fair housing laws do apply to NHTF activities.

The regulations that govern the NHTF are contained in 24 CFR Part 93.

## **II. Definitions**

**Applicant** means qualified for-profit entities, eligible non-profit entities (501(C) (3) and 501(C) (4)) and public entities (such as Public Housing Authorities) that will undertake eligible activities on behalf of ELI households. The Applicant will receive NHTF assistance from GHFA as an owner or developer to carry out an NHTF-assisted project.

**Commitment** as defined in 24 CHR 93.2 means:

1. The grantee (GHFA) has executed a legally binding written agreement (that includes the date of the signature of each person signing the agreement) with an eligible applicant for the rehabilitation or new construction of a “specific local project” which meets the requirements in paragraph (2) of this Section II.
2. “Commit to a specific local project” means:
  - a. The project must be identified in the agreement and construction must reasonably be expected to start within 12 months of the agreement date.
  - b. The written agreement for rehabilitation or new construction of rental housing may also provide operating cost assistance and/or operating cost assistance for eligible reserves.
  - c. If the commitment is for the acquisition of an existing property, the grantee and applicant or the family have executed a written agreement under which NHTF assistance will be provided for the purchase of the rental housing and the property title will be transferred to the applicant within 6 months of the agreement date.
  - d. The written agreement for acquisition of rental housing may also provide operating cost assistance and/or operating cost assistance for eligible reserves.
  - e. If the project is for renewal of operating cost assistance or operating cost assistance reserves, the grantee and the applicant must have executed a legally binding written agreement under which NHTF funds will be provided to the applicant for operating cost assistance or operating cost assistance reserves for the identified NHTF project.

**DCA** means the Georgia Department of Community Affairs, an executive government agency in the State of Georgia. By state law, DCA administers the programs of the Georgia Housing Finance Authority.

**Elderly** means a person at least 62 years of age.

**Extremely Low Income (ELI)** means households whose annual incomes do not exceed 30% of the median family income of a geographic area, as determined by HUD with adjustments for smaller and larger families.

**GHFA** means the Georgia Housing and Finance Authority, a public corporation created by the Georgia General Assembly and designated by the Governor to receive and administer the NHTF fund for the State of Georgia.

**Grantee** means the state entity that prepares the Allocation Plan, receives the NHTF dollars

from HUD, and administers the NHTF in the state. The Grantee for Georgia is the GHFA.

**HOME** means the HOME Investment Partnership Program

**Housing and Economic Recovery Act of 2008 (HERA)** means the Act signed into law by President Bush on July 30, 2008 that covers a range of housing issues.

**HUD** means the U.S. Department of Housing and Urban Development.

**“Integrated Setting or Integrated Housing”** means the “most integrated setting” possible which is defined as “a setting that enables individuals with disabilities to interact with non-disabled persons to the fullest extent possible.” Integrated settings are those that provide individuals with disabilities opportunities to live, work, and receive services in the greater community in a manner similar to individuals without disabilities. Integrated settings are located in mainstream society and offer access to community activities and opportunities at times, frequencies, and with persons of an individual’s choosing. Integrated settings also afford individuals choice in their daily life activities and provide individuals with disabilities the opportunity to interact with non-disabled persons to the fullest extent possible. Settings that are not integrated include, but are not limited to, properties that target more than 20% of the units to individuals with disabilities. (Applicants should review the Justice Department Mandate for additional guidance on this issue: [http://www.ada.gov/olmstead/q&a\\_olmstead.htm](http://www.ada.gov/olmstead/q&a_olmstead.htm)).

**Period of Affordability** means a period of at least 30 years from project completion in which a development receiving NHTF assistance will be required to maintain affordability to households at or below 30% AMI.

**Persons with a Disability and Disabled Person** means any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such impairment; or is regarded as having such an impairment. In general, a physical or mental impairment includes hearing, mobility, and visual impairments; chronic substance abuse issues; chronic mental illness; AIDS; AIDS-related complexes; and developmental disability that substantially limit one or more major life activities. Major life activities include walking, talking, and hearing, seeing, breathing, learning, performing manual tasks, and caring for oneself. DCA utilizes the HUD definition of “Disabled Person.” Applicants can refer to HUD guidance for further information.

**Project Team** means the General Partner, Developer, Consultant, and the Principal(s) thereof for proposed NHTF-assisted units.

**Very Low Income (VLI)** means households whose annual incomes are in excess of 30% but not greater than 50% of the median family income of a geographic area, as determined by HUD with adjustments for smaller and larger families.

### **III. Distribution of funds**

The NHTF allocation will be available for distribution throughout the State of Georgia. All NHTF funds that Georgia receives will be used to create or preserve rental housing affordable for extremely low-income (ELI) households with incomes at or below 30% of Area Median Income (AMI). The NHTF allocation will be distributed directly to owner/developers of affordable housing through Notices of Funding Availability (NOFA), which will also be available through

DCA's website:

<https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/national-housing-trust-fund-nhtf>.

The NHTF funds will be awarded on a competitive basis to eligible Applicants that address the criteria outlined in this allocation plan, the relevant NOFA, and the priority housing needs (*Appendix I*) as identified in the State's Consolidated Plan and Annual Action Plan. DCA reserves the right to forward commit funding from future NHTF funding rounds and/or a different source of funding.

### **Loan Terms**

- Funds awarded under the DCA Multifamily Grant/Loan Program will be structured as a 0%, 30-year deferred loan. At the end of the 30-year period and once all compliance has been met, then the loan is extinguished.
- Funds awarded under DCA Georgia Housing Tax Credit Programs will be structured as a 0% Construction Loan and .5% Cash Flow Permanent Loan.

### **IV. Eligible Applicants**

Eligible Applicants include qualified for-profit entities, eligible non-profit entities 501(C) (3) and 501(C) (4), and public entities (such as Public Housing Authorities) that will undertake the eligible activities on behalf of the ELI households. In accordance with the definition at 24 CFR 93.2, eligible Applicants must also:

- Make acceptable assurances to the Grantee (GHFA), that applicant will comply with the requirements of the NHTF program during the entire period that begins upon selection of the applicant to receive NHTF funds and ends upon the conclusion of the NHTF required 30-year affordability period.
- Demonstrate sufficient experience and capacity to develop, own and operate the property for the Period of Affordability.
- Demonstrate it meets experience and capacity requirements required for other federal, state, or local housing programs that may be used in conjunction with NHTF funds to ensure compliance with all applicable requirements and regulations of such programs.

### **V. Eligible Activities and Requirements**

Georgia NHTF funds may be used for the production, preservation, and rehabilitation of affordable rental housing. This specifically includes the following:

- Acquisition
- Site improvements and development hard costs
- Related soft costs
- Demolition
- Finalizing Costs
- Eligible reserves

- Approved developer fee

Georgia NHTF funds may not be used for the following:

- Provide assistance (other than renewal of operating cost assistance reserve) to a project previously assisted with NHTF funds during the period of affordability established by the grantee in the written agreement under 93.404 (c) (2) (iv).
- Pay for the acquisition of property owned by the Grantee (GHFA), except for property acquired by the Grantee (GHFA) with NHTF funds or property acquired in anticipation of carrying out an NHTF project.
- Pay delinquent taxes, fees, or charges on properties to be assisted with NHTF funds.
- Pay for political activities, advocacy, lobbying (whether directly or through other parties), counseling services, travel expenses (other than those eligible under 93.202 (b)), or preparing or providing advice on tax returns.
- Pay for any cost that is not eligible under 93.201 and 93.202.

## **VI. Maximum Per-Unit Development Subsidy Limits**

The maximum per unit subsidy limits for NHTF will be set at HUD's applicable limits for the HOME Partnership Investment Program. These limits are based on the per-unit dollar statutory limits for elevator-type projects as established under Section 234 of the National Housing Act. These limits will be applied statewide and are adjusted by the number of bedrooms per unit and for the geographic location of the project.

HUD Region IV has determined the following HOME subsidy limits for Georgia based on 240% of the base limit for the Section 234 Program.'

Due to the discontinuation of the Section 221(d) (3) mortgage insurance program, alternate maximum per-unit subsidy limits must be used for the HOME Investment Partnerships Program (HOME). HUD is required to undertake rulemaking to establish new maximum per-unit subsidy limits for the HOME Program because it is no longer updating and publishing limits for the Section 221(d) (3) mortgage insurance program. Until a new rule can be published, HUD published CPD Notice 15-003: Interim Policy on Maximum Per-Unit Subsidy Limits for the HOME Program establishing an interim policy that Field Office staff and participating jurisdictions (PJs) must follow directing PJs to use the Section 234-Condominium Housing basic mortgage limits, for elevator-type projects, as an alternative to the Section 221(d)(3) limits in order to determine the maximum amount of HOME funds a PJ may invest on a per-unit bases in HOME-assisted housing projects. This interim policy remains in effect until the effective date of the new final rule provisions, amending the existing provisions of 24 CFR 92.

The HOME maximum per-unit subsidy limits are subject to change annually and are available through the HUD Exchange website. As required by HUD, the NHTF maximum subsidy limits will be assessed and adjusted annually as well. For the NHTF Program, operating cost assistance and operating assistance reserves to an NHTF-assisted rental project do not count towards the maximum per-unit development subsidy amount. However, the operating cost subsidies are still capped at 30 percent of each year's allocation received by the State.

The decision to use the HOME subsidy limits for the Atlanta market statewide is based on a cost reasonableness analysis of total development cost for affordable multifamily rental housing properties in Georgia. Housing construction costs vary among the various areas of the state; however, it has been determined that a single limit is appropriate for the entire State. The Atlanta market typically has higher limits than other areas within the state.

Further, the subsidy limit described in this section will not be the only mechanism used by DCA to ensure appropriate costs throughout different areas of the state. Through the underwriting process, DCA will ensure that: 1) the level of NHTF subsidy provided does not exceed the actual NHTF eligible development cost of the unit, 2) the costs are reasonable and in line with similar projects in similar geographic areas, 3) the developer is not receiving excessive profit, and 4) NHTF funding does not exceed the amount necessary for the project to be successful for the required 30-year affordability period.

## **VII. Threshold and Competitive Scoring Criteria**

Funds will be awarded to qualified Applicants who have met all Threshold Requirements and receives the highest scores for the submitted Application round. Applications that do not meet the requirements of the distribution of funds will not be scored under the Threshold Requirements.

Threshold and competitive scoring criteria for each Application round will be included in the Notice of Funding Availability (NOFA) for that Application round.

## **VIII. Performance Goals and Benchmarks**

DCA's current performance goal is 75 units of new or rehabilitated multifamily and senior housing for households making less than 30% of the average median income for their county of residence.

## **IX. Rehabilitation Standards**

DCA's rehabilitation standards will apply to NHTF-assisted developments that will produce, preserve, and rehabilitate affordable rental housing. DCA's rehabilitation standards specify that NHTF-assisted projects and activities must meet the standards that are set forth in 24 CFR 93.301(b) that provide the expectations for the longevity and market stability of a completed rehabilitation of an existing rental property.

## **X. Preference and Limitations**

Any limitation or preference must not violate non-discrimination requirements in the NHTF interim rule at 24 CFR 93.350, and the applicant must have affirmative marketing procedures and requirements that apply in the context of the limited/preferred tenant eligibility for the project. As shown in Section IX, DCA will give preference to segments of the ELI population based on the State's priority Housing Needs as described in the Consolidated Plan and Annual Action Plan. Preferences and/or limitations will not be given to students.

## **XI. Manuals**

For additional requirements and guidance, refer to the following 2021 DCA manuals located on the DCA website at this link ([click here](#)):

- Accessibility Manual
- Architectural Manual
- Environmental Manual
- Federal Compliance & Relocation Manuals

## **XII. Compliance and Other Federal Requirements**

Applicants must comply with all applicable federal or state laws, regulations and other requirements now or hereafter in effect. The Project Team is responsible for ensuring the proposed program, activities, goals and timetables comply with all federal or state laws, regulations and other requirements.

In accordance with state or local codes, ordinances, and requirements, or such other requirements that HUD may establish disaster mitigation (if applicable) will apply.

Areas covered by the applicable laws and regulations include but are not limited to non-Discrimination and Equal Access; Fair Housing and Equal Opportunity; Accessibility; Contracting and Procurement; Environmental; Lead Based Paint; Acquisition and Relocation; Financial Management; Labor Standards; and Immigration.