

**STATE OF GEORGIA
2007 QUALIFIED ALLOCATION PLAN
FOR
FEDERAL LOW INCOME HOUSING TAX CREDITS
STATE HOUSING TAX CREDITS
HOME INVESTMENT PARTNERSHIP PROGRAM FUNDS
CORE PLAN**

Section 1. Purpose

The purpose of the 2007 Qualified Allocation Plan (Plan) is to set forth:

- the legislative requirements for distributing affordable housing financing resources,
- a description of federal and state resources available from DCA for financing affordable rental housing,
- the priorities established by DCA for the types of affordable rental housing,
- the process of evaluating funding requests and awarding of these resources, and
- certain aspects of program compliance requirements and procedures.

Section 2. Definitions

The following definitions shall apply for the purposes of this Plan:

“4% Credits” means Federal Credit available to Tax Exempt Bond Financed Projects which meet the requirements of this Plan.

“9% Credits” means Federal Credit allocated on a competitive basis under the provisions of this Plan.

“Adjacent” means either immediately contiguous to, across the street from, or diagonally opposite across an intersection.

“AMI” means Area Median Income as defined by HUD.

“Applicant” means any Person that submits an Application to DCA requesting an allocation pursuant to the Plan and any affiliate of such Person. The Applicant shall always include the Owner.

“Application” means the complete and entire set of required and requested documents, in paper and electronic form, submitted by an Applicant to DCA under this Plan.

“Application Submission” means the date and time, as stipulated in Section 11 of the Core Plan, by which the Application must be submitted to DCA in order to be eligible for funding under this Plan.

“Bond Financed Projects” means affordable housing developments financed with tax-exempt bonds and therefore eligible for 4% Federal Credit.

“Capital Improvements” mean substantial improvements to the real estate, for items such as re-roofing, structural repairs, or major projects to replace or upgrade existing furnishings, but not including replacement of individual appliances or minor repairs.

* **Not Applicable to Bond Financed Projects**

“**CHDO**” means a Community Housing Development Organization, as defined in the HOME regulations at 24 CFR Part 92.2.

“**CHDO Predevelopment Loan Program**” means the DCA program designed to make loans exclusively to CHDOs for predevelopment activities involving the preparation of Applications for loans through the HOME Rental Housing Loan Program.

“**Code**” means Internal Revenue Code, primarily Section 42.

“**Competitive Scoring**” means the process described in this Plan by which DCA ranks the Applications received. Only those Applications meeting Threshold requirements will be advanced to the Competitive Scoring process. The ranked outcome of the Competitive Scoring process will be a significant factor in DCA’s determination of Applications selected for funding.

“**Compliance Period**” means the fifteen (15) year period during which a project must operate in accordance with the Credit requirements to avoid Federal Credit recapture. The Compliance Period commences with the first taxable year of the Federal Credit period.

“**Consultant**” means a third party entity that has been retained by the Owner or Developer of a project to perform consulting services.

“**Conversion**” means the conversion of the HOME Loan from a construction loan to a permanent loan.

“**Credits**” means the State Credit and the Federal Credit together.

“**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 GHFA.

“**Developer**” means the legal entity designated as the Developer in the Application as well as all persons, affiliates of such persons, corporations, partnerships, joint ventures, associations, or other entities that have a direct or indirect ownership interest in the Developer entity. Any entity or individual that receives all or part of the developer fee must be designated as a developer. Material Participation is required for all developers.

“**Developer Fee**” means the sum of the Developer’s overhead and Developer’s profit. If a Consultant is acting in the capacity of Developer or construction manager, or providing technical assistance to the Developer or construction manager, the Consultant’s Fee is also considered part of the total Developer Fee limitation. Guarantor Fees are also part of the total Developer Fee limitation.

“**Development Costs**” means the costs included in the development budget including but not limited to, the cost for land, on-site improvements, on-site development, construction cost, financing cost, professional fees, and mandatory reserve accounts. Development costs are limited to on-site development activities.

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

“**Elderly Housing**” means housing intended for and only occupied by Elderly persons including a family in which all members are Elderly. All household members must be Elderly (no children, and no disabled persons under the age of 62).

* Not Applicable to Bond Financed Projects

“Extended Use Period” means the period commencing with the first day in the Compliance Period and ending on the date, which is fifteen years after the close of the Compliance Period.

“Federal Credit” means the Low Income Housing Tax Credit established by the federal government for the purpose of encouraging the development of affordable housing and governed by the Code.

“Federal Deposit Insurance Corporation (FDIC) / Affordable Housing Disposition Program (AHDP)” means the program that the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) required the Resolution Trust Corporation (FDIC) to develop for selling residential properties to provide affordable housing opportunities. In response to this provision, FDIC established the AHDP, or herein referred to as the Affordable Housing Program (AHP).

“FMR” means the Fair Market Rents issued by HUD.

“General Partner” means the Partner or collective of partners, which has general liability for the partnership during construction, lease up, and operation of the project. In addition, unless the context shall clearly indicate to the contrary, if the entity in question is a limited liability company, the term “General Partner” shall also mean the managing member or other party with management responsibility for the limited liability company.

“GHFA” means the Georgia Housing and Finance Authority, a public corporation created by the Georgia General Assembly and designated by the Governor as the State Allocating Agency for Federal and State Low Income Housing Tax Credits and the state-level grantee for federal HOME funds.

“Guarantor Fee” means a fee paid by an Owner/Developer to an entity or individual that will provide construction completion guarantees to the project equity investor for an agreed upon price.

“HOME” means the HOME Investment Partnership Program.

“HOME Loans” means the HOME Rental Housing Loan Program loans.

“HOME Regulations” means the regulations at 24 CFR Part 92 governing the HOME Rental Housing Loan Program, promulgated by HUD, including any subsequent amendments to such regulations.

“HOME Rental Housing Loan Program” means the program that is designed to provide below market, favorable term financing for affordable rental housing. In Georgia, this program is intended to serve those individuals who have incomes up to 60% AMI.

“Housing for Older Persons” means housing intended and operated for occupancy by persons 55 years of age or older (“Older Persons”). According to Georgia law, such housing must also have significant facilities and service serving the Older Persons population even though the requirement has been eliminated from the federal definition of an elderly project. At least 80% of the total occupied units in such a housing project must be occupied by at least one Older Person. Up to 20% of the units may be occupied by others, including the landlord’s employees, the surviving spouses or children of residents who were Older Persons when they died, and caregivers. Owner must adhere to policies and procedures which demonstrate an intent by an owner to provide housing for individuals who are 55 years of age or older. DCA will monitor the required facilities and services during the applicable Compliance Period or the Period of Affordability whichever is longer.

“HTF” means the Housing Trust Fund for the Homeless established by O.C.G.A. Sec. 8-3-300.

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

“Identity of Interest” means a situation in which a Project Participant has a direct or indirect interest in the ownership of an entity which contracts with a Project Participant to provide land, goods or services for the project.

“IRS” means the Internal Revenue Service, a division of the U.S. Department of Treasury.

“Letter of Determination” means a notice issued by GHFA to the issuer of tax exempt bonds for a specific project, which states that the project is eligible for 4% low income housing tax credits without receiving an allocation of credits from the State Housing Credit Ceiling because the project satisfies the requirements of this Plan; and sets forth conditions which must be met by the development before GHFA will issue the IRS Form(s) 8609 to the Owner.

“Local Government” means the controlling elected governing body of the local jurisdiction (as defined in its Charter) in which the property is located at the time of Application (e.g., city council if within the city limits, or county commission if in an unincorporated area).

“LURC” means the Declaration of Land Use Restrictive Covenant for Low-Income Housing Tax Credits that is a recorded agreement between GHFA and the Owner. The LURC is binding upon the Owner and its successors in interest, and that encumbers the project with respect to this Plan and the requirements of Section 42 of the Code.

“Manual” means the Application Manual published by DCA for Applications submitted in 2007.

“Market Rate” means units are unrestricted in terms of rent charged and tenant incomes.

“Material Participation” means involvement in the development and operation of the project on a basis which is regular, continuous and substantial as defined in Code Section 42 and 469(h) of the regulations promulgated hereunder.

“Mixed Income” means the project must be eligible for Mixed Income points under this Plan.

“Municipality” means any incorporated city or town in the state.

“O.C.G.A.” means the Official Code of Georgia Annotated.

“Operating Cost” means the costs associated with operating a multifamily development once the project is placed in service.

“Owner” means the legal entity holding title to the project as well as all persons, affiliates of such persons, corporations, partnerships, joint ventures, associations, or other entities have a direct or indirect Ownership interest in the Ownership entity. The Owner is also the Applicant.

“Period of Affordability” means the time during which HOME Loan financed units must remain affordable to eligible households, as defined by HOME program regulations and this Plan. The Period of Affordability shall commence upon completion of the project and shall run for the period required under HOME regulations or the term of the HOME Loan, whichever is greater. Completion shall be defined as set forth in the HUD regulations for the HOME program.

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“Person” means an individual, corporation, partnership, joint venture, Limited Liability Company, association, trust or any other business entity.

“Phased Development” means a multifamily project composed of more than one tax credit property located on adjacent sites with common ownership entities.

“PJ” means a Participating Jurisdiction, which is an agency of State or Local Government that administers the HOME Program in its jurisdiction. GHFA is the PJ for the non-entitlement areas of the State of Georgia. The local PJs include the cities of Albany, Atlanta, Macon, and Savannah; Clayton, DeKalb, and Gwinnett Counties; the consolidated governmental units of Athens-Clarke County, Augusta-Richmond County, and Columbus-Muscogee County; the counties and cities comprising the Georgia Urban County Consortium (Cobb, Marietta, Cherokee, Canton) and the Fulton County Consortium (Fulton, Roswell).

“Plan” means this 2007 Qualified Allocation Plan.

“Project Participants” means the Owner, Developer, Management Company, Consultants and Syndicator for a project for which an Application is submitted.

“PHA” means a local public housing authority.

“Related Parties” means a relative (including but not limited to grandfather, grandmother, father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, or half sister) of any principal or any entity that shares common principals, executive directors, board members or officers.

“Rent Standards” means the most recent AMI, FMR and UA issued by HUD.

“Reservation of Funds” means the securing of funding for a particular project proposal based on the understanding that the project will fully satisfy program and Plan requirements.

“Rural” means those areas designated by USDA as being Rural. A list of USDA Rural areas can be accessed on the USDA website at <http://eligibility.sc.egov.usda.gov/eligibility/>.

“Rural Income and Rent Limits” means the U. S. Dept of Housing and Urban Development FY 2007 Income Limits Area Definitions and Fair Market Rent tables. These lists can be accessed on the HUD website at <http://www.huduser.org/datasets/pdrdatas.html>. USDA Income and Rent Limits are only used for projects funded with Section 515 loans.

“Scoring Criteria” means the criteria detailed in Appendix II by which points are assigned for the purpose of Competitive Scoring.

“Special Needs Households”, as defined in the State’s Annual Action Plan for Consolidated Funds, means Homeless, Elderly, persons with disabilities (mental, developmental), abused spouses and their children, persons with alcohol or other drug addiction, migrant farm workers, and persons living with HIV/AIDS.

“State” means the state of Georgia.

* Not Applicable to Bond Financed Projects

“State Credit” means the Housing Tax Credit established by the Georgia General Assembly, as set forth in O.C.G.A. Section 48-7-29.6

“Targeted Population” means homeless, persons with disabilities (physical, mental, developmental), abused spouses and their children, persons with alcohol or other drug addictions, and persons living with HIV/AIDS.

“Threshold” means the criteria described in Appendix I, which is the first phase of review for Applications submitted under the Plan. Only those Applications that meet the Threshold criteria will be advanced to the Competitive Scoring process of the Application evaluations.

“Total Development Cost” means the sum of all anticipated on site development costs that must be funded in order to complete the proposed project.

“UA” means the utility allowances as described in the Plan.

“URFA” means the Urban Residential Finance Authority.

“USDA” means the United States Department of Agriculture.

* Not Applicable to Bond Financed Projects

Section 3. Legislative Requirements

Federal Credit. O.C.G.A. Sec. 50-26-8(a) 32 gives GHFA certain powers and authority. As the agency administering the programs of GHFA, DCA is authorized to:

“... allocate and issue low income housing credit under Section 42 of the Internal Revenue Code of 1986, as amended, and to take all other actions and impose all other conditions which are required by federal law or which in the opinion of the agency are necessary or convenient to ensure the complete, effective, efficient and lawful allocation of and utilization of the low income housing credit program. Such conditions may include barring Applicants from participation in the tax credit program due to abuses of the tax credit program and imposing more stringent conditions for receipt of the credit than are required by Section 42 of the Internal Revenue Code...”

A. Section 42 of the Code mandates that:

1. Each state adopt an annual plan for Federal Credit allocation;
2. The Plan applies to projects awarded Federal Credit from the state’s annual allocation, and projects financed by tax-exempt bonds and eligible for Federal Credit outside of the annual Federal Credit allocations;
3. Draft versions of the Plan are made available for public comment;
4. After consideration of those comments, amendments are made to the Plan;
5. The final Plan be approved by the GHFA Board and transmitted to the Governor for final review and approval.

B. Code Section 42(m)(1) requires that each state:

- Set forth the project selection criteria appropriate to local conditions;
- Give preference in allocating Federal Credit to projects that:
 1. serve the lowest income tenants,
 2. obligate to serve qualified tenants for the longest time periods, and
 3. are located in Qualified Census Tracts, the development of which contributes to a concerted community revitalization plan;

Establish procedures to monitor projects receiving Federal Credit for compliance with program provisions, and to notify the IRS of significant noncompliance issues; and consider the following in allocating Federal Credit:

1. project location,
2. housing needs characteristics,
3. project characteristics,
4. Applicant characteristics,
5. tenant populations with special housing needs,
6. public housing waiting lists,
7. projects serving families with children, and
8. projects intended for eventual tenant Ownership.

Section 8 Rental Assistance. No Owner may deny a unit to applicants possessing a Section 8 Rental Assistance certificate or voucher unless those applicants fail to meet the minimum requirements for all leaseholders. Federal statutes prohibit discrimination against Section 8 certificate and voucher holders. DCA will closely monitor whether the tenant application process is structured to avoid such discrimination or whether any actions are taken to discourage Section 8 Rental Assistance certificate or

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voucher holders from applying. Likewise, all lease provisions must be compatible and not in conflict with Section 8 leases.

State Credit. DCA also administers Georgia's housing tax credit. The State Credit is applied in conjunction with the Federal Credit on a dollar-for-dollar matching basis. For each dollar of Federal Credit allocated, an equal amount of State Credit will be automatically allocated by DCA. This State Credit will be administered under the same rules and regulations prescribed for the Federal Credit supplemented by any rules, policies, or regulations established by the Georgia Department of Revenue and/or the Office of Insurance and Safety Fire Commissioner. DCA will underwrite the combined Credit allocations to ensure that no development proposal is over-subsidized.

HOME Program. The State's Annual Action Plan for FFY2007 Consolidated Funds identifies the proposed distribution method, geographic allocation, and guidelines for meeting federal requirements for all HOME funded programs of the State. The HOME Program regulations require that each PJ distribute its HOME resources in accordance with the priorities and objectives outlined in its most current approved Annual Action Plan for Consolidated Funds prepared in accordance with established HUD regulations (24 CFR Part 91). The Annual Action Plan incorporates the Plan as the established policy and procedures for the State's review and evaluation of Applications for the HOME Rental Housing Loan Program.

Section 4. Affordable Rental Housing Needs

The State's Annual Action Plan identifies the housing needs of low and moderate income Georgians as follows:

- a. Households with incomes less than 80% of AMI;
- b. Special Needs Households, including:
 - the Homeless
 - Elderly Housing
 - persons with disabilities (mental, physical, developmental)
 - abused spouses and their children
 - persons with alcohol or other drug addiction
 - persons living with HIV/AIDS
 - migrant farm workers

Applicants are referred to the State's FFY 2007 Consolidated Plan for complete information regarding Georgia's housing needs.

* Not Applicable to Bond Financed Projects

Section 5. Affordable Rental Housing Objectives

The State's Annual Action Plan establishes priorities and objectives to improve affordable housing and community development opportunities across Georgia. This plan is guided by three major priorities of the State of Georgia:

- 1) To increase the number of Georgia's low and moderate-income households that have obtained affordable rental housing that is free of overcrowded and structurally substandard conditions.
- 2) To increase the access of Georgia's Special Needs Households to a continuum of housing and supportive services which address their housing, economic and social needs.
- 3) To increase the access of Georgia's Elderly population to a continuum of housing and supportive services which address their housing, economic and social needs.

To achieve these mandates, DCA makes Federal and State resources available under this Plan to Applicants that support either of the following purposes:

- Provide quality affordable rental housing, designed to last at least through the Compliance Period and the Period of Affordability, in those areas of Georgia having the greatest need.
- Make available quality, affordable rental housing that incorporates supportive programs for Special Needs Households.

Section 6. Affordable Rental Housing Priorities

DCA is committed to making quality affordable housing available for low-income Georgians in all parts of the State. Accordingly, DCA will direct its financing resources as described under the Plan to those Applications that best address Georgia's affordable housing needs.

The Plan is designed to direct financing resources to affordable housing developments that:

- promote the revitalization of urban and downtown areas through renovation, re-building and/or new construction;
- promote the preservation of existing affordable projects;
- provide affordable housing in Rural areas; incorporate smart growth concepts that focus on the maintenance of quality of life, management of the impact of growth, protection of the environment and a return to the more traditional, less automobile-dependent, development patterns; include neighborhood characteristics and services that encourage resource protection, land conservation, and open space planning techniques;
- incorporate energy efficient project design and site design through sustainable building techniques and protection of existing resources;
- serve the lowest income tenants;
- serve qualified tenants for the longest periods;
- serve special needs Targeted Populations;
- encourage eventual tenant Homeownership;

* Not Applicable to Bond Financed Projects

Section 7. Financing Resources – Credits

A. 9% Federal Credit. The annual Federal Credit dollar amount allocated to the State of Georgia equals \$1.75 multiplied by the federal government's estimate of Georgia's population and indexed for cost-of living adjustments. The amount of Federal Credit available for the 2007 funding cycle will be comprised of the State's 2007 Federal Credit allocation, returned Federal Credit, and any national pool Federal Credit available to the State less any Federal Credit forward committed. The total estimated amount of Federal Credit available for 2007 is expected to be approximately seventeen million dollars (\$17,000,000).

The Credits are available annually for a 10-year period. With certain exceptions, Owners may receive annual Credits of the discounted present value of 30% of the qualified basis for developments involving acquisition, and annual Credits of the discounted present value of 70% of the qualified basis for developments involving new construction or rehabilitation.

Allocation of Credits will be made through a Competitive Scoring Process as defined in Section 15 of the core Plan. An Application for Credits must be submitted to DCA in accordance with the policies and timelines set forth in the Plan and must satisfy the Threshold Requirements set forth in Appendix I of the Plan. Complete Applications that meet the Threshold requirements described in Appendix I will be allowed into the Competitive Scoring Process as set forth in Appendix II.

Maximum Project Credits Award.* No project will be awarded more than eight hundred thousand dollars (\$800,000) of Georgia's annual Federal Credit authority and an equal amount of State Credit authority.

Set-Asides.* This estimated amount of Federal Credit available includes the following set asides:

- *Nonprofit Set-aside* - 10% of the available 9% Credits are set-aside for nonprofit-sponsored Applications pursuant to the Code. Qualified nonprofit organizations must materially participate in the project within the meaning of Section 469(h) of the Code and meet all requirements set forth in Code Section 42(h)(5).
- *Rural Set-aside* - 30% of the available 9% Credits will be set-aside for Applications proposing affordable housing developments in Rural areas. Applications funded under the Rural set-aside will receive preference in the allocation of Loans.

Note: If a nonprofit development in a Rural area is selected for funding, that project's funding will be counted towards meeting both the nonprofit set-aside and the Rural set-aside.

Carryover Allocations. To qualify for 9% Credits, a building generally must be placed in service during the year in which it receives an allocation. An exception is provided in the case where the Owner has expended more than ten percent (10%) of the reasonably expected basis in the building by the later of (1) the end of the calendar year in which the allocation is made, or (2) six months after receipt of the allocation. No project can receive more than one Carryover Allocation of 2007 Credits.

Additional Credits. If the Owner of a project that has received a Carryover Allocation of Credits determines that Additional Credits are necessary to make the project financially feasible due to circumstances causing significant unforeseen cost increases, the Owner may apply to DCA for additional 9% Credits only under the Application process set forth in the Qualified Allocation Plan in the year the project is placed in service. This year's plan states that no project will be awarded more than eight

* Not Applicable to Bond Financed Projects

hundred thousand dollars (\$800,000) of Georgia's annual Federal Credit Authority and an equal amount of Stated Credit Authority. DCA will not consider allocations from a previous year's annual Federal Credit Authority in determining whether a project awarded 2007 credits has met the \$800,000 cap. However, Applicants will be limited to direct or indirect Ownership interest in projects in which the combined total Federal Credit from the 2007 competitive funding round cannot exceed one million seven hundred fifty thousand dollars (\$1,750,000) and/or total HOME funding cannot exceed thirty five (35%) of the total HOME loan resources available. Therefore, additional credits allocated will be considered in this calculation.

Applications submitted for Additional Credits will be deemed to have met all Threshold requirements. Therefore, Threshold documentation does not need to be submitted.

For scoring purposes, Applicants can elect one of the following options:

1. Keep the DCA score in the original Application round; or
2. Submit all necessary documentation in the Appropriate Tabs for all scoring criteria under the 2007 QAP. The information contained for scoring does not need to be updated if it meets current QAP requirements. For example, a new resolution of support to meet the requirements of local government support is not required. The original resolution placed behind the Appropriate Tab is sufficient to meet DCA requirements. If additional information is needed to score in a category, please include that new information behind the Appropriate Tab. In addition, if there are increased efficiencies in energy point categories, an Applicant will be deemed to have met scoring criteria if the previous efficiencies in the QAP under which the project was originally funded were met. Projects that received Points under the category Previous Projects within a local Government in the original Application will receive points in this round.

It is not DCA's intention to require a project seeking Additional Credits to expend additional funds to meet DCA scoring criteria.

All restrictions and requirements of the original Allocation shall remain in full force and effect.

Additionally, the application for additional credits must meet the following criteria:

- No increase in developer fee from the original funded application will be allowed.
- The total additional credits awarded per project in the 2007 round cannot exceed more than 20% of the project's original tax credit allocation.
- Applicants will be limited to direct or indirect Ownership interest in projects in which the combined total Federal Credits from the 2007 competitive funding round do not exceed one million seven hundred fifty thousand dollars (\$1,750,000). 2007 Per Unit Cost Limitations are applicable to these projects.
- Additional HOME funding is not available through this application process.
- Applicants cannot change rent and income restrictions, unit mix, and applicable set aside elections indicated under the original funded application.
- Applicants will be required to meet all scoring criteria from their original funded application.

The original placed-in-service deadline will remain in effect. Applicants must refer to the Application Instructions for submitting an application under this provision.

Land Use Restrictive Covenant. The Owner must execute and record GHFA's prescribed form of the LURC prior to final allocation as required under Section 42(h)(6) of the Code. The LURC shall reflect all representations made in the original Application and any changes made to the original Application that have been approved in writing by GHFA. The LURC will be drafted after GHFA's receipt of the

* Not Applicable to Bond Financed Projects

certification of the 10% test, and must be recorded upon its execution. All construction and/or permanent financing for the project must be subordinated to that portion of the recorded LURC that sets forth the requirements of Section 42 (h)(6)(E)(ii) of the Code.

IRS Revenue Ruling 2004-83 provides that Section 42(h)(6)(B)(i) requires that an extended low income housing commitment must include a prohibition during the extended use period against (1) the eviction or the termination of tenancy (other than for good cause) of an existing tenant of any low income unit (no cause-eviction protection) and (2) any increase in the gross rent with respect to the unit not otherwise permitted under Section 42.

B. 4% Federal Credit – Bond Financed Projects. Tax Exempt bond financed projects may also be eligible for 4% tax credits that are not subject to the state volume cap as described in Section 42 of the Code.

An Application for Credits for Bond Financed Projects must satisfy all applicable requirements set forth in Appendix I, Threshold Criteria, of the Plan and all applicable requirements set forth in the Plan. Incomplete applications (as determined solely by DCA) will not be accepted and will be returned in their entirety to the applicant.

DCA shall be the sole entity responsible for making such a determination and must issue its opinion as to the project's 4% Credit eligibility prior to Bond closing. The project must comply with the Plan in effect at the time of Application submission. However, prior to Application Submission, an applicant may request to comply with the Plan in effect up to six months prior to the intended date of the Application submission. DCA will approve such a request upon receipt. DCA's approval may contain certain conditions if there is a major change(s) in the federal and/or state housing credit program requirements during the six-month period prior to the Application Submission.

In making Application to DCA for a Letter of Determination, an Owner must complete the standard Application, as well as provide all supporting documentation necessary to meet all applicable requirements and pay the appropriate Application and other applicable fees. The Application must be submitted at least 75 days before bond closing. DCA will provide its opinion within 75 days of the receipt of a **complete** Application.

A pre-application for the commissioning of a market study may be submitted to DCA at any time. Market studies commissioned during the pre-application process may become outdated and require an update if the completed application is not submitted within DCA timeframes (see DCA Threshold Requirements Market Study section). All requests for architectural standard, operating cost, per unit cost and/or experience waivers must be submitted 30 days prior to Application submission.

Owners of projects receiving a Letter of Determination for Bond Financed Projects in 2007 must:

- Complete all construction activity by December 31, 2009
- Apply for Final Allocation and request for issuance of IRS form(s) 8609 by February 15, 2010.

IRS form(s) 8609 for a project will be issued only once for the entire project as proposed in the Application. Form(s) 8609 will not be issued as buildings are placed in service. DCA will provide its opinion within 75 days of the receipt of a **complete** Application.

DCA will not issue a favorable opinion or Form(s) IRS-8609 when an Applicant exhibits a continual pattern of noncompliance, or when the Applicant demonstrates an inability or an unwillingness to resolve noncompliance matters in a timely manner as determined by DCA.

* **Not Applicable to Bond Financed Projects**

The Owner must execute and record GHFA's prescribed form of the LURC at or prior to Bond closing. The LURC shall reflect all representations made in the original Application and any changes made to the original Application that has been approved in writing by GHFA. The LURC must be recorded upon its execution. All construction and/or permanent financing for the project must be subordinated to that portion of the recorded LURC that sets forth the requirements of Section 42(h)(6)(E)(ii) of the Code.

Owners of projects receiving a Letter of Determination from DCA must notify DCA Compliance in writing within 30 days after the first building placed-in-service date.

C. State Credit. The annual State Credit dollar amount will equal that of the Federal Credit. The State Credit will be automatically allocated on a dollar-for-dollar basis with the Federal Credit (for both 9% and 4% Federal Credit) and will be available for the same time period discussed above. The Federal and State Credit may be bifurcated and sold to separate investors.

* Not Applicable to Bond Financed Projects

Section 8. Financing Resources – HOME Loans*

Resources Available. HUD annually allocates HOME funds to state and larger local governments. The Federal Fiscal Year (FFY2007) HOME allocation is expected to be available to the State on **July 1, 2007**, following approval of the Annual Action Plan for FFY2007 Consolidated Funds (Annual Action Plan). In the event FFY 2007 HOME funding is not made available to the State, DCA will not be obligated to provide any HOME Loans to Applicants.

As of the date of publication of the Plan, approximately twenty million dollars (\$20,000,000) is expected to be available for HOME Loans under the Plan. DCA reserves the right to adjust the amount of HOME funds available for HOME Loans pending final notification from HUD of its FFY2007 HOME allocation and DCA's determination of the funding needs of all of its HOME-funded programs as described in the Annual Action Plan for FFY 2007 Consolidated Funds.

In the event HOME Loan funds remain unallocated after the Competitive Scoring process described in the Plan is complete, DCA reserves the right to apply the remaining HOME Loan funds to other DCA programs at its sole and absolute discretion. Further, DCA reserves the right to adjust the amount of HOME funds allocated to the HOME Rental Housing Loan and CHDO Set-Aside in its sole and absolute discretion.

CHDO Set-aside. Fifteen percent (15%) of the State's HOME allocation will be set aside for projects owned by nonprofits that have been pre-qualified by DCA as CHDOs. The CHDO set-aside will be met with funding under this Plan. HOME funds awarded to CHDOs under other DCA programs may also count towards this set-aside. CHDOs funded under this Plan must act as sole or joint Owners of newly constructed or rehabilitated rental housing for occupancy by low and very low-income households as set forth in the Plan, the Manual, and the HOME regulations. Organizations seeking funds under the CHDO Set-aside may apply for funding to cover pre-development expenses through DCA's CHDO Pre-Development Loan Program. Information on the Pre-Development Loan Program is available on DCA's website or by calling DCA at (404) 327-6858.

HOME Loan Limits. The minimum HOME loan amount is the greater of either \$100,000, or \$1,000 multiplied by the number of HOME funded units. The maximum HOME Loan will be two million two hundred thousand dollars (\$2,200,000) per project, except that projects located in Rural areas will be eligible for loans up to three million dollars (\$3,000,000) if no other lender is involved or a second lender agrees to a second-lien position.

* Not Applicable to Bond Financed Projects

Section 9. Policies

Policies governing the administration of the Credits and HOME Loans are found throughout the Plan, the Manual, the Compliance Manual, and other documents published by IRS, HUD, and DCA. Included in this section of the Plan are policies to which DCA wishes to draw specific attention. In no way, however, should exclusion of a policy from this section be construed to limit its applicability to funding resources allocated under the Plan. DCA reserves the right to formulate new policies to address operational issues that may arise during the course of the funding cycle.

A. DCA Underwriting Policies

- **Annual Operating Expenses.** Annual budgeted Operating Costs, excluding reserve contributions, must be no less than three thousand dollars (\$3,000) per unit for urban projects, two thousand six hundred dollars (\$2,600) for rural projects, and two thousand four hundred dollars (\$2,400) for projects that include USDA loans as a funding source. (The lower amount for a USDA project is allowable due to USDA's more restrictive underwriting policies.) However, DCA reserves the right to determine the reasonableness of budgeted operating expenses for all projects.
- **Assumptions for Building Basis.** For purposes of underwriting acquisition Credits, the building basis must be limited to the lesser of the sales price or the appraised value of the building(s).
- **Builder Cost Limitations.** Builder's overhead, general requirements and builder's profit are limited to percentages of the total construction contract (net of builder's overhead, general requirements, and builder's profit) as follows: Builder's overhead – two percent (2%); General Requirements – six percent (6%); and Builder's profit – six percent (6%). General Requirements shall not include water tap and sewer fees.

For Applications where there is an Identity of Interest between the owner and contractor or the developer and the contractor, the cost of obtaining a letter of credit or a construction loan in lieu of the payment and performance bond must be included in the general requirements.

- **Construction Contingency.** The construction contingency amount must be at least 5%, but no greater than 7%, of the total construction hard costs for new construction projects. For rehabilitation projects, the construction contingency amount must be at least 7%, but no greater than 10% of the total construction hard cost. For historic rehabilitation projects, the construction contingency amount must be at least 10%, but no greater than 15% of the total construction hard cost. DCA reserves the right to adjust development budgets in this regard, for underwriting purposes, in its sole and absolute discretion.
- **Preliminary Commitment Letter Interest rates.** DCA will evaluate financial feasibility for all applications (other than those with an assumption of existing fixed rate debt) using an interest rate specified in the preliminary commitment letter. If the interest rate is based upon a spread over an index rate, both the underlying index to be used and the spread should be identified in the preliminary commitment letter. DCA will utilize the applicable rate effective as of April 2, 2007. For noncompetitive projects, the effective date of the applicable rate will be the first business day of the full month preceding the Application submission date. The applicant must include documentation of the applicable index rate with the commitment letter.

* Not Applicable to Bond Financed Projects

- **Debt Coverage Ratio.** The debt coverage ratio for all tangible debt after funding expenses and other required reserve funding must be between 1.15 and 1.35 for the first full year of operation. For purposes of determining the debt coverage ratio, the deferred Developer Fee will not be considered tangible debt. As part of its financial feasibility analysis, DCA will require that projects with tangible debt meet at a minimum a 1.15 debt coverage ratio for each year after the first year of the credit period. Amounts set aside in a reserve funded in one year may not be withdrawn and treated as a gross receipt in a subsequent year to satisfy the debt service coverage ratio in the subsequent year. Amounts received in one year that exceed the debt service coverage target for that year will not be credited to another year. For purposes of this test, each year will stand alone. The debt coverage ratio cannot drop below 1.15 during the 15-year Compliance Period, HOME Loan term, or the Period of Affordability, whichever is longer. The Credits and/or HOME Loan amount may be reduced if DCA's underwriting indicates a debt coverage ratio greater than 1.35 in the first full year of operation.

DCA may consider projects (with the exception of Targeted Population projects) that do not have debt to be over subsidized and reduce its allocation of resources.

- **Development Costs.** The costs included in the development budget including, but not limited to, the cost for land, on-site improvements, on-site development, construction cost, financing cost, professional fees, and mandatory reserve accounts. Development costs are limited to on-site development activities.
- **Developer Fee.** The sum of the Developer's overhead and Developer's profit. If a Consultant is acting in the capacity of Developer or construction manager, or providing technical assistance to the Developer or construction manager, the Consultant's Fee is also considered part of the total Developer Fee limitation. Guarantor Fees are also part of the total Developer Fee limitation.
- **Developer Fee Limitation.** DCA restricts the maximum Developer Fee as follows:
 - For new construction projects, the Developer fee will be limited to 15% of Total Development Costs less the budgeted Developer Fee and the cost of Land.
 - For acquisition / rehabilitation projects that are eligible for acquisition credits, the Developer Fee on the acquisition portion will be limited to 15% of the Existing Structures acquisition cost (including Acquisition Legal Fees). The rehabilitation portion will be limited to 15% of Total Development Costs less the budgeted Developer Fee, the cost of Land, Acquisition Legal Fees and Existing Structures.
 - For rehab projects that are not eligible for acquisition credits, the developer fee will be limited to 15% of Total Development Costs less the budgeted Developer Fee, the cost of Land, Acquisition Legal Fees and Existing Structures. However, if the Development Agreement specifically states that a portion of the developer fee is attributable to the building acquisition, then the developer fee will be limited to 15% of Total Development Costs less the budgeted Developer Fee and the cost of Land.

When an Identity of Interest exists between the Developer and the General Contractor, the maximum Developer Fee is restricted to 15% of the Total Development Cost less the cost of the Land, the budgeted Developer Fee, and the Builder Profit. If the Application budgets a Developer Fee of less than 15%, the percentage proposed will be substituted for 15% in determining the maximum Developer Fee.

The developer fee will be calculated using the allowable total development cost based on the DCA per Unit Cost Limits. The Developer Fee for Applications for Additional Credits (in the year the project is placed in service), shall be limited to the original approved Developer Fee.

* Not Applicable to Bond Financed Projects

Deferred Developer fee must be payable within fifteen (15) years from available cash flow. The deferred portion cannot exceed 50% of the total amount of Developer Fee at initial application.

Consultant's Fees and Guarantor Fees are considered to be part of the Developer Fee.

- **Distribution Across Unit/Bedroom Sizes.**

1. *Rent.* Projects with a multi-tiered rent structure must distribute the rents across unit sizes, unit types and buildings. These units need not be fixed, but may float in the same way high HOME rent and low HOME rent units may float within a project.

2. *Accessibility.* To the maximum extent feasible, accessible units must be distributed across unit sizes, unit types and buildings so as not to limit choice.

- **Identity of Interest - Project Participants.** Identity of interests between any Project Participant, other than the Syndicator and the construction and/or permanent lenders is prohibited unless the financing terms and conditions are reasonable, customary and consistent with industry standards. The determination of whether or not such terms and conditions are reasonable and customary is at DCA's sole and absolute discretion.
- **Identity of Interest – Land Purchase.** For Applications where there is an Identity of Interest between the buyer and the seller for any site within the project, an appraisal no more than 6 months old and prepared by a certified appraiser must be submitted with the Application as a basis for the determination of the appropriate sales price. The appraisal must be prepared in accordance with DCA Appraisal Guide and must provide separate valuations for the land and existing buildings. The lesser of the sales price or the as is appraised value will be the basis for determining the appropriate sales price.
- **Local Government Fees.** The development budget must include all water tap, sewer tap, impact and building permit fees. These local government fees cannot be part of General Requirements.
- **Management Fee.** The operating budget should specify the management fee. DCA will review carefully the terms of the management agreement if the property is self managed or if there is a related party relationship between the Owner/Developer and the Management Company. DCA reserves the right to limit or adjust management fees which appear to be excessive.
- **Permanent Debt Financing.** Permanent debt financing shall have a minimum term of 5 years.
- **Rehabilitation Hard Costs.** Average per unit rehabilitation hard costs must equal or exceed \$20,000 for properties 20 years old or less and the average per unit rehabilitation hard costs equal or exceed \$25,000 for properties that exceed 20 years old. The total hard cost of any rehabilitation project must not exceed 90% of the as-completed unrestricted appraised value of the property.

* Not Applicable to Bond Financed Projects

- **Rent-Up Reserves.** A reasonable rent-up reserve is required for all projects based on the estimated projected lease up deficit. Absent information to the contrary, DCA will assume that three months of projected operating expenses constitutes a reasonable reserve. After lease-up, any funds remaining in this reserve will be transferred to the ODR or will be utilized to pay any deferred developer fee.
- **Replacement Reserve.** A Replacement Reserve, based on a Replacement Plan, is required for all projects awarded funding under the Plan and must be included in the operating budget. Contributions must be made to the reserve account, starting at or before the conversion date of the construction loan to permanent loan and must be funded for the term of the loan in accordance with the Replacement Plan. The following minimum contributions must be used:
 1. Rehabilitation – \$25.00 per unit per month (\$300 per unit per year)
 2. New Construction – \$20.00 per unit per month (\$240 per unit per year)
 3. Single Family Units – \$35.00 per unit per month (\$420 per unit per year)

Replacement Reserve funds may be used only for Capital Improvements (substantial improvements to the real estate such as re-roofing, structural repairs, or major projects to replace or upgrade existing furnishings, but not including replacement of individual appliances or minor repairs.) and must **not** be used for general maintenance expenses.

Replacement Reserves must escalate at a rate of 3% per year. If the Replacement Plan indicates that an amount greater than the minimum reserve outlined above is necessary, then this greater amount will be required and must be escalated at a rate of 3% per year. DCA will, at its discretion, adjust the Replacement Reserve to reflect reasonable and customary capital and replacement expenditures. For Rehabilitation Projects, the physical needs assessment will also be reviewed in determining whether sufficient reserves have been established

- **Revenue, Vacancy, and Expense Trends.** Revenue should be trended at 2% per year, operating expenses at 3% and vacancy and collection loss at 7%.
- **Soft Cost Contingency.** “Soft cost” or “total project” contingency, over and above the allowed construction contingency, will not be permitted as a budgeted line item.
- **State Tax Credit.** DCA will not allocate state tax credits to a project that shows a price less than the reasonable fair market price for credits. Applicants that indicate intent to purchase state tax credits for themselves will be required to provide additional information as to the use of the credit and the basis for the price.
- **Tax Credit Percentages.** For purposes of an application for 9% credits the Applicable Credit Percentage for the month of April 2007 should be utilized. For purposes of an application for 4% credits (Tax-Exempt Bond financed applications), the Applicable Credit Percentage for the month preceding the submission of the application for tax credits should be utilized.

* Not Applicable to Bond Financed Projects

B. Additional DCA Policies related to the funding of DCA HOME Loans

- **Assumptions for Land Purchase.** Once a project has been funded and the appraisal received, the cost assumed for acquisition of land and existing buildings will be limited to the lesser of the sales price or the appraised “as-is” value.
- **Contract Bidding and Bid Bonds.** Owners are not required to solicit bids for construction contracts to be financed with DCA HOME Loans, and bid bonds are not required when bids are solicited, unless otherwise required by law. However, prior to closing a HOME Loan, DCA must approve both the general contractor and the contract documents. DCA will not close a Home loan unless the approved contract with the general contractor has been fully executed.
- **Contractor construction cost certifications.** Certifications audited by an independent certified public accountant must be submitted with the request for final draw.
- **Construction Commencement.** All HOME projects must be able to commence construction within one year of commitment.
- **Construction Contingency.** To the extent feasible, DCA funds should be allocated to cover disbursements from the construction contingency. Regardless of how the contingency is funded, DCA must approve all change orders. Any unused balance in the construction contingency at the time of Conversion must be used to reduce the principal amount of the HOME Loan or the senior lender loan as appropriate, with the monthly principal and interest payments adjusted accordingly.
- **Construction Hard Cost Financing.** HOME Loan funds can be used to finance only construction hard costs, which include site development, unit/building construction, and contractors, services which include, general requirements (inclusive of payment and performance bonds), builders overhead and builder’s profit. Soft costs, acquisition costs and other project costs must be financed by other financing sources. (Not applicable to HOME CHDO Predevelopment Loans.)
- **Construction Loan Recourse.** All construction loans will be full recourse against the borrower and/or the principals of the Ownership entity until full and final completion of the project as determined by DCA. In its discretion, DCA may require that one or more Principals of the Owner or Developer guarantee the completion of construction and payment of the HOME Loan until completion of construction.
- **Conversion.** Projects receiving HOME Loans must be scheduled to convert within twenty four-months of the HOME construction loan closing. Extension of conversion deadlines must be approved by DCA.
- **Developer Overhead and Consultant Fees.** The amount of the Developer’s overhead and Consultant’s Fee (if applicable) that can be drawn before Conversion must not exceed the lesser of (1) 20% of the maximum allowable Developer Fee, or (2) 50% of the total Developer Fee requested. None of the Developer’s profit will be disbursed until Conversion. These disbursement conditions will be reflected in the HOME Loan documents and in an agreement with any other funding source(s) that will be funding these line items.

* Not Applicable to Bond Financed Projects

- **Draws.** HOME Construction Loan proceeds will be disbursed on a draw basis during the construction period. The HOME loan documents will describe the policies and procedures for obtaining a draw.
- **Final Draw.** The final payment of funds (not including any retainage) for a HOME construction loan shall be made at the time of substantial completion of construction, to be evidenced by submission of all items on the DCA form “Requirements for Final Draw”, including but not limited to: final payment request on the AIA draw request form, copies of all final certificates of occupancy for all buildings, final lien waivers, construction Consultants' final inspection report, Approval of the Contractor’s Cost Certification, and approval for release of funds.
- **Fixed or Floating Unit Designation.** For properties with both HOME assisted and non- HOME assisted units, the Applicant must select to treat the HOME assisted units as “fixed” or “floating” units at the time of loan commitment. When HOME assisted units are “fixed”, the specific units that are HOME assisted (and, therefore, subject to HOME rent and occupancy requirements) are designated and will never change. When HOME assisted units are “floating”, the units that are designated as HOME assisted may change over time as long as the total number of HOME assisted units in the project remains constant and the HOME assisted units remain comparable to the non assisted units over the affordability period in terms of size, features and number of bedrooms. If the Applicant fails to make such an election at the time of loan commitment, it will be deemed that the Applicant has elected to treat the HOME assisted units as “floating”.
- **HOME Units.** The number of HOME Assisted Units must be specified at initial Application. HOME rules create a floor for the number of HOME assisted units a project must have. This floor is based on the proportional share of total eligible costs to be paid with HOME funds.
- **Identity of Interest.**
 1. Contractor- If there is an Identity of Interest between the Owner and the contractor or the Developer and the contractor, a third party front-end analysis of the construction costs will be commissioned by DCA during the DCA underwriting period. Additionally, industry standards for such Owner-provided construction services shall be used to determine reasonableness for the services.
 2. Other Provider - If there is an Identity of Interest between the Owner and any other provider of service, material, or supplies, such Owner-supplied services, materials, or supplies must not exceed the amount ordinarily paid for the service, material, or supply.
- **Inspections.** All costs incurred by DCA for DCA HOME property inspections will be the responsibility of the Borrower – including, but not limited to, Inspections at Draws, Final Inspection and other inspections required if a property is improperly maintained. In addition, all HOME projects will be inspected by a DCA accessibility expert prior to final completion to ensure that all accessibility requirements have been met. The cost of this inspection must be paid by the Borrower.
- **Intercreditor Agreements.** When GHFA is not the only construction lender on a project, an intercreditor agreement shall be executed with the other lenders to ensure DCA’s required involvement in all significant aspects of the administration of the construction loans.

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At a minimum, the intercreditor agreement should contain at least the following essential elements:

1. A development cost budget approved by all lenders indicating the source(s) of funding for each line item;
 2. A process and timetable for reviewing and approving change orders to the construction contract;
 3. A process and timetable for reviewing and approving draw requests, including site inspection and documentation standards;
 4. A process and timetable for amending the approved development cost budget;
 5. Limitations on disbursements for Developer Fee (Owner's profit and risk) and Consultant fees; and,
 6. Other matters, such as priority of each lender's interest in the collateral for the loans.
- **Loan Documents.** Written agreements shall be entered into between GHFA and the borrower evidencing, securing, and setting forth all of the terms and conditions of the HOME Loan. The Project Owner will also be required to execute all other closing or loan documents DCA deems necessary or desirable to document the HOME Loan satisfactorily.
 - **Loan Terms.** The principal amount of the HOME construction loan and HOME permanent loan for a project will be the same. No interest will be charged during the construction loan period assuming that the DCA HOME permanent loan interest rate is not required to be set at AFR. The interest rate on the permanent loan will be no less than 1%. However, the interest rate on loans to finance projects located in areas designated as rural pursuant to the definitions in the QAP may be less than 1% in years 8 through 15 as required to ensure project feasibility. In no case may such interest rate fall below 0.50%. In years 16 through maturity, such interest rates shall not fall below 0.25%. DCA reserves the right to adjust this rate at its sole and absolute discretion. Construction loan terms will be based upon the projected construction and lease-up schedule, as determined from the Application and DCA's underwriting. In general, permanent HOME Loans will be fully amortizing, with a maturity and amortization periods ranging from 15 to 35 years.
 - **Non-Fully Amortizing Loans.** Non-fully amortizing Balloon Loans are available for projects in Rural areas and for all Targeted Population (Majority) Projects. In such cases the term will be set by DCA with monthly payment and interest payments determined by DCA's underwriting projections and a balloon payment due at maturity. In the case of non-fully amortizing HOME Loans, the outstanding interest and a portion of the principal must be paid every year.
 1. **Excess Cash Flow.** For all permanent non-fully amortizing HOME Loans, in which the monthly installments of principal and interest are not sufficient to pay the HOME Loan in full over the loan term (a "non-amortizing HOME Loan") the borrower will deposit one-half of the cash flow from the project (after payment of secured debt service) into an interest bearing reserve account. The holder of the reserve account and the terms under which it will be held must be approved by DCA in its sole discretion. Funds held in the reserve account will be used only for principal reduction of the HOME Loan or Capital Improvements, but only if such use is approved by GHFA in advance. Funds in the reserve account (with the exception of those approved by GHFA for Capital Improvements) must remain in the reserve account until the HOME Loan is repaid.

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2. Future Market Value. In the case of a non-fully amortizing HOME Loan, DCA will require a projection from the appraiser of the future market value of the property at the maturity of the HOME Loan. This value will be used by DCA to determine the likelihood of retirement of the outstanding balance by refinance or resale of the property. The future market value of the property must be greater than the projected outstanding DCA HOME Loan balance at maturity in order for the HOME Loan to be considered financially feasible.

- **Operating Deficit Reserve.** All developments financed in whole or in part with HOME Loans must budget for and fund an operating deficit reserve in an amount of no less than four times the secured monthly debt service to lenders plus no less than four months projected operating expenses. The funding of the operating deficit reserve must be completed at or before Conversion. If drawn upon, no further distribution to Owners will be authorized until such time as the operating deficit reserve is restored to full funding.

The operating deficit reserve must be held by DCA or the senior lender and must remain in place for the term of the HOME Loan or the Period of Affordability, whichever is longer. With the exception of instances in which Fannie Mae is the sole senior lender, if DCA is a subordinate lender, but makes a HOME Loan in an amount greater than the senior lender, DCA must hold the reserves. All withdrawals from the operating deficit reserve must be requested in writing and approved in advance by DCA. Interest earned on the operating deficit reserve account shall be added to the account as an additional contribution and will not be credited against the required monthly cash contributions.

- **Over-Income Tenant Restrictions.** When DCA HOME Loans are used, additional over-income restrictions shall apply. Upon re-certification of a previously eligible tenant, if it is determined that the tenant's income exceeds 60% of AMI, the tenant's rent must be increased to the lesser of: 30% of the tenant's adjusted annual income, HUD's fair market rent limitations, or the maximum amount allowable by the Code, not to exceed limitations set by state or local laws (if any).
- **Owner-Contractor Agreements.** If the Owner is not also the general contractor, all developments financed in whole or in part with a HOME Loan for construction must use an AIA Standard Form Agreement between Owner and contractor, with Standard Form Terms and Conditions. The contract can either be stipulated sum or cost plus a fee with a maximum.
- **Partnership Agreements.** The partnership agreement and any amendments must be fully executed prior to the HOME Loan closing. The Partnership Agreement and any amendments must reflect the terms of the HOME Loan transaction on all material points. If the Owner is a limited liability company, an operating agreement in a form satisfactory to DCA must be fully executed before the HOME loan closing. After the HOME loan closing, the partnership agreement or the operating agreement (as the case may be) may not be further amended without GHFA's prior approval.
- **Payment and Performance Bonds.** A 100% payment and performance bond will be required for all developments funded with HOME Loans. The issuer of the bonds and the terms of the bonds must be satisfactory to DCA in its sole discretion. The cost of these bonds shall be included in the six percent general requirements limit for the construction contract (see "Builders Cost Limitations" above). When an Identity of Interest exists and the contractor cannot obtain a payment and performance bond, a letter of credit or construction loan can be utilized in lieu of a payment and performance bond. The cost of the letter of credit or construction loan will be included in general requirements.

A waiver of the requirement for payment and performance bonds may only be granted when there is an Identity of Interest between the Owner/Developer and the contractor, regardless of the contract amount, since such a relationship is usually not bondable.

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A waiver will not be considered unless:

1. The Owner agrees to provide a construction completion guaranty and payment guarantee, secured by a letter of credit from a federally-insured institution with a value of at least 50% of the total construction cost, including profit and overhead; or
 2. The Owner agrees to secure a construction loan with private financing. GHFA will disburse funds during the construction period, in an amount not to exceed \$10,000 per construction draw.
- **Refinancing.** DCA HOME loans cannot be used to refinance or payoff an existing loan. Proceeds from permanent HOME loans can be used to pay off construction, bridge and predevelopment loans provided that the HOME assistance is part of the original financing package.
 - **Repayment.** Repayment schedules will vary depending upon projected economics of the development, but are essentially determined by analyzing available cash flow of the project at Application Submission and again during HOME Underwriting. In the event, DCA determines that the project is experiencing feasibility problems related to increases in real estate taxes, increases in property insurance, increases in utility allowances or decreases in fair market rents, the repayment schedule may be modified by DCA.
 - **Replacement Reserve Withdrawals.** All withdrawals from the Replacement Reserve account must be approved by DCA in advance. The senior lender must maintain the Replacement Reserve account in an FDIC insured financial institution. Interest earned on the Replacement Reserve account shall be added to the account as an additional contribution and will not be credited against the required monthly cash contributions.
 - **Retainage.** The loan agreement between the Project Owner and GHFA will provide that GHFA may retain 10% of the amounts that it has approved for each draw request (“the retainage”) until the project reaches 50% completion. Thereafter GHFA will retain 5% of the amount that it has approved for each draw request, resulting in a total retainage of 7.5% at Substantial Completion. The construction contract must provide and the contractor must acknowledge that GHFA has the right to withhold such retainage and that the retainage will not be disbursed until full and final completion of the construction.
 - **Rural Projects.** DCA recognizes that Rural projects may involve greater financial risk than non-Rural projects. While a sufficient economic base to support a proposed Rural project may exist at the time of Application, the loss of a predominant industry or employer, or other extenuating circumstances out of the control of the Applicant could result in a major economic impact on the project. To mitigate this increased financial risk, DCA will consider loan modifications during the course of the HOME Loan for projects which have suffered a demonstrated major economic impact as a result of the loss of a predominate industry or employer or other extenuating circumstances. The loan modification may be structured to allow the Owners to maintain Ownership and control of the property and to continue providing affordable housing to the extent it is needed in the community.
 - **Stored Materials.** DCA will not pay draw requests that include the cost of stored materials. Stored materials are considered to be materials that will not be incorporated into the construction within the subsequent thirty (30) days from the date of any draw request.
 - **Subsidy Layering Review.** DCA will perform subsidy-layering analysis for HOME funded projects prior to the time of preliminary commitment for projects receiving tax credits from the state’s low
- * Not Applicable to Bond Financed Projects

income housing tax credit allocation. In cases where the results of a DCA subsidy layering review indicated that there would be excess assistance, DCA will reduce the amount of the HOME loan to eliminate the excess. In addition, a subsidy layering review is also conducted during HOME loan underwriting prior to the closing of the HOME loan.

- **Subordination.** The decision whether to subordinate DCA's regulatory agreement and/or lien position to a private lender's security deed will be made only after DCA considers the individual circumstances of each HOME Loan. Factors that will be considered include, but are not limited to, the senior loan amount, DCA's HOME Loan amount, debt coverage ratio, private lender's interest rates, loan maturity, type of loan, etc. In no instance will DCA subordinate to a public entity's loan.
- **Syndicator Asset Management Fee.** Syndicator asset management fees will be paid from the "after debt service" cash flow less the cash flow payments to DCA on the HOME permanent loans.
- **Tri Party Agreements.** A Tri Party Agreement will be required for all DCA HOME Loan transactions involving another permanent lender that is not financing construction costs. The Tri Party Agreement must clearly state, at a minimum, that the permanent lender has reviewed and approved the DCA HOME Loan documents, plans and specifications, development budget, tenant lease, environmental assessment, construction contract, title exception legal description, management agreement, partnership agreement, borrower's certificate of limited partnership, survey, appraisal, form of subordination agreement, and items necessary to satisfy the permanent commitment regarding completion of construction of the improvements of the collateral property.

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Section 10. Eligibility

A. Applicants. For profit or nonprofit Owners of proposed newly constructed or rehabilitated rental housing to be occupied by low and very low-income households as set forth in the Plan, the Manual, and if applicable the HOME regulations and/or Section 42 of the Code, may apply. Eligible activities are the construction to permanent financing for the costs of constructing or rehabilitating rental housing as defined in the Plan. Rental dwelling units financed through the HOME Loan program must be affordable by low-to-moderate-income households as defined in the Plan, the Manual, and the HOME regulations. Eligible buildings contain one or more units designed for long-term, continuous residential rental use.

DCA reserves the right to perform a full criminal, employment, and credit investigation of all Project Participants. DCA reserves the right to formulate additional policies as needed related to the eligibility of individuals and entities to participate in DCA funding processes. In order to be eligible to participate, project participants must be current in all outstanding fees owed to DCA, including but not limited to Compliance Monitoring Fees and LIHTC allocation fees.

Proposed Project Participants may be ineligible to receive funding under the Plan if the proposed Project Participant falls within any one of the following categories:

1. Continuing Non-Compliance, Disqualification in DCA Programs. Principals of projects awarded Credits or HOME Loans in previous award cycles must remain materially in compliance with all applicable requirements of the Credits and the HOME Loan programs to remain eligible to compete for future Credits or HOME Loans. Material non-compliance status exists when, in the judgment of DCA, an Applicant exhibits a continual pattern of non-compliance or when an Applicant demonstrates an inability or an unwillingness to resolve non-compliance matters in a timely manner.

Additionally, Project Participants must start and complete outstanding DCA HOME Loan or Credits projects in a timely manner and meet all material obligations under applicable loan documents and/or carryover allocations to remain eligible to compete for future Credits or HOME Loans. Project Participants must accurately complete and submit all forms required under Federal regulations in a timely manner including, but not limited to tenant data and Davis-Bacon documentation. Project Participants must remain qualified to participate in all DCA-administered programs to remain eligible to compete for future Credits or HOME Loans. DCA will have the sole and absolute discretion to determine those parties ineligible to receive funding under the Plan due to non-compliance, default or disqualification status. If an entity is determined to be ineligible to compete for DCA tax credit and HOME resources, the principals of that entity will also be ineligible.

Examples of conduct which may result in disqualification include, but are not limited to, any Owner, Developer, Manager or principal of such entity that:

- fails to disclose previous participation. All Owners, Developers and Principals must disclose all previous participation in the DCA HOME and/or LIHTC program for the last five years. Additionally, all Owners and Principals that have participated in an out of state tax credit allocation program must complete the Authorization for Release of Information for each state and send to each state identified.
- has been debarred or received a limited denial of participation in the past ten (10) years by any federal or state agency from participating in any development program;
- within the past ten years has been in a bankruptcy, an adverse fair housing settlement, an adverse civil rights settlement, or an adverse federal or state government proceeding and settlement;
- has been in a mortgage default or arrearage of three months or more within the last five years on an FHA-insured project, an RD funded rental project, a tax-exempt bond funded mortgage, an

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Agency loan, a tax credit project or any other publicly subsidized project (resolution of all outstanding Agency concerns regarding the default or arrearage may be considered in assessing disqualification);

- has been involved within the past ten years in a project which previously received an allocation of tax credits, but failed to meet standards or requirements of the tax credit allocation or failed to fulfill one of the representations contained in an application for tax credits;
- has been found to be directly or indirectly responsible for any project within the past five years in which there is or was uncorrected major noncompliance more than three months from the date of notification by the Agency or any other state allocating agency;
- has been involved in any project awarded tax credits in 2004 or earlier for which the final cost certification requirements have not been met by December 30, 2007;
- has been involved in any project awarded tax credits after 2000 where there has been a change in general partners or managing members during the last five years that the Agency did not approve in writing beforehand;
- is not in good standing with then DCA and/or GHFA;
- has left the ownership or developer structure of a tax credit or HOME project either voluntarily or involuntarily when the project has unpaid liens resulting from the construction or rehab, has failed to complete the proposed scope of work for such a development, has significantly underestimated the cost of the proposed rehab or construction resulting in the equity investor stepping in as General Partner or otherwise engaged in a course of conduct that is detrimental to the financial feasibility of the development.

A disqualification under this subsection will result in the individual or entity involved not being allowed to participate in the competitive cycle or the tax exempt bonds 4% tax credits and removing from consideration any application where they are identified.

2. Federally Debarred & Suspended Entities. Any person (individual, corporation, partnership, association), principal (officer, director, Owner, partner, key employee, or person who has critical influence), or agent for a Project Participant (including Consultant) that is under debarment, proposed debarment, or suspension by a federal agency is ineligible to participate in the 2007 Competitive Scoring process. Such Applications will be rejected. Each Project Participant and consultant must include in the Application a statement concerning all criminal convictions, indictments, and pending criminal investigations of all general partners and must provide dates and details of each circumstance, unless otherwise prohibited by court order, statute or regulation.

3. Failure to Use Previously Awarded Credits. DCA's policy is that projects awarded credits must be completed by the applicable Placed-In-Service date. An owner who cannot utilize awarded credits for any reason must still pay the credit allocation fee for the project. Provided the owner returns the credits and pays the applicable tax credit allocation fee in a timely manner, the project is eligible to be resubmitted in a future application round. If the resubmitted Application is approved, the Owner will pay a new credit allocation fee. The owner must inform DCA of its intent to return credits. DCA will then direct the owner on the proper timing and process for returning the credits.

In very limited circumstances, DCA will consider a forward exchange of credit if a delay in completion is due solely to circumstances beyond the control of the Owner/Developer. Examples of such delays include unforeseen sewer issues, delays due to HUD policy and procedures or for extraordinary delays in the issuance of local development or building permits. In the event DCA does approve a forward exchange, the placed in service date will be extended for only a period of six months. Failure to meet that extended placed in service date (six months) will be considered a major instance of non compliance and will be considered in DCA Compliance scoring.

* Not Applicable to Bond Financed Projects

B. Projects

1. Scattered Sites. Scattered-site projects will be eligible to apply if they have no more than six (6) non-contiguous parcels within a ½ mile radius and a minimum of four (4) residential units per parcel, except for parcels on which the community center is located.

All Applications proposing scattered sites must meet the following requirements:

- All of the residential units are income and rent restricted as set forth in Section 42 of the Code;
- All buildings in the project must be under the ownership of one entity;
- All buildings in the project must be developed under one plan of financing and considered as a single project by all funding sources;
- All units in the scattered site Application must be managed by one management entity;
- The scattered sites must be appraised as a single proposed development, if applicable; and,
- Each site within the proposed project must meet all applicable Threshold and Scoring criteria.

2. Detached Single-Family Rental Housing. Detached single family housing proposals will be eligible for funding if they satisfy the following requirements:

- The Application must include in its development budget the costs associated with the continuous upkeep of each rental house, including ground maintenance, at the project Owner's expense. These costs must be supported by a detailed maintenance plan.
- The Application must have a detailed Replacement Reserve analysis and plan.
- The house designs must reflect architectural diversity through the use of different elevations and styles.
- Landscaping must be appropriate for detached, single family housing.
- For detached single-family housing projects that are using HOME and Tax Credits as a funding source, all of the units must be income and rent restricted in accordance with the Code and DCA requirements.

3. Targeted Population Developments. DCA recognizes that proposals for developments where a majority of the units are for Targeted Populations may have difficulty meeting some of DCA's financial feasibility requirements because of the way they are structured. DCA may, at its sole discretion, grant waivers of its policy for projects that are primarily built for a Targeted Population. Examples of items which may be waived include the DCA required debt coverage ratio, debt requirements and reserve requirements.

4. Phased Developments. Applications for each Phase must independently meet the criteria set forth in the respective QAP under which the Phase is seeking funding. The following criteria must also be met:

- Operations and operating costs must be separately managed for each phase;
- Community buildings and amenities located on one phase cannot be oversized to meet expected use by tenants of other phases (if the community building is claimed in eligible basis); and
- All amenities and services which are meeting Threshold criteria or Points criteria as listed in Appendix I and II of the QAP must be located on the Phase which is submitting the Application and cannot be used in previous or future Applications for funding for other Phases.

* Not Applicable to Bond Financed Projects

Section 11. Submission Requirements and Award Limitations

A. Pre-Application Submissions and Waivers (Please refer to Exhibit A - DCA Pre-Application Deadline and Fee Schedule for applicable Submission dates.)

Applicants may submit documentation for DCA review and approval prior to Application submission for the following criteria:

1. Experience Determinations

Requests for experience determinations may be submitted prior to Application in the sole and absolute discretion of the Applicant. For experience determinations, the Experience Submittal Form should be completed in accordance with the Experience Submittal Form Instructions for each Owner, Developer, and Management Company to be considered by DCA.

2. Compliance Score Determination

Compliance score determinations will be issued for individuals as well as for project teams. For compliance score determinations for individuals, the Compliance Summary Form must be submitted on or before the applicable date. Details of the proposed project, other than the size or the applicable range of the total number of units and type of project, are not required as part of these submissions.

3. Market Determinations (bonds only)

(See requirements in Market Threshold)

4. Waivers

The following Waivers may be requested from DCA:

- Per Unit Cost Limitation Waivers
- Architectural Standards Waivers
- Targeted Population Project Waiver
- DCA Noise Requirement Waiver
- Operating Expense Waiver
- Optional Amenities Waiver
- Experience Waivers (Owner, Developer and/or Manager)
- Probationary Participation

(Please see specific categories In Threshold as well as Core Plan Exhibit "A" DCA Fees and Deadlines for additional information)

Submissions under this category will only be evaluated if the submissions are complete and accurately prepared in accordance with the submittal instructions.

B. Application Submissions

1. DCA will conduct one Competitive Application cycle for 9% Credit and HOME Loan funding resources during 2007. Applications must be delivered by the deadline to:

Georgia Department of Community Affairs
Housing Finance Division/Office of Affordable Housing
60 Executive Park South, N.E.
Atlanta, Georgia 30329-2231

The complete Application is due at DCA by 4:00 PM. **on May 3, 2007.** After this precise time, irrespective of any extenuating circumstances, no Applications or portions thereof will be accepted.

* **Not Applicable to Bond Financed Projects**

2. 4% Tax Credit Applications for Bond Financed Projects can be submitted throughout the year subsequent to Bond Allocation, but no later than seventy five (75) days prior to bond closing date, and are subject to applicable criteria set out in the Core Plan, Threshold Criteria, Core Application Instructions, Core Application and Application Manual. All waiver requests must be submitted no later than 30 days prior to the 4% Tax Credit application submittal. Pre-Applications for the purpose of obtaining a market study may be submitted anytime.

3. A complete Application package must include all required documentation and all applicable Application fees. In the event the electronic version of the Core Application does not conform to the original print out of the Core Application, the electronic version of the Core Application shall be deemed the correct Application.

Applicants must submit complete Applications according to the directions and format prescribed in the 2007 Core Application Instructions and the 2007 Application Manual. No additional documentation will be accepted after the Application Submission deadline described in this Section unless specifically requested by DCA. The use of a third party or common carrier to deliver the Application does not relieve the Applicant of its responsibility for meeting the Application Submission deadline. Consequently, there will be no exceptions to this deadline. In addition, no assemblage, packaging, or other form of Application preparation will be permitted at any time on DCA premises.

Applicants for 9% Credits and/or HOME funding will be required to self-score their Applications and fully explain their rationale in support of the scoring decision for each criterion. Applicants' self-scores must be done in strict accordance with the provisions of the Plan and the Application Manual.

4. Maximum Number of Applications.* DCA will assign sequential project numbers to all Applications in the order they are received, and prior to any form of Application review. Applicants will be permitted to submit a maximum of six (6) Applications for funding resources under the Plan. This limitation applies to Ownership interests of all proposed Project Participants except for syndicators. Ownership interests of all Project Participants in the proposed Applications will be reviewed. If it is determined that a Project Participant has proposed Ownership interest in more than six (6) Applications DCA will only evaluate the first six (6) project Applications submitted to DCA. Any other Applications which include the same Project Participant will be considered ineligible and will not be evaluated.

* Not Applicable to Bond Financed Projects

C. Award Limitations*

- 1. Maximum Ownership Interests.** Applicants will be limited to direct or indirect Ownership interest in projects in which the combined total Federal Credit from the 2007 competitive funding round cannot exceed one million seven hundred fifty thousand dollars (\$1,750,000) and/or total HOME funding cannot exceed thirty five percent (35%) of the total HOME Loan resources available. This limitation applies to direct or indirect Ownership interests of all proposed Project Participants, except Syndicators. Once an applicant has been awarded projects that meet the above limits, all of that Applicant's lower scoring projects will be deemed ineligible. For nonprofit applicants, DCA will look at Executive Directors and common threads of effective control as well as whether different nonprofit entities have met DCA Experience requirements through the same individuals or entities.
- 2. Maximum Ownership Interest Exception.** The exceptions to the above is that an Owner who has reached the above limits may (1) partner or consult with an inexperienced unrelated entity for purposes of the inexperienced unrelated entity meeting DCA experience requirements pursuant to Threshold Experience requirements or (2) serve as a Developer in a project in which he has no Ownership interest. However, such Owners are limited to two (2) additional projects under this exception.

An Experienced Entity that has not met its maximum Ownership cap may also (1) partner or consult with an inexperienced entity for purposes of the inexperienced entity meeting DCA Threshold experience requirements or (2) serve as a Developer in a project in which he has no Ownership interest. However, such entities are limited to two (2) projects pursuant to this section. Each inexperienced unrelated entity must materially participate in the ownership of the project. DCA will review documentation submitted by each applicant to determine that the partnership with the inexperienced entity is bonafide. Each applicant seeking to utilize this exception must complete the appropriate DCA Certification Form.

Other Limitations. Inexperienced Owners and Developers that meet experience through partnering or consultant contracts with an experienced Owner and/or Developer are limited to one (1) project. If the experienced partner or consultant proposed in the Application is awarded two (2) projects pursuant to Section 11(C.)(2.), then the inexperienced Owner or Developer may replace such experienced partner or consultant with another experienced partner or consultant if the project is selected. The replacement partner or consultant must be approved by DCA.

Section 12. Post Award Deadlines

Design Development Documents. For 9% deals, Design Development Documents as fully outlined in the Architectural Submittal Instructions in the Manual must be submitted to DCA for review and approval no later than 90 days from carryover allocation date.

For 4% deals, Design Development Documents as fully outlined in the Architectural Submittal Instructions in the Manual must be submitted to DCA for review and approval no later than 90 days from issuance of the Letter of Determination.

* Not Applicable to Bond Financed Projects

Tax Credit only Projects/Commencement of Construction/Rehabilitation*. Owners of projects receiving 9% Tax Credits for new construction or rehabilitation in the 2007 round must commence construction or rehabilitation no later than **September 30, 2008**. Failure to commence construction as scheduled may cause an automatic recapture of the Credits. DCA will closely monitor construction start dates.

Tax Credit and Home Projects/Commencement of Construction/Rehabilitation*. Projects receiving HOME Loans must not begin construction prior to the HOME Loan closing. However, all projects receiving a HOME loan award in 2007 must have satisfied all conditions necessary to commence construction within one (1) year of the date of the initial HOME commitment. Exceptions may be granted by DCA at its sole and absolute discretion in accordance with HUD regulations, but must be requested prior to the start of construction. DCA will closely monitor construction start dates. Failure to comply with this policy may result in cancellation of the HOME Loan Commitment or other penalties.

HOME Loan Closing*. All projects receiving a HOME Loan award in 2007 must close their HOME Loans on or before **September 1, 2008**. Applicants unable to close within that time period may have their commitment for HOME funds withdrawn.

Completion of Work Scope.* Owners of projects receiving Credits in the 2007 round for the rehabilitation of an existing property must perform 100% of the work scope in accordance with the original physical needs assessment submitted with the Application no later than **December 31, 2009**. Owners of properties receiving Credits for new construction in the 2007 round must perform 100% of the work scope as set forth in the DCA approved construction drawings and specifications no later than **December 31, 2009**. Certificates of Occupancy for the residential buildings must be issued by the local jurisdiction before end of business December 31, 2008. Temporary Certificates of Occupancy that prohibit occupancy or condition occupancy will not be accepted to meet this requirement. DCA will inspect projects requesting IRS Form(s) 8609 to ensure that all work has been completed prior to issuing Form(s) 8609. If a lesser percentage is completed, DCA reserves the right to recapture all Credits allocated. At its sole and absolute discretion, DCA may approve modifications to the proposed work scope upon written request.

Placement-In-Service.* Owners of projects receiving Credits in the 2007 round must place all buildings in the project in service by **December 31, 2009**.

Compliance Monitoring Fee Payment Date. All compliance monitoring fees must be paid within eighteen (18) months of issuance of the carryover allocation document, but no later than the placed in service date or December 31, 2009, whichever is earliest. Failure to do so may adversely affect the Applicant's ability to compete in future funding rounds. In no case will the final Federal Credit allocation (IRS Form 8609) be issued before these fees are paid.

Final Allocation Deadline. Owners of projects receiving Credits in the 2007 round must apply for Final Allocation and request for issuance of IRS form(s) 8609 by **February 15, 2010**. IRS form(s) 8609 for a project will be issued only once for the entire project as proposed in the Application. Form(s) 8609 will not be issued as buildings are placed in service. Extensions may be approved by DCA on a case-by case basis.

* Not Applicable to Bond Financed Projects

Section 13. Project Reconfiguration/Application Modification

Generally, Applicants will not be allowed to make any changes to the Application after Application Submission to DCA. If Applicants believe extenuating circumstances warrant a change, and the change would not significantly alter the project's original concept, a written request for such a change will be considered by DCA. However, changes cannot be made without DCA's written approval, and such approval will be at DCA's sole and absolute discretion. This provision applies to any changes proposed after Application Submission, and if an award is made, throughout the project's Compliance Period or Period of Affordability, whichever is longer. Applicants' written requests must clearly establish the importance of the change, and why it is necessary to ensure the project's long-term financial feasibility and economic viability.

DCA will determine, in its sole and absolute discretion, whether or not a requested change will be authorized. The prohibition against changing any part of the Application without the prior written approval of DCA includes direct or indirect transfers of the general partner's or Developer's interest. Failure to abide by this provision will adversely affect the Applicant's eligibility to receive future DCA funding.

DCA may allow Applicants to correct deficiencies in the Application if DCA does not approve a sufficient number of Applications to use all the Credits authority available in an Application cycle *and* it receives Applications that are acceptable except for minor deficiencies that the Applicant can address within a reasonable period of time (generally not to exceed 10 business days).

Section 14. Fees and Deadlines

The fees indicated in this Section will be charged based on the legal status of the Applicants. All fees must be paid by certified funds or money order made payable to the Georgia Department of Community Affairs.

- **Compliance Monitoring Fees for Multiple Programs.** When DCA is required to monitor projects for compliance with tenant income and/or rent limitations of more than one program e.g., Credits and FDIC, the applicable monitoring fees for each program will be charged. Credits compliance fees must be paid no later than when the project is placed in service. Failure to do so may adversely affect the Applicant's ability to compete in future funding rounds.
- **Non-Compliant Properties.** Projects having instances of noncompliance that require additional review and follow-up may be assessed with additional compliance fees based on staff time and travel expense.
- **Late Fees.** Any late fees imposed by DCA will not be considered as a project cost for underwriting purposes.
- **Fees and Deadlines** can be found in Exhibit "A" to this core (DCA Deadlines and Fees)

Section 15. Evaluation of Applications

* Not Applicable to Bond Financed Projects

Completeness Review The 2007 DCA 9% Tax Credit and HOME funding resources will be made available to projects through a Competitive Scoring process. Applications received by DCA will be reviewed for completeness, as set forth in the Manual, including but not limited to:

- organization of the Application;
- inclusion of all required Application forms;
- submission of all required supporting documents; and
- the Electronic Application

4% Tax Credits for Bond Financed Applications will be issued Letters of Determination of eligibility for tax credit based on all applicable criteria as set forth in the 2007 Qualified Allocation Plan, Appendix I Threshold Criteria, the 2007 Application Manual and the 2007 Core Application Instructions and 2007 Core Electronic Application.

Threshold Review Complete Applications will be reviewed to determine if the project meets the Threshold requirements set forth in Appendix I. The Applications that fail to meet Threshold requirements will be notified in writing (by facsimile) of the specific requirement(s) that the Application did not meet. If an Applicant believes the Threshold requirement(s) was met, the Applicant must respond in writing within 5 calendar days from the date of the DCA notification letter. The response must provide a clear and specific explanation of why the Applicant believes DCA's initial determination was incorrect. DCA will review the response and if DCA decides that the initial determination was incorrect, the Application will be considered to have met Threshold requirement.

Threshold Clarification Period If an Application contains Threshold deficiencies which, in the determination of DCA, are either administrative in nature or are caused by a missing or incomplete document or the need for clarification of information submitted in the Application, DCA may request correction or clarification for such deficiencies. Such request is referred to as the "clarification request". DCA will provide this request in the form of a facsimile to the Applicant.

Applicants receiving a clarification request may supply missing or incomplete information and may clarify any inconsistencies related to the specific items identified by DCA in the clarification request. The clarification period will begin on the date of the clarification request and shall end at 4:00 p.m. Eastern Time, on the date specified in the clarification request. The clarification request shall specify the means and methods by which missing items may be supplied, incomplete items completed and inconsistencies clarified.

Applicants may not submit additional items for the purpose of increasing their score. **Any documentation that is provided during the threshold review period that is also applicable to a related scoring item will be reviewed only for threshold clarifications and will not be utilized during the scoring review process for the Application.**

* Not Applicable to Bond Financed Projects

Scoring Review* Complete Applications that meet the Threshold requirements described in Appendix I will be allowed into the Competitive Scoring process as set forth in Appendix II. Scored Applications will be ranked in descending order by total point score. Applicants will be required to self-score their Applications and fully explain their rationale in support of the scoring decision for each criterion. Applicants' self-scores must be done in strict accordance with the provisions of the Plan and the Application Manual. DCA scoring decisions on Applications submitted in previous rounds are not binding for Applications submitted in this round. DCA reserves the right to interpret provisions of the QAP differently each year in its sole and absolute discretion. DCA will provide the preliminary results of the Competitive Scoring process to all Applicants. DCA will provide the preliminary scores by facsimile to the Applicant. Applicants will be given a forty-eight (48) hour comment period to provide comments to DCA regarding the preliminary Scoring Results. Applicants may not submit additional items for the purpose of curing scoring deficiencies, justifying their self-scores or increasing their scores. Comments must be limited to the Applicants' opinions regarding DCA's scoring determinations.

DCA will review all comments that are received during the comment period. However, DCA is not obligated to give consideration to or revise its preliminary score based on comments received. Any decision DCA makes, and any action or inaction by DCA in administering the review of the comments shall be final and conclusive and shall not be subject to any review, whether judicial, administrative or otherwise, and shall not be covered by, subject to, or required to comply with or satisfy any provisions of Chapter 13 of Title 50 of the Official Code of Georgia Annotated, the "Georgia Administrative Procedure Act."

Competitive Application Selection* Generally, the highest scoring Applications with favorable market studies will be allocated resources without regard to resource type requested or geographical location, except as noted below and elsewhere in the plan:

- DCA reserves the right to allocate resources to lower ranked proposals to achieve a better mix of resource usage or a better geographical distribution of resources.
- If funding Credit-only Applications will deplete available Credits, then DCA may elect to fund lower scoring Applications that are requesting a combination of Credits and a HOME Loan.
- If sufficient HOME funds are not available to fund the next ranked Credit/HOME Application or HOME-only Application, DCA may elect to fund a lower scoring Credit and HOME or HOME only project for which the remaining funds are sufficient.
- If a geographic area of the state will receive an inequitable share of the available resources as determined by the Competitive Scoring process, DCA may choose to fund other proposals even though they have a lower relative ranking.
- Applications that do not score high enough to receive an award will be placed on a waiting list. If additional funding becomes available the next highest-scoring Application on the list will be eligible, subject to DCA's discretion.

* Not Applicable to Bond Financed Projects

Tie-Breaker* In the event one or more projects have the same score, but DCA has insufficient resources to fund all of the projects having that score, the following criteria will be utilized to select the funded projects:

- First Tiebreaker: Applications for Targeted Population Developments (majority of units)
- Second Tiebreaker: CHDO HOME Loan Applicants
- Third Tiebreaker: Projects that receive all points in Previous Projects Section
- Fourth Tiebreaker: Distribution of resources among participants in this funding round
- Fifth Tiebreaker: Expiring DCA LIHTC properties
- Sixth Tiebreaker: Family Projects
- Seventh Tiebreaker: Projects that use least amount of DCA resources

DCA's Administrative Discretion* DCA reserves the right to allocate resources to lower ranked proposals to achieve a better mix of resource usage or a better geographical distribution of resources as described above, or for any other reason judged by DCA to be meritorious. Such actions will be made at DCA's sole and absolute discretion. Any decision DCA makes, and any action or inaction by DCA in administering, managing, and operating the system, shall be final and conclusive and shall not be subject to any review, whether judicial, administrative or otherwise, and shall not be covered by, subject to, or required to comply with or satisfy any provisions of Chapter 13 of Title 50 of the Official Code of Georgia Annotated, the "Georgia Administrative Procedure Act."

Special Allocation Considerations* In its sole and absolute discretion, and where warranted by extenuating circumstances, DCA reserves the right to allocate Credits, up to the first day of the allocation round, based on the prior year's allocation plan with all applicable terms and conditions to projects that received an allocation in the prior year.

Final Notification* DCA will provide the final results of the Competitive Scoring process to all Applicants as soon as possible after the process has been completed. A separate letter will notify those Applicants whose projects are selected for awards. Also, if a DCA HOME Loan is proposed, DCA will issue to the Applicant/borrower a preliminary loan commitment letter. This commitment letter, while not fully guaranteeing that the HOME Loan will be forthcoming, will set forth all conditions that, if met, will result in a HOME Loan.

Section 16. Georgia Open Records Act

All Applications are subject to disclosure under the Georgia Open Records Act (GORA). Applicants must agree in the Application to hold harmless DCA and GHFA for any and all losses associated with disclosures in accordance with GORA.

Requests to examine records or request copies of DCA documentation should be made in writing to ensure accuracy and proper processing. DCA will provide a timely acknowledgement of the request, and will estimate the costs, if any, for the services requested. A party may also elect to review the documents at the DCA offices. Under these circumstances, the party should forward to DCA a request to review specific documents and coordinate with DCA a time that is mutually agreeable. GORA allows the agency to charge a fee to cover the cost of a document custodian to access and review the requested records, to monitor the review process, and for the cost of copying requested documents.

* Not Applicable to Bond Financed Projects

Applicants who have taken advantage of the Open Records process to gain insight into the manner in which particular criteria have been previously rated, are advised that DCA reserves the right to change the manner in which it interprets and applies the QAP on an annual basis.

Section 17. Monitoring and Compliance

The Applicant's compliance responsibilities begin with the award of the HOME funds and/or the Credit and will continue through the end of the Compliance Period, the Period of Affordability, or the term of the loan, whichever is longer.

Applicants are advised that DCA is required to monitor projects for compliance with the requirements of IRC Section 42, the HOME regulations at 24 CFR Part 92, the representations set forth in the Application, the requirements stated in this Plan, the requirements set forth in the respective program manuals and as represented in all restrictive documents. Although DCA is responsible for monitoring the Owners' compliance with these rules, regulations, and restrictions, this responsibility does not make DCA liable for an Owners' noncompliance.

Credit Compliance Monitoring Procedures (Tax Credit and Tax Exempt Bond/Tax Credit Properties)

Section 1.42-5(a) of U.S. Treasury Regulations requires that each Plan include a procedure that the housing credit agency (DCA) will follow in monitoring for noncompliance with the provisions of Section 42 and in notifying the Internal Revenue Service of any noncompliance of which DCA becomes aware.

The procedure for monitoring contained in the Plan must contain procedures consistent with the Regulations that address the following areas: record keeping and record retention; certification and review; on-site inspection; and notification as to noncompliance. This section is included in the Plan to comply with the mandate of the Regulations. DCA reserves the right to make such alteration or amendment to its monitoring procedures as may be required. Specific procedures that Owners must follow to remain in compliance with Program requirements are outlined in Credit Certification Training Materials. Changes and updates to these materials can be found on the DCA web site.

Required Training for Owners/Managers (Tax Credit, Tax Exempt Bond/Tax Credit and HOME Properties)

A representative of the Owner/general partner is required to successfully complete a compliance-training seminar provided by or sponsored by DCA. Limited partners are strongly encouraged to attend these training seminars, but may elect to have property managers serve as the limited partner's representative. Seminars for HOME, Tax Credit and HOME/Tax Credit compliance are offered on an ongoing basis by DCA. Certification testing is required and certificates are awarded upon successful completion of the training. The Owner of a Tax Credit and or HOME property will be required to submit to DCA a copy of the Certificate of Successful Completion for the training prior to the beginning of lease-up or prior to placing the first building in service.

All onsite property managers for projects which receive an allocation must attend and successfully complete a DCA-certified compliance training course prior to the first building Placed-In-Service date of the project. DCA may require onsite property managers and/or general partners of projects that have repetitive issues of noncompliance to attend additional compliance training.

Property and Record Compliance

* Not Applicable to Bond Financed Projects

A. For purposes of determining initial or ongoing eligibility and compliance with property maintenance requirements, DCA asserts the right to conduct on-site inspections of any project receiving Credit, HOME, or both Credit and HOME funding at any time through the end of the compliance period or the term of the loan, whichever is longer. DCA will provide written notice to the Owner of noncompliance findings and will assign an appropriate cure period.

B. DCA asserts the right to perform an on-site inspection of tenant records on any project receiving Credit, HOME, or both Credit and HOME funding at any time through the end of the compliance period or term of the loan, whichever is longer. DCA will provide written notice to the Owner of noncompliance findings and will assign an appropriate cure period.

C. In the Credit Program, DCA is required to report all items of possible noncompliance to the IRS on IRS Form 8823. This form(s) will be issued to the Owner/general partner of the project. If noncompliance can be and has been cured by the end of the cure period, the correction will be noted on Form 8823. DCA and the IRS consider Form 8823 to be a confidential tax document and, as such, Form 8823 will not be provided to parties not having an Ownership interest in the project.

Reports to be provided to DCA

A. Owners receiving HOME Loans are required to submit semi annual Occupancy Reports in a format prescribed in the DCA HOME Training Manual, together with copies of Tenant Income Certification for rental units leased during the quarter (beginning with initial lease-up date throughout the term of the loan. Owners are also required to submit a HOME Annual Owner's Certification and Annual Owner's Report in a format prescribed by DCA on or before February 28 of each year.

B. Owners receiving Credit are required to submit Quarterly Occupancy Reports with Tenant income certifications for rental units leased that quarter, beginning with the first building placed in service forward, until the end of the compliance period. Owners are also required to submit an Annual Owner's Certification and Annual Owner's Report in a format prescribed by DCA each year within thirty (30) days of the anniversary of the last building placed in service date.

C. Owners receiving HOME Loans and Credit are required to submit Quarterly Occupancy Reports from the placed in service date through the end of the loan or the compliance period, whichever is longer. Owners are also required to complete the HOME Annual Owner's Certification and Report and the Credit Annual Owner's Certification and Annual Report in the prescribed DCA format on the dates stated above.

D. Owners who received Credit and/or HOME funding and are financed under Section 515 of the U.S. Department of Agriculture will not be required to submit monthly or quarterly reports. These properties are required to complete the HOME and/or Credit Annual Owner's Certification and Annual Report in the prescribed DCA format on the dates stated above.

E. Owners of project that received Credit and are also financed with proceeds from tax-exempt bonds will be required to submit Quarterly Occupancy Reports beginning with the first building placed in service forward, until the end of the compliance period. Owners are also required to

* **Not Applicable to Bond Financed Projects**

submit an Annual Owners Certification and Annual Owner's Reports in a format prescribed by DCA each year on the dates stated above.

Review

DCA will review the certifications submitted to determine whether or not the Owner has complied with the requirements of Section 42.

Annually, DCA will inspect at least thirty-three percent (33%) of affordable developments to which it has made an allocation under Section 42. In each development selected for review, DCA will review the low-income tenant certifications, the documentation the Owner has received to support that certification, the rent record for no fewer than twenty percent (20%) of the low-income units located in each such development. Records relating tenant income, supporting documentation and rent records will be selected at random by DCA's monitoring officer at the time the review is held. In addition, DCA Compliance Officers will conduct a physical inspection of each low-income unit that receives a record review. The purpose of this inspection will be to determine whether or not the units meet Uniform Physical Condition Standards as defined by the Department of Housing and Urban Development.

DCA will conduct a physical inspection of approximately ten percent (10%) of the units at each project and will review approximately ten percent (10%) of the tenant files each year at properties that have received DCA HOME funds. Additional federal requirements will also be reviewed on an annual basis.

As necessary, DCA will review additional documentation to support representation in the Application for funding.

Record Keeping and Record Retention

- A. Owners awarded HOME Loans must keep records for each assisted building as stipulated in the final HOME regulations (as amended) and as stated in the Georgia HOME Manual.
- B. Owners allocated Credit must keep records for each building as stipulated in Section 42 of the IRS Code Section 1.42.5(b) and in the Georgia Low Income Housing Tax Credit Manual.
- C. Owners receiving HOME Loans and Credit must follow the most stringent requirements of the two programs.

Inspection Record Retention Provision (Tax Credit and Tax-Exempt Bond/Tax Credit Properties)

The Owner of a Credit property is required to retain all original local health, safety, or building code violation reports or notices that were issued by the State or local government unit for DCA's inspection. After DCA reviews the violation reports or notices and completes its inspection, unless the violation remains uncorrected, the Owner may dispose of these reports or notices.

* Not Applicable to Bond Financed Projects

Compliance Standards

A. Assessment of Noncompliance

Principals of projects awarded Credit or HOME in previous cycles must remain materially in compliance with Credit and HOME program requirements (if applicable) to remain eligible to compete for future Credit awards or HOME Loans. Material noncompliance status exists when a party exhibits a continual pattern of noncompliance, or when a party demonstrates an inability or an unwillingness to resolve noncompliance matter in a timely manner. DCA will have sole and absolute discretion in determining those parties ineligible to participate in the OAH financing competition due to noncompliance status.

B. Cure Period Standards

DCA will notify the Owner in writing of any possible findings of noncompliance. Each item of noncompliance will have an assigned cure period. The cure periods will typically range from thirty (30) days to a maximum of ninety days (90) days. Examples of noncompliance matters and typical cure periods are as follows:

<u>Noncompliance Items</u>	<u>Typical Cure Periods</u>
Health and Safety	
Any issue	24-72 hours
Administrative Noncompliance	
Incomplete or incorrect tenant income certifications	30 days
Affidavits not notarized	30 days
Failure to report on a quarterly or annual basis	30 days
Project Wide Noncompliance	
Incorrect utility allowance	60 days
Violations of the 40/50 Rule	60 days
Rent overages	60 days
Incurable Instances of Noncompliance	
Submission of fraudulent information to DCA	No Cure

Monitoring Fees

DCA charges a monitoring fee for all Tax Credit developments containing five (5) or more low-income units. Credit recipients will be required to pay the entire fee covering the 15-year Compliance Period as indicated in Exhibit A of the Core Plan (DCA Fees and Deadlines).

Compliance Monitoring Responsibilities

A. DCA may choose to delegate all or a portion of its compliance monitoring responsibilities to an agent or other private contractor. This option, if chosen, does not relieve DCA of its obligation to notify HUD or the IRS of noncompliance instances. DCA may also delegate some or all of its compliance monitoring responsibilities to another State agency. This delegation may include the responsibility of notifying the IRS of noncompliance.

B. Applicants must inform DCA of all conditions or extenuating circumstances at each project that may impact compliance monitoring duties. Any questions regarding compliance with the

* Not Applicable to Bond Financed Projects

Credit or HOME programs should be addressed in writing and faxed to DCA's Compliance Monitoring Section at (404) 327-6849.

Section 18. Modification of the Plan

Without limiting the generality of DCA's power and authority to administer, operate, and manage the allocation of Credits and HOME Loans according to federal law, federal procedures, and the Plan, DCA shall make such determinations and decisions, publish administrative rules, require the use of such forms, establish such procedures, and otherwise administer, operate, and manage allocations of Credits and HOME Loans and funds in such respects as may be, in DCA's determination, necessary, desirable, or incident to its responsibilities as the administrator, operator, and manager of allocations of Credits and HOME Loans.

The Governor recognizes and acknowledges that DCA will encounter situations which have not been foreseen or provided for in the Plan and expressly delegates to DCA the power to amend the Plan, after the public has had the opportunity to comment through the public hearing process, and to administer, operate, and manage allocations of Credits and HOME Loans in all situations and circumstances, both foreseen and unforeseen, including, without limiting the generality of the foregoing, the power and authority to control and establish procedures for controlling any misuse or abuses of the Credits or HOME Loan allocation system and the power and authority to resolve conflicts, inconsistencies, or ambiguities, if any, in the Plan or which may arise in administering, operating, or managing Credits or HOME Loan allocations pursuant to the Plan. The Governor further expressly delegates to DCA the authority to amend the Plan to ensure compliance with federal law and regulations as such federal law may be amended and as federal regulations are promulgated governing Credits and the HOME Loan Program.

* Not Applicable to Bond Financed Projects

EXHIBIT A

**DCA PRE-APPLICATION DEADLINES AND FEE SCHEDULE
For Profit, Nonprofit, and For Profit/Nonprofit Joint Ventures**

	Fees	Due Date
Architectural Standards Waiver	\$1,000 per waiver	No later than 3/5/07 or, no later than 30 days prior to the submittal of the 4% Application
Compliance Score and/or Team Score Determinations	NONE	No later than 3/5/07
DCA Noise Requirement Waiver	\$1,000 per waiver	No later than 3/5/07 or, no later than 30 days prior to the submittal of the 4% Tax Credit Application
Developer Experience Waiver	\$1,000 per waiver	No later than 3/5/07 or, no later than 30 days prior to the submittal of the 4% Tax Credit Application
Manager Experience Waiver	\$1,000 per waiver	No later than 3/5/07 or, no later than 30 days prior to the submittal of the 4% Tax Credit Application
Operating Expense Waiver	\$1,000 per waiver	No later than 3/5/07 or, no later than 30 days prior to the submittal of the 4% Tax Credit Application.
Owner Experience Waiver	\$1,000 per waiver	No later than 3/5/07 or, no later than 30 days prior to the submittal of the 4% Tax Credit Application
Per Unit Cost Limitation Waiver	\$1,000 per waiver	No later than 3/5/07 or, no later than 30 days prior to the submittal of the 4% Tax Credit Application
Probationary Participation	\$1,000 per request	No later than 3/5/07 or, no later than 30 days prior to the submittal of the 4% Tax Credit Application
Targeted Population Project Waiver	\$1,000 per waiver	No later than 3/5/07 or, no later than 30 days prior to the submittal of the 4% Tax Credit Application
Targeted Population Service Provider Approval Request	None	No later than 3/5/07 or, no later than 30 days prior to the submittal of the 4% Tax Credit Application
4% Pre-Application/Market Determination	\$7,000	Pre-Application Submission
Optional Amenities Waiver	\$1,000 per waiver	No later than 3/5/07 or, no later than 30 days prior to the submittal of the 4% Tax Credit Application

* Not Applicable to Bond Financed Projects

EXHIBIT A (continued)

**DCA APPLICATION AND PRE-AWARD DEADLINES & FEE SCHEDULE
For Profit, Nonprofit, and For Profit/Nonprofit Joint Ventures**

	Fees	Due Date
2007 Credit (only) Application Fee (includes market study fee of \$6,000), the balance of the fee may not be included in Eligible Basis.	\$8,500 For Profits \$8,500 For Profit/Nonprofit Joint Venture \$7,500 Nonprofit	Application Submission* May 3, 2007
2007 HOME (only) Application Fee (includes market study fee of \$6,000)	\$7,500 For Profits \$7,500 For Profit/Nonprofit Joint Venture \$7,500 Nonprofit	Application Submission* May 3, 2007
2007 HOME Loan/ Credit Application Fee (includes market Study fee of \$6,000), the balance of the fee may not be included in Eligible Basis.	\$9,000 For Profits \$9,000 For Profit/Nonprofit Joint Venture \$8,000 Nonprofit	Application Submission* May 3, 2007
2007 Additional Credit Application	\$2,500 For Profits \$2,500 For Profit/Nonprofit Joint Venture \$1,500 Nonprofit	Application Submission* May 3, 2007
2007 Bond/4% Credit Eligibility Opinion Letter (includes market study fee)	\$7,000	Pre-Application Submission no later than 75 days before bond closing (fee not required at application if submitted with pre-application)
Payment and Performance Bond Waiver	\$1,000 per waiver	Application Submission* May 3, 2007
Notification of Award	NONE	July 27, 2007

9% Application Submission Deadline: 4:00 PM on May 3, 2007

* Not Applicable to Bond Financed Projects

EXHIBIT A (continued)

**DCA POST AWARD DEADLINES AND FEE SCHEDULE
For Profit, Nonprofit, and For Profit/Nonprofit Joint Ventures**

	Fees	Due Date
Appraisal Fee (HOME Loans only)	Based on DCA cost	Upon invoicing by DCA during underwriting.
Bond/4% Credit Processing Fee	7% of annual Federal Credit amount	Due within 30 calendar days of issuance of Letter of Determination
Certificates of Occupancy	NONE	Issued by local jurisdiction before end of business December 31, 2009
Commencement of Construction/Rehabilitation (Tax Credit only Projects)	NONE	No later than September 30, 2008
Commencement of Construction/Rehabilitation (Tax Credit and HOME Projects)	NONE	Must satisfy all conditions necessary to commence construction within one year of date of the initial HOME commitment.
Completion of Work Scope	NONE	No later than December 31, 2009
Cost Certification Amendments	\$1,000 per request	At the time of request.
Credit Allocation Fee	7% of annual federal credit allocation	At time carryover allocation sent in except for Non Profit sole general partners which can submit at or before construction commencement deadline*
Credit Compliance Monitoring Fee (calculated on a per unit basis for all project units)	\$150 – USDA 515 projects \$150 – URFA bond projects \$600 – Bond/4% Credit projects \$600 – Others	Within 18 months of Issuance of carryover allocation, but no later than the project placed in service date Bond/4% credit compliance fees are due within 18 months of issuance of Letter of Determination
Design Documents as fully outlined in the Architectural Manual (9% deals)	NONE	Must be submitted to DCA for review and approval no later than 90 days from carryover allocation date.
Design Documents as fully outlined in the Architectural Manual (4% deals)	NONE	Must be submitted to DCA for review and approval no later than 90 days from issuance of the Letter of Determination
Environmental Review Costs	Based on Actual Costs incurred by DCA to retain consultants	Upon Invoicing by DCA
Final Allocation Deadline	NONE	February 15, 2010

* Not Applicable to Bond Financed Projects

EXHIBIT A (continued)

**DCA POST AWARD DEADLINES AND FEE SCHEDULE
For Profit, Nonprofit, and For Profit/Nonprofit Joint Ventures
(continued)**

Final Inspection Fee (for all LIHTC properties, both 4% and 9%, excluding those projects involving HOME funds)	\$2,500	Due within 30 days of final draw but no later than 30 days prior to the placed in service date
Formal Firm Commitments for equity and non-DCA debt*	NONE	Must be submitted to DCA within 75 days of the carryover allocation
Front End Analysis (applicable when an Identity of Interest exists between the Developer or Owner and the general contractor)	\$2,200	Due within 15 days of invoicing by DCA during underwriting. (HOME Loans only)
HOME Loan Closing	NONE	On or before September 1, 2008
HOME Loan Conversion	NONE	Within 24 months of the HOME construction loan closing
Placement-In-Service	NONE	All buildings in the project must be placed in service by December 31, 2009
Project Application Amendments, Post Award Project Concept Amendments	\$1,500 per request	At time of submission of request for amendment
Service Contract Submittal	NONE	
4% LURC Execution	NONE	At or prior to bond closing
9% LURC Execution	NONE	Prior to final allocation

* Not Applicable to Bond Financed Projects

**STATE OF GEORGIA
2007 QUALIFIED ALLOCATION PLAN**

**APPENDIX I
THRESHOLD CRITERIA**

To be considered for DCA financing resources, Applications must meet the Threshold requirements described below.

1. Project Feasibility, Viability Analysis, and Conformance with Plan
(Additional policies and requirements can be found in Core)

A. General. In analyzing project economic forecasts, Applicants must use DCA's project economic pro forma assumptions and abide by the 2007 Plan, Appendices, Instructions and the Manual. Rent Standards derived from the most recent AMI, FMR, and UA must be used to determine project rents and rent restrictions. DCA will determine if the application has been submitted in compliance with all application instructions, tab checklist requirements, and QAP requirements for support documentation, necessary to make a full and complete assessment of the proposed project. Incomplete applications or applications that are submitted and do not comply with submission requirements may be deemed insufficient and may be subject to Threshold failure. For each project that meets all other Threshold criteria, DCA will determine whether that project is financially feasible and may require documentation not specifically included in the minimum documentation requirements established in the Plan.

Project assumptions may be adjusted by DCA to reflect characteristics more representative of the project or its economic environment, including but not limited to, the pricing of the federal and state tax credits. DCA will determine whether an Application is financially feasible in its sole and absolute discretion. DCA's determinations will be final.

Only minor adjustments will be made by DCA to the financial proforma submitted by the Applicant. However, no adjustments (except error corrections) will be made to the following:

- Unit count and/or distribution
- Income and rent elections
- Rent structure
- Total development cost
- Financing sources (with the exception of DDF to fund any financing gap)

B. Preliminary Financing, Limited Partner Equity, Deferred Developer Fees and Other Financing Commitment. Original preliminary commitments for the types of financing listed below must be submitted with the Application:

- Construction financing
- Non-DCA permanent financing
- Equity bridge loans, if required
- HUD Invitation to Submit and Lender Preliminary Commitments for HUD assisted projects
- Any grants or other forms of assistance utilized during the construction period, or utilized as permanent financing
- Developer or general partner equity (financial statements to substantiate such equity must be included if such contribution exceeds the developers fee)
- Federal HOME Loan AHP financing commitment from either the Federal HOME Loan Bank to the non-profit entity or to the ownership entity. If the commitment is to the non-profit entity, then the non-profit should provide a preliminary commitment to the Ownership entity.
- Operating subsidy agreements
- Deferred Developer Fee
- Limited partner (Tax Credit) equity

Appendix I Threshold Criteria

(In the case of USDA, FHLB-AHP, CDBG, HOME, Permanent Supportive Housing Loans or DCA CHDO loans which are under final consideration at the time of Application, but are not awarded funding, the Applicant may secure alternate financing provided revised Application documents are submitted to DCA on or before August 15, 2007.)

The preliminary commitments must disclose, at minimum, the purpose, property address, amount, interest rate, terms, conditions and fees (if applicable). Applicants must transfer this information to the Permanent Financing summary chart in the electronic Core Application spreadsheet, as applicable. DCA, in its sole and absolute discretion, reserves the right to determine the adequacy of all preliminary financing commitments submitted in the Application. Any financing source for which the applicable federal rate of interest applies must be clearly noted.

C. Assumption of Existing Debt. The supporting documentation must disclose, at minimum, the following:

- A letter signed by an officer of the lender whose debt is being assumed which certifies, as of March 30, 2007, (1) the original principal balance of the loan, (2) the current outstanding principal balance of the loan, (3) the current accrued and unpaid interest (4) the current effective interest rate applicable to the loan, (5) the original date of the loan (6) the maturity date of the loan, (7) annual debt service (8) the amortization period applicable to the original loan, (9) that the loan is not currently in default, or if there exists an event of default, or an event that with the passage of time will constitute an event of default, all of the factual data pertinent to said default or said potential default and (10) that the loan has, or has not, been modified (if said loans has been modified and/or restructures in any way, copies of said modification/restructure documents must be provided)
- A copy of the original Promissory Note and any amendments and/or modification to said Promissory Note
- A copy of the original Loan Agreement and any amendments and/or modification to said Loan Agreement
- A copy of the original Mortgage, Deed to Secure Debt, Deed of Trust or such other security instrument providing security for the loan, and any amendments and/or modification to said security instruments

D. Deferred Developer Fee. Any owner's equity shown in the Application, excluding the general partner's contribution required by the Limited Partnership Agreement will be included as a source of funding in the calculation of Credit. This policy will apply at application, carryover, and final allocation. A developer should either take the deferred Developer Fee in the form of a note, or incorporate the deferred Developer Fee into the limited partnership agreement along with a detailed repayment schedule and specific terms. Deferred Developer fee must be payable within fifteen years from available cash flow. The deferred portion cannot exceed 50% of the total amount of Developer Fee at initial application.

DCA will accept either method as long as the terms of the deferred Developer Fee meet the requirements as set forth in the Plan. (Note that the deferred Developer Fee should be shown in last lien position in the debt service section of the project cash flow proformas). For purposes for calculating the minimum debt coverage ratio of 1.15, the deferred Developers Fee will not be included as debt service.

For Scattered Site Projects, all units must be developed under one master plan of financing and considered as a single project by all funding sources. The requirements of this threshold category are applicable to the project as a whole.

E. Gross Rent Restrictions

Appendix I Threshold Criteria

HOME Rents.* For low-income units receiving Credits, the gross rents may not exceed 30% of 60% of the effective AMI table. Applicants should assume 1.5 persons per bedroom. For HOME Loans, rents must be affordable at initial lease-up and must remain affordable over the term of the HOME Loan.

For HOME projects, rents may not exceed Fair Market Rents for the appropriate bedroom size.

Credit Rents. For low-income units receiving Credits, the gross rents may not exceed 30% of 60% of the effective AMI table. Applicants should assume 1.5 persons per bedroom.

Credit and HOME Rents.* Dwelling unit rents must conform to the Code's and/or the HOME regulation's gross rent (contract rent and tenant UA) restrictions. Tenant UA must conform to the requirements set forth in the Plan and the Manual. In the event Credit, HOME, or other funds are requested, the most restrictive gross rents will govern. For Credit and HOME projects, rents may not exceed fair market rents. Applicants should assume 1.5 persons per bedroom.

Many DCA projects will combine Credits and a HOME Loan. If any HOME loan interest rate is set below AFR, the income targeting requirements are more stringent than for Credits alone. Specifically, at least 40% of the units in each building of the project must be targeted to families at 50% of AMI, adjusted for family size. Additionally, DCA requires that gross rents must be set at 50% of AMI. All remaining assisted units must be targeted to families at 60% or less of AMI, adjusted for family size.

For Scattered Site projects, all units must meet the gross rent restrictions.

F. Unit Cost Limitations

Per unit costs must not exceed the following limits:

<u>Unit Type</u>	<u>Cost Limit</u>
Efficiency	\$87,000
1 Bedroom	\$100,000
2 Bedroom	\$120,000
3 Bedroom	\$135,000
4 Bedroom +	\$156,000

The maximum allowable developer fee will be calculated based on the allowable total development cost utilizing these DCA Per Unit Cost Limits. Allocation of DCA resources will also be based on these limits. Developments that exceed the above unit cost limitations or the total development cost do not require DCA's approval if additional DCA resources are not utilized to fund such additional cost.

DCA will consider waivers to the limitations stated above on a case-by-case basis. Waivers will be granted only for extraordinary circumstances. Applicants must submit sufficient documentation with their cost waiver request to justify the basis of the cost increase. Waiver requests and applicable fees must be submitted in accordance with Exhibit "A" (DCA Deadlines and Fees).

For HOME funded projects, the following per unit subsidy limits will apply in addition to the cost limits above:

<u>Unit Type</u>	<u>Subsidy Limit</u>
Efficiency	\$87,000
1 Bedroom	\$100,000
2 Bedroom	\$120,000

Appendix I Threshold Criteria

3 Bedroom	\$135,000
4 Bedroom +	\$156,000

For Scattered Site projects, all units must meet the per unit cost limitation requirements.

G. Utility Allowance (UA). Applicants should establish utility allowances for the property as follows:

1. USDA-Assisted Buildings. If a building receives assistance from the USDA (formerly called the Farmer's Home Administration, or FmHA), the USDA-prescribed utility allowance applies to all rent-restricted units in the building. The USDA-approved allowance applies even if the building is assisted by any other program or agency. Examples of USDA assistance include assistance provided under the USDA Section 515 rural rental loan program and USDA rental assistance. Projects funded with USDA 538 loan guarantee must use the DCA Utility allowance.
2. Buildings with USDA-Assisted Tenants. If any resident of a building receives USDA rental assistance, the USDA-approved utility allowance applies to all rent-restricted units in the building. This is even the case if residents of some units receive rental assistance from the U.S. Department of Housing and Urban Development (HUD).
3. HUD-Regulated Buildings. If neither a building nor any resident in the building receives USDA assistance, and HUD annually reviews the rents and utility allowances for the property (such as for Section 8 and Section 236 projects), the HUD-prescribed utility allowance is used. This rule doesn't apply to buildings that have only FHA-insured mortgages.
4. DCA HOME/Tax Credit buildings. If a building is neither an USDA-assisted nor HUD-regulated property, and no tenant in the building receives USDA rental assistance, there are two possible methods for establishing the utility allowance. These include:
 - A. The utility allowance established by the Public Housing Agency (PHA) that administers the Section 8 Program in the locality where the property is located. However, the electric allowances may be calculated as outlined in Section B below.
 - B. A written project specific estimate by a Utility Provider for the electric allowance only may also be used. If a private estimate is obtained, it must be prepared in accordance with DCA Energy Simulation Tool Criteria requirements as outlined in the DCA Compliance Manual. The Energy Tool Criteria must be validated by a source acceptable to DCA as identified in the DCA Compliance Manual. Each year, the Utility Provider will recalculate the Utility Allowance based on the current rate and all other billing inputs to determine if there is any change in the allowance. See DCA Compliance Manual – Utility Allowances. Once this method of choosing a utility allowance is elected, the project must continue using this method during the entire compliance period for the project. However, any unit occupied by a resident with a Section 8 / Housing Choice Voucher must use the PHA utility allowance, even if a private estimate has been obtained.

2. Tenancy Characteristics

All Applicants must designate the proposed project as either a Family Project or a Senior Project.

A. Family Project. A Family project is designed to foster development of housing for families and to encourage community activities from within the neighborhood.

B. Senior Project. A Senior project meets one of the following requirements:

- It is intended for, and solely occupied by, individuals 62 years of age or older; or
- it is intended and operated for occupancy by at least one individual 55 years of age or older per Unit, where at least 80% of the total housing Units are occupied by at least one individual who is

Appendix I Threshold Criteria

55 years of age or older; and where the Owner publishes and adheres to policies and procedures which demonstrate an intent by the owner and manager to provide housing for individuals 55 years of age or older

3. Required Services

All Family Projects must include at least one (1) basic ongoing service from the following categories and Senior Projects must include two (2) basic ongoing services from two different categories below.

- Social and recreational programs planned and overseen by the project manager (semi-monthly birthday parties/holiday dinners or parties/potluck dinners, movie nights, bingo, etc); or
- Semi-monthly classes conducted on site (example: arts and crafts, exercise, computer tutoring, gardening); or
- After school or adult day care located on site.

Applicants must certify at Application Submission that they will designate the specific services and meet the additional policies related to services. These required services must be identified in the Threshold Criteria Tab on the Core Application Form.

Additional Policies Related to Services

A final, binding contract for all proposed services must be submitted to the DCA Compliance Manager before issuance of IRS form 8609.

- Services must be committed for the Compliance Period or the Period of Affordability, whichever is greater.
- Services may be provided at a charge sufficient to cover the cost of the supportive services only, but the services must be clearly optional to the tenants.
- A full-time activities manager will be allowed in the operating budgets for those properties that are 100 units or more in size.
- Temporary staffing during lease-up to handle activities set-up and sign-up will be considered on a case-by-case basis.
- Part-time (on a proportional basis) activity managers will be allowed in the operating budgets for smaller projects.
- Owners will be required to submit annual certifications and documentation regarding the ongoing provision of the supportive services.
- For very small rural projects, Applicants may request a waiver of service requirements if there is insufficient participation in a service.

Appendix I Threshold Criteria

4. Market Feasibility (Market Study)

DCA strongly recommends that, prior to submitting Applications, Applicants independently obtain market information sufficient to satisfy their own concerns as to market viability of the proposed project. Applicants are encouraged to submit any market information with the Application that they believe may be helpful in determining the market feasibility of their proposal. An Applicant may submit an independent market study in the Application. However, DCA will not be bound by the opinion or conclusions reached by the Applicant-commissioned market study. The DCA-commissioned market study will take precedence.

Any market information or market study provided by the Applicant will be given to DCA's market analyst. By submitting this information or market study, Applicants are afforded the opportunity to provide input that may be important in the determination of market feasibility.

Market feasibility for HOME, 4% tax exempt Bond projects, and 9% Tax Credit projects, as measured by the DCA market analyst, will be based on, but not be limited, to the following factors:

- Market capture rates 30 percent or less for **all** 1 bedroom units, 30 percent or less for **all** 2 bedroom units, 40 percent or less for **all** 3 bedroom units and 50 percent or less for all 4 or more bedroom units in the project
- In Rural areas (as defined), market capture rates of 35 percent or less for **all** 1 bedroom units, 35 percent or less for **all** 2 bedroom units, 40 percent or less for **all** 3 bedroom units and 50 percent or less for all 4 or more bedroom units in the project
- The overall capture rate for **all** Tax Credit Units shall not exceed 30 percent for Urban Counties and 35 percent for Rural areas and the overall capture rate for **all** Market Rate Units shall not exceed 30% for Urban Counties and 35% for Rural areas
- Market capture rates for each AMI market segment type (i.e. 30%, 50%, 60% & market) for each **bedroom type** shall not exceed 70% for **all** bedroom types proposed in each segment
- An absorption period less than 24 months to reach stabilized occupancy
- Stabilized occupancy rate of 93% or above
- Unit mixes or target populations supported by the market
- No adverse impact to the occupancy and financial health of existing assisted rental housing properties in the market area. Assisted rental housing properties include those financed by Credits, USDA, HUD 202 or 811 (as appropriate), DCA or locally financed HOME properties, HTF, and HUD 221(d)(3) and 221 (d) (4) and other market rate FHA insured programs. DCA does not consider public housing properties in the adverse impact determination
- Competing proposed projects in the same geographic market area where, in part, location, unit mix, rent structure, market demand, and other factors favor one project compared to another;
- Units with project based rental assistance (PBRA)
- Ability of market rate units to lease at the projected rents
- All requirements as outlined in the Market Study Guide.

For existing occupied properties that are going to be rehabilitated, market analysts shall consider retention of current occupants in their demand calculations. Retention is measured by the number of tenants that are not rent burdened or over-income that are projected to reside at the property during and after the proposed renovations.

Appendix I Threshold Criteria

For Senior projects, (Elderly and Housing for Older Persons), demand may include residents from outside the market area, converting from homeownership, seniors living with and/or supported by their children as documented by the market analyst. DCA reserves the right, in its sole and absolute discretion, to independently evaluate the demand for additional affordable rental housing in the geographic/market area. DCA's judgment will be the final determination.

For scattered site projects, the market study requirements must be met for the project as a whole.

4% Tax Credit/Bond Financed Project Market Studies.

For bond-financed projects covered by the 2007 QAP DCA will commission the market study upon receipt of the application for tax credits. Applicants are encouraged to submit their applications as soon as possible after the bond allocation, in order to allow completion of the market study. However in all instances applications for 4% tax credits must be submitted no later 60 days prior to bond closing. Pre-Applications may be submitted for the purpose of DCA commissioning a market study for tax-exempt bond projects at any time utilizing the 2007 core application and instructions. Predeterminations that a project meets market threshold requirements may terminate if a full, completed Application is not submitted within 60 days of the Applicant's receipt of DCA's determination. If an Applicant does not submit his full application within 60 days, then the pre-application will be deemed to have been withdrawn from consideration. If the Applicant elects to submit an Application after that time, the Pre Application market study will be reviewed and updated if necessary. For updated or revised pre-application market studies, any project submitted or selected for funding subsequent to receipt of the initial pre-application must be included in a revised study.

All requests for a DCA ordered market study for 4% tax credits submitted in May through September will need to have all pending 9% tax credit applications considered in demand calculations.

5. Appraisals

A. DCA Commissioned Appraisals*

For all projects awarded HOME Loans, DCA will commission an appraisal prepared in accordance with DCA policies. DCA 's determination is final with respect to the appraised value of the project.

When preparing project development budgets, Applicants should use a reasonable estimate for the appraisal cost based on the Applicant's experience with projects of a similar size and scope. The DCA appraisals may be assignable to other lenders. In instances where the senior lender obtains the appraisal, DCA will accept such appraisal as long as DCA's guideline requirements are met and DCA is given the right to rely on the appraisal by the appraiser. DCA will select property appraisers. Applicants will be charged a fee equal to the cost of the appraisal report. The fee will be due on the date specified in the HOME commitment letter. The commissioned appraisal reports shall include the "as is" value, "as built/as complete" (encumbered), "as built/ as complete " (unencumbered) values of the proposed subject property and, tax credit value. The "as is" value shall delineate the value of the land and building. The appraisal shall conform to USPAP standards. The appraisal will provide an estimate of the market value (unencumbered) of the property at loan maturity. The total hard cost of any project may not exceed 90% of the as completed unencumbered appraised value of the property. Upon completion of the commissioned appraisal, any project found not to meet this requirement will have their funding award revoked.

Appendix I Threshold Criteria

B. Applicant Commissioned Appraisals

If DCA policy requires an appraisal to be submitted with the Application as the result of an identity of interest between the buyer and seller of the proposed project, an applicant shall commission an appraisal prepared in accordance with the DCA appraisal requirements. The commissioned appraisal report shall include the “as-is” value of the property including improvements in order for DCA to establish the basis of the determination of the sales price. The appraisal shall conform to USPAP standards.

For Scattered Site Projects, an appraisal establishing “as-is” value will be required for each non-contiguous parcel where an identity of interest exist between the buyer and seller.

6. Environmental Requirements

A. General

On-site and off-site specific environmental concerns identified in an environmental study are to be considered in the context of the criticality of the housing to be provided. DCA shall consider the public benefits of the housing and then weigh the benefits against the costs to mitigate the hazard, the potential health risks, and other financial and public policy implications. The project will not pass Threshold until all environmental matters are resolved in a manner satisfactory to DCA, in its sole and absolute discretion.

For Scattered Site Projects, the environmental requirements must be met for each noncontiguous parcel.

B. Environmental Study. A Phase I environmental study must be prepared in accordance with the DCA Environmental Manual contained in the Application Manual and must be included in the Application. The Applicant and the Qualified Environmental Professional must sign the environmental certification form and include it in the Application. This Phase I Environmental Study should fully address all recommendations of the consulting environmental engineer, and all such recommendations, including Phase II environmental studies (if required) or any additional testing, must be completed at the time of Application Submission.

The Phase I (and Phase II where required) Environmental Study must have been conducted within six (6) months of the Application Submission. If an Environmental Study was completed prior to this six-month period, a copy of this earlier Environmental Study (and any others that are available) must be included in the Application along with a new Environmental Study.

C. Flood Plains/Floodways

(a) Tax Credit Rehab Projects. Applications that propose the rehabilitation of existing buildings located in the 100-year flood plain/floodway, will meet Threshold criteria, only under the following conditions:

- An Architectural Conceptual Site Development Plan that clearly defines the areas of floodplain/floodway, with the Owner certification on the Architectural Site Information Form must be included in the Application.
- All areas of floodplain/floodway must be documented by the FEMA map for the areas in which the site is located. The proposed site for development must be located on that map.
- The lowest existing floor elevation of each building in the flood plain must be at least 6” above the FEMA designated flood plain/floodway elevation. Documentation must be submitted to clearly demonstrate existing conditions and should include a land survey indicating the location of the existing buildings, existing floodplain/floodway, elevation of existing floodplain/floodway, elevation of lowest floor level in existing buildings and FEMA elevation of the existing floodplain/floodway.

Appendix I Threshold Criteria

(b) Other projects. For all other projects, building in the flood plain will be permitted only if the following conditions are met:

- An Architectural Conceptual Site Development Plan that clearly defines the areas of floodplain/floodway, with the Owner certification on the Architectural Site Information Form must be included in the Application.
- 1) All areas of floodplain/floodway must be documented by the FEMA map for the areas in which the site is located. The proposed site for development must be located on that map.
- 2) The city or county in which the floodplain/floodway area is located must provide written approval of the proposed reclassification of the property out of the floodplain/floodway area.
- 3) A FEMA Conditional Letter of reclassification must be obtained for the property that shows that the property is eligible for reclassification out of the floodplain/floodway area and submitted at the time of application. A final letter of reclassification from FEMA along with an elevation certificate and all other information to document the reclassification must be provided to DCA at the completion of the project, or evidence that the property is eligible for flood insurance and that such insurance will be in place if awarded funding from DCA.

(c) HOME Projects and projects that have other HUD funded sources including but not limited to PBRA. For applications requesting HOME funds the following requirements must also be met:

- An Architectural Conceptual Site Development Plan that clearly defines the areas of floodplain/floodway, with the Owner certification on the Architectural Site Information Form must be included in the Application.
- The qualified Environmental Professional or Engineer must include an opinion as to whether or not the proposed project will impact any floodplain or floodway.
- The qualified Environmental Professional or Engineer must document mitigation for impacts to existing floodplains/floodways planned for development, and include consideration of alternative locations for the development.
- Documentation that the Applicant has published the required Notices and met the requirements of the Eight Step Flood Management process set forth in 24 CFR 55.20.

D. Wetlands

DCA does not allow the disturbance of wetlands in excess of one tenth (1/10th) of one acre for any project. No buildings or other improvements are to be located in any wetlands areas under any conditions. Any proposed development that does not meet these criteria will not meet Threshold.

The following documentation of the existence of Wetlands must be included in each:

- A Wetlands Delineation and USGS Maps are required to document the existence of wetland areas on the site, and must be included in the Environmental Study. (If there are no wetlands areas on the site, then a wetlands delineation is not required. However, in all cases USGS maps must be included in the environmental study.) The USGS Maps must clearly indicate the site location.
- The site reconnaissance must include observation of any and all wetland areas on the property.
- An Architectural Conceptual Site Development Plan that clearly defines the areas of wetlands with the Owner certification on the Architectural Site Information Form, indicating the acreage of wetlands that will be disturbed by the proposed project must be included in the Application

For applications requesting HOME funds or which have other HUD funds listed as sources, including but not limited to PBRA, the following **additional** requirements must be met:

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- 4) The qualified Environmental Professional or Engineer must document mitigation for impacts to any existing wetlands area(s) planned for development, and include consideration of alternative locations for the development.
- Documentation that the Applicant has published the required Notices and met the requirements of the Eight Step Wetlands Management process set forth in 24 CFR 55.20

E. Lead Based Paint (LBP) and Asbestos Containing Materials (ACM). For all existing properties to be rehabilitated under DCA programs and built prior to 1978, a survey of LBP and ACM must be included in the environmental study. The investigation must be completed according to EPA and HUD guidelines on properties that fall under the requirements of these agencies. If such materials exist on the properties the Qualified Environmental Professional must include recommendations for the management or abatement of these materials according to all EPA and HUD guidelines.

F. Water Leaks, Mold & Lead in Drinking Water. For all existing properties to be rehabilitated under DCA's programs a survey of water leaks, mold and testing for lead in drinking water must be completed according to EPA and HUD guidelines as applicable on properties that fall under the requirements of these agencies. If such conditions and/or materials exist on the properties the Qualified Environmental Professional must include recommendations for the elimination, removal or remediation of these conditions and/or materials according to all EPA and HUD guidelines, as applicable.

G. PCB's. For all construction applications, documentation must be submitted according to the requirements of the Environmental Manual.

H. Radon. For all Applications the Radon zone must be noted in the environmental study along with the Georgia Radon Map. For Applications that propose the rehabilitation of existing properties, radon testing within the existing buildings, according to EPA guidelines is required and the results must be included in the environmental study.

I. Noise Requirements. For all Applications, properties must meet the DCA requirements for sound. For HUD funded projects, properties must meet HUD Noise requirements as well. Applicants must provide evidence that the property meets these requirements. (Please refer to the DCA Environmental Manual for comprehensive information on DCA and HUD Noise Policies). DCA requires a Noise Analysis according to the requirements of the HUD Noise Analysis Guide (NAG) if the Owner Environmental Questionnaire & Disclosure Statement, Part B, indicates that there is a major road/highway/freeway within 1,000 feet, a railroad within 3,000 feet or an airport (depending on classification) within 5 – 15 miles. The Environmental consultant must provide an opinion on the results of such study, and the report must contain a complete mitigation plan for remediation of sound levels above the HUD or DCA Limitations. The DCA and HUD Noise Limitations must be met at 45dB for interior locations and 65dB for exterior locations. All mitigation costs for sounds must be included in the construction development budget. Absent a DCA waiver, a selected project cannot exceed 75dB of exterior noise.

Additional Environmental Requirements for HOME/HUD funded Projects, including but not limited to PBRA. The Applicant, as outlined in the HOME/HUD Environmental Questionnaire, must complete additional requirements for HOME/HUD funded projects at the time of Application Submission.

For Scattered Site Projects, the environmental requirements must be met for each noncontiguous parcel.

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7. Site Control

Site control must be in the form of (1) a warranty deed that conveys title to the subject property to the current General Partner or proposed LP or 2) a legally binding contract to purchase the proposed project site in the name of the General Partner or proposed LP (or which provides for an assignment to the General Partner or proposed LP), or (3) a binding long-term ground lease or an option for a binding long-term ground lease, with a minimum term of forty-five (45) years. For competitive applications, contracts must be executed prior to Application Submission deadline, must include a legal description of the property and must provide legal control of the site to the proposed General Partner or proposed LP at least through September 15, 2007. Site control must be in place through estimated bond closing date for 4% tax credit project.

In the event the contract provides the Applicant with the option to renew the contract for specific periods of time, with the initial period ending prior to September 15, 2007, the renewal option in such contract must be enforceable by the Applicant until September 15, 2007. A copy of a recorded warranty deed or a fully executed contract must be submitted with the Application. All Contracts evidencing site control must meet the specifications set forth in the Manual.

For Scattered Site Projects, evidence of site control is required for each non-contiguous parcel

8. Site Access

All sites proposed for development must be legally accessible by paved roads. The Application must include the appropriate drawings, survey or other documentation that reflects such paved roads. If such paved roads are not in place at the time of the Application Submission, documentation evidencing a local commitment for funding and the timetable for completion of such paved road must be included in the Application. This restriction does not apply to private driveways accessing only the proposed project through property that is not part of a proposed site. However, if the use of such a private drive is proposed, site control of the private drive must be documented by proof of ownership or by a properly executed easement on the private drive, and the plans for paving the private drive, including associated development costs, must be adequately addressed in the Application.

For Scattered Site projects, each non-contiguous parcel must meet the above criteria.

9. Site Zoning

Zoning must be in place on or before the Application Submission deadline. Zoning of the development site must conform to the site development plan and must be confirmed, in writing, by the authorized Local Government official. The letter from the authorized Local Government official must be included in the Application. The letter must include the zoning and land use classification of the property and be accompanied by a clear explanation of the requirements and all conditions of these zoning and land use classifications. If the Local Government does not have or enforce a zoning ordinance, the Applicant must include a letter from a local government official to that effect.

The Applicant must provide documentation that demonstrates that the site layout conforms to any moratoriums, density, setbacks, or other imposed requirements of the Local Government. This documentation must be demonstrated on the Architectural Site Conceptual Development Plan either graphically or in written form.

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It is the responsibility of the Applicant to ensure that all issues and questions surrounding the zoning and land use classification of a proposed site are clearly defined prior to Application Submission. Any unclear or unresolved issues of zoning and land use could result in Threshold failure of the Application.

For Scattered Site Projects, site zoning requirements must be met for each noncontiguous parcel.

10. Operating Utilities

Required project operating utilities (gas and electric service), as applicable, must be available to the proposed development site as of the Application Submission. To be considered "available" for the purposes of this section, all easements necessary for the utility providers to extend utilities to the property, and commitments from the utility providers to extend utilities to the property must be secured at the time of Application submission. Evidence of such easements and commitments from the utility provider must be included in the Application.

The Application must include a letter from the appropriate utility company confirming the availability and capacity of operating utilities at the proposed development site. The letters bearing signatures from the appropriate utility companies must be included in the Application. Any charges for the off-site extension of utility services are not eligible for funding as project costs under the funding resources in the Plan. The requirements for Operating Utilities must be met for each non-contiguous parcel or each non-contiguous multifamily property.

Operating utilities cannot be contingent on annexation of the property, improvement of infrastructure or funding to the utility provider from an outside source. Verification of the annexation and improvements must be submitted with the Application. Any unclear or unresolved issues regarding operating utilities may result in Threshold failure of the Application.

For Scattered Site Projects, operating utilities requirements must be met for each noncontiguous parcel.

11. Public Water/Sanitary Sewer/Storm Sewer

Public water and sewer service must be available at the proposed development site as of the Application Submission. To be considered "available" for the purposes of this section all easements necessary for the water and sewer authorities to extend the existing water and sewer services to the project, and commitments from the water and sewer authorities to extend the existing water and sewer services to the property must be secured at the time of Application Submission. Evidence of the easements and commitments from the water and sewer authorities must be included in the Application. A commitment can be subject only to conditions within the control of the Applicant. Letter(s) from the local public water and sewer authorities must document the availability and capacity of the existing public water and sewer service to the site. These letters from the appropriate public water and sewer authorities must be included in the Application. Any charges for the extension of off-site services are not eligible for funding as project costs under the funding resources in the Plan. Public water and/or sewer availability cannot be contingent on the construction of a water/sewer system, annexation of the property or funding to the utility provider from an outside source. Verification of the annexation and improvements must be submitted with the Application. Any unclear or unresolved issues regarding the public water/sanitary sewer/storm sewer may result in threshold failure of the Application.

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Applicants may request a waiver of these requirements for the development of single family detached units located in rural areas where no existing public water or sewer systems are available. Waivers will only be considered where each single family home is served by a separate system. No shared systems will be permitted and the waiver request must be accompanied by an engineering report confirming the availability of water and the percolation of the soil. The report must provide an opinion on the suitability of the location to make these options a viable alternative.

For Scattered Site Projects, public water/Sanitary Sewer/Storm Sewer requirements must be met for each noncontiguous parcel.

12. Required Amenities

A. Project Amenities: All properties must include the following on-site amenities:

- a community room, or building, an exterior gathering area such as a gazebo or exterior covered porch located in a central area,
- an on-site laundry (1 washer and 1 dryer per every 25 units) (If washers and dryers are installed and maintained in every unit at no additional cost to tenants, an on-site laundry is not required.)
- an equipped recreation area suitable for the proposed tenant base. (The equipped recreation area must be identified in the Threshold Criteria tab on the Core Application form as applicable to the tenancy.)

All the above amenities, with the exception of the on-site laundry, must be available to the tenants at no additional charge. Phased projects must include these amenities on the project site for each phase.

B. Unit Amenities: All units must include the following:

- HVAC systems
- refrigerators
- stoves
- Carbon Monoxide Fire Suppression system installed above the range cook top

C. Additional Requirements and Amenities for Senior projects (Elderly and Housing for Older Persons)

- Elevators must be installed for access to all units above the ground floor
- Buildings more than two story construction must have interior gathering areas in several locations in the lobbies and/or corridors
- 100% of the units must be accessible and adaptable, as defined by the Fair Housing Amendments Act (waiver may be available for properties built prior to 1991)
- All units must be equipped with an installed call system including a buzzer/bell and light to the exterior

D. Additional Required Project Amenities for 4% Tax Credit Projects

In addition to the required amenities shown above, tax-exempt bond projects requesting 4% tax credit must choose three of the following project amenities that have not been utilized as a basic amenity:

- Attractively fenced community gardens
- Microwave Oven in every unit
- In-sink disposal in every unit
- Built in dishwasher in every unit
- Equipped play court (basketball, volleyball, shuffleboard or tennis) as appropriate

* Not Applicable to Bond Financed Projects

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- Equipped walking path with exercise stations or sitting areas
- Picnic area equipped with adequate picnic tables and grills
- Equipped playground (Must include minimum of three different pieces of equipment)
- Large open playing fields (of at least 5,000 square feet) (Family projects only)
- Covered pavilion with picnic/barbecue facilities to encourage community or family reunion type functions
- Furnished Children's Activity center (must have furnishings, TV, educational media and recreational equipment)
- Furnished Library (must include sitting areas, tables, periodicals, adequate reference materials)
- Equipped Computer Center (must have high-speed internet access for every computer, and one computer and printer for every 25 units)
- Swimming Pool
- Washers and dryers are installed and maintained in every unit at no additional cost to tenants
- High-speed internet access involving a data connection in the living area of each unit that is separate from both the cable TV and telephone connections and that has support from a project-wide network (or a functional equivalent) or a similarly configured project-wide wireless network, AND high-speed internet service with ongoing unlimited usage provided to each unit at either no-cost to the tenant or as an option to the tenant at a cost less than \$15 per month per unit
- Furnished Exercise/Fitness Center
- Complete built-in fire sprinkler system in every unit and the community center, including an exterior audio and visual alarm system
- Installed call system in all units, including a buzzer and light to the exterior (basic amenity for senior projects)

13. Physical Needs Assessment (Rehabilitation Projects Only)

For rehabilitation projects only, a Physical Needs Assessment (PNA) must be included in the Application, and prepared in accordance with instructions set forth in the Architectural Guide in the Application Manual.

- This assessment must be completed no more than six (6) months prior to the Application Submission.
- The submission must include a statement from the consultant completing the PNA that the report is a true and accurate representative of the conditions as they exist on the property.
- The PNA must be prepared by an unrelated third party entity. Please refer to the instructions as set forth in the Architectural Guide.
- The PNA must include a narrative and must identify in that narrative the current condition of all major structural and other components at the property including but not limited to framing, flooring, balconies, roofs, heating and air conditioning systems, unit attic fire separation, sewer and water systems, electrical systems, windows, doors and all issues of health and safety existing on the property. The narrative must clearly identify all major structural building code and fire separation discrepancies existing issues at the property.
- The PNA must include an Immediate Needs work scope to correct the issues and replace the components identified in the narrative. A cost estimate must also be included for these identified immediate needs. Immediate needs must also include the replacement of all minor components with less than five years expected useful life and all major components with less than 15 years useful life.
- The PNA must include a 20 year replacement reserve study with no expenditures indicated within the first 5 years. (Any expenditure in the first five years must be included in the operating or unit turnkey budgets.)
- The application for rehabilitation of an existing property should propose either a wholesale or gut rehabilitation work scope for the property. A wholesale rehabilitation is one where the established

* Not Applicable to Bond Financed Projects

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work scope submitted in the application is identical in all units and buildings on the property, and meets the DCA requirements as delineated in the Architectural Guide in the Application Manual. A “gut” rehabilitation is one where the demolition will result in the removal of interior finishes (DW optional) and replace all existing components.

- An application for rehabilitation of an existing property that proposes a piecemeal work scope must be supported by a complete unit by unit assessment of the property and buildings. The proposed work scope must include a matrix on a unit by unit basis identifying all work to be completed in each unit and on the property.
- In all cases, unit fire separation must be addressed and included in the work scope. The fire separation must include at a minimum attic draft and fire separation, rated party walls and floor/ceiling components and caulking of all penetrations in the fire assemblies.
- A comprehensive work scope with budgeted construction costs including all immediate needs identified in the PNA and all proposed work to meet the application and scoring requirements must be included in the same Tab with the PNA Report. This comprehensive work scope should be completed by the Owner/Applicant, Architect and Contractor. DCA must be able to determine that all major issues identified in the PNA and Environmental Reports are included in the work scope and construction budget.

The completed construction must meet the DCA guidelines for quality and longevity. Refer to the Architectural Guide in the Application Manual for DCA construction requirements and refer to this Appendix for further information on Project Feasibility and Viability Analysis when considering the rehabilitation of an existing property.

In the event DCA determines that the PNA does not address a major structural issue, Building Code, health, safety and marketing issues, the Application will fail this Threshold requirement. Applicants must request a waiver from DCA to amend or update the PNA Report or comprehensive work scope after the Application Submission date.

For Scattered Site Projects, Physical Needs Assessment requirements must be met for each noncontiguous parcel.

14. Site Information and Conceptual Site Development Plan

A Conceptual Site Development Plan must be included in the Application, and prepared in accordance with instructions set forth in the Manual: The Conceptual Site Development Plan must include the following:

- Easements to be defined and indicated on plan;
- Wetlands and floodplains located with areas of disturbance calculated for the Wetlands;
- Use of all adjacent properties clearly defined both graphically and in written form;
- Zoning setbacks and restrictions graphically indicated;
- Indication of all existing structures, tanks, slabs and any other improvements existing on the property;
- Indication of any other items, physical or otherwise that would affect the development of the subject property;
- Indication of the entrance access to the property and a layout of all buildings, roads, and parking areas defined all site development amenities; and,
- All amenities indicated in the Scoring Criteria tab on the Application Form must be located on the site plan;
- All areas of tree and vegetation preservation must be defined.

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DCA does not require an ALTA Survey for purposes of developing the conceptual site development plan.

Applicants must also submit the Site Information Form for the proposed project site. Waivers for variances from any architectural standard in the Architectural Guide must be submitted to DCA no later than 60 days prior to the Application Submittal.

For Scattered Site Projects, Site Information and Conceptual Site Development Plan requirements must be met for each noncontiguous parcel.

15. Energy Standards

All completed properties must meet the Georgia Energy Codes as a minimum including the requirements for equipment sizing according to ACCA Manual J heat loss and gain, and proper duct sealing measures, as required by the energy codes. Basic design, appliances and equipment must also meet the requirements of the DCA Architectural Standards as contained in the Application Manual. The final construction documents must clearly indicate all components of the insulation envelope and all materials and equipment that meet these requirements.

Selection of the energy efficiency components must be entered in the Scoring Criteria tab on the Application Form. DCA requires the inclusion of all certified energy efficiency components in the finished project.

All applications for 4% tax credits must meet the above requirements for energy efficiency. In addition, all 4% Bond applications must select a minimum of four (4) energy components listed in Appendix II (Energy Efficiency and Indoor Air Quality Requirements), two (2) of which must contribute to the increased efficiency of the HVAC systems. These must be selected in the Threshold Criteria tab in the core Application Form.

16. Accessibility Standards

All projects funded under the Plan must meet the following accessibility standards at the time of project completion:

- All projects that receive allocations or funding under the Plan must comply with all applicable Federal and State accessibility laws including but not limited to The Fair Housing Amendments Act, Section 504, Americans with Disabilities Act, Georgia Fair Housing Law and Georgia Access Law. When two or more accessibility standards apply, the applicant is required to follow and apply both standards so that a maximum accessibility is obtained, and
- All applicable DCA accessibility requirements detailed in the Architectural Standards of the 2007 Application Manual.

Regardless of whether a project anticipates using federal funds as a funding source, all proposed projects must include the following DCA requirements:

- At least 5% of the total units (but no fewer than one unit) must be equipped for the mobility disabled, including wheelchair restricted residents; and
- At least an additional 2% of the total units (but no fewer than one unit) must be equipped for hearing and sight-impaired residents.

Any exemptions to the applicable federal, state and local accessibility laws must be supported by a legal opinion that supports such exemptions. In addition, DCA will review requests for exemptions from the DCA Accessibility Standards set forth in the Accessibility Standards section of the Application Manual.

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Applicants must enter all selections in the Threshold Criteria tab on the Application Form.

For Scattered Site Projects, the 5% and 2% requirements are applicable to the project as a whole; however, distribution of the units must be across the non-contiguous parcels.

17. Architectural Design & Quality Standards

All applications must meet the Architectural Standards contained in the Application Manual for quality and longevity. The standards are intended to promote the integration of new construction/rehabilitation into the existing community and to promote sustainable design and the protection of resources.

Constructed and Rehabilitation Construction Hard Costs. DCA will review the type of construction and associated hard construction costs. Applications for the rehabilitation of a substandard property will not be funded if, in the opinion of DCA, the rehabilitation will not result in improved, safe and decent long-term housing, the proposed rehabilitation does not meet DCA standards, or if new construction would be more appropriate. A similar review of project financial feasibility and economic viability will be conducted for all Applications proposing new construction to ensure that each project's construction hard costs will produce high quality housing for the targeted tenant market.

The minimum review standards for rehabilitation projects are as follows:

- The expected life of the completed property must exceed by five years the greater of the Compliance Period or the Period of Affordability; and
- All construction must meet the requirements set forth in the Manual.
- Rehabilitation projects will be considered for funding only if the average per unit rehabilitation hard costs equal or exceed \$20,000 for properties 20 years old or less and the average per unit rehabilitation hard costs equal or exceed \$25,000 for properties that exceed 20 years old.
- The total hard cost of any rehabilitation project must not exceed 90% of the as-completed unrestricted appraised value of the property.
- DCA may grant a waiver to projects that will not meet the above per unit average rehabilitation hard cost only if the physical needs assessment must clearly document that the existing property does not require a comprehensive rehabilitation. A certification from the architect must also be provided documenting that the proposed work scope is sufficient to ensure that the completed project will be viable and meet the DCA Useful Life Requirements. DCA may require as a condition of the waiver, that the financial pro forma clearly provide for the full funding of the capital replacement reserve.

All applications for 4% tax credits must meet the above requirements for design and quality construction. In addition all 4% Bond applications must select a minimum of four (4) upgraded exterior materials and finishes. At least one (1) of which must include upgrades to exterior finishes in the form of 40% masonry for new construction, upgraded siding for new and existing buildings, and upgraded roofing materials. At least two (2) selections must be made from the Site Design criteria, one of which must include the preservation or replacement of existing trees and vegetation.

All applicants must enter all selections in the Threshold Criteria tab on the Application.

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18. Experience and Capacity

DCA requires prior successful project experience for the Owner, Developer and Manager of a proposed project. A DCA Experience Summary form must be completed for each Owner, Developer and Manager of a project and submitted on or before the Application submission date. Entities and/or principals that were deemed experienced for the 2004, 2005 and 2006 competitive rounds do not have to complete a new DCA Experience Summary form provided there have been no changes in their organizational structure since the initial experience determination and no significant changes in the compliance history for properties. DCA reserves the right to determine, in its sole and absolute discretion, whether an Application meets the criterion of this section. DCA also reserves the right to determine whether the proposed Owner and/or Developer have/has the capacity to successfully complete the proposed development. DCA may consider projects in progress, prior performance in meeting construction commencement, projects with recaptured credits and completion deadlines, as well as the number of outstanding incomplete DCA-funded developments when determining capacity.

A. Full Disclosure

- 1) DCA requires complete disclosure of **all** entities and individuals in the Owner and Developer organizational structures.
- 2) Any relationship between individuals or entities that could constitute a conflict of interest or identity of interest between the parties must be disclosed.
- 3) Complete organizational charts must be submitted for the Owner and Developer entity that clearly show all principals down to individuals involved in the ownership and development of the project.
- 4) No change to an Owner or Developer structure can be made without the express consent of DCA.
- 5) **All** Development sharing fee arrangements must be disclosed. DCA considers all individuals or entities that receive a portion of the Development fee to be part of the Development structure.
- 6) **All** Guarantee agreements must be disclosed.
- 7) **All** consulting agreements direct or indirect, paid or unpaid, shall be disclosed.

Failure to Disclose or modifying the Owner and/or Development entity without DCA consent may be grounds for withdrawal of funding or allocation of resources.

B. Owner Experience

1. A proposed project Owner must demonstrate successful Owner experience as follows:
 - The Proposed Owner (individual, corporation, or in the case of a limited partnership, the general partner(s) of the Ownership entity) must demonstrate at least three (3) continuous years of prior ownership experience in at least two multifamily rental housing projects of similar size (number of dwelling units) to the proposed project.
 - Only ownership experience that occurred subsequent to January 1, 1995 will be considered under this criterion.
 - This Ownership Experience requirement may be met either through the experience of the General Partner entity or through the individual experience of one of the General Partner's principals as set forth below.
 - In a non-profit corporation, the executive director's experience will also be considered for purposes of determining whether the non-profit has met the Owner experience requirements.
 - A non-profit General Partner may also meet the experience requirements through the experience of a sponsoring non-profit.

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2. For purposes of determining experience, a principal shall be defined as an individual who has a direct or indirect ownership interest in the ownership entity and who will materially participate in the ownership and operation of the project through regular, continuous and substantial involvement.
3. In order for previous project experience to be considered, the principal must show a direct or indirect ownership interest in the Ownership entity of the previous project and that that the principal materially participated in the ownership and operation of the project through regular, continuous and substantial involvement.

C. Developer's Experience

1. A proposed project Developer must demonstrate successful Developer experience as follows.
 - The proposed Developer must demonstrate successful development experience in at least two (2) multifamily rental housing projects of similar size (number of dwelling units) to the proposed project.
 - Only Developer experience that occurred subsequent to January 1, 1995 will be considered under this criterion.
 - This Developer experience requirement may be met either through the experience of the proposed Developer entity or through the individual experience of one of the Developer's principals as set forth below.
 - In a non-profit corporation, the executive director's experience will be considered for purposes of determining whether the Developer has met the Developer experience requirements.
 - A non-profit Developer may also meet the experience requirements through the experience of a sponsoring non-profit.
2. For purposes of determining experience, a principal shall be defined as an individual who has a direct or indirect minimum ownership interest in the Developer entity and who will materially participate in the development of the project through regular, continuous and substantial involvement.
3. In order for previous project experience to be considered, the principal must show a direct or indirect ownership interest in the Developer entity of the project and that that the principal materially participated in the development of the project from project inception through construction completion through regular, continuous and substantial involvement.
4. In the event an entity undergoes a personnel change which results in the departure of key experienced staff, DCA at its discretion, may require the entity to submit new experience documentation and may determine that previous projects owned and developed under the direct supervision of the departed staff will not be considered in the experience determination.

D. Management Company's Experience

A proposed project Manager can meet this Threshold criterion by demonstrating successful project Manager experience as follows.

- The proposed Management Entity must demonstrate prior experience in the management of at least two (2) multifamily rental housing projects of similar size (number of dwelling units) to the proposed project.
- To be considered, the manager's experience with a project must extend for at least two (2) years and include project lease up experience and stabilization.
- Only Management experience that occurred subsequent to January 1, 1995 will be considered under this criterion.
- This Management Experience requirement may be met only through the experience of the Management Entity or through the experience of a principal.

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E. Options for Inexperienced Owners and Developers

1. Partnering. An inexperienced Owner or an inexperienced Developer can meet the experience requirements of this section by partnering with an Owner or Developer that meets the DCA experience requirements set forth in paragraphs (A) and (B) of this section. The applicant must submit the following documentation in order to meet experience through partnering:

- 2007 DCA experience certificate for experienced Owner and/or Developer Partner;
- If the applicant is inexperienced in the Owner category, an executed partnership agreement with a partner that meets DCA Owner experience requirements should be included. The inexperienced partner must be part of the General Partnership entity for the Project. The agreement must describe in detail the responsibilities of both the experienced and inexperienced partner. Both the experienced and inexperienced partner must actively participate in the Ownership responsibilities.
- If the applicant is inexperienced in the Developer category, an executed partnership agreement with a partner that meets DCA Developer experience requirements should be included. The defined relationship of the parties must be co-developers. The agreement must describe in detail the responsibilities of both the experienced and inexperienced partner. Both the experienced and inexperienced partner must actively participate in the Developer responsibilities.
- The partnership must remain in effect until the property is complete and has reached stabilized occupancy for a minimum period of two years.
- Each executed partnership agreement must include a training plan providing for the training of the inexperienced partner by the experienced partner in the Ownership and/or development of the project. The training plan must specify that the training services will be provided from project commencement, through construction, lease up, and permanent loan conversion and or issuance of 8609's – whichever is later. Timetables, milestones and projected training hours per week must be included in the plan. The training plan should be attached as an exhibit to the executed Partnership agreement.

2. Consulting Agreements. An inexperienced Owner or an inexperienced Developer that have one property that meets DCA experience requirements can also meet the requirements of this section by retaining an Owner and/or Developer Consultant that meets the DCA experience requirements set forth in paragraphs (A) and (B) of this section. Owners and developers that have no experience cannot use a consultant to meet experience requirements. Consultants eligible to contract with inexperienced developers for purposes of meeting experience requirements must have a minimum compliance history score of 5 and must not have any outstanding instances of noncompliance at their own projects. The applicant must submit the following documentation in order to meet Owner and or Developer experience through a consultant:

- 2007 DCA experience certificate or DCA experience listing for the experienced Owner and/or Developer Consultant
- If the applicant is inexperienced in the Owner category, an executed agreement with a consultant that meets DCA Owner experience requirements should be included. If the applicant is inexperienced in the Developer category, an executed agreement with a consultant that meets DCA Developer experience requirements should be included. The agreement must describe in detail the responsibilities of the experienced consultant as well as the inexperienced Owner and/or Developer.

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Each executed consulting agreement must include a training plan providing for the training of the inexperienced partner by the experienced partner in the Ownership and/or development of the project. The training plan must specify that the training services will be provided from project commencement, through construction, lease up, and permanent loan conversion. **In addition, consultants that fail to provide consulting services through the required time period may be prohibited from contracting as a consultant for purposes of meeting DCA Experience requirements in future rounds.** Timetables, milestones and projected training hours per week must be included in the plan. The training plan should be attached as an exhibit to the executed consultant agreement.

3. **Waivers.** A proposed Project Owner, Developer or Manager that meets some, but not all, of the DCA experience requirements set forth in paragraphs A, B or C above may request a waiver of the DCA experience requirements. The DCA Waiver Request form, along with the required DCA experience summary, must be submitted to DCA with the time frame specified on Exhibit A (DCA Deadlines and Fees) or, on or no later than thirty (30) days prior to Application submittal for Bond Financed Applications. The granting, or denial of waivers, is in the sole and absolute discretion of DCA. DCA may include limitations with respect to the number and size of projects when waivers are granted. DCA reserves the right to require HOME or tax credit training as a condition of the waiver.

4. **Probationary Participation.** A proposed Project Owner that does not meet DCA experience requirements set forth in paragraph A above and who is proposing a development with a majority of units Designated for Targeted Population Tenants may be granted probationary participation even though they are inexperienced provided that a DCA experienced Developer is utilized for the development. Only one project will be allowed under this provision for an Owner. The completion of a probationary period project will be counted towards DCA Owner experience. The Request for Probationary Participation must be submitted during the timeframe designated for Experience waivers in Exhibit A (DCA Deadlines and Fees). The following additional documents must be submitted with the Request:

- 2007 DCA experience letter or DCA experience listing for the experienced Developer
- An executed agreement with the Developer that describes in detail the responsibilities of the experienced Developer.

Scattered Sites. For Scattered Site projects, the experience requirements must be met by the project as a whole.

19. Eligibility for Credit under the Nonprofit Set-Aside*

To be eligible for Credit under the nonprofit set-aside:

- The organization must be a qualified nonprofit, defined as a 501(c)(3) or 501(c)(4) organization, which is not affiliated with or controlled by a for-profit organization and has included the fostering of low income housing as one of its tax-exempt purposes.
- The qualified nonprofit(s) must materially participate in the project as described in IRC Section 469(h).
- The qualified non profit(s) must own at least 51% of the general partner's interest in the proposed project and be the managing general partner of the ownership entity.
- For purposes of this set aside, the term "qualified non profit" includes any corporation if 100 percent of the stock of such corporation is held by one or more qualified non profit organizations at all times during the period such corporation is in existence.

Appendix I Threshold Criteria

- If the non-profit is also a developer of the project, the nonprofit must receive a percentage of the Developer Fee greater than or equal to its percentage of its ownership interest.
- A copy of the general partnership joint venture agreement that indicates the nonprofit's general partnership interest and Developer Fee amount must be included in the Application.

Nonprofit organizations applying for Credit under the nonprofit set-aside must include in the Application an opinion of an attorney who specializes in tax law on the non-profit's current federal tax exempt qualification status in accordance with the prescribed format contained in the Manual. If such an opinion has been previously obtained, this requirement may be satisfied by submitting the opinion with documentation demonstrating that the non-profit's bylaws have not changed since the legal opinion was issued.

Scattered Sites. For Scattered Site projects, the eligibility for Nonprofit Set-aside requirements must be met by the project as a whole.

20. Eligibility for HOME Loans under the CHDO Set-Aside*

All nonprofits seeking funds under the CHDO set aside are required to have submitted their CHDO prequalification or renewal of Applications by November 13, 2006. A copy of the State CHDO prequalification/renewal letter must also be included in the Application. The CHDO must be either the sole general partner of the ownership entity or the managing general partner of the ownership entity. The CHDO must also exercise effective control of the project. In the event the CHDO is a general partner with a for-profit or nonprofit general partner, the CHDO must own at least 51% of the general partnership interest. The CHDO (or a wholly owned or controlled affiliate) must receive a percentage of the Developer Fee greater than or equal to the percentage of ownership interest. All DCA communication with the ownership entity will be with the CHDO managing general partner. A copy of the general partnership/joint venture agreement indicating the CHDO's general partnership interest and its share (or the share of the wholly owned and controlled affiliate) of the Developer Fee must be included in the Application.

For Scattered Site projects, the eligibility for HOME CHDO set aside requirements must be met by the project as a whole.

21. Additional HOME/HUD Requirements*

Projects applying for HOME funds as well as projects which list HUD funds as a source, including PBRA, must meet additional Site and Neighborhood Standards (24 CFR 92.202 and 24 CFR 983.6) and Environmental Requirements as mandated by the HOME regulations. These requirements must be met in accordance with instructions set forth in the HOME Manual. However, applicants who have established agreements with HUD regarding different standards of review for site and neighborhood must meet those established standards. A copy of all documents relating to the different standards of review must be included with the application.

For Scattered Site projects, each non-contiguous parcel must meet the additional HOME requirements.

22. Required Legal Opinions

- A. A legal opinion regarding the acquisition Credit eligibility is required for projects involving acquisition and rehabilitation.

Appendix I Threshold Criteria

- B. A legal opinion regarding Credit eligibility is required for projects operated as assisted living facilities.
- C. Nonprofit organizations applying for Credit under the nonprofit set-aside must include in the Application an opinion of an attorney who specializes in tax law on the non-profit's current federal tax exempt qualification status in accordance with the prescribed format contained in the Manual. If such an opinion has been previously obtained, this requirement may be satisfied by submitting the opinion with documentation demonstrating that the non-profit's bylaws have not changed since the legal opinion was issued.

For Scattered Site Projects, the non-contiguous parcel for which this criterion is applicable must meet the legal opinion requirements.

23. Georgia Housing Search

Applicants selected for funding under the Plan must list all available affordable Housing Units funded by DCA on the Georgia Housing Search website. Georgia Housing Search is a DCA sponsored database that assists Georgia residents in locating available affordable housing units. Once a project is selected for funding, the Applicant will have a period of six (6) months to complete the listing of existing developments. Applicants is required to notify DCA when they have completed the listing.

24. Relocation and Displacement of Tenants.

For all HOME Loan and Credits projects, the completed and executed tenant household data forms must be submitted with the Application for every occupied unit in each building to be rehabilitated. The Applicant is responsible for the accuracy of the information on the data forms. Applications for HOME Loans that require relocation of existing tenants due to rehabilitation work will be accepted only with a relocation plan (including a sufficient budget) that in the opinion of DCA meets the requirements of the Uniform Relocation Act and any other applicable laws.

Funding sources other than the DCA HOME Loan must be used to finance the relocation costs. For Credits projects, DCA will not allow permanent displacement of tenants, if avoidable. If the Applicant anticipates displacing tenants, the Applicant must include in the Application a detailed displacement plan, which sets forth the specifics of the displacement, including a projected budget, and an explanation of efforts planned by the Applicant to mitigate the impact of the displacement. Any displacement of tenants will be subject to DCA's prior written approval.

In the event condemnation proceedings are pending against a proposed project, DCA's relocation policies are applicable to all tenants residing at the property at the time of application.

Properties that have HOPE VI or other master relocation plans must submit those plans with their Application.

Appendix I Threshold Criteria

25. Compliance History Summary

The principal and entities of each General Partner, Developer, Management Company and project consultant (used to meet DCA experience requirements) must submit a complete and correct DCA Compliance Summary Form J-21 as required in the electronic core application. Each compliance summary form must list all projects in which an entity or principal has participated in the ownership, development or management in the State of Georgia and/or the five contiguous states. Compliance audit detail should be completed for only the last three years. In addition, the following documentation must be included in the application:

- Five fully executed DCA Uniform Release Forms (included in the Manual) must be submitted.
- Completed Compliance Questionnaire for each General Partner, Developer, Management Company and project consultant.

In the event an Applicant fails to provide correct and complete information, DCA may request additional clarification. Clarifications may be utilized to decrease an Applicant's Compliance History score, but will not be used to increase the score.

Note: Internal Revenue Service Form 8821 may be requested by DCA for any Project Participant listed on the Experience Summary or Organizational Chart at anytime during DCA's review of a Project Participant's compliance history.

Appendix II COMPETITIVE SCORING CRITERIA

The Scoring Criteria are summarized in the table below and detailed on the following pages. The maximum total score possible is 192 points.

PROJECT SCORING SUMMARY		Score Value
<i>I</i>	<i>APPLICATION COMPLETENESS/ORGANIZATION</i>	
	A. Complete Application	6
	B. Organization	2
<i>II</i>	<i>PROJECT LOCATIONAL CHARACTERISTICS</i>	26
	A. Desirable/Undesirable Activities Characteristics	10
	B. Quality Growth Initiatives	11
	C. Previous Projects within a Local Government	5
<i>III</i>	<i>OPTIONAL AMENITIES</i>	20
<i>IV</i>	<i>RENT AND INCOME RESTRICTIONS</i>	20
	A. Public Housing Authority Investment/Operating or Rental Subsidy	20
	B. Governmental Project Based Rental Assistance – HUD, PHA or USDA	18
	C. Other Governmental Project Based Rental Assistance	14
	D. Deeper Targeting	14
	E. 50% Rent Restrictions / 50% Income Restrictions for Rural Projects	14
<i>V</i>	<i>MIXED INCOME PROJECTS</i>	4
<i>VI</i>	<i>EXTENSION OF CANCELLATION OPTION PERIOD/TENANT OWNERSHIP PLAN</i>	3
<i>VII</i>	<i>PRESERVATION OF EXISTING AFFORDABLE HOUSING</i>	10
<i>VIII</i>	<i>SPECIAL CATEGORIES</i>	24
	A. Targeted Populations	12
	B. CHDO	3
	C. Ownership Makeup	2
	D. Rural Projects	5
	E. Affordable Home Ownership Opportunities	2
<i>IX</i>	<i>GOVERNMENT SUPPORT AND FINANCIAL ASSISTANCE</i>	13
	A. Local Government Support	3
	B. Financial Assistance	10
<i>X</i>	<i>PROJECT CHARACTERISTICS</i>	10
<i>XI</i>	<i>ARCHITECTURAL ENHANCEMENTS</i>	41
	A. Energy Efficiency and Indoor Air Quality Requirements	14
	B. Project Design	20
	C. Accessibility	7
<i>XII</i>	<i>READINESS TO PROCEED</i>	2
<i>XIII</i>	<i>PROJECT BASED RENTAL ASSISTANCE FOR SPECIAL NEEDS TENANTS</i>	1
<i>XIV</i>	<i>COMPLIANCE HISTORY STATUS</i>	10
TOTAL AVAILABLE SCORE		192

Appendix II Competitive Scoring Criteria

To be considered for DCA financing resources, Applications must meet the Competitive Scoring requirements described below.

I. Application Completeness/Organization

A. Completeness

6 points

All required Application forms and supporting documentation are included and complete at the time of Application Submission. Complete shall be defined as an Application that had no missing or incomplete documents and required no financial adjustments.

Missing or incomplete documents

For each missing or incomplete document, one (1) of these possible points will be deducted, up to a maximum of six (6) points.

Financial Adjustments

DCA may make minor adjustments to a Core Application to ensure consistency with DCA's project economic assumptions, the Plan and Manual requirements. In very limited circumstances, DCA may elect to have Applicants submit a revised electronic core application to make similar minor adjustments. In that case, DCA will require that the revised application be resubmitted within 2 business days upon notification by DCA. Applicants will be limited to revisions identified by DCA and any revisions that arise from the DCA requested revisions. Regardless of whether DCA or the Applicant makes the revisions, the appropriate adjustment to points will be applied. Revisions that will not be allowed include, but are not limited to:

- unit count and/or distribution
- income and rent elections
- rent structure
- financing sources (with the exception of DDF to fund any financing gap)
- total development cost

Only revisions requested by DCA will be accepted.

Points will be deducted for DCA requested revisions as follows:

- | | |
|------------------------|-----------------------------------|
| • 1-3 revisions | 1 pt |
| • 4-6 revisions | 2 pts |
| • 7-10 revisions | 3 pts |
| • 11 or more revisions | 1 pt for each additional revision |

There is no cap on the total number of points that may be deducted for financial adjustments. Therefore, the completeness category could have a negative point value.

B. Organization

2 points

The Application is organized in the format prescribed by DCA in the Application binder tab checklist. Documents not filed in the appropriate tab may not be reviewed by DCA.

Appendix II Competitive Scoring Criteria

II. Project Location Characteristics 26 points

A. Desirable and Undesirable Activities/Characteristics 10 points

One (1) point will be awarded for each desirable activity/characteristic category that is near a proposed site to a maximum of ten (10) points. One (1) point will be deducted from the total desirable activities score for each undesirable activity/characteristic category that is near a proposed site. A maximum of ten (10) points will be awarded in this category. The total points awarded will be determined by calculating the sum of the total desirable activity points less the total undesirable activity points. A negative total in this category will be awarded zero (0) points.

For Scattered Site Projects, the perimeter of the ½ mile radius in which the non-contiguous parcels are located shall serve as the boundary of the proposed site from which the distances for determining the location of the desirable and undesirable activities shall be measured for both non-rural and rural sites. All desirable and undesirable activities within the perimeter of the ½ mile radius must also be noted for purposes of claiming points.

For Scattered Site Projects, each parcel shall be reviewed individually as defined above. One (1) point will be awarded for each desirable activity or characteristic to a maximum of ten (10) points. One (1) point will be deducted for each undesirable activity or characteristic. The applicant shall calculate the total score (to a maximum of ten (10) points) for each non-contiguous parcel then add the total points obtained and divide by the number of non-contiguous parcels to arrive at the total points for this category. No rounding up, and only whole numbers may be claimed as points.

1. Desirable sites.

(a) In determining whether a desirable activity/characteristic is “near” a proposed site, the following factors must be used:

- For non-Rural sites, only activities and/or characteristics, which are located within a one (1) mile walking/driving distance from the proposed site, will be considered. The walking route to desirable activities/characteristics must be along paved sidewalks, established pedestrian walkways or bike trails.
- For Rural sites, only activities and/or characteristics that are located within a one and a half (1½) mile walking/driving distance from the proposed site will be considered.

(b) Desirable activities/characteristics may include, but are not limited to the following (one point will be awarded per category):

- | | |
|--|----------------------|
| • retail stores | • school(s) |
| • federally insured banking institutions | • day care services |
| • grocery stores | • medical facilities |
| • recreational facilities | • employment centers |
| • libraries | • civic centers |

Appendix II Competitive Scoring Criteria

2. Undesirable Sites

- (a) In determining whether an undesirable activity/characteristic is near a proposed site, the Application must consider any undesirable activity/characteristic that is located within one half (½) mile of the proposed site.
- (b) Undesirable activities/characteristics may include but are not limited to the following:
(One point will be deducted per category)
- junkyards
 - hazardous, chemical or heavy manufacturing activities
 - sources of noise (above 75 dB), even with an attenuation plan
 - sources of odor
 - sources of excessive glare from lighting on adjacent properties
 - access to the proposed site off of a street with frontage of less than 100 feet (for phased projects, DCA will consider the main entrance to the total development)
 - unoccupied and unsecured buildings with evidence of loitering, trespassing, or other criminal activity

3. Documentation

In order to document desirable and undesirable activities/characteristics, the Applicant must complete both the Site Information Form A and the Desirable/Undesirable Form B and attach the following:

- (a) A site map indicating the specific locations of each desirable and undesirable activity/characteristics. The map must contain a key stating the type of activities/characteristics identified, and must include the following:
- location of site including an indication of major access roads
 - indication of distances in 1/4 mile increments
 - areas of residential development Adjacent to or near the site
 - indication of any major industrial or commercial development, and
 - all desirable and undesirable activities/characteristics
- (b) Photographs of the site and the surrounding neighborhood. All photographs are to be either color originals or color copies. Black and white photographs are not acceptable.
- (c) If the Applicant has knowledge at the time of Application that the conditions that make the property undesirable will change or be mitigated (i.e. demolition, rehabilitation, etc.) prior to awards, sufficient evidence from the owner or other third-party source documenting how such change will occur and the time frame thereof must be included.
- (d) For desirable characteristics that are under construction, consideration will be given and points may be awarded to active construction sites where the new structures are above ground.

**Appendix II
Competitive Scoring Criteria**

B. Quality Growth Initiatives: 11 points

1. Infill 3 points

Only new construction or the rehabilitation of **un**occupied buildings (all buildings on site must be 100% unoccupied) is eligible for these points. The total number of new units constructed must exceed 50% of the total proposed number of units on the property to be eligible for these points.

To qualify for three (3) Infill points, the proposed site must exhibit all of the following:

- The site must be surrounded on every side except one side with established development (for the purposes of this category, agricultural use does not qualify as established development).
- The site must maximize the use of existing utilities and infrastructure.
- At a minimum, the established development on one side must consist of occupied residential or operating retail development. (scattered, single family housing does not constitute established residential development for the purposes of this category)

OR

If proposed project is located in a Rural area, the proposed site must exhibit all of the following:

- The site must be surrounded on every side except two with established development (for the purposes of this category, agricultural use does not qualify as established development).
- The site must maximize the use of existing utilities and infrastructure.
- At a minimum, the established development on one side must consist of occupied residential or operating retail development. (scattered, single family housing does not constitute established residential development for the purposes of this category).

For Scattered Site Projects, each non-contiguous parcel must meet the above criteria.

2. Community Transportation Options 2 points

To qualify for two (2) Community Transportation points, the proposed site must exhibit one of the following:

Two Points will be awarded either to projects formally designated as a Transit Oriented Development by a Rapid Transit Authority or to projects Adjacent to a rapid rail transit station and formally endorsed by a Rapid Transit Authority. Documentation from a Rapid Transit Authority of the formal designation as a Transit Oriented Development or endorsement by a Rapid Transit Authority must be attached to the Site Information Form.

OR:

Two Points will be awarded to projects located on a bus route with defined, regularly scheduled bus service or an “on call” bus system. Points awarded in this category for “on call” transportation services cannot be claimed under basic or optional service requirements. The bus stop must be located within 1/2 mile walking distance from the property. Documentation from the transportation authority indicating bus routes, schedules, and rider pick up locations must be attached to the Site Information Form.

OR:

Appendix II Competitive Scoring Criteria

Two Points will be awarded to projects located in a rural area (not an MSA County) within 1/2 mile of a “community transportation roadway”, with convenient safe access from the property to the roadway along paved sidewalks, established pedestrian walkways or bike trails. A “community transportation roadway” is one that is regularly traveled into the main retail/commercial areas of the community by the majority of traffic within that community and residential access onto such roadway exists. For the purposes of these points, properties located on routes defined by the Georgia DOT as “expressways”, “freeways”, “major arterials” or “major collectors” will not qualify. DCA reserves the right to determine the designation of a “community transportation roadway” at its sole and absolute discretion.

For a scattered site project to claim points for any of the above, each noncontiguous parcel must meet the criteria set forth above, as applicable.

3. Adaptive Reuse, Historic Preservation and Brownfield / Greyfield Redevelopment **6 points**

To qualify for Adaptive Reuse, Historic Preservation and Brownfield / Greyfield Redevelopment points, choose as many categories as applicable from the following list, to a maximum of six (6) points:

Two (2) points will be awarded if the proposed development is an adaptive reuse of an entire existing building. Adaptive reuse is defined as the change in use of a major building for residential use or as use as a community building. The reuse of only a part of a building, slabs, sheds, gazebos, trailers/mobile homes, pavilions, pump houses, barns, garages or single-family homes are not eligible for these points. The documentation to be submitted by the applicant must include information on the previous use of the building and photographs of the building.

Two (2) points will be awarded if the proposed development is a reuse of an entire existing building that has received a National Historic Designation and for which an application for Federal Historic Tax Credits has been or will be submitted. Documentation must include evidence of the National Historic Designation.

Two (2) points will be awarded if the proposed development is the redevelopment of a Brownfield site. The definition of a Brownfield site is one where the EPA, Georgia EPD or other environmental regulatory agency has defined the site as a Brownfield site and has determined the applicable guidelines for the cleanup required for residential uses. Evidence of such designation as a Brownfield site must be included in the Application. In addition, the Applicant should include an opinion letter from either an attorney or a PE that the property appears to meet the requirements for issuance of an EPD Letter of No Further Action. In addition, documentation of the proposed scope of work for clean up of a site, a detailed budget for clean up and a time line for clean up must also be submitted. DCA will require a copy of the Letter of No Further Action prior to issuance of 8609s.

Three (3) points will be awarded if the proposed development is the redevelopment of a Greyfield. A Greyfield site is a site that has been previously developed primarily as a retail center or other commercial (non-residential) center that is vacant, abandoned or 90% of the square footage is unused. The existing associated parking areas must be in excess of 50% of the proposed developed area of the site. Documentation must include photos of the site and other documentation of the current status of the site.

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Two (2) points will be awarded if the proposed development site has a large amount (30% to 50%) of unsuitable fill (e.g., organic/construction/roadway rubble, cement, animal waste, etc.) which has been confirmed by an Engineered subsurface soils report. The subsurface soils report with recommendations for soils bearing capacity and foundation design must be submitted with the Application. (Note: An environmental soils report is insufficient for this purpose.)

To claim points for any of the above, each noncontiguous parcel of a Scattered Site Project must meet the above criteria, as applicable.

Documentation evidencing Infill, Adaptive Reuse, Historic Preservation Brownfield/Greyfield Redevelopment or Unsuitable Fill Conditions must be attached to the Site Information Form A.

C. Previous Projects within a Local Government 5 points

Five (5) points will be added if the proposed development site is within the boundaries of a Local Government in which a 9% Credit, 4% Credit and/or HOME project has not been awarded within the last three (3) DCA funding cycles, or three (3) points will be added if the proposed development site is within the boundaries of a Local Government in which a 9% Credit, 4% Credit and/or HOME project has not been awarded in the last two (2) DCA funding cycles.

For example, if no projects were awarded in unincorporated Cobb County for the last three (3) DCA funding cycles, but one (1) was awarded in the City of Marietta in 2004, an Application for a project from an unincorporated area of Cobb County would receive five (5) points.

For Scattered Site Projects, each non-contiguous parcel may be considered for points in this category. However, the Application will be awarded a maximum of five (5) points in this category.

III. Optional Amenities 20 points

Points will be awarded for each of the following optional unit and/or on-site amenities selected by the Applicant. All selected amenities must be located on the proposed Application site and financed by project development funds. All amenities selected for a phased project must have the amenities located on the Phase under consideration in the Application. Amenities that are used to satisfy Basic Threshold Amenity requirements are not eligible for points under this section. Basic Amenities are to be entered in the Application Form, Threshold Criteria. Optional amenities are to be entered in the Application Form, Scoring Criteria. Points awarded under this section are limited, to a maximum of twenty points. A minimum of six points must be claimed for unit amenities in order to be eligible for points in this category.

Unit Amenities

- Microwave Oven in every unit (One point)
 - In-sink disposal in every unit (One point)
 - Built in dishwasher in every unit (One point)
 - Washer/dryer hookups in all units in addition to required central laundry (Two points)
- OR,
- Washers and dryers are installed and maintained in every unit at no additional cost to tenants (Three points)

Appendix II Competitive Scoring Criteria

- Installed call system in all units, including a buzzer and light to the exterior (not eligible for Senior Housing) (Two points)
- High-speed internet access involving a data connection in the living area of each unit that is separate from both the cable TV and telephone connections and that has support from a project-wide network (or a functional equivalent) or a similarly configured project-wide wireless network, AND high-speed internet service with ongoing unlimited usage provided to each unit at either:
 - no cost to the tenant (Two points)
 - OR optional low-cost to the tenant (less than \$15 per month per unit) (One point)

Site Amenities (must be suitable for the tenant base):

- Attractively fenced community gardens (One point)
- Equipped play court (basketball, soccer, volleyball, shuffleboard or tennis) as appropriate (Two points)
- Equipped walking path with exercise stations or sitting areas (One point)
- Picnic area equipped with adequate picnic tables and grills (Two points)
- Equipped playground (must include minimum of three different pieces of equipment)* (One point)
- Tot lot (fenced and equipped with a minimum of three pieces of equipment)* (One point)
- Large open playing fields (of at least 5,000 square feet) (One point)
- Covered pavilion with picnic/barbecue facilities to encourage community or family reunion type functions (facilities in addition to site amenities above) (Two points)
- Furnished Children’s Activity center (includes furnishings, TV, educational media and recreational equipment) (Two points)
- Furnished Library (must include sitting areas, tables, periodicals, adequate reference materials) (Two points)
- Equipped Computer Center (must have high-speed internet access for every computer, and one computer and printer for every 25 units) (Two points)
- Furnished Exercise/Fitness Center (Two points)
- Swimming Pool (Three points)
- Complete built-in fire sprinkler system in every unit and the community center, including an exterior audio and visual alarm system (if not required by local or state building codes) (Four points)

*If these points are claimed, applicants must meet or exceed the guidelines set forth in Publication Number 325, the U.S. Consumer Product Safety Commission’s (CPSC) Handbook for Public Playground Safety.

Other Optional Amenities:

- Other optional amenities as proposed by the Applicant; two (2) points per amenity, to a maximum of four (4) points. To document these optional amenities, Applicant must provide a detailed description of the amenity and justify the appropriateness of the amenity for the targeted population. These Optional Amenities **MUST** be submitted to DCA for pre-approval in accordance with the requirements set forth on Exhibit “A” (DCA fees and Deadlines).

Appendix II Competitive Scoring Criteria

B. Governmental Project Based Rental Assistance – HUD, PHA or USDA 18 points

Applications proposing Section 8 project-based rental assistance from either HUD or a PHA, or rental assistance from USDA (the only programs eligible for points are those where the tenant portion of rent is limited to 30% of the tenant's adjusted income) for a minimum of five (5) years for at least 10% of the total units will receive points as defined below:

Equal to or greater than 10% and less than 20% of units	5 points
Equal to or greater than 20% and less than 30% of units	6 points
Equal to or greater than 30% and less than 40% of units	7 points
Equal to or greater than 40% and less than 50% of units	8 points
Equal to or greater than 50% and less than 60% of units	10 points
Equal to or greater than 60% and less than 70% of units	12 points
Equal to or greater than 70% and less than 100% of units	14 points
Equal to 100% of units	18 points

To be eligible for points under this criterion, the Application must include a copy of an executed agreement between the ownership entity and the funding entity which must include the amount of rental assistance that will be provided, the number of units assisted, its duration, and any qualifying terms and/or conditions. For USDA 515 projects, DCA will accept a contract to coincide with that program's budget process and a letter from USDA stating that successive renewals will be considered for the project subject to annual budget appropriations.

If the applicant will assume the project based rental assistance contract for an existing development, the Applicant must provide an executed commitment from the funding entity to the ownership entity which includes the amount of rental assistance that will be provided, the number of units assisted, its duration, and any qualifying terms and/or conditions. If the existing PBRA contract is from HUD, a letter from the HUD Multifamily Office Director indicating that the contract will be extended contingent upon the funding of the LIHTC will meet this requirement. The rents for the project must be included in the HUD letter.

C. Other Governmental Project Based Rental Assistance 14 points

Applications proposing a definitive amount of project based rental assistance from a government entity are eligible for points based on the amount of assistance that will be provided. To be eligible for points under this criterion, the Application must include a copy of an executed agreement between the ownership entity and the entity that is providing the Assistance. The Chief Operating Officer of the entity providing the assistance must sign the Agreement. This agreement must include a definite amount of assistance that will be provided by the government entity for a minimum term of five (5) years. The assistance shall be paid on a per unit basis as the balance of the rent due when the tenant pays 30% of his or her income toward the rent. The Applicant must submit a detailed plan outlining the tenant selection process for the project based rental assistance. No Project Participant (affiliate, agent or related parties) may pay or promise any consideration or monies in exchange for this assistance.

Points will be calculated based on the ratio of annual rental assistance to the total potential gross annual rental income as follows:

Equal to or greater than 15% but less than 20%	4 points
Equal to or greater than 20% but less than 25%	6 points
Equal to or greater than 25% but less than 30%	8 points
Equal to or greater than 30% but less than 35%	10 points

Appendix II Competitive Scoring Criteria

Equal to or greater than 35% 14 points

It is understood that, to the extent that tenants with incomes higher than 30% of AMI receive rental assistance, the duration of the rental assistance will be extended. Applicants claiming points under this section will report the rental assistance utilization as part of the annual owner certification process.

D. Deeper Targeting 14 points

Applicants can score points under both sections below. However, units that score points in this category cannot score points for the same units under both the 1) Very Low Rent Restrictions and 2) Very-Very Low Rent Restrictions sections that follow.

1. 50% Rent Restrictions /50% Income Restrictions 6 points

Applications that agree to set rents for a specified number of low-income units at or below 30% of 50% AMI shall be awarded points in this category. Owners will be required to execute restrictive covenants stipulating the number of very low rent-restricted units to be rented to very-low income households for the term of the Compliance Period or the Period of Affordability, whichever is longer. 50% units are eligible for points as follows:

Equal to or greater than 5% and less than 10%	2 points
Equal to or greater than 10% and less than 15%	3 points
Equal to or greater than 15% and less than 20%	4 points
Equal to or greater than 20% but less than 25%	5 points
Equal to or greater than 25%	6 points

2. 30% Rent Restrictions / 40% Income Restrictions 8 points

Applications that agree to reserve a specified number of total project units (includes common space units) for occupancy by households earning the annual gross incomes of 40% or less of AMI and to set rents for those units at or below 30% of 30% of AMI shall be awarded point in this category. Owners will be required to execute restrictive covenants stipulating the number of very very low rent-restricted units to be rented to households earning the annual gross incomes of 40% or less of AMI for the term of the Compliance Period or the Period of Affordability whichever is longer. Points will be awarded as follows.

Greater than 3% but less than 6 %	4 points
Greater than or equal to 6% but less than 10 %	6 points
Greater than or equal to 10%	8 points

E. 50% Rent Restrictions / 50% Income Restrictions for Rural Projects 14 points

Only projects that are located in Rural areas and have 65 units or less are eligible for these points. Applications that agree to set rents for a specified number of low-income units at or below 30% of 50% AMI shall be awarded points in this category. Owners will be required to execute restrictive covenants stipulating the number of very low rent-restricted units to be rented to very-low income households for the term of the Compliance Period or the Period of Affordability, whichever is longer. All 50% units are eligible for points as follows:

Equal to or greater than 5% and less than 10%	2 points
Equal to or greater than 10% and less than 15%	4 points
Equal to or greater than 15% and less than 20%	6 points
Equal to or greater than 20% and less than 25%	8 points

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Equal to or greater than 25% and less than 30%	10 points
Equal to or greater than 30% but less than 35%	12 points
Equal to or greater than 35%	14 points

V. Mixed Income Projects **4 points**

Projects designed for both low income and market-rate tenants are eligible to receive points if the percentage of total market rate units to residential units in the total project. Market rate units cannot be rented for less than the low income units (Gross rent less utility allowance).

Percentage of the total market rate units to residential units	
Greater than or equal to 20% but less than 30% market rate units	3 points
Greater than or equal to 30%	4 points

VI. Extension of Cancellation Option Period/Tenant Ownership Plan **3 points**

The Code requires that all low-income units in a project receiving Credits remain rent-restricted and income-restricted for the 15-year Compliance Period and for 15 years after the close of the Compliance Period. However, owners have an option to request DCA's assistance in procuring a qualified contract for acquisition of the building(s) after the 14th year of the Compliance Period. If DCA is unable to present such a contract within a one-year period, the owner may terminate the extended use agreement.

Owners willing to forgo this "cancellation option" for at least five years after the close of the Compliance Period, or submit a plan for tenant ownership at the end of the 15-year Compliance Period, will be eligible for:

- a) one (1) point for each five year period that the cancellation option is foregone to a maximum of three (3) points for 15 years, or
- b) two (2) points for submission of a tenant ownership plan acceptable to DCA.

In order to qualify for tenant ownership plan points, Applicants must submit a viable homeownership strategy for residents who inhabit the units during the compliance period. The strategy must outline the Applicants exit strategy, calculation of the estimated affordable purchase price for the unit occupied by the tenant, pre-purchase homeownership counseling, and provision of the DCA Georgia Dream Homeownership Program information or similar first time homebuyer assistance program to the tenant at the time of conversion to tenant ownership.

DCA defines affordable purchase price as the purchase price that meets the sales price criteria set forth in the Georgia Dream Homeownership Program.

All sites must be owned by the Applicant (long-term leases are unacceptable).

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VII. Preservation of Existing Affordable Housing 10 points

Points will be awarded for up to the maximum of ten (10) points in this category as follows:

- 1) Six (6) points will be awarded for an Application that proposes the preservation of an affordable housing project with low-income housing tax credits where the credit period has ended or for DCA HOME only funded developments, if the minimum statutory period of affordability has expired. The partnership's tax returns for the first and last years in which credits were claimed must be provided, along with the appropriate IRS Forms 8609 attached.

Four (4) additional points will be awarded to projects that are beyond the fourteenth year of the compliance period. In order to qualify for these points, projects must not have outstanding or uncured major noncompliance issues.

- 2) Up to five (5) points will be awarded for an Application that proposes the preservation of a HUD funded or USDA funded affordable non-public housing project. HUD and USDA will issue, upon request by the Applicant, priority designations for projects that are the subject of an Application pursuant to this Plan. Documentation from HUD or USDA of the projects' preservation priority designation must be submitted with the Application. Projects receiving a preservation priority designation from HUD or USDA will be awarded points as follows:

Projects receiving a designation of high priority	5 points
Projects receiving a designation of medium priority	4 points
Projects receiving a designation of low priority	3 points

- 3) Two (2) points will be awarded for an Application that proposes the preservation of any other affordable housing project. Documentation evidencing that all units have rent and income restrictions applicable to such property including the term of such restrictions must be submitted with the Application. If the property does not have rent and income restrictions, then a rent roll must be submitted which evidences that all units have rents below 30% of 60% of AMI LIHTC rent levels.

For Scattered Site Projects, any non-contiguous site or multifamily project may meet the criteria in order to claim points in this category.

VIII. Special Categories 24 points

A. Targeted Units 12 points

This section is designed to foster development of housing units for the following targeted populations: homeless, persons with disabilities (physical, mental, developmental), abused spouses and their children, persons with alcohol or other drug addiction, and persons living with HIV/AIDS. Only these categories are considered for Targeted points. Applicants may claim points under either Section 1 or 2.

1. Developments with a Portion of Units Designated as Targeted 3 points

Projects that agree to set aside for a period of two years, the greater of three (3) units or five percent (5) of the total units to the above referenced Targeted Population are eligible for points in this category. Targeted units will be floating (for further management information, see the DCA Compliance Manual). Applicants must select and designate which Targeted Population it will serve in the project.

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Projects that set aside these units are not required to provide on site supportive services or a project service coordinator. However, Owners must demonstrate a partnership with an experienced local service provider that will designate a case manager or resource coordinator who will facilitate referrals, provide the appropriate case work services to the Targeted Population, and provide any necessary crisis intervention for the Targeted Population. Proposed service providers and services must be approved by DCA prior to Application Submission. The Applicant shall submit a description of the service provider's technical capacity, financial capability and experience as it relates to the services to be provided to DCA for approval in accordance with Exhibit A of the Plan.

By claiming these points, the Applicant agrees to provide reasonable accommodation for these tenants in the Property Management's tenant application. The leasing criteria must clearly facilitate admission and inclusion of the Targeted Population tenants and must not violate federal or state fair housing laws.

In order to qualify for these points, applicants must include documentation of Section 8 PBRA or comparable rental assistance that clearly shows that the units will be affordable to the selected Targeted Population for the specified number of units which will be in the set aside for the minimum period of two (2) years.

The Application must also provide the following documentation:

- A Memorandum of Understanding (MOU) between the service provider and the ownership entity must be included that specifies the services that will be provided along with the rationale for why such services are deemed appropriate for the Targeted Population. The MOU must contain the referral and screening process that will be used by the service provider to refer Targeted Population tenants to the project, the screening criteria that will be used and the willingness of all parties to negotiate reasonable accommodations to facilitate the admittance of Targeted Population tenants into the project. The Service provider must also provide documentation outlining the expected number of referrals that will be made to the development and the basis for that calculation. This MOU must be in substantially the same format outlined in the DCA Service section of the Application Manual. The initial term of the MOU must be no less than one (1) year. However, the supportive services must be provided throughout the two year period. Executed MOUs must be provided to DCA on a yearly basis.
- Evidence documenting a PBRA or comparable Rental Assistance agreement.
- Evidence of DCA approval of service provider(s) and services.

In the event that a set aside Targeted Population unit becomes vacant with no Targeted Population household (either on a waiting list or referred) available to occupy the unit, the unit may be rented to any qualifying low income family. This may be done provided that the next available unit is offered to Targeted Population households in a similar manner until the Targeted Population set aside requirement is reached.

2. Developments with a Majority of Units Designated for Targeted Population Tenants 12 points

Projects that agree to set aside majority of the total units to Targeted Population tenants are eligible for points in this category. Projects that set aside these units are required to provide on site supportive services or a service coordinator. Project owners must demonstrate a partnership with a local service provider that will provide referrals to the development and must provide on site supportive service for the tenants. Proposed partnerships must be approved by DCA prior to Application Submission.

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By claiming these points, the Applicant agrees to provide reasonable accommodation for these tenants in the property management's application for tenancy. The leasing criteria must facilitate admission and inclusion of the Targeted Population tenants.

In order to qualify for these points, applicant must include documentation of contract PBRA or a comparable rental assistance contract for the specified number of units which will be set aside. The Rental Assistance must be available for a minimum period of five (5) years.

The Application must also provide the following documentation:

- A Memorandum of Understanding (MOU) between the service provider and the ownership entity must be included that specifies the services that will be provided along with the rationale for why such services are deemed appropriate for the Targeted Population. The MOU must contain the referral and screening process that will be used by the service provider to refer Targeted Population tenants to the project, the screening criteria that will be used and the willingness of all parties to negotiate reasonable accommodations to facilitate the admittance of Targeted Population tenants into the project.
- This MOU must be in substantially the same format outlined in the Service section of the Application Manual.
- The service provider shall also submit a description of its technical capacity, financial capability and experience as it relates to the services to be provided.
- The initial term of the MOU must be no less than one (1) year. However, the supportive services must be provided throughout the term of the compliance period. Executed MOUs must be provided to DCA on a yearly basis.
- The set-aside for Targeted Population Units as well as the obligation to provide an MOU will be reflected in the project's LURC and LURA.
- Evidence documenting a PBRA or comparable Rental Assistance agreement.

In the event that a set aside Targeted Population unit becomes vacant with no Targeted Population household (either on a waiting list or referred) available to occupy the unit, the unit may be rented to any qualifying low income family. This may be done provided that the next available unit is offered to Targeted Population households in a similar manner until the Targeted Population set aside requirement is reached.

B. CHDO 3 points

1. Applications presented by qualified CHDOs that have used the DCA CHDO Predevelopment Loan Program to develop their project will be awarded one (1) points.
2. Two (2) points will be awarded for a general partnership that is at least 51% owned by a Georgia CHDO and is both applying and eligible for the HOME CHDO Loan Program set-aside

For Scattered Site Projects, any non-contiguous site meeting the criteria may be considered for points in this category.

C. Ownership Makeup 2 points

General partnerships comprised of 100% nonprofit organizations will receive two (2) points if the project is applying for and is eligible for the nonprofit set-aside.

OR

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Only one (1) point will be awarded if a for-profit entity partners with a nonprofit that is applying (and eligible) under the Plan's Credits nonprofit set-aside.

D. Rural Projects 5 points

Projects that have 65 units or less and are located in Rural areas will receive five (5) points.

E. Affordable Homeownership Opportunities 2 points

Two (2) points will be awarded to Applications that are part of a master development plan that includes the future development and construction of at least five (5) new affordable single family homes for homeownership. Applicants seeking points in this category must provide a site plan indicating the location of the single family housing in respect to the subject property for which tax credits are requested, the preliminary commitment for the construction financing and the construction timeline for the single family homes, and the approximate sales price for the single family homes. Applicants must also provide evidence of site control over the site. The timeline should show completion of the single family homes within one year of the placed in service date for the tax credit project.

DCA defines affordable single family housing as those homes that meet the sales price criteria set forth in the Georgia Dream Homeownership Program. The land upon which the single family homes will be constructed will not be part of the tax credit development. The completion of construction of the single family homes will not be a condition for withholding 8609's. However, failure to perform may be a factor in a participant's eligibility to participate in DCA tax credit programs.

IX. Support and Financial Assistance

A. Local Government Support 3 Points

Three (3) points will be awarded if:

- 1) The Local Government adopts a resolution of support for the proposed project. The resolution must clearly indicate that the Local Government understands the nature of the proposed project by identifying at a minimum, the type of project, the number of anticipated units, and the specific project location. Additionally, the resolution must clearly express the Local Government's support of the proposed project, as opposed to merely expressing indifference, or
- 2) The Local Government is governed by only one elected official (as specified in its Charter). A letter from the elected official outlining all the information required in the governing body resolution will be accepted in lieu of a resolution. A letter in the form provided by DCA, with an attached certified copy of the resolution (or letter if the jurisdiction is governed by only one elected official in accordance with its Charter) must be included in the Application.
- 3) For Scattered Site Projects, the above documentation is required from each local government for each non-contiguous site.

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B. Financial Assistance

10 Points

Up to ten (10) points will be awarded if:

- 1) The Local Government funds on-site project development costs or operating costs, by funding the project with HOME, CDBG funds or other financial resources in the form of loans, grants or a combination thereof, or through its actions creates a quantifiable reduction of on-site project development cost or operating cost and/or,
- 2) The project is eligible for points under Targeted Population (majority of units), Section VIII, B 2, and is funded with unrelated third party entity funds for on-site project development costs or operating costs, in the form of loans, grants or a combination thereof, or through its actions creates a quantifiable reduction of on-site project development cost or operating cost and/or,
- 3) USDA, Federal Home Loan Bank AHP (CIP loans from FHLB will not be considered under this category), other governmental assistance/funding is obtained by the Applicant for the on-site project development costs or operating costs and is in the form of loans, grants or a combination thereof.
- 4) DCA HOME loans will be eligible for these points if the project is located in a Rural area, outside of the political boundaries of any local PJ, or is eligible for the DCA CHDO set aside (DCA HOME Loan applications are sufficient and no additional documentation will need to be submitted).
- 5) DCA Permanent Supportive Housing Loans for on-site project development costs or operating costs, by funding the project with resources in the form of loans, grants or a combination thereof, or through its actions creates a quantifiable reduction of on-site project development cost or operating cost
- 6) Funding or assistance provided above must be binding and unconditional except as set forth below. Such resources must be utilized if the project is selected for funding by DCA.
- 7) Only permanent financing will be considered for points in this section.

Examples of total project development cost funding and/or reductions include, but are not limited to, the following:

- waiving water and sewer tap fees
- waiving building permit fees
- foregoing real property taxes during construction
- contributing land for project development
- providing below market rate permanent financing

Examples of total project operating cost funding and /or reductions include, but are not limited to, the following:

- providing an abatement of real estate taxes
- providing other project operational cost subsidies, and/or making other financial contributions
- reductions in annual operating costs must occur in each of the first 10 years. Operating cost reductions for less than this 10-year period will not be eligible for points under this section.

For contributions from the jurisdiction and/or actions by the jurisdiction which create a quantifiable reduction of on-site project development cost or operating cost, documentation from the Local Government in which the project is located clearly showing the types, amounts, and terms and conditions of such contributions and/or quantifiable reductions must be included in the Application. For actions that create a quantifiable reduction, the documentation must include for each type of reduction, the basis and methodology for calculating the operating or development cost reduction. Costs associated with the waiver of zoning and/or building code requirements are ineligible for purposes of claiming points in this section.

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A letter from the appropriate representative of the Local Government certifying the Local Government's contribution and/or actions that create a quantifiable reduction of on-site development cost or operating cost must also be included in the Application. Project-based rental assistance does not qualify for points in this section.

In the case of USDA, FHLB-AHP, CDBG, HOME, Permanent Supportive Housing Loans or DCA CHDO loans or other financial assistance/ funding, a "Notification of Award" letter must be included in the Application if the funding has been awarded at the time of Application Submission. If the funding has not been awarded at the time of Application Submission, documentation (such as the USDA letter of recommendation) indicating that the project is under final consideration for such funding must be submitted with the Application. The Applicant must notify DCA as to whether the funding has been awarded on or before July 27, 2007. (Points will not be awarded unless the funding is actually awarded.)

If the funding is not awarded, the Applicant may secure alternate financing and revise and resubmit all applicable Application documents by August 15, 2007. The revised Application will be evaluated based on the revised documents, but the Application will not be eligible for points under this criterion and will not be eligible for additional points under any other criteria based on revisions to the original Application.

For assistance provided under HUD's 221(d)(3) or (d)(4), the Director of the Office of Multifamily Housing at the Department of Housing and Urban Development must provide documentation that reflects the basis and methodology for the annual amount of the operating cost reduction for a ten-year period or the development cost reduction.

Points under this scoring category will be calculated based on the percentage of funding and/or the reduction in the total project development costs and/or project operating cost subsidies, as follows:

- 3% but less than 6% of total project development cost and/or average annual operating cost reduction
(four (4) points)
- Greater than or equal to 6% but less than 10% of total project development cost and/or average annual operating cost reduction
(six (6) points)
- 10% or more of total project development cost and/or average annual operation cost reduction
(ten (10) points)

For Scattered Site Projects, the project must be considered as a whole.

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X. Project Characteristics

10 points

This scoring category is available to all Applicants. For allocation of points, documentation including maps must be submitted to verify the directives and activities for each of the following categories. Points will be allocated for each of the following categories as set forth below. A maximum of ten (10) points will be awarded. The DCA Neighborhood Redevelopment Certification Form must be completed and submitted with the application in order to document these categories and earn these points.

For Scattered Site Projects, any non-contiguous site may be used to meet the criteria in any category in this section. In no case, may more than one site per category be used, nor can the maximum points per category be exceeded.

- One (1) point will be awarded for projects located within the city limits of a community designated as a Georgia Better Hometown and/or a Georgia Mainstreet Community.
- Two (2) points will be awarded if the proposed development site is located in a federal or state Enterprise Community, or a HUD or USDA Empowerment Zone or a Renewal Community.
- One (1) point will be awarded for projects that have a letter from a designated DCA Signature Community which clearly identifies the project as indicative of the community's affordable housing goals. Each Signature Community can only identify one project. The letter must be executed by the official representative of the Signature Community.
- Three (3) points will be awarded if the proposed development site is located in a Difficult Development Area or Qualified Census Tract.
- Three (3) points will be awarded if there is an adopted redevelopment plan / Community Revitalization Plan formulated by the Local Government that clearly targets the specific neighborhood in which the project is located. The Plan must include an assessment of the existing physical structures and infrastructure of the community, as well as a strategy to address the social service needs in the community. Short-term work plans, comprehensive plans, consolidated plans, municipal zoning plans or land use plans do not qualify as a community revitalization plan and are not eligible to receive points under this section. (For the purposes of this category, in Rural counties a neighborhood may be as large as one county.)

The Community Revitalization/Redevelopment Plan must include the following:

- a discussion of potential sources of funding for the plan
- a clearly delineated target area that includes the proposed project site
- detailed policy goals (one of which must be housing), and
- implementation measures along with specific time frames for the achievement of such policies and housing activities.

A copy must be included in the Application. The proposed development project must support at least one of the goals of the redevelopment or revitalization plan.

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XI. Architectural Enhancements

A. Energy Efficiency and Indoor Air Quality Requirements

14 points

All properties must meet Georgia Energy Codes as a minimum including the requirements for equipment sizing according to ACCA Manual J heat loss and gain and proper duct sealing measures, as required by energy code. Basic design, appliances and equipment must also meet the requirements of the DCA architectural standards as contained in the 2007 Application Manual. The final construction documents must clearly indicate all components of the insulation envelope and all materials and equipment that meet these requirements. All scoring must be entered into the Scoring Criteria tab in the Core Formal Application.

Select from the following under this category to a maximum of fourteen (14) points:

- Completed construction meets EPA’s Energy Star program and the certification documentation will be required to meet this point category. The certification must be submitted at either the LIHTC final certification or HOME Loan final construction draw, whichever comes first. (Failure to meet the certification could result in a point deduction in a subsequent application round, at DCA’s sole and absolute discretion.) Twelve (12) points

- Completed construction meets the Southface Energy Institute’s “Earthcraft House” multifamily (or single family) certification program. The certification must be submitted at either the LIHTC final certification or HOME Loan final construction draw, whichever comes first. (Failure to meet the certification could result in a point deduction in a subsequent application round, at DCA’s sole and absolute discretion.) Twelve (12) points

- The exterior envelope wall systems, including the rim (band) joist spaces, to be insulated with a spray applied insulation material such as cellulose or a foam product, (installed to manufacturers specifications to limit settling). R-value to meet Energy Codes. Two (2) points

- Attic insulation to R-38: (All attic spaces must be insulated in new construction and rehabilitation proposals.) Two (2) points

- ARI rated furnace (90% AFUE), or heat pump (HSPF 8.0 for both HP 2 ton and HP 1.5 ton units) Two (2) points

- ARI rated SEER 14 cooling equipment with sensible heat ratio less than 0.75. Two (2) points

- Locate HVAC ductwork in conditioned spaces. (A minimum of 90% of the ducts in each unit must be so located to qualify for these points.) Two (2) points

- Installation of at least two plumbing fixture types (must include toilet and showerhead to qualify for the utility self billing option, refer to Compliance Manual) or kitchen faucet/bathroom faucet(s) which have lower flow rates than the NEPA standards Two (2) points

- Installation of Energystar “Advanced Lighting Package” throughout the property (This must include interior bath and kitchen ventilating fans) Two (2) points

- The HVAC system to be designed to locate the fresh air intake before the return air infiltration. One (1) point

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- Installation of common area lighting with Energystar rating and controlled with either photocells or timers One (1) point
- When combustion equipment is utilized, that equipment will be isolated in a sealed combustion closet. Ventilation to that closet shall be from outside the building envelope. One (1) point
- The kitchen range hood ventilation to be ducted to the exterior and equipped with a damper. One (1) point
- Energystar ceiling Fans in living rooms, sunrooms and all bedrooms: (Kitchens and dining rooms not applicable.) One (1) point
- Energystar bath exhaust fan with timer and humidistat control One (1) point

For Scattered Site Projects, each site or non-contiguous parcel must meet the criteria.

B. Project Design

20 points

DCA encourages the construction of projects that reflect the character of the community in which they are located. The marketability of the property and appearance of the site are important components in the final product. Longevity and low maintenance are to be considered in the design of the property. The allocation of these points will be at the discretion of DCA and the interpretation of the appropriateness of the proposed features and materials by DCA will be final. These points are intended to encourage the integration of new construction/rehabilitation into the existing community, and to promote sustainable design and the protection of resources. Points will be awarded as set forth in the categories below to a maximum of twenty (20) points.

1. Exterior Wall Finishes

4 points

Select and enter in the Scoring Criteria tab of the core Application Form one category from this list to a maximum of four (4) points:

- Exterior wall faces must have an excess of 40% brick or stone, on each of the total wall surfaces. This is applicable to all sides of the buildings including the front wall face, each side's wall face and the rear wall face of the buildings. On all exterior walls the brick/stone must extend to all areas of grass, landscaping and other areas of soil or mulch. Four (4) points
- The rehabilitation of buildings that are eligible for historic credits, and elect to maintain and/or recreate the existing or original exterior finish surfaces on all wall faces including the front wall face, rear wall face and both side wall faces: (Note: The use of vinyl siding is not eligible for these points) Four (4) points
- The rehabilitation of buildings that do not have existing brick or stone in excess of 40% (and are not eligible for historic credits), but that elect to replace and upgrade the existing exterior finish surfaces on all wall faces including the front wall face, rear wall face and both side wall faces and roofing (Note: The use of vinyl siding is not eligible for these points). Four (4) points

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2. Attractive Features

4 points

Construction must exhibit attractive features that must be included on all sides and rear of all buildings. Select features from the following list to a maximum of four (4) points) and enter in the Scoring Criteria tab of the core Application Form:

- The recreation of existing or previous historic, or other types of historic decorative elements on all facades of existing historic or non-designated buildings. Two (2) points
- The addition of decorative elements such as new shutters and ventilation elements for both new and non-historic existing construction. Two (2) points
- The addition of or the redesign of existing covered entries to all buildings and units for both new and existing construction. Two (2) points
- The addition of new, or redesign of existing durable attractive stair and railing elements at stairs and porches/patios for both existing and new construction. Two (2) points

3. Major Building Component Materials and Upgrades

4 points

For all construction types major building component materials may be upgraded from the minimums as delineated in the Application Manual. Select from the following list to a maximum of four (4) points and enter in the Scoring Criteria tab of the core Application Form:

- Cementitious siding, hard stucco and/or wood siding in place of vinyl siding (The upgrade of vinyl siding is not eligible for these points.). DCA may approve, at applicant request, other materials with proven longevity for points in this category. Two (2) points
- Two (2) points
- Upgraded roofing shingles, or roofing materials. See architectural guide for basic requirements. Two (2) points
- Upgraded windows and French doors with lever hardware. (No sliding glass doors) (Glazing to have a Solar Heat Gain Co-efficient of <0.40 and a U-Value <0.40) Two (2) points
- Upgraded interior doors with lever hardware (Doors must have paneled facing with superior core construction). Two (2) points
- Upgraded interior cabinetry. (All wood construction. Exterior finishes may be wood or plastic laminate) One (1) point
- Upgraded flooring materials, both carpet and other resilient flooring materials. (**All** flooring materials must be upgraded to qualify. The installation or restoration of wood flooring with a high impact sealed finish would qualify. One (1) point

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4. Landscaping and Site Design Features

8 points

Select landscaping and site design features from the following list to a maximum of eight (8) points and enter in the Scoring Criteria tab of the core Application Form:

- Site entry location(s) delineated with permanent, illuminated entry sign and decorative fence
Two (2) points
- Upgraded landscaping to include such elements as landscaping berms and seasonal plantings at areas of community use:
Two (2) points
- Freestanding shelters (not included in the basic amenities requirements or point scoring), such as mail pickup areas and transportation stops:
Two (2) points
- Providing additional larger trees, seating (not included in amenities scoring) and other shade plantings at areas of community and recreational use (the trees must exceed the minimum sizes as required in the architectural manual basic requirements):
Two (2) points
- One hundred percent (100%) of all sidewalks shall consist of interlocking porous paving components. The overall on-site paving shall be 50% interlocking porous paving components which includes the sidewalks.
Two (2) points
- Identify areas for low water landscaping. These areas must exhibit the types of vegetation that can be identified as suitable for “xeriscaping”, or native plantings to encourage water conservation but still provide attractive landscaping:
Two (2) points
- Provide a system for the reuse of site water run off (rainwater harvesting) for landscaping irrigation for at least 75% of irrigation water annual. (Note: any site with an environmental restriction for re-use of groundwater is not eligible for these points.)
Two (2) points
- Preservation of existing trees and vegetation, and integration of these areas within the new landscaping layout. This must include existing major trees and areas of vegetation within the body of the property as well as that existing at the edges of the property to qualify for these points; **OR**
- Where there are no existing trees or vegetation on the property that can be preserved, there must be substantial replanting of trees and integrated vegetation. The trees must be a minimum of five-inch (5”) diameter and at a ratio of one tree for every eight units. For properties where the density is greater than 20 units per acre, a ratio of one tree for every 16 units will be acceptable. The trees must be integrated with other areas of planting throughout the property.
Two (2) points

For Scattered Site Projects, Applicants shall calculate the project design total score for each non-contiguous parcel and enter in the Scoring Criteria tab of the core Application Form for each project or parcel. The Applicant shall add the total points obtained for each non-contiguous parcel and divide by the number of non-contiguous parcels to arrive at the total points to be claimed for this category (no rounding up, only whole numbers may be claimed as points).

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C. Accessibility

7 points

Points will be awarded for optional Accessibility components. Select from the list below to a maximum of seven (7) points and enter in the Scoring Criteria tab of the core Application Form:

- Applicant agrees that prior to the commencement of construction, the final plans and specifications will be reviewed by a third-party professional accessibility consultant to determine that the all federal, state and DCA accessibility guidelines are accurately incorporated into the Project design. A copy of the (per DCA requirements) report will be provided to DCA and to the Project Architect. Four (4) points

- In addition to the 5% of units required to be equipped for the mobility disabled, the applicant agrees that an additional 2% of the units (with a minimum of one) will be equipped for the mobility disabled. Each of these additional units must include the installation of a roll in shower; Two (2) points

- All units designated as units for individuals with disabilities are equipped with front-loading washers and dryers at no expense to the tenant. Two (2) points

- The maximum length of travel from each first floor unit in every building to the closest parking space designated for the disabled does not exceed 200 feet. One (1) point

- All units on all floors shall be modified to be 'visitable' according to the FHA construction requirements (not available for senior projects). One (1) point

- All units designated as units for individuals with disabilities are equipped with loop handles on all kitchen and bathroom cabinet doors and drawers and lever door handles and approved faucets throughout the units. One (1) point

- All units designated as units for individuals with disabilities are equipped with front controls on kitchen ovens/ranges. One (1) point

Applicants meet the accessibility standards detailed in the Application Manual will be met.

For Scattered Site Projects, each site or non-contiguous parcel must meet the criteria.

XII. Readiness to Proceed

2 points

To qualify for these points, the Applicant must apply for all land disturbance and building permits as required by the Local Government. To obtain the points, the Applicant must supply:

- The original building permit obtained, dated appropriately to allow construction to commence within a time frame that allows for completion in accordance with DCA's requirements; 2 points
- or,
- An original letter from the Local Government indicating that all documentation has been received and reviewed for issuance of the permit and a building permit will be issued upon payment of all fees. The letter must also reference the project's name, address and number of units and **include a copy** of the building permit if it has been released. 1 point

For Scattered Site Projects, the above documentation must be submitted for the project as a whole.

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XIII. Project Based Rental Assistance for Special Needs Tenants

1 point

One point will be awarded if the Applicant certifies that it agrees to accept a Section 8 Project Based Voucher contract for the designation of up to ten (10) units or five (5%) percent of the total units, whichever is less, for occupancy by tenants with special needs who are receiving supportive services through the Georgia Department of Human Resources. DCA reserves the right through this option to offer a Section 8 Project Based Voucher contract to the development at anytime throughout the compliance period or period of affordability, whichever is longer. The contracts will typically have a five-year period with renewal options granted by DCA. The designated units could be any unit in the development, depending upon vacancies and availability, and would be subject to the same income and rent restrictions as all other units in the development. The property management would retain all rights to tenant selection, with exceptions related specifically to the disability of the potential tenant.

XIV. Compliance History Status

10 points

A. General - Owner, Developer and Manager (Project Participant) Compliance History

All project participants will receive a compliance history score under this section. Failure to provide or disclose a completed compliance history may result in a negative compliance score. This section is designed to consider the prior positive and negative compliance history of the General Partner, Developer and Manager of a proposed project. The compliance history will be reviewed as of the Application Submission Date.

The following factors will be considered in awarding these points:

- The categories of General Partner, Developer and Manager will each receive a Compliance History Score in their respective categories. Then the scores in each category (General Partner, Developer and Manager) will be averaged as set forth in Paragraph E & F of this section, to reach the final Compliance History score.
- If a General Partner, Developer or Manager has Georgia compliance history, only that history will be considered in the appropriate category.
- If a General Partner, Developer and/or Manager has no Georgia compliance history but has compliance history in the following five contiguous states: Florida, Alabama, North Carolina, South Carolina and Tennessee, then the history from these five states will be considered in the appropriate category.
- If the General Partner, Developer and Management Company have no previous Georgia History or history in the 5 contiguous states, they will receive a positive compliance neutral score (0) in this section. If one but not all of these entities have some positive compliance history, the score will be averaged as more fully in Paragraph E & F of this Section.
- One Point will be deducted from the proposed Project's Final Compliance Score for each project that has one or more of the following non compliance issues: Recapture of Federal Credits, Foreclosure of a HOME loan, or project bankruptcy, regardless of where that project was located.
- Only projects that have received funding from HOME, State Housing Trust Fund, the FDIC/AHDP, or federal Tax credits are used to calculate the score in this section. Only these projects should be listed on the Compliance History Summary form.
- All compliance audits from 2004, 2005, and 2006 through Application Deadline.
- Projects or project participants with significant noncompliance issues may have a greater proportion of units audited during this process, which may affect the compliance score.

Appendix II Competitive Scoring Criteria

B. Maximum Deductions and Points

An Application can receive a maximum of 10 points for positive previous compliance history. An Application can receive a maximum deduction of 20 points for previous negative compliance history

C. Syndicator History

The Syndicator's Compliance history is not scored as part of the competitive process. However, Syndicators are scored subsequent to project award notification. DCA must approve or disapprove the participation of a Syndicator in a DCA funded project. The Approval or Disapproval of a Syndicator will be based in part on their Compliance History Score, portfolio performance, including but not limited to bankruptcies and foreclosures. Syndicators scoring -20 or less will not be eligible to participate in projects funded from Credits awarded under the Plan. If a proposed Syndicator is deemed ineligible to participate, the Applicant must select another Syndicator. Syndicators who assume a General Partnership role as a result of noncompliance issues at a property may be allowed to participate during the cure period at DCA's discretion.

Applicants which are selected for an award must notify DCA of the proposed Syndicator and submit required compliance documentation regarding the Syndicator's experience at the earliest possible time, but no later than 75 days from the issuance of carryover allocation. DCA strongly recommends submitting the Syndicator information as early as possible to avoid potential problems that may arise if the Syndicator is deemed ineligible. DCA will score the Syndicators and will notify both the Syndicators and the Applicants of the results.

(Note that Syndicators will be required to submit a complete and accurate compliance history summary along with all required property audit documentation. Incomplete and inaccurate experience summaries and experience summaries without the required documentation will result in the Syndicator being deemed ineligible to participate in the 2007 competitive round. Syndicators will not be required to submit self-scoring worksheets).

D. Required Documentation

This Documentation must be submitted even if you do not claim positive Compliance History points.

- Five (5) fully executed DCA Uniform Release Forms (included in the Manual) must be submitted.
- Completed Compliance Questionnaire for each General Partner, Developer, Consultant and Manager.
- Each General Partner and Developer must include a compliance history summary sheet for both the entity, as well as the Principals of that entity. The scores for the entity and principals will be averaged as more fully set forth below.
- Each Management Company must submit a compliance history summary sheet for the management entity itself.
- Applications seeking these points must include all projects in which they own an interest or have participated in the development or management in the State of Georgia and the five (5) contiguous states. However, compliance will be reviewed for only 2004, 2005 and 2006.

Note: Internal Revenue Service Form 8821 may be requested by DCA for any Project Participant listed on the Experience Summary at any time during DCA's review of a Project Participant's compliance history.

Appendix II Competitive Scoring Criteria

E. Compliance History Scoring Process Overview

A numerical value will be applied for each instance of noncompliance (see Table I). The total number of units audited (not the total number of units at property) for each Project Participant designated in the Application will be divided by the total of the numerical values to determine a Participant's Compliance Factor (see Table II).

Project Participants with no experience/audits within the three-year period will receive a positive neutral score of zero (0). The Overall Compliance Factor will be the combined Compliance Factors of the basic categories of Participants (excluding the Syndicator). An Applicant's preliminary compliance score can then be determined from the Compliance Scoring Table included in this Section (see Table III).

To score individual participants, multiply the individual Participant Compliance Factor by three (3) and refer to the Compliance Scoring Table. Note that a Syndicator's compliance score will not affect the proposed project compliance score, but to be eligible to participate, the Syndicator must score -20 or higher.

F. Examples of Noncompliance Scoring Categories

The following examples are intended to provide guidance to determine whether a particular instance of noncompliance will be treated by DCA as major or minor for scoring purposes. This list of examples does not include every possible category of noncompliance and is not intended to be all-inclusive. DCA will make the final determination on a case-by-case basis. Based on this general guidance, Applicants must use their own judgment for self-scoring purposes.

Questions regarding assigning the appropriate noncompliance value to a specific instance of non-compliance may be submitted via e-mail to the DCA Compliance Manager at nmaddux@dca.state.ga.us.

1. Major Noncompliance (Noncompliance=Value 3)

(“repetitive” is defined as an instance of noncompliance that is found in 20% or more of the files reviewed or the units inspected in one property during one DCA property inspection/audit)

- Repetitive instances of rent charged to tenants that exceed the applicable limit
- Repetitive instances of failure to follow the next available unit rule
- Repetitive instances of administrative noncompliance (failing to institute policies and procedures stated in DCA Program Manuals, Land Use Restrictive Covenants, Land Use Agreements, HOME loan documents and federal or state regulations)
- Repetitive instances of failure to adjust the rent of over-income HOME tenants
- Repetitive violations of Accessibility requirements
- Repetitive instances of administrative noncompliance (not certifying tenants as required, failing to recertify tenants as required, failing to maintain original qualifying tenant files, failing to abide by relocation plan, failure to submit Davis Bacon Wage Reports as required)
- Repetitive instances of physical noncompliance (down units, smoke alarms not operational, infestation, trip hazards)

Appendix II

Competitive Scoring Criteria

2. Major Property Wide Non-Compliance (Noncompliance Numerical Value 4)

- Submission of fraudulent documents to DCA
- Failure to pay DCA fees as required
- Failure to respond to DCA audit requests
- Failure to correct noncompliance by stated DCA cure date
- Failure to file Annual Owner Certification by required date
- Foreclosure of DCA HOME loan
- Failure to maintain IRS required Minimum Set-Aside
- Foreclosure or default on bonds at a property that has DCA Tax Credit or HOME funding
- Failure to meet placed in service date.
- Failure to convert on a HOME loan within the 24 month conversion period

3. Minor Property Wide Non-Compliance (Noncompliance Numerical Value 2)

- Failure to provide or maintain required amenities
- Failure to provide or maintain required support services
- Failure to notify DCA in writing at least 30 days prior to any change of ownership
- Failure to notify DCA in writing at least 30 days prior to the change of management companies

4. Minor Noncompliance (Noncompliance Numerical Value 1)

- Isolated instances of rent charged to tenants that exceed the applicable limit
- Isolated instances of failure to follow the next available unit rule
- Isolated instances of administrative noncompliance (failing to institute policies and procedures state in DCA Program Manuals, Land Use Restrictive Covenants, Land Use Agreements, HOME loan documents and federal or state regulations)
- Isolated instances of failure to adjust the rent of over-income HOME tenants
- Isolated violations of Accessibility requirements
- Isolated instances of administrative noncompliance (not certifying tenants as required, failing to recertify tenant as required, failing to maintain original qualifying tenant file, incomplete tenant income certification)
- Isolated instances of physical noncompliance (smoke alarms not operational, infestation, trip hazards, broken light fixture, weather stripping missing, loose rail)

Instances of noncompliance prior to the issuance of IRS Form(s) 8609 may also result in DCA, at its sole discretion not issuing the 8609{s).

Appendix II Competitive Scoring Criteria

DCA will, at its sole and absolute discretion, determine if the participant or entity will be eligible to receive funding from DCA if the participant or entity has defaulted on a DCA HOME loan, has been removed from the General Partnership of a Tax Credit Partnership of a tax Credit property, has been debarred or suspended from participation in a similar Federal or State program, has defaulted on any loans or bonds at a Tax Credit or HOME property or has submitted fraudulent material to DCA.

Appendix II Competitive Scoring Criteria

**Table I
EXAMPLES OF COMPLIANCE SCORING PROCESS**

<i>Example 1: Assumes all three Participants have been audited within the three-year period</i>			
Project Participants	Number of Units Audited Within Three-Year Period	÷ Participant Compliance Numerical Value	= Participant Compliance Factor
Developer	330	5	66.0
Owner/ General Partner (see note 1)	45	0	100.0
Management Company (see note 1)	120	1	100.0
Overall Compliance Factor			266
<i>Preliminary Compliance Score From Compliance Scoring Table</i>			7

<i>Example 2: Assumes two of the three Participants have been audited within the three-year period, and that Co-Developers are participating.</i>			
Participants	Number of Units Audited Within Three-Year Period	÷ Participant Compliance Numerical Value	= Participant Compliance Factor
Co-Developer # 1	330	5	66.0
Co-Developer # 2	45	0	100.0
Co-Developers' Average Compliance Factor (see note 3)			83
Owner/General Partner (see note 2)	0	0	65
Management Company	120	1	100.0
Overall Compliance Factor			248
<i>Preliminary Compliance Score From Compliance Scoring Table</i>			5

Appendix II
Competitive Scoring Criteria

<i>Example 3:</i>			
<i>Involves an Inexperienced Participant with an Experienced Consultant.</i>			
Participants	Number of Units Audited Within Three-Year Period	Participant Compliance Numerical Value ÷	Participant Compliance Factor =
Inexperienced Developer	0	0	65.0
Experienced Developer Consultant	45	0	100.0
Inexperienced Developer and Experienced Consultant Average Compliance Factor (see note 3)			82.5
Inexperienced Owner/General Partner	0	0	65
Experienced Owner/General Partner Consultant	150	0	100
Inexperienced Owner/GP Experienced Consultant Average Compliance Factor (see note 3)			82.5
Management Company	120	1	100.0
Overall Compliance Factor			265
<i>Preliminary Compliance Score From Compliance Scoring Table</i>			<i>7</i>

Note 1 – The maximum participant compliance factor is 100.

Note 2 – An unaudited participant will receive a participant compliance factor of 65, which will have no Positive or negative impact on the final compliance score.

Note 3 – Co Participants – To arrive at the Co-Developer Average Compliance Factor, first determine the Factor for each Co-Developer, and average the Compliance Factors.

Appendix II Competitive Scoring Criteria

Table II

COMPLIANCE SCORING TABLE

<u>Overall Compliance Factor</u>		<u>Preliminary Compliance Score</u>
290 – 300		10
280 – 289		9
270 – 279		8
260 – 269	Example 1	7
250 – 259		6
240 – 249	Example 2	5
230 – 239		4
220 – 229		3
210 – 219		2
200 – 209		1
190 – 199		0
185 – 189		-1
180 – 184		-2
175 – 179		-3
170 – 174		-4
165 – 169		-5
160 – 164		-6
155 – 159		-7
150 – 154		-8
145 – 149		-9
140 – 144		-10
135 -- 139		-11
130 – 134		-12
125 – 129		-20
124 OR LESS		Ineligible Project

2007 Qualified Allocation Plan

Appendix II

Competitive Scoring Criteria

Exhibit A

Points for Previous Projects within a Local Government

Five (5) points will be added if the proposed development site is within the boundaries of a Local Government in which a 9% Credit, 4% Credit, and/or HOME project has not been awarded within the last three (3) DCA funding cycles, OR three (3) points will be added if the proposed development site is within the boundaries of a Local Government in which a 9% Credit, 4% Credit and/or HOME project has not been awarded in the last two (2) DCA funding cycles. For example, if no projects were awarded in unincorporated Cobb County for the last three DCA funding cycles, but one was awarded in the City of Marietta in 2005, an Application for a project from an unincorporated area of Cobb County would receive five (5) points. DCA reserves the right to update this list as a result of subsequent credit recaptures and incoming tax-exempt bond deals.

For Scattered Site Projects, each non-contiguous parcel may be considered for points in this category. However, the Application will be awarded a maximum of five (5) points in this category.

To determine the points available in this category for any given 2007 Applicant, refer to the attached list of projects that have been sorted by county. The first two digits of the project number reflect the year of the DCA award.

5 Points 2007 Application is within a Local Government (city or unincorporated portion of a county) that is not on the attached list for 2004, 2005, and 2006.

3 Points 2007 Application is within a Local Government (city or unincorporated portion of a county) that is not the attached list for 2005 or 2006.

Appendix II
Competitive Scoring Criteria
Exhibit A
Points for Previous Projects within a Local Government

<u>Project #</u>	<u>Project Name</u>	<u>City</u>	<u>Uninc. Portion of County</u>
06-051	Barkley Estates	Albany	
05-006	Azalea Court Apartments	Alma	
06-052	Magnolia Village Apartments	Americus	
06-006	Village Green Apartments	Ashburn	
06-022	Annadale Park	Ashburn	
06-035	Ashton Place Apartments	Ashburn	
04-028	Fourth Street Village	Athens	
04-513	Capital Gateway Phase I	Atlanta	
04-018	Constitution Avenue	Atlanta	
04-024	Columbia Senior Residences at Mt. Pleasant	Atlanta	
04-025	Columbia Grove	Atlanta	
04-026	Columbia Senior Residences at Edgewood	Atlanta	
04-034	Heritage Green	Atlanta	
04-041	Pittsburgh Phase II, Senior	Atlanta	
04-045	Carver Senior Building, LP	Atlanta	
04-505	Vineyards of Browns Mill	Atlanta	
05-005	Campbell Stone Apartments	Atlanta	
05-016	Provenance at Hollowell Family Housing	Atlanta	
05-019	Gates Park Crossing Senior Residences	Atlanta	
05-020	Gates Park Housing For Older Persons	Atlanta	
05-024	Columbia at Senior Residences at Mechanicsville	Atlanta	
05-025	MLK Village Tower	Atlanta	
05-026	Columbia at Mechanicsville Apartments	Atlanta	
05-040	Capitol Gateway Phase II	Atlanta	
05-046	Seven Courts Apartments	Atlanta	
05-502	Park View at Coventry Station	Atlanta	
06-031	Mechanicsville Apartments Phase 3	Atlanta	
06-033	Mechanicsville Apartments Phase 4	Atlanta	
06-041	Grady Senior	Atlanta	
06-056	John O. Chiles Senior Residences	Atlanta	
04-515	Maxwell House	Augusta	
05-045	Cedarwood Apartments	Augusta	
06-030	Pine Ridge Estates	Bainbridge	
06-016	Perry Park Townhouses	Brunswick	
04-016	Heathrow Senior Village	Byron	
04-002	Hunter's Glen	Cairo	
05-002	Kirby Creek Apartments	Cairo	
04-014	Ashton Calhoun, LP	Calhoun	
04-043	Forest Heights	Calhoun	
05-032	Cottonwood Pointe	Camilla	
05-021	Chamblee Senior Apartments	Chamblee	

Appendix II
Competitive Scoring Criteria
Exhibit A
Points for Previous Projects within a Local Government

<u>Project #</u>	<u>Project Name</u>	<u>City</u>	<u>Uninc. Portion of County</u>
05-034	Linwood Place	Chatsworth	
06-021	The Village at Chickamauga	Chickamauga	
04-502	Wyncrest Apartments	Clarkston	
06-005	Rolling Oaks Elderly Apartments	Claxton	
06-042	Ashley Station Phase II	Columbus	
04-046	Peabody Redevelopment Partnership I, LP	Columbus	
05-004	Jordan Mills	Columbus	
04-021	Overlook Pointe	Cordele	
06-028	Campbell Creek Apartments	Dallas	
06-024	Autumn Crest	Dawson	
04-007	Emerald Pointe	Dublin	
06-502	The Belmont of Duluth	Duluth	
04-027	Norman Berry Village Senior Residences	East Point	
04-522	Laurel Ridge at Washington Road	East Point	
06-015	Merrimac Village	Fitzgerald	
06-017	Bridge Creek Apartments	Fitzgerald	
06-007	Pine Point Apartments	Folkston	
04-508	Breckenridge Apartments	Forest Park	
05-044	Water's Edge Apartments	Forest Park	
06-025	Windsor Court	Fort Valley	
04-512	Union Hill Apts	Forsyth	
04-030	Greenbriar	Hazlehurst	
05-037	Otter Run Apartments	Jefferson	
06-501	Provence Place	Jonesboro	
05-007	Village Square Apartments	Lumber City	
04-038	Lakeview	Lyons	
06-004	Lyons Apartments	Lyons	
06-044	Colony West Apartments	Macon	
06-045	Pearl Stephens Village	Macon	
05-012	Riverside Gardens Apartments	Macon	
05-043	Anthony Arms Apartments	Macon	
05-048	Kingston Gardens Apartments	Macon	
05-029	The Legacy at Walton Village	Marietta	
04-523	Walton Village	Marietta	
06-038	Summer Trace	Metter	
04-031	Pecan Hills	Milledgeville	
04-011	Moultrie Manor	Moultrie	
04-019	Antigua Place	Moultrie	
06-029	Pines by the Creek Apartments	Newnan	
04-506	East Gate Apartments	Newnan	

Appendix II
Competitive Scoring Criteria
Exhibit A
Points for Previous Projects within a Local Government

<u>Project #</u>	<u>Project Name</u>	<u>City</u>	<u>Uninc. Portion of County</u>
05-010	Cypresswood Apartments	Pearson	
06-026	Cameron Court	Perry	
06-020	Lone Mountain Village	Ringgold	
05-031	Riverdale Villas	Riverdale	
04-039	Tori Pines	Sandersville	
04-047	HAS Senior Partnership, LP	Savannah	
05-501	Ashley Midtown II (F/K./A Savannah Hope VI)	Savannah	
05-504	Rose of Sharon Apartments	Savannah	
06-057	Ashley Midtown II	Savannah	
06-037	Creekwood Apartments	Soperton	
05-013	Statesboro Summit Apartments	Statesboro	
04-521	Embry Hills Sr.	Stone Mountain	
05-508	Lake Point Apartments	Stone Mountain	
04-020	Saratoga Court	Summerville	
04-032	Spring Gardens	Swainsboro	
06-039	Hickory Trace	Swainsboro	
06-014	Fullerton Square Apartments	Sylvester	
06-059	Paradise Estates Apartments	Sylvester	
04-507	Farview Apartments	Thomaston	
05-003	Hampton Lake Apartments	Thomasville	
04-022	Monterey Pass	Thomson	
04-036	Thomson Villas	Thomson	
05-047	The Senior Residences at Thomson	Thomson	
05-009	Wildwood Apartments	Tifton	
05-033	Imperial Place	Toccoa	
06-002	Heron Lake II Apartments	Valdosta	
05-036	Westport Village	Waycross	
05-011	Waynesboro Gardens Apartments	Waynesboro	
06-009	Pecan Grove II	Waynesboro	
06-023	Mulberry Court		Ben Hill
04-035	Pinewood Park		Bibb
04-517	Brookside Apartments		Clayton
04-514	Walton Trail		Cobb
04-519	Cobblestone Apartments		Cobb
05-506	Orchard Mill Apartments		Cobb
04-048	Whispering Pines		DeKalb
04-504	Vineyards of Flat Shoals		DeKalb
04-510	Glenwood Park Apts		Dekalb
04-516	Orchard Walk		Dekalb
04-520	Ashton Grove		Dekalb
05-018	Candler Forrest Apartments		Dekalb

Appendix II
Competitive Scoring Criteria
Exhibit A
Points for Previous Projects within a Local Government

<u>Project #</u>	<u>Project Name</u>	<u>City</u>	<u>Uninc. Portion of County</u>
05-507	Shannon Lake Apartments		Fulton
06-507	Bradford Gwinnett		Gwinnett
06-036	Brookhaven Apartments		Lowndes
04-006	The Groves		Tift
06-001	Laurel Ridge Development		Troup
05-041	Ashford Parkside Senior Residences		Ware