

Amendment to Georgia Housing and Finance Authority's 2020 Qualified Allocation Plan

Published on April 13, 2020.

Updated June 11, 2020 to reflect final Board-approved amendment.

The Georgia Housing and Finance Authority (GHFA) has released an amendment to the 2020 Qualified Allocation Plan (QAP) to address certain applicability criteria related to *Appendix II Scoring, XIX. Compliance Performance*. The amendment details are posted to the [DCA website here](#).

QAP Approval and Amendment Process

GHFA approved the 2020 QAP after extensive public consultation including three public hearings, one through an online webinar as well as in-person hearings in Atlanta and Dublin, and a thirty-day public comment period. The 2020 QAP was approved by the GHFA Board of Directors on November 13, 2019 in Moultrie, Georgia and by the Governor of the State of Georgia on December 17, 2019. In the spring of 2020, DCA staff determined the need to update one selection criterion.

Core Plan, Section 21 in the 2020 QAP details the process by which DCA may amend the QAP:

“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 right to amend the Plan, after the public has had the opportunity to comment through the public hearing process...”

Public Input

GHFA announced the amendment proposal on April 13, 2020 and received written comments through April 20. GHFA held a public hearing on April 20. To comply with Georgia Department of Public Health guidelines related to large gatherings during the State of Emergency, this GHFA public hearing was held virtually.

Approved: Compliance Performance Point Deduction Applicability

In *Appendix II Scoring*, the 2020 QAP as signed by the Governor stated that Project Teams and Principals directly or indirectly involved in the General Partnership and/or Development entity of non-performing projects would receive point deductions. The provision's intention was to deduct points from only those applicants who were materially involved in the development and/or

ownership of non-performing projects. Recognizing that the terms “Project Team” and “directly or indirectly involved” are both vague and broad, DCA proposed to clarify this language to better match the provision’s intent.

The 2020 QAP posted to the DCA website has been updated to reflect the amendment as approved by the DCA Board. The page that follows, an excerpt from *Appendix II, Scoring, XIX. Compliance Performance*, contains both the original and amended language.

Impact on 2020 9% Housing Tax Credit Competitive Round

The amendment does not impact how applicants should prepare their 2020 9% Housing Tax Credit submissions.

The amendment will impact how DCA conducts its application review. *XIX. Compliance Performance*, under the 2020 QAP as signed by the Governor, draws on applicant information collected under *Threshold, XIX. Experience, Capacity, and Performance Requirements for General Partner and Developer Entities*. Recognizing that these *Threshold* forms as available during the Pre-Application process did not reflect the amended language, DCA will request the relevant information as needed through the clarification process described in *Core, 18. Evaluation of Competitive Applications*.



documentation of a preliminary equity commitment.

(DCA encourages Applicants to see www.GeorgiaSHPO.org for further guidance on the requirements and associated timeframes for the development of projects with historic tax credits. DCA also encourages Applicants to seek the advice of a qualified attorney and/or tax professional before proceeding with any project of this nature.)

XIX. COMPLIANCE PERFORMANCE

Up to 10 Points

Each Application will receive a score under this Section that will be made part of the Applicant's DCA Final Score. To arrive at a score in this section, each Application will start with an award of ten (10) Performance Points.

DCA will deduct points for: DCA Administrative Noncompliance, Program Non-compliance, Adverse Circumstances (ACs), and for Significant Adverse Events (SAEs) for which the Applicant has obtained a DCA waiver (see Appendix I Threshold Section XIX. Experience, Capacity and Performance Requirement for General Partner and Developer Entities).

Applicants with Point Deduction Scores of less than ten (10) Performance Points will have the opportunity to claim Point Additions if they can demonstrate achievements in the five areas listed in Subsection B. Calculation of Point Additions.

Compliance Score: Determination and Applicability

1. Compliance score deductions are based on the compliance and performance history of both the General Partnership entity and the Developer entity as well as each Principal of the General Partner and/or Developer entity. Even if DCA determines that an adverse condition is not sufficient to bar an Application from participation in the competitive round, that condition will be evaluated as a noncompliance point deduction.
2. Negative compliance history of an entity cannot be negated by the resignation or removal of a Principal or the selling of a noncompliant Property to a new entity.
- ~~3. Point deductions will be made for each Project Team and Principal that were directly or indirectly involved in the General Partnership and/or Development entity of non-performing projects. Point deductions will be made for each Project Team member for which both of the following apply:~~
 - ~~• has a 20% or more interest in the General Partner and/or Developer entities of the proposed development;~~
 - ~~• had effective control in the General Partner and/or Developer entities of the non-complying properties at the time of non-compliance.~~
 - ~~○ Effective control is defined as having a majority interest in the General Partner and/or Developer or being a managing member of a limited partnership or single purpose entity, or limited liability company.~~
- 3-4.** If a Principal withdraws from an entity with a negative compliance history, the negative compliance history must be claimed by the departing Principal for three (3) years following the date the Principal legally left the company.

A. Calculation of Point Deductions