

2023 QAP Workshop

February 6, 2023



Workshop Overview

Agenda

8:00 - 9:00 a.m.	Registration and Continental Breakfast
9:00 - 11:00	DCA Presentations
11:00 - 11:15	Break
11:15 - 12:00	DCA Presentations (continued) Q&A
12:00 - 1:15 p.m.	Lunch & Networking
1:15 - 2:15 p.m.	Breakout Table Discussions
2:15 - 3:00 p.m.	Summaries of Breakout Table Discussions Q&A

Keep in mind: Verbal Comments from DCA Staff

- You can only prepare your applications based on what DCA has published in writing – not what someone says verbally today
- Goal is to hold discussions that:
 - Identify policy ambiguity or concerns from our partners, to help prioritize future guidance
 - Provide more context than is often possible in Q&A

Keep in mind: Verbal Comments from DCA Staff (cont'd)

- Published guidance requires approvals from several parties, not individuals. Individuals will convey their best understanding today for purposes of promoting dialogue.
- Nothing that is stated verbally can be used for purposes of Competitive Round review or appeals.
- If your application will rely on information for which the only source is a verbal statement, you must submit a question through the Q&A process to ensure DCA issues public, written guidance addressing the matter.

Have questions during the presentations? Submit them through Menti!

- Go to www.menti.com
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DCA Presentations

Opening & Special Topics

Director Updates

Staffing, Bonds, General Trends, Upcoming Year



9% Housing Tax Credit Developments Awarded in 2022
\$27 million received in 9% HTC allocation across Georgia
1,777 units of housing tax credits awarded



Gap Funding for Construction Cost
Covid-19 resulted in significant funding gaps for 9% HTC developments
27 developments stabilized with low-interest loans
2,100+ affordable homes were constructed or preserved
\$84 million in federal funding

2022 Recap:

4% Housing Tax Credits/Bond Developments
6,397 units funded with 4% Housing Tax Credits

First Time for 73 applications received for 9% Housing Credit/Bond applications
\$1.814 billion for 73 applications received
9x over subscribed

2023 Private Activity Bond Allocation

Local Reservation: \$105,745,768

URFA Reservation: \$105,745,768

GHFA Housing Share: \$345,065,139

Total Housing: \$656,556,675

2022 4% HTC/Bonds

~ \$200 Million

2022 4% HTC/Bonds

~ \$556 Million

New Staff

4% Housing Tax
Credit/Bonds

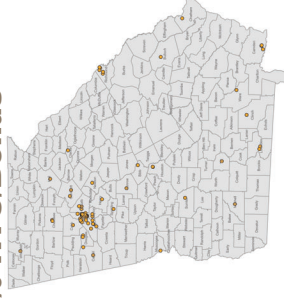
2019-2020 4% HTC/Bonds

- In 2022, \$716 Million reserved for multifamily
- Pipeline of 2019-2020 4% applications cleared out
- 79 2020 4% applications
 - 12,465 Units
- No additional issuance

2022 4% HTC/Bonds

- 73 Applications, \$1.8 Billion in requests
 - Average bond request: \$24.8 Million
 - 3.3X oversubscribed
 - Likely will stabilize
- 11 of 12 Regions

2022 4% HTC/Bonds



2022 4% HTC/Bonds

- Highest scoring, regions, 1-1 Ratio of New Supply/Preservation
- Award Process - Mirroring 9%
 - Preliminary scores – February
 - Final Announcement – February/March
 - Reconsideration/Appeals Process
 - Only if eligible

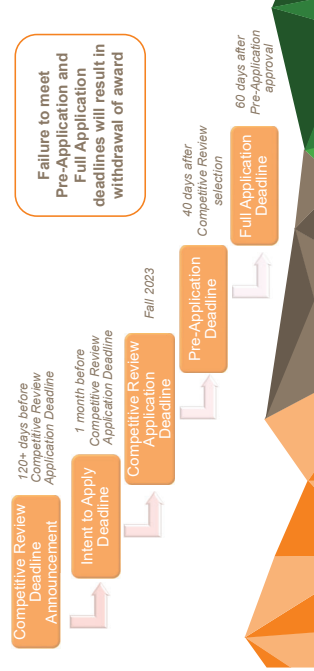
2022 4% HTC/Bonds

- Notice to proceed – 40 days to submit pre-app; 60 days after pre-app determination to submit full application
 - Applicants can submit any time after notice to proceed
 - Waivers
 - No extensions
 - Full application through Emphasys

2023 4% HTC/Bond Deadline

New applications in Q4 of 2023

4% HTC/Bonds Deadlines



Fee Updates

- 9% Application fees: \$8,000/\$10,000
- 4% Application fees staying the same
- Architectural Waivers: \$2,500
- Underwriting Fees: \$15,000

Fees



Cost Increases NOFA



General Updates

Cost Increases NOFA

- Funded all 27 requests - \$84 Million
- 2,100 units
- HOME and NHTF fully committed
- Loan committee
- Loan closings moving forward
- No monthly draws, now 25% disbursements



Competitive Round Updates

2022 9% Applications, 2023 9% Applications

General Updates

- No additional credits
- Increasing stability
- Upcoming roundtables
- More development check-ins
- Clarifications



2022 9% HTC Round Trends & Issues

2022 9% Round Trends

- No RAD Preservation Set Aside applications
- No City of Atlanta applications
- No Historic Preservation points claimed

2022 9% Round Application Issues

- Unexecuted documentation
- Documentation not in existence prior to Application Submission
- Inadequate room in budget for DCA adjustments

2023 Application Deadlines

9% HTC Deadlines

- Pre-Application March 3, 2023
- Intent to Apply April 19, 2023
- Full Application May 19, 2023

Intent to Apply for 2022 4%/Bonds

Please complete the form below if you intend to submit a 2022 4% Bond Application. The 4% Bond Application is a mandatory prerequisite for Application review. Applicants should submit a separate survey for each Application. DCA asks that Applicants complete the form by September 25. Direct any questions to Michelle@atlga.gov and Registration@atlga.gov

* Required

1. Development Company *

Enter your answer

2. Location (City, County) *

Enter your answer

3. Projected Bond Allocation Request (B) *

The value must be a number

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Compliance & Asset Management



Performance Workbook Questionnaire and Compliance Scoring

Threshold & Scoring Changes



Performance Workbook Questionnaire

- Significant Adverse Events (SAE) and Adverse Circumstances (AC) removed from OAP and are comprehensively contained in the Performance Workbook
- All SAEs and ACs will result in point deductions in the Compliance Performance Scoring Section - corresponding lookback periods are listed for each SAE and AC
- Fair Housing SAE has been updated
- Additional Disclosures

Performance Workbook Questionnaire

SAE #	SAE Description	Lookback Period
SAE 1	Has there been any instances of Federal insolvency or potential Federal insolvency of the Project Type?	10 years
SAE 2	Has there been any of the following for you or your entity: Defaulted, delinquent, proposed, or have you received a suspension by a home agency, state EPA, or state-governmental affordable housing program?	10 years
SAE 3	Has there been any record default on a HOME loan (Federal default later issued)?	10 years
SAE 4	Has there been any Fractionation of a loan or deed in lieu of foreclosure, which is secured by a Federal Credit (LITFC) property after the compliance period ended and resulting in a loss of priority during the specified loan period?	10 years
SAE 5	Has there been any default in a loan secured by a Federal Credit (LITFC) property?	5 years
SAE 6	Has there been any Fractionation of a loan or deed in lieu of foreclosure, which is secured by a Federal Credit (LITFC) property before the compliance period ended and resulting in a loss of priority during the compliance period? (Major Project Types)	10 years

Performance Workbook Questionnaire

SAE 19

Has the Department of Justice, State or investigation filed a lawsuit on or behalf of Fair Housing Project's (Federal, State or local) for any of the following: Discrimination, by any government agency, at an affordable housing property for which you had any ownership interest, in any capacity, at the time the incident occurred?

SAE 20

Additional Disclosures

Are there any other disclosures that are not included in the Performance Workbook, but are required by the Department of Justice, State or local government agency, at an affordable housing property for which you had any ownership interest, in any capacity, at the time the incident occurred? If so, please list the disclosures and the date they were made. In the event the disclosure claim is a success of \$50,000 or more, a copy of the Project's suit (even related to routine evictions) do not need to be disclosed.

Performance Workbook Questionnaire

- Successful Properties
 - Please list your properties and claim point additions, even if you self-score with no compliance point deductions
 - "Successful" is defined in the OAP
 - Must currently own the property to qualify for point additions

Compliance Performance Scoring

Clarification:

State of Georgia 2023 Qualifier Allocation Plan: SCORING CRITERIA

XXIII. COMPLIANCE PERFORMANCE

Up to 10 Points

Each Application will start with a award of ten (10) Performance Points. An Applicant's score in this section is a net score and may be negative.

AMOUNT OF FINE FROM 2016-2018 IS DEDUCTIBLE FROM PERFORMANCE AND FROM 2019-2022 IS DEDUCTIBLE FROM PERFORMANCE POINTS

Exceptional Nonprofit/PHA

Scoring Rubric Changes

Updates and Clarifications

- Operating Sustainability Calculation
 - Example: The Nonprofit's cash and investments are at least 50% of annual operating expenses for the most current year. **This will be calculated using: Unrestricted Cash/Total Operating Expenses**
- Ineligible in this section if you received points and were funded in 2022
- Tiebreak
 - 1 – Did not receive ENPIEPA points in 2021 or 2022
 - 2 – Strongest technical expertise per rubric guidelines

Compliance and Asset Management Updates

New Compliance Manual

LIHTC & HOME Compliance Manual

- Published January 24, 2023 and applicable to all properties with DCA/GHFA funding
- Provide public comment year-round [here](#)

See the Compliance Manual [here](#).



Compliance and Asset Management Fees

- Removed from QAP and are available on the DCA website, Effective January 15, 2023
- Public comment period November 14, 2022 – January 14, 2023

Fee Type	Status from 2022
Credit Compliance Monitoring	No change
Re-inspection/Additional Inspection	New
HOME Asset Management	No change
Noncompliance fee*	New
Management Company Approval/Change	No change

*Late Annual Owner Certification, Late HOME Rent Review, Late submission of audit/inspection cures

Ownership and Management Company Changes

Ownership and Management Company Changes

- All ownership changes require notification to and approval from DCA Asset Management via Project Concept Change
- All incoming applications must include a DCA-Approved or Conditionally Approved with Limitations management company

Ownership and Management Company Changes

- All Management Company changes require approval from DCA Office of Portfolio Management via the Management Company Change/Approval policy
- Management changes are subject to DCA review of current compliance status across the proposed management company's DCA portfolio, including but not limited to:
 - Previous audit/inspection results, Emphasys reporting, Annual Owner Certifications, HOME Rent Reviews

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Development Federal Compliance



Environmental Reviews



Environmental Manual Changes: Historic Preservation Review Process

- Only applicants awarded under Competitive Round are required to submit Environmental Review (ER) Form and supporting documentation to Historic Preservation Division (HPD) within 15 days of the award list being announced.
- All documentation can be submitted for HPD review to er@dca.ga.gov, or on project submission portal detailed in HPD slides

Environmental Reviews: Important notes

- HPD response letters are valid for up to 3 years. If there are substantive changes to the project or if a federal fund becomes involved, further consultation with HPD is required.

Environmental Reviews: Important notes (cont'd)

- Any physical activity including demolishing is prohibited:
 - Without consultation with HPD.
 - Before HPD consultation is complete, and
 - Without DCA environmental clearance.
- Demolishing is not allowed for NHTF projects.
- Intentional destruction of a historic property and failure to allow the ACHP to comment are both violations that could prevent HUD from approving RROF.

Environmental Reviews: Common Issues

- Missing signatures on Environmental Certification
- Missing signatures on Owner Questionnaires
- Missing environmental transmittal
- Applicable floodplain insurance documents are not included
- Proper wetland delineation is not included.

Historic Preservation, LIHTC and GEPA Reviews

Historic Preservation Division



Georgia Environmental Policy Act (GEPA)

- GEPA is a State law that requires State agencies to consider the impact of governmental actions on the environment, including historic & cultural resources



HPD's Role in the GEPA Review Process

- To assist state agencies and their applicants in assessing the impacts of projects on historic & archaeological resources listed in or eligible for listing in the Georgia Register of Historic Places

Consultation with HPD After Award

- Complete the Environmental Review Form
- Provide project information
- Include maps & photographs
- Submit the project materials online!



NEW ONLINE PROJECT SUBMISSION PORTAL

Brian P. Kempf
Governor



Christopher Burns
Commissioner

Welcome to the DCA - Historic Preservation Division (HPD) Environmental Review (ER) External Application System

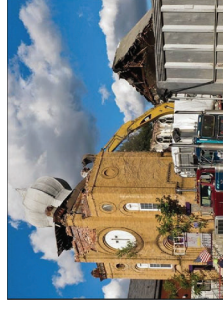
This new system will allow project applicants to submit their applications online. The process is more efficient for all users. Electronic submission of projects via email to ER@hp.dca.ga.gov also remains an option. Making of paper project materials is no longer available, except for archival copies of mitigation materials.

Please visit our website at hp.dca.ga.gov for more information. For more information, please contact the HPD at hp@hp.dca.ga.gov or call us at 404-656-2000.

[Link to External User Database](https://hp.dca.ga.gov/external-historic-preservation-division/external-portal)
<https://hp.dca.ga.gov/external-historic-preservation-division/external-portal>

Significant Impact: Causes & Resolution

- Introduction of incompatible visual or atmospheric elements
- Change in use, character, or setting
- Destruction or damage
- Avoidance/Minimization
- Mitigation



Final Points to Remember

- Cold Reader
- Sufficient Documentation
- Clear/Color Photos and Maps
- Site Plans and Elevations
- A Significant Impact is NOT the end & does NOT stop a project
- HPD is here to help!



Occupied Developments



Occupied Developments: Changes

- 2023 DCA Relocation Manual is applicable to Housing Tax Credit only.
- Requirements for program-specific funding (HOME, NHTF, and CDBG) and federal funds not allocated by DCA (such as RAD) can be found in their respective regulatory manuals and notices.

Occupied Developments: Reminders

- Relocation can impact underwriting costs, funding structure, timeline and other application development areas.
- DCA relocation survey in the Core Application must be completed regardless of occupancy type.
- DCA must approve all temporary relocation or permanent displacement of residents.

Have questions for this team? Submit them through Menti!

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Office of Housing Finance:
Construction Services
Underwriting



Construction Services



Construction Threshold Changes

Rehabilitation Standards

Minimum dwelling unit hard costs increased:
2022 QAP: \$25,000 hard costs/unit
2023 QAP: \$35,000 hard costs/unit

Construction Threshold Changes

Architectural Design & Quality Standards

B. Standard Design Options for All Projects, Exterior Wall Finishes: "brick, natural or manufactured stone, or a product that provides a:
2022 QAP: 40-year warranty
2023 QAP: 30-year warranty



Construction Threshold Changes

Architectural Design & Quality Standards

C. Broadband Access: changed capability to transmit in the upstream direction from:

2022 QAP: 3 megabits per second

2023 QAP: 5 megabits per second

Construction Threshold Changes

XV. Site Information and Conceptual Site Development Plan

B. Location/Vicinity Map is no longer a minimum requirement.

GHFA Disbursement Changes

Beginning with the 2022 NOFA recipients, GHFA will disburse funds in 25% construction completion increments (instead of on a monthly basis).



Architectural Waivers

- All architectural waivers should be submitted at **Pre-Application** stage, not after construction has commenced.
- If a waiver is needed after the development is awarded, email Gary.Huggins@dca.ga.gov to confirm that DCA would consider that change before you submit a PCC to pccsubmissions@dca.ga.gov

Underwriting: Threshold Criteria



Project Feasibility

- Reasonableness of Operating Cost
- Rent
- Commitments
- Underwriting Policies

Reasonableness of Operating Cost

- Common Issues:
 - Supporting documentation including calculation and methodology from service provider for estimates of impact fees, taxes and property insurance is required.
- Do not include pre-funding of asset management fees, taxes or insurance in development budget.

Reasonableness of Operating Cost: Common Issues

- Operating Deficit Reserves are the minimum DCA requirement or syndicator if higher
- Rent up reserves are required on all projects



Rent Effective Dates: QAP Changes

9% Competitive Round feasibility analysis:

- Rents should be based on the most up-to-date information available when submitting the Full Application.
- Applications for 9% Credits have the alternative option to use rents in effect as of January 1, 2023.
- For Applications that fail a DCA underwriting requirement, DCA will not re-underwrite the deal under a different set of rents.
- Applications that fail to accurately reflect either rents option will be underwritten using rents in effect as of January 1, 2023.

Commitment Requirements: QAP Changes

- Commitment letters must include application fees, origination and any additional underwriting fees included in development budget.
- All "other" cost included in development budget will be scrutinized.

Underwriting Policies: Common Issues

- Developer Fee earned during construction can be used for construction financing.

DEVELOPER'S FEE Developer's Fee Construction Period Contract Fee Developer Profit	Credit Type: 5% Developer Fee earned during Construction Period \$ 1,000,000 2.000% 50.000% \$200,000	Contract Period Contract Fee Developer Profit	Contract Period Contract Fee Developer Profit	Contract Period Contract Fee Developer Profit	Contract Period Contract Fee Developer Profit
START-UP AND REVENUE	Limit: 1,000,000				

Underwriting Policies: Common Issues

- DCR requirements for each year of compliance period
- All DCA underwriting assumptions are required unless a DCA underwriting waiver is granted.
- Utilize Q&A

Bond Requirements


- DCA will not select any Competitive Review Application submitted in 2023 by an Owner and/or Developer that has a 4% Credits/Bonds property that received an LOD from DCA in 2021 or earlier that has not closed their financing and started construction on that property as of the Competitive Review Application Deadline.

Bond Requirements: QAP Changes

Site Control




Site Control Documentation: Common Issues

- Warranty Deed, Sales Contract or Ground Lease/Option
 - Common mistake? Assignment
 - If site control document is not in name of GP or LP an assignment is required.
 - Also required is a settlement statement or warranty from current property owner.
- 



Qualification (QD): Determination (QD): Experience

QD Experience: Required Documentation

- Required Documentation
 - Completed Experience Tab of PW – 5 Deals
 - Syndicator letters & LPAs confirming role and at least 20% ownership
 - 8609s
 - Occupancy Reports
- 



QD Experience: Common Issues with Required Documentation

- Required Documentation
 - Completed Experience Form of Performance Workbook (5 Successful Projects PIS after 1/1/12)
 - Syndicator letters and Limited Partnership Agreement confirming role and at least 20% interest in General Partner and Developer entities
 - 8609s/Occupancy Permits
 - Trailing twelve-month occupancy reports
- Common mistake? Syndicator letters not confirming interest in both General Partner and Developer entities.



Underwriting: Scoring Criteria



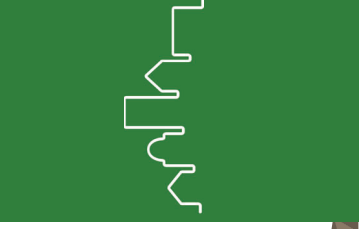
Deeper Targeting/Rent/Income Restrictions



Deeper Targeting/Rent/Income Restrictions

- QAP Change: Existing PBRA contracts are eligible for points.
- Reminder: PBRA is for 30% of units and has a minimum of 10 years remaining on contract at time of application.

Underwriting: Post Award



Post Award: Common Issues/Delays

- 90 day underwriting review with complete final application
- Responding to clarifications timely
- Reserves approved at underwriting will be required at final application. DCA requirements and underwriting approvals are the minimum unless syndicator has higher requirements.
- Project Concept Change request should be submitted prior to final application.

Have questions for this team?
Submit them through Menti!

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**Public Releases:
Forms, Manuals, and Q&A**



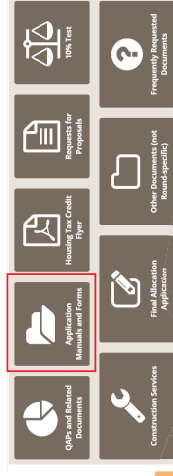
Forms & Manuals

Application Manuals and Forms Publishing

- Starting under the 2023 QAP, any form, manual, or scoring document that includes a policy or decision not already reflected in the 2023 QAP will be posted for a (minimum) 30-day public comment period.

Application Manuals and Forms Publishing (cont'd)

- To find these documents, click on "Application Manuals and Forms" on the Housing Tax Credit homepage (click here)...



Application Manuals and Forms Publishing (cont'd)

- Click on "Documents posted for public comment" to see documents available for review during the 30-day public comment period.
- Documents that are finalized and ready for your use in application preparation are posted under "2023 Manuals and Forms"

 - 2023 Manuals and Forms**
 - 2023 Scoring Documents and Data
 - 2023 Pre-Application Forms
 - 2023 Antileakage or Monitor and Exports
 - 2023 Accessibility Manual and Forms
 - 2023 Federal Compliance & Rehabilitation Manual and Forms
 - All other supplementary documents are forthcoming.

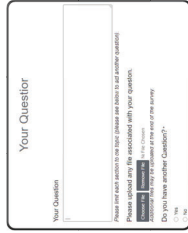
Application Manuals and Forms Publishing (cont'd)

- DCA can only guarantee consideration of comments received by the deadline posted by each document



Q&A Process

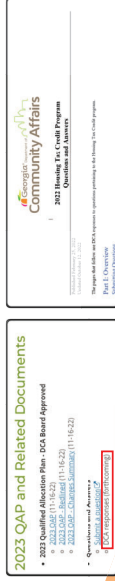
- Have a Question?
 - Navigate to the "2023 QAP and Related Documents" page and select "Submit a Question".
 - Please submit one question per topic. You may upload related documents.



Q&A Process

Answers/Responses will be posted in a document linked under "DCA Responses" on the same website.

- The document will be updated regularly with new Responses, but there will not be an email blast for every update.
- Please check the site regularly for new and updated Responses.
- The Responses will be searchable by QAP Section.



Changes in Core Plan



Core Plan: Competitive Round Procedures

Competitive Round Overviews

Competitive Round Overviews (cont'd)

- The following sections have been revised to cover the timeline, application requirements, etc. associated with each competitive process:
 - 9% Federal Credit Competitive Round
 - 4% Federal Credit – Bond Financed Projects

Competitive Round Overviews

- Information describing the processes associated with competitive application evaluation were re-organized from the 2022 QAP to the 2023 QAP
 - These changes were made to reflect current practice regarding:
 - Competitive allocation of 4%/Bonds resources
 - Separate competitions for applications proposing New Supply and Preservation

Competitive Round Overviews (cont'd)

- Procedures that are distinct to 9% and 4%/Bonds Competitive Rounds are described in their respective sections
- Procedures applicable to both Competitive Rounds are described in (Core Plan) **Competitive Application Reviews**
- "2023 QAP – Changes Summary" on the DCA website ([click here](#)) provides more detail on how sections describing the competitive rounds were re-organized in the 2023 QAP

Application Designations

- Applicants indicate geography ("pools") and construction type in accordance with (Core Plan) **Application Designations**
- These designations:
 - ...apply to both the 9% and 4%/Bonds Competitive Rounds
 - ...were also used in the 2022 QAP*
 - *Some of the underlying terms were adjusted in the 2023 QAP. Please see (Core Plan) **Definitions** in the redlined QAP ([click here](#)).

Application Designations

Pre-Application Determinations

- Most changes were clarifications, rather than substantive changes, added to address Q&A received under the 2022 QAP.
- Please note: Pre-Application is for any waiver, not just what is in the list.

A. All Applications

- **Request** Please refer to all requirements in **Threshold Criteria** and Core Plan to confirm applicability. Examples **include but are not limited to**:
 - Architectural standards waivers
 - Accessibility waivers
 - Underwriting waivers

Pre-Application Determinations (cont'd)

- **(New)** (Threshold) Occupied Developments required at Pre-Application
- If you are seeking points under option B. of (Scoring Criteria) **Minority- and Women-Owned Business Engagement**, the QB must be assessed at Pre-Application
- Submitting documentation for (Threshold) **Experience, Capacity, and Performance** is optional, but it is risky not to do so!
 - Applicants that receive this approval during the Full Application stage are at greater risk of receiving point deductions under (Scoring Criteria) **Application Completeness**

Core Plan: Material Policy Changes



4% Federal Credit – Bond Financed Projects

4%/Bonds Material Changes

- Most of (Core Plan) 4% Federal Credit – Bond Financed Projects reflects practices already implemented in the 2022 4%/Bonds Competitive Round, either as DCA policy or implemented Georgia Code requirements
- Major changes in the 2023 QAP:
 - C. Application and Award Limitations
 - Award limitations exception for PHAs
 - D. Minimum Bond Allocations by Priority
 - "Broad distribution" based on Congressional Districts, not DCA Regions
 - \$30 million set aside for USDA Portfolio preservation

DCA Experience Award Limitation

DCA Experience Award Limitation: Who does this apply to?

If either of the following apply to the Certifying Entity, then the limitation applies:

1. The Certifying Entity is qualified based on the probationary process
 - See (Threshold) Experience, Capacity and Performance
2. ...or, the Certifying Entity has not demonstrated success in development, ownership, and compliance for at least one DCA Housing Credit property
 - "Success" as determined by the "minimal experience" stipulations in (Core Plan) DCA Experience Award Limitation

DCA Experience Award Limitation

- What is the new awards limitation?
 - No more than one award per competitive round for Applications wherein the entity with "minimal experience" is the Certifying Entity.
- Which applications does this limitation apply to?
 - Any Application for which the Certifying Entity is comparatively new to developing Housing Credit properties in Georgia under DCA programs.

Preservation Competition



Preservation: Core Plan & Threshold



Preservation: Eligibility

What qualifies as Preservation?

- **(New)** "Preservation" definition broadened in (Core Plan) Definitions.
- Preservation is not solely about construction type.

"Preservation" means either of the following:

- Substantial rehabilitation of existing housing units
- Demolition and reconstruction of housing units on the same site

What qualifies as Preservation?

- Please note: as in 2022 OAP, qualification still depends on whether "Preservation" applies to the majority of units.

VIII. APPLICATION DESIGNATIONS

DCA applies the below Application designations to ensure policies can be adjusted to differing development contexts.

A. New Supply and Preservation Competitions

- The 5% and 4% Credits competitions involve separate rankings based on the construction type. See "New Supply" and "Preservation" definitions.
- Applications proposing a mix of New Supply and Preservation will be assigned to a competitive ranking based upon which construction type applies to the majority of units in the proposed development.

Any units are New Supply? Additional Requirements

- If any units are new construction or adaptive reuse, applicants must meet certain New Supply requirements
- See (Core Plan) Definitions and (Threshold) Applicability of Threshold Criteria

*Municipality means any incorporated city or town in the state.

New Supply means Applications proposing new construction or Adaptive Reuse

NRIF means the National Housing Trust Fund established by HUD.

- Applications proposing New Supply for all or some of the proposed units must meet the following requirements:

- o Site Zoning
- o Public Water/Sanitary Sewer
- o Operating Utilities

Preservation: 9% Set Asides

(New) 9% Set Asides: USDA-assisted Housing

- Set Aside amount: One development preserving USDA 515 properties
- 9% credit limit: \$1,105,000
- Please note PBRA requirement
- See (Threshold Criteria) Eligibility For Credit Under the Preservation Set Asides for more information

A. USDA-assisted Housing

1. This set aside applies to USDA Rural Development Section 515 assisted properties.
2. Applications competing under the 9% Credits set aside only:
 - USRA: The set aside must be used to provide assistance that support:
 - o At least one unit in each building, and
 - o At least 50% of units overall, when considering all units across all buildings

9% Set Asides: HUD RAD

- **(New)** Changes to documentation requirements for developments utilizing "RAD/Section 18 Small PHA "Blends"
 - Same documentation available in 2022 9% Round, but language was not in the 2022 QAP (guidance was published through Q&A)

B. RAD Set Aside Requirements

- For RAD/Section 18 Small PHA Blends:
 - o Calculation of public housing units to be repositioned, including both RAD/Section 18 units
 - o Signed DCA Template: HUD Letter for RAD/Section 18 Blends
 - o Calculation of the RAD/Section 18 unit mix and rents the project is entitled to

Preservation: 4%/Bonds Round

4%/Bonds Preservations: Minimum Allocations

- 1:1 Ratio of New Supply and Preservation awards (approximate)
- **(New)** "Portfolio" Preservation of USDA Housing
 - \$30 million bond allocation set aside

4%/Bonds USDA Portfolio: Requirements Exception

- USDA Portfolio Applications can meet Environmental Requirements at the Full Application stage.
- All other 4%/Bonds applications must meet Environmental Requirements at the Competitive Review Submission stage.
- See (Threshold) Applicability of Threshold Criteria

Scoring Criteria: General

Changes, Updates, Common Issues



Documentation and Justifications

External Data Sources

B. External Data Sources
Data specified in the following section applies for any Scoring Criteria data that is specified or reviewed for either DCA:
• By default, Applicants qualify for points based on the most up-to-date information available as of November 1, 2022.
• If updates are conducted between this date and the Application Submission Deadline, the Applicant may claim points based on either the original or updated data.

External Data Sources: QAP Changes

- Clarifies that, for all scoring sections using external data, the most up-to-date data as of November 1, 2022 should be used. If newer data is published, applicants may use it.
- However, only use data if DCA has publicized that it is eligible. If you think a data source needs updating, submit a question through Q&A.

Applicability of Scoring Criteria

4%/Bonds New Supply: Site Scoring Points Limit

- (New)** Site-based scores in 4%/Bonds round capped at 33
- This imposes a point limit equal to the 22 QAP 4% "points maximums"
- Why did DCA make this change?
 - This approach opens opportunities for more sites, while equally meeting DCAs priority to maintain some separation between 9% and 4%/Bonds site selection

B. Site Characteristics Scoring for 4% Credits/Bonds New Supply Competition
Applicants may claim points in any of the below Scoring Criteria related to six characteristics. However, no more than 33 points overall from these criteria will contribute towards the Applicant's total.
• Degradeable/Undegradable Activities

Tiebreaker Information

(New) Tiebreaker Information

- For most tiebreakers, DCA staff break ties based on information that is readily available without the applicant needing to provide specific information (e.g., "First selected Application for the Project Team...")
- For two new tiebreakers, DCA requires the applicant to provide additional information to implement:
 - "Readiness to Proceed for 4%/Bonds Applications"
 - "Preservation Priority"

Tiebreaker Information (cont'd)

- For both "Readiness" and "Preservation Priority," it is a priority for DCA to differentiate applications, but doing so through additional "Scoring" or "Threshold" sections presents significant risks.
- Tiebreakers allow DCA to consider these priorities on a qualitative basis and only in instances in which "all else is equal" between applications.
- Applicants should interpret this section as the opportunity to "make your pitch" and submit any evidence that substantiates your pitch

Preservation Scoring Criteria

Changes, Updates, Common Issues



Note: Scoring for Multi-building Preservation Applications

- **(New)** In various Preservation Scoring Criteria, new provisions clarify how to score if multi-building development.
- Example: **(Scoring) Occupancy:** "...[for] Preservation of multiple buildings, occupancy will be based on the average for all buildings."

Rent Advantage

(New) Rent Advantage

- Purpose: competitive advantage for communities where rent limits are comparatively lower relative to market rents
- Applicable to both 9% and 4%/Bonds Preservation competitions
 - (not applicable to the USDA Portfolio Set/Aside)
- This is a community-level analysis (not property level):
 - Analysis compares the 60% Housing Credit rent limit to market rents
 - Existing rents at property and proposed rents **do not** impact this analysis

Rent Advantage: Process

- DCA commissions a Preliminary Rent Analysis letter
- Based on same process used in 2020 HOME and NHTF NOFA
- Process:
 - Applicants indicate whether seeking points under this section in application
 - DCA works directly with appraisers to confirm consistent methodology and assign applications
 - Appraisers return letters to DCA during competitive round
 - Applicants reimburse appraisers directly during competitive round

(New) USDA Portfolio Additional Criteria

- Two new Scoring options added for USDA Portfolio competition purposes only
- Vacancy rates based on US Census data
 - See (Scoring) Documentation and Justifications for notes regarding 3rd-party data used in Scoring

A. Geographic Distribution – 10 points
Applicants must identify the geographic area in which their property is located and the appraiser is based in to be eligible.

B. Severe and Critical Need – 6 points
Applicants must identify the severe and critical need for the property and the appraiser is based in to be eligible.

USDA Portfolio: Additional Scoring Criteria

Occupancy: Common Issues

- Minimum Documentation missing one or more of the following:
 - Table showing 24 consecutive months of occupancy rates ending two (2) months prior to application submission deadline.
 - 24 consecutive months of rent rolls substantiating the occupancy rates table
 - The end of the 24-month period is 2 months prior to Application Submission Deadline

Occupancy

Occupancy: Common Issues (cont.)

- Occupancy Percentage must match the submitted rent rolls, with the accurate vacant units reported.

New Supply Competition



New Supply Scoring Sections

Changes, Updates, Common Issues

Desirable/Undesirable Activities

Common Issues

- Entering geo-coordinates
 - When filling out certification, double-check geo-coordinates using a map service
- Eligibility for Item C: Supermarket/Grocery Store
 - Gas stations or convenience stores do not count
 - Must provide meat, dairy, and produce
 - If the site is in a USDA Food Desert and does not have a qualifying Item C amenity in range, counted as Undesirable Activity

Community Transportation Options (CTO)

Community Transportation Options: Common Issues

- Transit service PDF website page missing one or more of the following:
 - URL
 - Cost of Service
 - Route schedule (not applicable to on-call options)
 - Relevant transit schedule (not applicable to on-call options)
 - Confirmation that the service is available on-site at the proposed development (not applicable to fixed-route options)
- A letter from transit agency (contact name, phone number and email address) is required if the PDF does not include all items listed.

Community Transportation Options: Reminders

- On-call transportation services are not eligible for points in the Atlanta Metro Pool.
- DCA will measure required distances from the geo-coordinates of a pedestrian site entrance to the proposed transit stop.
 - Make sure geo-coordinates on scoring justification match Emphasys geo-coordinates, minimum documentation
- Service must be publicized to the general public via website or published brochure/available to all residents



Quality Education Areas

- Clarification that only grades K-12 should be counted when calculating points (not Pre-K)

Scoring table:

Tenancy	All tenander	HPOP, Elderly, Other	Family
Grade-Number of grades K-12 in schools meeting 6A-10 that qualify under A, B, or 6C	3	All K-12	All K-12
Points	1	1.5	2
			3



Quality Education Areas: Data Updates

- Due to continuing Dept. of Education data collection limitations resulting from COVID-19, there are no new overall CCRPI scores from 2022.
- DCA has posted:
 - Scoring Instructions
 - Option C – Scoring Data
- Scoring data for this section remains nearly the same, except:
 - Option C: Last year, there were two methodologies with which Option C data could be calculated, due to a Q&A on the topic.
 - This year, there is only one methodology for Option C (next slides)

Quality Education Areas: Data Updates

Option C Scoring Info:

- C. School meets both of the following
- Average year-over-year change in CCRPI score between 2015 and 2019 is positive (excluding changes between 2017 and 2018, due to CCRPI methodology adjustment).
 - Average CCRPI score over the same time period is in the top 75% of all statewide average scores for the grade cluster.

To see if school qualifies through Option C:

2023 QAP - Scoring Documents and Data Overview

- Quality Education Areas
 - Scoring Instructions (12-20-22)
 - Option C - Scoring Data (12-20-22)

Quality Education Areas: QAP Changes

- Clarification that only grades K-12 should be counted when calculating points (not Pre-K)

Scoring table:

Tenancy	All tenander	HPOP, Elderly, Other	Family
Grade-Number of grades K-12 in schools meeting 6A-10 that qualify under A, B, or 6C	3	All K-12	All K-12
Points	1	1.5	2
			3



Quality Education Areas: Data Updates

To see if school qualifies through Option C:

2023 QAP - Scoring Documents and Data Overview

- Quality Education Areas
 - Scoring Instructions (12-20-22)
 - Option C - Scoring Data (12-20-22)

- Please only use the 2023 data workbook published.

System	System Name	School	School Name	CCRPI Score	CCRPI Score Quality
601	Appling County	0177	Appling County Elementary School	N	Yes
601	Appling County	0178	Appling County Middle School	N	Yes
601	Appling County	0179	Appling County Primary School	N	No



Quality Education Areas: Common Issues

1. Reminder on school qualifications:

- For a school to qualify to:
- cannot have district-wide enrollment unless the school is the only school in the district;
 - must serve grades between Kindergarten and 12th grade; and
 - cannot conduct student admission on a selective basis (e.g., lottery, competitive application).

2. Charter Schools:

- Please include minimum documentation if claiming points for a charter school.
 - For each charter school, letter from a charter school system representative, not more than six (6) months old, confirming that admissions are not conducted on a selective basis, that residents in the attendance zone are able to attend as of right.

Quality Education Areas: Common Issues

- ### 3. Point calculations:
- Do not count Pre-K in self score
 - Each grade may only be counted once.
 - For example, if qualifying Elementary School serves K-5 and qualifying Middle School serves 5-8, 5th grade may only be counted once for purpose of calculating total score.

Scoring Table

Tenancy	All tenancies	HEOP, Elderly, Other	Family
Number of grades (K-12) in schools that qualify under A, B, or C	3	7	All K-12
Points	1	1.5	2
			3

Quality Education Areas: Common Issues

- Please indicate location of proposed development on school zone map.
- Please ensure scoring justification, scoring table, and documentation match.

Community Development Review Form

Community Development Review Form for use with Local Government Charter and Capital Investment Review Process (CRP) (see page 1)

Section C: Quality Education Areas

Number of schools in attendance zone that qualify under A, B, or C: _____

Number of HEOP, Elderly, or Other tenancies in attendance zone: _____

Number of family tenancies in attendance zone: _____

Points: _____

Average grade served by schools in attendance zone: _____

Number of schools in attendance zone that qualify under A, B, or C: _____

Number of HEOP, Elderly, or Other tenancies in attendance zone: _____

Number of family tenancies in attendance zone: _____

Points: _____

Revitalization/ Redevelopment Plans

Revitalization/Redevelopment Plans: QAP Changes

- Both 4% and 9% Applicants may claim points in Subsection A (Revitalization Plan/Qualified Census Tract) and/or B (Third-Party Capital Investment)
 - Under 2022 QAP, 4% Applicants could only claim points in Subsection A

VIII. REVITALIZATION/REDEVELOPMENT PLANS

Up to 7 Points

Applicants are ineligible to claim points for Revitalization/Redevelopment Plans if claiming points in Subsection A or Subsection B.

Applicants may claim points in A and/or B.

4% Applicants: only Subsection A applies.

Revitalization/Redevelopment Plans: QAP Changes (Subsection A)

- Community Revitalization Plan (CRP) requirements:
 - "Clearly delineate one targeted area within a Local Government Boundary (LGB)."
 - CRPs are ineligible if they target multiple areas, or multiple LGBs.
 - CRPs should show targeted investment in the one area around the development
 - Minimum Documentation:
 - Local Government financial commitment may be reflected in CRP rather than obtaining a letter

Revitalization/Redevelopment Plans: QAP Changes (Subsection B)

- For Rural Pool applications, the applicable radius for eligible third-party capital investments has increased to 1 mile (Metro Pool still 0.5-mile radius).

B. Third-Party Capital Investment – 2 Points
 Up to two (2) points if a foundation, trust, business and/or government not qualifying as a third-party investor provides an investment of resources that will result in an off-site place-based improvement, which:
 • is within a **1-mile radius for the Rural Pool**, or **0.5-mile radius for the Metro Pool**, of the proposed site.

Revitalization/Redevelopment Plans: QAP Changes (Subsection B)

- Point calculations: Applicants may claim points based upon either the total investment amount or an applicable amount on amount per unit.
 • Under 2022 QAP, calculation based on amount per unit only.

Applicants may claim points based on the following scale of investment amount relative to the applicable radius of the proposed site.
 Applicants have the option to claim points based either on an investment amount per unit or overall investment amount, articulated in the below table:

Investment Amount Per Unit	Points
At least \$10,000	1
At least \$25,000	2

Points by Amount	1	1.5	2
Less than or equal to:	\$1 million	\$2 million	\$4 million
Points	5	10	15

Revitalization/Redevelopment Plans: Common Issues

- CRP eligibility
 - Targeted area must qualify within 10 years of Application Submission

A. Revitalization Plan/Qualified Census Tract – 5 Points
 Submitted revitalization/redevelopment plans must meet the following requirements to be considered Community Revitalization Plans (CRPs):
 • The project must be located within the Government Boundary that includes the proposed site. For applications in a Metro Pool, the targeted area must not encompass the full Local Government Boundary.
 • Because housing is a goal of the CRP:
 • The plan must include a commitment to the targeted area's existing infrastructure.
 • The plan must include an investment plan that is:
 • Officially approved or re-approved by a Local Government within ten (10) years of Application Submission.
 • A document is eligible for consideration as a CRP if it is a short-term work plan, comprehensive plan, consolidated plan, municipal zoning plan, or land use plan.
 • Applicants in Metro Pool jurisdictions may also receive points for their investments.

Revitalization/Redevelopment Plans: Common Issues

- Local Government financial commitment:
 - Please ensure amount of financial commitment is specified, whether in CRP itself or in letter.
 - Need to see actual commitment of funds
 - If using Tax Allocation District for these points, ensure the TAD is clearly connected to CRP/its area
 - If the commitment is reflected in the CRP, please highlight in CRP

• One (1) additional point if the Local Government demonstrates financial commitment to advancing the CRP in the form of funds raised, funds allocated, tax incentives, or local government fee waivers. Funds raised or allocated are only eligible for this point if the amount would be eligible for at least one (1) point under subsection B. *Third Party Capital Investment.*

Revitalization/Redevelopment Plans: Common Issues

- Third-Party Capital Investment
 - Please ensure source, amount, and timeline of investment is clearly shown in documentation (highlighting is helpful).

Minimum Documentation:

- Evidence from the unrelated 3rd party demonstrating source of investment, amount of investment and timeline for completion.
- Description and location of improvements on site map.

Community Transformation

Community Transformation: QAP Changes

- The definition of "Defined Neighborhood" has been edited:
 - For Metro Pool applicants, the Defined Neighborhood can't encompass a full Local Government Boundary for Rural Pool applicants, this is ok.
 - This matches the requirements for a "targeted area" in Revitalization/Redevelopment Plans section.

Defined Neighborhood a targeted area that includes the proposed site **but does not encompass the entire surrounding city- or county-wide Local Government Boundary**. If the Local Government has adopted a Community Revitalization Plan (CRP), the Defined Neighborhood should align or fall within the targeted area of the CRP.

Community Transformation: Common Issues

- Defined Neighborhood: if Metro Pool, Defined Neighborhood should not be entire city.
 - Signatures
 - At least 1/3 must be residents
- Community Quarterback Board documentation
 - At least one-third must be residents of the Defined Neighborhood who self-certify their income at less than 80% of AMI; other individuals who self-certify their income at less than 80% of AMI, or elected representatives of neighborhood organizations serving the Defined Neighborhood.

Minimum Documentation:

- Signature from representatives listed under item B1 indicating commitment to serve on the COB.
- Letter from each COB representative listed under item B2 stating commitment to serve on the COB.
- A completed Community Transformation Pin Certificate.

Stable Communities

Stable Communities: QAP Changes (Subsection A)

- Clarification on availability of FFIEC data:
 - If no data exists for their census tract, applicants may use FFIEC data for the nearest census tract that has data available.

Stable Communities: QAP Changes (Subsection A)

- Option 5: The eligible income threshold for Rural Pool applications has been expanded to allow for poverty levels up to 30%.

5. **Three (3) points** to Applications that are located in a census tract that meets the following criteria for the most recent FFIEC Group Report:

- Poverty level (see Income):
 - Metro Applications: less than 15% below Poverty level
 - Rural Applications: less than 20% below Poverty level
- Designated Middle or Upper income level (see Demographics)

Stable Communities: QAP Changes (Subsection B)

- The Life Expectancy indicator has been removed.
 - Data not updated since 2015
 - This changes to maximum number of points for Subsection B from 5 to 4, also changing the maximum total for the section from 10 to 9 points.

Stable Communities: Data Updates

- DCA has posted Health and Economic Indicators Table to be used for Subsection B.
 - Only eligible years for data are 2020 and 2021 (these are the most up-to-date years as of Nov. 1, 2022 and Dec. 8, 2022)
 - All applicants should now be using their 2020 census tract, not 2010.

Stable Communities: Common Issues

1. Nearby census tract data:
 - Subsection A: if using nearby census tract (within 0.25-mile), be sure selected point option matches.
 - Subsection B: Applicants cannot claim points for a nearby census tract if data is available for their census tract.
2. Make sure scoring table matches justification

STABLE COMMUNITIES

A. Using nearby census tract (within 0.25-mile): If you are using a nearby census tract, please select the point option that best matches the location of your project. If you are not using a nearby census tract, please select the "None" option.

Point Option	Distance from Project to Census Tract Center (Miles)
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
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100	

B. Justification for using nearby census tract: Please provide a detailed justification for why you are using a nearby census tract instead of your own. This justification should include a map showing the location of your project and the nearby census tract, and a description of the project's proximity to the nearby census tract.

Previous Projects

Previous Projects: QAP Changes

- Minimum Documentation: added documentation for annexation

Minimum Documentation:
 If annexation has occurred, which impacts point eligibility for this section, and current boundaries are not reflected on DCA's Housing Tax Credit Properties Map, Applicants must submit documentation of annexation.

Previous Projects: QAP Changes

- Expansion of exemption: Developments previously awarded under any Preservation Set-Aside are *not* included in the analysis of previous competitive funding cycles.
 - Housing Tax Credit Properties map has been updated to show Preservation Set-Aside awards that can be excluded from this analysis (next slides)

Rural-HOME: Preservation set aside funded Applications are not included in the analysis of previous competitive funding cycles.

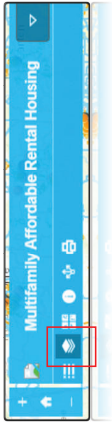
Previous Projects: Map Updates

- The Housing Tax Credit Properties map shows 2020 census tracts and 2020-2021 Stable Communities data only.
 - Data has been updated to show 2022 9% awards
 - Preservation Set-Asides is a new layer

Previous Projects: Map Updates

To view Preservation Set-Aside developments:

1. Select "Layers" function on top left

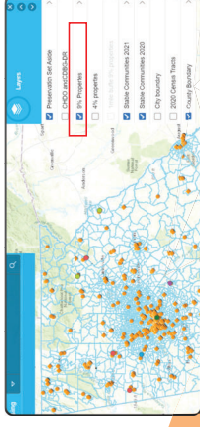


2. Check and uncheck layers as desired to view Preservation Set-Aside properties
3. Click arrow next to Preservation Set Aside layer to view legend (below)



Previous Projects: Map Updates

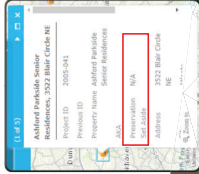
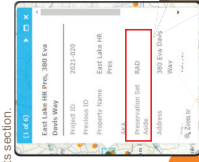
3. To view property information for a Preservation Set-Aside, you must also have the "9% Properties" layer checked.



Previous Projects: Map Updates

To view Preservation Set-Aside properties (cont.):

- If property is in Preservation Set-Aside, it will list which one, and you do not need to count this property for analysis of Previous Projects section.
- If property is not Preservation Set-Aside, it will say "N/A," and you do need to count this property for analysis of Previous Projects section.



Previous Projects: Common Issues

Be sure to consider all developments within the relevant buffers for Applicant's development pool.

DCA Community Initiatives

DCA Community Initiatives: Common Issues

If working with a GICH team, make sure they confirm that their team contact information is up to date with GICH/UGA (for Minimum Documentation purposes).

Minimum Documentation:
• Letter executed by the GICH community's primary or secondary contact on record with the University of Georgia Housing and Demographic Research Center as of Application Submission, committing the formal support of the majority of GICH members.



Integrated Supportive Housing

Subsection A: Tenancy must be Family



Integrated Supportive Housing: Common Issues

Integrated Supportive Housing: QAP Changes (Subsection B)

Minimum Documentation must show that the PBRA is intended to *provide supportive housing* for individuals with disabilities (changed from "serve individuals with disabilities").

Minimum documentation:
Evidence from the funding provider substantiating that the PBRA units are intended to [serve provide supportive housing for](#) individuals with disabilities.

Integrated Supportive Housing: Common Issues

Subsection B: Evidence must:

- Be from the funding provider
- Show intent to provide *supportive housing* for individuals with disabilities



Integrated Supportive Housing: QAP Changes (Subsection C)

Tenant Selection Preference:

- PHA must agree to tenant selection preference as stated in first paragraph of section. Percentage often not listed in PHA Administrative Plan, so requirement removed from minimum documentation, but preference is still required.



Integrated Supportive Housing: QAP Changes (Subsection D)

- DCA Section 811 Commitments: Prior Performance
- Applicants automatically receive 2 points
 - If DCA identifies issues, DCA will notify Applicant at least 120 days before Application deadline and communicate corrective steps.

Q&A

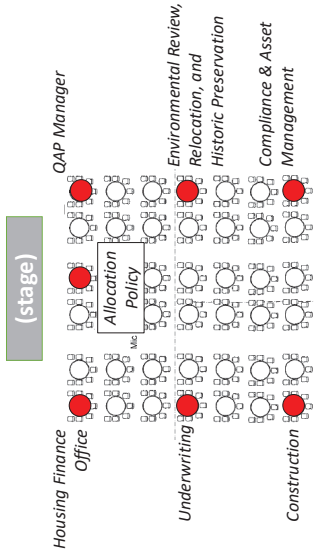
Lunch



Breakout Sessions



Report-Outs and Q&A





Thank you!

