



Georgia<sup>®</sup> Department of 

# Community Affairs

STATE OF GEORGIA

~~2023~~2024-2025 \_\_\_\_\_

QUALIFIED ALLOCATION PLAN

Georgia Housing Credit Program



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STATE OF GEORGIA ~~2023~~  
2024-2025-  
QUALIFIED ALLOCATION PLAN

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# Core Plan

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## I. PURPOSE

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~~O.C.G.A. 50-26-8(a) authorizes The~~the Georgia Housing and Finance Authority (GHFA) ~~is authorized~~ to allocate and issue housing credits under Section 42 of the Internal Revenue Code of 1986, as amended ~~(Code)~~, and to take all other actions and impose all other conditions which are required by federal law or which ~~in the determination of DCA it determines~~ are necessary or convenient to ensure the complete, effective, efficient and lawful allocation of and utilization of the housing credit program ~~(O.C.G.A. 50-26-8(a))~~.

As required by §42(m)(1) of the Code, GHFA approved this ~~2023~~2024-Qualified Allocation Plan (QAP) after extensive public consultation ~~including listening sessions, two drafts, three public hearings, and a 30-day public comment period for the draft which preceded submission to the Board of Directors of GHFA. 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 final ~~2023~~2024-QAP has been approved by the Board of Directors of GHFA and the Governor of the State of Georgia.

~~The purpose of the 20232024 Qualified Allocation Plan (Plan) is to set forth:~~

- ~~• Legislative and program requirements for the Georgia housing credit program.~~
- ~~• Federal and State resources that will be awarded under the QAP.~~
- ~~• Housing priorities of the Housing and Finance Authority for the State of Georgia.~~
- ~~• Selection criteria.~~
- ~~• Process for evaluating funding requests and awarding of resources.~~

## II. ~~D~~DEFINITIONS

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

**“4% Credits”** means Federal Credit available to 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.

**“Adaptive Reuse”** means a proposed development that will be repurposed from what it was originally built and designed for. Except where stated otherwise, rehabilitation requirements in *Threshold* apply to Adaptive Reuse projects.

**“Adjacent”** means either immediately contiguous to or abutting a neighboring property, lot or walkway, and excludes property, lots, or walkways across the street from, or diagonally opposite across an intersection from the subject property, lot, or walkway.

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

~~“Applicant” means the General Partner. is used interchangeably with “Project Team.” See “Project Team” definition.~~

**“Application”** means the complete and entire set of required and requested documents, submitted by an Applicant to DCA under this Plan for purposes of a competitive process.

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

**“Atlanta Metro Pool”** refers to a geographic boundary defined by the following counties: Fulton, DeKalb, Gwinnett, and Cobb. Applications within one of these four counties are considered in the an Atlanta Metro Pool regardless of whether they are also in an USDA-eligible area.

**“Bond Allocation”** means tax-exempt private activity bond volume made available for rental housing which will generate the 4% Credit.

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

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

**“CDBG-DR”** means Community Development Block Grant Disaster Recovery.

**“CHDO”** means a Community Housing Development Organization, as defined in the 2013 HOME regulations at 24 CFR Part 92. CHDO “Owner”, “Developer”, and “Sponsor” are specifically defined therein.

~~“Code” means Internal Revenue Code (IRC).~~

~~“Competitive Scoring” means the process described in this Plan by which DCA ranks the Applications received.~~

**“Compliance Period”** means the initial ~~fifteen~~ (15) year period during which a project must operate in accordance with the Credit federal 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 provides consulting services to Project Participants, including: An entity acting in the capacity of Owner, Developer, or General Contractor or which provides technical assistance to the Owner, Developer, or General Contractor ~~is considered a Consultant~~. Consultants include, but are not limited to, construction management consultants, interior design consultants, relocation specialists, ~~tax credit~~ application consultants, or resident certification consultants. All consulting fees are considered part of the calculation of the maximum allowable developer fee for each project.

~~“Conversion” means the Conversion of a loan from a construction loan to a permanent loan.~~

**“Credit(s)”** means the Federal and State Housing Tax Credit program.

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

**“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. Any Person that receives more than 5% of the developer fee including “consultants” are considered the Developer in any QAP provision which relates to limitations caps.

~~“Disabled Person” means any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such impairment; or is regarded as having such an impairment.~~

~~“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).~~

**“Extended Use Period”** means the period beginning on the 1stfirst day in the Compliance Period and ending on the later of the date specified by such agency in such agreement, or the date which is 15 years after the close of the Compliance Period.

**“Federal Credit”** means the 4% Credit and/or 9% Credit, as specified or implied in context.

**“Federal Financial Institutions Examination Council (FFIEC)”** means the interagency body empowered to prescribe uniform principles, standards, and report forms for the federal examination of financial institutions.

**“General Partner”** means the General Partner in the Owner 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 General Partner entity. The term also means the managing member of a limited liability company.

**"GHFA"** means the Georgia Housing and Finance Authority.

~~**"HOME"** means the HOME Investment Partnership Program.~~

~~**"HOME Loans"** means DCA's HOME Investment Partnership Program loans.~~

**"HOME Regulations"** means the regulations at 24 CFR Part 92 governing the use of HOME funds, promulgated by HUD, including any subsequent amendments to such regulations.

~~**"Housing for Older Persons"** means housing intended and operated for occupancy by persons 55 years of age or older ("Older Persons"). At least 80% of the total occupied units in such a housing development must be occupied by at least one Older Person. Owners 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. This definition also includes Public Housing properties that have combined Older Persons with disabled residents in accordance with HUD program requirements.~~

**"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, loans, financial support, or services for the project or where there is a financial, familial, or business relationship that permits less than arm's length transactions.

~~**"Incomplete Document"** means a document submitted with the Application where the majority of the content is provided, but not the full document or the executed documents meets some but not all of DCA requirements.~~

**"Interest - Direct or Indirect"** refers to a person or entity having ownership, financial or controlling interest in another entity.

~~**"IRS"** means the Internal Revenue Service.~~

**"Letter of Determination (LOD)"** 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% Credits and sets forth conditions which must be met before GHFA will issue the IRS Form(s) 8609.

**"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).

~~**"LURA"** means the Land Use Restriction Agreement that is a recorded agreement between GHFA and the Owner of a HOME-funded project.~~

“**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.

~~“**Major Project Failure**” means foreclosure of an affordable housing property or significant non-compliance resulting in loss of affordability or credit recapture.~~

“**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.

“**Metro Pool**” means the Atlanta Metro Pool or Other Metro Pool.

~~“**Missing Document**” means a document required as part of the Application that is either not included in the application and/or not executed and dated (as applicable) prior to the Application Submission date.~~

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

“~~**New Supply**~~**New Affordability**” means either of the following development activities:

- At least 50% of proposed units are new construction or adaptive re-use
- At least 50% of proposed units are the rehabilitation of units not currently associated with a Housing Credit rent restriction, HUD rental assistance contract, or USDA rental assistance contract ~~Applications proposing new construction or Adaptive Reuse.~~

“**NHTF**” means the National Housing Trust Fund ~~established by HUD.~~

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

“**Other Metro Pool**” refers to all areas not located in the Rural Pool or Atlanta Metro Pool.

“**Owner**” means the single purpose legal entity holding title to the property.

“**Period of Affordability**” means the time during which HOME Loan financed units must remain affordable to eligible households, as defined by HOME program regulations or the term of the HOME Loan, whichever is greater.

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

“**Plan**” means this ~~2023~~2024 Qualified Allocation Plan.

**"Preservation"** means development activity that meets one of the set aside requirements listed under (Threshold) Eligibility for Credit Under the Preservation Set Asides, either of the following:

- ~~substantial rehabilitation of existing housing units~~
- ~~demolition and reconstruction of housing units on the same site~~

**"Principal"** means an individual who has at least a direct ownership interest in the general partner or developer entity and who materially participates in the ownership, development and operation of the project through regular, continuous and substantial involvement. For purposes of a non-profit entity, DCA will consider the executive director as a Principal.

**"Project Participants"** mean the Owner, Developer, Management Company, Consultants, and Syndicator.

**"Project Team"** means the General Partner, Developer, Consultant and the Principal(s) thereof for a proposed tax credit project. For purposes of project participant qualifications, consultants with less than 5% interest in the project are not considered members of the Project Team. This term is used interchangeably with "Applicant."

**"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.

**"RAD"** means the HUD Rental Assistance Demonstration program.

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

**"Rural Pool"** refers to all USDA eligible areas except those located within the Atlanta Metro Pool.

**"State Credit"** means the Housing Tax Credit as set forth in O.C.G.A. §48-7-29 and §33-1-18.

**"Successful Projects"-or "Successful Tax Credit Projects"** means an affordable or Housing Credit-restricted property that has been completed, has no forbearances, bankruptcies, no defaults, no workouts, and has a physical occupancy of 90% or greater at time of ~~Pre-Application or~~ Application submission.

**"TCAP"** means program income from the Tax Credit Assistance Program.

**"Total Development Cost"** means the sum of all anticipated or actual allowable development costs that are necessary to complete the proposed project.

“**UA**” means the utility allowances used during the compliance period and during the period of affordability as described in the Plan.

“**USDA**” means the United States Department of Agriculture.

### III. QAP SELECTION REQUIREMENTS STATE PRIORITIES

| <b>DCA Housing Strategic Goals:</b>                                                                       |                                                                                           |                                                                                                                                                            |
|-----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Increasing access to thriving communities through outreach and development in areas of opportunity</b> | <b>Partnering across Georgia to grow and achieve local visions for strong communities</b> | <b>Fostering inclusive communities free of barriers to individuals underserved by existing housing programs</b>                                            |
| Access to quality schools, quality jobs, diverse neighborhoods, affordable and reliable transportation    | Concerted community development and measurable outcomes                                   | Overcoming barriers to access for people with disabilities, returning citizens, extremely low income households, and individuals experiencing homelessness |
| Financing affordable housing and undertaking outreach to landlords                                        | Capitalizing on existing local momentum and supporting new community development          | Increasing access to housing support and encouraging outreach to landlords                                                                                 |
| Education: Demonstrating to communities the value of affordable housing                                   | Education: Capacity building, technical assistance, and targeted financing                | Education: Increasing knowledge of housing options                                                                                                         |

#### A. Federal Requirements

##### Statutory Preferences

- developments serving the lowest income tenants
- developments obligated to serve qualified tenants for the longest periods
- developments which are located in Qualified Census Tracts and the development of which contributes to a concerted community revitalization plan

##### Statutory Selection Criteria

- development location
- housing needs characteristics
- development characteristics
- sponsor characteristics
- tenant populations with special housing needs
- public housing waiting lists
- tenant populations of individuals with children
- developments intended for eventual tenant ownership

- the energy efficiency of the development
- the historic nature of the development

## B. DCA Housing Strategic Goals

| <u>Increase equitable access to thriving communities</u>                                                                                                    | <u>Partner across Georgia to cultivate local revitalization</u>                                                                                                                             | <u>Foster integrated, supportive, and inclusive communities</u>                                                                                                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>All Georgians deserve choice to live near quality services, schools, jobs, and transportation options</u>                                                | <u>Concerted, community-led transformation serves to empower Georgians where they have chosen to set roots</u>                                                                              | <u>People with disabilities, returning citizens, extremely low-income households, and people experiencing homelessness face barriers to true housing choice</u> |
| <u>Finance and invest in areas of opportunity</u><br><br><u>Collaborate with local community leaders, including local PHAs, to maximize HCV utilization</u> | <u>Prioritize targeted, woven place-based investments according to concerted revitalization efforts</u><br><br><u>Create intentional feedback loops with impacted residents and leaders</u> | <u>Invest in new and existing housing first programs, services, and organizations</u>                                                                           |

~~1. Integrated Housing Opportunities for Persons with Disabilities: and Department of Community Affairs (DCA) has a strong commitment to provide is committed to providing Integrated Housing options for Persons with Disabilities. DCA’s commitment to provide a full range of housing options drives the decision to focus funding on an adequate supply of housing in an integrated setting. Characteristics of integrated housing include, but are not limited to: the project’s proximity to community resources and activities; opportunities for residents with disabilities to live independently and interact with non-disabled persons; the same tenancy rights as non-disabled individuals including eviction protection, choice of roommates, and choice of service providers; and the absence of restrictive, regimented rules that limit residence activities or impede residents’ ability to interact with non-disabled individuals. (DCA uses the definition of integration provided by the Justice Department in its Statement on Enforcement of the Olmstead Integration Mandate in its analysis of whether a project provides Integrated or congregate housing for Persons with Disabilities.)~~

~~2. Health Outcomes for Residents: Physical and mental health are necessities for thriving individuals and families. The location where a household lives strongly influences household health through components like access to quality care, education, and healthy foods. In addition, safe, quality affordable housing provides the foundation and central location for encouraging healthy lifestyles. As such, DCA has a strong commitment is committed to encouraging better health outcomes for residents through site selection, site design, community partnerships, and focused services.~~

### 3.—Preservation of Existing Affordable Housing:—

~~Preservation is a key component of DCA’s work to ensure an adequate supply of affordable rental housing, advance sustainability, and retain re-use historic structures, through adaptive reuse. Most importantly, preservation is a vital tool for maintaining affordability through the retention of retain federal rental assistance. In addition, preservation allows DCA to and mitigate the risk of losing affordable housing projects due to market conversion, physical deterioration, or financial instability. Regarding sustainability, renovating existing buildings produces less construction waste, uses fewer new materials, and requires less energy than new construction. Further, little to no new utility or transportation infrastructure investments are required when existing buildings are rehabbed. Combined with energy efficient upgrades, rehabbing and preserving both aging rental and historic buildings is a conservative, cost effective way to meet growing demand for quality affordable housing. Additionally, historic preservation advances DCA’s stewardship of historic buildings and locations while maintaining cultural and community diversity.~~

### 4.—Quality Developments:—

~~DCA’s multifamily programs are designed to create financially and physically sustainable affordable properties. Two major components that support the development of quality affordable housing properties are quality project teams and quality buildings. The development quality created in part through these key components directly supports the long term viability of the project and its ability to serve its residents. Selected projects should have strong Project Teams with significant capacity, a solid track record of partnership, and a history of success developing the type of affordable housing proposed. Selected projects should will achieve a level of quality in architecture, design, and sustainable building methods that lay the foundation for the long-term success of the development.~~

### 5.—Innovation:—

~~Resources for affordable housing have been significantly reduced while the need for housing Georgia’s residents including seniors, persons with special needs, re-entering citizens, Persons with Disabilities, and persons with low incomes has increased. DCA encourages projects which are innovative and seek to provide housing and services in a more efficient, sustainable, and cost-effective manner. Innovative collaborations, placed-based strategies, cost-effective delivery of services, and new building techniques can be an important part of broader or comprehensive neighborhood improvement. Innovations can also work to mitigate barriers for individuals that face difficulties in obtaining safe, quality affordable housing, such as re-entering citizens who may need more individualized resident screen criteria. These strategies have the capability to fundamentally change the character of a neighborhood through measurable community impact.~~

### 6.—Geographic Distribution of Resources:—

~~Georgia is a diverse state with both rural, suburban, and urban communities. The consideration of DCA will consider Rural areas shall be included in when ensuring a balanced allocation of resources. Selection of lower scoring projects may be required to obtain a better geographic allocation.~~

## C. QAP Priorities

- Produce quality developments that bolster resident health outcomes, encompassing:
  - Construction and operational standards that:
    - Provide market-rate comparable housing to a broader range of the workforce
    - Support resident wellbeing and health
  - Neighborhood and site locations that:
    - Increase resident access to opportunities promoting socioeconomic mobility
    - Minimize exposure to contaminants harmful to resident health
- Develop units affordable at all income levels eligible under the Housing Credit Program
- Promote housing opportunities for those with barriers beyond income, including integrated housing options for and those experiencing or at risk of homelessness
- Support redevelopment and rehabilitation of existing federally assisted or restricted housing:
  - For properties where many people live but physical conditions have deteriorated
  - In rural communities where few alternative rental housing options exist and multifamily development is difficult
  - In strong real estate markets where such properties are at greatest risk of converting to inaccessibly high rents
- Broadly distribute resources across geographies in need of housing, including:
  - Rural communities, urban communities, and all communities in between
  - Communities at various stages of revitalization planning
- Allocate resources efficiently by:
  - Balancing quality standards with the need to minimize costs to maximize production
  - Aligning the Housing Credit program with other public resources, both within and outside of DCA, to maximize resident and community impact

## IV. DISCRETION

In the process of administering the Federal Credit Program, DCA will make decisions and interpretations regarding project Applications and the ~~2023~~2024 Qualified Allocation Plan. Unless otherwise stated, DCA is entitled to the full discretion allowed by law in making all such decisions and interpretations.

Such discretion shall include, but is not limited to, the right to allocate and issue Federal Credits and to take all other actions and impose all other conditions which are required by federal law or which DCA determines are necessary or convenient. Such conditions may include barring or limiting applicants from participation and imposing more stringent conditions.

DCA may require additional explanation, documents, or information pertaining to any portion of an Application even if not specifically required in the QAP. DCA will not fund or select projects that are not financially viable and sustainable for the entire Extended Use Period or that constitute a waste or risk to state resources and/or assets, regardless of their competitive score.

DCA may interpret or provide guidance on the QAP in the form of answers to both general and specific questions, technical memos, or written guidance published on the DCA website. DCA will rely on this guidance and interpretations in the analysis of submitted Applications.

## V. ~~9% FEDERAL CREDIT~~ COMPETITIVE ROUNDS

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### A. Requirements and Timeline

#### 1. Submission Requirements and Timeline

~~A.~~ All required documents must be submitted by 5:00 pm on the dates below.

| Submission                                                                            | Requirements                                                                                                                                                                                                                                                                                 | <u>9% Credits</u> Deadline                                                                                                                                           | <u>4% Credits/Bonds</u> Deadline                                                                                                      |
|---------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| <del>Pre-Application</del>                                                            | See <del>(Core Plan) Pre-Application Determinations.</del>                                                                                                                                                                                                                                   | March <del>3, 2023</del> 2024 at 5:00 pm                                                                                                                             |                                                                                                                                       |
| <u>Reviews Conducted Prior to Competitive Round (insert GIN and QD stuff rolling)</u> | Certain documents from the following <u>Threshold Criteria</u> : <ul style="list-style-type: none"> <li><u>Occupied Developments</u></li> <li><u>Project Team Qualifications</u></li> </ul>                                                                                                  | Accepted on a rolling basis. Final deadline: <ul style="list-style-type: none"> <li>March 15, 2024</li> <li>March 14, 2024</li> </ul>                                | Accepted on a rolling basis. Final Deadline: <ul style="list-style-type: none"> <li>August 2, 2024</li> <li>August 1, 2025</li> </ul> |
| <del>Intent to Apply</del>                                                            | A short survey response covering basic development information including but not limited to Applicant information, site location, and funding requested.                                                                                                                                     | April <del>17</del> 19, <del>2024</del> 2023 at 5:00 pm<br>April 16, 2025 at 5:00 pm                                                                                 | September 4, 2024 at 5:00 pm<br>September 3, 2025 at 5:00 pm                                                                          |
| <u>Competitive Review Application</u>                                                 | <ul style="list-style-type: none"> <li><u>Completed Excel and Emphasys Core Applications</u></li> <li><u>All applicable Scoring documentation: see (Scoring Criteria) Applicability of Scoring Criteria</u></li> <li><u>Bond inducement resolution from the issuing authority</u></li> </ul> | <ul style="list-style-type: none"> <li>May 17, 2024 at 5:00 pm</li> <li>May 16, 2025 at 5:00 pm</li> </ul>                                                           | <ul style="list-style-type: none"> <li>October 4, 2024 at 5:00 pm</li> <li>October 3, 2025 at 5:00 pm</li> </ul>                      |
| <u>Waiver Requests</u>                                                                | See <u>Waiver Requirements</u> below                                                                                                                                                                                                                                                         | <ul style="list-style-type: none"> <li>October 17, 2024 at 5:00 pm</li> <li>October 16, 2025 at 5:00 pm</li> </ul>                                                   | <ul style="list-style-type: none"> <li>February 28, 2025 at 5:00 pm</li> <li>February 27, 2026 at 5:00 pm</li> </ul>                  |
| <u>Threshold Review Submission Full Application</u>                                   | See <u>Threshold Criteria</u> the following sections: <ul style="list-style-type: none"> <li><del>(Threshold Criteria)</del> Applicability of Threshold Criteria</li> <li><del>(Scoring Criteria)</del> Applicability of Scoring Criteria</li> </ul>                                         | <ul style="list-style-type: none"> <li>December 17, 2024 at 5:00 pm</li> <li>May <del>19, 2023</del>2024 at 5:00 pm</li> <li>December 16, 2025 at 5:00 pm</li> </ul> | <ul style="list-style-type: none"> <li>May 2, 2025 at 5:00 pm</li> <li>May 1, 2026 at 5:00 pm</li> </ul>                              |

2. Requirements Notes

- For Applications selected under the Competitive Review process, DCA reserves the right to reject any Application that does not meet the Threshold review submission deadline. ~~may revoke this selection for failure to meet the Pre-Application or Full Application deadlines above.~~
- DCA will not hold Applications that are being restructured or modified.
- Requirements are based on the QAP in effect at the time of submitting the Competitive Review Application.
- DCA may require Applicants to update market studies to reflect proposed Applications in the same market area.
- For 4% Credits/Bonds, each Competitive Review Application must be associated with one bond issuance.

### 3. Waiver Requirements

DCA makes the following determinations, if applicable to the development, ~~must be approved during the Pre-Application review stage. before Threshold Review Submission. Applicants must submit the applicable waiver request and supporting documentation by the dates on the table above.~~

- Requests to waive any requirements listed in the QAP and documentation supporting the 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 and Underwriting waivers
- Applications proposing adaptive re-use or rehabilitation for any units must submit the following, if requesting architectural standards waivers ~~for said units:~~
  - DCA Rehabilitation Work Scope Form
  - DCA Physical Needs Assessment Fannie Mae Forms
  - Physical Needs Assessment report
- QAP Scattered Site Legal Opinion with completed QAP Conceptual Site Development Plan (CSDP)
- Optional Amenity Request
- ~~All documentation necessary to meet requirements for (Threshold Criteria) Occupied Developments~~
- DCA must approve any permanent displacement of tenants. Applicants that foresee in-place rehabilitation or permanent displacement of residents or non-residential tenants must submit a waiver request, including:
  - Narrative stating why permanent displacement must occur
  - Permanent Displacement tab of Relocation Workbook
  - Written approval from federal agency (if applicable)
- DCA must approve a Phased Development with a previously funded phase requesting to share amenities.

### ~~4. State-Designated Basis Boost~~

~~\_\_\_\_\_~~  
~~• \_\_\_\_\_~~

**B. 5. Competitive Review Application Designations**

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

**~~New Supply~~New Affordability and Preservation Competitions**

- ~~• The 9% and 4% Credits competitions involve separate rankings for Applications that qualify as based on New Affordability or Preservation the construction type (see “New SupplyNew Affordability” and “Preservation” definitions).~~
- ~~• Applications that qualify for both New Affordability and Preservation may compete under either or both competitions.~~

~~• \_\_\_\_\_~~

~~• **DCA will assign 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.**~~

**Geographic Pools**

- ~~• DCA assigns Applications to a geographic pool based on the site location (see “Rural,” “Other Metro,” and “Atlanta Metro” definitions).~~
- ~~• \_\_\_\_\_~~
- ~~• For certain Scoring Criteria, the requirements vary by the geographic pool.~~

**State-Designated Basis Boost**

Projects may receive an allocation of 9% Credits based upon 130% of the eligible basis. The minimum request is 110% and must be on a full percentage point. DCA will determine the need at Application Submission and again at final project allocation application.

~~\_\_\_\_\_~~

~~a. 2. Projects in the following categories are eligible to apply for the boost:~~

- ~~• Multifamily Rural projects without DCA HOME as a source.~~
  - ~~• Multifamily projects within areas that qualify for at least 2 points under Stable Communities (projects which appear to have a primary purpose of subsidizing an ownership transfer do not qualify).~~
  - ~~• Extraordinary circumstances not expected or usual for the development of an affordable multifamily tax credit property (does not include low rents, high utility costs, and proximity to a QCT).~~
- ~~\_\_\_\_\_~~

~~b. 3.~~ All requests for the state-designated basis boost must indicate which category (or categories) and include any supporting documentation.

~~—  
—~~

~~4. Requests under extraordinary circumstances must be made at the time of Pre-Application or after selection of an Application.~~

~~c. d. 5.~~ DCA ~~will~~ requires projects defer 1% of the total Developer Fee for every 1% in state-designated basis boost granted unless the project receives a new ~~source loan or grant~~ from an independent non-related party equal to at least 30% of the total developer fee (does not include assuming an existing loan). Applicants with USDA 515 funding may request that DCA waive the matching deferred developer fee.

## 6. Completeness Review

DCA will review Applications for completeness, including but not limited to:

- Organization of electronic Application Submission.
- Inclusion of all required Application forms.
- Submission of all required supporting documents.
- Completed Electronic Core Application.

DCA may determine substantially incomplete Applications to be ineligible.

## 7. Competitive Review

~~DCA will score complete Applications. DCA will conduct a Scoring Criteria review only for Applications that it determines are complete and will score highly enough to have a reasonable chance of receiving an award.~~

~~DCA will and DCA will provide Applicants the preliminary results of the Competitive Scoring, and Applicants will have a forty-eight (48) hours period to respond with opinions and/or objections. Applicants may not submit additional items. DCA will review responses prior to assigning each project its final score.~~

## 8. Threshold Review Submission

~~DCA staff will only conduct a Threshold Criteria review for Applications that DCA has are selected through the Competitive Review process. it determines are complete and will score highly enough to have a reasonable chance of receiving an award.~~

~~DCA will communicate directly with Applicants to clarify or correct any Threshold deficiencies. DCA reserves the right to:~~

- ~~Disqualify Applications from further consideration if submitted with significant Threshold deficiencies.~~
- ~~Revoke DCA approval of 3<sup>rd</sup> party report providers who exhibit a pattern of generating reports that do not meet all relevant requirements of the QAP or associated manual.~~

~~If DCA identifies Application deficiencies for any Threshold Criteria, DCA will notify Applicants in writing (by email) of specific any requirement(s) that the Application did not meet. An Applicant may respond in writing within five business days from the date of the DCA's notification preliminary Threshold failure notification letter with an clear and specific explanation of why the initial determination was incorrect. DCA will then make a final determination. Applicants will have the right to appeal a Threshold Failure under the DCA appeal procedures.~~

~~*Threshold Deficiencies:* DCA may request correction or clarification for administrative deficiencies in an by email to the Applicant.~~

~~Applicants receiving a clarification request have five business days to supply missing or incomplete information and respond to the specific items identified. Responses cannot modify an Application or provide materials that did not exist prior to submission and will not affect scoring.~~

## **C.B. Set Asides and Allocation Targets**

### **1. Set Asides for both 9% Credits and 4% Credits/Bonds Competitive Rounds**

#### **i. General Set Asides**

~~DCA may award 2 Applications under each Competitive Round it determines will further its mission, goals, initiatives, set asides and/or priorities, irrespective of the ranking by the evaluation factors. The General Set Aside awards must be approved by the DCA Commissioner. The designation of the General Set Aside may be made either during Competitive Review or within 45 days of the announcement of awards. Scoring Criteria in the QAP will not apply. DCA may develop separate scoring criteria for this set aside. Selected developments will not be considered in the QAP geographic limitations.~~

#### **ii. Disaster Rebuilding Set Aside**

~~DCA may select award 9% Credits to up to three (3) Applications under either Competitive Round which will help communities respond to damage for disaster events in areas which received or will receive CDBG-DR funding. Scoring Criteria in the QAP will not apply. DCA may develop separate scoring criteria for this set aside. Selected developments will not be considered in the QAP geographic limitations.~~

## 2. 9% Credits Set Asides

### ~~1. 9% Credits~~

#### ~~Set Asides~~

#### Non-Profit Set Aside

DCA will set aside ~~15%~~10% of the available 9% Credits for non-profit sponsored Applications.

#### Preservation Set Asides

##### ~~i. General Set Aside~~

~~DCA may award up to \$1,225,000 of 9% Credits to an Application it determines will further its mission, goals, initiatives, set asides and/or priorities, irrespective of the ranking by the evaluation factors. The General Set Aside award must be approved by the DCA Commissioner. The designation of the General Set Aside may be made either during Application review or within 45 days of the announcement of awards.~~

#### ~~Preservation Set Asides~~

DCA will reserve sufficient 9% Credits to fund the award amounts listed in the below table.

DCA will ensure that at least 35% of Preservation awards are for USDA Rural Rental Housing Loan (Section 515) properties and/or properties located in a Rural area. If needed, DCA will cycle through each set aside in the following order, selecting one from each set aside, until 35% is reached:

- o USDA Rural Rental Housing Loan (Section 515)
- o Housing Credit
- o HUD RAD
- o HUD Rental Assistance

| Federal Program                                                                         | Set Aside                                                                                                                                                                                         |
|-----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <del>USDA-assisted Housing</del><br><b>USDA Rural Rental Housing Loan (Section 515)</b> | DCA may award <del>one</del> <b>two</b> Applications that proposes Preservation of USDA Rural Development Section 515 properties.                                                                 |
| <b>HUD Rental Assistance Demonstration Program (RAD)</b>                                | DCA may award <b>one</b> Preservation Application that HUD has approved to proceed with a RAD conversion.                                                                                         |
| <b>Housing Tax Credit Properties</b>                                                    | DCA may award <b>up to four</b> <del>three</del> Applications proposing Preservation of existing occupied housing in its Extended Use Period. DCA will not select more than one award per county. |
| <b>HUD Rental Assistance</b>                                                            | DCA may award <b>one</b> Application proposing Preservation of an existing property subsidized by an existing contract for federal project-based rental assistance administered by HUD or a PHA.  |

**ii. Disaster Rebuilding Set Aside**

~~DCA may award 9% Credits to up to three (3) Applications which will help communities respond to damage for disaster events in areas which received or will receive CDBG-DR funding. Scoring Criteria in the QAP will not apply. DCA may develop separate scoring criteria for this set aside. Selected developments will not be considered in the QAP geographic limitations.~~

**b. Broad Geographic Distribution of ~~New Supply~~**New Affordability****

~~In determining awards, DCA will target as closely as possible the percentages below geographic allocation targets in the ~~New Supply~~**New Affordability** competition. The percentage of credits (as may vary slightly) depending on actual awards and credits allocated. DCA will attempt to minimize the difference between the assigned percentage and the actual credits allocated per pool.~~

| Geographic Pool      | Target Allocation of 9% Credits:<br><del>New Supply</del> <b>New Affordability</b><br>competition |
|----------------------|---------------------------------------------------------------------------------------------------|
| <b>Rural</b>         | 35%                                                                                               |
| <b>Other Metro</b>   | 35%                                                                                               |
| <b>Atlanta Metro</b> | 30%                                                                                               |

### 3. 4% Credits/Bonds

#### a. Set Asides

##### i. Urban Residential Finance Authority Allocation

DCA will set aside ~~sufficient bonds to comply with GA Code § 36-82-190 which reserves a percentage of bonds for urban residential finance authorities. The local urban residential finance authority approximately \$97 million of bonds for Applications in the City of Atlanta, as is required by under the Urban Housing Reservation provision (GA Code § 36-82-190). The Urban Residential Finance Authority~~ will determine awards under this bond allocation reservation.

##### ii. "Portfolio" Preservation of USDA Housing

DCA will set aside up to \$30 million of bond allocation to support one development per year proposing to preserve USDA Rural Development Section 515 properties on a "portfolio" basis. For purposes of this set aside, a portfolio transaction refers to a large-scale, scattered site Preservation development proposal that would otherwise not meet the scattered site requirements listed under **(Core Plan) Eligibility of Certain Project Configurations**.

##### iii. Broad Geographic Distribution of 4% Credits/Bonds

DCA will ~~establish Bonds Geographic Distribution Areas ("Areas") based on population and identify all Congressional Districts as approved on November 22, 2021 ("District(s)") for which an Application site is located within the District boundaries. DCA will ensure broad geographic distribution of distribute~~ bonds based on the following:

- For each ~~DistrictArea~~, DCA will ensure at least one of the selected Applications is located within these ~~DistrictsArea~~, provided:
  - At least one Application within the ~~District Area~~ meets all Application submission requirements.
  - There is sufficient bond allocation to fund at least one in each ~~DistrictArea~~.
- ~~DCA will not provide multiple awards to the same county under this geographic distribution strategy, for purposes of counties that cross Area boundaries. No county will receive multiple allocations based on this minimum geographic distribution strategy.~~

~~For purposes of this geographic distribution strategy:-~~

- ~~DCA will use the Georgia Congressional District boundaries as approved on November 22, 2021.~~

Awards under the Urban Housing Reservation are not factored into this geographic distribution strategy.

**iv. Balancing ~~New Supply~~New Affordability and Preservation**

DCA will rank ~~New Supply~~New Affordability and Preservation Applications separately based on Scoring Criteria specific to each competition. DCA will, as closely as is possible, select applications from the ~~New Supply~~New Affordability and Preservation competitions on a 1-to-1 basis.

## **D.C. Application and Award Limitations**

### **1. ~~Maximum Number of Applications~~Application Limitations**

Each Developer may submit no more than four (4) Applications ~~per Competitive Round~~for ~~9% Credits~~ in which they have direct or indirect interests. ~~If it is determined~~If DCA determines that a Project Participant has proposed Ownership interests in excess of the above limitations, DCA will only evaluate the ~~four Applications with the highest self score~~first submissions up to the applicable limitation. ~~Any other Applications which include the same Project Participant will be considered ineligible and will not be evaluated.~~

### **2. Award Limitations**

All Applicants may have direct or indirect Ownership/Development interest in a maximum of two (2) selected projects per Competitive Round, ~~in which the combined total Federal Credit from the 2023~~2024 competitive funding round cannot exceed \$2,240,000. ~~This limitation applies to all proposed Project Participants except Syndicators and Management Companies.~~

Applicants either qualified as probationary or with minimal development experience (determined by DCA) are limited to one award per competitive round.

~~DCA generally encourages entities that have insufficient technical expertise and/or experience to partner with Certifying Entities to gain experience and capacity in the Tax-Credit program. DCA may, but is not required to, grant a waiver of development/credit award limitations for the proposed certifying partner.~~

#### **a. 9% CreditsRound Award Limitations**

##### **a) ~~Project Limitations~~**

For the 9% Credits Competitive Round, the combined total Federal Credit from the 2024 Competitive Round cannot exceed \$2,240,000.

DCA will not award more than the following 9% Credit amounts to an Application. Applicants claiming points under (Scoring) Minority- and Women-owned Business Engagement (MWBE) are eligible for a higher credit limit as indicated below. :

| <b><u>Application Type</u></b>              | <b><u>Credit Award Limit</u></b> | <b><u>MWBE Points Credit Award limit</u></b> |
|---------------------------------------------|----------------------------------|----------------------------------------------|
| <u>New Affordability (Metro Pools)</u>      | <u>1,300,000</u>                 | <u>1,350,000</u>                             |
| <u>New Affordability (Rural)</u>            | <u>1,170,000</u>                 | <u>1,215,000</u>                             |
| <u>HUD Preservation</u>                     | <u>1,225,000</u>                 | <u>1,270,000</u>                             |
| <u>Housing Credit and USDA Preservation</u> | <u>1,105,000</u>                 | <u>1,145,000</u>                             |

| <b><u>Application Type</u></b>                                                                                                                                                                                          | <b><u>Credit Award Limit</u></b> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| <ul style="list-style-type: none"> <li><del>• (New Supply) Atlanta Metro</del></li> <li><del>• (New Supply) Other Metro Pool</del></li> <li><del>• HUD Rental Assistance Demonstration (RAD) Set Aside</del></li> </ul> | \$1,225,000                      |
| <ul style="list-style-type: none"> <li><del>• (New Supply) Rural Pool</del></li> <li><del>• Preservation Set Asides (except for HUD RAD)</del></li> </ul>                                                               | \$1,105,000                      |

**b. 4% Credits/Bonds Round Award Limitations**

The bond allocation request within a Competitive Review Application cannot exceed \$~~4030~~4030 million. ~~This limitation~~~~This~~ (does not apply to Applications awarded under the Urban Housing Reservation).

DCA will not select any Competitive Review Application submitted by an Owner and/or Developer that has a 4% Credits/Bonds property that received an LOD from DCA in 2022 or earlier that has not closed their financing and started construction on that property as of the Competitive Review Application deadline.

**c. Additional Limitations Considerations**

In the event an Owner/Developer fails to meet project deadlines, has a significant number of projects under development but not completed, or is experiencing a financial issue with regard to an existing development, DCA may do either of the following:

- reduce the maximum number of developments that can be awarded;
- remove an Owner/Developer from awards consideration.

**d. Limitations Applicability**

The above limitations apply to Ownership interests of all proposed Project Participants with the following exceptions:

- Syndicators and Management Companies

- Public Housing Authorities (PHAs) may exceed the above limitations only for purposes of Applications wherein the PHA:
  - is not the Certifying Entity
  - is not the managing member
  - does not hold more than a 20% interest in the General Partnership

For non-profit Applicants, DCA will make the determination based on Executive Directors, common threads of effective control, and whether different non-profit entities have met DCA Qualification requirements through the same individuals or entities.

## E.D. Evaluation of ~~9% Credit~~ Competitive Applications

### 9% Credits

#### a.1. 9% Credits Selection

##### a) Competitive Application Selection for ~~the New Supply~~ New Affordability Competitive Process

DCA will allocate resources to Aa Applications with the highest ~~DCA~~-score and favorable market studies, ~~will be allocated resources provided that only one Application is submitted in the market area and~~ provided all set asides have been met. If more than one Application receives a competitive score in the same market area and will serve the same tenancy, DCA will select the higher scoring Application. For purposes of this subsection, Family, Elderly, HFOP, and Other are each distinct tenancies.

##### i. Sequence of Competitive Round Award Determinations

DCA will determine awards between set asides and pools in the order below. Except where stated otherwise, this order will determine all 9% Competitive Round outcomes dependent on decisions within another pool or set aside, including but not limited to tiebreakers, if applicable.

- Preservation Set Asides
  - USDA-assisted Housing
  - HUD Rental Assistance Demonstration Program
  - Housing Tax Credit
  - HUD Rental Assistance
- ~~New Supply~~ New Affordability
  - Rural Pool
  - Other Metro Pool
  - Atlanta Metro Pool

- If the non-profit set aside is not met after the above award determinations, DCA will select the highest-scoring eligible non-profit sponsored Applications from the ~~New Supply~~New Affordability competition in the following pools order until the set aside percentage is reached:
  - Rural Pool
  - Other Metro Pool
  - Atlanta Metro Pool

**b) Geographic Allocation Limitations for Projects selected in the ~~New Supply~~New Affordability Competitive Process**

DCA will award:

- ~~not select no~~ more than one phase of a planned multi-phase development;
- ~~DCA will select~~ only one Rural Application located in the same Local Government ~~B~~boundary;
- ~~DCA will select~~ up to two Metro Pool Applications located in the same Local Government ~~B~~boundary; ~~and~~
- ~~DCA will allocate up to 3 awards 10% of Credits, excluding set asides, among Applications for funding in the City of Atlanta.~~

DCA will not award less than an Applicant’s 9% Credit request to reach this cap.

**Tie-breakers**

If necessary, DCA will use these tiebreakers in the order presented.

- ~~An application would be the Project Team’s first award while the other tying application(s) would be the Project Team’s second or third. First selected Application for the Project Team in this round. DCA will determine “first selected Application” by assessing if the Project Team has any other Applications that will be funded regardless of tie breakers in another Geographic Pool or Set Aside.~~
- Application receives points under **(Scoring Criteria) Enriched Property Services**, subsection “A. Owner-provided Services”;
- Earlier year of the most recent 9% Credits award for the Local Government ~~B~~boundary.
- For ties between Preservation applications:
  - ~~Soonest year that all Housing Credit, HUD, and/or USDA affordability restrictions are set to expire~~
  - ~~“Preservation Priority” narrative, see (Scoring Criteria) Tiebreaker Information~~
  - Rent advantage, see **(Scoring Criteria) Rent Advantage**
- ~~Applications that use the least amount of 9% Credits per low-income unit.~~

- ~~Applicants with documentation that the property will reduce public housing waiting lists.~~

## ~~2.~~ Special Allocation Considerations

DCA may allocate 9% Credits up to the first day of the ~~Waiver Requests~~~~Pre-Application~~ deadline based on the prior year's allocation plan with all applicable terms and conditions to projects that received an allocation in the prior year.

## ~~2.~~ 4% Credits/Bonds

### 4% Credits/Bonds

#### ~~a.~~ Selection between competitions

If due to remaining bond allocation DCA must select between the next highest-scoring ~~New-Supply~~~~New Affordability~~ Application and the next highest-scoring Preservation Application, DCA will:

- ~~i.~~ Rank the two applications based on Scoring Criteria common to both competitions.
- ~~ii.~~ If necessary, apply the tiebreakers above (excluding tiebreakers specific to the Preservation competition).

#### ~~b.~~ Tiebreakers within the same competition

In the event of a tie between Applications within either the ~~New-Supply~~~~New Affordability~~ or Preservation competitions, DCA will apply the following tiebreakers in this order:

- ~~1.~~ The ~~Bonds Geographic Distribution Area(s)~~ ~~Congressional District(s)~~ that have not yet received a selected Application from the competition (~~New-Supply~~~~New Affordability~~ or Preservation), when considering ranking and selection determinations made prior to this tie.
- ~~2.~~ The Count(ies) that have not yet received a selected Application from the competition (~~New-Supply~~~~New Affordability~~ or Preservation).
  - ~~i.~~ Count(ies) with the lower average housing vacancy rate.
  - ~~ii.~~ Issuer territor(ies) with the lower average housing vacancy rate (if comparable Census data exists for all tying issuer territories)
    - ~~1.~~ "Readiness to Proceed" narrative, see **(Scoring Criteria) Tiebreaker Information Readiness to Proceed**
- ~~3.~~ For ties between Preservation applications:
  - ~~i.~~ ~~the S~~soonest year that all Housing Credit, HUD, and/or USDA affordability restrictions are set to expire
  - ~~ii.~~ ~~1.~~ Preservation Priority narrative, see **(Scoring Criteria) Tiebreaker Information**

- ~~○ Rent advantage (if all tying Applicants claimed points under the section), applicable); see **(Scoring Criteria) Rent Advantage**~~
- ~~○~~
- ~~Census tract(s) with the lower average housing vacancy rate~~
- ~~Higher ratio of sources not generated through tax-exempt bonds or 4% credits (excluding deferred developer fee) to bond financing ~~private investment to bond financing~~ For purposes of this tiebreaker, “private investment” is defined as all development funds not generated through tax-exempt bonds or 4% credits. Deferred developer fee does not qualify.~~
- ~~Lower total development cost per qualified residential rental unit~~
- iii. ● ~~Lower total development cost per qualified residential rental unit~~

## E. ~~E.~~ Reconsideration and Appeal/~~Appeal~~ Processes

### Reconsideration Process

Upon receipt of a scoring decision by the applicant, the scoring decision may be reevaluated via the Request for Reconsideration process. The applicant’s reconsideration request must adhere to the following guidelines:

- a) NOT LATER THAN fourteen (14) calendar days following the receipt of the notification of final scoring, an applicant must submit a detailed written statement (by email)
- b) The statement must support the assertion that the decision is incorrect
- c) The statement must be submitted to the attention of the Director of the Office of Housing Finance.

Once a request is received by DCA, DCA will schedule a meeting with the applicant. Following the meeting, DCA will notify the applicant of its intention to either confirm the initial decision or to revise the applicant’s score as a result of the Request for Reconsideration process.

### Appeal Process

Within seven (7) calendar days of the applicant’s receipt of a decision letter denying the applicant’s request for reconsideration, the applicant may elect to submit a written request for a full appeal review.

The Appeal Review Hearing will be recorded upon a request made by the applicant. The decision of the Appeal Review Committee is the final decision of DCA and not subject to further internal review.

~~3.~~

The administrative procedures for an appeal hearing can be found on the DCA website. An Applicant may use the following process to request further review for Competitive-Round Applications for a Threshold determination or a point deduction only if a

~~reversal of the DCA initial decision would result in an award and the Application's self-score was sufficient to be selected.~~

- ~~a) The Request for Reconsideration is in writing, submitted within fourteen (14) calendar days from the date on the notice of a final Threshold determination or notification of a final score. Requests should be submitted to the attention of the Director of the Office of Housing Finance. The request must contain a detailed written statement.~~
- ~~b) DCA will schedule a meeting with the Applicant.~~
- ~~c) DCA will issue a decision and notify the Applicant.~~
- ~~d) The Applicant may, within seven calendar days of the date on the Decision Letter denying the Applicant's Request for Reconsideration, submit a request for a full Appeal Review. The review will consider only documentation that meets the requirements of the QAP and submitted with the Application or as part of a Threshold clarification.~~
- ~~e) The burden of proof is on the Applicant to prove that DCA's decision was incorrect.~~
- ~~f) The Appeal Review meeting may be recorded and available for transcription upon Applicant's request.~~
- ~~g) The decision of the Appeal Review Committee is the final decision of DCA and not subject to further internal review.~~
- ~~h) The administrative procedures for Appeal meetings can be found on the DCA website.~~

## F. F. Post-Award

### **1. Following Letter of Determination (LOD) Issuance**

- DCA will provide its Carryover or Letter of Determination within 75 days of the receipt of a complete Full Threshold submission. Application. If clarifications are needed, DCA reviews may take longer ~~than 75 days.~~
- Following Full Application-Threshold approval, DCA will issue an LOD or Carryover. Applications proposing rehabilitation must include a work scope/plan review conference prior to issuing the LOD or Carryover.
- ~~After LOD or Carryover issuance, DCA must approve any significant changes in the financing structure, syndicator, or scope of work must be approved in writing by DCA.~~
- ~~Owners must:~~
  - ~~○ Close the bond financing within 180 days of the LOD issuance;~~
  - ~~○ Have DCA approval for any significant change in the financing structure or scope of work set out in the Application before the start of construction;~~
  - ~~○ Commence construction/rehabilitation activity within 30 days of bond finance closing date;~~
  - ~~○ Complete all construction activity by December 31, 2025;~~
  - ~~○ Complete and submit the "DCA Placed in Service" form at the time the first building is placed in service; and~~
  - ~~○ Apply for Final Allocation and request for issuance of IRS form(s) 8609 by September 13, 2026.~~
- DCA will not issue Form(s) 8609 as buildings are placed in service.

- ~~DCA will not issue a Carryover or LOD or Form(s) 8609 to Applicants exhibiting a continual pattern of noncompliance or demonstrating an inability or unwillingness to resolve noncompliance matters in a timely manner.~~
- ~~Owners must execute and record the LURC at or prior to bond closing. All construction and/or permanent financing must be subordinated to the requirements of Section 42(h)(6)(E)(ii) of 26 U.S. Code § 42.~~

### ~~Following Carryover~~

## ~~VI. 4% FEDERAL CREDIT – BOND FINANCED PROJECTS~~

~~This section reflects the DCA implementation of **2020 Georgia Code, Title 36 Local Government, Chapter 82 Bonds, Article 8 – Georgia Allocation System** as it pertains to bonds issued to support rental housing development.~~

## ~~VII. PRE-APPLICATION DETERMINATIONS~~

~~Pre-Application submissions are not required for all developments. DCA must approve The following determinations, if applicable to the development, must be approved during the Pre-Application review stage.~~

### ~~A. General~~**All Applications**

- ~~Requests to waive any requirements listed in the QAP and documentation supporting the 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 and Underwriting, waivers~~
- ~~Applications proposing adaptive re-use or rehabilitation for any units must submit the following, if requesting architectural standards waivers for said units:~~
  - ~~DCA Rehabilitation Work Scope Form~~
  - ~~DCA Physical Needs Assessment Fannie Mae Forms~~
  - ~~Physical Needs Assessment report~~
- ~~QAP Scattered Site Legal Opinion with completed QAP Conceptual Site Development Plan, (CSDP)~~
- ~~Optional Amenity Request~~
- ~~All documentation necessary to meet requirements for **(Threshold Criteria) Occupied Developments**~~

## ~~B. 9% Credits Applications only~~

- ~~• Request for state a designated basis boost (“extraordinary circumstances” basis boost only)~~
- ~~• All documentation necessary to meet requirements for **(Scoring Criteria) Minority- and Women-Owned Business Engagement**, if seeking points under the “Project Team Eligibility” option.~~
- ~~• (optional) Qualifications Determination~~
- ~~○ Applicants may, but are not required to, submit all documentation necessary to pass **(Threshold Criteria) Experience, Capacity, and Performance Requirements for General Partner and Developer Entities** during the Pre-Application review stage. Applicants also have the option to meet this requirement at the Full Application stage.~~
- ~~○ To receive a full Threshold review at Pre-Application under this section, the Applicant must have the Project Team and construction type finalized by Pre-Application. If either is “To Be Determined,” DCA will not conduct a team qualifications review during the Pre-Application review phase. These parties cannot change without DCA approval.~~
- ~~○ Please note that Applicants that receive this approval during the Full Application stage are at greater risk of receiving point deductions under **(Scoring Criteria) Application Completeness**.~~

## ~~VIII. Award Adjustment~~ **DCA EXPERIENCE AWARD LIMITATIONS**

### ~~A. Minimal DCA Experience~~

~~Applicants with minimal experience developing affordable housing under DCA programs face the following awards limitation:~~

- ~~• One award per competitive round for Applications wherein the entity with minimal experience is the Certifying Entity.~~

~~For purposes of this section, minimal experience is defined such that one of the following applies:~~

~~The entity~~

- ~~1. only qualifies under the probationary determination~~

~~The entity is not currently the managing member of any DCA-funded property for which all of the following apply:~~

~~The entity has been the managing member from initial allocation to present.~~

~~The property qualifies as a “Successful Project”~~

- ~~• Either of the following: If DCA has inspected the property at least once: the property has no outstanding DCA or program noncompliance concern. If DCA has not yet inspected the~~

~~property: the Applicant does not receive a Significant Adverse Event points deduction under the current competitive round (see **Scoring Criteria, Compliance Performance**).~~

## ~~Adjustment to Maximum Allowed Awards~~

## ~~IX.VI.~~ TAX CREDIT ADMINISTRATION

### A. Land Use Restrictive Covenant (LURC)

The Owner and Lessor must execute and record GHFA's prescribed form of the LURC prior to final allocation. The LURC ~~shall will~~ reflect all representations made in the original Application and any changes ~~made to the original Application that have been GHFA approved in writing by GHFA. The LURC will be drafted after GHFA's receipt of the certification of the 10% test and must be recorded upon its execution.~~ All permanent financing must be subordinated to the requirements of Section 42 (h)(6)(E)(ii) of the Code.

### B. Tax Credit Pricing

DCA will not allow an adjusted (also referred to as "blended") credit price due to downward credit pricing adjustors for timing (as listed in the final Limited Partnership Agreement) at Final Allocation Application.

### C. Cost Reasonableness

#### 1. ~~Front End Cost Review:-~~

Owners must conduct and submit a Third-Party Front-End Cost Review ("FECR"). DCA will have forty-five (45) days to respond, plus any days added for questions or clarifications. Owners may not close equity until after the earlier of this time period expiring or DCA's approval.

#### 2. ~~Contractor Cost Certification:-~~

Owners must submit a Contractor Cost Certification prepared in accordance with the standards for a HOME contractor cost certification.

## ~~4.VII.~~ ELIGIBILITY OF CERTAIN PROJECT CONFIGURATIONS

## A. Eligibility of Scattered Sites

Applications proposing scattered sites must meet the following requirements:

- ~~2.1.~~ All residential units are income and rent restricted under Section 42 of the Code.
- ~~3.2.~~ All buildings must be under the ownership of one entity, developed under one plan of financing, considered a single project by all funding sources, and managed by one management entity.
- ~~4.3.~~ The scattered sites must be appraised, if applicable, as a single proposed development.
- ~~5.4.~~ Each site must meet all applicable Threshold and Scoring criteria. ~~DCA may consider (other than any~~ Architectural Standards and/or Amenities Waivers ~~requests).~~
- ~~6.5.~~ 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.
- ~~7.6.~~ Include a legal opinion on scattered site to support the project’s development.
- ~~7.~~ ~~†The market study requirements must be met for the project as a whole and an appraisal establishing “as-is” value will be required for each non-contiguous parcel where an Identity of Interest exists between the buyer and seller.~~
- ~~8.~~ ~~Each non-contiguous parcel must meet the additional HOME Site and Environmental requirements.~~
- ~~9.~~ ~~Evidence of site control is required for each non-contiguous parcel.~~
- ~~10.~~ ~~Each parcel meets site zoning requirements.~~
- ~~11.~~ ~~†Required amenities must be met for each non-contiguous parcel.~~

~~A.—For 4% Credits/Bonds, Scattered site Competitive Review Applications are only eligible if proposing Preservation of properties funded by USDA or undergoing a RAD conversion, ~~or approved by DCA prior to the Competitive Review Application deadline.~~~~

## B. Detached Single-Family Rental Housing

Applications proposing detached single family housing proposals must meet the following requirements:

1. Include in its operating budget the costs associated with the continuous upkeep of each rental house, including ground maintenance, as supported by a detailed maintenance plan.
2. Include a detailed Replacement Reserve analysis and plan.
3. The house designs must reflect architectural diversity using different elevations and styles.
4. Landscaping must be appropriate for detached, single family housing.

## C. Single Room Occupancy (SRO)

New construction and rehabilitation of single room occupancy developments (does not have an in-unit kitchen and/or bathroom) are ineligible.

## D. Preservation of Existing Housing Credit Developments

Preservation of existing Federal Credit developments with a placed-in-service date within 15 years of Application Submission is ineligible.

## ~~X.VIII.~~ PROJECT RECONFIGURATION/APPLICATION MODIFICATION

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### A. Prior to Award

Applicants cannot make any changes to a Submitted Application prior to the announcement of awards. DCA may allow Applicants to correct deficiencies if necessary to award all 9% Credits overall or in a set-aside.

### B. After Award

Subsequent to awards, tenancy, ~~land and/or existing structure real estate~~ purchase prices, the number of units, and the scope of work cannot change. DCA must approve the proposed construction budget if increasing by more than 10% from the Application. The utility allowance utilized may not change until 18 months after placing in service.

The final completed property shall meet all requirements of this QAP and all promises made in the submitted Application. The failure to receive points in a category does not release an Applicant from obligations undertaken in the Application.

Applicants may submit a request for a change in amenities, services, direct or indirect transfers of a General Partner or Developer's interest using DCA's Project Concept Change Form.

This provision applies to any changes throughout the project's Extended Use Period or Period of Affordability, whichever is longer.

## ~~XI.IX.~~ FEES AND DEADLINES

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~~The fees indicated in this section vary based on the legal status of the Applicant.~~ Payment must be by certified funds made payable to the "Georgia Housing and Finance Authority." ~~Failure to do so pay fees when due may delay processing (e.g., Form 8609) and/or adversely affect the ability to compete in future funding rounds.~~ All fees remitted to GHFA are non-refundable.

### A. Compliance Monitoring Fees

Owners will pay all compliance monitoring fees no later than the placed in-service date. ~~Failure to do so may adversely affect the ability to compete in future funding rounds.~~ When DCA monitors for compliance with more than one program, Owners will pay the applicable fees for each.

~~DCA charges a monitoring fee for all 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 to Core Plan. Pre-Application Fees and Deadline Schedules.~~

~~DCA may charge Additional fees may be charged to properties that require additional follow-up due to non-compliance findings. See the DCA website for all compliance monitoring fees. Failure to pay these fees will be considered an Administrative noncompliance issue.~~

~~DCA charges an asset management fee for all HOME-funded developments (See 2013 Final HOME Rule). Recipients will be required to pay the fee annually during the affordability period as indicated in Exhibit A to Core Plan. Pre-Application Fees and Deadline Schedules. Failure to pay these fees will be considered Administrative noncompliance.~~

## B. Non-Compliant Properties

DCA will assess additional fees to projects having instances of DCA or program noncompliance that require additional review and follow-up.

## C. HOME Asset Management Fees

Developments with DCA HOME will pay an ongoing annual asset management fee while HOME restrictions apply.

## ~~XII.X.~~ 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.

## ~~XIII.XI.~~ MONITORING AND COMPLIANCE

### A. Construction Monitoring

#### 1. Requirements

Construction work must adhere to the standards and requirements contained in this Plan, the respective DCA Architectural program manuals, the Application, LURC ~~or LURA~~, and all manufacturers recommended installation procedures/guidelines.

#### 2. Inspections

- After Application award ~~all Owners will be~~ DCA will assigned a ~~DCA approved and~~ contracted inspector ~~to perform quarterly increment inspections and complete DCA inspection checklist~~

~~along with report form. Reports must address any concerns pertaining to construction draws, quality, safety, progress and, if applicable, resident safety and treatment of resident belongings.~~

- DCA and/or the assigned ~~DCA approved~~ inspector may perform monthly and/or unannounced visits for any instances of non-compliance.
- ~~Quarterly increment inspections will be billed directly to DCA (see Exhibit A for reference).~~ Additional costs for inspections required due to non-compliance will be the responsibility of the Owner.
- All properties funded with a DCA ~~Georgia Housing and Finance Authority (GHFA)~~ loan and/or grant ~~(including but not limited to: HOME, NHTF, CDBG-DR, TCAP, etc.)~~ will continue with monthly inspections by ~~a DCA assigned and~~the contracted inspector. ~~Billing for monthly inspections on GHFA loan and/or grant properties will be discussed at the required Pre-Construction Conference for payment at the DCA Commencement Submission.~~

### 3. Construction Non-compliance Determinations

- ~~Quality and safety: DCA will determine construction quality and safety non-compliance by how long the Project Team takes to resolve issues identified in requested inspection reports.~~ A DCA inspector must return to the site in the below timeframes to confirm issue resolution.
  - 48 hours for site safety, resident safety, and treatment of resident belongings;
  - three months for construction quality.
- ~~Progress:~~DCA will determine construction progress non-compliance based on an exchange of 9% Credits or an extension of a statutory place in service deadline.

### 4. Construction Non-compliance Penalties

Upon determining non-compliance, DCA may:

- Require a cease of construction activity for findings related to safety.
- Cease reviewing pending Applications for which any Project Team member is the same as for the development exhibiting non-compliance.
- Impose the following restrictions on Applications for which any Project Team member is the same as that for the development exhibiting non-compliance:
  - o No more than one award per competitive round;
  - o General Contractor must not have an identity of interest relative to any other Project Team member.

## B. Credit Compliance Monitoring Procedures

~~See DCA Compliance Manual and addendum to the QAP, Compliance Monitoring Procedures, Requirements, and Penalty Criteria.~~ DCA ~~may 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 DCA Compliance manual and in the ~~IRS-issued~~ "Guide for Preparing Form 8823" ~~currently in effect~~revised in ~~January 2011~~. Changes and updates to these materials can be found on the Compliance Section of the DCA web site.

~~Monitoring Fees~~ DCA charges a monitoring fee for all 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, Pre-Application Fees and Deadline Schedules.

~~Additional fees may be charged to properties that require additional follow-up due to non-compliance findings. See the DCA website for all compliance monitoring fees. Failure to pay these fees will be considered an Administrative noncompliance issue.~~

~~DCA charges an asset management fee for all HOME-funded developments (See 2013 Final HOME Rule). Recipients will be required to pay the fee annually during the affordability period as indicated in Exhibit A, Pre-Application Fees and Deadline Schedules. Failure to pay these fees will be considered Administrative noncompliance.~~

### C. DCA-Provided Reasonable Accommodation

If an otherwise qualified individual with a disability requires an accommodation such as a modification to a DCA policy, DCA will provide such accommodation unless doing so would result in a fundamental alteration in the nature of the program or an undue financial and administrative burden. In such a case, DCA may recommend another accommodation that would not result in a financial or administrative burden.

### D. VAWA and Screening Criteria ~~Housing Rights for Victims of Domestic Violence, Dating Violence, Sexual Assault, and Stalking~~

An Owner awarded Federal Credits and/or a HOME Loan must comply with the provisions of the Violence Against Women Reauthorization Act of 2013 (VAWA 2013) and any final rule promulgated pursuant thereto.

### E. Screening Criteria

All properties ~~awarded under the Plan~~ must comply with the HUD Office of General Counsel's "Guidance on Application of Fair Housing Act Standards to the Use of Criminal Records by Providers of Housing and Real Estate-Related Transactions" memorandum dated April 4, 2016 (unless superseded). ~~have a clearly defined screening policy that establishes criteria for renting to prospective residents and, at a minimum, include the following:~~

- ~~• Arrests records are not a valid reason to deny an applicant housing.~~
- ~~• Applicants with a criminal conviction may be denied housing only if the reason for their convictions clearly demonstrates that the safety of residents and/or property is at risk.~~
- ~~• No blanket terms such as "Any criminal convictions will be denied."~~

## **XIV.XII. MODIFICATION/WAIVER OF PLAN**

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, and to administer, operate, and manage allocations of Credits and ~~federal funding 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 ~~federal funding 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 federal funding~~ allocations pursuant to the Plan.

### **Federal Regulatory Compliance**

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 ~~federal funding the HOME Loan Program~~.

### **Minor Modifications**

The Commissioner of DCA, acting as Executive Director of GHFA, is also granted the authority to make minor modifications to the Plan to clarify provisions and correct inconsistencies. Such modifications include but are not limited to changes in Application Submission date or any other deadline listed in this document. Generally, DCA will not waive QAP requirements unless there is a specific process for a waiver described in a QAP requirement.

### **Material Amendments**

This QAP is intended to apply to 9% and 4% Credits/Bonds Competitive Rounds held during calendar years 2024 and 2025. If during this timeframe program staff must amend the QAP subsequent to Governor approval and such amendment does not constitute a change due to federal regulatory compliance or a minor modification as defined above, DCA will implement the amendment through the following procedures:

- DCA will publish the proposed amendment(s) for a 30-day public comment period
- DCA will hold a public hearing
- Following both of the above, staff will submit the amended QAP to the DCA Board for approval



# Exhibits to Core Plan

## A. DCA Fees Schedule

| <u>Fees</u>                                            |                                                                                                                                                             | <u>9% Deadline</u>                             | <u>4% Deadline</u>                             |
|--------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------|
| <u>Pre-Competitive Submission</u>                      |                                                                                                                                                             |                                                |                                                |
| <u>Qualification Determination (Required)</u>          | <u>\$2,000</u> <ul style="list-style-type: none"> <li>Any change in Project Team requires a separate QD fee</li> </ul>                                      | <u>60 Days Prior to Competitive Submission</u> | <u>60 Days Prior to Competitive Submission</u> |
| <u>Competitive Submission</u>                          |                                                                                                                                                             |                                                |                                                |
| <u>2024-2025 Competitive Application Fee</u>           | <ul style="list-style-type: none"> <li>\$10,000 For Profits</li> <li>\$10,000 For Profits/Non-profits Joint Venture</li> <li>\$8,000 Non-profits</li> </ul> | <u>Invoice Deadline</u>                        | <u>Invoice Deadline</u>                        |
| <u>Waiver/Threshold Review</u>                         |                                                                                                                                                             |                                                |                                                |
| <u>Optional Amenity Request Fee</u>                    | <u>\$2,500 per request</u>                                                                                                                                  | <u>Invoice Deadline</u>                        | <u>Invoice Deadline</u>                        |
| <u>Architectural Standards &amp; Design Waiver Fee</u> | <u>\$2,500 per waiver</u> <ul style="list-style-type: none"> <li>Up to 10 Items per Waiver</li> </ul>                                                       | <u>Invoice Deadline</u>                        | <u>Invoice Deadline</u>                        |
| <u>Underwriting Waiver Fee</u>                         | <u>\$1,500 per waiver</u>                                                                                                                                   | <u>Invoice Deadline</u>                        | <u>Invoice Deadline</u>                        |
| <u>Loan Underwriting Fee (GHFA Loans only)</u>         | <u>\$15,000 per Loan</u> <ul style="list-style-type: none"> <li>Only applicable if GHFA provides a loan</li> </ul>                                          | <u>Invoice Deadline</u>                        | <u>Invoice Deadline</u>                        |
| <u>Appraisal Fee</u>                                   | <u>Based on DCA cost</u><br><br><u>Only applicable if GHFA provides a loan or an additional appraisal is required</u>                                       | <u>Invoice Deadline</u>                        | <u>Invoice Deadline</u>                        |
| <u>Environmental Review Costs</u>                      | <u>Based on actual costs incurred by DCA to retain consultants</u>                                                                                          | <u>Invoice Deadline</u>                        | <u>Invoice Deadline</u>                        |
| <u>Post-Award</u>                                      |                                                                                                                                                             |                                                |                                                |

|                                                       |                                                                                 |                                                                                                                                  |                                                                            |
|-------------------------------------------------------|---------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|
| <u>Allocation/Credit Processing Fee</u>               | <u>8% of annual Federal Credit amount</u>                                       | <u>5th day following the month of the Carryover Allocation Date. (Non-profit sole general partners may request an extension)</u> | <u>5th day following the month of the issuance of the tax-exempt bonds</u> |
| <u>Post-Award Project Concept Change Fee</u>          | <u>\$2,500 per request</u>                                                      | <u>Invoice Deadline</u>                                                                                                          | <u>Invoice Deadline</u>                                                    |
| <u>Construction Monitoring Inspection Fee</u>         | <u>\$8,000 per development</u>                                                  | <u>March 30<sup>th</sup>, 2025/2026</u>                                                                                          | <u>August 30<sup>th</sup>, 2025/2026</u>                                   |
| <u>Credit Compliance Monitoring Fee</u>               | <u>See DCA website for applicable Credit Compliance Monitoring Fees</u>         | <u>Placed-in-service date</u>                                                                                                    | <u>Placed-in-service date</u>                                              |
| <u>Final Allocation Application Re-Submission Fee</u> | <u>\$1,500 per request</u>                                                      | <u>At time of request</u>                                                                                                        | <u>At time of request</u>                                                  |
| <b><u>Post-Stabilization</u></b>                      |                                                                                 |                                                                                                                                  |                                                                            |
| <u>Management Company Approval Fee</u>                | <u>See the DCA Management Company Approval policy</u>                           | <u>Prior to any change</u>                                                                                                       | <u>Prior to any change</u>                                                 |
| <u>Post-Stabilization Project Concept Change Fee</u>  | <u>See the DCA Management Company Approval policy</u>                           | <u>At time of submission of request for amendment</u>                                                                            | <u>At time of submission of request for amendment</u>                      |
| <u>Non-Compliance Fee</u>                             | <u>See the DCA website for the full list of applicable non-compliance fees.</u> | <u>Due within 15 days of invoicing by DCA</u>                                                                                    | <u>Due within 15 days of invoicing by DCA</u>                              |

## B. DCA Post-Award Checklist and Deadlines

### ~~EXHIBITS TO CORE PLAN~~

| <u>Requirement</u>                                                         | <u>DCA Submission</u>                                                     | <u>9% Deadline</u>                                                                         | <u>4% Deadline</u>                                                                           |
|----------------------------------------------------------------------------|---------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| <u>Pre-Construction Commencement</u>                                       |                                                                           |                                                                                            |                                                                                              |
| <u>60 Day Submission</u>                                                   | <u>See DCA website for forms</u>                                          | <u>No later than March 30, 2024/2025</u>                                                   | <u>No later than 60 days after announcement of awards (including projects with DCA HOME)</u> |
| <u>DCA Review Submission (HOME Loans Only)</u>                             | <u>See DCA website for forms</u>                                          | <u>Due 45 days prior to Construction Loan Closing (Must include Front End Cost Review)</u> | <u>Due 45 days prior to Construction Loan Closing (Must include Front End Cost Review)</u>   |
| <u>HOME Construction Loan Closing Submission</u>                           | <u>See DCA website for forms</u>                                          | <u>Due 10 days prior to DCA Construction Loan Closing</u>                                  | <u>Due 10 days prior to DCA Construction Loan Closing</u>                                    |
| <u>Construction Loan / Bond Finance Closing (Tax Credit only Projects)</u> | <u>NONE</u>                                                               | <u>No Later than November 15, 2024/2025</u>                                                | <u>Within 180 days of LOD Issuance</u>                                                       |
| <u>Commencement Submission</u>                                             | <u>See DCA website for forms</u>                                          | <u>Due October 15, 2024/2025 (Due 30 days prior to construction commencement)</u>          | <u>Due 30 days prior to construction commencement</u>                                        |
| <u>Post-Construction Completion</u>                                        |                                                                           |                                                                                            |                                                                                              |
| <u>Deadline to Place in Service</u>                                        | <u>DCA PIS Notification (within 30 days of first building's PIS date)</u> | <u>December 31<sup>st</sup>, 2027/2028</u>                                                 | <u>December 31<sup>st</sup>, 2027/2028</u>                                                   |
| <u>Final Inspection Submission (Tax Credits Only Projects)</u>             | <u>See DCA website for forms</u>                                          | <u>Due within 30 days of final retainage draw certified date</u>                           | <u>Due within 30 days of final retainage pay app</u>                                         |

|                                                                      |                                                 |                                                                                       |                                                                                       |
|----------------------------------------------------------------------|-------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| <u>Construction Clearance Submission (Tax Credits Only Projects)</u> | <u>See DCA website for forms</u>                | <u>March 30<sup>th</sup>, 2028/2029</u>                                               | <u>March 30<sup>th</sup>, 2028/2029</u>                                               |
| <u>Completion of Work Scope</u>                                      | <u>See DCA website for forms</u>                | <u>December 31<sup>st</sup>, 2027/2028</u>                                            | <u>December 31<sup>st</sup>, 2027/2028</u>                                            |
| <u>LURC Execution</u>                                                | <u>Submit with Final Allocation Application</u> | <u>Prior to submission of Final Allocation Application</u>                            | <u>Prior to submission of Final Allocation Application</u>                            |
| <u>Affirmative Fair Housing Marketing Plan (AFHMP)</u>               | <u>Submit with Final Allocation Application</u> | <u>Prior to lease-up. No later than 30 days after 1st building placed in service.</u> | <u>Prior to lease-up. No later than 30 days after 1st building placed in service.</u> |
| <u>Final Allocation Application Submission</u>                       | <u>See DCA website for forms</u>                | <u>September 30<sup>th</sup>, 2028/2029</u>                                           | <u>September 30<sup>th</sup>, 2028/2029</u>                                           |
| <u>Average Income Compliance Monitoring Policies and Procedures</u>  | <u>N/A</u>                                      | <u>Following 8609 election of average income. Prior to first unit being leased.</u>   | <u>Following 8609 election of average income. Prior to first unit being leased.</u>   |
| <u>8609s with Part II completed and signed</u>                       | <u>Send to DCA</u>                              | <u>Within 60 days of DCA's issuance of IRS Form 8609 Part 1</u>                       | <u>Within 60 days of DCA's issuance of IRS Form 8609 Part 1</u>                       |

## ~~DCA PRE-APPLICATION WAIVER REQUEST FEES AND DEADLINE SCHEDULES~~

### ~~For Profit, Non-profit, and for Profit/Non-profit Joint Ventures~~

|                                                             | <del>Fees</del>                 | <del>9% Deadline</del>     | <del>4% Deadline</del>                             |
|-------------------------------------------------------------|---------------------------------|----------------------------|----------------------------------------------------|
| <del>Architectural Standards &amp; Design Waiver (up-</del> | <del>\$\$2,500 per waiver</del> | <del>Pre-Application</del> | <del>Pre-Application Waiver Request deadline</del> |

|                                                                                                             | Fees                   | 9% Deadline                             | 4% Deadline                                            |
|-------------------------------------------------------------------------------------------------------------|------------------------|-----------------------------------------|--------------------------------------------------------|
| to 10 items per waiver)                                                                                     |                        | ation Waiver Request deadline           |                                                        |
| Optional Amenity Request                                                                                    | \$ \$2,500 per request | Pre-Application Waiver Request deadline | Pre-Application Waiver Request deadline                |
| Qualification Determination (Required for all Deals; any change in Project Team requires a separate QD fee) | \$2,000                | Pre-Application Waiver Request deadline | Competitive Review Application Waiver Request deadline |

|                                                                                        | <b>Fees</b>                     | <b>9% Deadline</b>                                 | <b>4% Deadline</b>                                 |
|----------------------------------------------------------------------------------------|---------------------------------|----------------------------------------------------|----------------------------------------------------|
| <del>Underwriting Waiver</del>                                                         | <del>\$\$1,500 per waiver</del> | <del>Pre-Application Waiver Request deadline</del> | <del>Pre-Application Waiver Request deadline</del> |
| <del>State-Basis Boost request under Section 8.D ("extraordinary circumstances")</del> | <del>NONE</del>                 | <del>Pre-Application Waiver Request deadline</del> | <del>N/A</del>                                     |

|                                                                                 | <b>Fees</b>                                                                                                                                                                                                                                                                       | <b>9% De ad line</b>                              | <b>4% Deadline</b>                      |
|---------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|-----------------------------------------|
| <del>2023</del> 2024-2025 Bond/4% Credit Competitive Review Application         | <ul style="list-style-type: none"> <li>• <del>\$6,500 For Profits</del></li> <li>• <del>\$6,500 For Profits/Non-profits Joint Venture</del></li> <li>• <del>\$5,500 Non-profits (Resubmission fee of</del></li> <li>• <del>\$500 due for incomplete submissions)</del></li> </ul> | N/A                                               | Competitive Review Application deadline |
| <del>2023</del> 2024-2025 9% Credit Application Fee and Third Party Review Fees | <ul style="list-style-type: none"> <li>• <del>\$10,000 For Profits</del></li> <li>• <del>\$10,000 For Profits/Non-profits Joint Venture</del></li> <li>• <del>\$8,000 Non-profits</del></li> </ul>                                                                                | Full Application Competitive Application deadline | N/A                                     |
| Payment & Performance Bond Waiver                                               | \$1,500 per project                                                                                                                                                                                                                                                               | Full Application Competitive Application deadline | N/A                                     |

|                                                                                                | <del>Fees</del> | <del>9% Deadline</del> | <del>4% Deadline</del> |
|------------------------------------------------------------------------------------------------|-----------------|------------------------|------------------------|
| <del>Notification of delayed Financing Awards (AHP) or other competitive funding sources</del> | <del>NONE</del> | <del>7/7/23</del>      | <del>N/A</del>         |
| <del>Alternate Financing Deadline, if Notification deadline has not or will not be met</del>   | <del>NONE</del> | <del>7/21/23</del>     | <del>N/A</del>         |
| <del>Evidence of 8-step process completion</del>                                               | <del>NONE</del> | <del>8/29/23</del>     | <del>N/A</del>         |

## ~~DCA POST AWARD DEADLINES AND FEE SCHEDULE~~

~~For Profit, Non-profit, and for Profit/Non-profit Joint Ventures~~

|                                           | <del>Fees</del>                | <del>9% Deadline</del> | <del>4% Deadline</del>                                    |
|-------------------------------------------|--------------------------------|------------------------|-----------------------------------------------------------|
| <del>DURING SCORING ROUND</del>           |                                |                        |                                                           |
| <del>Project Application Amendments</del> | <del>\$1,500 per request</del> | <del>N/A</del>         | <del>At time of submission of request for amendment</del> |

|                                                                                 | <b>Fees</b>                                                 | <b>9%<br/>Deadline</b>                                                                                                                                           | <b>4%<br/>Deadline</b>                                                         |
|---------------------------------------------------------------------------------|-------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| <b>Environmental Review Costs</b>                                               | Based on actual costs incurred by DCA to retain consultants | Upon invoicing by DCA:                                                                                                                                           | Upon invoicing by DCA:                                                         |
| <b>AFTER CARRYOVER AWARD OR LETTER OF DETERMINATION (LOD)</b>                   |                                                             |                                                                                                                                                                  |                                                                                |
| <b>Post Award/LOD Project Concept Amendments</b>                                | \$2,500 per request                                         | At time of submission of request for amendment                                                                                                                   | At time of submission of request for amendment                                 |
| <b>Management Company Approval per DCA's Management Company Approval policy</b> | See DCA's Management Company Approval policy                | After Award                                                                                                                                                      | At LOD                                                                         |
| <b>Credit Processing Fee</b>                                                    | 8% of annual Federal Credit amount                          | At time Applicant executes the carryover allocation, except for Non-profit sole general partners who can submit at or before construction commencement deadline. | Due by the 5th day following the month of the issuance of the tax-exempt bonds |

|                                                | <b>Fees</b>       | <b>9%<br/>Deadline</b>                                                                     | <b>4%<br/>Deadline</b>                                                                     |
|------------------------------------------------|-------------------|--------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>Appraisal Fee (HOME Loans Only)</b>         | Based on DCA cost | Upon invoicing by DCA during underwriting                                                  | N/A                                                                                        |
| <b>60 Day Submission</b>                       | NONE              | No later than March 30, <del>2024</del> 2025                                               | No later than 60 days after announcement of awards (including projects with DCA-HOME)      |
| <b>Construction Monitoring Inspection Fee</b>  | \$8,000           | Must be included with Construction 60 Day Submission package (see date above for deadline) | Must be included with Construction 60 Day Submission package (see date above for deadline) |
| <b>DCA Review Submission (HOME Loans Only)</b> | NONE              | Due 45 days prior to Construction Loan Closing (Must include Front End Cost Review)        |                                                                                            |

|                                                             | <b>Fees</b> | <b>9%<br/>Deadline</b>                                                                  | <b>4%<br/>Deadline</b>                                                                            |
|-------------------------------------------------------------|-------------|-----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| <b>Front End Cost Review</b>                                |             | Included as part of DCA Commencement Submission (Due October 15, 2024 <del>2025</del> ) | Included as part of DCA Commencement Submission (Due within 30 days of construction commencement) |
| <b>HOME Construction Loan Closing Submission</b>            | NONE        | Due 10 days prior to DCA Construction Loan Closing                                      | Due 10 days prior to DCA Construction Loan Closing                                                |
| <b>LOAN CLOSING</b>                                         |             |                                                                                         |                                                                                                   |
| <b>Construction Loan Closing (Tax Credit only Projects)</b> | NONE        | No Later than November 15, 2024 <del>2025</del>                                         | Within 180 days of LOD Issuance                                                                   |
| <b>CONSTRUCTION COMMENCEMENT</b>                            |             |                                                                                         |                                                                                                   |
| <b>Commencement Submission</b>                              | NONE        | Due October 15, 2024 <del>2025</del> (Due 30 days prior to construction commencement)   | Due 30 days prior to construction commencement                                                    |
| <b>CONSTRUCTION COMPLETION</b>                              |             |                                                                                         |                                                                                                   |

|                                                                     | <b>Fees</b>                                                                     | <b><del>9%</del><br/>Deadline</b>                                                                                                                                                                                                                                                                                                                                                        | <b><del>4%</del><br/>Deadline</b>                                                                                                                                                                     |
|---------------------------------------------------------------------|---------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b><del>Credit Compliance Monitoring Fee</del></b>                  | <del>See the DCA website for applicable Credit Compliance Monitoring Fees</del> | <del>No later than the Placed in Service date</del>                                                                                                                                                                                                                                                                                                                                      | <del>No later than the Placed in Service date</del>                                                                                                                                                   |
| <b><del>DCA Placed in Service Notification</del></b>                |                                                                                 | <del>Within 30 days of the 1st building being placed in service</del>                                                                                                                                                                                                                                                                                                                    | <del>Within 30 days of the 1st building being placed in service</del>                                                                                                                                 |
| <b><del>Certificates of Occupancy/ Placement – In Service</del></b> | <del>NONE</del>                                                                 | <ul style="list-style-type: none"> <li><del>Issued by local jurisdiction/all buildings placed in service before end of business: Dec 31, 2025</del>2026 for <del>2023</del>2024 allocated credits</li> <li><del>Issued by local jurisdiction/all buildings placed in service before end of business: Dec 31, 2025</del>2026 for <del>2024</del>2025 forward allocated credits</li> </ul> | <ul style="list-style-type: none"> <li><del>Issued by local jurisdiction/all buildings placed in service before end of business: Dec 31, 2025</del>2026 for <del>2023</del>2024 LOD Awards</li> </ul> |

|                                                                | <b>Fees</b> | <b>9%<br/>Deadline</b>                                                                                                                                                                                                            | <b>4%<br/>Deadline</b>                                                         |
|----------------------------------------------------------------|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| <b>Completion of Work Scope</b>                                | NONE        | No later than:<br><ul style="list-style-type: none"> <li>Dec 31, 2025<del>2026</del> for 2023<del>2024</del> allocated credits</li> <li>June 30, 2026<del>2027</del> for 2024<del>2025</del> forward allocated credits</li> </ul> | No later than Dec 31, 2025 <del>2026</del> for 2023 <del>2024</del> LOD Awards |
| <b>Affirmative Fair Housing Marketing Plan (AFHMP)</b>         | NONE        | Prior to lease-up. No later than 30 days after 1st building placed in service.                                                                                                                                                    | Prior to lease-up. No later than 30 days after 1st building placed in service. |
| <b>PREPARING FOR ISSUANCE OF 8609S</b>                         |             |                                                                                                                                                                                                                                   |                                                                                |
| <b>LURC Execution</b>                                          | NONE        | Prior to submission of final allocation application                                                                                                                                                                               | At or prior to bond closing                                                    |
| <b>Final Inspection Submission (Tax Credits Only Projects)</b> | NONE        | Due within 30 days of final retainage draw certified date                                                                                                                                                                         | Due within 30 days of final retainage pay app                                  |

|                                                                               | <b>Fees</b>                    | <b>9%<br/>Deadline</b>                                                                                                                                                                                                                                                     | <b>4%<br/>Deadline</b>                                                                                        |
|-------------------------------------------------------------------------------|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| <del>Final Allocation Application Submission</del>                            | <del>NONE</del>                | <ul style="list-style-type: none"> <li>February 15, <del>2026</del>2027 for <del>2023</del>2024 allocated credits</li> <li>September 30, <del>2026</del>2027 for <del>2024</del>2025 forward allocated credits</li> </ul>                                                  | <del>September 13, 2026</del> 2027 for <del>2023</del> 2024 LOD Awards                                        |
| <del>Final Allocation Application Re-Submission</del>                         | <del>\$1,500 per request</del> | <del>At time of request</del>                                                                                                                                                                                                                                              | <del>At time of request</del>                                                                                 |
| <del>Construction 8609 Clearance Submission (Tax Credits Only Projects)</del> | <del>None</del>                | <ul style="list-style-type: none"> <li>Prior to final allocation of resources:</li> <li>February 15, <del>2026</del>2027 for <del>2023</del>2024 allocated credits</li> <li>September 30, <del>2026</del>2027 for <del>2024</del>2025 forward allocated credits</li> </ul> | <del>Prior to final allocation of resources September 13, 2026</del> 2027 for <del>2023</del> 2024 LOD Awards |
| <del>Average Income Compliance Monitoring Policies and Procedures</del>       | <del></del>                    | <del>Following 8609 election of average income. Prior to first unit being leased.</del>                                                                                                                                                                                    | <del>Following 8609 election of average income. Prior to first unit being leased.</del>                       |

|                                                                                                                        | <del>Fees</del>                                                                     | <del>9%<br/>Deadline</del>                                          | <del>4%<br/>Deadline</del>                                          |
|------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------|
| <del>AFTER 8609S ARE ISSUED (DURING COMPLIANCE PERIOD)</del>                                                           |                                                                                     |                                                                     |                                                                     |
| <del>8609s with Part II completed and signed</del>                                                                     |                                                                                     | <del>Within 60 days of DCA's issuance of IRS Form 8609 Part 1</del> | <del>Within 60 days of DCA's issuance of IRS Form 8609 Part 1</del> |
| <del>Post Stabilization Project Concept Changes (Ownership/GP Change; Amenities change; Loan Modification, etc.)</del> | <del>\$1,500 per request</del>                                                      | <del>At time of submission of request for amendment</del>           | <del>At time of submission of request for amendment</del>           |
| <del>Non-Compliance Fees</del>                                                                                         | <del>See the DCA website for the full list of applicable non-compliance fees.</del> | <del>Due within 15 days of invoicing by DCA</del>                   | <del>Due within 15 days of invoicing by DCA</del>                   |



STATE OF GEORGIA ~~2023~~  
2024-2025

QUALIFIED ALLOCATION PLAN

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# Threshold Criteria

## ~~I. APPLICABILITY OF THRESHOLD CRITERIA~~

~~To be considered for an allocation of DCA resources: an Applications must meet all applicable Threshold requirements described below.~~

- ~~● Applications must be complete when submitted.~~
- ~~● Applications that contain a significant number of missing or incomplete documents will be returned to the Applicant and be deemed a Threshold failure.~~
- ~~● Applications that are deemed a Threshold failure will not be scored by DCA.~~

### ~~A. 4% Credits/Bonds Applications~~

#### ~~1. Competitive Review Application~~

- ~~● All Applications must meet the following requirements:
  - ~~○ Market Feasibility~~
  - ~~○ Site Control~~
  - ~~○ Experience, Capacity, and Performance Requirements for General Partners and Developer Entities~~
  - ~~○ Additional Requirements for 4% Credits/Bonds Competitive Review Applications~~
    - ~~— Site Information and CSDP Conceptual Site Development Plan~~
    - ~~○ Environmental Requirements (USDA Portfolio Applications can meet at Full Application)~~~~
- ~~● New Supply and Preservation Applications must also meet Environmental Requirements.~~
  - ~~○ USDA Portfolio Applications can meet Environmental Requirements at the Full Application stage.~~
- ~~● Applications proposing New Supply for all or some of the proposed units must meet the following requirements:
  - ~~○ Site Zoning~~
  - ~~○ Public Water/Sanitary Sewer~~
  - ~~○ Operating Utilities~~~~
- ~~● DCA will conduct the Optimal Utilization of Resources review.~~

#### ~~2. Pre-Application~~

~~Pre-Applications are not required for all developments. See **(Core Plan) Pre-Application Determinations** for more information.~~

~~3. Full Application~~

~~A Full Application comprises documentation necessary to meet all Threshold Criteria applicable to the development not previously approved during the Pre-Application or Competitive Review stages.~~

~~B. 9% Credits Applications~~

~~For 9% Credits Applications, all Threshold Criteria applicable to the development must be met at the Full Application stage. Please review individual Threshold Criteria to confirm applicability.~~

## II.I. PROJECT FEASIBILITY, VIABILITY ANALYSIS & CONFORMANCE WITH PLAN

Section 42 requires that the housing credit dollar amount allocated to a project not exceed the amount that DCA determines is necessary for the financial feasibility of the project and its viability as a qualified low-income housing project through the credit period.

### A. Feasibility Assumptions and Policies

Applicants must use DCA’s underwriting assumptions in Exhibit A and, if applicable, DCA HOME underwriting assumptions in the Submitted Application pro forma. ~~DCA’s underwriting assumptions can be found in Exhibit A of Threshold Criteria.~~

- ~~The application ownership entity for the proposed project must be structured as a single purpose entity and must be able to clearly show that the project is financially sustainable based on income from operations.~~
- The sources and uses must be verifiable ~~and available~~ at the time of Application.
- Commitment letters must demonstrate that there will be no shortfall of funds during the construction period.
- Owner contributions outside of deferred developer fee will are ~~not be considered~~ an allowable source ~~for the property’s permanent financing~~ at the time of Application submission.
- Deferred developer fee, as a construction source, cannot exceed the developer fee amount earned during the construction period.
- DCA may require documentation not specifically included in the minimum documentation requirements ~~to verify the reasonableness of operating costs.~~

In addition, DCA will use the following policies ~~will be utilized in to~~ determining whether a project is feasible:

1. **Certifications**

The Applicant must certify to DCA all

- ~~the full extent of all~~ federal, state, and local subsidies that apply (or which the ~~a~~Applicant expects to apply) to the project; ~~The Applicant must also certify to the Agency~~
- ~~all~~ other sources of funds; and
- ~~all~~ development costs for the project.

All financing agreements and sources must be reflected in the submitted pro forma.

## 2. Ancillary Income

~~Rental income plus ancillary income up to DCA will allow~~ a maximum of 2% of gross potential rents (GPR) ~~will be used~~ in the cash flow analysis. ~~Applicants should justify the source of ancillary income in the justification section of the Application. DCA will consider~~ Tax abatements and exemptions, interest credit payments, and other documented sources of commonly accepted forms of expense off-sets, ~~will also be considered, however, income from commercial space, fees, charitable contributions or owner contributions are not an eligible source of revenue for purposes of the cash flow analysis will not be considered.~~

## 3. Reasonableness of Costs

~~In order to be eligible for selection, DCA must will~~ determine ~~that whether~~ proposed costs are reasonable ~~based on an examination of all soft costs and hard costs listed in the Application. DCA will thoroughly examine construction costs, soft costs and land costs. It will also consider variations in costs due to project location, type of construction, and population served. Additionally, DCA will compare proposed project costs to other Applications submitted in the funding round, to certified cost data on existing Housing Credit developments in the State portfolio, as well as to the actual costs of other non-luxury multifamily housing located in the same geographic areas. Applications which do not demonstrate~~ge cost reasonableness will be ineligible for an ~~award~~allocation of credits. ~~In general, property asset management fees should be funded from operating income and not from development sources.~~

~~Applicants must measure and input residential square footage in their core applications as the area of an individual unit that is available for the exclusive use of the resident (see Architectural Standards for definition of "residential square footage").~~

~~DCA may request a breakdown of the hard construction cost line items in the event that it determines that the proposed costs do not appear to be reasonable and consistent with the scope of work for the project or obtain a review of costs from a qualified outside source during Application review. DCA will review land costs carefully to determine that there has been no unjust enrichment to any party and that the parties have not overpaid for a proposed project site. During Application review or as a condition of selection, DCA may order an appraisal, to be paid for by the Applicant, to determine the reasonableness of the contract price for land and/or buildings. DCA may require documentation not specifically included in the minimum documentation requirements to verify the reasonableness of development costs.~~

DCA will adjust construction costs to more accurately reflect industry standards. ~~These changes may result in a decrease in credits awarded to a selected Application. Development budget. Such adjustments made by DCA must be covered by deferred developer fee.~~

#### 4. Reasonableness of Federal and State Equity Pricing

~~The Code requires that allocation of credit may not exceed the amount necessary for the financial feasibility and long term viability of the project. DCA will evaluate the reasonableness of the submitted equity price with the information available and DCA~~ may adjust the pricing and/or the amount of credits to reflect more accurate market conditions and/or industry standards.

DCA will underwrite all 9% Applications at no less than 90% of the median equity price based on applications submitted in this round. DCA will determine the median price in each geographic pool for purposes of making this adjustment. Applicants that receive a lower credit allocation as a result of this determination must submit an amended equity commitment letter or a revised pro forma showing how any funding gaps will be covered prior to the issuance of a carryover allocation.

DCA will also adjust credit prices for underwriting purposes if the equity market and/or current tax credit price significantly change during the review of the Application. Any change will be posted prior to DCA making the adjustment along with specific directions on how resulting gaps must be covered.

~~DCA will not subtract points for adjusting credit pricing under this paragraph.~~

#### 5. Reasonableness of Operating Costs

Applications must reasonably estimate operating expenses for a submitted project; ~~failure to do so may result in being ineligible. Projects that do not provide a reasonable estimate of operating costs may be determined to be infeasible.~~ DCA will adjust operating costs that do not appear to reflect reasonable costs.

##### Minimum Documentation:

- Supporting documentation including calculation and methodology from service provider for estimates of impact fees, taxes, and property insurance. (An example of documentation justifying real estate taxes would be documentation of taxes paid by other LIHTC properties in the same assessment area but does not include projected tax appeals).
- Annual operating expenses which differ significantly from average costs for the project area will require clear documentation of the basis for the deviation.

#### 6. Rent

Rents should be based on the most up-to-date information available when submitting the Full Application.

~~9% Competitive Round feasibility analysis:~~

- ~~• 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.~~

~~a) National Non-Metropolitan. Applications without HOME funding which are located in qualified USDA-designated rural areas may utilize National Non-Metropolitan Area Median Income Rents, if applicable. 4% credit projects are not eligible to use National Non-Metropolitan rents.~~

~~b) Tax Credit (only). Gross rents may not exceed 30% of 60% of the effective AMI table for the appropriate bedroom size, unless an applicant is utilizing Income Averaging. Applicants must assume 1.5 persons per bedroom. If an applicant decides to use Income Averaging, DCA's Income Averaging Policy must be followed.~~

~~c) HOME Rents with Tax Credits. For layered projects, the maximum allowable rents must be determined based on the regulations of each program, and the most restrictive rent limit of the programs must be utilized.~~

~~Dwelling unit rents must conform to the LIHTC and/or the HOME regulation's gross rent (contract rent and resident UA) restrictions. Resident 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. Rents must be supported by the Market Study provided by the applicant.~~

~~For Scattered Site projects, all units must meet gross rent and utility allowance restrictions.~~

## 7. Operating Utility Allowance (UA)

For any low-income units where the residents are responsible for any utility costs, the owner must provide utility allowances in accordance with the federal requirements for the associated programs involved, including: according to one of the federally authorized methods as set forth below. Applicable rents and utility allowances, in effect as of January 1, 2023, must be utilized in the Application and market study. In Georgia, the following methods will be used in the order listed:

- ~~• a) USDA-Assisted Buildings. If a building receives assistance from the USDA (formerly called the Farmers 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 UA.~~

~~•~~

~~b) Buildings with USDA-Assisted Residents. 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).~~

~~•~~

~~c) 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 UA is used. This rule doesn't apply to buildings that have only FHA-insured mortgages.~~

~~•~~

~~d) Tax Credit Buildings with no federal funding no HOME. The applicant may use the UA established by the Public Housing Agency (PHA) that administers the Section 8 Program in the locality where the property is located, HUD Utility Schedule Model, Utility company estimate, or Energy Consumption Model, as allowed under Section 42 of the IRS Code, according to regulation 1.42-10 Utility Allowances.~~

~~•~~

~~e) Tax Credit buildings with federal funding & HOME Assisted Buildings. For all HOME properties funded beginning January 25, 2016, an individual utility allowance must be determined using the HUD Utility Schedule Model, or other model(s) approved by HUD.~~

~~•~~

**Minimum Documentation:**

- Current applicable UA.
- If the HUD Utility Model or allowable comparable model ~~is used~~, all documentation used in the calculation must be submitted.
- If ~~the submitting~~ Energy Consumption Model, include qualifications documentation for the professional providing the model consistent with DCA Compliance Monitoring requirements for utility allowance methodology change requests.

**8. Project Based Rental Assistance (PBRA)/Rental Assistance Demonstration Program (RAD)**

Projects with PBRA ~~that have with~~ less than ten years remaining from ~~the~~ Application Submission Date, must be underwritten within the maximum tax credit rents and/or HOME rents, as applicable. (All units with High HOME rents and PBRA must be underwritten at the maximum HOME rent).

**Minimum Documentation:**

- PBRA agreement, including most recent rent and utility allowance adjustment.
- Commitment for PBRA renewal, if applicable.

**9. Deferred Developer Fee**

Any Deferred Developer Fee shown in the Application must be included as a source of funding in the calculation of Credit. ~~This policy will apply~~ at application, carryover, and final allocation. All Deferred Developer fee should be in the form of a note and incorporated into the limited partnership agreement along with a detailed repayment schedule and specific terms. DCA will consider ~~the terms and conditions contained in the debt and equity commitments in determining~~ the project’s ~~debt service coverage and~~ ability to pay deferred Developer Fee within 15 years. ~~The following are also applicable:~~

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.

- ~~For purposes of calculating the project’s annual debt service coverage ratio, the deferred Developer Fee will not be included as debt service.~~

**10. Market Units**

Any and all costs directly associated with developing and operating unrestricted units must be:

- Included in the Application’s development budget and pro forma.
- Covered by unrestricted financing sources.

The market rate units to total units percentage must be less than or equal to the unrestricted permanent financing to total development cost percentage. Deferred developer fee is considered an unrestricted financing source for purposes of this section.

**11. Commitments**

Funding source ~~C~~commitments must be for each individual application and not be combined for more than one application.

- a) Original executed preliminary commitments for all financing must be submitted with the Application (as applicable), including, but not limited to, the following:
  - i. Construction financing.
  - ii. Non-DCA permanent financing.
  - iii. Bridge loans, if applicable.
  - iv. Project Based Rental Assistance agreements.
  - v. Operating subsidy agreements.
  - vi. Limited partner (tax credit) equity.

- vii. HUD letters by an authorized official from the Multifamily Housing Division stating that the application is under serious consideration and Lender Preliminary Commitments for HUD assisted projects under 221(d)(3), 221(d)(4), 223(f), or 202 programs may be submitted with the Application, but owners must submit final MAP Invitations ~~must be submitted~~ by the deadline noted on Exhibit A to Core Plan, DCA- Pre-application and Pre-Award Deadlines and Fee Schedule.
  - viii. ~~USDA Notice to Proceed (or equivalent) with application processing and L~~ender preliminary commitments are required for loans to be guaranteed under the USDA Section 538 Guaranteed Rural Rental Housing Program. The commitment should clearly state any USDA guarantees and fees associated with the program. Any grants or other forms of assistance utilized during the construction period or utilized as permanent financing must be documented.
  - ix. Applications that include costs associated with pre-development financing must provide copies of the loan documents ~~(Note, Loan Agreement, Guarantees, Security Documents)~~ if the loan has closed, or an original commitment from the proposed lender.
  - x. Federal Home Loan AHP financing commitment from either the Federal Home Loan Bank to the non-profit entity or to the ownership entity ~~is required~~. If the commitment is to the non-profit entity, then the non-profit entity should provide a preliminary commitment to the ownership entity.
  - xi. Projects proposing the utilization of Historic Tax Credits must provide a historic tax credit syndicator letter and documentation of the designation for the subject project through the National Register.
- b) In the case of public financing which is under final consideration at the time of Application, but is not awarded funding, the Applicant may secure alternate financing provided related Application documents are submitted to DCA on or before the date noted on Exhibit A DCA ~~Pre-application and Pre-Award Deadlines and Fee Schedule~~ to Core Plan. Failure to provide the required documentation for USDA, FHLB-AHP, HUD alternative financing, and/or the National Historic designation as stated above may result in a Threshold failure.
- c) The preliminary commitments must disclose, at minimum, the following (as applicable):
- i. The purpose of the loan and use of proceeds.
  - ii. The property address.
  - iii. The loan amount.
  - iv. The interest rate applicable to the construction period. If the construction period rate is floating, the rate index, spread, and the frequency of adjustment must be clearly identified. DCA will utilize the applicable rate effective as of May 1, ~~2023~~2024 and May 1, 2025.
  - v. The interest rate applicable to the permanent period. If the interest rate is to be fixed at the time of funding, the rate index and credit spread must be clearly identified and the indicative rate as of the date of the preliminary commitment must be provided.
  - vi. All "add-ons" to the base interest rate, including but not limited to MIP, USDA annual guarantee fee, servicing fees, Ginnie Mae guarantee fees, trustee fees, issuer fees, application fees, origination and any additional underwriting fees must be clearly identified in the commitment letter.

- vii. The general and specific terms and conditions of the loan.
- viii. The amortization period and term of the loan.
- ix. Equity ~~Commitment Letters are required to contain, at minimum, equity~~ pricing, total capital contribution amount, an estimated pay-in schedule, and any reserve requirement.
- x. All reserves required by the lender/syndicator, including but not limited to replacement reserves, operating deficit reserves, HUD-required program reserves, and USDA-required program reserves.
- xi. ~~A preliminary financing commitment must include t~~The amount of the asset management fee, ~~and whether or not the asset management fee will be increased annually; if increased, the commitment must include~~ the rate of increase, and the priority of payment ~~of the asset management fee.~~
- xii. In the case of loans to be guaranteed under the USDA Section 538 Guaranteed Rural Rental Housing Program, the lender must specify if the annual USDA guarantee fee will be paid out of the lender’s principal and interest payments.
- xiii. Applicants ~~that propose financing structures with government program loans~~ are responsible for correctly reflecting the terms of the loan and determining whether the funds were originally “federal funds.”

**Minimum Documentation:**

- Commitment letters meeting above requirements.
- If utilizing a construction loan, applicant must provide evidence for construction interest expense estimate (e.g., draw schedule, written justification).
- Existing LURC, ~~LURA~~, or other affordability use restrictions and amendments (if applicable).

**12. Assumption of Existing Debt**

~~The Application must disclose A~~any existing debt that is not paid in full at closing, ~~must be disclosed as part of the Application. This includ~~ing existing debt which may be forgiven in part, or recycled back into the property as new debt. (Debt that is not paid in full will be considered in the appraised value of the property for purposes of determining whether the purchase price is reasonable.)

The following supporting documentation must be included for all existing debt that is in any part of the new financing structure:

- a) An approval letter signed by an officer of the lender whose debt is being assumed which certifies, no less than thirty days prior to Application Submission ~~day~~:
  - i. The original principal balance ~~of the loan.~~
  - ii. The current outstanding principal balance ~~of the loan.~~
  - iii. The current accrued and unpaid interest.
  - iv. The current effective interest rate applicable ~~to the loan.~~
  - v. The original date ~~of the loan.~~
  - vi. The maturity date ~~of the loan.~~

- vii. Annual debt service.
  - viii. The amortization period applicable to the original loan.
  - ix. 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.
  - x. The type and current balances of any outstanding reserve accounts for existing loans and their disposition upon the sale of the project, if applicable.
- b) A copy of the original Promissory Note and any amendments and/or modifications ~~s to said Promissory Note.~~
  - c) A copy of the original Loan Agreement and any amendments and/or modifications ~~s to said Loan Agreement.~~
  - d) 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 modifications ~~s to said security instruments.~~
  - e) Board resolutions approving the restructuring or assumption of existing debt.

~~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.~~

## B. DCA Analysis of Feasibility During the Competitive Round

1. ~~Total development cost may be decreased or increased by DCA during its review if it is determined that line items are not reasonable or do not accurately reflect the supporting documents. Development budget adjustments made by DCA must be covered by deferred developer fee. Development costs may not be increased by the Applicant during DCA's review.~~
  - ~~No new financing sources may be added or existing financing sources modified.~~
  - ~~Credits will be adjusted accordingly for each adjustment. DCA will not increase C credits will not be increased~~ above the amount requested in the Application. Applicants may not request that one line item be reduced in order to increase or add an additional line item during the threshold clarification period.
2. DCA will not make the following revisions during its analysis of feasibility:
  - a) Unit count, income mix and bedroom type.
  - b) Rent structure (rents may be adjusted upward or downward by DCA to meet applicable program requirements).
  - c) Operating expenses proposed by the Applicant decreased to make the project feasible.

## III. TENANCY CHARACTERISTICS

All Applicants must designate the proposed development as targeting one of the following tenancies:

## A. Family Development

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

## B. Senior Development

A Senior development meets one of the ~~following requirements:~~

1. Intended for, and solely occupied by, individuals 62 years of age or older; or
2. ***Housing for Older Persons:*** Intended and operated for occupancy by individuals 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 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. Housing for Older Persons includes HUD PHA properties that have a combined senior and disabled tenancy. For further information, see DCA defined terms in Core.

## C. Other

Projects that have funding from a program which has a different tenancy definition than those set forth above must contact DCA for instructions prior to submitting documents for Threshold review. ~~on this section no later than the pre-application Waiver Requirements deadline date.~~

Projects that combine senior housing and special needs housing must meet all architectural requirements of senior housing.

## ~~IV.III. REQUIRED SERVICES~~

### ~~A. Family/Senior Properties~~

~~Family Properties must include at least two (2) services from two (2) of the following categories. Senior Properties must include at least four (4) services from three (3) of the following categories.~~

- ~~1. Social and recreational programs (e.g. semi-monthly birthday parties/holiday dinners or parties/potluck dinners, movie nights, bingo).~~
- ~~2. On-site enrichment classes (e.g. budgeting, avoiding identity theft, arts and crafts, computer tutoring, gardening, safety classes such as CPR and household safety).~~
- ~~3. On-site health classes (e.g. nutrition, healthy cooking, asthma management classes and smoking cessation classes, exercise classes such as yoga, Pilates, strength training, group-led aerobic classes, and/or personal fitness).~~
- ~~4. Other services as approved by DCA at pre-application (e.g. alternate services for USDA Rural properties with limited community space, requiring approved support services documentation).~~

### ~~B. Additional Policies Related to Services~~

~~DCA allows full-time activities manager will be allowed in the operating budgets for properties that are with 100 units or more or part-time (on a proportional basis) for smaller projects.~~

~~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.~~

Applications for rehabilitation of existing congregate supportive housing developments must provide a memorandum of agreement with a behavioral health agency, continuum of care, or service provider to ensure the appropriate provision of supportive services.

~~5. Applicants must track resident participation in any on-site services. If participation declines continuously over a six-month window, on-site staff is expected to request resident feedback on the services provided.~~

## V.IV. MARKET FEASIBILITY (MARKET STUDY)

Applicants must submit a market study ~~in accordance with DCA requirements. The study must be prepared~~ by a market analyst approved by DCA ~~in accordance with DCA guidelines and must be in~~ the format required by the DCA Market Study Manual. The market study must be completed no more than 6 months prior to Application Submission. Applicant must ensure ~~that~~ the market study accurately reflects the rental structure and unit mix of the proposed project as reflected in the Core Application, ~~and meets all DCA requirements.~~

~~While DCA will consider the analysis contained in the market study in determining whether the project is marketable, DCA is not bound by the opinion or conclusions reached by the market analyst. DCA and may review the market study, rent rolls, and project data of similar projects located in or near the primary market area in determining~~ whether the project will be able to achieve the desired lease up and maintain feasibility.

~~Bond Applications submitted close to the competitive round may be required to update market studies to reflect 9% Applications pending review with overlapping market areas. Similarly, 9% Applicants may be required DCA may require Applicants to update their market studies during the review period to reflect a pending 4% bond deal projects in overlapping market areas. DCA will consider pending 9% and 4% Applications in its market determinations.~~

~~DCA will consider T~~the following factors ~~will be considered~~ to be indicative of market feasibility ~~for HOME, 4% Credit projects, and 9% Credit projects:~~

- ~~•~~ In Metro Pool areas, market capture rates 30% or less for all 1-bedroom units, 30% or less for all 2-bedroom units, 40% or less for all 3-bedroom units, and 50% or less for all 4 or more bedroom units in the project.
- ~~•~~ In Rural areas, market capture rates of 35% or less for all 1-bedroom units, 35% or less for all 2-bedroom units, 40% or less for all 3-bedroom units, and 50% or less for all 4 or more bedroom units in the project.
- ~~•~~ The overall capture rate for tax credit and market rate units shall not exceed 30% for Applications in a Metro Pool and 35% for Applications in the Rural pool.

- Market capture rates for each bedroom type within each AMI market segment type (i.e. 30%, 50%, 60% & market) shall not exceed 60%.
- Appropriate market area that does not overestimate demand.
- An absorption period less than 24 months to reach stabilized occupancy.
- Stabilized occupancy rate of 93% or above. Analyst must specify what the stabilized occupancy rate will be.
- Unit mixes or target populations supported by the market.
- No more than two DCA funded projects in the primary market area which have physical occupancy rates of less than 90 percent and which compete for the same tenant base as the proposed project.
- Strong overall market and LIHTC stabilized occupancies of 90% or greater.
- The minimum rent differential between the proposed rents and achievable market rents, as explained in the Market Study Manual, must be 10% for 60% AMI or less. 70% or 80% AMI rents must be below market rate.
- For Senior developments, demand may include residents from outside the market area converting from homeownership and seniors living with and/or supported by their children. If applicable, this must be documented by the market analyst.
- DCA, when necessary, may independently evaluate the demand for additional affordable rental housing in the geographic/market area.

See ~~2023~~ Market Study Manual for complete list of requirements.

#### Adverse Impact

An Application will ~~fail this Threshold requirement be ineligible for award~~ if DCA determines that the property ~~will-would~~ have an adverse financial impact on existing tax credit properties, HOME, National Housing Trust Fund, or CDBG-DR properties within the primary market area or in close proximity to the primary market area. ~~The demand for, and supply of, units in the market area and timing of properties placed in service will be taken into consideration. Applicants are required to do their own due diligence to determine pending properties near the proposed site.~~

~~DCA may retain the services of its own market analyst to review the conclusions of the market study submitted by the Applicant. For scattered site projects, the market study requirements must be met for the project as a whole.~~ DCA's judgment will be the final determination as to the size of market areas or the adverse impact on existing properties.

Reference Documentation:  
DCA Market Study Manual.

## VI.V. APPRAISALS

Appraisals are required for all developments.

### Appraisal Requirements

- The total hard cost of any project may not exceed 90% of the as completed unencumbered appraised value of the property. DCA may revoke the funding of any project found not to meet this requirement.
- All appraisals submitted with Applications must include DCA as an intended user and have an effective date (i.e., when inspected) of not more than six months earlier than the date of Application Submission.
- If the Application is claiming acquisition credits, the appraisal must document separate values for buildings and land.
- Please see Appraisal Manual for additional requirements.

### DCA-Commissioned Appraisals

- DCA reserves the right to commission the appraisal for any development.
- DCA will always commission the appraisal for developments utilizing DCA-administered federal funding. DCA will charge Applicants with such federal funding a fee equal to the cost of the appraisal report.

### Identity of Interest

- When there is an identity of interest between the buyer and seller: for purposes of determining the amount of resources awarded, DCA will value properties which have been in the control of the Applicant or a related party for a period of five years or less at the acquisition cost at the time the related party obtained initial site control.
- DCA will not recognize higher values based on actions taken by the Owner/Applicant or any Related Party.

The DCA appraisal may be assignable to other lenders. DCA may accept appraisals obtained by the senior lender if it meets DCA’s guidelines, gives DCA the right to rely, and identifies DCA as an intended user.

Appraisals are required for: ~~All projects awarded HOME loans~~

- ~~All 4% Credits/Bonds Applications, unless the following apply:~~
  - ~~The only acquisition cost is a ground lease of no more than \$100 per year~~
  - ~~There are no additional costs associated with the lease~~
  - ~~No funds other than what is disclosed in the Application may be paid for the lease either directly or indirectly~~
- ~~All 9% applications for which:~~
  - ~~there is an identity of interest between the buyer and seller~~
  - ~~an Applicant is claiming acquisition credits for existing structures~~

### A. DCA-Commissioned Appraisals

For all projects awarded HOME Loans, DCA will commission an appraisal prepared in accordance with DCA policies. DCA and may also commission an appraisal for a tax credit only ~~other projects in~~

~~order to confirm that the proposed purchase price is reasonable and the valuation assumptions within the application are valid.~~

~~DCA will charge HOME 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 must include the "as is" value, "as built/as complete" (encumbered) value, and "as built/as complete" (unencumbered) value of the proposed subject property as well as the tax credit value. The "as is" value must delineate the value of the land and building. The appraisal must conform to USPAP standards. The appraisal will provide an estimate of the unrestricted 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, DCA may revoke the funding of any project found not to meet this requirement may have their funding award revoked.~~

~~The DCA appraisal may be assignable to other lenders. DCA may accept appraisals obtained by the senior lender if it meets DCA's guidelines, gives DCA the right to rely, and identifies DCA as an intended user. In instances where the senior lender obtains the appraisal, DCA will accept such appraisal if DCA's guideline requirements are met and DCA is given the right to rely on the appraisal by the appraiser or DCA is identified as an intended user.~~

~~If a proposed development site is submitted in consecutive competitive rounds and DCA determines its acquisition cost significantly exceeded year over year growth for the market area, DCA reserves the right to commission an appraisal and reduce tax credits awarded commensurate with the impact of the discrepancy between the acquisition cost in the Application and that determined by the DCA commissioned appraisal.~~

## **~~B. Applicant-Commissioned Appraisals~~**

~~All appraisals submitted with Applications must include DCA as an intended user and have an effective date (i.e., when inspected) of not more than six months earlier than the date of Application submission. DCA will accept applicant-commissioned appraisals for all competitive applications. All appraisals must include DCA as an intended user and must be commissioned by the lender or by the applicant with an effective date of not more than 6 months earlier than the date of Application submission. The effective date will be the date of inspection.~~

### **~~1. Identity of Interest~~**

~~DCA policy requires that the Applicant obtain an appraisal of the value of a property if there is an Identity of Interest between the buyer and the seller. This includes a seller that is a member of the proposed Project Team, including a limited partner. This appraisal must be submitted with the Application and follow the value estimates detailed in the 2023 Appraisal Manual. DCA will carefully scrutinize the sales price of land between related parties to ensure that the value has not been inflated. While the appraisal will be an indication of fair market~~

~~value, DCA will consider tax values as well as the lesser of the appraised value or actual sales price established as indicative of the value of a property. All property values must associate a land value as well as a value for the improvements. The appraisal must conform to USPAP standards.~~

~~For purposes of determining the amount of resources awarded, DCA will value properties which have been in the control of the Applicant or a related party for a period of five (5) years or less will be valued at the acquisition cost at the time the related party obtained initial site control. generating tax credits. DCA will not recognize higher values based on actions taken by the Owner/Applicant or any Related Party.~~

- ~~• For 9% Credit Applicants,~~
- ~~• For 4% Credit Applicants, properties which have been in the control of the Applicant or a related party for a period of three (3) years or less will be valued at the acquisition cost at the time the related party obtained initial site control.~~
- ~~• Properties that have been rezoned, subdivided, or modified will not be deemed to be of higher value based on the actions taken by the Owner/Applicant or any Related Party.~~

## ~~2. Scattered Site Projects~~

~~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.~~

## ~~32. Properties Claiming Acquisition Credits~~

~~The appraisal must document separate values for buildings and land. All appraisals must be submitted with the Application and follow the value estimates detailed in the 2023 Appraisal Manual. Land values are required in the appraisal.~~

## ~~43. Selected Projects~~

~~DCA may also require that a tax credit only projects selected for funding provide an appraisal commissioned by a lender or the aApplicant on or before closing. This appraisal must which supports the purchase price as well as the and value of the property upon completion.~~

### ~~References: Documentation:~~

~~DCA Appraisal Manual:~~

## ~~VII.VI.~~ ENVIRONMENTAL REQUIREMENTS

The ~~2023~~ Environmental Manual is incorporated herein by reference.

### ~~A. General~~

Projects will not pass Threshold until all environmental matters are resolved.

## **B.A. Environmental Site Assessment**

Applications must include a signed Phase I and applicable Phase II environmental site assessments prepared in accordance with the ~~2023~~2024 DCA Environmental Manual.

The Phase I must fully address all recommendations of the Qualified Environmental Professional. If a Phase II is recommended, all testing must be completed prior to Application Submission.

The Environmental Site Assessment must have been conducted within six ~~(6)~~ months prior to the Application Submission. The Phase I Report must be issued no more than ~~sixty (60)~~ days after the site reconnaissance.

### **1. Additional Standards**

In addition to compliance with the standards in the "Standard Practice for Environmental Site Assessments, Phase I Site Assessment Process," ASTM 1527-21, DCA requires investigation of the following:

- a) Wetland.
- b) State waters/streams/buffers & setbacks.
- c) Flood Plains/Floodways.
- d) Endangered species.
- e) Noise.
- f) Radon gas.
- g) Asbestos.
- h) Lead.
- i) Water leaks/mold/microbial growth
- j) Vapor intrusion.
- k) Historic preservation.
- l) Other hazards and considerations.

### **2. Additional Environmental Requirements for ~~HOME/HUD-funded Projects with DCA federal funding, Including but not Limited to PBRA~~**

The Applicant must complete additional requirements for ~~HOME/HUD-funded projects with federal funding~~ no later than the applicable date(s) noted in Exhibit A ~~to Core Plan, DCA Pre-Application Deadlines and Fee Schedule.~~

After submitting ~~an Application HOME consent requests~~, Owners and Developers of proposed projects must refrain from undertaking activities that could have an adverse environmental impact prior to the receipt of an environmental clearance letter from DCA removing the stipulated conditions. Such activities include, but are not limited to: acquiring, rehabilitating, converting, leasing, repairing, or constructing property. An Applicant cannot commit or expend HUD or non-federal funds until the environmental review process has been completed.

## ~~C.B.~~ **Site and Neighborhood Standards**

All properties that use ~~DCA~~HOME funds as a source must meet HUD 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 and Environmental Manual. Applicants ~~who have with~~ established agreements with HUD regarding different standards of review ~~for site and neighborhood~~ must meet those established standards; ~~the Application must include a~~ 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.~~

### ~~Reference Documentation:~~

- ~~• 2023 Environmental Manual.~~
- ~~• 2023 HOME Rental Housing Loan Program Manual.~~

### **Minimum Documentation:**

- Phase I Environmental Site Assessment.
- Phase II Environmental Site Assessment (if applicable).
- HOME Site and Neighborhood Standards Certification and (if applicable) supporting documentation.
- Environmental Transmittal.

## ~~VIII.VII.~~ **SITE CONTROL**

Site control must be in the form of:

- A warranty deed that conveys title to the subject property to the current General Partner or proposed Limited Partnership,
- A legally binding contract to purchase the proposed project site in the name of the General Partner or proposed Limited Partnership and assignment to the General Partner or proposed Limited Partnership if the contract to purchase the site is in the name of an affiliate, ~~-or~~
- A binding long-term ground lease or an option for a binding long-term ground lease, that clearly provides the right for the applicant to execute a binding agreement upon closing, with a minimum term of forty-five (45) years. ~~All Lessors must execute the required LURC.~~

~~For competitive Applications, c~~Contracts must be executed prior to Application Submission deadline, ~~must~~ include a discernible contract price, ~~must be~~ signed by the purchaser and seller, ~~must~~ include a legal description of the property, and ~~must~~ provide legal control of the site to the proposed General Partner or proposed LP.

- For 9% Credits Applications, site control must be in place at least through the end of the calendar year of Application submission. November 30, 2023~~2024~~. If the contract provides an

~~option to renew, it must be enforceable by the Applicant until November 30, 2024 through the end of the calendar year of Application Submission.~~

- For 4% Credits/Bonds Applications, site control must be in place at least through ~~the estimated bond closing date~~ May 30 of the year following Application Submission. ~~If the contract provides an option to renew, it must be enforceable by the Applicant through May 30 of the year following Application Submission. until April 30, 2025.~~

~~In the event If the contract provides the Applicant with the an option to renew the contract, the renewal option in such contract it must be enforceable by the Applicant until November 30, 20232024. A copy of a recorded warranty deed or a fully executed contract must be submitted with the Application. The cost for purchase cannot be increased after Application Submission.~~

An Applicant may also show site control if selected through a federal government RFP process and can document that there is reasonable certainty that the final site control documents will be finalized within a reasonable time after award.

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

#### Minimum Documentation:

- Settlement statement or warranty deed from current property owner.
- Warranty Deed; legally binding Contract; or legally binding, long-term Ground Lease or Option.
- Legal description.
- Evidence of RFP selection (if applicable).

## ~~IX.~~VIII. SITE ACCESS

All sites proposed for development must either

- provide a specified entrance that is legally accessible by paved roads.~~The definition of paved road is provided (as defined in the DCA Architectural Manual), or~~
- include the Required Documentation listed below in the Application.~~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 local government approval to pave the road, a commitment for funding, and the timetable for completion of such paved road must be included in the Application.~~

~~If the project will be responsible for the road(s), those costs must be submitted with the Application. If use of a private drive is necessary, the Application must document the right of legal access (ownership or an easement). If the road is going to be paved by the applicant, those costs must be submitted at Application Submission. 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.~~

### **Reference Documentation:**

~~DCA Architectural Manual.~~

### **Minimum Documentation:**

- ~~Either Existing Conditions Site Plan of the Conceptual Site Development Plan (CSDP) that clearly delineates legally accessible paved road(s) or evidence of local government approval to pave the necessary roads, a commitment for funding, and the timetable for completion.~~
- ~~Commitment for funding for paving of all non-paved legally-accessible roads to be paved during construction.~~
- ~~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.~~
- ~~Proof of ownership of non-utility easements.~~

## **X.IX. SITE ZONING**

This section is required for Applications proposing new construction, including adding units to an existing property~~New Supply~~. ~~Applications proposing rehabilitation are exempt from this section unless the proposed unit mix comprises both New Supply and rehabilitation.~~

~~Zoning must be in place before Application Submission.~~ Zoning of the development site must conform to the proposed Conceptual Site Development Plan CSDP before the application submission. A 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 (copy of the applicable sections of the zoning ordinance for the stated classification) and all conditions of these zoning and land use classifications. If the project is requesting HOME or HUD funds, the Local Government official must also comment on whether the project will include the development of prime or unique farmland. Please see the HOME and HUD Environmental Guidance for additional information. 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 letter should be on official letterhead with the name and title of the Local Government official.

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 Conceptual Site Development Plan either graphically or in written form.

~~It is the responsibility of t~~The Applicant is responsible for ~~to~~ensuring 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 non-contiguous parcel.~~

**Reference Documentation:**

~~HOME/HUD Environmental Guidance.~~

**Minimum Documentation:**

- Letter from Local Government official which includes project name, address, or parcel ID, and either
- confirms zoning, an explanation of the requirements (copy of the applicable sections of the zoning ordinance for the stated classification), and all conditions of these zoning and land use classifications, or
- affirms the jurisdiction does not have or enforce a zoning ordinance.  
Letter must be on official letterhead with the name and title of the Local Government official and dated within six (6) months of Application Submission.
- If the project is requesting HOME or HUD funds, the Local Government official must also comment on whether the project will include the development of prime or unique farmland  
Copy of applicable zoning ordinance.
- 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 CSDP either graphically or in written form.
- If zoning confirmation letter includes parcel ID but not project name or address, evidence that the parcel ID is the correct parcel ID for the project.

## XI.X. OPERATING UTILITIES

This section is required for Applications proposing new construction, including adding units to an existing property~~New Supply. Applications proposing rehabilitation are exempt from this section unless the proposed unit mix comprises both New Supply and rehabilitation.~~

Required project operating utilities (gas and electric service), as applicable, must be available to each parcel of the proposed development site at the time of Application Submission. ~~To be considered "available" for the purposes of this section, including~~ all easements necessary for the utility providers to extend utilities to the property. and cCommitments from the utility providers to connect~~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 authorized utility authorities confirming the availability of operating utilities at the proposed development site. ~~The letters should be on letterhead and bear signature(s) and title(s) from the appropriate utility company signatory.~~ 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, a single letter will be accepted if it clearly demonstrates that each non-contiguous parcel has met operating utilities requirements.~~

#### Minimum Documentation:

- Letter(s) from authorized utility authorities that includes project name, address, or parcel ID and confirms that utilities will be available. The letters should be on letterhead, bear signature(s) and title(s) from the appropriate utility company signatory, and The letter(s) must be dated within ~~6~~six months of Application Submission.
- If letter includes parcel ID but not project name or address, evidence that the parcel ID is the correct parcel ID for the project.

## XII.XI. PUBLIC WATER/SANITARY SEWER

This section is required for Applications proposing new construction, including adding units to an existing property~~New Supply. Applications proposing rehabilitation are exempt from this section unless the proposed unit mix comprises both New Supply and rehabilitation.~~

Public water and sewer service must be available at to each parcel of the proposed development site at the time of 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 meaning all necessary easements are~~ secured at the time of Application Submission. Evidence of the commitments and easements from the water and sewer authorities must be included in the Application (i.e. letters from public water/sanitary sewer authority, copies of easements necessary for water and sewer authorities to extend water and sewer to the property). 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 of the existing public water and sewer service to the site. These letter(s) from the appropriate public water and sewer authorities must be on letterhead of the local municipality or authority having jurisdiction and be included in the Application.~~ 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 may result in threshold failure of the Application.

~~For scattered site projects, a single letter will be accepted if it clearly demonstrates that each non-contiguous parcel has met the public water/sanitary sewer requirements.~~

#### Minimum Documentation:

- Letter(s) of commitment from verifiable public water/sanitary sewer authority that includes project name, address, or parcel ID and confirms that utilities will be available. The letter(s) must be on letterhead of the local municipality or authority and dated within ~~six~~6 months of Application Submission.
- If letter includes parcel ID but not project name or address, evidence that the parcel ID is the correct parcel ID for the project.
- If applicable, copies of easements necessary for water or sewer authorities to extend water and sewer service to the property.
- If applicable, verification of annexation of the property or improvements to the water/sewer system which may affect the availability of utilities to the property.

## ~~XIII.~~XII. REQUIRED AMENITIES

All amenities must meet the criteria set forth in the Architectural Manual, Appendix III: Amenities Guide.

### A. Standard Site Amenities

All properties must include the following on-site amenities:

1. A community room or building.
2. An accessible exterior gathering area located in a central area.
3. Every development must provide an on-site laundry facility (~~one~~1 washer and ~~one~~1 dryer per every 25 units) and/or washers and dryers installed and maintained in every unit. An onsite laundry facility is not required if washers and dryers are installed in units and maintained at no additional cost to residents.

All the above amenities, except the on-site laundry, must be available to the residents at no additional charge.

~~A Phased Development with a previously funded phase will not share amenities without DCA's prior written consent.~~

### B. Additional Site Amenities and Approvals

Properties ~~that have with~~ 125 units or fewer must include at least two (~~2~~) additional site amenities. Properties with more than 125 units must include at least four (~~4~~) additional site amenities.

Additional amenities not contained in the Architectural Manual must be approved by DCA ~~during Pre-Application~~ through a waiver request. ~~Applicants should submit a request for approval of additional amenities in accordance with Exhibit A DCA Pre-Application Deadlines and Fee~~

~~Schedule.~~ Requests for approval of additional amenities must include a detailed description ~~of the amenity~~ and ~~must include~~ justification of the cost and appropriateness ~~of the option for the targeted population.~~

## C. Unit Amenities

All units must include the following:

1. HVAC systems.
2. Energy Star refrigerators.
3. Energy Star dishwashers (~~Note: D~~ishwashers ~~are not~~NOT required in "senior" USDA properties or HUD properties).
4. Stoves.
5. Microwave ovens.
6. Powder-based stovetop fire suppression canisters installed above the range cook top or electronically-controlled solid cover plates over stove top burners.

## D. Additional Requirements and Amenities for Senior Developments ~~(Elderly and Housing for Older Persons)~~

1. Elevators must be installed for access to all units above the ground floor.
2. Buildings with multi-story construction must have interior conditioned and furnished gathering areas including but not limited to areas near elevators.
3. Applicants must enter all selections in the Threshold Criteria tab on the Application Form.
4. ~~For scattered site projects, required amenities must be met for each non-contiguous parcel.~~

### ~~Reference Documentation:~~

~~DCA Architectural Manual, Appendix III: Amenities Guide.~~

## ~~XIV.~~XIII. REHABILITATION STANDARDS

### A. Rehabilitation Construction Hard Costs

~~The Internal Revenue Code requires that all low-income units in a property 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. Properties that propose rehabilitation must present a scope of work that will position the property to meet the entire extent of its statutory obligations. All work scopes will propos~~ing:

1. A minimum "dwelling unit" per unit hard cost budget of \$35,000. ~~See Architectural Manual Rehabilitation Guide for further guidance.~~

2. The replacement of any component of the building or site with an Effective Remaining Useful Life, according to Fannie Mae Expected Useful Life Table, of less than 15 years.
3. The replacement of existing exterior stairs, breezeways, and handrails that have no roof cover with covered vertical circulation.
4. Corrective actions for all deficiencies noted in the Physical Needs Assessment.
5. Compliance with the Georgia State Minimum Standard Codes and Life Safety Code for new construction regarding stairs, handrails, guardrails, smoke detectors, fire alarms, and unit fire separation such as attic draft stops, fire separation, rated party walls and floor/ceiling components, and caulking of all penetrations in the fire assemblies.
6. Substantially the same scope of work in all units.
7. Compliance with the Architectural Manual, all current building codes, DCA accessibility requirements, and NSPIRE upon completion of work.
- ~~8. Compliance with all current building codes upon completion of work.~~
- ~~9. Compliance with all DCA accessibility requirements upon completion of work.~~
- ~~10. Compliance with UPCS upon completion of work.~~

~~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, will not make an award if 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.~~

~~The Application must include a~~ certification from the architect and, where applicable, ~~the an~~ appropriately-licensed project engineer (civil, structural, mechanical, plumbing, electrical) ~~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.

The architect ~~will be required to~~ must reconfirm this certification at construction completion prior to issuance of Forms 8609s.

The capital replacement reserve must clearly schedule all component/system replacements required according to the Fannie Mae Expected Useful Life Table.

~~DCA may grant an architectural waiver to projects that will not meet the above requirements only if there is an overriding public policy or historic preservation need and the physical needs assessment clearly documents that the existing property does not require a comprehensive rehabilitation. As a condition of the waiver, DCA may require that the financial pro forma clearly provide for the full funding of the capital replacement reserve. The capital replacement reserve must clearly schedule all component/system replacements required according to the Fannie Mae Expected Useful Life Table.~~

## B. Physical Needs Assessment

~~For rehabilitation projects, and adaptive reuse Applications must submit a Physical Needs Assessment (PNA) no more than six (6) months old as of the Application Submission and Capital~~

Reserve Study completed by a DCA-qualified consultant ~~must be included in the Application.~~ Both must be prepared in accordance with the ~~instructions set forth in the~~ Rehabilitation Guide in the Architectural Manual ~~and be no more than six months old as of the Application Submission date of the waiver request submission.~~ PNAs are also required for adaptive reuse projects.

## C. Rehabilitation Work Scope

~~DCA's 2023 Rehabilitation Work Scope form, which requires a detailed construction budget with unit costs, must be included in the same tab with the PNA.~~ DCA will not allow material changes in the scope of work after ~~tax credit~~ award. If awarded, Owners must submit final construction documents that confirm the scope of work submitted with the Application ~~must be submitted to DCA in accordance with~~ according to the timelines outlined in Exhibit A, Post-Application and Post-Award Deadlines and Fee Schedule.

DCA must be able to determine that the work scope addresses all:

1. ~~All~~ immediate needs identified in the PNA;
2. ~~All~~ application threshold and scoring requirements;
3. ~~All~~ applicable architectural and accessibility standards;
4. ~~All~~ remediation issues identified in the Phase I Environmental Site Assessment.

In the event DCA determines that the PNA or work scope fails to address a major structural, building code, health, safety, marketing, accessibility, storm water retention, crawl space moisture, or other building system issue, the Application may fail ~~this~~ Threshold ~~requirement~~.

~~For Scattered Site Projects, PNA requirements must be met for each non-contiguous parcel.~~

### **Reference Documentation:**

~~Architectural Manual, Appendix IV: Rehabilitation Guide for Existing Properties.~~

### **Minimum Documentation:**

- Physical Needs Assessment must be dated within 6 months of Application Submission.
- DCA ~~2023~~2024-2025 Rehabilitation Work Scope form.
- Architect Rehab Work Scope Certification Statement.

## ~~XV.~~XIV. SITE INFORMATION AND CONCEPTUAL SITE DEVELOPMENT PLAN

~~For Scattered Site Projects, Site Information and Conceptual Site Development Plan requirements must be met for each non-contiguous parcel unless DCA grants a waiver.~~

### A. Conceptual Site Development Plan

~~Applications must include a CSDP. A Conceptual Site Development Plan must be included in the Application and prepared in accordance with instructions set forth in the Architectural Manual, Appendix II: Submission Requirements. The Conceptual Site Development Plan CSDP must be at least 11"x17" and include all following items, as applicable (Applicant must indicate "N/A" for any not applicable items):~~

1. All existing and proposed easements defined and indicated ~~on plan.~~
2. Wetlands, floodplains, and state waters located with areas of disturbance calculated for the wetlands, including required buffer zones clearly delineated to reflect how they will impact the development of the site.
3. Use of all adjacent properties and structures within 100' of the subject property boundary ~~clearly~~ defined both graphically and in written form.
4. Zoning setbacks and restrictions graphically indicated.
5. Indication of all existing structures, tanks, slabs, utilities and any other improvements existing on the property at the time of application.
6. Indication of all driving and walking entrance access to the property and a layout of all buildings, roads, paved pedestrian walkways and parking areas.
7. Location of all interior and exterior site amenities indicated in the Application ~~Form.~~
8. Areas of existing tree and vegetation preservation and new landscaping clearly defined both graphically and in written form.

DCA does not require an ALTA Survey for purposes of developing the ~~CSDP~~conceptual site development plan. DCA may require a boundary survey if the precise location of the subject project is in question.

~~Waivers for variances from any architectural standard in the Architectural Manual must be submitted to DCA prior to Application Submission in accordance with Exhibit A DCA Pre-application and Pre-Award Deadlines and Fee Schedule.~~

### B. Site Map and Color Photographs

~~Applications must include Gg~~ground level color photographs taken within ~~six~~6 months of Application Submission of both the proposed property and adjacent surrounding properties and structures ~~must be included.~~ Each photo must be numbered, include the date the photo was taken, and provide a brief description of what is captured in the photo. ~~In addition,~~

~~Applications must include~~ a Site Map formatted as either aerial color photograph within six months from the Application date or most recent online satellite map that delineates the

approximate location point of each photo ~~must be included~~.

## C. Aerial Photos of Proposed Site

Applicationants must include either aerial color photographs that are no more than six months from the Application date or the most recent online satellite map images showing both approximate boundaries of the subject property.

### ~~Reference Documentation:~~

~~Architectural Manual, Appendix II: Submission Requirements.~~

### Minimum Documentation:

- ~~CSDP~~Conceptual Site Development Plan (Utilize use DCA Cover Sheet Template).
- Site map and color photos.

## ~~XVI.~~XV. BUILDING SUSTAINABILITY

### A. Sustainability Standards

~~All completed properties must achieve a minimum standard for energy efficiency and sustainable building practices. At minimum, all dwelling units at a~~All projects must comply with the requirements in this section and the Architectural Manual. Historic properties may apply for a waiver when compliance means loss of historic character-defining features and finishes.

#### 1. Compliance with Georgia State Minimum Standard Energy Code (Georgia Energy Code)

Compliance with Georgia State Minimum Standard Energy Code (International Energy Conservation Code with Georgia State Supplements and Amendments) that is in effect at the time of permit issuance is required. DCA must receiveand proof of compliance ~~must be submitted~~prior to release of Forms 8609s. ~~See Architectural Manual for details regarding compliance pathways by construction type.~~

#### 2. Measured duct and building envelope leakage

New construction and Adaptive Reuse units must meet new construction standards under the applicable Georgia Energy Code requirements. All units or a sample of units in accordance with RESNET protocols ~~shall~~must be tested for duct and building envelope air leakage. ~~See the Architectural Manual for additional requirements.~~

Rehabilitation units ~~are required to~~must either achieve a 20% improvement over existing conditions based ~~upon~~ pre-rehabilitation "duct leakage" and "dwelling unit air filtration" rates; or meet new construction standards for specified duct and envelope leakage rates. ~~All projects must complete a "pre-rehab" duct leakage and dwelling air infiltration test to determine a baseline. To arrive at the pre-rehabilitation leakage rates, all units or a sampling~~

~~of units in accordance with RESNET protocols shall be tested. The same units tested pre-rehabilitation shall be tested post-rehabilitation.~~

### 3. Bathroom fans

Fans must be Energy STAR certified, wired with a light, and equipped with either a humidistat ~~or OR~~ a timer that ensures the fan operates for a minimum of ~~10~~ten minutes once the fan has been switched off.

### 4. Lighting

Install fluorescent or LED lights for at least 95% (by fixture count) of the required lighting. Required lighting includes kitchens, dining rooms, living/family rooms, bathrooms, hallways, stairways, entrances/foyers, bedrooms, garages, utility rooms, and outdoor fixtures mounted on the building.

### 5. Plumbing fixtures

Georgia Plumbing Code High Efficiency Plumbing Fixtures and Fittings in all units; shower heads  $\leq 2.5$  gpm, WaterSense certified bathroom faucets  $\leq 1.5$  gpm, kitchen faucets  $\leq 2.0$  gpm, WaterSense certified toilets  $\leq 1.28$  gpf.

### 6. Low VOC interior wall/ceiling and floor finishes

~~Interior applied paints and finishes shall contain a maximum VOC level of the following. As defined by "40 CFR Part 59 – National Volatile Organic Compound Emission Standards for Consumer and Commercial Products" and maximum levels determined by the DCA QAP, interior applied paints and finishes shall contain a maximum VOC level of:~~

- 50 grams/liter for wall and ceilings ~~(DCA QAP requirement)~~
- 100 grams/liter for floor finishes ~~(DCA QAP requirement)~~

### 7. Water Heaters

Comply with ENERGY STAR Multifamily New Construction (MFNC) program (Version 1) for Uniform Energy Factor (UEF).

### 8. Energy Star appliances

Appliances (refrigerators, dishwashers, laundry machines) provided by owners in units and community laundries must be Energy STAR certified.

The final construction documents must ~~clearly~~ indicate all components of the building envelope and all materials and equipment that meet these requirements. ~~Refer to the Architectural Manual (Appendix I: Architectural Standards) for additional information on basic design, appliances, and equipment.~~

~~In addition to the Sustainable Building Certification verification below, a qualified professional must submit evidence that the project meets all of the requirements under this subsection prior to final allocation of resources.~~

## B. Sustainable Building Certification

Applicants must obtain a sustainable building certification from one of the following entities:

- **Southface Energy Institute's and Greater Atlanta Home Builders Association's** EarthCraft House Multifamily, House, or Sustainable Preservation (or single family or renovation) certification programs, based on development type.
- **Enterprise's** Enterprise Green Communities certification program (following Enterprise Green Communities protocol under the guidance of an Enterprise Qualified TA provider).
- **US Green Building Council's** LEED for Homes certification program which includes single-family detached and multi-family low and mid-rise structures.
- **Home Innovation Research Labs'** NGBS Green Certification, meeting Bronze level or higher of the *ICC-700 National Green Building Standard* for single and multifamily buildings, both new and renovation.
- ~~**Green Building Initiative's** Green Globes Certification for Multifamily New Construction or Multifamily Existing Buildings.~~

Due to the various revision cycles for each of these programs, the project must comply with the version in effect at the time the drawings are prepared for permit review. ~~Regardless of program requirements, a~~All projects must ~~meet Threshold requirements for Building Sustainability and~~ engage in resident and building manager education in compliance with the point requirements of the respective programs.

## ~~C. DCA Building Sustainability Training~~

~~Applicants must complete DCA's virtual Building Sustainability training.~~

### ~~Reference Documentation:~~

~~Architectural Manual, Appendix I: Architectural Standards.~~

### Minimum Documentation:

Draft scoring sheet for the development that includes both the expected score and the minimum score required to achieve the level of certification or criteria listed above.

## ~~XVII.~~XVI. ACCESSIBILITY STANDARDS

### A. Minimum Standards

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

1. 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 of 1988, Americans with Disabilities Act, Section 504 of the Rehabilitation Act of 1973, Georgia Fair Housing Law and Georgia Access Law as set forth in the Accessibility Manual. When two or more accessibility standards apply, the Applicant is required to follow and apply both standards so that a maximum accessibility is obtained. An Owner Applicants claiming that a property is eligible for any of the stated a statutory exemption musts for any applicable federal, state, and local accessibility law must support the claim with provide a legal opinion.~~
2. All applicable DCA accessibility requirements detailed in the Architectural and Accessibility Manuals.
3. For all senior (~~HFOP or elderly~~) properties, regardless of the year of first residential use, 100% of the units must be accessible and adaptable, as defined by the Fair Housing Amendments Act of 1988.

~~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.~~

## B. Mobility and Sensory Impairments

Regardless of ~~whether a project anticipates~~ using federal HOME funds, all ~~proposed~~ projects must meet the following DCA requirements:

1. At least 5% of the total units (but no less than one unit) must be equipped for the mobility ~~impaired disabled~~, including wheelchair restricted residents. ~~Roll-in~~Curbless showers must be incorporated into 40% of these units (but no less than one unit). Mobility units with more than one bathroom must have at least one bathroom with a ~~roll-in~~curbless shower.
2. At least an additional 2% of the total units (but no less than one unit) must be equipped for hearing and sight-impaired residents.

The same unit cannot be used to satisfy both the 5% and 2% requirement.

Preservation of existing affordable housing that cannot be structurally modified to meet accessibility requirements not required by law may request a waiver ~~of DCA requirements~~.

## C. Qualified Consultant

Each awarded project ~~selected for allocation is required to~~ must retain a DCA-qualified Consultant to monitor the project for accessibility compliance.

The Consultant cannot be a member of the proposed Project Team nor have an Identify of Interest with any member of the proposed Project Team.

The ~~DCA-qualified~~ Consultant must perform the following:

1. A pre-construction plan and specification review to determine that the proposed property will meet all required accessibility requirements. The Consultant report must be included with the initial construction documents submitted to DCA. At a minimum, the report will

include the initial comments from the Consultant, all documents related to resolution of identified accessibility issues, and a certification from the Consultant that the plans appear to meet all accessibility requirements.

2. Provide at least two training sessions to the Architect, General Contractor, Job Superintendent, and a representative of every subcontractor group that will affect accessibility (grading, concrete, framing, electrical, plumbing, sheetrock, and cabinetry) regarding accessibility requirements. One training must be on site.
3. An inspection of the construction site after framing is completed to determine that the property is following the approved plans and specifications as to accessibility. DCA must receive a copy of the report issued by the Consultant as well as documentation that all issues, if any, have been resolved.
4. A final inspection of the property after completion of construction to determine that the property has been constructed in accordance with all accessibility requirements. DCA must receive a copy of the report issued by the Consultant as well as documentation that all issues, if any, have been resolved prior to submission of the project cost certification.

**Reference Documentation:**  
~~DCA Accessibility Manual.~~

## ~~XVIII.~~XVII. ARCHITECTURAL DESIGN & QUALITY STANDARDS

All Applications must meet the standards contained in the Architectural Manual for quality and longevity. The standards are intended to promote the integration of affordable units into the existing community and to promote sustainable design and the protection of resources. The marketability of the property and appearance of the site are important components in the final product.

### ~~A. 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, cost-effective housing for the targeted tenant market.~~

### ~~B.A.~~ **Standard Design Options for All Projects**

Projects must choose from the "Standard Design Options" ~~as detailed below and enter each selection in the Threshold Criteria tab of the Application.~~

### 1. Exterior Wall Finishes

Select ~~and enter in the Application Threshold Criteria tab~~ one category from this list:

- a) Exterior wall faces must have an excess of 30% brick or natural or manufactured stone on each of the exterior 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. This is ~~not~~**NOT** applicable to the interior wall faces of open breezeways. On all exterior walls the brick/stone must extend to all areas of grass, landscaping and other areas of soil or mulch.
- b) For the rehabilitation of buildings ~~that are~~ eligible for historic ~~preservation~~ credits, maintain and if necessary replace with matching materials, the existing or original exterior finish surfaces including the front wall face, rear wall face and both side wall faces.
- c) For the rehabilitation of buildings ~~that do not have without~~ existing brick or stone in excess of 30% (and are not eligible for historic credits), 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 with brick, natural or manufactured stone, or a product that provides a 30-year warranty. ~~This is~~ (not applicable to the interior wall faces of open breezeways).
- d) For single family units, the total building envelope ~~shall~~**must** have 30% minimum brick or natural or manufactured stone coverage; remaining 70% must be fiber cement siding or other 40-year warranty product.

### 2. Major Building Component Materials and Upgrades

~~For all construction types major building Applicants must select one of the following and may upgrade component materials may be upgraded from the minimums as delineated in the Architectural Manual. Select one from the following list and enter in the Threshold Criteria tab of the Application:~~

- a) Fiber cement siding or other 30-year warranty product installed on all exterior wall surfaces not already required to be brick. Rehabilitation projects that do not propose adding 30% brick or natural or manufactured stone or maintaining existing 30% brick or natural or manufactured stone are not eligible for this option.
- b) Upgraded "Architectural" shingles with a warranty of 40 years.

### 3. Additional Design Options

~~Applicants may propose additional design options by submitting with the preliminary application a detailed description and justification of the appropriateness for the targeted population. Consideration will be given to additional design options not listed above if proposed by the Applicant prior to the Application Submittal in accordance with Exhibit A-DCA Pre-Application and Pre-Award Deadlines and Fee Schedule. Proposals must include a detailed description of the design option and justification of the appropriateness of the option for the targeted population.~~

## C.B. Broadband Access

Applicants must provide free high-speed internet access in the required community room or building. ~~Access must be provided~~ and provide access through the entirety of the Compliance Period and Extended Use Period.

For purposes of this subsection, high speed means the capability to transmit at a rate of not less than 25 megabits per second (Mbps) in the downstream direction and at least 5 megabits per second (Mbps) in the upstream direction to end users.

### **Reference Documentation:**

~~DCA Architectural Manual, Appendix I: Architectural Standards.~~

## XVIII. PROJECT TEAM QUALIFICATIONS

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### Overview

A proposed Project Team in a submitted Application must have experience in the development and ownership of Housing Tax Credit properties, capacity to successfully complete the development, and demonstrated compliance with statutory requirements and policies of allocating agencies. For purposes of this section, ownership refers to having at least a 20% ownership in a property.

DCA will accept requests for Project Team qualification determination throughout the year up until the deadlines listed in **(Core Plan) Competitive Rounds.**

A Project Teams is only required to receive a qualification determination once per calendar year and can apply the determination to both competitive rounds.

DCA will evaluate the experience, capacity, and compliance performance of the Project Team based on factors including, but not limited to:

- Experience in development and ownership of Successful Tax Credit Properties
- Financial solvency
- Properties currently under construction
- High vacancy rates
- Performance in meeting construction commencement, completion, and other deadlines
- Compliance with DCA, Section 42, HUD, and other federal regulations
- Track record of development and ownership of Tax Credit Properties in Georgia and any other state

### Certifying Entity

Every Application must have a Certifying Entity for both the Developer and General Partner entities designated as one of the following: Qualified, Qualified with Conditions, or Qualified as Probationary.

| <b>Designation</b>                      | <b>Eligibility</b>                                                                                                                                                                                                                                             |
|-----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b><u>Qualified</u></b>                 | <b><u>The Certifying Entity currently owns and operates five (5) or more Successful Tax Credit Projects that were Placed in Service after January 1, 2013.</u></b>                                                                                             |
| <b><u>Qualified with Conditions</u></b> | <b><u>The Certifying Entity satisfies ownership and development experience needed for a “Qualified” determination, but DCA places additional conditions on the development team if there are development, ownership, management, or capacity concerns.</u></b> |
| <b><u>Qualified as Probationary</u></b> | <b><u>The Certifying Entity has development experience comparable to fully qualified developers but does not have sufficient ownership interests to fully qualify, so DCA places additional conditions or restrictions on the development team.</u></b>        |
| <b><u>Not Qualified</u></b>             | <b><u>DCA determines the Certifying Entity does not meet the requirements or demonstrate the ability to be Qualified.</u></b>                                                                                                                                  |

Certifying Entities must show that they can exercise effective control of decisions on behalf of each entity. Effective control can be demonstrated by:

- The entity or Principal that has a majority interest in the General Partner and/or Developer, or
- The entity or Principal is a managing member of a limited partnership or single purpose entity, or limited liability company.

## **Departure of a Principal or entity from a Certifying Entity**

A Principal or entity that resigns or leaves an existing entity will be considered as follows:

- a. The departing Principal or entity may claim experience earned provided the entity has no Significant Adverse Events or Adverse Conditions at the time of the departure.
- b. The Principal or entity will receive a compliance score (both point deductions and additions) based on the previous entity’s or Project Team’s performance for a period of three years following departure.
- c. A Principal or entity that has left an entity (or Project Team) and does not want to have a compliance score based on the previous entity’s performance cannot use experience gained at that entity to meet qualification requirements.
- d. A Principal or entity that departs from an existing entity (or Project Team) that has experienced a Significant Adverse Event will also be deemed ineligible to participate for the same period of time as specified in paragraph E below.

- For purposes of non-profit entities, a Principal will be defined as the Executive Director.

## **Project Team Limitations**

DCA reserves the right to prohibit or restrict any Project Team member’s participation if there are any development, ownership, management, and/or capacity concerns. DCA will engage with the Project Team before issuing any condition, restriction, or prohibition.

All Project Team members must be substantially compliant and financially solvent. Any person (individual, corporation, partnership, association) or Principal (officer, director, owner, partner) that is bankrupt, insolvent or in danger of insolvency is ineligible to receive an allocation of Credits under the QAP. DCA may request information including, but not limited to, credit reports, financial statements, or other

documentation relating to a participant's financial status.

### **Minimum Documentation**

- Completed DCA Performance Workbook which includes:
  - Performance Questionnaire.
  - Project Narrative.
  - Organizational Chart showing all entities and Principals that are part of the General Partner and Developer entities.
  - DCA Capacity Form.
  - DCA Experience Form.
  - DCA Compliance History Form. Each Compliance History Summary (CHS) form must list all projects in which a Project Team member has participated in the ownership and/or development. If requested by DCA, Applicants must submit a letter from the Syndicator or each relevant state housing finance agency indicating that the relevant Project Team members are in good standing in all developments.
- Syndicator letters
- Where applicable, a listing of Georgia DCA Affordable Properties for which the Applicant wishes to seek Point Additions in the Compliance Performance Scoring Section of the application. These properties must meet certain criteria detailed in the Compliance Performance Scoring Section of this Application.
- Performance Workbook Certification Letter.
- Other documentation as requested by DCA

## ~~XIX. EXPERIENCE, CAPACITY AND PERFORMANCE REQUIREMENTS FOR GENERAL PARTNER AND DEVELOPER ENTITIES~~

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### ~~Overview~~

~~DCA must comply with statutory requirements to take into consideration the qualifications of the Project Team for a proposed project or to own and operate a tax credit property. A proposed Project Team in either a submitted Application or in any request related to a transfer of an interest must have experience, capacity and successful performance in the Tax Credit Program to own and/or develop a tax credit project. Further, aAll properties must have Project Teams that are substantially compliant with DCA rules, Section 42 Program requirements and regulations and HOME Partnership program requirements and regulations. Overall, DCA reviews the following four areas of the proposed Project Team:~~

- ~~Experience~~
- ~~Capacity~~
- ~~Performance~~
- ~~Compliance History~~

~~Project Teams only need to receive DCA approval under this section once per year if the size, complexity, and scope is similar for the development(s) associated with the initial approval. Other Project Teams must comply with the documentation submission requirements in this section. If an Applicant applies under a subsequent competitive round and the size, complexity, or scope differs from the development associated with the initial approval, then for purposes of this section in the subsequent competitive round:-~~

- ~~• Please submit the following:-~~
  - ~~○ All of the documentation submitted for purposes of the initial review~~
  - ~~○ The qualification determination approval letter received from DCA-~~
- ~~• DCA will only conduct the subsection B. Requirements for Capacity review.-~~

## ~~A. Certifying Entities~~

### ~~1. Identifying the Certifying Entity~~

~~The Project Team must have a Certifying Entity for both the General Partner and the Developer entities of the proposed project. A Certifying Entity must that meets the DCA experience requirements and has effective control because it either be determined to have the capacity to complete the proposed project. Certifying Entities must show that they have the ability to exercise effective control of decisions on behalf of each entity. Effective control can be demonstrated by an entity or Principal that:~~

- ~~a) has a majority interest in the General Partner and/or Developer or~~
- ~~b) is a managing member of a limited partnership or single purpose entity, or limited liability company.-~~

~~DCA may approve Other methods approved by DCA that clearly to show effective control. (as supported by a legal opinion).~~

~~(Alternate organizational structures may be considered to have effective control, but must have a legal opinion supporting the structure and the effective control).~~

### ~~2. Departure of a Principal or Entity from a Certifying Entity~~

~~A Principal or entity that resigns or leaves an existing entity will be considered as follows:-~~

- ~~a) The departing Principal or entity may claim experience earned provided the entity has no Significant Adverse Events or Adverse Conditions at the time of the departure.-~~
- ~~b) The Principal or entity shall will receive a compliance score (both point deductions and additions) based on the previous entity's or Project Team's performance for a period of three years following departure.~~
- ~~c) A Principal or entity that has left an entity (or Project Team) and does not want to have a compliance score based on the previous entity's performance cannot use experience gained at that entity to meet qualification requirements.-~~
- ~~d) A Principal or entity that departs from an existing entity (or Project Team) that has experienced a Significant Adverse Event will also be deemed ineligible to participate for-~~

~~the same period of time as the entity as more fully set forth specified in paragraph E below.~~

~~For purposes of non-profit entities, a Principal will be defined as the Executive Director.~~

## ~~B. Requirements for Capacity (Certifying Entity)~~

~~The proposed Project Team must be financially solvent with the capacity to successfully complete the project, pay all costs associated with the development, and operate the property for the Compliance Period and Extended Use Period.~~

~~Any person (individual, corporation, partnership, association), or Principal (officer, director, owner, partner) that is bankrupt, insolvent or in danger of insolvency is ineligible to receive an allocation of Credits under the QAP. DCA may request information including but not limited to credit reports, financial statements, or other documentation relating to a participant's financial status. In making this determination, DCA will also may review the portfolio of the Certifying General Partner and the Certifying Developer, or Certifying Principal and consider whether loans are in default, have a high percentage of payables, have high vacancy rates or other solvency issues that might impact the successful development and ownership of the proposed property.~~

~~A Certifying Entity's capacity to complete a proposed property may also consider experience in similar developments considering size, complexity and scope. DCA may impose conditions on a Certifying Entity's participation in the round based on the size, complexity or scope of the proposed property.~~

~~When determining whether a Certifying Entity has the necessary capacity, DCA will consider projects in progress (incomplete developments), performance in meeting construction commencement and statutory deadlines, including but not limited to projects that could not meet a placed in service date without an credit allocation exchange, projects with recaptured credits, and completion deadlines when determining whether a Certifying Entity has the capacity to successfully complete the promises in the Application.~~

## ~~C. Requirements for Experience (Certifying Entity)~~

~~The Certifying Entity of the General Partner and Developer must each currently own and operate five (5) or more Successful Tax Credit Projects that were Placed in Service per the Forms 8609s after January 1, 20132, based on the date the last building was Placed in Service. If the certifying General Partner and certifying Developer entities have the same Principal(s), the same projects may be counted to meet this requirement.~~

~~In order to be counted as A project counts as a Successful Tax Credit Project, if it meets the following requirements must be met for each project claimed by a Certifying Entity:~~

- ~~1. The Certifying Entity must owns at least a minimum 20% interest in the General Partner and Developer entities for each property claimed. The interest must be reflected in the syndicator letter and Partnership Agreement for the property.~~

- ~~2. The Certifying Entity must have has been involved in each property from the initial allocation of credits to the present.~~
- ~~3. In the event a Certifying Entity undergoes If a personnel change which results in the departure of key experienced Principals, previous projects owned and developed under the direct supervision of the departed Principal will not count be considered in this analysis.~~
- ~~4. Experience of different entities or Principals may not be combined to meet the minimum experience requirements of this section.~~

~~A certifying entity that received a determination letter of "Qualified" in the 2023 round is only exempt from submitting documentation of experience for the 2024 round and must complete all other relevant Application sections. A certifying entity that was deemed to meet experience requirements in 2022 is only exempt from submitting documentation of experience for the 2023 round. All other sections—both capacity and compliance—of the performance workbook must be completed. Only those certifying entities that have received a determination letter of "Qualified" in the 2022 round will be deemed to qualify under grandfathering.~~

~~Properties proposed by CHDO entities with a HOME consent are required to must have two (2) or more Successful Tax Credit Properties.~~

## ~~D. Requirements for Performance (All Project Team Members)~~

~~DCA may limit applications from and/or awards to Aa proposed Project Team that has with:  
— a pattern of intermittent noncompliance or poor performance (adverse circumstances) over the three-year period prior to Application Submission, in the development or operation of a tax credit DCA funded property; or may be limited in their ability to submit an Application for funds. Poor performance is indicative of a Project Team's capacity to own and develop the proposed property in a successful manner.~~

~~— In the event DCA determines that there are adverse circumstances which may impact the capacity or qualifications of the Project Team members as a result of their credit history or past involvement in affordable housing multifamily development to be successful in meeting the requirements of Section 42, DCA may impose limits on the ability of the Project Team to receive an allocation or limit the ability of the Project Team to submit an Application. DCA may determine that a Project Team should be limited in the amount or type of funding received. DCA may also allow the Project Team to submit an Application but may condition the participation, including but not limited to the number of properties selected for funding.~~

~~Adverse circumstances are found in the DCA Performance Workbook and Questionnaire.~~

## ~~E. Requirements for Compliance (All Project Team Members)~~

~~All members of the proposed Project Team (General Partner and Developer) must be substantially compliant with DCA rules, Section 42 program requirements, and regulations and HOME Partnership Program requirements and regulations in order to receive funds under the 20232024 QAP. This includes inges payment of all fees due to DCA by Application Submission.~~

The majority of non-compliance is addressed through Appendix II of this Plan and/or through IV above. Non-compliance that is deemed to be significant is addressed below as a "Significant Adverse Event."

## ~~F. Significant Adverse Events~~

~~A significant adverse event is an occurrence of non-compliance which cannot be cured, program fraud or misrepresentation or an event which is so significant it impacts the ability of the Project Team to receive funding or an allocation from DCA under this QAP. Project Teams that have with a significant adverse event at a HOME or tax credit property during the look back period will not be eligible to submit an Application under this QAP. A determination that a significant adverse event will limit a Project Team's ability to receive funding under the 2023 Plan is not a punitive measure but is part of DCA's process to ensure the highest standards of professional conduct and ethical business practices are used by DCA's recipients and industry partners. It also ensures that DCA selects to fund properties with the most qualified project teams as part of its competitive process.~~

~~Significant adverse events and look back periods are set forth in the Performance Workbook and Questionnaire.~~

## ~~G. Waiver Request~~

~~DCA will allow an entity or individual with a Significant Adverse Event, within the look back period, to submit a waiver request by the Waiver Requirements deadline during the Pre-Application Submission, to waive a Significant Adverse Event relating to a Major Project Failure for the 2023 competitive round. The requestor must have a recent history of strong performance in the Tax Credit Program and demonstrate that the event is an isolated incident or an unavoidable event not related to the actions or negligence of the requestor.~~

~~This waiver request must be submitted during the Pre-Application Submission and will be considered. DCA will consider waivers only if the requestor can demonstrate the following minimum requirements:~~

- ~~• The entity or individual developed and currently owns and operates a minimum of ten (10) Successful Tax Credit properties.~~
- ~~• The requestor demonstrates a strong has a successful performance history and is in material compliance with program regulations in the operation of its affordable housing portfolio.~~
- ~~• The requestor has documented its either made effort(s) to remedy the Significant Adverse Event, including an explanation of explains why the condition could not be remedied.~~

~~Project Team members that have received a waiver per under a previous QAP requirements may request (with the Pre-Application Submission Waiver Request Submission) that the waiver be renewed for purposes of competing in the 2023 competitive round provided no additional adverse conditions have occurred or the original waiver was not withdrawn. Requests for waiver renewal should also be made with the Pre-Application Submission.~~

~~DCA may still impose point deductions for the waived Significant Adverse Event. The granting of a waiver for a Significant Adverse Event only serves to determine the eligibility of a Project Team~~

~~member for Threshold purposes. Deductions may still be imposed for the same Significant Adverse Events in the Scoring Section of the Application.~~

**~~Minimum Documents for Waiver Request:~~**

- ~~• Completed and Signed “Significant Adverse Event Waiver Request Form” with a narrative indicating the basis of the waiver request.~~
- ~~• All documents related to Significant Adverse Event Waiver Request, including third party support for the basis of the Waiver Request, where applicable and if possible.~~
- ~~• Documentation of Successful Tax Credit Project development and ownership.~~
- ~~• Documentation of resources expended, reports, if available, related to good faith efforts.~~
- ~~• Documentation of previous DCA waiver, if applicable.~~

**~~H. Options for Not Qualified Entities~~**

**~~1. Partnering with a Certifying Entity~~**

~~Developers may form a joint venture with an eligible Certifying Entity. DCA generally encourages entities that have insufficient technical expertise and/or experience to partner with Certifying Entities to gain experience and capacity in the Tax Credit program. For information on the impact of partnerships on awards, see *Core Plan, Submission Requirements and Award Limitations*.~~

**~~2. Capacity Building for Industry Professionals (Probationary Participation)~~**

~~An Applicant that has extensive experience in the tax credit industry may also be deemed qualified under a probationary designation.~~

~~DCA allows Probationary designated industry professionals to be the Certifying Entity for the General Partner or Developer entities as follows:~~

| <del>Housing Credit Competition</del> | <del>Eligibility to be the Certifying Entity, if qualified under Probationary designation</del>                                                          |
|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| <del>9% Credits program</del>         | <del>Entity does not have sufficient ownership and/or development experience to fully qualify;</del>                                                     |
| <del>4% Credits program</del>         | <del>Entity has development experience comparable to fully qualified developers but does not have sufficient ownership interests to fully qualify;</del> |

~~An Applicant seeking a probationary designation must show the following:~~

- ~~a) Evidence of full time employment in the tax credit industry for a minimum period of five (5) years;~~

- ~~b) Evidence of material participation in the Successful development of at least three (3) Tax Credit projects during that period (Ownership interest is not required);~~
- ~~c) No participation in adverse development;~~
- ~~d) Resumes;~~
- ~~e) Completed release to allow DCA to perform a personal credit check and a criminal background check;~~
- ~~f) DCA may require evidence of sufficient liquidity to attract syndication either through the assets of the Project Team or through a guarantor; and~~
- ~~g) Narrative of proposed project and organizational structure.~~

## ~~I. Required Documents~~

~~The following documents are required for each Certifying Entity:~~

~~DCA Performance Workbook with all tabs completed.~~

~~—Organizational Chart must show all entities and Principals that are part of the General Partner and Developer entities.~~

~~a. Compliance History Summary must list all projects in which a Project Team member has participated in the ownership and/or development, which includes:~~

~~2. Performance Questionnaire.~~

~~3. Project Narrative.~~

~~4. Organizational Chart showing all entities and Principals that are part of the General Partner and Developer entities. This form must be (submitted for each Application).~~

~~5. DCA Capacity Form. This form must be (submitted for each Application).~~

~~6. DCA Experience Form. Determinations of Experience will only need to be submitted once for a Certifying Entity.~~

~~7. DCA Compliance History Form. Each Compliance History Summary (CHS) form must listing all projects in which a Project Team member has participated in the ownership and/or development. If requested by DCA, Applicants must submit may request a reference letter from the Syndicator or each relevant state housing finance agencies indicating that the relevant Project Team members are in good standing in all developments.~~

~~8. Where applicable, a listing of Georgia DCA Affordable Properties for which the Applicant wishes to seek Point Additions in the Compliance Performance Scoring Section of the application. These properties must meet certain criteria detailed in the Compliance Performance Scoring Section of this Application.~~

~~9. Performance Workbook Certification Letter.~~

~~10. Credit & Criminal Release form, if requested by DCA.~~

~~11. Disclosures.~~

~~12. IRS Form 8609 or occupancy permit for each project listed as meeting a Certifying Entity's experience requirement.~~

~~13. Upon request by DCA, Letters from Syndicator(s) certifying role and interest of the Certifying Entity and/or Principal for each Successful Tax Credit Project used to meet experience requirements.~~

~~14. Limited Partnership Agreement that identifies the Certifying Entity's effective control for the proposed project, if the general partnership is a joint venture. The relevant Limited~~

Partnership Agreement for a Successful Tax Credit Project may not be used as a substitute for the letter from the Syndicator to certify role and interest in the project.

- ~~15. Upon request by DCA, Applicant certified trailing twelve-month occupancy reports for each of the Successful Projects included on the Applicant's DCA Experience Form.~~
- ~~16. Supporting documentation related to any foreclosures, suspension, or debarment by governmental or quasi-governmental entity, as well as any "yes" answers in the performance workbook.~~

The following documents are required for all other Project Team members:

- ~~17. Performance Questionnaire.~~
- ~~18. DCA Compliance History Form. Each Compliance History Summary (CHS) form must listing all projects in which a Project Team member has participated in the ownership and/or development. If requested by DCA, may request Applicants must submit a reference letter from the Syndicator or each relevant state housing finance agency indicating that the relevant Project Team members are in good standing in all developments.~~
- ~~19. Performance Workbook Certification Letter.~~
- ~~20. Credit & Criminal Release form, if requested by DCA.~~

## J. Disclosures

Disclosures for all Project Team Members

The following disclosures are required (if applicable) as part of this Threshold requirement:

- ~~1. Each Project Team member must include a statement in the Application concerning all criminal convictions, indictments, and pending criminal investigations of all members of the General Partnership and Development entities and must provide dates and details of each circumstance, unless otherwise prohibited by lawcourt order, statute or regulation. DCA may perform a full criminal, employment, and credit investigation of all Project Team Participants to verify credit and criminal history.~~
- ~~2. DCA may require disclosure of all real estate loans for the Project Team through the submission of a complete and accurate real estate properties disclosure. This disclosure will need to be submitted only upon the written request of DCA.~~
- ~~3. Each member of the Project Team must disclose any interest they have in an entity that may purchase federal or state Credits allocated to a project.~~
- ~~4. Any relationship between individuals or entities of the Project Team that could constitute a conflict of interest or Identity of Interest between the parties.~~
- ~~5. Complete organizational charts must be submitted for the General Partner and Developer entities that clearly show all Principals including individuals involved in the ownership and development of the project.~~
- ~~65. All Development fee and operating profit sharing arrangements must be disclosed. DCA considers all for all individuals or entities that receive more than 5% of the Developer fee to be part of the Developer structure. Similarly, all fee sharing arrangements related to operating profits must be disclosed. DCA considers all individuals or entities that receive more than 5% of operating profits to be part of the General Partnership structure.~~

- ~~76. All guarantor agreements must be disclosed. DCA may determine that a guarantor is actually a real party in interest to either the General Partner and/or Developer entities and require additional disclosures.~~
- ~~87. All consulting agreements—direct or indirect, paid or unpaid—shall be disclosed.~~
- ~~98. All services that are provided in support of a proposed project by a syndicator that is compensated through a lower credit price or other direct or indirect fee must be disclosed.~~
- ~~109. Any Project Team member that has sold, withdrawn or been involuntarily removed from a HOME or Tax Credit project General Partner or Developer entity~~
- ~~101. All pending litigation against members of one or more members of the Project Team must be disclosed.~~
- ~~112. Significant non-performance and/or debarment in a government or quasi-government affordable housing program (including Fannie Mae, Freddie Mac, and Federal Home Loan Bank programs) must be disclosed.~~
- ~~123. Adverse credit history including, but not limited to, a default in the payment of any commercial or personal loan or personal bankruptcy.~~

## ~~XX.~~XIX. ELIGIBILITY FOR CREDIT UNDER THE PRESERVATION SET ASIDES

### Requirements for all Preservation set asides:

- The seller did not, or will not, receive any operating, maintenance, or other reserve funds as a result of or concurrent with the sale of the asset.
- Proposed development qualifies as “Preservation” as defined in **(Core Plan) Definitions**.

### A. USDA-RD 515 assisted Housing

~~1. This set aside applies to USDA Rural Development Section 515 assisted properties.~~

~~2.1. For Applications competing under the 9% Credits set aside, only: USDA-administered project-based rental assistances supports at least 50% of units overall in the proposed development~~

- ~~• USDA-administered project-based rental assistance must support:~~
  - ~~○ At least one unit in each building, and~~
  - ~~○ At least 50% of units overall, when considering all units across all buildings.~~

~~3.2. For Applications competing under the 4% Credits/Bonds Competitive Round Portfolio set aside, only: the Application proposes Preservation of at least 400 units.~~

#### Minimum Documentation:

- Documentation from USDA evidencing all applicable requirements

## B. RAD Set Aside Requirements

At least 50% of units must maintain existing project-based rental assistance or project-based operating subsidies through a program administered by HUD.

### Minimum Documentation:

- Direct evidence that HUD has provided initial approval for the RAD conversion through a Commitment to enter into a Housing Assistance Payment (CHAP)
- Direct evidence of HUD rental assistance or operating subsidies to be provided for the property.
- For RAD/Section 18 Small PHA Blends:
  - RAD CHAP for the total number of public housing units to be repositioned, including both RAD and Section 18 units
  - Signed DCA Template: HUD Letter for RAD/Section 18 Blends
  - Calculation of the RAD/Section 18 unit mix and rents the project is entitled to

## C. Housing Tax Credit Set Aside Requirements

- At least 50% of units must be restricted under a LURC.

### Minimum Documentation:

Existing LURC.

## D. HUD Rental Assistance Set Aside Requirements

- At least 50% of units must maintain existing project-based rental assistance administered by HUD or a PHA.
- Proposed development is not seeking to undergo a RAD conversion.

### Minimum Documentation:

Direct evidence of HUD rental assistance.

## ~~XXI~~.XX. ELIGIBILITY FOR CREDIT UNDER THE NON-PROFIT SET ASIDE

To be eligible ~~for Credit~~ under the non-profit set aside:

- A. The organization must be a qualified non-profit, 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.
- B. The qualified non-profit(s) must materially participate (as described in IRC Section 469(h)) in the development and operation of the project throughout the Compliance Period.
- C. 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.

~~D. 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.~~

~~E.D.~~ The non-profit must receive a percentage of the Developer Fee greater than or equal to its percentage of its ownership interest ~~except this does not apply to a~~ (DCA-certified CHDOs which must own 100% of the General Partnership entity).

~~F.E.~~ The Application includes a copy of the General Partnership joint venture agreement or General Partnership operating agreement that provides the non-profit’s General Partnership interest and the Developer Fee amount ~~must be included in the Application~~, if the General Partnership is a joint venture.

~~G. Non-profit organizations applying for Credit under the non-profit set aside must include in the Application a~~ An opinion of a third party attorney who specializes in tax law on either the non-profit’s current federal tax exempt qualification status. If such an opinion has been previously obtained, this requirement may be satisfied by submitting the opinion with documentation demonstrating or that the non-profit’s bylaws have not changed since the a previous legal opinion was issued.

~~H.F.~~ IRC Section 42(i)(7) provides nonprofit general partners a Right of First Refusal (ROFR). The ROFR can be used to obtain eventual ownership of the property at a minimum purchase price equivalent to the outstanding debt plus exit taxes. The provision allows nonprofit general partners to gain property ownership as their investors exit after year 15 of the compliance period. To ensure that nonprofit general partners are able to exercise their rights under Section 42(i)(7), the Applicant must commit to incorporating an acknowledgment of this right in partnership documents. In order to be eligible, the equity commitment letter and ~~Either~~ the Limited Partnership Agreement or a separate ROFR Agreement must include specific language acknowledging the nonprofit general partner’s ability to exercise the ROFR. The ROFR Purchase Price must be the minimum purchase price permissible under Section 42(i)(7)(B). DCA will review the LPA or ROFR agreement prior to issuance of Form 8609 to ensure this requirement has been met.

For purposes of this set aside, the term “qualified non-profit” includes any corporation if 100% 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.

**Minimum Documentation:**

- An opinion of a third party attorney who specializes in tax law on the non-profit’s current federal tax exempt qualification status (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).
- If joint venture, copy of Agreement confirming interest and Developer Fee.

## ~~XXII.~~XXI. REQUIRED LEGAL OPINIONS

- A. A legal opinion regarding the acquisition Credit eligibility is required for projects involving acquisition and rehabilitation. If the project previously received Credits, the legal opinion must include sufficient documentation for DCA to confirm that the Compliance Period has ended.
- B. A legal opinion regarding Credit eligibility is required for projects operated as assisted living facilities.
- ~~C. Non-profit organizations applying for Credit under the Non-profit set aside must include in the Application an opinion of a third party attorney who specializes in tax law on the non-profit's current federal tax exempt qualification status. If such an opinion has been obtained in the previous three (3) years from Application Submission, 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.~~
- ~~D. A legal opinion is required for those projects involving scattered site developments. The legal opinion should address the proposed site plan and its determination as a Scattered Site as defined in Section 42(g)(7) of the Code and this QAP.~~

~~All legal opinions must state that the third party attorney reviewed all relevant documentation to render the opinion and that DCA may rely on the opinion.~~

~~For scattered site projects, the non-contiguous parcel for which this criterion is applicable must meet the legal opinion requirements.~~

## ~~XXIII.~~XXII. OCCUPIED DEVELOPMENTS

All proposed developments with residents and non-residential tenants on-site since the earlier of

- ~~• Waiver Request submission Pre-Application Submission,~~
- ~~• three months prior to Application Submission, and-~~
- ~~• applying for federal funds ~~(if applicable)~~~~

must meet the application and documentation submission requirements below and in the most current 2023~~2024~~ DCA Relocation Manual.

### A. Pre-Competitive Round Tenant Notices

Certain notices must be provided to tenants prior to submitting a Competitive Review Application. Applicants must submit drafts of these notices to DCA for approval prior to circulating to residents. Please see:

- DCA Relocation Manual for specific requirements
- **(Core Plan) Competitive Rounds** for the submission timeline.

## B. Relocation and Displacement of Tenants

### ~~A. Relocation and Displacement of Tenants~~

~~1. Applicants must complete the DCA relocation survey in the Core Application, specifically addressing the development history and occupancy of the proposed project, regardless of occupancy type.~~

1. ~~2.~~ The Application must include:

- a detailed relocation/displacement plan, including a projected budget and an explanation of efforts by the Applicant (including underwriting) to mitigate the impact on residents and non-residential tenants
- documentation required in the DCA Relocation Manual
- rent rolls for the most recent three months

2. ~~3.~~ The plan must detail projected start and end dates and construction phasing (if applicable), including projected start and end dates for each phase, when work will be performed on each unit, and distinguish between units requiring relocation, including the necessary length of time for unit rehabilitation.

~~4. DCA must approve any temporary relocation or permanent displacement of tenants. Applicants that foresee in-place rehabilitation or permanent displacement of residents or non-residential tenants must submit a waiver request at pre-application. No in-place rehabilitation waivers will be considered from projects that have environmental conditions of funding. DCA reserves the right to deny in-place rehabilitation to Applications with conditions of funding under VI. Environmental Requirements that reflect potentially unsafe conditions for residents. DCA will engage with the Project Team before issuing any condition, restriction, or prohibition.~~

3. ~~4.~~

4. ~~5.~~ Applicants must provide advisory services for existing tenants, which may be done by a third party (a non-profit, advocacy group, relocation specialist or Local Government). Applications must include evidence of tenant eligibility for every unit in each building with an existing tenant.

5. ~~6.~~ Applicants must disclose federal and other funding sources which may trigger additional relocation requirements, and provide supporting documentation. Applications for DCA-administered federal funds (including but not limited to HOME, NHTF, CDBG-DR) must meet the requirements of the Uniform Relocation Act and any other applicable laws. Owners may not use DCA HOME Loan draws to finance the relocation costs.

6. ~~7.~~ RAD Applications must provide a relocation plan and supporting documentation as applicable, meeting RAD requirements. This is inclusive of unoccupied sites selected for RAD Conversion or RAD Transfer of Assistance.

- ~~7.~~ 8. In the event condemnation proceedings are pending against a proposed project, DCA's relocation policies apply to all residents and non-residential tenants residing at the property at the earlier of Application Submission or HOME consent request, if applicable.

**Reference Documentation:**

~~DCA Relocation Manual.~~

**Minimum Documentation:**

All documentation required by the DCA Relocation Manual.

### B.C. Resident Feedback on Existing Subsidized Housing

All Applicants must indicate a commitment to accept DCA-led resident engagement ~~if upon~~ request ~~chooses to do so~~. Resident engagement may include:

- surveying current tenants;
- holding one or more tenant meetings about desired amenities, services, management, maintenance, and the physical building;
- sharing the tenant input with DCA to determine whether the desired changes are feasible and practical.

**Reference Documentation:**

~~DCA Relocation Manual.~~

## ~~XXIV.~~ XXIII. AFFIRMATIVELY FURTHERING FAIR HOUSING

~~It is the policy of the Georgia Department of Community Affairs to administer the Housing Tax Credit Program affirmatively, as to achieve a condition in which individuals of similar income levels in the same housing market area have a like range of housing choices available to them regardless of their race, color, religion, sex, disability, familial status or national origin. All Applicants shall implement affirmative fair housing marketing policies in soliciting residents and outreaching to underserved populations and those least likely to apply to reside in completed tax credit units.~~

All Applicants selected for an award of Credits must prepare and submit an Affirmative Fair Housing Marketing Plan outlining how the project will market units to underserved residents including residents with disabilities. DCA must approve ~~The Marketing Plan must be submitted and approved~~ prior to the start of lease up; and it ~~must include~~:

- A. HUD Affirmative Fair Housing Marketing Plan (AFHMP) – Multifamily Housing Form (HUD\_935.2A) with completed worksheets and supportive documentation.
- B. A comprehensive documented marketing strategy to affirmatively market and attract individuals least likely to apply, including persons with disabilities and the homeless. This strategy should include:

- Goals, outcomes and action steps to thoroughly market to target populations and to establish and maintain relationships between the management agent and all community partners noted in the marketing strategy.
  - The progress assessment plan from the Evaluation of Marketing Activities section noted in the HUD-935.2A form.
  - Examples of outreach efforts (i.e., letters, meeting dates, events, etc.) to each service provider, homeless shelter and/or local disability advocacy organization in the county in which the proposed development is located. ~~Be sure a~~All marketing efforts must include the Fair Housing and Accessibility logos, slogan and/or statement.
  - Examples of all marketing materials distributed to underserved populations 2-4 months prior to occupancy (i.e. tear sheets with dates from newspapers and magazines, copies of ads on a website, pictures of signs on the property, etc.).
- C. A formal documented strategy and outreach examples for individuals with Limited English Proficiency (LEP) for languages identified as being prevalent in the surrounding market area. ~~Please note: DCA's website lists~~ Counties and Cities required to expand their marketing to include additional languages ~~will be listed on the QAP Website.~~
- D. Formal documented referral and screening process that will be used to refer residents to the development, the screening criteria that will be used, and reasonable accommodations that will be made to facilitate the admittance of persons with disabilities or the homeless.
- E. A list of the public locations in and near the community where the development will be located, including at least one that has night hours, where applications for affordable units shall be made available.

## ~~E.~~ XXIV. SUPPORTIVE HOUSING REQUIREMENTS

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~~The Applicant agrees to provide reasonable accommodation for these residents in the Property Management's resident application. The leasing criteria must clearly facilitate admission and inclusion of the targeted population residents and must not violate federal or state fair housing laws.~~

## ~~XV. HOUSING OPPORTUNITIES FOR PERSONS WITH DISABILITIES~~

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~~A. "Integrated Setting or Integrated Housing" means the "most integrated setting" which is defined as "Housing Opportunities for Persons with Disabilities~~

~~Integrated settings:~~

- ~~a setting that~~ enables individuals with disabilities to interact with non-disabled persons to the fullest extent possible.” ~~Integrated settings-~~
- ~~are those that~~ provide individuals with disabilities opportunities to live, work, and receive services in the greater community in a manner similar to individuals without disabilities-
- ~~Integrated settings~~ are located in mainstream society and offer access to community activities and opportunities at times, frequencies, and with persons of an individual’s choosing.
- ~~Integrated settings also~~ afford individuals choice in their daily life activities and provide individuals with disabilities the opportunity to interact with non-disabled persons to the fullest extent possible.

Settings that are not integrated include, but are not limited to, properties which ~~target-reserve~~ more than ~~20%25%~~ of ~~the units to-for referrals that prioritize or are correlated with disability~~ ~~status;individuals with disabilities.~~ (Applicants should review the Justice Department Mandate for additional guidance on this issue: [http://www.ada.gov/olmstead/q&a\\_olmstead.htm](http://www.ada.gov/olmstead/q&a_olmstead.htm)).

DCA is committed to providing a full range of housing options for ~~Persons with Disabilities~~persons with disabilities. DCA identifies both ~~Integrated-integrated~~ and congregate housing as important healthy living options for ~~Persons with Disabilities~~persons with disabilities and seeks to allow ~~Persons with Disabilities~~persons with disabilities to choose what type of housing they prefer. Historically, a majority of the Georgia housing credit resources financing supportive housing for ~~Persons with Disabilities~~persons with disabilities have supported congregate housing development. Therefore, DCA’s commitment to providing a full range of housing options requires focusing resources to develop supportive housing for ~~Persons with Disabilities~~persons with disabilities in ~~an~~ integrated ~~Settings.~~

Therefore, DCA will not fund new construction of congregate housing for ~~Persons with Disabilities~~persons with disabilities under ~~the Competitive Rounds.~~this QAP. DCA ~~assess whether a property provides integrated or congregate housing uses the definition of integration provided by based on~~ the Justice Department ~~in its~~ Statement on Enforcement of the Olmstead Integration Mandate, ~~in its analysis of whether a development provides Integrated or congregate housing for Persons with Disabilities.~~

In order to ensure that supportive housing developments meet DCA’s goals, DCA will review each proposed Application as a whole to determine whether the project constitutes congregate housing for ~~Persons with Disabilities~~persons with disabilities. Applicants considering submitting an Application for a project that serves ~~Persons with Disabilities~~persons with disabilities should specifically discuss how the project meets the definition of integration as set forth in the Statement on Enforcement of the Olmstead Integration Mandate in terms of its proximity to community resources and the opportunity for residents with disabilities to interact with non-disabled persons, ~~which is referenced in the DCA definition of Integrated Housing. DCA’s definition is based upon the definition used by the Justice Department in its Integration mandate.~~

Funding sources or rental assistance that requires documentation of a disability as a condition will be considered documentation that the unit targets individuals with disabilities.

## B. Operational Requirements

Property Management will:

- not ask referred applicants/residents for medical or other protected information unless and only to the extent legally necessary (e.g., processing reasonable accommodations)
- use standard leases with the same rights available to, and responsibilities expected of, households in Housing Credit properties
- not limit duration of tenancy (cannot be transitional)
- ensure participation in any supportive services is entirely voluntary (not a formal or implied condition of occupancy)

Neither the project owner nor the property management company(ies) may engage in medical, therapeutic, or other activities regulated by the U.S. Centers for Medicare & Medicaid Services with respect to the residents.

## XIII. TENANT SELECTION

### A. Tenant Selection Plan

Applicants must submit a tenant selection plan that conforms with DCA requirements and applicable federal guidelines. At a minimum, during Threshold review staff will confirm that:

- Screening and selection policies pertaining to criminal history, income requirements, credit background, and eviction reflect the most up-to-date Compliance Manual and federal guidance
- The tenant selection plan reflects any commitments made by the Applicant under the Competitive Round with tenant selection implications (e.g., **(Scoring) Integrated Supportive Housing** or **(Scoring) PHA and Rental Assistance Alignment**)

#### Minimum Documentation

- Tenant Selection Plan
- MOU with referring entitit(ies), if Applicant claimed points under **(Scoring) Integrated Supportive Housing** in the Competitive Review Application

### B. Federal Guidance Affirmation

DCA will post a Federal Guidance for Tenant Selection Affirmation (“Affirmation”) to the DCA website, detailing key guidelines for complying with federal laws governing tenant selection and screening.

- For Threshold review, Applicants must sign and submit this Affirmation
- As part of the Final Allocation Application, the property management company must submit both of the following:
  - Signed Affirmation

- Description of:
  - plan for incorporating the Affirmation into the onboarding process for property management staff
  - existing policies and procedures in place at the company for ensuring staff awareness of federal guidelines pertaining to tenant screening and selection

Submissions must reflect the most up-to-date version of the Affirmation and federal guidance.

#### Minimum Documentation

- Signed Federal Guidance for Tenant Selection Affirmation

## XIV. REQUIRED DEEPER TARGETING

### A. Minimum Deep Affordability

The proposed development must meet one of the following requirements:

- i. 10% of units have Project-based Rental Assistance contracts with terms of at least 10 years following the Competitive Review Application deadline and include a renewal provision. Applicant commits to renew for the duration of the Compliance and Extended Use Periods if rental assistance is available.
- ii. Application includes an MOU with the local HCV administrator detailing a plan for either or both of the following for the duration of the Compliance and Extended Use Periods:
  - facilitating tenant-based HCV utilization at the property
  - contracting for Project-based Rental Assistance in the future if funding is available
- iii. 5% of units at the proposed development will be restricted to 30% AMI (or lower) eligible households

#### Minimum Documentation

- Preliminary commitment for rental assistance executed by authorized regulatory agency, if applicable
- MOU with HCV administrator, if applicable

### B. DCA PBRA Agreement –1 point

The Applicant commits to accept DCA-administered Project-based Rental Assistance for units PBRA at the proposed development if funding is available. The property will not be required to accept rental assistance contracts for for not more than 20% of overall-property units if funding is available.

EligibilityApplicability:

- Proposed development has units without Project-based Rental Assistance PBRA contracts.
- Proposed development tenancy is Family.
- ~~New Supply~~New Affordability Applications must propose at least 10% of total units as 1 bedroom.

It is the Applicant’s responsibility to understand all applicable rental assistance PBRA program requirements. Applicants should note that if contracted to utilize Section 811 PBRA, the program requires a 30-year use restriction for assisted units.

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- ~~DCA primarily intends to utilize commitments under this section for Section 811 Supportive Housing for Persons with Disabilities.~~
- ~~The Section 811 program requires a 30-year use restriction for assisted units.~~

## XXV. OPTIMAL UTILIZATION OF RESOURCES

DCA ~~is required to will~~ take any actions necessary or convenient to ensure the complete, effective, efficient, and lawful allocation and utilization of the Housing Tax Credit Program. ~~It DCA~~ will not select projects that ~~will~~

- would result in a waste of DCA resources,-
- have an inferior project design or site, ~~or which~~
- would result in the unjust enrichment of a Project Team or its member(s). ~~DCA will also not select Applications~~
- where a Project Team member has made conditional promises or financial commitments to a Local Government in order to obtain support.-

DCA may request additional documents or explanations in order to clarify or confirm information required for the appropriate analysis of the proposed property.

Examples of factors that DCA will ~~be considered~~ include, but are not limited to:

- A. Property acquisition and rehabilitation cost versus the cost to demolish and build a similar property in the same market area.
- B. Ratio of acquisition costs versus rehab hard costs.
- C. Work scope for rehabs.
- D. DCA resources allocated to develop each unit.
- E. Effectiveness and aesthetics versus the cost of a mitigation plan.
- F. Efficient and marketable use of the site, considering size and layout, to accommodate the number and type of units and amenities proposed.
- G. Undue enrichment of any Project Participant or contractor particularly where there are Identities of Interest.
- H. Impact on affordable housing stock.
- I. Other uses proximate to the site.
- J. Market information generated by or available to DCA.
- K. Property is already affordable and not a priority for receipt of resources.
- L. Transaction appears to be primarily driven by the transfer of the property.

- M. Per unit costs not reasonable.
- N. Excessive soft costs.
- O. Oversized units.
- P. Number of bedrooms high for proposed market.
- Q. High acreage.
- R. Other factors which are contrary to the policies and objectives of DCA.
- S. Applications that misrepresent sources of funds or attempt to conceal pertinent facts related to the proposed project.

## ~~XXVI. ADDITIONAL REQUIREMENTS FOR 4% CREDITS/BONDS APPLICATIONS~~

- ~~— Each Competitive Review Threshold submission Application must be associated with one bond issuance.~~
- ~~— Scattered site Competitive Review Applications are only eligible for consideration if proposing Preservation of properties funded by USDA, undergoing a RAD conversion, or approved by DCA prior to the Competitive Review Application deadline.~~
- ~~— The bond allocation request within a Competitive Review Application cannot exceed \$30 million. This limitation (does not apply to Applications awarded under the Urban Housing Reservation).~~
- ~~— No more than 55% of a development's aggregate basis can be financed by tax-exempt bonds.~~
- ~~— Competitive Review Application The Threshold submission must include bond inducement resolution from the issuing authority.~~
- ~~— DCA will not select any Competitive Review Application submitted by an Owner and/or Developer that has a 4% Credits/Bonds property that received an LOD from DCA in 2022~~1~~ or earlier that has not closed their financing and started construction on that property as of the Competitive Review Application deadline.~~

### ~~Minimum Documentation~~

- ~~• Bond inducement resolution~~

# Exhibits ~~A to~~ to Threshold Criteria

## A. DCA UNDERWRITING POLICIES

### 1. Annual Operating Expenses

Annual budgeted operating expenses must be reasonable, excluding reserve contributions.

- a) *Minimums.* Annual budgeted operating expenses must be no less than the following per unit:
  - i. \$5,000 ~~per unit~~ for projects within the City of Atlanta,
  - ii. \$4,500 ~~per unit~~ for projects located in a Metropolitan Statistical Area (MSA) other than the City of Atlanta,
  - iii. \$3,750 ~~per unit~~ for Rural projects in an MSA
  - iv. \$3,250 ~~per unit~~ for non-MSA Rural projects, ~~and~~
  - v. DCA will determine the reasonableness of the budgeted operating expenses for existing housing developments ~~that include 515 USDA loans on a deal by deal basis.~~ Rehabilitation developments must submit detailed historic operating statements breaking out income, vacancy, other income, utilities, taxes, administration/payroll, maintenance, and insurance for the most recent two years. Audited statements must be provided, if available. DCA will not allow Applicants to decrease annual operating expenses after Application submission.
  
- b) *Waiver Requests.* ~~Applicants will not be allowed to decrease annual operating expenses after submission of an Application. Requests for Applicants requesting a waiver of the minimum operating expense must be submitted must submit it at the Pre-Application Waiver Request deadline and will only be considered with the following minimum documentation:~~
  - i. Documentation from the real estate taxing authority of its methodology for determining real estate taxes, and an estimate for the subject project.
  - ii. ~~For rehabs: detailed historic operating statements (must break out income, vacancy, other income, utilities, taxes, administration/payroll, maintenance, and insurance) from the proposed rehab project for the most recent 2 years. Audited statements must be provided, if available.~~
  - iii. ~~ii.~~ For new construction: audited operating statements ~~(must breaking~~ out income, vacancy, other income, utilities, taxes, administration/payroll, maintenance, and insurance) for at least two ~~(2)~~ other projects located in similar areas of the state, with

similar characteristics (Affordable, tenancy, building type) for the most recent 12-month period of stabilized operations. ~~Please include~~ the number of units. If comparable projects are not available in the same tax district, make an adjustment for real estate tax expense ~~will be made~~.

~~iv.iii.~~ iii. Rent projections must be at least 10% below the lower of market or tax credit maximum allowable limits.

## ~~2.~~ 2. **Applicable Credit Percentage**

~~Under section 42(b)(2), the applicable percentage for non-federally subsidized new buildings placed in service after July 30, 2008, shall not be less than 9 percent.~~

~~Section 42(b)(3), provides that in the case of any new or existing building to which 42(b)(2) does not apply and which is placed in service by the taxpayer after December 31, 2020, the applicable percentage cannot be less than 4 percent.~~

## ~~3.2.~~ 3.2. **Assumptions for Building/Land Cost**

For purposes of underwriting, DCA will limit the building/land cost ~~must be limited~~ to the lesser of the sales price or the appraised value of the building(s) and/or land. ~~Previous sales price as well as valuations may be considered. This applies to both the building/land cost and building eligible basis.~~ DCA will use a pro rata of the land to total value based on the appraisal to derive the allowance cost in the development budget.

## ~~4.3.~~ 4.3. **Builder Cost Limitations (Contractor Services)**

Builder Profit is limited to a maximum of 6% of the subtotal of Land Improvements & Structures (on Core Application. Part IV – Uses of Funds). Builder Overhead is limited to a maximum of 2% of the subtotal of Land Improvements & Structures. General Requirements is limited to a maximum of 6% of the subtotal of Land Improvements & Structures. These limits apply to both development costs and eligible basis, at Application and at Final Allocation.

- a) General Requirements are defined as job overhead and cover project-specific overhead expenses. This typically includes:
  - i. Supervision and job-site engineering;
  - ii. On-site job office expenses directly related to the project;
  - iii. Temporary buildings, tool sheds, shops, and toilets;
  - iv. Temporary heat, water, light and power for construction;
  - v. Temporary walkways, fences, roads, siding and docking facilities, sidewalk and street rental;
  - vi. Construction equipment rental not included in trade item costs;
  - vii. Clean-up and disposal of construction debris;
  - viii. Medical and first aid supplies and temporary facilities;
  - ix. General Liability and Builder’s Risk Insurance.
- b) General Requirements do not include the following:

- i. Payment and performance bonds, letter of credit fees, and fees associated with obtaining a construction loan in lieu of payment and performance bond or letter of credit;
  - ii. Site and topographic surveys;
  - iii. Subsurface exploration (test borings);
  - iv. Soil tests, concrete tests, and other construction testing;
  - v. Fees for utility taps and connections;
  - vi. Building permits and licenses;
  - vii. General Contractor's cost certification audit fee.
- These will be costs outside of the construction contract and allocated to Soft Costs.

#### **5.4. Community Service Facilities**

~~DCA requires that t~~Ihe adjusted basis of any community service facility included in eligible basis cannot exceed \$1,250,000. The Application must separately break out costs associated with community service facilities ~~must be broken out separately within DCA's Core Application.~~

#### **6.5. Construction Contingency**

For new construction, the construction contingency is limited to a maximum of 5% of the total construction hard costs. For rehabilitation, the construction contingency is limited to a maximum of 10% of the total construction hard costs.

The construction contingency is meant to cover unforeseen circumstances encountered during construction. In the absence of unforeseen circumstances, a change order may cover the following costs:

- a) Amenities designed to enhance the quality of life of the residents
- b) Amenities that provide security such as lighting, fencing, and life safety monitoring systems.
- c) Product upgrades that increase durability and decrease maintenance costs
- d) Product upgrades or scope additions that increase energy efficiency and decrease operational costs

The Applicant may elect whether ~~or not~~ to include the construction contingency in eligible basis for the purpose of the credit calculation.

#### **7.6. Debt Coverage Ratio (DCR) and Effective Gross Income**

- a) DCA will require that developments with debt meet, for 15 years, a minimum DCR of 1.20 for new construction and 1.25 for rehabilitation (deferred Developer Fee does not count as debt).~~As part of its financial feasibility analysis, DCA will require that developments with debt meet, at a minimum, a 1.20 debt coverage ratio for each year of the Compliance Period for new construction and 1.25 for developments involving rehabilitation. For purposes of determining the debt coverage ratio, deferred Developer Fee will not be considered debt.~~

- ~~b) For purposes of this test, each year will stand alone.~~ 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 that~~ 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.~~
- ~~c) The debt coverage ratio DCR cannot drop below 1.20 for new construction and 1.25 for rehabilitation during the 15-year Compliance Period for a tax credit only property and 20 years for new construction properties with a DCA HOME loan.~~
- ~~d) All developments with debt must meet DCA's debt coverage ratio requirement and have a minimum Effective Gross Income to Total Annual Expenses (including reserve for replacement) ratio of 1.10 for new construction and 1.15 for developments involving rehabilitation. DCA will review each development carefully to determine whether a development is over subsidized and whether the amount of HOME funds and/or credits is the best use of DCA resources.~~
- ~~e) DCA reserves the right to may reduce credit allocations to Applications that have with high DCRs and has enough cash flow to support debt. DCA will scrutinize Applications with DCRs exceeding 1.50 in Metro Pool areas and 1.40 in Rural areas. DCA does not recognize that Rural deals will typically have higher debt coverage at the beginning of the Compliance Period in order to remain feasible over the 15 years. Documentation to support these higher debt coverage ratios should be provided.~~

DCA may waive ~~its the~~ minimum ~~debt coverage ratio DCR~~ for USDA 515 developments that clearly demonstrate feasibility, or reduce it to match other government program funding requirements ~~provided that if the funding commitment includes~~ confirmation from the agency ~~of the required DCR is included in their funding commitment.~~

~~Developments with no debt service will not have a DCR but instead must meet the Effective Gross Income to Total Annual Expenses ratio in subsection (d) above. Deals with no hard debt are allowed, but will be subject to additional scrutiny from DCA. Developments submitted with no hard debt will not have a DCR but will be required to undergo a subsidy layering review. This will be determined by a ratio of Effective Gross Income to Total Annual Expenses (including reserve for replacement). A ratio of 1.10 for new construction and 1.15 for developments involving rehabilitation is the minimum required to be considered feasible by DCA in Years 1-15. This may also apply to government funded debt with a commitment that specifically defers repayment beyond the compliance period (or the term of the HOME loan), or where no cash flow repayment is required if unavailable is specified in the commitment. If hard debt is scheduled to be repaid prior to the end of the Compliance Period, the years remaining in the Compliance Period where there is no debt repayment are subject to the Effective Gross Income to Total Annual Expense minimum ratios.~~

## 8. ~~Development Costs~~

~~These are costs shown in the development budget and include, but are 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.~~

~~DCA will conduct a line by line review of development costs to determine the reasonableness of each estimate. Applicants are encouraged to utilize accurate estimating data in determining this budget and to provide supporting documentation when available. DCA may require that development costs be reviewed by a third party consultant approved by DCA as a condition of funding.~~

## 9.7. ~~Developer Fee~~

- ~~a) The sum of the Developer's overhead and Developer's profit. Consulting fees and guarantor fees are also considered part of the total Developer Fee calculation (does not include green building certifications).-~~
- ~~b) The developer fee cannot be increased after Application Submission.~~

## 10. ~~Developer Fee Amounts~~

- ~~d) e) The maximum Developer fees awards will be set on a per-unit basis are~~ as follows:
- ~~• \$27,500 per unit for first 50 units~~
  - ~~• \$22,000 per unit for units 51-70~~
  - ~~• \$16,500 per unit for units 71 or higher~~

~~For developments with more than one eligible basis activity (new construction, acquisition, rehabilitation), the developer fee should be split proportionally between each activity based on the total basis for each activity to total project basis.~~

- ~~e) d) The Developer Fee for Applications for additional Credits (in the year the project is placed in service), shall be is limited to the original approved Developer Fee.~~

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

~~The maximum allowable Developer fee includes Consultants' fees for each project. DCA will allow a limited exception and not include Consultant fees for the purpose of obtaining green building certifications in the Developer fee calculation.~~

- ~~f) e) Notwithstanding anything contained herein to the contrary, the Developer Fee will be limited to a maximum as follows:~~
- ~~• \$2,285,000 ~~\$2,000,000~~ for 9% credits competitive Applications~~
  - ~~• \$4,000,000 ~~\$3,500,000~~ for 4% credits Bond Financed Projects~~

## 11.8. Distribution across Unit / Bedroom Sizes

- a) ~~Rent.~~ Projects with a multi-tiered rent structure must distribute the rents across unit sizes, unit types and buildings. ~~These uUnits need not be fixed, but may~~ float in the same way high HOME rent and low HOME rent units ~~may float within a project~~ so long as the units and interior amenities are comparable.
- b) ~~Accessibility.~~ To the maximum extent feasible, accessible units must be distributed across unit sizes, unit types and buildings ~~so as not to limit choice.~~

## 12.9. Identity of Interest

- a) ~~Subcontractor / Materialmen.~~ Applications must disclose ~~A~~ny Identity of Interest between any Project Participant or General Contractor and any subcontractors, other provider of service, materials, ~~or supplies must be disclosed. Additional scrutiny will be given to subcontractor/materialmen costs where there is an Identity of Interest.~~
- g) ~~b) Lenders.~~ If there is an Identity of Interest between any Project Participant and ~~construction/permanent lenders, such financial structure requires All~~ financing terms and conditions ~~which are must be~~ reasonable, customary and consistent with industry standards.

~~Land/Building 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, meet USPAP standards, and must provide separate valuations for the land and existing buildings.

~~DCA will carefully scrutinize the sales price of land between related parties to ensure that the value has not been inflated. While the appraisal will be an indication of fair market value, DCA will consider tax values as well as actual sales price established as indicative of the value of a property. (All property values shall associate a land value as well as a value for the improvements.)~~

~~Properties which have been in the control of the Applicant or a related party for a period of three (3) years or less from Application Submission will generally be valued at the acquisition cost at the time the related party obtained initial site control. Properties that have been rezoned, subdivided or modified will not be deemed to be of higher value based on the actions taken by the Owner/ Applicant or any related party.~~

## 13.10. Local Government Fees

The development budget must include all documented water tap, sewer tap, impact and building permit fees. ~~(T)hese local government fees cannot be part of General Requirements.~~ Applicants that include fees that are not required by the local government at the time of application will be subject to a loss of points.

#### **14.11. Management Fee**

The operating budget ~~should~~must specify a reasonable management fee. ~~A management fee is required for all projects.~~ 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~~may limit or adjust management fees ~~which appear to be excessive or which appear to be below market.~~ ~~In order to ensure that Management fees are competitive and drive by the market,~~ ~~f~~Fee sharing is not allowed.

#### **15.12. Operating Deficit Reserve**

All developments must budget for and fund operating deficit reserves. ~~The funding of the operating deficit reserve must be completed~~ at or before Conversion. ~~The operating deficit reserve must be~~ and held for the Compliance Period. The required amount is six months of operating expenses plus six months of debt service unless DCA makes an adjustment. If the investor requires a higher operating deficit reserve, DCA will utilize the higher of the two requirements for underwriting. ~~For underwriting purposes, DCA will generally use six months of operating expenses plus six months of debt service. However, DCA reserves the right to evaluate the reasonableness of the proposed amount and may make appropriate adjustments.~~

#### **16.13. Permanent Debt Financing**

Permanent debt financing ~~shall~~must have a minimum term of 10 years. DCA may adjust the interest rate based on market information or request that the proposed lender provide an updated interest rate during Application review.

#### **17. Preliminary Financing Commitment Letters**

~~See Threshold Section I.A for Financing Commitment requirements. DCA reserves the right to evaluate the reasonableness of the interest rate of any loan and adjust it based on the market information available to DCA.~~

~~If DCA determines that continued volatility in the market makes the interest rate expressed in the preliminary commitment submitted at Application Submission unreasonable, DCA may request that the proposed lender provide an updated interest rate during Application review.~~

#### **18. Rehabilitation Hard Costs**

~~Average "dwelling unit" per unit rehabilitation hard costs must equal or exceed \$35,000. See Architectural Manual Rehabilitation Guide for further guidance.~~

#### **19.14. Rent-Up Reserves**

~~Applications must include A~~a reasonable rent-up reserve (excluding marketing costs) ~~is~~ required for all projects based on the estimated projected lease up deficit. ~~Absent~~

~~information to the contrary, DCA will assume that of~~ three months of projected operating expenses ~~constitutes a reasonable reserve~~. After lease-up, Owners will transfer any funds remaining in this reserve ~~will be transferred to the~~ operating deficit reserve ODR or ~~will be utilized~~ used to pay any deferred Developer Fee.

## 20.15. Replacement Reserve

- ~~h) a) — Applications must include a Replacement Reserve. Owners must make contributions to the account, starting at or before the permanent loan closing, for the longer of the term of the HOME loan, Period of Affordability or Compliance Period. 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 longer of the term of the HOME loan, Period of Affordability or the Compliance Period in accordance with the Replacement Plan.~~
- ~~i) b) — The minimum required contribution is the greater of the following or what is indicated in the Replacement Plan. The following minimum contributions must be used:~~
- ~~• (a) Rehabilitation: \$400~~350 per unit per year
  - ~~• (b) New Construction: \$300~~250 per unit per year
  - ~~• (c) Single Family Units/Duplexes: \$420~~470 per unit per year
  - ~~• (d) Historic Rehabilitation \$420~~ per unit per year
- ~~j) c) — Owners may use 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 or general maintenance expenses. DCA may approve less restrictive provisions required by Lenders should be approved by DCA.~~
- ~~d) Replacement Reserve contributions must escalate at a rate the greater 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.~~
- ~~e) For Rehabilitation Projects, the physical needs assessment will also be reviewed in determining whether sufficient reserves have been established. DCA will adjust the Replacement Reserve based on the PNA to reflect reasonable and customary capital and replacement expenditures, and will continue to do so during the term of the DCA funding, if necessary.~~

## 21.16. Revenue, Vacancy, and Expense Trends

~~Applications will trend R~~revenue ~~should be trended~~ at 2% per year, ~~and~~ operating expenses at 3%. ~~DCA will underwrite V~~vacancy and collection loss ~~will be underwritten~~ at the higher of 7% or a percentage ~~that~~ DCA determines is appropriate ~~based on market and historical information for the proposed project area.~~

## **22.17. Soft Cost Contingency**

DCA will not allow a "soft cost" or "total project" contingency, ~~over and~~ above the allowed construction contingency, ~~will not be permitted as a budgeted line item.~~

## **23.18. 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.

## **19. Additional Requirements for 4% Credits/Bonds Applications**

- a. Each Threshold submission must be associated with one bond issuance.
- b. No more than 55% of a development's aggregate basis can be financed by tax-exempt bonds.
- c. The Threshold submission must include bond inducement resolution from the issuing authority.

## **B. ADDITIONAL DCA POLICIES RELATED TO THE FUNDING OF DCA HOME LOANS**

When paired with the Housing Credit program, DCA administers HUD funding such as HOME through Notices of Funding Availability (NOFAs) outside of the competitive review processes detailed in the QAP.

### **DCA Underwriting Process**

#### **Overview of DCA HOME Underwriting Process**

- ~~All properties with a DCA HOME consent will be subject to a stringent underwriting review. Prior to commitment, the proposed loan must be approved by the DCA Project Loan Committee (Committee). DCA underwriting staff will work with development staff to present deals in their best light but cannot guarantee that a proposed loan will be approved by the Committee. The presentation of a workable loan is the sole responsibility of the Applicant.~~
- ~~Properties that are determined by the Committee to pose an undue risk of loss to DCA or GHFA through recapture during the period of affordability or default prior to payment in full will not receive a final commitment of funds.~~
- ~~DCA underwrites the loan based on the proposed pro forma submitted by the Borrower. Underwriting staff also performs a "sensitivity" analysis. The sensibility analysis will show whether the expenses or revenue proposed by the applicant can be less than 10% and still show a viable repayment structure. This means that tax credit rents will be underwritten both at the maximum allowable amount and at 10% less than the maximum amount. The ability of the proposed loan to "pass" this sensitivity analysis is used as part of the overall analysis of the risk of recapture and/or default.~~
- ~~A proposed application that is selected for funding in the 9% round with a DCA HOME consent will have their tax credit award rescinded if the proposed HOME loan cannot be approved by the DCA loan committee within a reasonable time of the tax credit reservation (if applicable).~~
- ~~The Committee will only approve loans where the proposed financing structure reasonably shows repayment of all HOME funds. Recapitalization at year 15 is not considered as a basis for repayment of the proposed loan. The value of the property at the end of the Period of Affordability may be considered as a source of repayment.~~
- ~~The adherence to underwriting criteria increases the chances of a project receiving final committee approval but is not a guarantee of approval. One or more Waivers or exceptions to DCA underwriting guidelines increases the chances that a proposed loan will not be approved by the Committee even if the waiver or exception is allowed by DCA underwriting staff.~~
- ~~Risk of default after the end of the period of affordability may be mitigated by a market appraisal showing that the property has a value in excess of the loan balances.~~

## ~~HOME Underwriting Policies~~

### ~~1. Assumptions for Land Purchase~~

~~Once a project has been selected and the appraisal received, the building 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.~~

### ~~2.1. Contractor Change Orders~~

~~DCA must approve A~~all changes to the approved scope of work and/or construction contract ~~must be approved by DCA~~ in advance of proceeding with the work.

### ~~3.2. Construction Commencement~~

All HOME projects must be able to commence construction within nine ~~(9)~~ months of the preliminary award letter.

### ~~4.3. Construction Contingency~~

~~Owners must use A~~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.

### ~~5.4. Construction Hard Cost Financing~~

HOME Loan funds must be used to finance construction hard costs, ~~(site development, unit/building construction), and Contractor Services~~ (General Requirements (exclusive of payment and performance bonds), Builders Overhead and Builder's Profit). ~~Other sources must cover S~~soft costs, acquisition costs and other project costs ~~must be financed by other financing sources~~ unless expressly approved by DCA.

### ~~6.5. Construction Loan Recourse~~

All construction loans will be full recourse against the borrower and/or the Principals of the ownership entity until Conversion. DCA may require that one or more Principals of the Owner or Developer entities also guarantee the completion of construction and payment of the HOME Loan until Conversion.

### ~~7.6. Conversion~~

Projects receiving HOME Loans must be scheduled to convert within ~~twenty-four (24)~~ months of the HOME construction loan closing.

### ~~8.7. Developer Fee Disbursement Limitations~~

The maximum amount of the Developer's and Consultant's Fee (if applicable) that can be drawn before Project Completion must not exceed the total Developer Fee requested less any portion being deferred times 50%. 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.~~

### 9.8. 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. ~~If applicable, HOME and TCAP funds will be drawn in equal amounts during the period of construction.~~

### 10.9. Fixed or Floating Unit Designation

~~When HOME assisted units are "fixed", those units are subject to specific HOME rent and occupancy requirements and will never change. When HOME assisted units are "floating", the units that are designated as 50% or 60% AMI units may change over time as long as the total number of those units in the project remains constant. 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 will be "floating". This will be reflected in the closing documents.~~

### 11.10. General Contractor

DCA must approve the General Contractor prior to commencing work on any HOME project. The General Contractor ~~for all DCA construction projects~~ must be properly licensed in the State of Georgia and must not be on the HUD debarment list.

Request for approval of a General Contractor (Contractor Qualification Package) ~~shall~~ must include the following:

- a) A resume on the General Contractor's Construction Experience that demonstrates a history of having performed work of the scope and type required for the development (low income housing, tax credit, multifamily, number of projects, number of units, location of projects, capacity of involvement).~~;~~
- b) Three ~~(3)~~ letters of reference with contact information (name, address, email, phone and facsimile numbers).~~;~~
- c) Affidavit that the Contractor is not on the ~~U.S. Department of Housing and Urban Development (HUD)~~ list of contractors debarred or not approvable for prior noncompliance with HUD or DCA requirements.~~;~~
- d) A statement as to whether the General Contractor has any lawsuits pending, has ever declared bankruptcy or has any pending unresolved claims.~~;~~
- e) A statement as to whether the General Contractor has been bonded within the last three ~~(3)~~ years; if bonded, include amount and by what entity.~~;~~
- f) The General Contractor's Schedule of Work in Progress which details current projects under construction and estimated timeline for completion.~~;~~
- g) General Contractor's Estimate of Construction Time for the project.~~;~~
- h) Evidence of the extent to which the General Contractor is bondable.
- i) A complete AIA A305 General Contractor Qualification statement.~~;~~

- j) Evidence that the General Contractor carries Comprehensive General Liability and Worker's Compensation insurance in the amounts specified in the Construction Contract or the DCA Insurance Manual, whichever is the most restrictive, along with evidence of insurance that meet the State of Georgia minimum requirements.
- k) A statement identifying all identities of interest with Project Participants and subcontractors/vendors where the value of the work subcontracted or purchased is expected to exceed \$50,000.
- l) A copy of General Contractor's license.

#### **12.11. Guarantees**

~~DCA requires G~~guarantees ~~will be required~~ by the Developer entity as well as the individual Principals of that entity for the period from the loan closing until conversion.

#### **13.12. Intercreditor Agreements**

~~When~~ GHFA ~~will execute an intercreditor agreement when it is 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.~~ At a minimum, the intercreditor agreement will contain at least the following ~~essential elements~~:

- a) A development cost budget approved by all lenders indicating the source(s) of funding for each line item;
- b) A process and timetable for reviewing and approving change orders to the construction contract;
- c) A process and timetable for reviewing and approving draw requests, including site inspection and documentation standards;
- d) A process and timetable for amending the approved development cost budget;
- e) Limitations on disbursements for Developer Fee ~~(Owner's profit and risk)~~ and Consultant fees; and,
- f) Priority of each lender's interest in the collateral for the loans.

#### **14.13. Loan Documents**

~~GHFA and the borrower will enter into W~~written agreements ~~shall be entered into between GHFA and the borrower evidencing, securing, and setting forth all of with~~ the terms and conditions of the HOME Loan. ~~The Project Owner will also be required to execute and~~ all other closing or loan documents DCA deems necessary or desirable to document the HOME Loan ~~satisfactorily~~.

#### **15.14. Loan Terms**

The principal amount of the HOME construction loan and HOME permanent loan for a project will be the same. ~~DCA will not charge No~~ interest ~~will be charged~~ during the construction loan period. ~~Construction loan terms will be based upon the projected construction and lease-up schedule, as determined from the Application and DCA's underwriting.~~ The interest rate on the permanent loan ~~is generally will be~~ no less than 1% for the full loan term. ~~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, p~~Permanent HOME Loans will be fully

amortizing, with maturity and amortization periods ranging from 20 to 35 years. ~~TCAP construction loan terms will mirror DCA HOME construction loans and will be repaid to DCA in full by other sources at the time of loan conversion. (See DCA Loan Product term sheets for additional information on loan terms.)~~

#### **16.15. Non-Fully Amortizing Loans**

Non-fully amortizing Balloon Loans are available for projects in Rural areas. ~~In such cases DCA will set the term will be set by DCA with monthly principal 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, Borrowers must pay the outstanding interest and a portion of the principal must be paid every year (no negative amortization).~~

#### **17.16. Excess Cash Flow Reserve**

For all permanent non-fully amortizing Rural 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~~ the borrower will deposit one-half of the cash flow from the project (after payment of all debt service, approved deferred developer fee payments and investor asset management fees) into an interest bearing reserve account. ~~DCA must approve T~~the holder of the reserve account and the terms under which it will be held ~~must be approved by DCA~~. Third party 'cash flow' loans secured by the project will be repaid from cash flow remaining after this annual deposit ~~to DCA's HOME cash flow reserve~~. Funds held in the reserve account will be used only for principal reduction of the HOME Loan and will be credited towards the HOME Loan balance on an annual basis.

#### **18.17. Owner/Developer Financial and Credit Qualifications**

~~DCA will review T~~the financial status and capacity of the owner and/or developer as well as their current credit rating ~~will be reviewed by DCA~~ at the time of underwriting. ~~The results of these analyses may indicate the and may result in a~~ requirement for additional guarantors and/or partners, reserve accounts, and/or repayment term adjustments. ~~Additional review of capacity based on staffing may be required in accordance with the 2013 HOME Rule.~~

#### **19.18. Operating Deficit Reserve**

The operating deficit reserve for HOME loans 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. 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.

#### **20.19. Over-Income Resident Restrictions**

~~When DCA HOME Loans are used, additional over-income restrictions shall apply.~~ Upon recertification of a previously eligible resident, if ~~it is determined that~~ the resident's income exceeds 60% of AMI, then the resident's rent must be increased to the lesser of: 30% of the

resident'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) or to be decreased under the established rent floor.

### **21.20. Owner-Contractor Agreements**

Developments where ~~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.

### **22.21. Partnership Agreements**

The partnership or operating agreement and any amendments must be fully executed prior to the HOME Loan closing. ~~The Partnership Agreement and any amendments and~~ 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.

### **23.22. Payment and Performance Bonds**

Borrowers must secure a 100% payment and performance bond for all developments with HOME Loans; DCA must approve the issuer and terms. DCA may grant a waiver if the contractor cannot obtain a bond due to an identity of interest and ~~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 approved by DCA. When an Identity of Interest exists and the contractor cannot obtain a payment and performance bond, a waiver of the requirement for payment and performance bonds may be granted. A waiver will not be considered unless:~~

~~T~~he 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.

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.

### **24.23. Replacement Reserve Withdrawals**

DCA must approve ~~A~~ll withdrawals from the Replacement Reserve account ~~must be approved by DCA~~ in advance. If the replacement reserve is held by the senior lender, the account must be maintained in an FDIC-insured financial institution. Interest earned on the Replacement Reserve account ~~shall will~~ be added to the account as an additional contribution and will not be credited against the required monthly cash contributions. Replacement Reserves are ~~to be used~~ only for capital expenditures, ~~and not to handle~~ operating deficits. Requests for replacement reserve withdrawals must be made within 90 days of the capital expenditure. "Capital Improvements or

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

### ~~25.24.~~ Construction Draws and Retainage

- a) Construction Draws:
  - i. Construction draws must be drawn as set forth in the Loan documents.
  - ii. Draws of HOME loan proceeds may be submitted no more frequently ~~than monthly, or less frequent~~ than quarterly.
  - iii. ~~Borrowers must submit~~ Draws from other sources and any change order requests ~~must be submitted~~ monthly concurrent with the request to other sources and prior to any work related to the change order request.
  - iv. ~~In no case may more than ten (10) months elapse between disbursements of HOME funds.~~
- b) Retainage:
 

The loan agreement between the Project Owner and GHFA will provide that GHFA will retain the greater of 5% of the original GC contract amount until the conditions of the final draw are met.

In addition, the contractor is required to show retainage on the AIA G702/703 as follows:-

- If the project completion is 0-50.0% of the General Contractor’s contract sum, the AIA G702/703 must show at least 10% retainage on the current month’s work completed to date.
- If the project completion is 50.1-100% of the General Contractor’s contract sum, the AIA G702/703 must show at least 5% retainage on the entire contract sum.

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 and all conditions of the final draw are met.

### ~~26.25.~~ Loan Modifications

~~DCA recognizes that affordable housing properties may involve greater financial risk than market rate properties. To mitigate this increased financial risk and meet the requirement of maintaining the property as safe, decent affordable property, DCA will consider loan modifications during the course of the HOME Loan for projects which have suffered based on a demonstrated major economic impact as a result of a change in circumstances or other extenuating circumstances beyond the Owner’s control of the owner. 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.~~

### ~~27.26.~~ Stored Materials

~~DCA must approve the use of HOME funds to cover the cost of stored materials that will not be incorporated into the construction within 30 days from the date of purchase. HOME funds will not~~

~~be used to fund the cost of stored materials without the prior consent of DCA. 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.~~

### **28.27. Subsidy Layering Review**

~~DCA will perform subsidy-layering analysis for HOME funded projects prior to the time of preliminary commitment, closing, and issuing Form(s) 89609 for projects receiving tax credits from the state's Housing Credit allocation. In cases where the results of a DCA subsidy layering review indicates that there would be excess assistance, DCA will reduce the amount of the HOME loan to eliminate the excess. A subsidy layering review is also conducted during HOME loan underwriting prior to the closing of the HOME loan. In addition, if applicable, DCA will perform a subsidy layering review for HOME prior to issuing 8609s.~~

### **29. 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, loan(s) to value ratio, private lender's interest rates, loan maturity, type of loan, etc.~~

### **30.28. Syndicator Asset Management Fee**

Syndicator asset management fees will be paid after HOME debt service.

### **31.29. Tri Party Agreements**

~~DCA requires 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, resident 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, State of Georgia Qualified Allocation Plan and items necessary to satisfy the permanent commitment regarding completion of construction of the improvements of the collateral property.

### **32.30. Inspections**

All costs incurred for DCA HOME property inspections will be the responsibility of the Borrower – including, but not limited to, inspections at Draws and Final Draw and other inspections required if a property is improperly maintained.



STATE OF GEORGIA ~~2023~~  
2024-2025-  
QUALIFIED ALLOCATION PLAN

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# Scoring Criteria

## I. DOCUMENTATION ~~AND DATA~~ ~~AND JUSTIFICATIONS~~

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### A. Minimum Documentation

Applications without Minimum Documentation and any other documents necessary to determine the Application meets the subsection criteria will not be eligible for the points. Applications must explain any alternate document to a minimum document.

### B. External Data Sources

Unless specified otherwise within the section, the following applies for any Scoring Criteria data that is administered by entities other than DCA:

- By default, Applications qualify for points based on the most up-to-date information available as of November 1, ~~2022~~2023.
  - 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.
  - If an external source publishes a data update based on a methodology that differs from the original data referenced in the QAP, DCA will publish any changes to documents or policies reflecting the new methodology for a 30-day public comment period prior to formal implementation.
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## II. APPLICABILITY OF SCORING CRITERIA

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### C. Scoring Justifications

~~Applicants must use each scoring justification section in the scoring workbook to fully explain the basis for points claimed in each category. The justification must be complete and not solely refer to supporting documents. Applications containing 2-4 sections without a full scoring justification will lose one (1) point, and each additional section will result in a one (1) point deduction.~~

~~Examples of unacceptable justifications include but are not limited to:~~

- ~~• "Please see attached documents/accompanying folder."~~
  - ~~• "Applicant is eligible for points claimed."~~
-

|                                                      | <u>New Affordability</u> |                 | <u>Preservation</u> |                 |
|------------------------------------------------------|--------------------------|-----------------|---------------------|-----------------|
|                                                      | <u>9%</u>                | <u>4%/Bonds</u> | <u>9%</u>           | <u>4%/Bonds</u> |
| <u>Extended Affordability Commitment</u>             | <u>✓</u>                 | <u>✓</u>        | <u>✓</u>            | <u>✓</u>        |
| <u>Minority- and Women-Owned Business Engagement</u> | <u>✓</u>                 | <u>✓</u>        | <u>✓</u>            | <u>✓</u>        |
| <u>Favorable Financing</u>                           | <u>✓</u>                 | <u>✓</u>        | <u>✓</u>            | <u>✓</u>        |
| <u>Compliance Performance</u>                        | <u>✓</u>                 | <u>✓</u>        | <u>✓</u>            | <u>✓</u>        |
| <u>Integrated Supportive Housing</u>                 | <u>✓</u>                 | <u>✓</u>        | <u>✓</u>            | <u>✓</u>        |
| <u>Readiness to Proceed</u>                          | <u>✓</u>                 | <u>✓</u>        | <u>✓</u>            | <u>✓</u>        |
| <u>Deeper Targeting/Rent/Income Restrictions</u>     | <u>✓</u>                 | <u>✓</u>        | <u>✓</u>            | <u>✓</u>        |
| <u>PHA and Rental Assistance Alignment</u>           | <u>✓</u>                 | <u>✓</u>        | <u>✓</u>            | <u>✓</u>        |
| <u>Desirable/Undesirable Activities</u>              | <u>✓</u>                 | <u>✓</u>        |                     |                 |
| <u>Community Transportation Options</u>              | <u>✓</u>                 | <u>✓</u>        |                     |                 |
| <u>Quality Education Areas</u>                       | <u>✓</u>                 | <u>✓</u>        |                     |                 |
| <u>Economic Development Proximity</u>                | <u>✓</u>                 | <u>✓</u>        |                     |                 |
| <u>Previous Projects</u>                             | <u>✓</u>                 | <u>✓</u>        |                     |                 |
| <u>Phased Development</u>                            | <u>✓</u>                 | <u>✓</u>        |                     |                 |
| <u>Revitalization/Redevelopment Plans</u>            | <u>✓</u>                 | <u>✓</u>        |                     |                 |
| <u>Stable Communities</u>                            | <u>✓</u>                 | <u>✓</u>        |                     |                 |
| <u>Community Designations</u>                        | <u>✓</u>                 | <u>✓</u>        |                     |                 |
| <u>Housing Needs Characteristics</u>                 | <u>✓</u>                 |                 |                     |                 |
| <u>Mixed Income Developments</u>                     | <u>✓</u>                 |                 |                     |                 |
| <u>Historic Preservation</u>                         | <u>✓</u>                 |                 |                     |                 |
| <u>Enriched Property Services</u>                    | <u>✓</u>                 |                 | <u>✓</u>            |                 |
| <u>DCA Community Initiatives</u>                     | <u>✓</u>                 |                 | <u>✓</u>            |                 |
| <u>Preservation Scoring Criteria</u>                 |                          |                 | <u>✓</u>            | <u>✓</u>        |

~~H. — APPLICABILITY OF SCORING CRITERIA~~

~~A. Applicability of Scoring Criteria Table~~

## ~~B. Site Characteristics Scoring for 4% Credits/Bonds~~ **New** **SupplyNew Affordability Competition**

Applicants may claim points in any of the below Scoring Criteria related to site characteristics. However, no more than 33 points overall from these criteria will contribute towards the Application score:

- Desirable/Undesirable Activities
- Community Transportation Options
- Quality Education Areas
- Revitalization/Redevelopment Plans
- Stable Communities
- ~~Community Designations~~

### ~~III. APPLICATION COMPLETENESS~~ ~~Up to 10 Points~~

~~Each Application will earn an initial score of **ten (10) points** in this category. Point deductions from that score will be made for Application errors as set forth below.~~

#### ~~A. Missing/Incomplete Documents/Organization~~

~~**One (1) point** will be **deducted** for each of the following:~~

- ~~1. Each Missing Document necessary for Core or Threshold Sections.~~
- ~~2. Every two (2) Incomplete, Inaccurate, or Illegible Documents necessary for Core or Threshold.~~
- ~~3. Applications not organized in accordance with Tab Checklist and the Application Instructions.~~

#### ~~B. Financial and Other Adjustments~~

~~DCA may correct minor errors in the Application or make minor adjustments (financial or otherwise) to the Application during Threshold review. Applications requiring 2-4 adjustments will lose **one (1) point**, and each additional will result in a **one (1) point** deduction.~~

~~Examples of financial adjustments include, but are not limited to:~~

- ~~• Incorrectly calculating developer fee.~~
- ~~• Incorrectly allocating the developer fee between acquisition and rehab.~~
- ~~• Additions to line item development costs.~~
- ~~• Application errors that result in a change in the allowable tax credits.~~
- ~~• Failure to include DCA required reserves in the pro forma.~~
- ~~• Incorrectly calculating rents and/or utility allowances.~~
- ~~• Inaccuracies between submitted financial documentation and Core application information.~~

## ~~IV.~~III. EXTENDED AFFORDABILITY COMMITMENT

### Up to ~~6~~4 Points

Applicants may claim points in A or B. Applicants claiming points in A may also claim a point in C.

#### A. Waiver of Qualified Contract Right – ~~5~~3 Points

1. ~~Three (3)~~5 points to Owners willing to forgo the Qualified Contract "cancellation option."
2. ~~Two (2)~~3 points to Owners willing to forgo the Qualified Contract "cancellation option" for at least 10 years.
3. ~~One (1)~~1 point to Owners willing to forgo the Qualified Contract "cancellation option" for at least 5 years.

#### B. Resident Ownership – 1 Point

**One (1) point** to Owners that commit to submit a plan for resident ownership at the end of the 15-year Compliance Period outlining the Applicant's exit strategy, calculation of the estimated affordable purchase price for the unit occupied by the resident, pre-purchase homeownership counseling, and how the resident's down payment will be managed. Only single-family styled units are eligible for these points. The Applicant must own all sites (long-term leases are unacceptable).

**Minimum Documentation:**

Documents meeting the above requirements.

#### C. Waiver of Qualified Contract Right and Right of First Refusal – 1 Point

Applicants are only eligible under this subsection if also claiming points under subsection A. *Waiver of Qualified Contract.*

**One (1) point** to Applicants for committing to provide a right of first refusal to a qualified nonprofit organization or a local housing authority (or a wholly-owned subsidiary) if the Owner

elects to transfer an interest in the property during the Compliance and Extended Use Period in accordance with DCA requirements and Section 42(i)(7) of the Code. Applicants may demonstrate commitment by any of the following:

- a) the Application complies with the ROFR provisions in **(Threshold) Eligibility for Credit Under the Non-Profit Set Aside**
- b) the Application provides a ROFR comparable to the above to a PHA co-owner
- c) the Application commits to abide by the DCA Right of First Refusal Process included as Exhibit A to Scoring Criteria

If an Application claims points based on (a) or (b) at the time of Application Submission, but the associated nonprofit or PHA relinquishes its ROFR at any point during the Compliance or Extended Use Periods, the Applicant must comply with (c).

All Applicants are eligible to receive points under this category, regardless of whether the sponsor is a nonprofit or a for-profit organization. Ownership transfers for the purposes of resyndication will not trigger the right of first refusal.

## V.IV. MINORITY- AND WOMEN-OWNED BUSINESS ENGAGEMENT

### Up to 2 points

Applicants may claim points in A or B.

For purposes of this section, a Qualified Business (QB) is a certified minority- or women-owned business organization. The following requirements must be met:

- The QB meets one of the following: self-certifies as-
  - QB self-certifies as a minority- or woman-owned business (for-profit entities)
  - A majority of QB board members self-certify as a minority or woman (nonprofit entities)
- QB conducts business in housing or real estate, evidenced by the respective NAICS Codes.
- QB is not a Related Party to an individual or entity that has sufficient experience to receive "Qualified" or "Qualified with Conditions" designations (see **(Threshold) Project Team Qualifications**)  
a minority- or woman-owned business. The QB is certified under one of the programs approved and posted to the DCA website.
- QB conducts business in housing or real estate, evidenced by the respective NAICS Codes.
- QB is not a Related Party to an individual or entity that meets the requirements under *Requirements for Experience (Certifying Entity)*.
-

## A. Engagement Commitment and Reporting – 2 points

Applicant commits to:

- Engage QBs in the development or operation of the proposed property in amounts equal to approximately ~~25%~~ 5% of total construction hard costs as certified by the Independent Auditor Report in the Final Allocation Application.
- Submit a report with Final Allocation Application describing these efforts. This report would detail successes, obstacles, and other notes pertaining to the Applicant's attempts to follow through on this commitment.

## B. Project Team Eligibility – 2 points

One or more members of the Project Team is a QB. The following additional requirements must be met:

- QB has a minimum 20% ownership in the Developer or General Partner entities.
- QB must receive a percentage of the Developer Fee greater than or equal to its ownership interest percentage.
- ~~QB has insufficient experience to be eligible for "Qualified" or "Qualified with Conditions" designations (Experience requirements (see **(Threshold Criteria) Project Team Qualifications**), section Experience, Capacity, and Performance Requirements for General Partner and Developer Entities):~~
- ~~QB has insufficient experience to qualify under Requirements for Experience (Certifying Entity).~~
  - ~~QB receives Probationary approval during the Pre-Application process (see Capacity Building for Industry Professionals (Probationary Participation)).~~
- If the QB partners with an entity designated as "Qualified" or "Qualified with Conditions" under **(Threshold) Project Team Qualifications**, that meets the requirements under Requirements for Experience (Certifying Entity) for the Application, the Applicant certifies that the QB will be demonstratively and actively engaged in the oversight, management, and execution of the proposed property.

### References:

~~Eligible certification programs posted to DCA website.~~

### Minimum Documentation:

If claiming points under B:

- ~~Certifications from eligible programs for development team members~~ DCA Self Certification Form
- Draft Co-Developer/Draft Co-Venture agreement confirming the developer fee interest percentage

## ~~VI.V.~~ FAVORABLE FINANCING

### Up to 4-5 Points

Applicants may claim points in A and/or B.

#### Pre-Requisites

- Funding or assistance provided must be binding and unconditional except as set forth in this section.
- Resources must be utilized if the project is awarded.
- Only loans that will be used for both construction and permanent financing phases are eligible.
- Loans must be for a minimum period of 10 years at or below long term monthly AFR. DCA may include any fees in the calculation of the overall interest rate. Commitment or award documentation must meet the terms and conditions specified in Threshold Criteria, Section I (permanent financing, equity, deferred developer fee and other financing Commitment).

All permanent sources of funds received from an entity or related party must meet the pre-requisites above.

### A. Qualifying Sources for Favorable Financing – ~~43~~ points

1. Federal Home Loan Bank Affordable Housing Program (AHP).
2. Replacement Housing Factor funds (RHF) or other HUD public housing improvement fund.
- ~~3.~~ HOME funds.
- ~~3.4.~~ HOME-ARP funds.
- ~~4.5.~~ Beltline Grant/Loan.
- ~~5.6.~~ Historic tax credit proceeds.
- ~~6.7.~~ Community Development Block Grant (CDBG) program funds.
- ~~7.8.~~ Special Purpose Local Option Sales Tax (SPLOST) funds.
- ~~8.9.~~ National Housing Trust Funds.
- ~~9.10.~~ TCAP loans passed through a Qualified CDFI revolving loan fund (only have to meet the first two pre-requisites listed above).
- ~~10.11.~~ Foundation grants, or loans based from grant proceeds that meet the following legal and financial requirements:
  - a) Must be a private foundation as defined in the US Tax Code 26 USCA 509 or a community foundation accredited by the National Standards for U.S. Community Foundations.
  - b) The foundation is not related to any project participant and has a history of supplying grants to affordable housing developments.
- ~~11.~~ Other Federal, State, or ~~L~~ocal Government grant funds or loans. Loans under this category are ineligible if originated by a conventional bank.
- 12.

With the exception of PHAs, No-no project participant or affiliate may guarantee, fund, advance, or otherwise provide direct or indirect funding for the purpose of an Application claiming points in this category.

If the seller of the land/property (or any related party) is providing funds to finance the development and claiming these points, the sales price will be reduced from the total funds provided.

**Point Scale.** The total amount (combined) of all new loans and/or new grants will qualify for points according to the table below. Applicants have the option to claim points based either on an amount per unit or overall amount, as indicated in the below table:

| Points by Qualifying Sources Amount                   |                              |                                  |                     |
|-------------------------------------------------------|------------------------------|----------------------------------|---------------------|
| <b>Total funding amount</b>                           | \$500,000<br>to<br>\$999,999 | \$1,000,000<br>to<br>\$1,999,999 | \$2,000,000 or more |
| <b>OR</b>                                             |                              |                                  |                     |
| <b>Amount per unit</b>                                | \$10,000<br>to<br>\$19,999   | \$20,000<br>to<br>\$29,999       | \$30,000<br>or more |
| <b><u>Points if financing is NHTF or HOME-ARP</u></b> | <u>2</u>                     | <u>3</u>                         | <u>4</u>            |
| <b><u>Points for all other qualifying sources</u></b> | 1                            | 2                                | 3                   |

**Minimum Documentation:**

- Commitment letter for such new loan and/or grant and/or historic Tax Credit equity commitment letter;
- A copy of the Georgia DNR-HPD and NPS approved Part 1, Part 2 and the Georgia-approved Part A (for historic tax credits only).

**B. Property Cost Reduction – 1 Point Long Term Ground Lease – 1 Point**

Applicants may claim points under one of the below options.

**Private Enterprise Agreement**

0.5 point if a Private Enterprise Agreement will reduce property taxes.

**Minimum Documentation:**

- Preliminary Private Enterprise Agreement
- A legal opinion confirming that the relevant authority is allowed to engage in the agreement and the agreement will result in reduced property taxes.

**Long-term Ground Lease**

~~One (1) point~~ **1 point** for Applications receiving a long-term ground lease of no less than 45-years from a local public housing authority, government entity, or community land trust for no more than \$100 per year and no other land costs. Leases can only be considered for points under this sub-section. No funds other than what is disclosed in the Application may be paid for the lease either directly or indirectly. The Lessor must be willing to execute the tax credit Land Use Restriction Agreement in order to qualify for points in this section.

**Minimum Documentation:**

- A binding long-term executed ground lease or an executed option for a binding long-term ground lease, that provides the right for the applicant to execute a binding agreement upon closing, with a minimum term of forty-five (45) years.
- If community land trust is the lessor, articles of incorporation or bylaws detailing land stewardship and resale restrictions.
- Letter from Lessor that states it will execute the Land Use Restriction Covenant.

**VII.VI. COMPLIANCE PERFORMANCE****Up to 10 Points**

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

**Compliance Score: Determination and Applicability**

1. Compliance score deductions are based on the compliance and performance history of the Certifying Entity(s) and the General Partnership entity, Developer entity, and each Principal of both. 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 means 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.
- 1.2. Negative compliance history of an entity is not negated by the resignation or removal of a Principal or selling of a noncompliant Property.

- ~~2. DCA will make point deductions 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 means 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. If a Principal withdraws from an entity with a negative compliance history, the departing Principal must claim the history for three (3) years following the date of leaving the company.

## A. Calculation of Point Deductions

### 1. Significant Adverse Events (SAE)

A **five (5) point** deduction for the occurrence of each SAE for which a waiver was granted or renewed, as listed in the Performance Workbook and Questionnaire.

### 2. Adverse Circumstances (AC)

A **two (2) point** deduction for each unique instance of Adverse Circumstance, as listed in the Performance Workbook and Questionnaire.

#### Minimum Documentation:

- Copy of completed Performance Workbook and Questionnaire
- Waivers related to any Point Deductions must be requested during the Pre- Application process. The document issued by DCA granting the Waiver must be included in the Compliance Performance Tab as part of the Application.
- ~~• A separate tab must be included in the Compliance History Summary Section of the Performance Workbook listing only the Georgia Properties for the entire Development Team.~~

## B. Calculation of Point Additions

The following points may be added back to the Compliance Score if the score after Point Deductions is less than ten (10) points. Applicants must provide documentation of Successful development and current ownership.

DCA may add Point Additions if any of the designated Project Team members can demonstrate having successfully developed and currently owns the listed number of Federal Credit or HOME properties. Applicants are eligible for only one of the following:

1. **One (1) point** for seven (7)
2. **Two (2) points** for eight (8) to ten (10)

3. **Three (3) points** for eleven (11) to fifteen (15)
4. **Four (4) points** for sixteen (16) to twenty (20)
5. **Five (5) points** for more than twenty (20)

**Minimum Required Documents for Point Additions:**

- Listing of Successful Georgia Affordable Developments owned by the Project Team.
- If applicable, a copy of the letter issued by DCA granting the SAE waiver.
- Information DCA requests regarding the properties in question.

## ~~VIII.~~VII. INTEGRATED SUPPORTIVE HOUSING

### Up to ~~63~~ Points

- Applicants may claim points in one of A ~~or B, B, or C.~~
- Applicants may claim points in CD alone or in addition to A ~~or B, B, or C.~~

#### ~~A. Non-DCA Supportive Housing PBRA – 1 point~~

~~—The proposed development has non-DCA PBRA intended to provide supportive housing for individuals with disabilities.~~

#### ~~—Minimum documentation:~~

~~—Evidence from the funding provider substantiating that the PBRA units are intended to provide supportive housing for individuals with disabilities.~~

#### A. Supportive Housing Referrals – 4 Points

The proposed development will reserve a percentage of units to prioritize referrals from entities that serve the area approved by the local Continuum of Care, Department of Behavioral Health and Development Disabilities, and/or DCA as determined by one or more MOUs that must be executed following selection under the Competitive Round.

The following requirements must be met:

- The percentage of reserved units must be at least 10% and cannot exceed 25% of total units.
- An equal percentage of units must be accessible and adaptable, as defined by the Fair Housing Amendments Act of 1988.

- The Applicant agrees to the requirements and procedures outlined in **Exhibit B to Scoring Criteria** ("Supportive Housing Referral Commitments").

Applicants may claim points under one of the following options.

### Referrals without Project-based Rental Assistance Contract – 2 Points

The Applicant agrees to:

- Execute an MOU with approved referring entities
- Hold units vacant for at least 45 days to allow the referring entit(ies) time to refer tenants to said vacant units up to the agreed-upon percentage.

-

### Referrals with Project-based Rental Assistance Contract – Up to 4 Points

The Applicant:

- agrees to restrict the reserved units to 30% AMI or lower
- has secured Project-based Rental Assistance contracts for the supportive housing units and:
  - the rental assistance provider commits to pursue approval for selection preferences consistent with the referral process outlined in the MOU(s), once executed
  - the rental assistance contract term is for 15 years with an optional for renewal

**3 points** if 10% to 14.99% of units meet the above requirements

**4 points** if 15% to 25% of units meet the above requirements

### Minimum Documentation

- If claiming points for rental assistance contracts:
  - Preliminary commitment for rental assistance executed by authorized regulatory agency, including commitment to pursue approval for preferences consistent with the MOU(s).

## **B. Tenant Selection Preference – 1 Point**

DCA will award points to Applications with a commitment of HUD Section 8 project-based rental assistance from a PHA which has elected to offer a tenant selection preference in their tenant Voucher programs for persons with specific disabilities identified in the Settlement Agreement (#1:10-CV-249-CAP). Applicants must commit to designating a tenant selection preference for a minimum of 15% of the total units for persons with specific disabilities identified in the Settlement Agreement (#1:10-CV-249-CAP).

The PHA must have received HUD's approval of the tenant selection preference and of the waiver(s) of the HUD regulation(s) prohibiting preferences for persons with specific disabilities or diagnoses (specific regulation(s) to be waived depend(s) on the housing resources that will be subject to the preference). Preference must be approved for, or the PHA must have received approval to renew the preference for, at least five years from the Application Submission

Deadline or until the State of Georgia has met its housing obligations under the terms of the Settlement Agreement.

The PHA must provide associated rental assistance for no less than five (5) years from the Application Submission Deadline date. The agency or project owner must keep a separate waiting list for the target population.

**Minimum Documentation:**

- Commitment for PBRA executed by authorized regulatory agency.
- The PHA Administrative Plan allowing for the tenant selection preference
- Documentation demonstrating HUD’s review and approval of the terms and structure of the preference and waiver(s) of the HUD regulation(s) prohibiting preferences for persons with specific disabilities or diagnoses.
- If applicable, documentation demonstrating HUD’s approval to renew the preference.

## C. ~~DCA Section 811~~ PBRA Commitments: Prior Performance – 2 points

DCA automatically assigns 2 points to Applications under this section. DCA applies a 2-point penalty in accordance with the procedures below.

This section applies to properties for which:

- The Applicant has a controlling interest in the General Partnership
- The Applicant has agreed to contract with DCA PBRA under a prior QAP

For such properties, DCA will assess whether:

- Property contacts have responded to DCA staff seeking to initiate a PBRA contract within the timeframes communicated
- DCA-assisted prospective residents do not face barriers in applying for a unit above those experienced by non-DCA-assisted prospective residents

If DCA identifies either of the above concerns, DCA staff will:

- Notify the Applicant at least 120 days prior to the Application deadline of the concern(s).
- Communicate corrective steps the Applicant can take to avoid receiving a 2-point penalty under this section.

## VIII. ~~XXIX.~~ TIEBREAKER INFORMATION READINESS TO PROCEED

### Up to 70 Points ~~Points not applicable~~

#### 1. Readiness to Proceed Documents – 70 Points

Applicants receive points for each set of documents below. Where applicable, documents must be prepared in accordance with the associated manual.

Maximum points varies by Application type. See below for eligibility.

If selected under the Competitive Round, documents submitted for **Readiness to Proceed** do not need to be updated again for purposes of Threshold review, provided the part of the development proposal relevant to the document has not changed. If the relevant part of the development proposal changed, the document must be updated for Threshold review.

Where applicable, each document must be executed and dated prior to the Competitive Application deadline.

- **(10 points)** All Minimum Documentation listed under (Threshold) Site Control
- All Minimum Documentation required under each of the following Threshold sections, if the proposed development involves new construction or adaptive reuse. Applications that propose only rehabilitation of existing housing receive full points.
  - **(10 points)** Site Zoning
  - **(5 points)** Public Water/Sanitary Sewer
  - **(5 points)** Operating Utilities
- **(5 points)** All Minimum Documentation listed under (Threshold) Site Information and Conceptual Site Development Plan
- **(5 points)** Preliminary financing commitments
- **(5 points)** Phase 1 Environmental Site Assessment
  - If selected under the Competitive Round, the Phase 1 must be updated to meet all DCA Environmental Manual requirements for Threshold review.
- **(5 points)** Estimate of development costs from a General Contractor
- **(5 points)** Market study
- **(5 points)** Physical Needs Assessment, if the proposed development involves rehabilitation of existing housing. Applications that do not involve rehabilitation of existing housing receive full points.
- **(10 points)** Bond inducement resolution (4% Credits/Bonds Applications only)

Most tiebreakers are administered by DCA based on analysis of competitive round outcomes and external data. The below tiebreakers rely on additional information provided by applicants.

~~—Please see the following sections for more information regarding how the tiebreakers described in this section are applied within each competitive round:~~

- ~~• (Core Plan) 4% Federal Credit — Bond Financed Projects~~
- ~~• (Core Plan) 9% Federal Credit Competitive Round~~

## 2. Readiness to Proceed Narrative – Points Not Applicable

~~This subsection applies to (4% Credits/Bonds Applications only.)~~

### A.

~~Most tiebreakers are administered by DCA based on analysis of competitive round outcomes and external data. The below tiebreakers rely on additional information provided by Applicants.~~

For purposes of this tiebreaker, “readiness to proceed” refers to how quickly the development will be able to commence construction. Applicants should detail the extent to which the proposed development is ready to proceed as it pertains to elements of the pre-construction process not already captured through Threshold Criteria or Scoring Criteria in the QAP.

Applicants provide a narrative detailing any aspects of development readiness that the Applicant believes DCA should consider along with supporting evidence.

#### **Minimum Documentation**

- Evidence supporting the narrative

### ~~B. Preservation Priority (Preservation Applications only)~~

~~Applicants should provide a narrative detailing any aspects of the existing property, current residents, local market conditions, development proposal, or other aspects of the Application that should make it a high priority for DCA within the Preservation competition.~~

#### **Minimum Documentation**

- ~~• Evidence supporting the narrative~~

## IX. DEEPER TARGETING/RENT/INCOME RESTRICTIONS

### Up to 3 Points

Applicants may claim points under either A or B.

:

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.

The overall AMI percentage will be calculated based on the total residential units. (Common spaces and employee units will not be included in the total residential units).

#### A. Deeper Targeting Through Rent Restriction – 2 Points

**Two (2) points** to Applications with an overall property area median income, calculated based on the imputed income and rent limitations (20%, 30%, 40%, 50%, 60%, 70%, 80%) for each affordable unit, equal to or less than 58%. Applicants may do so by utilizing either

- income averaging, or
- the 40% at 60% minimum set-asides and targeting units at lower levels.

PBRA and public housing units can be used to claim points in this category.

#### B. Deeper Targeting Through PBRA Contracts – 3 Points

**Three (3) points** to Applications with an award of government-funded project based rental assistance (PBRA). Applicants shall be eligible for points in this category provided all of the following requirements are met:

- PBRA is for at least ~~30%~~20% of total residential units (common spaces and employee units will not be included); and
- PBRA contract has a minimum term of ten (10) years remaining at the time of Application submission.

~~For purposes of this section, PBRA contracts do not include public housing units or bifurcation of contracts or rental assistance.~~

Minimum Documentation:

~~Preliminary commitment for rental assistance PBRA Housing Assistance Payments Contract executed by authorized regulatory agency and owner for the proposed development.~~

## X. PHA AND RENTAL ASSISTANCE ALIGNMENT

### 4 Points

Applicants may claim points in either or both of the below.

#### A. HCV and PHA Notices – 2 Points

Section 42 of the IRC requires an allocating agency to give preference to owners that agree to utilize the PHA waiting list to identify households to fill vacant units.

Upon receiving Certificates of Occupancy:

- Applicant commits to register to be a participating landlord with the local Housing Choice Voucher (HCV) administrator
- If the local PHA is not the HCV administrator for the area, Applicant further commits to inform the local PHA of the opportunity to refer eligible households on the PHA waiting lists to the property

Evidence of the above must be submitted with the Final Allocation Application.

Applicant further commits to make on-going efforts to request that the PHA and HCV administrator make referrals to the proposed development, or request they include relevant information about the proposed development on any listing made available to persons on their waiting lists.

#### B. Rental Assistance Barriers – 2 Points

Applicant commits to include explicit policies in the tenant selection plan that ensure the selection process will be consistent with both of the following:

- Credit screening criteria will be waived for applicants – including additional household members, if any – receiving rental assistance or participating in programs which provide the landlord with the ability to recover any economic losses related to the tenancy (e.g., risk mitigation tools such as HUD Special Claims).
- Minimum income requirements, if any, must not be so restrictive as to create a barrier to housing for an applicant with a federal or state housing voucher/rent assistance. All minimum income requirements must take into account the rental subsidy/rental assistance. Landlords should either exempt households with rental assistance from the policy itself, or base the minimum income on the tenant's out of pocket rental payment and utility allowance.

## ~~X~~.XI. DESIRABLE/UNDESIRABLE ACTIVITIES

### Up to 20 Points

#### A. Desirable Activities

Applications will earn points for each desirable activity/characteristic category as set forth below, up to a maximum of **twenty (20) points** under this section.

##### 1. Requirements

- a) Driving or walking routes must originate from geo-coordinates of the pedestrian or vehicle site entrance and end at the geo-coordinates of the desirable amenity.
- b) Each building/entity/location will be assigned to only one (1) desirable category, with the exception of an amenity under (a), (c), or (l) below, which may be assigned to up to two (2) desirable categories. (Example: a public park may have a gymnasium and/or a swimming pool, or a supermarket may have a pharmacy).
- c) Desirable characteristics that are under construction may be eligible for points if the construction site is clearly active and the new structures are above ground at the time of Applicant Submission.
- d) For Scattered Site Projects, ~~desirable amenities must be measured from the center point of each Scattered Site locations~~ points will be awarded based on the site furthest from the desirable amenity.

##### 2. Eligibility

The following Desirable activities/characteristics are eligible for points:

| Category             | Item | Amenity                                                                                                                                                      | Points Group |
|----------------------|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| Retail & Restaurants | a    | National big box general merchandise store, typically with a minimum of 50,000 square feet of floor space (e.g., Wal-Mart, Target, Costco, BJ's, Sam's Club) | 1            |
|                      | b    | Retail/clothing/department store (full range of clothing/household items)                                                                                    | 2            |
|                      | c    | Supermarkets and grocery stores with meat, dairy, and produce (high-end specialty stores and convenience stores not eligible)                                | 1            |
|                      | d    | Restaurants                                                                                                                                                  | 2            |

| Category               | Item | Amenity                                                                                                                                                                                                                        | Points Group |
|------------------------|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| Medical Care           | e    | Hospital (outpatient centers or emergency care facilities not eligible)                                                                                                                                                        | 1            |
|                        | f    | Medical care provider (e.g. clinic, physician/dental office)                                                                                                                                                                   | 1            |
|                        | g    | Pharmacy                                                                                                                                                                                                                       | 1            |
| Education & Child Care | h    | Child care service licensed by Georgia Dept. of Early Care and Learning                                                                                                                                                        | 1            |
|                        | i    | Institution that is part of the Technical College System of Georgia                                                                                                                                                            | 2            |
|                        | j    | Elementary, middle, or high school                                                                                                                                                                                             | 1            |
| Community Assets       | k    | Traditional town square which includes an operational anchor institution (e.g. county courthouse, city hall) and which serves as a hub for both commercial activity and community events (only applicable to Rural properties) | 1            |
|                        | l    | Community or recreational center (e.g. YMCA, Boys & Girls Club, public pool, public gymnasium, senior community or multipurpose facility)                                                                                      | 1            |
|                        | m    | Public park/public community garden greater than 25,000 sq ft                                                                                                                                                                  | 1            |
|                        | n    | Public park/public community garden less than 25,000 sq ft                                                                                                                                                                     | 2            |
|                        | o    | Public library                                                                                                                                                                                                                 | 1            |
|                        | p    | Fire station or police station                                                                                                                                                                                                 | 2            |
|                        | q    | Federally insured banking institutions (ATMs not eligible)                                                                                                                                                                     | 2            |
|                        | r    | Place of worship                                                                                                                                                                                                               | 2            |
|                        | s    | Post office                                                                                                                                                                                                                    | 2            |

### 3. Point determinations

Points for each Desirable activity/characteristic are assigned based on the following tables. Distances may be based either on driving or walking routes.

Point -determinations:

| Distance (miles) | 0.5 | 1   | 1.5 (Metro Pool) or<br>2.5 (Rural Pool) |
|------------------|-----|-----|-----------------------------------------|
| Points (Group 1) | 2.5 | 2   | 1.5                                     |
| Points (Group 2) | 2   | 1.5 | 1                                       |

## B. Undesirable/Inefficient Site Activities/Characteristics

**Two (2) points** will be **deducted** from the Applicant’s Desirable points for each Undesirable activity/characteristic located within the radius of 0.25 miles of the proposed site.

For scattered-site projects, the Applicant must evaluate the 0.25-mile radius from each non-contiguous parcel separately.

### 1. Undesirable/Inefficient Site Activities/Characteristics may include but are not limited to the following:

- a) Inappropriate surrounding property uses, including but not limited to junkyards, dumps, landfills, materials storage areas, commercial livestock operations, uses that generate odor, and uses that generate excessive glare from lighting.
- b) Potential or existing environmental hazards, including but not limited to chemical or heavy manufacturing activities, industrial development, facilities listed in Federal or State hazardous inventory databases, gas stations with a history of leaking underground storage tanks, auto repair stations, and dry cleaners with a history of contaminant releases.
- c) Abandoned houses or buildings that are unoccupied and unsecured and/or detract from an area’s physical appearance, diminish living conditions and/or safety of the neighborhood, and/or decrease the marketability of the proposed sites (DCA will determine “abandoned” based on unsecured windows and doors and lack of maintenance).
- d) Deteriorated housing or buildings where extensive defects are evident from the exterior of the building and which depress an area’s physical appearance, diminish living conditions and/or safety of the neighborhood, and decrease the marketability of the proposed site.
- e) Extensive mitigation that can translate to a less efficient use of resources, including but not limited to extensive noise mitigation costs, steep grade changes that require extensive grading and/or retaining walls, extensive floodplain or wetland areas that render the existing soils unsuitable for required bearing capacity, and inefficient use of land/excessive site acreage in relation to the number of units constructed.

- f) Property is in a USDA-defined food desert. This point deduction will not be applied to properties qualifying for supermarket or grocery store point determinations under subsection A. Desirable Activities.

DCA will review the undesirable activity or establishment's proximity to the property and the impact of the activity on the proposed project and its residents in determining a point deduction.

## 2. Exceptions to Undesirable Deductions:

The point deduction will not apply if the Applicant has knowledge at the time of Application that an undesirable activity/characteristic is temporary and that a change or mitigation will remove it as set forth below.

- Mitigation performed by a third party that will remove the undesirable condition is scheduled to occur prior to the end of the calendar year of Application submission. September 1, 2023~~2024~~. Applicants will need to provide proof of completion by this date.
- Mitigation by the Applicant or a Local Government must be completed by the placed in-service date.
  - Applicants must provide documentation of the site control and resources to complete the mitigation.
  - A Local Government must provide documentation that the specific mitigation will occur prior to the placed in service date.

### Minimum Documentation:

- Desirable/Undesirable Certification Form.
- Google Maps driving or walking route for each claimed desirable starting from the ~~walking and/or driving entrance of the geo-coordinates of the pedestrian or vehicle site entrance~~desirable amenity.
- Evidence of mitigation of undesirable activity/characteristic from the third party responsible for the mitigation by the date noted above, if applicable.
- If (h): Documentation of State license.
- Site map indicating the specific location of the nearest grocery store (including distance from site).
- USDA Food Access Research Atlas showing "LI and LA at 1 and 20 miles" layer with site location clearly marked, using the most recent USDA data available. USDA Food Access Research Atlas is available at:  
~~<http://www.ers.usda.gov/data-products/food-access-research-atlas/go-to-the-atlas.aspx>~~ <https://www.ers.usda.gov/data-products/food-access-research-atlas/go-to-the-atlas/>

## ~~XI.~~XII. COMMUNITY TRANSPORTATION OPTIONS

### Up to 6 Points

Applicants may claim points in A or B.

Community Transportation Options must meet the following criteria:

- Transportation service is publicized to the general public via website or published brochure.
- Transportation service is available to all residents of the proposed development/site.
- For subsection A, transportation route has a local route. Multi-stop express routes providing regional transit are only eligible under subsection B.
- Routes that only run direct will not qualify.
- 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. DCA will not identify and/or measure any route other than the route submitted in the Application to determine points.

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

No Project Participants or affiliates may fund transportation options for purposes of claiming points in this scoring section.

## A. Transit-Oriented Development – 6 Points

For purposes of this subsection, a transit hub is a station that has three or more bus routes, rail options, and/or other affordable mass transit options.

1. **Six (6) points** to Metro Pool Applications proposing a site owned by a public or local transit agency which has been strategically targeted by the agency to create housing with on-site or adjacent access to a transit hub. The agency-owned site must rest along a transit line that follows a fixed route and fixed daily schedule available to the public every day of the week.
2. **Up to five (5) points** to Metro Pool Applications that propose a site within walking distance of a transit hub. The hub must rest along a transit line that follows a fixed route and daily schedule serving the public no less than 5 days per week.

| Walking distance | Points |
|------------------|--------|
| 0.25 miles       | 5      |
| 0.5 miles        | 4.5    |
| 1 mile           | 4      |

**Minimum Documentation:**

- Narrative submitted and signed by a representative of the transit agency describing the strategic plan for the proposed site (Item “A1” only).
- Documentation showing the local transit agency’s land ownership (Item “A1” only).
- Walking distance route obtained from Google Maps from the geo-coordinates of the pedestrian site entrance to the transit stop.
- PDF of the transit service webpage including the items below. If the PDF of the transit service webpage does not include all items listed, a letter from the transit agency is required, including all items listed, as well as a contact name or department, phone number and email address:
  - URL
  - Cost of service
  - Relevant transit route(s)
  - Route schedule

OR

**B. Access to Public Transportation – 3 Points**

Applicants may only claim points for one option below.

1. **Up to three (3) points** to Metro Pool Applications that propose a site within walking distance of a public transportation stop.
  - DCA will only consider points for a site within walking distance of a public transportation stop that exists at the time of Application Submission.
  - The public transit service must serve the public no less than 5 days per week.
  - The public transportation stop must rest along a transit line that follows a fixed route and daily schedule.

| Walking distance | Points |
|------------------|--------|
| 0.25 miles       | 3      |
| 0.5 miles        | 2      |
| 1 mile           | 1      |

2. **One (1) point** to Metro Pool Applications for which a publicly operated/sponsored on-call transportation service is available on-site. The service must serve the public no less than 5 days per week.
3. **Two (2) points** to Rural Pool Applications demonstrating that a publicly operated/sponsored transit service that exists at the time of Application Submission will provide a reliable and

available transportation option to all residents. If the transportation option is a fixed-route service, the stop must be within a 0.5-mile walking distance of the site. If the transportation option is on-call, the service must be available on-site.

#### Minimum Documentation:

- Map showing the location of the transit stop in relation to the proposed site and clearly indicating the site entrance or pedestrian site entrance to be used in calculating distance (not applicable to on-call options).
- Google Map walking routes must originate from geo-coordinates of the pedestrian site entrance or the nearest physical address and end at the transit stop (not applicable to on-call options).
- PDF of the transit service webpage, including the items below. If the PDF of the transit service webpage does not include all items listed, a letter from the transit agency is required, including all items listed, as well as a contact name or department, phone number, and email address for the transit service.
  - Webpage URL
  - Cost of service
  - Relevant transit route(s) (not applicable to on-call options)
  - Route 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)

## ~~XII.~~XIII. QUALITY EDUCATION AREAS

---

### Up to 3 Points

For a school to qualify it:

- 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).

Each school qualifying for points must meet requirements for A, B or C.

- A. College and Career Readiness Performance Index (CCRPI) scores are above the average posted on DCA's website. Only scores posted since the 2018 CCRPI update qualify under this section.
  - Schools with three years of published CCRPI scores must use a 3-year average.
  - Schools with only two years of published CCRPI scores may use a 2-year average. Schools with only one year of published CCRPI scores may use 1-year data.
  - Schools serving grades that span multiple Grade Clusters as defined by Georgia Department of Education (Elementary, Middle, and High School) must have a CCRPI score greater than the lowest score of the multiple clusters.
- B. School receives 2018 or more recent "Beating the Odds" designation

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.

Scoring table:

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

- Many Georgia schools have fewer grades than a full Grade Cluster (e.g., a Middle School with only grades 7 and 8). Points will be awarded based on the number of grades within schools that meet the requirements of A, B, or C and property tenancy.
- Some recently established schools do not have data for options A through C. For such schools, the Applicant may utilize scores of the applicable grade cluster for the school district.
- If two or more qualifying schools overlap in grades, an individual grade will only count once.

References:

- Quality Education Areas Scoring Data posted to DCA website.
- CCRPI website.  
<http://ccrpi.gadoe.org/>
- Beating the Odds Analysis.  
<https://gosa.georgia.gov/accountability/beating-odds-analysis>

Minimum Documentation:

- School district map(s) showing both the site location and full attendance zone boundaries indicated on the school district map(s). Maps must be published by official school district source. If the school district map is unavailable or unobtainable, a letter from a school district representative evidencing that the proposed site is within the school ~~district~~attendance zone boundaries (must include the project location).
- For each charter school, a letter from a charter school system representative not more than six (6) months old confirming that admissions is not conducted on a selective basis, that residents in the attendance zone are able to attend as of right.

- Applicable CCRPI data for each school.
- Each school name highlighted in a copy of each associated “Beating the Odds Designations” report.

## XIV. ECONOMIC DEVELOPMENT PROXIMITY

### 1 Point

Proposed development is located within a 30-minute commute of an economic development project that is expected to generate at least 100 jobs within 5 years.

#### Minimum Documentation

- Contract or MOU with local economic development authority with jurisdiction over the project
- Google Maps route substantiating commute time (site location point must correspond to the pedestrian site entrance)

## XIII.XV. PREVIOUS PROJECTS

### Up to 5 Points

Applicants may only claim points in either **Phased Developments** or **Previous Projects**.

The proposed development is located in a jurisdiction in which DCA has developed comparatively fewer new construction 9% and 4%/Bonds developments awarded within the last 15 years or 5 years. Applicants must select only one of the below options to claim points.

### Atlanta Metro Pool Competition in the 9% Competitive Round

- Points will be based on awards within the Local Government Boundary.
- If proposing a development in an incorporated area, the Local Government boundary must be of a municipality incorporated on or before January 1, 2018.

|                         | <u>15 Years</u>                 |                                                                  | <u>5 Years</u>   |
|-------------------------|---------------------------------|------------------------------------------------------------------|------------------|
| <u>Number of awards</u> | <u>No awards within the LGB</u> | <u>Only 1 award, which was received prior to January 1, 2018</u> | <u>No awards</u> |
| <u>Points</u>           | <u>5</u>                        | <u>4</u>                                                         | <u>3</u>         |

## All Other Competitions

Points are based on the number of low-income new construction units as a percentage of the county population.

|                                                  | 15 Years of Awards |       | 5 Years of Awards |
|--------------------------------------------------|--------------------|-------|-------------------|
| <b>Restricted Units Percentage of Population</b> | 0%<br>(no awards)  | <.25% | 0%<br>(no awards) |
| <b>Points</b>                                    | 5                  | 4     | 3                 |

### Reference Documentation: ~~A, B, or C.~~

— DCA Previous Projects Data

Interactive map of previous awards posted on DCA website

### 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.

~~Preservation set aside funded Applications are not included in the analysis of previous competitive funding cycles.~~

#### ~~A. 15 Years Lookback Period—5 Points~~

~~For purposes of this subsection A, if proposing a development in an incorporated area, the Local Government boundary must be of a municipality incorporated on or before January 1, 2017.~~

~~1. **Five (5) points** if the proposed site is within a current Local Government B boundary that has not been awarded 9% Credits within the last 15 DCA Housing Credit Competitive Rounds.~~

~~2. **Four (4) points** if the proposed site is within a current Local Government boundary that has only received one (1) 9% Credits award within the last 15 DCA Housing Credit Competitive Rounds. The most recent 9% Credits award must have been received prior to January 1, 2017.~~

#### ~~B. Four to Six Years Lookback Period—3 Points~~

~~For purposes of this subsection B, the buffers for each pool are the following:~~

- ~~• Metro pools: 1-mile radius~~
- ~~• Rural pool: Local Government B boundary~~

~~1. **Three (3) points** if the proposed site is not within the pool-specific buffer of a 9% Credit development that has received an award in the last six (6) DCA competitive funding cycles.~~

~~2. **Two (2) points** if the proposed site is not within the pool-specific buffer of a 9% Credit development that has received an award in the last four (4) DCA competitive funding cycles.~~

~~C. Two to Three Years Lookback Period: Transit Proximity—3 Points~~

~~1. **Three (3) points** will be awarded to Metro pool Applicants if the proposed site is:~~

- ~~• within a 1-mile radius of a transit hub as defined in Community Transportation Options and;~~
- ~~• not within a 1-mile radius of a 9% Credit development that has received an award in the last three (3) DCA competitive funding cycles.~~

~~2. **Two (2) points** will be awarded to Metro pool Applicants if the proposed site is:~~

- ~~• within a 1-mile radius of a transit hub as defined in Community Transportation Options and;~~
- ~~• not within a 1-mile radius of a 9% Credit development that has received an award in the last two (2) DCA competitive funding cycles.~~

~~Reference Documentation:~~

- ~~• Interactive map of previous awards posted on DCA website: [American Community Survey \(Census Bureau\)](#).~~
- ~~List of previous awards posted on DCA website:~~
- ~~• [DCA Previous Projects Supplement](#).~~

~~**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.~~

~~Applicants claiming points due to proximity to a transit hub must submit documentation substantiating that:~~

- ~~• the public transportation stop qualifies as a transit hub under the definition in *Scoring Criteria, Community Transportation Options*.~~
- ~~• the proposed development is within a 1-mile radius of the transit hub.~~

## ~~XIV.XVI.~~ PHASED DEVELOPMENT

### Up to 3 Points

Applicants may only claim points in either **Phased Development** or ~~**Previous Projects**~~**Previous Projects**. For purposes of this section, “Phased Development” means:

- One 9% Credit development that will be developed in several physically adjacent phases with different allocations.
- The community was originally designed as one development with different phases.

- The phases share common planning documents, including a master site plan and may also include documents including parks, green space, and shared amenities between the different phases.
- Each phase of the property has affiliated entities.
- The site is a second or third phase.
- The Applicant must have site control for all phases at the time the initial phase was closed.

**Three (3) points** to Applications if the proposed property is part of a Phased Development in which one or more phases received an allocation of 9% Credits or 4% Credits within the past six (6) QAPs and at least one phase has commenced construction by the Application Submission deadline. Only one phase of a project can receive points during a funding round.

**Minimum Documentation:**

- Master site plan with complete project concept showing all phases.
- Legal documentation that site control was established for all phases when construction commenced on the initial phase.
- ~~INTERNET ACCESS~~
- ~~Up to 2 Points~~
- ~~This section only applies to proposed developments in the Atlanta Metro Pool.~~
- ~~DCA will award points to Applicants committing to provide free high-speed internet/broadband service that is accessible from within each unit.~~
- ~~Applicants are only eligible for points under this section if the costs of internet access can be covered while still meeting all QAP requirements impacted by the expenses (e.g., **Threshold Criteria, DCA Underwriting Policies**).~~
- ~~See **Threshold Criteria, Architectural Design and Quality Standards** for definition of high-speed internet.~~
- ~~Minimum Documentation:~~
- ~~Documentation from the identified internet service provider establishing the total cost of internet service for the development, either as a whole or on a per-unit basis; or~~
- ~~If Applicant is unable to obtain such documentation from the provider, submit a narrative establishing how the amount budgeted for internet service was calculated~~
- ~~The costs associated with this section must be incorporated and identifiable in the development budget and underwriting model used for feasibility analy~~

## ~~XV.~~XVII. REVITALIZATION/REDEVELOPMENT PLANS

### Up to ~~10~~ 7 Points

Applicants may not claim points in more than one of the following sections:

- Revitalization/Redevelopment Plans
- Stable Communities
- Community Designations
- Housing Needs Characteristics are ineligible to claim points in Revitalization/Redevelopment Plans if claiming points in Stable Communities or Community Designations.

Applicants may claim points by combining options from all of the below sections. However, no more than 10 points from this section will contribute to the overall Application score. in A and/or B.

### A. Revitalization Plan/Qualified Census Tract – ~~65~~ 65 Points

Submitted revitalization/redevelopment plans must meet the following requirements to be considered Community Revitalization Plans (CRPs):

- Clearly delineate ~~one a~~ targeted area within a Local Government ~~B~~b boundary that includes the proposed site, but is not solely the proposed site. For applications in a Metro Pool, the targeted area must not encompass the full Local Government ~~B~~b boundary.
- Discuss housing as a goal of the CRP.
- ~~Include an assessment of the targeted area's existing infrastructure.~~
- ~~Designate implementation measures.~~
- Be officially adopted or re-adopted approved or re-approved by a Qualified Local Government within ten (10) years of Application Submission.

A document is ineligible for consideration as a CRP if it is a short-term work plan, comprehensive plan, consolidated plan, municipal zoning plan, or land use plan.

#### Qualifying CRP

~~2 Two (2)~~ **2** points to Application sites located within the targeted area of a qualifying CRP.

#### Qualified Census Tract

~~1 One (1)~~ **1** additional point if the site is also located within a Qualified Census Tract.

#### 1. Planning Best Practices

2. Up to 3 additional points for any of the below that apply to the CRP. Applications eligible for

~~the above points are also eligible for any or all of the following:~~

- **3 points** if the CRP was adopted by a Local Government that has an active designation for any of the following programs:

- PlanFirst
- Revitalization Area Strategy
- Rural Zone

- **Up to 3 points:**

- **1 point ~~One (1) additional point~~** if the Local Government solicited public input and engagement during CRP creation prior to the day of adoption.

- **2 points** if the CRP includes both of the following:

- Include an assessment of the targeted area's existing infrastructure
- Designates -
- Designate implementation measures.
- 

- ~~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.**

- ~~One (1) additional point~~ if the site is located within a Qualified Census Tract.

**References:**

- Revitalization Area Strategy designated communities list posted to the DCA website
- PlanFirst designation list posted to the DCA website
- Rural Zone designations posted to the DCA website

**Minimum Documentation:**

- A PDF of the full Community Revitalization Plan.
- Map of CRP's targeted area clearly marked with location of proposed development.
- Either:
  - Direct evidence of Local Government approval or re-approval (e.g., Local Government resolution or meeting minutes) occurring within the required timeframe; or
  - Signed letter from Local Government representative confirming the date of the Local Government's official adoption or re-adoption approval or re-approval of the CRP within the required timeframe.
  - If the Local Government is not a "Qualified Local Government" as defined in GA Code § 50-8-2 at the time of Application Submission, evidence that it was a Qualified Local Government at any time between November 1, 2023 and Application Submission.
- ~~If claiming financial commitment points, letter from a Local Government representative substantiating the nature of the financial commitment to advance the CRP, if the financial commitment is not reflected in the CRP itself.~~
- Either (if applicable):
  - Direct evidence of public input and engagement (e.g., advertisements of public meetings, agendas, sign-in sheets); or
  - Signed letter from representative of entity responsible for CRP summarizing the CRP's public input and engagement process



## B. Community Transformation – 3 Points

~~B. –~~

~~—~~

### ~~C. Third-Party Capital Investment – 2 Points~~

~~— Up to *two (2) points* if a foundation, trust, business and/or government not qualifying as a Related Party designates 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 Pools) of the proposed site;~~
- ~~• will serve the residents;~~
- ~~• was not completed more than five (5) years prior to Application Submission;~~
- ~~• has an expected completion date before January 1, 2026~~2027~~, and~~
- ~~• is to be paid for in full by the unrelated third party.~~

~~—~~

~~— Examples include, but are not limited to:~~

- ~~• community assets (e.g., parks, trails, community center)~~
- ~~• infrastructure improvements (e.g., water, sewer, drainage, streets)~~

~~—~~

~~— Applications will earn points according to the following scale of investment amount within 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, as indicated in the below tables:~~

| <del>Investment Amount Per Unit</del> |                                 |                              |
|---------------------------------------|---------------------------------|------------------------------|
| <del>Atlanta Metro</del>              | <del>\$20,000 to \$29,999</del> | <del>At least \$30,000</del> |
| <del>Other Metro</del>                | <del>\$15,000 to \$24,999</del> | <del>At least \$25,000</del> |
| <del>Rural</del>                      | <del>\$10,000 to \$19,999</del> | <del>At least \$20,000</del> |
| <del>Points</del>                     | <del>1</del>                    | <del>2</del>                 |

| <del>Points by Amount</del>       |                        |                        |                        |                        |
|-----------------------------------|------------------------|------------------------|------------------------|------------------------|
| <del>Greater than:</del>          | <del>\$500,000</del>   | <del>\$1 million</del> | <del>\$2 million</del> | <del>\$4 million</del> |
| <del>Less than or equal to:</del> | <del>\$1 million</del> | <del>\$2 million</del> | <del>\$4 million</del> | <del>(N/A)</del>       |
| <del>Points</del>                 | <del>.5</del>          | <del>1</del>           | <del>1.5</del>         | <del>2</del>           |

- Applicants must meet all requirements below
- Applicants may claim points under both **GICH Support for CQB** and **Community Partnerships**, but no more than 3 points will contribute towards the points under this section
- 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.~~

## ~~XVI. COMMUNITY TRANSFORMATION~~

### ~~Up to 3 Points~~

~~Applicants are ineligible to claim points in *Community Transformation* if claiming points in *Stable Communities* or *Community Designations*.~~

~~DCA will select up to five (5) Applications that will receive *three (3) points* for qualifying under the requirements listed below. All applications will compete against each other, regardless of Pool.~~

~~An Applicant is only eligible to claim points in this section if it is eligible for 3 or more points under *Revitalization/Redevelopment Plans*.~~

~~An Applicant is only eligible to claim points in this section if it meets the following criteria:~~

~~Three (3) or more points under *Revitalization/Redevelopment Plans*.~~

- ~~• Applicants claiming points under this section. Each Project Team may submit only one Application for *Community Transformation*.~~
- ~~• Only one Applicant will be selected from each defined neighborhood.~~

~~The selection will be based on the *Community Transformation Rubric* posted to the DCA website. Together, the *Community Based Developer* and the *Community Quarterback*—the *Community Based Team*—commit to *Subsection D*, undertaking *C*ommunity *E*ngagement and *O*utreach and creating a “*Community Transformation Plan*” targeting *the a* Defined Neighborhood.~~

~~The following terms are used throughout this subsection:~~

~~These terms are defined below:~~

- **Defined Neighborhood:** a targeted area that includes the proposed site. For applications in a Metro Pool, the defined neighborhood must not encompass the full 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-Based Developer (CBD):** a Project Team member that demonstrates an ongoing commitment to developing collaborative, holistic community solutions.
- **Community-Based Team:** Community-Based Developer and the Community Quarterback Board
- **Community Quarterback Board (CQB):** a coalition of public/private entities serving the Defined Neighborhood that
  - Drives the revitalization initiative to make sure all related components are successful and sustainable;
  - Ensures the people in the Defined Neighborhood are engaged, included, and served; and
  - Serves as a single point of accountability for partners and funders.

Transformation requires housing developers to work in coordination with the Local Government, community stakeholders and service providers to achieve access to place-based opportunity for all residents. Project Teams selected must be prepared to undertake considerable Community Engagement and Outreach necessary for this transformation.

### **Community Quarterback Board (CQB) Documentation - Requirement**

The CQB should reflect the Project Team's local community partnerships that will drive Community Engagement and Outreach and support Community Transformation. The Applicant must convene a CQB that meets the following requirements:

1. 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.
2. At least one-third must include three (3) of the five (5) following representatives:
  - a) Education representative
  - b) Employment services representative.
  - c) Transportation services representative.
  - d) Health services representative
  - e) Local Government representative – the elected official representing the district in which the proposed development is located or a member of the Local Government administration staff.
3. The CQB should build on existing community structures and local partnerships.
  - a) If the Project Team qualifies as a CHDO, the Project Team may appoint one or more members of their Board of Directors to the CQB.
  - b) If the community is a GICH participant or alumni, the Project Team may appoint one or more members of the GICH Community Housing Team to the CQB.

**Minimum Documentation:**

- Signatures from representatives listed above indicating their commitment to serve on the CQB.
- A completed Community Transformation Plan Certificate.

**Engagement and Planning Responsibilities – Requirement**

If selected under a Competitive Round, the Applicant is required to comply with the engagement and planning responsibilities outlined in Scoring Exhibit **B. Community Transformation Post-Award Responsibilities.**

**Community Partnerships**

**A. Community-Based Developer**

~~DCA will judge projects requesting points in this section comparatively, so Applicants must provide sufficient evidence and documentation to substantiate claims regarding the strength, capacity, and experience of the Project Team member as a Community-Based Developer. In the event of a tie, DCA will prioritize projects based on the following tiebreakers:~~

- ~~Application receives points under Scoring Criteria, Enriched Property Services, subsection A. Owner-provided Services.~~
- ~~Earlier year of the most recent 9% Credits award for the Local Government Boundary.~~
- ~~Applications that use the least amount of 9% Credits per low-income unit.~~
- ~~Applicants with documentation that the property will reduce public housing waiting lists.~~

**Up to 3 points** for evidence that the CBD has engaged in prior community partnerships.

~~In order to To be eligible for Community Transformation points, the Application must document the following:~~

**1. Community Partnerships**

The CBD has successfully partnered with two (2) or more established community organizations that serve the area in which the proposed property will be located and can document that these partnerships have measurably improved community or resident outcomes, such as improved educational achievement or increased access to health services. The length of each partnership must be at least two years. If the CBD has not supported a development in the community in which the proposed property will be located, the CBD may meet the requirement by documenting measurable

improvement from community partnerships that the CBD has formed in support of their development in another community.

“Community organizations” are entities (a) that serve the geographic focus area noted above, and (b) whose stated mission is to increase residents’ access to community services such as education, health, employment, and/or transportation. “Successful” partnerships are those resulting in replicable, measurable improvement in residents’ access to education, health, employment, and/or transportation services as a result of the partnership.

Points scale (up to 3 points total):

- 1 point for evidencing 3 or more eligible partnerships
- 1 point if the combined number of years for partnerships is 5 or more
- 1 point if the organizations associated with the partnerships engage in services associated with two or more of the following:
  - Education
  - Health
  - Employment
  - Transportation
  - \_\_\_\_\_

~~Reference Documentation:  
Community Transformation Rubric.~~

**Minimum Documentation:**

- Each established community partner must provide a letter that
  - Recognizes the length of their partnership with the Applicant and confirms that this relationship is ongoing; and
  - Discusses how the partnership has measurably improved community development outcomes.
- Quantitative/numerical data evidencing that the joint effort between partners has measurably improved residents’ access to education, health, employment, and/or transportation services. Examples include increased attendance and/or student performance, increased number of books available to children, higher rates of community members reporting employment, and/or improved community health indicators.

~~2. Philanthropic Activities~~

~~In the last three years, the CBD has participated in or led philanthropic activities benefitting either the community in which the proposed development is to be located or a targeted area surrounding their development in another Georgia community.~~

- ~~A “philanthropic activity” is the consistent and ongoing charitable donation of:~~
  - ~~Goods~~
  - ~~In-kind services, or~~
  - ~~Cash~~

- ~~• The donation must not be an isolated event: it must have occurred more than once between May 25, 2020 and Application Submission Deadline.~~
- ~~• The recipient of “philanthropic activities” may be more than one individual or nonprofit, including grant-making entities.~~
- ~~• Donations dedicated to support services required at a DCA-funded property are not considered.~~
- ~~• The donation must have been made or fundraised by the CBD.~~

~~— Reference Documentation:~~

~~— Community Transformation Rubric~~

~~— Minimum Documents:~~

~~— Developer Entity’s IRS tax returns documenting the charitable donation or grant statements, press releases, letters, or other documentation substantiating the local philanthropic activities. Documents must include the CBD, date, and donation amount/activity.~~

### ~~3. Community Improvement Fund~~

~~— Applicants have received a commitment of funds for services to support the provision of community services and resources to the proposed development’s future residents and/or neighbors. The commitment may be from the Applicant itself or another entity. The funds must be directed to a designated financial account that is capable of documenting specific deposits and expenditures. The funds must be spent out over a period of five (5) years after the development is placed in service.~~

~~— Minimum Documents:~~

- ~~• Commitment of funds.~~
- ~~• Detailed use of funds.~~

### ~~4. Equitable Allocation~~

~~— Applicants will be rated less competitively in this selection process if:~~

- ~~• The development proposed is within or overlaps a Defined Neighborhood already containing a Transformational Community initiative funded in 2020, 2021, or ~~2022~~2023~~
- ~~• The Project Team member associated with the submitted partnership letters was awarded Community Transformation points for an application awarded 9% Credits in 2020, 2021, or ~~2022~~2023.~~

~~— Minimum Documents:~~

~~— Map clearly displaying boundaries of Defined Neighborhood.~~

- ~~•~~

**~~B. Community Quarterback Board~~**

~~The CQB should reflect the Project Team's local community partnerships that will drive Community Engagement and Outreach and support Community Transformation. The Applicant must convene a CQB that meets the following requirements:~~

- ~~1. 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.~~
- ~~2. At least one-third must include three (3) of the five (5) following representatives:
 
  - ~~a) Education representative~~
  - ~~b) Employment services representative.~~
  - ~~c) Transportation services representative.~~
  - ~~d) Health services representative~~
  - ~~e) Local Government representative — the elected official representing the district in which the proposed development is located or a member of the Local Government administration staff.~~~~
- ~~3. The CQB should build on existing community structures and local partnerships.
 
  - ~~a) If the Project Team qualifies as a CHDO, the Project Team may appoint one or more members of their Board of Directors to the CQB.~~
  - ~~b) If the community is a GICH participant or alumni, the Project Team may appoint one or more members of the GICH Community Housing Team to the CQB.~~~~

**~~Minimum Documentation:~~**

- ~~• Signatures from representatives listed under item B1 indicating commitment to serve on the CQB.~~
- ~~• Letter from each CQB representative listed under item B2 stating commitment to serve on the CQB.~~
- ~~• A completed Community Transformation Plan Certificate.~~

**GICH Support for CQB**

**2 points** if the Application includes a letter of support for the CQB from a DCA Georgia Initiative for Community Housing (GICH) team (currently active or certified alumni as defined by GICH administrators). There is no limit on the number CQB support letters a GICH team can provide.

In addition to indicating support, the letter must:

- Identify the boundaries of their GICH community;
- Identify the project as located within their stated GICH community boundaries; and
- Be 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

- Confirm that a majority of GICH members support the CQB

Alumni GICH Teams which have not successfully completed a GICH Alumni Certification application less than 24 months prior to the Competitive Application deadline are ineligible.

**Minimum Documentation:**

Support letter meeting the above requirements

**C. Community-Based Team Responsibilities**

If selected, the Applicant is required to ensure that the Community-Based Team complies with the following responsibilities and timeline:

1. ~~Between notice of selection and 60 days prior to placed in-service date, the Community-Based Team must:~~

- a) ~~Undertake Community Engagement and Outreach as defined below; and~~
- b) ~~Create Community Transformation Plan as defined below.~~

2. ~~At 60 days prior to placed in-service date, the Applicant must submit the following documentation to DCA at [hfdround@dca.ga.gov](mailto:hfdround@dca.ga.gov) for approval:~~

- a) ~~A copy of the full Community Transformation Plan that meets DCA requirements~~
- b) ~~Community Outreach and Engagement documentation:~~
  - i. ~~Evidence of substantial effort taken to reach low-income individuals (e.g., copies of public notices advertising required public meetings)~~
  - ii. ~~Evidence of the occurrence of outreach and engagement (e.g., meeting agenda listing Community-Based Team members present, sign-in sheet, and/or minutes)~~
  - iii. ~~Methodological report of survey (e.g., when and how long was the survey available to respondents? How were respondents selected? How many people responded?)~~

3. ~~Applicant agrees to undertake the following monitoring and reporting activities on an annual basis for a period of at least five (5) years following the placed in-service date:~~

- a) ~~Survey residents annually; and~~
- b) ~~Report progress of Community Transformation Plan goal completion to DCA.~~

**D. Planning for Community Transformation**

An effective Community Transformation Plan contains strategies for the coordination and provision of local services and resources to those most in need in the Defined Neighborhood.

The Community Transformation Plan must show a placed-based strategy to transform the Defined Neighborhood by addressing critical problems and challenges identified by the citizens as well as public and private community partners. The solutions proposed may be existing or new but each must represent an intentional community strategy targeting both the future residents and the Defined Neighborhood.

**1. Community Engagement and Outreach**

Must be completed by the Community-Based Team prior to creation of the Community Transformation Plan as part of identifying challenges and opportunities for transformation. At a minimum, Community Engagement and Outreach must include the following:

- a) ~~Public and Private Engagement:~~ The Community-Based Team must show documentation that the CQB held at least one (1) meeting open to the public focused on identifying challenges to Community Transformation.
- b) ~~Citizen Outreach:~~ The Community-Based Team must make substantial efforts to record feedback from the low-income population to be served on what challenges prevent this community from accessing local resources. This requirement for Community Outreach must be met through both:
  - i. ~~Two (2) public meetings led by CQB members; and~~
  - ii. ~~One (1) survey of Defined Neighborhood residents.~~

**2. Community Transformation Plan Requirements**

The Community Transformation Plan must include a full description of all goals, solutions, metrics of success, milestones, resources committed, and entities responsible and must discuss:

- ~~The Local Government's current priorities and strategies for the Defined Neighborhood, which are outlined in an existing Community Revitalization Plan or other Local Government planning documents; and~~
  - ~~How the Community Transformation Plan builds on those priorities and strategies.~~
- a) ~~The Community Transformation Plan must clearly identify specific challenges, citing~~
    - i. ~~Data from Community Engagement and Outreach that demonstrates how the local population to be served currently accesses community resources; and~~
    - ii. ~~Input from Community Engagement and Outreach that identifies the challenges the local population to be served face in accessing those community resources.~~
  - b) ~~The Community Transformation Plan must prioritize these challenges and, based on Community Engagement and Outreach, provide a rationale for how the community has prioritized them.~~
  - c) ~~For each prioritized challenge, the Applicant must identify at least one measurable goal for increasing future residents' access to these resources. Defining a timeframe and a marker of success is essential for creating effective milestones.~~

~~d) For each measurable goal, the Community Transformation Plan must name at least one solution to be implemented by Community-Based Team members. For each solution, the Community Transformation Plan should note what resources have been committed by these entities or others to achieve this outcome.~~

## Community Investment – 3 Points

### Third-Party Capital Investment

Up to 2 points if a foundation, trust, business and/or government not qualifying as a Related Party designates 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 Pools) of the proposed site;
- will serve the residents;
- was not completed more than five (5) years prior to Application Submission;
- has an expected completion date before January 1, 2027, and
- is to be paid for in full by the unrelated third party.

Examples include, but are not limited to:

- community assets (e.g., parks, trails, community center)
- infrastructure improvements (e.g., water, sewer, drainage, streets)

Applications will earn points according to the following scale of investment amount within 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, as indicated in the below tables:

| <b>Investment Amount Per Unit</b> |                             |                          |
|-----------------------------------|-----------------------------|--------------------------|
| <b><u>Atlanta Metro</u></b>       | <u>\$20,000 to \$29,999</u> | <u>At least \$30,000</u> |
| <b><u>Other Metro</u></b>         | <u>\$15,000 to \$24,999</u> | <u>At least \$25,000</u> |
| <b><u>Rural</u></b>               | <u>\$10,000 to \$19,999</u> | <u>At least \$20,000</u> |
| <b><u>Points</u></b>              | <u>1</u>                    | <u>2</u>                 |

| <b>Points by Amount</b>       |             |             |             |             |
|-------------------------------|-------------|-------------|-------------|-------------|
| <b>Greater than:</b>          | \$500,000   | \$1 million | \$2 million | \$4 million |
| <b>Less than or equal to:</b> | \$1 million | \$2 million | \$4 million | (N/A)       |
| <b>Points</b>                 | <b>.5</b>   | <b>1</b>    | <b>1.5</b>  | <b>2</b>    |

**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.

**Financial Commitment**

**1 point** if the Local Government or Community Quarterback Board 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 **Third-Party Capital Investment** above.

The same investment cannot be used for points under this subsection if it is used to claim points for **Third-Party Capital Investment**.

**Minimum Documentation:**

~~If claiming financial commitment points, a~~ Letter from a Local Government representative (or one representative from the COB) substantiating the nature of the financial commitment to advance the CRP, if the financial commitment is not reflected in the CRP itself.

~~XVII.~~ **XVIII. STABLE COMMUNITIES**

**Up to 109 Points**

Applicants may not claim points in more than one of the following sections:

- Revitalization/Redevelopment Plans
- Stable Communities
- Community Designations
- Housing Needs Characteristics

~~Applicants are ineligible to claim points in Stable Communities if claiming points in Revitalization/Redevelopment Plans, Community Transformation, or Community Designations.~~

~~Applicants may claim points in A and/or B.~~

## A. ~~Low-Poverty Communities—5 Points~~

Applicants are eligible for only one of the following items, 1–5.

1. ~~**Five (5) points**~~ to Applications that are in a census tract that meets the following demographics according to the most recent FFIEC Census Report (<http://www.ffiec.gov/census/>):
  - a) ~~Poverty level (see Income):~~
    - ~~Metro Applications: less than **5%** below Poverty level~~
    - ~~Rural Applications: less than **10%** below Poverty level~~
  - b) ~~Designated Middle or Upper Income level (see Demographics)~~
  
2. ~~**Four (4) points**~~ to Applications that are located within 0.25-mile of a census tract meeting the requirements of A(1) above, measured as the driving distance from an Application's site-entrance to the census tract border.
  - ~~Application must also receive at least the following under Scoring Criteria, Desirable/Undesirable Activities, subsection A. Desirable Activities:~~
  - ~~9% Competitive Round: 15 points~~
  - ~~4% Competitive Round: 9 points~~
  
3. ~~**Four (4) points**~~ to Applications that are in a census tract that meets the following demographics according to the most recent FFIEC Census Report (<http://www.ffiec.gov/census/>):
  - a) ~~Poverty level (see Income):~~
    - ~~Metro Applications: less than **10%** below Poverty level~~
    - ~~Rural Applications: less than **15%** below Poverty level~~
  - b) ~~Designated Middle or Upper Income level (see Demographics)~~
  
4. ~~**Three (3) points**~~ to Applications that are located within 0.25-mile of a census tract meeting the requirements of A (3) above, measured as the driving distance from an Application's site-entrance to the census tract border.
  - ~~Application must also receive at least the following under Scoring Criteria, Desirable/Undesirable Activities, subsection A. Desirable Activities:~~
  - ~~9% Competitive Round: 15 points~~
  - ~~4% Competitive Round: 9 points~~
  
5. ~~**Three (3) points**~~ to Applications that are located in a census tract that meets the following demographics according to the most recent FFIEC Census Report (<http://www.ffiec.gov/census/>):
  - a) ~~Poverty level (see Income):~~
    - ~~Metro Applications: less than **15%** below Poverty level~~
    - ~~Rural Applications: less than **30%** below Poverty level~~
  - b) ~~Designated Middle or Upper Income level (see Demographics)~~

If no data exists for their census tract, applicants may use FFIEC data for the nearest census tract that has data available.

**Minimum Documentation:**

- Each page of FFIEC census report demonstrating the proposed site meets requirements.
- If applicable, map clearly showing distance from site entrance to border of census tract meeting requirements.

**B. Local Health and Economic Indicators – 4 Points**

Applications will earn points based on the site being located in Census tracts with values above certain percentiles for statistics from the Census Bureau and Georgia Housing Needs Assessment. For purposes of this section, percentiles will be calculated as follows by pool:

- Metro Pools: using all census tracts in Georgia.
- Rural Pool: using all census tracts in the Rural Pool.

| Statistics | <b>Health Insurance Rate<br/>                     Employment Rate<br/>                     Environmental Health Index, Transit Access Index, Poverty Rate, Median Income, and Jobs Proximity Index</b> |                                    |                                   | Max Points |
|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-----------------------------------|------------|
|            | Percentile Threshold                                                                                                                                                                                   | 2-3 metrics above 60 <sup>th</sup> | 34 metrics above 60 <sup>th</sup> |            |
| Points     | 54                                                                                                                                                                                                     | 872                                | 109                               | 9410       |

Applicants within a census tract without data for a metric may use the value of the nearest census tract with data for that metric.

DCA will publish the data to be utilized for this subsection on the DCA website.

**Reference Documentation:**

- American Community Survey (Census Bureau).
- DCA Health and Economic Indicators Table
- DCA Stable Communities Supplement

**Minimum Documentation:**

Map confirming distance from site to census tract with data, if applicable.

## ~~XVIII.~~XIX. COMMUNITY DESIGNATIONS

### Up to 10 Points

Applicants may not claim points in more than one of the following sections:

- Revitalization/Redevelopment Plans
  - Stable Communities
  - Community Designations
  - Housing Needs Characteristics
- ~~Applicants claiming points in this section are ineligible for points under *Revitalization/Redevelopment Plans, Community Transformation, and Stable Communities.*~~

Applicants may claim points in either A or B.

#### A. HUD Choice Neighborhood Implementation (CNI) Grant – 10 Points

**Ten (10)** points to an Application located in an area that has received a HUD CNI Grant and is identified in the CNI Grant application. The CNI awardee may select only one (1) Application to receive these points.

**Minimum Documentation:**

- The CNI grant award.
- Evidence that the proposed project is included in the targeted area.
- Letter from the CNI awardee confirming that the proposed property has been selected to receive these points.

#### B. Purpose Built Communities – 10 Points

Purpose Built Communities may select one (1) Application to receive these points.

**Minimum Documentation:**

Letter from Purpose Built Communities nominating one (1) proposed development that discusses how the proposed development will further the neighborhood's holistic community revitalization strategy.

## XX. ~~XXIX.~~ HOUSING NEEDS CHARACTERISTICS NEED

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### Up to 5 points

This section does not apply to the Atlanta Metro Pool.

Applications may not claim points in more than one of the following sections:

- Revitalization/Redevelopment Plans
- Stable Communities
- Community Designations
- Housing Needs Characteristics

Applications that meet both of the following requirements receive **5 points** under this section:

- Site is located a county that meets at least two of the below needs metrics (housing problems, population growth, and employment growth)
- Site is not located within a Qualified Census Tract

### Housing Problems

25% or more of units in the county occupied by 80% AMI and below households exhibit a “severe housing problem” as defined by HUD (lack of complete kitchen or plumbing facilities, overcrowding, and cost burdened).

### Population Growth

County population meets both of the following based on American Community Survey data:

- Greater than the population 10 years prior
- Average year-over-year growth for the most recent 3 years of data is greater than 1%

### Employment Growth

Average county employment growth for the most recent two years is greater than 1% based on Bureau of Labor Statistics data. Year-over-year growth is based on the most recent January to January change.

### References

- American Community Survey (Census Bureau)
- Comprehensive Housing Affordability Strategy (CHAS)
- U.S. Bureau of Labor Statistics (BLS)
- DCA Housing Needs Characteristics Data

## ~~XIX.~~XXI. MIXED INCOME DEVELOPMENTS

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### Up to 1 Point

Applicants may claim points in A or B.

#### A. Unrestricted Unit – 1 Point

**One (1) point** will be awarded to Applications that include at least 10% unrestricted market rate units, and will not make the income averaging minimum set-aside election.

#### B. Income Averaging – 1 Point

**One (1) point** will be awarded to Applications that will make the income averaging minimum set-aside election, and do not include market rate units.

## ~~XX.~~XXII. HISTORIC PRESERVATION

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### Up to 2 Points

Applicants may claim points in either A or B.

#### A. Historic Tax Credit Proceeds – 2 Points

DCA will award points if the proposed development includes historic tax credit proceeds and is an Adaptive Reuse of a structure:

- certified as historic (either listed individually on the National Register or as a contributing structure in a National Register Historic District), or
- deemed historic via an approved NPS Historic Preservation Certification Application Part 1-Evaluation of Significance to have a preliminary determination of listing on the National Register.

DCA may require awarded Applications to, as a condition of funding, provide evidence that the proposed development qualifies as a “certified rehabilitation” via an approved NPS Historic Preservation Certification Application Part 2-Description of Rehabilitation or an approved Part A-Preliminary Certification for State Income Tax Credit Program for Rehabilitated Historic Property.

The building or buildings being adaptively reused must constitute at least 30% of the total units. Slabs, sheds, gazebos, trailers/mobile homes, pavilions, pump houses, barns, garages and single-family homes are not eligible.

Minimum Documentation:

- Documentation on the previous use of the building.
- Documentation of whether or not the building is occupied.
- Narrative of how building will be reused.
- Copy of NPS approved Historic Preservation Certification Application Part 1 - Evaluation of Significance.
- Preliminary equity commitment for historic rehabilitation credit.

## B. Historic Structure – 2 Points

DCA will award points if a property is either a certified historic structure or is deemed historic (as both are defined above). The historic structure must house at least 50% of the total units.

### Minimum Documentation:

Copy of NPS approved Historic Preservation Certification Application Part 1 - Evaluation of Significance or copy of the approved National Register of Historic Places Registration Form (NPS Form 10-900) and National Register map identifying the property.

## ~~XXI.~~ XXIII. ENRICHED PROPERTY SERVICES

### Up to 2 Points

Applicant agrees to one of the resident services commitments below for the proposed development. Services must support resident outcomes related to education, health, transportation access, or economic security at the proposed development.

### A. Owner-provided Services – 2 points

Owner will provide resident services at the proposed development. To be eligible for points under this subsection, an entity in the General Partnership must have received a certification from Certified Organization for Resident Engagement & Services (CORES) under the “Direct Model” or “Hybrid Model” options. CORES certification must be active as of the Competitive Application deadline. Sponsors are not required to maintain the CORES certification over the life of the property.

The CORES-certified entity must select only two Applications in the 9% Competitive Round for which points under this subsection can be applied. If the entity designates these points to more than two Applications, DCA will assign the option B. commitment below to all Applications for which the entity is a member of the General Partnership.

### Minimum Documentation:

Proof of CORES certification.

## B. 3rd Party Contractor – 2 Points

Applicant commits to accept resident services coordination from an entity certified as a “3rd Party Resident Services Coordination Contractor” by CORES or other DCA-approved program.

Claiming points under this section is not a commitment to provide and pay for services regardless of property circumstances. It is a commitment to cooperate with providers when circumstances can support services. Specifically:

- Owners are expected to pay for services if:
  - A provider serves the locality and has the capacity to provide services at the property.
  - Given expected costs, property cash flow could pay for services while maintaining at least a 1.25 debt service coverage ratio.
- This commitment applies for as long as the property is monitored by DCA.
- The lack of such services at a property does not constitute non-compliance. Cooperation will be assessed based on whether:
  - the Owner is responsive to providers and DCA staff
  - property financial information is accurately represented.

Applicants who prefer to partner with a particular 3rd party entity qualified under the above will not be required to partner with a different entity.

### References:

[CORES website](#)

~~EXCEPTIONAL NONPROFIT/PUBLIC HOUSING AUTHORITY~~

~~Up to 2 Points~~

~~Applicants may claim points in either A or B.~~

~~A nonprofit or PHA Applicant that was awarded the Exceptional Nonprofit/PHA section points and received funding from DCA in the prior year competitive round is ineligible to claim points under this section.~~

~~Exceptional Nonprofit – 2 Points~~

~~DCA will award two (2) points to two (2) Applications in which the Project Team includes a qualified nonprofit as the managing general partner. (Public housing authorities, their sponsoring entities, affiliated companies or subsidiaries are not eligible for points in this subsection.) Only projects applying and eligible for the non-profit set aside are eligible for points in this category. The nonprofit must be the entity that meets requirements for the set aside. A qualified nonprofit may only request consideration for these points for one Application.~~

~~The desired outcome of this category is to award points to strong, innovative, mission-oriented nonprofit organization that meet IRS set aside requirements.~~

~~The scoring method for the comparative analysis is contained in the DCA Nonprofit Assessment Form. DCA will comparatively evaluate and rank nonprofits according to how well they meet each of the following criteria:~~

~~Technical expertise in the tax credit program.~~

~~Operating sustainability of the organization.~~

~~Management and governance of the nonprofit.~~

~~Community impact demonstrated by a record of funding and engaging in activities that have positively impacted communities in addition to Housing Credit development.~~

~~In the event of a tie, DCA will select first any nonprofit not awarded Exceptional Nonprofit points in the 2021 or 2022~~2023~~ competitive round and second the Applicant(s) with the strongest technical expertise as a tiebreaker.~~

~~Minimum Documentation:~~

~~DCA Exceptional Nonprofit/PHA Assessment Form.~~

~~Copy of organization's publicly available federal Form 990 for 2020 and 2021. If the Form 990 is not available, DCA requires a clear explanation and proof of exemption.~~

~~Two (2) most recent annual audits completed by an independent auditor.~~

~~Completed Performance Workbook Experience tab~~

~~Exceptional Public Housing Authority — 2 Points~~

~~DCA will award two (2) points to one (1) Application in which the Project Team includes a qualified Public Housing Authority (PHA), their sponsoring entities, affiliated companies or subsidiaries. A Project Team may only request these points for one Application.~~

~~The desired outcome of this category is to award points to strong, innovative, mission-oriented PHAs. PHA programs, services, and activities funded by HUD or HUD funds will not be considered in this analysis.~~

~~The scoring method for the comparative analysis is contained in the DCA PHA Assessment Form. DCA will comparatively evaluate and rank PHAs according to how well they meet each of the following criteria:~~

~~Technical expertise in the tax credit program.~~

~~Operating sustainability of the organization.~~

~~Management and governance of the PHA.~~

~~Community impact demonstrated by a record of funding and engaging in activities that have positively impacted communities in addition to Housing Credit development.~~

~~In the event of a tie, DCA will select first the PHA not awarded Exceptional PHA points in the 2021 or 2022~~2023~~ competitive rounds and second the PHA with the strongest technical expertise as a tiebreaker.~~

~~Minimum Documentation:~~

~~DCA Exceptional Nonprofit/PHA Assessment Form.~~

~~Two (2) most recent annual audits completed by an independent auditor.~~

## ~~XXII.~~XXIV. DCA COMMUNITY INITIATIVES

### Up to 2 Points

#### Georgia Initiative for Community Housing (GICH)

DCA will award points for projects with a letter from a DCA Georgia Initiative for Community Housing (GICH) team (currently active or certified alumni as defined by GICH administrators) which:

- Identifies the boundaries of their GICH community;
- Identifies the project as located within their stated GICH community boundaries; and
- Is 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.

Each GICH team may issue only one (1) letter for one project in this year's competitive round. Issuing more than one (1) will result in no project in that community being awarded this point.

Alumni GICH Teams which have not successfully completed a GICH Alumni Certification application in ~~2022~~2023 or ~~2023~~2024 are ineligible.

#### 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.
- ~~Letter from Local Government agreeing to the issuance of the letter.~~

~~For Scattered Site Projects, the above documentation is required from each Local Government for each non-contiguous site.~~

## XXV. PRESERVATION SCORING CRITERIA

- Applications are eligible to claim points in all subsections below unless stated otherwise.
- Maximum points varies by Application type.

~~XXIII. OCCUPANCY~~

~~Up to 6 Points~~

A. Occupancy – 6 Points

Application property exhibits average monthly occupancy over 24 months within the ranges below.

| Occupancy range                                 | Points |
|-------------------------------------------------|--------|
| 95% or more                                     | 6      |
| <del>90% to 94.9%</del> <del>85% to 94.9%</del> | 4      |
| <del>85 to 89.9%</del> <del>75% to 84.9%</del>  | 2      |

For proposed developments involving Preservation of multiple buildings, occupancy will be based on the average for all buildings.

**Minimum Documentation:**

- Table showing 24 consecutive months of occupancy rates ending within two (2) months prior to the Application Submission Deadline. Rent rolls must cover all days in the full calendar month.
- Rent rolls substantiating the occupancy rates table.

~~B. XXV. RENT ADVANTAGE~~ Rent Advantage – 6 Points

~~Up to 6 Points~~

~~Ineligible: 4% Credits/Bonds USDA Portfolio Set Aside Applications~~

For applications seeking points under this subsection, DCA will commission a Preliminary Rent Analysis letter from a DCA-approved appraiser to provide the information used for scoring. ~~Applicants will be charged a fee equal to the cost of the Preliminary Rent Analysis Letter, regardless of whether their application is awarded.~~

The Rent Analysis Letter compares the 60% Housing Credit rent limit to market rents. DCA awards points based on the following tiers:

| Rent Advantage | Points |
|----------------|--------|
| 25% or more    | 6      |
| 20-24.9%       | 4      |
| 15-19.9%       | 2      |

## ~~XXVI. PBRA CONTRACTS~~

### ~~Up to 4 Points~~

~~DCA will award points based on the number of units in the proposed development mix covered by federally-funded project-based rental assistance.~~

| <del>PBRA Units</del> | <del>Points</del> |
|-----------------------|-------------------|
| <del>80 or more</del> | <del>4</del>      |
| <del>60 to 79</del>   | <del>3</del>      |
| <del>40 to 59</del>   | <del>2</del>      |

~~For proposed developments involving Preservation of multiple buildings, PBRA Contracts will be evaluated based on total number of PBRA units.~~

~~Minimum Documentation:~~

~~Preliminary commitment for PBRA Executed by authorized regulatory agency.~~

## ~~XXVII. PROPERTY RESTRICTIONS AND AGE~~

### ~~Up to 6 Points~~

- ~~• 4% Competition: Applications can claim points in A or B.~~
- ~~• 9% Preservation Set Asides:~~

- ~~○ Housing Tax Credit Set Aside: only subsection A applies~~
- ~~○ All other Preservation Set Asides: only subsection B applies~~

For proposed developments involving Preservation of multiple buildings, this section will be evaluated based on the average for all buildings.

~~**A. Tax Credit Restrictions – 6 points**~~

~~Current Federal Tax Credit restrictions were applied to the property began during the calendar year ranges below, as determined by the date the LURC was executed by all parties.~~

| <del>LURC Execution Calendar Year</del> | <del>P<br/>o<br/>i<br/>n<br/>t<br/>s</del> |
|-----------------------------------------|--------------------------------------------|
| <del>1992 to 1996</del>                 | <del>6</del>                               |
| <del>1997 to 2002</del>                 | <del>4</del>                               |

~~Minimum Documentation:  
Executed LURC.~~

**B.C. Property Age – 4 points**

Application provides evidence that the property’s placed in service (PIS) date was within the time frames below.

| PIS Year                                    | Points |
|---------------------------------------------|--------|
| <del>2002-2003</del> or earlier             | 4      |
| <del>2003 to 2007</del> <u>2004 to 2008</u> | 2      |

Minimum Documentation:

Evidence that property was ready for occupancy by the year of requested points.

## D. Tax Credit Restrictions – 46 points

Current Federal Tax Credit restrictions were applied to the property ~~began~~ during the calendar year ranges below, as determined by the date the LURC was executed by all parties.

| <u>LURC Execution Calendar Year</u>        | <u>Points</u>        |
|--------------------------------------------|----------------------|
| <u><del>1992 to 1996</del>1993 to 1997</u> | <u><del>64</del></u> |
| <u><del>1997 to 2002</del>1998 to 2003</u> | <u>42</u>            |

### Minimum Documentation:

Executed LURC.

## E. Site Characteristics – 20 points

**Ineligible:** 4% Credits/Bonds USDA Portfolio Set Aside Applications

Proposed development qualifies for points based on the below Scoring Criteria. Applicants may claim all points under each criteria, but **no more than 20 points** will qualify for this section.

- Desirable/Undesirable Activities
- Community Transportation Options
- Quality Education Areas
- One of the following:
  - Revitalization/Redevelopment Plans
  - Stable Communities
  - Community Designations

## F. USDA Additional Criteria – 22 Points

Pre-Payment Risk

~~XXVIII. USDA “PORTFOLIO” ADDITIONAL CRITERIA~~

~~Up to 16 points~~

~~Applicants may claim points in all of the below.~~

~~**Up to 3 points** based on the percentage of properties preserved that were built before December 15, 1989,1990 and are therefore eligible for 515 loan pre-payment.~~

| <u>Percent of Properties Eligible for Pre-Payment</u> | <u>Points</u> |
|-------------------------------------------------------|---------------|
| <u>All properties</u>                                 | <u>3</u>      |
| <u>At least 75% of properties</u>                     | <u>2</u>      |
| <u>50% to 74.9%</u>                                   | <u>1</u>      |

**Minimum Documentation: Direct evidence from USDA RD substantiating points claimed.**

- Loan documents substantiating points claimed
- Self-certification from property owner that no unexpired RUCs exist on the property

**Mortgage Maturity Risk**

**Up to 3 points** based on the average year of the last maturing 515 loan maturity year.

| <u>Average Year of Last Maturing 515 Loan Maturity Year</u> | <u>Points</u> |
|-------------------------------------------------------------|---------------|
| <u>2025 to 2029</u>                                         | <u>3</u>      |
| <u>2030 to 2034</u>                                         | <u>2</u>      |

**Minimum Documentation:**

**Direct evidence from USDA RD substantiating points claimed.**

- Loan documents substantiating points claimed
- Self-certification from property owner substantiating maturity date of the last maturing loan

**A. Geographic Distribution (4% Credits/Bonds Portfolio only) – 10 points**

Applications receive **1 point** for each county that a USDA property associated with the Application is located in, **up to 10 points**.

**B. Severe and Critical Need (4% Credits/Bonds Portfolio only) – 6 points**

**A**verage housing vacancy rate for the counties represented falls in one of the tiers below. Vacancy rate is as determined by DCA staff calculations.

| Average County Housing Vacancy Rate | Points |
|-------------------------------------|--------|
| Less than or equal to 2.49%         | 6      |
| 2.50% to 4.99%                      | 5      |
| 5.00% to 9.99%                      | 4      |
| 10.00% to 19.99%                    | 2      |

# Exhibits ~~A~~ to Scoring Criteria

## A. DCA RIGHT OF FIRST REFUSAL (ROFR) PROCESS

Applicants receiving points under Scoring Section *Extended Affordability Commitment*, subsection C. *Right of First Refusal*, commit to provide an ROFR to a qualified nonprofit organization or a local housing authority or a wholly-owned subsidiary of such organization in accordance with Section 42(i)(7), the requirements in this section, and subject to DCA approval of the terms. The ROFR process is only triggered when a third party makes an offer on the property or for an ownership interest in the partnership.

All applicants are eligible to receive points under this category, regardless of whether the sponsor is a nonprofit or a for-profit organization. Additionally, ownership transfers for purposes of resyndication will not trigger the right of first refusal process.

The price in an ROFR transaction must not exceed the greater of the minimum purchase price set forth in Section 42(i)(7) of the Code or fair market value of the property, the latter defined to be the as-is restricted and encumbered value of the property, as determined by an appraisal to be commissioned by DCA and paid for by the Owner. DCA will commission the appraisal within thirty (30) days of receiving notification from the Owner of a third party offer.

The ROFR posting period commences on the date DCA posts the property on the DCA website for purposes of soliciting eligible offers under the ROFR process. DCA will post the property on its website once the maximum allowable price has been established according to the appraisal. The maximum duration of the ROFR posting period is 180 days.

In order to be eligible to make an offer on the property or partnership during the ROFR posting period, a potential buyer must meet the following requirements:

- A nonprofit buyer must conform to the "qualified nonprofit" definition set forth in Section 42(h)(5)(C) of the Code;
- All buyers must have achieved the highest standard for developer qualifications in DCA's most recent review of a tax credit application from the entity. This qualification determination must have been issued in the five (5) years prior to the commencement of the ROFR posting period.

The Owner may not accept a third party offer on the property until the ROFR requirement is satisfied. The Owner is free to accept or reject any offer from an eligible buyer during the ROFR posting period, and the Owner may, at their sole discretion, accept an offer during the ROFR posting period that is less than the maximum allowable price. However, if the Owner receives an offer from an eligible buyer at the maximum allowable price during the ROFR posting period and the Owner does not accept the offer, then the ROFR requirement is not satisfied and the Owner may not accept a third party offer upon expiration of the ROFR posting period. If the Owner does not receive an offer from an eligible buyer at the maximum allowable price during the ROFR posting period, then following the end of the ROFR posting period the Owner may accept any third party offer.

The ROFR transaction is not required to close by the end of the ROFR posting period. However, if the Owner and eligible buyer fail to close following the end of the ROFR posting period and DCA determines that failure to close was the fault of the Owner, the ROFR requirement is not satisfied. The Owner may accept a third party offer on the property or partnership if DCA determines that failure to close was the fault of the eligible buyer.

## **B. SUPPORTIVE HOUSING REFERRAL COMMITMENTS**

Applicants claiming points under **(Scoring) Integrated Supportive Housing**, subsection **Supportive Housing Referrals** agree to all of the following. These represent an overview of minimum requirements, not the full extent of requirements and procedures to address in the MOU.

### **Referring Entities**

DCA reserves the right to require an MOU with additional referring entities that serve the area, if not included in the initial MOU(s) provided to DCA for approval.

### **Services**

- If recommended by the referring entit(ies), the Owner must cooperate with a case management services provider to allow access to the property.
- The Owner is not required to pay for services.

### **Prior to stabilized occupancy**

- Construction Completion Notification: the Owner or property management company will notify the referring entit(ies) at least 120 days prior to anticipated availability of units for occupancy in order to coordinate referral and application processing.
- 90-Day Period Following Certificate of Occupancy (CO): for a minimum period of 90 days subsequent to the date of CO, the Owner and property management company must hold an adequate number of units to meet the percentage of units agreed to in the MOU.
- The Owner and property management company must hold primarily one-bedroom units with and without a mix of accessibility features scattered throughout the property as much as feasible, or two-bedroom units with and without a mix of accessibility features if the property was built without one-bedroom units.

### **Following stabilized occupancy**

- Reasonable Hold Fees will be negotiated under the MOU. Hold fees are payments to cover the period after a viable referred applicant is identified but additional time is needed to complete the application process or for the applicant to occupy the unit. Properties are not eligible to receive hold fees during the initial 90-day or subsequent 45-day hold periods or during the time needed to complete an application process involving a request for reasonable accommodation when the application was initiated before the end of the 45-day period.
- Ongoing Communication: the Owner or property management company will communicate tenancy issues or concerns about referred tenants to the referring entities promptly to keep the organizations aware of tenancy issues and other concerns.

## C. COMMUNITY TRANSFORMATION POST-AWARD RESPONSIBILITIES

Applicants that claimed points under **(Scoring) Revitalization/Redevelopment Plans**, subsection **Community Transformation** must adhere to the post-Competitive Round responsibilities below.

### C. Responsibilities

If selected, the Applicant and CQB must comply with the following responsibilities and timeline:

1. Between notice of selection and 60 days prior to placed-in-service date, the Applicant and CQB must:
  - a) Undertake Community Engagement and Outreach as defined below; and
  - b) Create Community Transformation Plan as defined below.
  
2. At 60 days prior to placed-in-service date, the Applicant must submit the following documentation to DCA at [hfdround@dca.ga.gov](mailto:hfdround@dca.ga.gov) for approval:
  - a) A copy of the full Community Transformation Plan that meets DCA requirements
  - b) Community Outreach and Engagement documentation:
    - i. Evidence of substantial effort taken to reach low-income individuals (e.g., copies of public notices advertising required public meetings)
    - ii. Evidence of the occurrence of outreach and engagement (e.g., meeting agenda listing Applicant and CQB members present, sign-in sheet, and/or minutes)
    - iii. Methodological report of survey (e.g., when and how long was the survey available to respondents? How were respondents selected? How many people responded?)
  
3. Applicant agrees to undertake the following monitoring and reporting activities on an annual basis for a period of at least five (5) years following the placed-in-service date:
  - a) Survey residents annually; and
  - b) Report progress of Community Transformation Plan goal completion to DCA.

### B. Planning for Community Transformation

An effective Community Transformation Plan contains strategies for the coordination and provision of local services and resources to those most in need in the Defined Neighborhood.

The Community Transformation Plan must show a placed-based strategy to transform the Defined Neighborhood by addressing critical problems and challenges identified by the citizens as well as public and private community partners. The solutions proposed may be existing or new but each must represent an intentional community strategy targeting both the future residents and the Defined Neighborhood.

## **1. Community Engagement and Outreach**

Must be completed by the Community-Based Team prior to creation of the Community Transformation Plan as part of identifying challenges and opportunities for transformation.

At a minimum, Community Engagement and Outreach must include the following:

- a) Public and Private Engagement: The Community-Based Team must show documentation that the CQB held at least one (1) meeting open to the public focused on identifying challenges to Community Transformation.
- b) Citizen Outreach: The Community-Based Team must make substantial efforts to record feedback from the low-income population to be served on what challenges prevent this community from accessing local resources. This requirement for Community Outreach must be met through both:
  - i. Two (2) public meetings led by CQB members; and
  - ii. One (1) survey of Defined Neighborhood residents.

## **2. Community Transformation Plan Requirements**

The Community Transformation Plan must include a full description of all goals, solutions, metrics of success, milestones, resources committed, and entities responsible and must discuss:

- The Local Government's current priorities and strategies for the Defined Neighborhood, which are outlined in an existing Community Revitalization Plan or other Local Government planning documents; and
  - How the Community Transformation Plan builds on those priorities and strategies.
- a) The Community Transformation Plan must clearly identify specific challenges, citing
    - i. Data from Community Engagement and Outreach that demonstrates how the local population to be served currently accesses community resources; and
    - ii. Input from Community Engagement and Outreach that identifies the challenges the local population to be served face in accessing those community resources.
  - b) The Community Transformation Plan must prioritize these challenges and, based on Community Engagement and Outreach, provide a rationale for how the community has prioritized them.
  - c) For each prioritized challenge, the Applicant must identify at least one measurable goal for increasing future residents' access to these resources. Defining a timeframe and a marker of success is essential for creating effective milestones.

For each measurable goal, the Community Transformation Plan must name at least one solution to be implemented by Community-Based Team members. For each solution, the Community Transformation Plan should note what resources have been committed by these entities or others to achieve this outcome.



STATE OF GEORGIA  
~~2023~~2024-2025-  
QUALIFIED ALLOCATION PLAN

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# Compliance Appendix

## COMPLIANCE MONITORING PROCEDURES, REQUIREMENTS AND PENALTY CRITERIA

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The DCA Compliance department will conduct monitoring procedures and requirements to ensure Ownership Entity and Project compliance with Section 42 (m)(1)(B)(iii) of the Internal Revenue Code and all requirements as specified in the QAP. Please see the DCA Compliance Manual for further information.

- A. DCA will require an Owner of a Housing Tax Credit (HTC) project and/or Tax Exempt Bond/Tax Credit property to maintain records for each qualified Housing Credit building in the Project. For each year in the compliance period, the records must show the information required by the record-keeping provisions contained in Section 1.42-5 (b) of the Treasury Regulations.
- B. DCA will require an Owner to retain the records documenting compliance with Section 42 of the Internal Revenue Code (Section 42) for each year as described in Paragraph A above for at least 6 years after the due date (with extensions) for filing the federal income tax return for that year. DCA will also require Owners to retain the records for the first year of the Credit Period for at least 6 years beyond the due date (with extensions) for filing the federal income tax return for the last year of the compliance period of the building.
- C. DCA will require a first-year tenant file review and issuance of a clearance letter from an industry recognized HTC training and file review specialist. Each first-year file with all tax credit qualification documents must be reviewed by a specialist and a summary of their findings must be submitted to DCA within 18 months from the date of the first building being placed in service. Failure to submit the findings will impact future scoring as applicable under the Compliance Performance section for 9% tax credit applications submitted by the owner and the property's ability to be issued a Recertification Waiver (allowing the Ownership Entity to cease full annual recertifications and process tenant self- certifications for subsequent annual recertifications for 100% HTC properties). Each ownership entity must enter all required tenant data for each property into the DCA reporting tools as required and described in DCA's memorandum notices, Compliance Manual and Asset Management Manual, by the 10th of each month for the preceding month. The required tenant data must include a report of all tenant move-ins and move-outs (to include onsite transfers) and income recertifications.
- D. An Owner of a Housing Credit Project must submit an online Annual Owner's Certification (AOC) to DCA, under penalty of perjury and as provided in Section 1.42-5 (c)(1) of the Treasury Regulations, by the stated deadline provided on the AOC form and the Compliance Monitoring website each year. All AOC submissions will be reviewed for Section 42 compliance and timely submission. DCA may deduct up to two (2) points from scoring in the application funding round, per Section II (A)(2) of Addendum D, for the Owner's failure to submit an AOC for any project by 5:00 p.m. EST on the stated deadline.

E. DCA will notify the IRS of an ownership entity's noncompliance or failure to submit an AOC no later than forty-five (45) days after the end of the time allowed for correction and no earlier than the end of the correction period. DCA will notify the IRS by filing IRS Form 8823, Low-Income Housing Credit Agencies Report of Noncompliance for the 15-Year Compliance Period. Under certain circumstances DCA may notify HUD of a failure to submit an AOC.

F. LIHTC with a GHFA Loan (HOME)

*Annual Audited Financial Statement Requirement:*

Every property funded with Low Income Housing Tax Credits and financed with a GHFA loan (HOME, TCAP, etc.) must submit audited annual financial statements, prepared by a licensed Certified Public Accountant, and form Schedule A to DCA by May 15th or as otherwise required by DCA.

- All financial statements must be submitted electronically. Paper financial statements will not be accepted. Properties must continue to submit audited annual financial statements until the loan is paid in full.
- Each property is required to submit annual financial data as stated in this QAP, utilizing DCA reporting tools as required and described in DCA's policy documents, memorandum notices, Compliance Manual and Asset Management Manual.
- Annual financial reporting must begin once lease-up commences and after the first financial year of operation has ended.

**All Properties**

*Annual Financial Reporting:*

Every property funded with Low Income Housing Tax Credits must submit annual financial data. Annual financial data/Year-end financial data is due no later than May 15th of the following year.

*Quarterly Financial Reporting:*

Every property funded with Low Income Housing Tax Credits must submit quarterly operating data. Quarterly financial data is due within 45 days of the last day of the month following the end of the quarter.

- Each property is required to submit the financial data as stated in this QAP, utilizing DCA reporting tools as required and described in DCA's policy documents, memorandum notices, Compliance Manual and Asset Management Manual.
- This requirement is effective through the end of the Extended Use Period or Affordability Period, whichever is later.
- Quarterly financial reporting must begin once lease-up commences and after the first financial quarter of operation has ended.

During the course of monitoring, if a property demonstrates financial or physical distress, DCA may request additional financial documents for the identification of possible solutions.

G. The ownership entity of any property having received funding through DCA must prepare and submit an Affirmative Fair Housing Marketing Plan (AFHMP) as outlined within this QAP. More detailed and specific information is available on the DCA website with regard to frequency of

submission and/or updates, outreach efforts with specific contact information, required forms, etc.

- H. DCA will inspect each required HTC project with a frequency and sample size applied as defined in the DCA Compliance Manual located on the DCA website.
- I. During each Compliance Review/Audit, the ownership entity must submit the Owner Certification of Supportive Services form with corresponding detailed backup, (letters, sign in sheets, etc.) relating to the event and the resident participation. Failure to make submissions will result in State non-compliance and potential point deductions as stated in this QAP.

Each ownership entity must allow DCA, or its designated representative, to perform additional on-site inspections of any HTC unit or building in a Project through the end of the applicable Compliance Period. These additional inspections are separate from any review of tenant files or units under Paragraph I. Inspections performed outside of Paragraph F will be at the expense of the ownership entity. Each unit or building inspection will be performed using the Uniform Physical Condition Standards (UPCS) guidelines established by HUD. The UPCS standards and related definitions provided by HUD (<https://www.hud.gov/sites/documents/appendix2-finaldictionary.pdf>) provide guidance for at least five hundred twenty (520) compliance protocols. For any additional inspections or re-inspections required by DCA, a fee will be assessed to the property payable to DCA within 30 days of notification of the fees. Re-inspections may be mandated by conditions found during a regularly scheduled inspection, information released by a media outlet, a notification of a resident concern, or any other source. See the DCA website for the applicable fee amount.

- J. DCA will promptly notify the ownership entity in writing if DCA is not provided access by either the owner or the management company to inspect and review as described in Paragraphs I and K, or otherwise discovers that the Project does not comply with Section 42. In such event, the ownership entity will be informed in writing of the stipulated period to supply missing documentation or to correct noncompliance commencing on the date of the notification letter.
- K. DCA may charge fees to cover the ongoing administrative expenses in monitoring compliance and to collect all expenses incurred in carrying out its duties as the Housing Credit agency, including, but not limited to, reasonable fees for legal and professional services.
- L. Compliance with the requirements of Section 42 is the responsibility of the ownership entity of the building for which the Housing Credits are allocated. The ownership entity of each building is responsible for compliance with all of the accessibility, adaptive design, and construction requirements, of the Fair Housing Act. Failure to comply with the requirements of Section 42 or the Fair Housing Act may result in the loss of Housing Credits pursuant to Section 1.42-9 of the Treasury Regulations.
- M. DCA monitoring of an Ownership Entity's compliance with the requirements of Section 42 and the Fair Housing Act does not make DCA or the State of Georgia liable to any Ownership Entity or to any shareholder, officer, director, partner, member or manager of any Ownership Entity or

of any entity comprising any Ownership Entity for an Ownership Entity's non-compliance therewith.

- N. It is the policy of DCA to immediately report to the appropriate federal agent any indication of fraud, waste, abuse, or potentially criminal activity pertaining to the use of federal funds.
- O. DCA will report its compliance monitoring activities annually on IRS Form 8610.
- P. A copy of the IRS Form 8609, with Part II completed by the ownership entity, must be submitted to DCA the first year Housing Tax Credits are claimed for a building within 60 days' of DCA's issuance of IRS Form 8609 Part I.
- Q. The ownership entity must submit a copy of any health, safety, or building code violation report issued by any regulatory (local, state, or federal) or third-party entity to DCA's Compliance Department within 60 days' of receipt from said entity.
- R. If an owner wishes to change the methodology used in the calculation of the Utility Allowance at any time after the initial determination has been made, the owner must submit a written request to DCA. Only one request per calendar year may be granted by DCA. A fee shall be paid by the owner at the time the request is submitted for a change request. See the DCA website for the applicable fee amount.
- S. Applicants must ensure the management company included in all applications is approved per DCA's Management Company Approval policy by the deadline specified in Core Exhibit A. If the management company is not approved by the deadline, the applicant will be required to replace the management company in the application with a management company that is approved. For any anticipated change in a management company, beyond the initial application for funding, the ownership entity must submit a request for approval of the change per DCA's Management Company Approval policy.