



## 2023 Qualified Allocation Plan: Changes Summary

Published October 11, 2022

This document provides a high-level overview of organizational changes and substantive policy changes in the first draft of the 2023 QAP. Minor changes (e.g., clarifications) are not covered in this document.

### Organizational Changes

#### 9% and 4%/Bonds Competitive Rounds

Many changes in the 2023 QAP draft resulted from moving an existing section or provisions from one section of the QAP to another without changing the content of the policies being moved. Most such changes were for purposes of consolidating information related to the 9% Competitive Round and 4%/Bonds Competitive Round into Core Plan, with each round now having a timeline, requirements, administrative procedures, etc., in its own section. For those changes, the “redlined” QAP only shows red text if the language itself is a substantive policy change from the 2022 QAP. This is to help readers distinguish between policies that were substantively changed and policies that were moved.

The table below summarizes changes that moved, rather than substantively changed, QAP provisions.

2023 QAP	2022 QAP
Geographic Pools (“Atlanta Metro Pool,” etc.) are terms in <b>(Core Plan) Definitions</b> .	Pools were previously defined in <b>(Core Plan) Geographic Pools</b> .
“Preservation” is now a term in <b>(Core Plan) Definitions</b> .	Preservation was previously defined in <b>(Scoring Criteria) Applicability of Scoring Criteria</b> .
<b>(Core Plan) Application Designations</b> replaces and broadens the section <b>(Core Plan) Geographic Pools</b> from the 2022 QAP. This section now encompasses both: <ul style="list-style-type: none"> <li>• Geographic Pool designations based on site location</li> <li>• New Supply and Preservation designations based on construction type</li> </ul>	The “New Supply” and “Preservation” competitions were previously discussed in <b>(Scoring Criteria) Applicability of Scoring Criteria</b>
<b>(Core Plan) 9% Federal Credit Competitive Round</b> consolidates all information relevant to the administration of this competitive round in one section, including: <ul style="list-style-type: none"> <li>• Timeline</li> <li>• Application and Award Limitations</li> </ul>	The following 2022 QAP sections, either the 9% Round-specific parts or the entire section, were moved into this new section: <ul style="list-style-type: none"> <li>• DCA Pre-Application Fees and Deadline Schedule</li> </ul>

2023 QAP	2022 QAP
<ul style="list-style-type: none"> <li>• Application requirements</li> <li>• Set Asides</li> <li>• State-designated basis boost</li> <li>• Evaluation of 9% Credit Competitive Applications</li> </ul>	<ul style="list-style-type: none"> <li>• Submission Requirements and Award Limitations</li> <li>• Applicability of Threshold Criteria</li> <li>• Applicability of Scoring Criteria</li> <li>• 9% Round Set Asides</li> <li>• Geographic Pools (the part establishing geographic set asides)</li> <li>• State-designated Basis Boost</li> <li>• Evaluation of 9% Credit Competitive Applications</li> </ul>
<p><b>(Core Plan) 4% Federal Credit – Bond Financed Projects</b> has been organized similar to the 9% Competitive Round section described above:</p> <ul style="list-style-type: none"> <li>• Timeline</li> <li>• Application and Award Limitations</li> <li>• Application Requirements</li> <li>• Minimum Bond Allocations by Priority</li> <li>• Tiebreakers</li> <li>• Competitive Application Evaluation</li> </ul>	<p>The following 2022 QAP sections, either the 4%/Bonds Round-specific parts or the entire section, were consolidated into this section:</p> <ul style="list-style-type: none"> <li>• DCA Pre-Application Fees and Deadline Schedule</li> <li>• Submission Requirements and Award limitations</li> <li>• Applicability of Threshold Criteria</li> <li>• Applicability of Scoring Criteria</li> </ul> <p>Further, several 2022 4%/Bonds Competitive Round policies were detailed in the “<b>Georgia Code Policy Guidelines Implementation Statement</b>” publication on the DCA website (<a href="#">click here</a>). These policies are now reflected in <b>4% Federal Credit – Bond Financed Projects</b> for purposes of 2023.</p>
<p><b>(Threshold Criteria) Additional Requirements for 4% Credits/Bonds Applications</b></p>	<p>Requirements specific to 4%/Bonds applications that were previously listed under <b>(Core Plan) 4% Federal Credit – Bond Financed Projects</b> have been moved to this section.</p>

## Substantive Changes

The tables below describe substantive policy changes in each QAP section.

### Core Plan

Section	(Core Plan) Proposed Changes by Subsection
<p><b>9% Federal Credit Competitive Round</b></p>	<p>A. 9% Credits Competitive Round Timeline</p> <ul style="list-style-type: none"> <li>• “Intent to Apply” added as new application requirement</li> </ul> <p>B. Application and Award Limitations</p> <ul style="list-style-type: none"> <li>• All Preservation Set Asides set to have the same 9% Credit maximum</li> </ul> <p>C. Application Requirements</p> <ul style="list-style-type: none"> <li>• Occupied Developments required at the Pre-Application stage</li> </ul> <p>D. Set Asides and Allocation Targets</p> <ul style="list-style-type: none"> <li>• The RAD and HUD PBRA set asides from the 2022 QAP have now been combined into one “HUD-Assisted Housing” set aside</li> <li>• USDA-Assisted Housing set aside established</li> </ul> <p>F. Evaluation of 9% Credit Competitive Applications</p> <ul style="list-style-type: none"> <li>• Administrative change that DCA staff will only conduct Threshold Criteria reviews for applications with a high enough score that they are likely to receive an award.</li> <li>• New Preservation tiebreakers added</li> </ul>
<p><b>4% Federal Credit – Bond Financed Projects</b></p>	<p>A. 4% Credits/Bonds Competitive Round Timeline</p> <ul style="list-style-type: none"> <li>• New submission requirement “Intent to Apply” added</li> <li>• 60-day deadline for Full Application added</li> </ul> <p>C. Application Requirements</p> <ul style="list-style-type: none"> <li>• New Threshold Criteria required in Competitive Review Submission:               <ul style="list-style-type: none"> <li>○ Market Feasibility</li> <li>○ Optimal Utilization of Resources</li> <li>○ Additional Requirements for 4% Credits/Bonds Competitive Review Applications</li> <li>○ Occupied Developments</li> </ul> </li> <li>• New Supply scoring change:               <ul style="list-style-type: none"> <li>○ Points from sections related to site characteristics will not contribute more than 33 points towards an application score. This replaces the “4% Maximum Points” under the 2022 QAP.</li> </ul> </li> <li>• For details on new Scoring Criteria, see the summary of changes related to Scoring Criteria below.</li> </ul> <p>D. Minimum Bond Allocations by Priority</p> <ul style="list-style-type: none"> <li>• Urban Housing Reservation incorporated into QAP (required by GA Code)</li> <li>• Broad Geographic Distribution of Bonds: DCA ensures at least one award per DCA Regional Commission associated with an application</li> <li>• “Portfolio” Preservation of USDA Housing: \$30 million of bonds reserved for a development rehabilitating hundreds of USDA 515 units, at a range of sites, under one bond issuance.</li> </ul> <p>E. Tiebreakers</p>

Section	(Core Plan) Proposed Changes by Subsection
	<ul style="list-style-type: none"> <li>New tiebreakers added</li> </ul>
<b>Financing Resources – HOME Loans</b> (removed from 2022 QAP)	This section has been removed from the QAP. DCA no longer administers HOME funds through the 9% Competitive Round.
<b>DCA Experience Award Limitations</b>	Developers with limited DCA program experience or the probationary qualifications determination have additional awards limitations.
<b>Monitoring and Compliance</b>	<p>A. Construction Monitoring</p> <ul style="list-style-type: none"> <li>Changes to inspection procedures, including but not limited to lowering the default frequency from monthly to quarterly.</li> </ul>
<b>Exhibit A: Fees and Deadlines</b>	<ul style="list-style-type: none"> <li>Various adjustments to DCA fees and deadlines.</li> <li>Compliance Monitoring fees removed from the QAP, to be posted on the DCA website.</li> </ul>

**Threshold Criteria**

Section	(Threshold Criteria) Proposed Changes by Subsection
<b>Applicability of Threshold Criteria</b> (removed from 2022 QAP)	<p>This content is now addressed in the following Core Plan sections:</p> <ul style="list-style-type: none"> <li>9% Federal Credit Competitive Round</li> <li>4% Federal Credit – Bond Financed Projects</li> </ul>
<b>Project Feasibility, Viability Analysis &amp; Conformance with Plan</b>	<p>6. Rent</p> <ul style="list-style-type: none"> <li>Applicants can use either rents in effect as of January 1, 2023 or the most up-to-date.</li> </ul> <p>7. Operating Utility Allowance</p> <ul style="list-style-type: none"> <li>Energy Consumption Model provider no longer needs to be approved by DCA during Pre-Application review.</li> </ul>
<b>Appraisals</b>	Various adjustments and clarifications to appraisal requirements.
<b>Community Service Facilities (CSF)</b>	Removed section. This section served a purpose when CSFs necessitated DCA Cost Limit waiver assessments. The Cost Limits section was removed from the 2021 to the 2022 QAP.
<b>Rehabilitation Standards</b>	Minimum expenditure per unit increased from \$25,000 to \$35,000.
<b>Architectural Design &amp; Quality Standards</b>	B. Standard Design Options for All Projects: "brick, natural or manufactured stone, or a product that provides a 30-year warranty," instead of 40-year warranty
<b>Architectural Design &amp; Quality Standards</b>	C. Broadband Access: changed capability to transmit in the upstream direction from 3 Mbps to 5 Mbps
<b>Experience, Capacity and Performance Requirements for General Partner and Developer Entities</b>	<p>D. Requirements for Performance</p> <ul style="list-style-type: none"> <li>Significant Adverse Events requirements removed from the QAP, as they are also covered in full detail in the Performance Workbook.</li> </ul> <p>H. Options for Not Qualified Entities</p>

	<ul style="list-style-type: none"> <li>• Probationary developers with experience comparable to fully qualified developers are permitted to be the Certifying Entity for 4% Credits/Bonds applications.</li> </ul>
<b>Eligibility for Credit Under the Preservation Set Asides</b>	<ul style="list-style-type: none"> <li>• The same application can now be considered for multiple preservation set asides without needing to submit separately for each set aside.</li> <li>• USDA set aside requirements added.</li> <li>• RAD requirements moved to the HUD-Assisted Housing set aside.</li> </ul>
<b>Eligibility for Credit Under the Non-Profit Set Aside</b>	Reference to IRC Section 42(i)(7) regarding Right of First Refusal (ROFR) – Applicants must incorporate into partnership documents an acknowledgement of nonprofit organization’s Right of First Refusal (ROFR) rights under IRC Section 42(i)(7), including but not limited to the federal ROFR purchase price (which is lower than the DCA ROFR purchase price).
<b>Eligibility for HOME Loans under the CHDO Set Aside</b>	As described above, DCA no longer administers HOME loans through the 9% Competitive Round.
<b>Additional Requirements for 4% Credits/Bonds Applications</b>	<p>Many of the requirements in this new section existed in the 2022 QAP. The following requirements are new to the 2023 QAP draft:</p> <ul style="list-style-type: none"> <li>• Maximum bond request of \$30 million</li> <li>• Bond Inducement Resolution required with Competitive Review Submission</li> <li>• Applicants awarded DCA bond allocation in 2021 or earlier must have started construction to be eligible under the 2023 4%/Bonds Round.</li> </ul>

**Scoring Criteria**

Section	(Scoring Criteria) Proposed Changes by Subsection
<b>Applicability of Scoring Criteria</b> (removed from 2022 QAP)	<p>This content is now addressed in the following Core Plan sections:</p> <ul style="list-style-type: none"> <li>• 9% Federal Credit Competitive Round</li> <li>• 4% Federal Credit – Bond Financed Projects</li> </ul>
<b>Revitalization/ Redevelopment Plans</b>	<p>B. Third-Party Capital Investment</p> <ul style="list-style-type: none"> <li>• Points tiers are switched from being based on “Investment Amount per Unit” to “Investment Amount.” Previous approach was deemed appropriate for the 9% program but not the 4%/Bonds program.</li> </ul>
<b>Community Transformation</b>	“Defined Neighborhoods” in a Metro Pool cannot encompass the full Local Government Boundary.
<b>Stable Communities</b>	<p>A. Low-Poverty Communities</p> <ul style="list-style-type: none"> <li>• Broadened census tract eligibility for FFIEC data.</li> </ul>
<b>Internet Access</b>	<ul style="list-style-type: none"> <li>• Broadened geographic eligibility</li> <li>• Added documentation requirements</li> </ul>
<b>Favorable Financing</b>	<p>A. Qualifying Sources for Favorable Financing</p> <ul style="list-style-type: none"> <li>• Points tiers are switched from being based on “Qualifying Sources Amount per Unit” to “Qualifying Sources Amount.” Previous approach was deemed appropriate for the 9% program but not the 4%/Bonds program.</li> </ul>

<b>Compliance Performance</b>	Removed tables for Significant Adverse Events, Adverse Circumstances, and DCA Administrative Non-Compliance/Program Non-Compliance. This information is already covered in the DCA Performance Workbook and Questionnaire.
<b>Affordability Loss Risk</b> (removed from 2022 QAP)	<p>This section is replaced by:</p> <ul style="list-style-type: none"> <li>• (Scoring Criteria) Market Characteristics</li> <li>• (Scoring Criteria) Tiebreaker information, subsection “Preservation Priority”</li> <li>• Additional tiebreakers related to preservation in the following Core Plan sections: <ul style="list-style-type: none"> <li>○ 9% Federal Credit Competitive Round</li> <li>○ 4% Federal Credit – Bond Financed Projects</li> </ul> </li> </ul>
<b>Market Characteristics</b>	<p>New section providing points to preservation applications located in areas for which:</p> <ul style="list-style-type: none"> <li>• Market rent rates are high relative to Housing Credit rent limits</li> <li>• Comparable properties exhibit low vacancy rates</li> </ul>
<b>USDA “Portfolio” Additional Criteria</b>	<p>Additional scoring criteria for the USDA “Portfolio” set aside in the 4% Credits/Bonds Competitive Round, covering the extent to which the properties:</p> <ul style="list-style-type: none"> <li>• Would result in a broad geographic distribution of bonds</li> <li>• Are located within counties exhibiting low vacancy rates</li> </ul>
<b>Tiebreaker Information</b>	<p>New section providing applicants space to write narratives with substantiating evidence for purposes of a possible tie, covering:</p> <ul style="list-style-type: none"> <li>• Readiness to Proceed (for 4%/Bonds applications)</li> <li>• Preservation Priority</li> </ul>