

QAP Workshop - Intro



2/17/2021

Jill Cromartie

Housing Finance & Development



□ Three Offices

1. Housing Finance
2. Portfolio Management
3. Community Housing

HFDD – Office of Housing Finance

- Housing Finance, Ryan Fleming
- Tax Credit Manager
 - Sandy Wyckoff
- Multi-Family Underwriting Manager
 - Robert Keeler
- Construction Manager
 - Sherrie Potter
- Legal Officer
 - Nikki Flanigan

HFDD – Office of Portfolio Management

- Portfolio Management, Donna Tyler
- Compliance Managers
 - Tzwanza Taylor
 - Lisa Vasquez
- Asset Management Manager
 - Stephen Vlkovic
- Policy & Training Manager
 - Grace Graszler
- Legal Officer
 - Nick Sexton

HFDD – Office of Community Housing

□ Community Housing, Samanta Carvalho

■ Federal Compliance

- Environmental
- Davis Bacon and MBE/WBE
- Relocation

□ CHIP Manager

■ DaTonya Lewis

□ HOME Program Manager

■ Jimish Patel

HFDD 2021 Initiatives - Software

Three Modules:

1. Underwriting/Allocations
2. Compliance/Asset Management
3. Loan Servicing

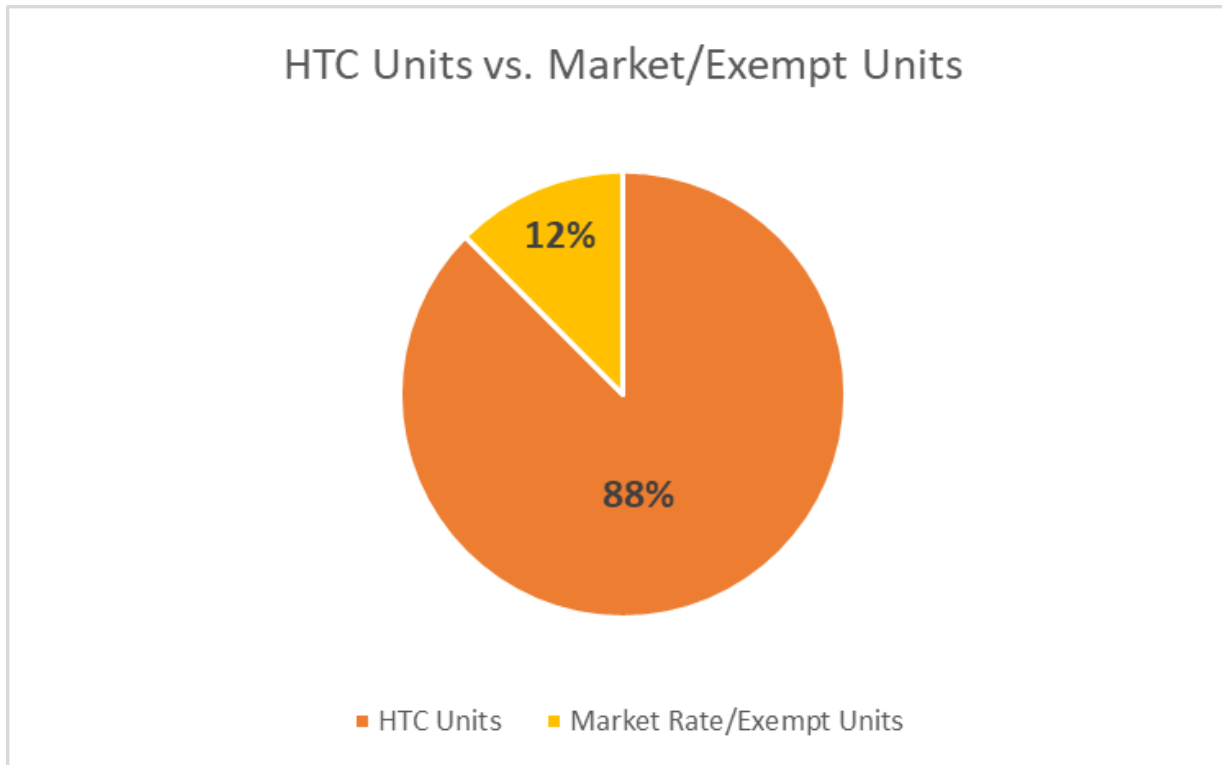
❑ 60% complete

❑ Anticipate full implementation by 6/30/2021

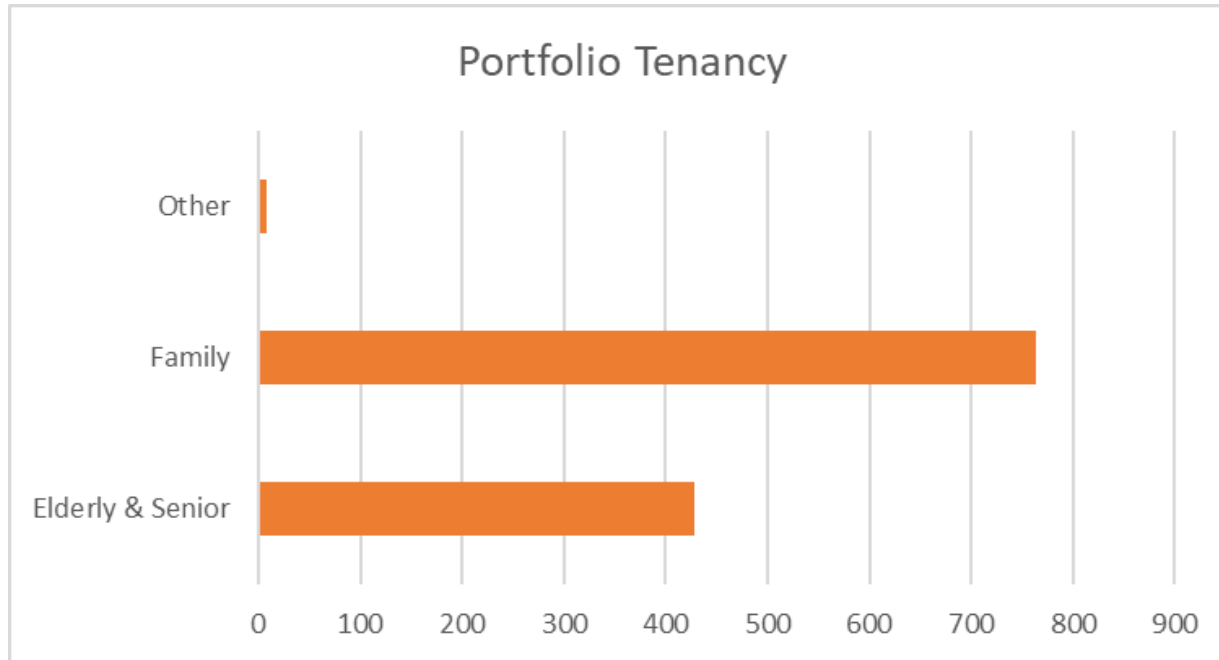
Summary of Portfolio

- Total Properties: 1,333
 - 289 properties in development
 - 314 HOME loans

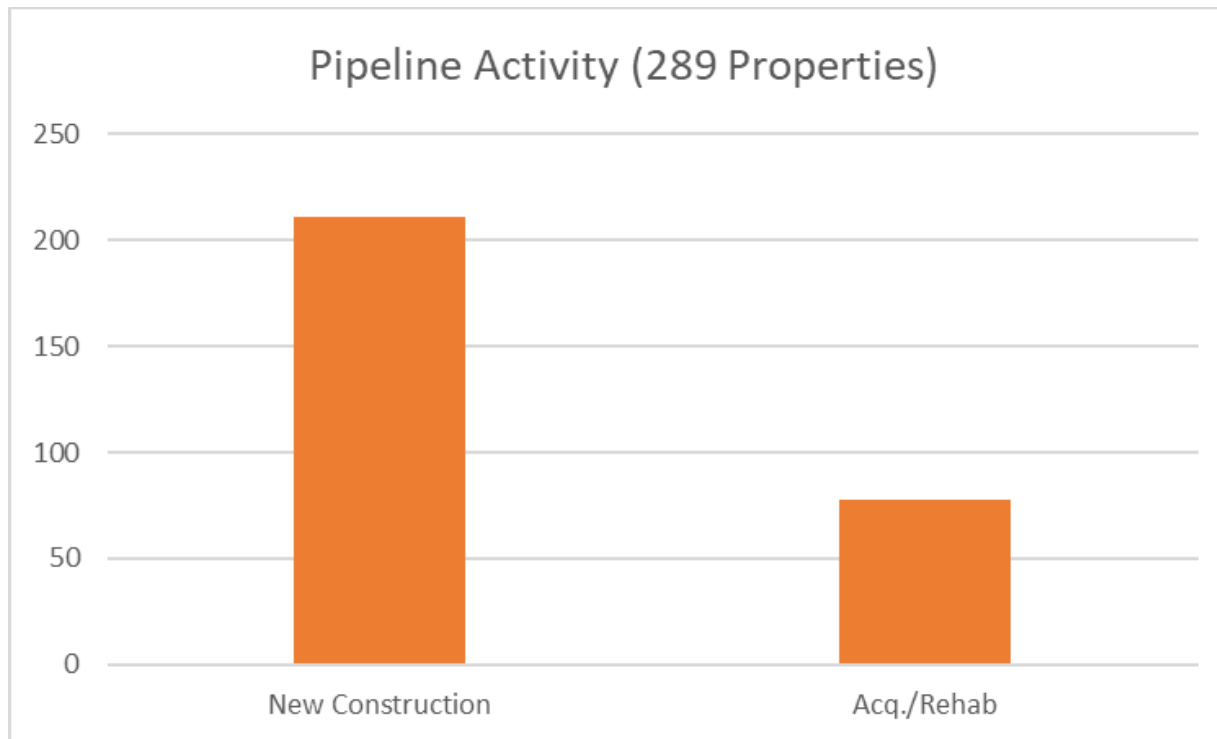
Summary of Portfolio - Units



Summary of Portfolio - Tenancy



Summary of Portfolio - Pipeline



Workshop Overview

Agenda

- ❑ Presentations on Special Topics
- ❑ Large group discussion – any topic
- ❑ (15 mins break)
- ❑ “Virtual Stations”
- ❑ (15 mins break)
- ❑ Large Group Discussion

Accessing Sessions

□ Large group session 1

All-Attendees Opening Session

Expected Time: 9:00am to 10:15 am

Topics	Access Information
Opening Remarks, Special Topics, and Q&A	<p data-bbox="956 786 1638 836"><u>Join Microsoft Teams Meeting</u></p> <p data-bbox="948 843 1615 882"><u>+1 470-582-0138</u> United States, Atlanta (Toll)</p> <p data-bbox="948 889 1367 925">Conference ID: 748 187 737#</p> <p data-bbox="948 932 1667 971"><u>Local numbers</u> <u>Reset PIN</u> <u>Learn more about Teams</u></p>

Break: 10:15 to 10:30 am

Accessing Sessions

❑ Virtual Stations: “pop in, pop out” of small-group discussions

Concurrent Small-Group Discussions: “Virtual Stations”

Expected Time: 10:30 to 11:30 am

This session is intended to function as the virtual equivalent of different “stations” at tables for attendees to move freely between. Join one Virtual Station, ask a question, then leave to join another Virtual Station, as often as you want during this timeframe.

Use the access information in the table below to join each Virtual Station.

Virtual Station Topic(s)	Access Information
(Misc. Topics) Office of Housing Finance Directors	Join on your computer or mobile app Click here to join the meeting Or call in (audio only) +1 470-582-0138,,844205249# United States, Atlanta Phone Conference ID: 844 205 249#
Underwriting	Join on your computer or mobile app Click here to join the meeting Or call in (audio only) +1 470-582-0138,,240726428# United States, Atlanta Phone Conference ID: 240 726 428#

Accessing Sessions

- ❑ Large group session 2: not the same link as the first large group session!

Operations Compliance and Asset Management	Or call in (audio only) +1 470-582-0138,,494420618# United States, Atlanta Phone Conference ID: 494 420 618#
--	---

Break: 11:30 to 11:45 am

All-Attendees Discussion

Expected Time: 11:45 am to 1:00 pm

Topics	Access Information
Reports from “Virtual Stations”, Q&A	Join on your computer or mobile app Click here to join the meeting Or call in (audio only) +1 470-582-0138,,80859106# United States, Atlanta Phone Conference ID: 808 591 06#

Accessing Sessions



- Having issues joining one of the sessions? Email hfdround@dca.ga.gov

Slides

- DCA staff developed two kinds of slides:
 - Special Topics (e.g., “Bond Program Update”)
 - QAP changes (e.g., changes in *Core Plan*, *Competitive Pools*)
- We will not present “QAP changes” slides – these are for reference
- Content focus was primarily upcoming 9% round
- But, all topics are fair game for Q&A and commentary in the large group setting
- All slides will be posted to website (minor updates)

Today's sessions are not recorded



- ❑ Why? Today is about discussion, not guidance.
- ❑ Goal is to hold discussions that:
 - Identify concerns from our partners
 - Generate questions to be published in Q&A
- ❑ You can only prepare your applications based on the Q&A, not what someone says verbally today

How to participate

- ❑ Unmute yourself to speak (bonus points for this – in life, not the 9⁰% round)
- ❑ Type a comment in the chatbox
- ❑ Want to submit a comment anonymously?
 - Email your question to Meagan.Cutler@dca.ga.gov and she will paste the question in the chatbox
- ❑ **Note:** You might not be able to submit a comment directly! If you are in a “View Only” mode, email your comments to Meagan

Bond Allocation & 4% Apps



February 17, 2021

2020 Bond Apps (4%)



\$1.089 Billion
Bonds Allocated

63 LODs
Issued

\$63.237 Million
Credits in LODs

2021 Tax-Exempt Bond Allocation Formula

1/1/2021

2020 State Population = 10,710,017 (\$110 per) \$ 1,178,101,870

Share Available Amount Cumulative

Economic Development

Period #1	1/1/21- 3/31/21	\$ 200,277,318	
Period #2	4/1/21- 6/30/21	\$ 200,277,318	
Period #3	7/1/21 - 9/30/21	\$ 100,138,659	\$ 500,693,295

Housing Share

GHFA Reservation	1/1/21 - 9/30/21	\$ 310,429,843	
URFA Reservation	1/1/21- 9/30/21	\$ 95,131,726	
Local Reservation	1/1/21 - 9/30/21	\$ 95,131,726	\$ 500,693,295

Flexible Share 1/1/21 - 12/31/21 \$ 176,715,281 \$ 176,715,281

Total State Cap \$ 1,178,101,870

- ❑ \$1.18 Billion in bonds for 2021
- ❑ First 9 months (Jan 1 – Sep 30)
 - ❑ Housing has \$500M

Bond Allocations GHFA Carryforward

As of 1/1/2021

Application Date	Expires	Carryforward amount	Calendar date used
2018	12/31/2021	\$ 294,573,471	
		\$ 294,573,471	
2019	12/31/2022	\$ 36,099,875	
		\$ 36,099,875	
2020	12/31/2023	\$ 25,794,671	
		\$ 25,794,671	
Volume Cap Carried into 2021		\$ 356,468,017	
Current available GHFA Carryforward		\$ 356,468,017	

- ❑ \$356 M in Carryforward from 2018-2020, for 2021
- ❑ Will be utilized by GHFA (Single Family) in 2021

Current Pipeline (2020 QAP & Prior)

Deals Yet to Book Bonds			
QAP Year	Deals	Bonds (\$)	Notes
2018 deals	2	78,000,000	
2019 deals	5	54,750,000	
2020 Tranche 1	35	497,348,440	17 deals booked in tranche 1 for \$329 Million
Total:	42	630,098,440	
Tranche 2	25	\$450M	
Tranche 3	25	\$450M	
Total Not Booked	92	\$1.5 Billion	means new 2021 bond apps won't book until 2022

2021 / 2022 4% Outlook

- 4% fixed rate
 - Resubmissions
- New 4% apps (2021 QAP Apps)
- HOME/NHTF NOFAs
 - 4%: 8-12 deals
 - 9%: Only CHDO

2020 Scoring



February 17, 2021

2020 LIHTC Round

39 Awards

8 Requests for reconsideration

0 appeals

2 non-selects overturned

Rural Tie Breaker

Geo limits

Selected Projects											
Select	57	2020-026	West Pt Village I	West Point	Troup	Yes	Rural	900,000	900,000	72	
Select	57	2020-042	Freedm's Path Dublin	Dublin	Laurens	Yes	Rural	625,000	625,000	50	
Select	57	2020-031	Wellington Way	St. Marys	Camden	No	Rural	900,000	900,000	72	
Select	57	2020-082	Elm Street	Rockmart	Polk	Yes	Rural	780,000	780,000	46	
Select	56	2020-057	Gillespie Gdns	Cordele	Crisp	Yes	Rural	847,233	847,233	53	
Select	56	2020-086	Woods Reed Crk	Martinez	Columbia	No	Rural	730,050	727,313	38	
Select	55	2020-073	Legion Park	Warrenton	Warren	Yes	Rural	900,000	900,000	72	
Select	55	2020-005	Ella Mae Gdns	Millen	Jenkins	Yes	Rural	575,223	574,310	48	
Select	55	2020-039	South Tifton	Tifton	Tift	Yes	Rural	781,824	781,602	56	
Select	55	2020-070	Azalea Sr Vllg 2	Hoschton	Jackson	Yes	Rural	816,410	796,335	50	
Select	55	2020-038	Ocone Vllg	Greensboro	Greene	Yes	Rural	840,727	837,748	50	
Select	4	2020-081	Chelsea Park	Calhoun	Gordon	Yes	Rural	900,000	900,000	68	
Select	54	2020-009	Stony Ridge II	Hogansville	Troup	Yes	Rural	614,000	614,000	44	
Select	54	2020-072	Havenwd Daisy Sr	Cochran	Bleckley	Yes	Rural	900,000	900,000	60	
Select	54	2020-004	Idora Park	Calhoun	Gordon	Yes	Rural	900,000	900,000	60	
		2020-050	Twin Oaks Commons	Ludowici	Long	Yes	Rural	375,000	375,000	40	

Income Averaging



February 17, 2021

Income Averaging

- Oct. 30 the Internal Revenue Service (IRS) issued a notice of proposed rulemaking
- DCA/NCSHA Response
- Updated DCA Policy: <https://www.dca.ga.gov/node/7238>
- Resyndication

Project Concept Change – Changing Set Asides

- **Change of Set Asides** (Income Avg >> 40/60)
 - Updated Core App (AMIs)
 - Updated Market Study
 - Letters of Approval from Lenders Investors
 - Relocation Plan Update – Does removing all of the 70%/80% increase permanent displacements?
 - RAD; URA requirements
 - 9% deals – DCA score can not decrease
 - (QAP – Mixed Income Points)
 - Deeper Targeting – overall AMI of 58%

Project Concept Change – Changing AMIs

- **Change of Unit Mix (AMI Bands)** – backing off of overall AMI %, but not changing set aside from Income Averaging
 - Updated Core App (AMIs)
 - Updated Market Study
 - Letters of Approval from Lenders & Investors
 - Relocation Plan Update – Does removing some of the 70%/80% units increase permanent displacements

2021 Scoring



February 17, 2021

2021 9% Round



Pre-App

-3/5/2021

-QD/Waivers

Full App

-5/21/2021

Final Scores

-November

2021 Forms and Manuals Available

[JOIN OUR EMAIL LIST](#)

- 2021 Manuals and Forms
 - [2021 Pre-Application Forms](#)
 - [2021 Core Application and Instructions](#)
 - [2021 Accessibility Manual and Forms](#)
 - [2021 Appraisal Manual](#)
 - [2021 Architectural Manual and Forms](#)
 - [2021 Environmental Manual and Forms](#)
 - [2021 Federal Compliance & Relocation Manuals and Forms](#)
 - [2021 Market Study Manual](#)
 - [2021 HOME Manual and Forms](#)
 - [2021 Other Manuals and Forms](#)
- 2020 Manuals and Forms
 - [2020 Pre-Application Forms](#)

□ <https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/housing-tax-credit-program-lihtc/application>

Pre-App Workbook

ELECTRONIC SUBMISSION ORGANIZATION FORMAT / TABLE OF CONTENTS / CHECKLIST						
Section	Tab	Form / Document	NOTE: An asterisk * designates a DCA Form	Fees Due	Incl (X)	
Outside of folders - Pre-Application Required Submission Form and Checklist (in both Excel and PDF)						
01: Waiver(s)	01	Architectural Standards Waiver* (max 10 items per \$1,500 fee, submit draft Core App* w/ budget & pro forma for any workscope waiver request)	Nbr of Waivers Requested: <input type="text"/>	\$0	3/5/21	
					\$1,500	
	02	Amenities Pre-Approval*		\$1,500	3/5/21	
	03	Required Services Pre-Approval: if proposing a service category not listed		\$1,500	3/5/21	
	04	Underwriting Waiver: (Operating Exp, Vacancy, Reserves – submit draft Core App* w/ preliminary pro forma)		\$1,500	3/5/21	
	05	Cost Waiver Request* (Include Core Application with preliminary #s)		\$1,500	3/5/21	
	06	Resyndication - LURC modification request (Submit LURC, any Project Concept Changes and amendments, draft Core App* w/ preliminary pro forma, draft Relocation/Displacement Project Spreadsheet*)		\$1,500	3/5/21	
	07	Income Averaging: Waive Income limits being proportionally distributed among BR sizes (other than +/- 2 units per income limit if necessary) – see Rent Schedule and Summary Tab		\$1,500	3/5/21	
	08	9% deals - waiver to allow for permanent displacement (draft Relocation Plan & Budget, draft Relocation/Displacement Project Spreadsheet*, any current LURC, LURA or other restrictions & amendments)		\$1,500	3/5/21	
	09	Scattered Site for non-USDA or RAD (include legal opinion and completed Site Plan (CSDP))		\$1,500	3/5/21	
10	Other Waiver - specify: <input type="text"/>			3/5/21		
02: Underwriting	01	00 HOME Loan Consent Request Fee (Nonprofits)		\$500	3/5/21	
		00 HOME Loan Consent Request Fee (For Profits/Joint Ventures)		\$1,000	3/5/21	

Note: For waivers -- Submit most current version of core app -- will be 2020 core app at time of 9% pre-application in March 2021

Emphasys

Emphasys

- ❑ New platform for application and documentation submission
- ❑ 2021 Pre-Application documents will be submitted through Emphasys
- ❑ Fees will not be processed through Emphasys at this time
 - All fees are due at the time of Pre-Determination/Waiver Submission. ***Please make all checks payable to Georgia Housing and Finance Authority (GHFA).*** DCA will not accept any requests without the appropriate fees.
 - Fees must be delivered to DCA Offices, 60 Executive Park South NE, Atlanta, Georgia 30329. Please address all fees to the attention of Stephen Barrett.

Registration

- ❑ Follow [this link](#) to register for Emphasys Developer account and access Application Collector Portal, where you will submit application documents
- ❑ Upon first visit to the Application Collector Portal, click “Register” to create account

Log On

Please enter your username and password. **Register** if you don't have an account.

Account Information

User name

Password

The Password field is required.

Remember me?

Log On

[Please Visit our Website](#)

[Internal Revenue Service](#)

[U.S. Department of Housing and Urban Development](#)

Create a New Account

Use the form below to create a new account.

Passwords are required to be a minimum of 8 characters in length.

Account Information

User name

Email address

Password

The Password field is required.

Confirm password

Last Name or Business Name

Register

Cancel



Pre-Application Submission in Emphasys

Georgia DCA - Housing Finance & Development

Applications

Applications

[Fill Out an Application](#)

- Click "Fill Out an Application"
- Select "2021 9% Pre-Application Submission"
- Enter name of project
- Do not check box next to "Test application"

Fill Out an Application

Developer Application

Select an application to fill out

2021 9% Pre-Application Submission

Name

Development Name

Test application

Fill Out Application Cancel

Pre-Application Submission in Emphasys

Instructions

- Project Information & Fees
- Pre-Application Workbook
- 01 Waivers
 - 0101 Architectural Standards Waiver
 - 0102 Amenities Pre-Approval
 - 0103 Required Services Pre-Approval
 - 0104 Underwriting Waiver
 - 0105 Cost Waiver Request
 - 0106 Resyndication - LURC Modification Request
 - 0107 Income Averaging
 - 0108 9% Deals - Permanent Displacement Waiver
 - 0109 Scattered Site for non-USDA or RAD
 - 0110 Other Waiver
- 02 Underwriting
 - 020101 HOME Loan Consent Request
 - 020102 Rural Designation
 - 020103 CHDO Application

Submission Instructions

Project Information & Fees:

- Enter all known project and project team information.
- Indicate all Pre-Application fees paid by selecting the applicable fees from the dropdown. Click the "Add" button to select multiple fees.
- Attach proof of payment using the applicable file upload ("Choose File") buttons.

Pre-Application Workbook:

- Complete Pre-Application workbook and submit 2 copies, 1 Excel version and 1 PDF version, using the file upload buttons on the Pre-Application Workbook tab.

Form and Document Submission (01 Waivers, 02 Underwriting, 03 Qualification, and 04 Set Asides tabs):

- Submit forms and documents to their corresponding tabs using the file upload buttons within each tab.

05 Other:

- Use Other tab for any additional documents which do not correspond with any of the other tabs.

Naming Electronic Files

- Use CondensedTitleCaseFormat (no spaces)
- Do NOT use special characters (e.g., &, /, \, \$, etc.).
- Remove any references to your version number or version date from the file name.
- Name files sensibly such that it will be obvious to DCA what is in the file without having to open it.
- Begin each file name with the 6- or 8-digit ID number listed beside the corresponding file upload button (e.g. 010101, 010102, 020101, 02010201). The numbering sequence is:
 - 6-digit ID (#####): (Section Number)(Tab Number)(Form Number)
 - 8-digit ID (#####): (Section Number)(Tab Number)(Sub-Tab Number)(Form Number)

Example: Architectural Standards Waiver Tab

0101 Architectural Standards Waiver

- 0102 Amenities Pre-Approval
- 0103 Required Services Pre-Approval
- 0104 Underwriting Waiver
- 0105 Cost Waiver Request
- 0106 Resyndication - LURC Modification Request
- 0107 Income Averaging
- 0108 9% Deals - Permanent Displacement Waiver
- 0109 Scattered Site for non-USDA or RAD
- 0110 Other Waiver

0101 Architectural Standards Waiver		
010101	Choose File	No file chosen
010102	Choose File	No file chosen
010103	Choose File	No file chosen
010104	Choose File	No file chosen
010105	Choose File	No file chosen
010106	Choose File	No file chosen
010107	Choose File	No file chosen
010108	Choose File	No file chosen
010109	Choose File	No file chosen
010110	Choose File	No file chosen

Submit Architectural Standards Waiver Request and all supporting documentation in this tab

010101ProjName_ArchStdsWaiver.pdf 

Begin each file name with the ID number listed beside the corresponding file upload button

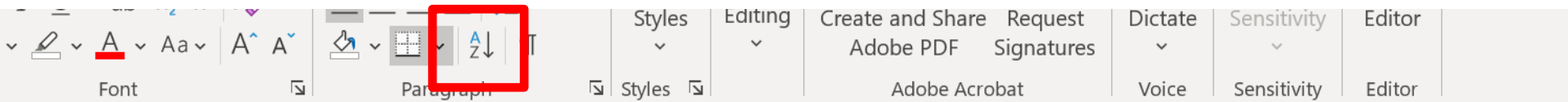
9% Q&A

9% Q&A



- ❑ Post-workshop release
- ❑ Publications will be small and incremental with no email updates
 - Will lessen time between submitting question and receiving answer
- ❑ Released in Word doc to allow sorting by category or release date

9% Q&A: Sorting by Date or Category



- 6-Application Materials
- 7-Other

Date Posted	Category	Question and Answer
2/17/21	1-Core; 18-Evaluation of 9% Tax Credit Competitive Applications	<p>Question: Please clarify the tiebreaker (b), “Earlier year of the most recent 9% Credits award for the Local Government Boundary” from Core Plan, Section 18. Evaluation of 9% Tax Credit Competitive Applications, subsection D. Selection part 4. Tie-Breaker.</p> <p>Answer: This tiebreaker applies if tiebreaker (a) did not break the tie and the proposed sites of the tying applications are in different Local Government Boundaries (LGBs). To apply this tiebreaker, DCA will perform the following analysis:</p> <ul style="list-style-type: none"> • For each LGB associated with the tying applications, identify the most recent 9% Credit award • Identify which of these most recent allocations is the oldest. The application in the LGB with the oldest of these allocations wins the tiebreaker. <p>This policy furthers DCA’s priorities for equitable geographic distribution of resources.</p>

9% Q&A

The image shows a portion of the Microsoft Word ribbon with tabs for Styles, Editing, Create and Share, Request, Dictate, Sensitivity, and Editor. A 'Sort' dialog box is open in the foreground. The dialog box has a title bar with a question mark and a close button. It contains three sections for sorting criteria, each with a 'Sort by' dropdown, a 'Type' dropdown, a 'Using' dropdown, and radio buttons for 'Ascending' and 'Descending'. The first section is set to 'Date', 'Date', 'Paragraphs', and 'Ascending'. The second section is set to 'Category', 'Text', 'Paragraphs', and 'Ascending'. The third section is set to an empty dropdown, 'Text', 'Paragraphs', and 'Ascending'. At the bottom, there are radio buttons for 'Header row' and 'No header row', and buttons for 'Options...', 'OK', and 'Cancel'.

Sort

Sort by

Date Type: Date Ascending
 Descending
Using: Paragraphs

Then by

Category Type: Text Ascending
 Descending
Using: Paragraphs

Then by

Type: Text Ascending
 Descending
Using: Paragraphs

My list has

Header row No header row

Options... OK Cancel

Question:
Please clarify the boundary of the election process.

Answer:
This tiebreaker is different from the

- For
- Ide
- the

This policy furthers DCA's priorities for equitable geographic distribution of resources.

Discussion



Note on slides that follow:

The slides that follow were not presented at the QAP Workshop. These slides primarily cover changes from the 2020 QAP to the 2021 QAP and are provided for reference purposes.

9% Competitive Round Structure Changes

New Supply Competition

- ❑ New Supply: a competition for applications proposing new housing units
- ❑ From Definitions: “ ‘*New Supply*’ means Applications proposing new construction or Adaptive Reuse.”

New Supply Competition

- ❑ New Supply comprises three geographic pools
- ❑ Pools determine allocation of credits and, in certain cases, differences in how scoring criteria apply

Pool	Percentage of 9% credits	Areas
Rural	35%	USDA eligible areas not within the Atlanta Metro Pool
Other Metro	35%	All areas not in Rural Pool or Atlanta Metro Pool
Atlanta Metro	30%	Fulton, DeKalb, Gwinnett, and Cobb counties

New Supply Competition

- Note that “Metro Pools” is used throughout the QAP. This refers to the “Atlanta Metro Pool” and “Other Metro Pool,” as defined in *Core Plan, Geographic Pools*.

New Set Asides

❑ RAD Set Aside

- ❑ Award to one Application that is approved by HUD to proceed with a RAD conversion
- ❑ See “*XXI. Eligibility for Credit under the RAD Set Aside*” under Threshold

❑ Rehabilitation Set Aside

- ❑ Award to four Applications that propose rehabilitation of an existing occupied Housing Tax Credit property

Credit Award Limits

Application Type	Credit Award Limit
RAD Set Aside	\$1,000,000
Rehabilitation Set Aside	\$900,000
(New Supply) Atlanta Metro or Other Metro Pool	\$1,000,000
(New Supply) Rural Pool	\$900,000

Construction QAP Changes: *Core Plan*

Section 20. Monitoring and Compliance

□ A. Construction Monitoring

- All Owners must contract with DCA-approved inspectors to perform monthly inspections and complete reports in accordance with the DCA inspection report form
- All inspection costs are the responsibility of the Owner
- Multiple visits to ensure compliance if necessary

Construction QAP

Changes:

Threshold Criteria

XIV. Community Service Facilities

□ Construction/Underwriting Review Documents Needed

- Current year DCA Schedule of Values in both PDF and Excel formats
- Letters of Intent from all participating service providers
- Full CSF Narrative that details all uses, lease terms, and costs of services that demonstrates compliance with all Section 42 and DCA CSF requirements

XVII. Building Sustainability

□ Revisions Made

- Definitions and language pulled from Georgia State Minimum Standard Energy Code (International Energy Conservation Code with Georgia State Supplements and Amendments) to better align section with industry standards
- Clarification given to discern difference between mid and high-rise residential construction for duct leakage along with dwelling unit air infiltration.
- Applicants must complete DCA's virtual Building Sustainability Training at <https://www.youtube.com/watch?v=VozXGGf8Ueg&t=503s>

Relocation



February 17, 2021

Relocation Updates

□ We have a New Relocation Team

- We are located in the Office of Community Housing Development under Samanta Carvalho
- Comprised of Shirin Wilkerson and Ilona Nagy

□ New Manual Format

- Vetted by a diverse Focus Group of Development Peers

□ Clarified Regulations

- Including URA and non-residential assistance

Relocation Updates



- **Updated Notices and Forms**
- **Two new matrices with clear actions**
 - Eligibility for Assistance and Return
 - Lease Termination and Non-Renewal

Relocation Take-Aways



- ❑ Plan ahead: Interview residents in advance of application to know if they qualify to return and if you need to adjust your unit mix and/or adjust funds.
- ❑ Remember: Your funding sources determine the strictness of relocation requirements, with federal funds triggering URA and additional requirements.
- ❑ Consideration of relocation and displacement effects on tenants.

Environmental Review



February 17, 2021

Common Environmental Concerns

- Floodplain
- Wetlands
- Historic Preservation
- Noise

Floodplain

In accordance with 24 C.F.R. Part 55.1c1 and 55.2 with definitions at 24 C.F.R. 55.2b

DCA will not approve projects in Coastal High Hazard Areas or **Special Flood Hazard Areas**

Special Flood Hazard Area (also called the **100-year floodplain**) has **1%** probability of flooding any year

2021 Environmental Manual – Floodplain

Section	Minimum Docs	DCA Funding Requirement Summary
3. Floodplain	- Review FIRM maps	Rehab and New Construction: <ul style="list-style-type: none"> - Site map with SFHA clearly defined. - Respect local flood damage prevention ordinances.
		Rehab Projects Not Participating in NFIP: <ul style="list-style-type: none"> - Evidence lowest floor is 1+ feet above base flood elevation. - Land and existing conditions survey - Observe local flood damage prevention ordinances, if applicable.
	HOME: HUD environmental questionnaire	Reclassified Out of SFHA: <u>New Construction/HOME projects:</u> <ul style="list-style-type: none"> - EP's opinion about whether SFHA will be affected. - CLOMA or CLOMRF and LOMA or LOMRF. - Other reclassification documents. - See Rehab and New Construction section above. <u>Rehab Projects:</u> <ul style="list-style-type: none"> - Eligibility for flood insurance if non-substantial rehab. - See Rehab and New Construction, Rehab Projects Not Participating in NFIP sections above. HOME: <ul style="list-style-type: none"> - 8-step process. - Direct/indirect impacts. - Consideration of alternate locations. - Flood insurance. - See New Construction/HOME projects subsection above if reclassified out of SFHA.

Wetlands

- ❑ Projects will not be accepted for any DCA funding or approved for tax credits if the proposed development will disturb any aquatic resources (ex. streams or wetlands) on the subject property or on any adjacent property without evidence of prior review and concurrence of the delineation by the U.S. Army Corps of Engineers (USACE).
- ❑ If USACE prior approval is not required for impacts to aquatic resources, adequate explanation and supporting documentation must be provided.

2021 Environmental Manual - Wetlands

Section	Minimum Docs	DCA Funding Requirement Summary
1. Wetlands	<ul style="list-style-type: none">- Delineation report- NWI map- Topographical map- Soil map- Site map	<p>If disturbed, the following are required at closing:</p> <ul style="list-style-type: none">- Request for delineation- Site drainage plan- Permanent covenant- USACE concurrence- Necessary permits- Erosion and sedimentation control measures <p>HUD: 8-step process.</p>

Wetlands and Floodplain

❑ Wetland and Floodplain

❑ Required document:

If small portion of Wetland or floodplain located on the subject property and even though site plan shows no impacts will be anticipated to the wetland or floodplain, Site Drainage Plan and Permanent Covenant are still required at the closing to preserve the wetland or floodplain according to the requirements of 24 C.F.R.&55.12 (c)(7)

Historic Preservation – Federal or State Review?

- **S106 Review** (Section 106 National Historic Preservation Act)
For applicants applying for Federal funding (HOME, NHTF, and CDBG-DR)
- **GEPA Review** (Georgia Environmental Policy Act of 1991)
For applicants applying for low-income housing tax credits without Federal funds

Historic Preservation – Federal or State Review?

- Submit both S106 and GEPA to DCA's **Historic Preservation Division** (HPD) for review and comment.
- HPD is the Georgia State Historic Preservation Office (SHPO), the required consulting party to federal or state agencies in both the S106 and GEPA review process.

Georgia Historic Preservation Division Environmental Review Form

At a minimum, the Historic Preservation Division (HPD) requires the following information in order to review projects in accordance with applicable federal or state laws. Please note that the responsibility for preparing documentation, including items listed below, rests with the federal or state agency or its designated applicant. *HPD's ability to complete a timely project review largely depends on the quality and detail of the material submitted. If insufficient information is provided, HPD may need to request additional materials, which will prolong the review process. For complex projects, some applicants may find it advantageous to hire a preservation professional with expertise in history, architectural history and/or archaeology, who would have access to the Georgia Archaeological Site Files and an understanding of HPD's publically available files.*

PLEASE NOTE: THERE IS A 30-DAY REVIEW PERIOD FROM THE DATE HPD RECEIVES THE SUBMITTAL. SHOULD ADDITIONAL INFORMATION BE REQUESTED, PLEASE NOTE THE 30-DAY PERIOD RESTARTS.

I. General Information

A. **Project Name:** _____

Project Address: _____

City: _____ County: _____

B. **Federal Agency Involved:** _____

State Agency (if applicable): _____

C. Agency's Involvement:

- | | |
|--|---|
| <input type="checkbox"/> Funding | <input type="checkbox"/> Unknown |
| <input type="checkbox"/> License/Permit | <input type="checkbox"/> Other, please explain: _____ |
| <input type="checkbox"/> Direct/Is performing the action | |

D. Type of Review Requested:

- Section 106 of the National Historic Preservation Act (Federal involvement) ***for Tax Credit and HOME**
- Section 110 of the National Historic Preservation Act (Federally owned properties)
- Georgia Environmental Policy Act (State involvement) ***For Tax Credit ONLY**
- State Agency Historic Property Stewardship Program/State Stewardship (State owned properties)
- Technical Assistance (No Federal or State involvement)
- Unknown

What if the project gets a Historic Preservation *adverse effect?*

“**Adverse Effect**” for Section 106 reviews

“**Significant Impact**” for GEPA review

- Require more steps in the process: (Memorandum of Agreement, archeological survey, archival photos, etc.) which may involve additional time and expenses
- HPD can provide samples and list of qualified historic preservation professionals to assist

Noise

- The DCA and HUD Noise Limitations are 45 decibels (dB) for interior locations and 65 dB for exterior amenities
- For HUD funded projects submitted to DCA, all new construction and rehabilitation projects must also meet the requirements set forth in the HUD noise regulations, 24 C.F.R. 51 b.
- Applications for rehabilitation may request a waiver from HUD Noise Limitations.

Noise

Required document:

- If the subject property (measured from the property line including the exterior amenities) is within the distances of noise sources, the Environmental Professional must complete a noise assessment in accordance with the HUD Noise Assessment Guidelines (“NAG”) and 24 C.F.R & 51.100 et seq.
- Noise Attenuation is required for both new construction and substantial rehabilitation that has noise above 65dB.

Typical Timeframe for Clearing ERs

- ❑ **For GEPA review:** 30-day review for HPD's initial response letter & may include more time to address other Environmental items
- ❑ **For NEPA review (for HOME or CDBG-DR):** up to 85 days
 - ❑ 30-day tribal consultation
 - ❑ 15-day public comment period
 - ❑ 20 to 40 days for HUD clearance

Questions about the environmental reviews, contact
Joanna.Jin@dca.ga.gov

MBE/WBE

Minority-Owned & Women-Owned Businesses

Outreach



February 17, 2021

Minority-Owned & Women-Owned Business Enterprises (MBE/WBE) Outreach Plan

- ❑ Required for HOME and National Housing Trust Fund (NHTF) funded developments under Executive Orders 11246, 11625, 12432, & 12138
- ❑ To the maximum extent possible, MBE/WBE must be included in all contracts
- ❑ Outreach plan must:
 - ❑ Inform the public about contracting opportunities
 - ❑ Promote contract opportunities to MBE/WBEs in local electronic/print media
 - ❑ Identify & maintain an inventory of certified MBE/WBEs services/supplies/products

Questions about MBE/WBE, contact Amber.Riley@dca.ga.gov

Section 3 Outreach



February 17, 2021

Section 3 Plan

- ❑ Required for HOME and National Housing Trust Fund (NHTF) funded developments under 24 CFR Part 135
- ❑ Preference for all opportunities must be given to qualified low and very low-income residents
- ❑ Requirements:
 - ❑ Provide a list of aggregate workforce on this project
 - ❑ Any changes to that workforce will constitute NEW hires
 - ❑ You must notify DCA and contractors of any new hire opportunities as they arise

Questions about Section 3 contact Amber.Riley@dca.ga.gov

Davis Bacon



February 17, 2021

Davis Bacon



- ❑ Required for HOME-funded developments under the Davis Bacon Act
- ❑ Requires paying the local prevailing wage rates

Questions about Davis Bacon contact Amber.Riley@dca.ga.gov

Project Team Qualifications



February 17, 2021

Requirement

- ❑ Project Team Qualifications may be reviewed at Pre-App or Application Submission for 9% Applications
- ❑ Project Team and Construction type must be finalized, not TBD, to receive QD review
- ❑ Pre-App Advantage - Ensure project team is qualified before submitting application
- ❑ Note that QD Review is still required during Pre-App for 4%/bond Applications – See Core p. 16 for timing

Certifying Entity

- ❑ Project Team must have Certifying Entity for the
 - ❑ General Partner and
 - ❑ Developer
- ❑ Must exercise effective control
 - ❑ Majority Interest
 - ❑ Managing Member
 - ❑ Legal opinion for alternate structures

Experience

- ❑ 20% minimum interest in GP and/or Developer for 5 Successful Tax Credit Projects (“STCP”) (10 if Significant Adverse Event waiver)
 - ❑ Participation from Allocation to present
 - ❑ Placed in Service per 8609s after January 1, 2010 (based on date last building PIS) *new*
 - ❑ Minimum 90% occupancy
- ❑ Cannot combine experience of different entities or Principals

Required for Each Qualifying Project

- Letter from Syndicator certifying role and interest (the relevant Limited Partnership Agreement is not a substitute)
- 8609 forms or Certificate of Occupancy
- Applicant-certified trailing 12-month occupancy reports

Significant Adverse Event Waiver Request

- Requires Waiver Form
- Must be submitted during pre-app QD review
- Must include
 - Narrative and
 - Third party supporting documentation
- Requires ownership and development of 10 successful LIHTC projects

Grandfathering Determination

- ❑ Submitted documentation of experience in 2020 and received determination of “Qualified”
- ❑ Provide 2020 QD letter or applicable pre-app/app number
- ❑ Not required to submit experience documents for 2021
- ❑ Must complete all other sections of the Performance Workbook

Not Qualified – Partnering With a Certifying Entity

- ❑ Entities with insufficient experience
 - ❑ Must partner with an experienced GP and Developer
 - ❑ May be subject to additional conditions or restrictions
- ❑ Still subject to other parts of QD review

Probationary Participation

- Entities with material participation in at least 3 LIHTC projects but not requisite ownership or development experience
- Ownership or development experience in >2 but <5 Successful LIHTC projects
 - Additional documentation required
 - May be subject to additional conditions or restrictions

Significant Changes

- Qualifying Successful Tax Credit Project for Experience
 - Date no longer based on Project “Completion”
 - Date based on last building’s PIS date

Applicability of Scoring

Applicability of Scoring Criteria

- ❑ For 2021 QAP, intent was to have separate competitions by application type, to align scoring criteria with property context.
- ❑ Example: Rehabilitating highly occupied properties was a DCA priority for rehab applications, but this is not applicable to new construction applications.
- ❑ “Table of Applicability and Maximum Points” provides an overview of which sections apply to which competitions (9% vs. 4%, New Supply vs. Rehab, etc.).

Desirable/Undesirable Activities

Desirable/Undesirable Activities

□ New scoring structure

- Each activity/characteristic assigned to either Group 1 or Group 2
- Points are determined by Competitive Pool, Group and distance from site (example below)

Rural pool point determinations:

Distance (miles)	0.5	1	2
Points (Group 1)	2.5	2	1.5
Points (Group 2)	2	1.5	1

Desirable/Undesirable Activities

□ Desirable Activities

- **New** - Public park/public community garden now split into “**less than 25,000 sq ft**” and “**greater than 25,000 sq ft**”

□ Food Desert

- **New** – Point deduction will not be applied to properties qualifying for supermarket or grocery store Desirable point

Community Transportation Options

Community Transportation Options

- Adjustments to ways to qualify based on proximity to transit hub (subsection A, option 2):

Walking distance	Points
0.25 miles	5
0.5 miles	4.5
1 mile	4

Community Transportation Options

- Multi-stop express routes providing regional transit now eligible, but only under subsection B.

Quality Education Areas

Quality Education Areas: Changes

- ❑ Point Claiming Eligibility
 - ❑ This section available to all applications regardless of points claimed in other sections.
- ❑ School Eligibility
 - ❑ Schools for which student admission is conducted on a selective basis (e.g., lottery, competitive application) are not eligible.

Quality Education Areas: Changes

- CCRPI Scores

- Only scores posted since the 2018 CCRPI update qualify under this section

- Table of school eligibility by qualifying grades:

<i>Tenancy</i>	<i>All tenancies</i>		<i>HFOP, Elderly, Other</i>	<i>Family</i>
<i>Grades in schools meeting (a) or (b)</i>	3	7	All K-12	All K-12
<i>Points</i>	1	1.5	2	3

Quality Education Areas: Changes

□ Minimum Documentation

- If submitting a letter evidencing the site is within school district boundaries, the letter must include the project name and location.
- For each charter school, applicants must submit a letter from a charter school system representative not more than 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.

Quality Education Areas: QAP Amendment

- Note: QAP amended since Governor signed
- Issue: no standardized testing due to pandemic, resulting in no 2020 CCRPI or “Beating the Odds” reports
 - Applicants may qualify for points using data from 2018 and 2019
- [Click here](#) to view amendment announcement

Quality Education Areas: Common Mistakes

- ❑ School district map(s) must show the site location and the **full** attendance zone boundaries
- ❑ All grades K-12 must meet CCRPI or BTO criteria to receive points for “All K-12”
 - ❑ Review all schools in your area: primary schools, elementary schools, middle school, 9th grade academy, junior high school, senior high school, etc.
- ❑ If submitting a letter evidencing the site is within school district boundaries, the letter must come from a school district representative

Revitalization/ Redevelopment Plan

A. Revitalization Plan/Qualified Census Tract

- Point Claiming Eligibility
 - Applicants are ineligible to claim points in Revitalization/Redevelopment Plans if claiming points in Stable Communities or Community Designations (New)
- Revitalization Plan Criteria
 - Be officially approved or re-approved by a Local Government within **10 years** of Application Submission (*previously 5 years*)
 - Local Government solicited public input and engagement during CRP creation **prior to day of adoption (clarifying that solicitation must occur prior to day of adoption of CRP)**
 - **New** – point option if Local Government demonstrates financial commitment to advancing the CRP in the form of funds raised, funds allocated, tax incentives, or local government fee waivers

B. Third-Party Capital Investment

- 3rd-Party Investment/Improvement Eligibility
 - **New** – Improvements that were completed within **5 years (previously 3 years)** prior to Application Submission are eligible for points in this section
- Points Scale
 - **New** – Points awarded based on **investment amount per unit (previously percent of TDC)**
- Minimum Documentation
 - Timeline for completion **must come from unrelated 3rd-party**

Community Transformation

Community Transformation

- Point Claiming Eligibility
 - Applicants are ineligible to claim points in Community Transformation if claiming points in Stable Communities or Community Designations
- Community-Based Developer
 - **New** tiebreaker: In the event of a tie, DCA will prioritize projects based on the tiebreakers outlined in Core Plan, Evaluation of 9% Tax Credit Competitive Applications, subsection D. Selection
 - Previous: projects that leverage DCA resources to the greatest extent

Equitable Allocation

- Applicants will be rated less competitively in this selection process if:
 - **New** – The Project Team member associated with the submitted partnership letters was awarded Community Transformation points for an application awarded 9% Credits in 2018, 2019, or 2020
- Minimum Documentation
 - **New** – Map clearly displaying boundaries of the Defined Neighborhood

Stable Communities

Stable Communities



- Point Claiming Eligibility
 - Applicants are ineligible to claim points in Stable Communities if claiming points in Revitalization/Redevelopment, Community Transformation, or Community Designations

B. Local Health and Economic Indicators

- **New** Scoring Table
- Points below can be claimed based on any combination of metrics
 - Example, both of next bullets qualify for 2 points:
 - “Life Expectancy” and “Unemployment Rate” both > 60th percentile
 - “Health Insurance Rate” and “Median Income” both > 60th percentile

<i>Statistics</i>	Life Expectancy Health Insurance Rate Unemployment Rate			Median Income		Max Points
	<i>Percentile Threshold</i>	1 metric above 60th	2 metrics above 60th	3 metrics above 60th	Above 60 th , less than 80 th	
<i>Points</i>	1	2	3	1	2	5

B. Local Health and Economic Indicators

- Applicants within a census tract for which there is no data may use the nearest census tract with data, if said tract is within .25-miles of the site
- Data table posted to DCA website – updated 1-15-21 per ACS data updates
 - Applicants may claim points based on values from either before or after the data update, but not both (ex: claim points based on all 2018 values or all 2019 values)
 - There is only one set of data for Life Expectancy, as the CDC has not conducted an update to this data

Community Designations

Community Designations

- Point Claiming Eligibility
 - Applicants claiming points in this section are ineligible for points under Revitalization/Redevelopment, Community Transformation (New), and Stable Communities.

Phased Development

XII. Phased Development

- Point Claiming Eligibility

- **New** - Both Metro Pool and **Rural Pool** applications eligible

Previous Projects

XIII. Previous Projects

□ A. 15 Years Lookback Period

□ **New** – option 2.

- 4 points will be awarded if the proposed development site is within a current Local Government Boundary that has received 1 9% Credits award within the last 15 DCA Housing Credit Competitive Round. **To qualify, the most recent 9% Credits award must have been received prior to January 1, 2015.**

DCA Community Initiatives

XVI. DCA Community Initiatives

- ❑ Alumni Eligibility
 - ❑ Alumni GICH Teams which have not successfully completed a GICH Alumni Certification application **in 2020 or 2021** are ineligible for the point in this section (*previously “within the previous two years”*)

Underserved Populations

A. Supportive Housing Programs Match

- ❑ New section structured to award points to a select number of applications well suited to recipients of DCA housing assistance programs based on property location and development team experience.
- ❑ The highest scoring applications will receive 2 points towards their 9% application.

A. Supportive Housing Programs Match

- ❑ Applicants fill out the “Housing Assistance Competitive Ranking Form” and submit this as *Minimum Documentation*, in addition to any supplementary documentation.
- ❑ The Form also provides clarifications for certain ranking criteria.
- ❑ The “Competitive Ranking Overview” provides an overview of how DCA staff will conduct the review.
- ❑ Both forms are posted to the 2021 QAP and Related Documents webpage ([click here](#)).

B. Tenant Selection Preference

- ❑ Points for application with a Section 8 PBRA commitment from a Public Housing Authority that has a tenant selection preference in voucher programs for persons with disabilities identified in the Settlement Agreement (#1:10-CV-249-CAP).
- ❑ Rental assistance must be provided for no less than 5 years from the Application Submission Deadline date.

Rehabilitation Set Aside Scoring

Occupancy

- Applicants may claim points if the application property exhibits monthly occupancy over 24 months within the ranges below:

Occupancy range	Points
95% or more	6
85% to 94.9%	4
75% to 84.9%	2

- *Note: points are awarded based on occupancy prior to Application Submission, not expected future occupancy*

Tax Credit Restrictions

- ❑ Applicants may claim points if the proposed property has current tax credit restrictions that were applied during the calendar year ranges below, as determined by the executed LURC:

LURC execution calendar year	Points
1990 to 1994	6
1995 to 2000	4

Property Age

- ❑ Applicants may claim points if the proposed property's placed in service date was within the time frames below:

Placed in service year	Points
2000 or earlier	4
2001 to 2005	2

Property Size

- Applicants may claim points if their application proposes a unit count within the following ranges below.

Units at the Existing Property	Points
70 to 100 units	1
69 or fewer units	2

Compliance Monitoring



February 11, 2020

Compliance Monitoring

Appendix III Procedures, Requirements and Penalty Criteria

New Policy! Financial Reporting Requirements for properties

Section 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.

Compliance Monitoring

Appendix III Procedures, Requirements and Penalty Criteria

Financial Reporting Requirements for properties

Section F. continued

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.

Compliance Monitoring

Appendix III Procedures, Requirements and Penalty Criteria

Financial Reporting Requirements for properties

Section F. continued

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.

Compliance Monitoring

Appendix III Procedures, Requirements and Penalty Criteria

New Policy! Management Company Approval

- ❑ 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](#).
- ❑ DCA will provide an online publication of the Approved Management Company List to be updated quarterly no less than twice per year

Compliance Monitoring

Appendix III Procedures, Requirements and Penalty Criteria

Management Company Approval continued

- ❑ DCA will not approve management companies if the following conditions exist:
 - ❑ Management company is currently barred or suspended or has been barred or suspended by any state HFA
 - ❑ Management company in the five years prior to the submission of an approval request, received a final decision that a discriminatory housing practice has occurred as determined by a court, the U.S. Department of HUD or has been found guilty of discrimination by any government agency on any affordable housing property.
 - ❑ Management company is performing third-party management without a licensed brokerage in Georgia

Compliance Performance Scoring



February 17 , 2021

Significant Adverse Event (SAE) Waiver Form

Important notes:

- ❑ SAE waiver requests must be filed at Pre-Application within the same folder that contains the Performance Workbook and Questionnaire
- ❑ No fee is charged for SAE waivers
- ❑ Each SAE waiver request requires a separate SAE Waiver Form
- ❑ Instructions are included in the Performance Workbook for naming conventions for the SAE Waiver Form and Supporting Docs
- ❑ For SAE waivers approved by DCA prior to 2021, a copy of the DCA approval letter must have been submitted along with the Performance Workbook at Pre-Application
- ❑ New in the 2021 QAP - Litigation is now characterized as an Adverse Circumstance (AC) which only requires written explanation, and does not require the filing of an SAE Waiver Request Form

Compliance Performance - Scoring

Important notes:

- ❑ Be mindful of the applicable DCA lookback period for each Significant Adverse Event (SAE) or Adverse Circumstance (AC)
- ❑ SAE Waivers if granted by DCA, will still carry their corresponding point deduction in this section
- ❑ Applicants are strongly advised to claim the maximum add-back points based upon your GA portfolio size in this section, even if you believe there are no possible deductions for SAEs and ACs in this section.
- ❑ For add-back points: Applicants may include a cover sheet for this section stating: “Applicant is not aware of any point deductions for SAEs or ACs, but is claiming points in the event DCA discovers any SAEs or ACs during Application scoring”

Compliance Performance - Scoring

Important notes, continued:

- ❑ The two (2) point penalty for late or unfiled AOCs will be deducted against the beginning 10 points in this section
- ❑ Any 2020 AOC's filed after March 1, 2021 are considered late and will be penalized two (2) points per property in this section
- ❑ DCA has improved access to administrative and other non-compliance data related to SAEs and ACs

Common Non-Compliance issues

- ❑ Failure to provide a minimum of 30 days advance notice to DCA and/or obtain pre-approval of a Management change
- ❑ Late AOC filings (if filed after March 1, 2021) or incomplete AOC filings
- ❑ Uncorrected/uncured findings of noncompliance reported on IRS form 8823 or listed in the DCA Findings letter or close letter
- ❑ Amenities listed on LURC/LURA not provided or available as required

Compliance Performance - Suggestions

Helpful hints:

- ❑ Submit for the maximum number of add-back points that corresponds to the number of successfully developed and currently owned Georgia DCA affordable properties, even if you do not believe you will be assessed any deduction points in this section
- ❑ Indicate in the Core Application any add-back points you can claim relative to the number of successfully developed and currently owned Georgia DCA affordable properties
- ❑ Comments in the Core App can state that you are submitting for add-back points in the event DCA discovers any non-compliance that may result in point deductions in this section

GHFA Underwriting



February 17, 2021

Loan Payment Options

III. PERMANENT FINANCING

Financing Type	Name of Financing Entity	Principal Amount (\$)	Effective Int Rate	Term (Years)	Amort. (Years)	Loan Type	Annual Debt Service in Year One
Mortgage A (Lien Position 1)	DCA Loan 1	4,000,000	1.000%	35	35	Amortizing	135,497
Mortgage B (Lien Position 2)	DCA Loan 2	7,870,000	1.000%	40	40	Cash Flow	0
Mortgage C (Lien Position 3)	DCA Loan 3	4,000,000	1.000%	30		DCA HOME IPS	
Other:							

Loan Payment Options

- Amortizing
 - Can be from 20-40 years depending on required DSC requirements.
- Cash Flow
 - Payment due annually subject to available cash flow. Only available to select applications.
- DCA HOME IPS
 - Requires some monthly payment, usually sized to maintain DSC throughout the loan term.

HOME Unit Considerations

□ PBRA

- High HOME/60% AMI units – restricted to LIHTC max
- Low HOME/50% AMI units— can take max PBRA rents
 - Minimum 20% of HOME units
 - May want to “over-designate” to get max PBRA rents

□ Environmental Clearance

- Site Control – extend contract for HUD clearance

□ Fixed & Floating Units










Uniform Relocation Assistance and Real Property Acquisition Act (URA)

□ Voluntary Acquisition

- (Pre-Contract Agreement) - Informing Seller of Fair Market Value
- Right to Withdraw

2020 HOME Manual and Forms

Housing Tax Credit Program (LIHTC) - Manuals

-  [2020 HOME Rental Housing Program Manual](#)
-  [2020 HOME Loan Experience Form](#)
-  [Applicant Recipient Disclosure Update Report](#)
-  [2020 Payment and Performance Bond Waiver Form](#)
-  [2020 HOME Certification for Contracts, Loans and Cooperative Agreements](#)
-  [2020 HOME Environmental Relocation Notice](#)
-  [2020 Sample Pre-Contract Agreement](#)
-  [2020 Right to Withdraw Letter](#)
-  [2020 HOME Site and Neighborhoods Certification](#)

HUD's Cost Allocation Tool – Proration Method

[Return to Selection of Method & Project Information Page](#) *See instructions in several columns to the right →*

Proration Method, Cost Allocation Worksheet

Proposed HOME Investment, Determine HOME Units Needed

Project Name: -
 Project Address: -
 Date of Review 1/0/1900

Step 1: Determine Comparability, Select Method of Cost Allocation

1	Gross Residential Sq. Ft.	-
---	---------------------------	---

Step 2: Proposed HOME Investment

2	Proposed HOME Investment	
---	--------------------------	--

Step 3: Calculate Actual Cost of HOME Units

3	Total Development Cost	
4	Ineligible Development Costs	
5	Relocation Costs	
6	Assign Relocation Exclusively to HOME Units?	No
7	Base Project Cost	-
8	Base Cost/Sq. Ft.	#DIV/0!
9	HOME Share Ratio - Based on Cost	#DIV/0!

Assign Units

	# of Units	Unit Type Description/Notes	No. of BRs	Min. HOME Units	Rounded HOME Units	Avg. Sq. Ft.	Ind. Unit Cost	Subtotal HOME Unit Costs
10	-	-	-	#####	#DIV/0!	-	#DIV/0!	#DIV/0!
11	-	-	-	#####	#DIV/0!	-	#DIV/0!	#DIV/0!

← ▶ ... Selection of Method | Standard Method | **Proration Method - Units Needed** | Proration Method - \$ Needed

<https://www.hudexchange.info/resource/5190/home-cost-allocation-tool/>

Start with Investment Amount \$ -- How many units needed?

Step 1: Determine Comparability, Select Method of Cost Allocation		
1	Gross Residential Sq. Ft.	-
Step 2: Proposed HOME Investment		
2	Proposed HOME Investment	1
Step 3: Calculate Actual Cost of HOME Units		
3	Total Development Cost	
4	Ineligible Development Costs	
5	Relocation Costs	
6	Assign Relocation Exclusively to HOME Units?	No
7	Base Project Cost	
8	Base Cost/Sq. Ft.	#DIV/0! 2
9	HOME Share Ratio - Based on Cost	#DIV/0! = 1/2
Assign Units		

Purpose – to ensure enough HOME/NHTF/CDBG units are on the property to justify the loan/grant given to the development

Step 1: Determine Comparability, Select Method of Cost Allocation		
1	Gross Residential Sq. Ft.	61,320
Step 2: Proposed Investment		
2	Proposed Investment	2,000,000
Step 3: Calculate Actual Cost of Designated Units		
3	Total Development Cost	14,454,200
4	Ineligible Development Costs	387,791
5	Relocation Costs	-
6	Assign Relocation Exclusively to HOME Units?	No
7	Base Project Cost	14,066,409
8	Base Cost/Sq. Ft.	229.39
9	HOME Share Ratio - Based on Cost	14.218%

Base Cost % - How many units for each bedroom size

9	HOME Share Ratio - Based on Cost								#DIV/0!
<i>Assign Units</i>									
	# of Units	Unit Type Description/Notes	No. of BRs	Min. HOME Units	Rounded HOME Units	Avg. Sq. Ft.	Ind. Unit Cost	Subtotal HOME Unit Costs	
10	-		-	#####	#DIV/0!	-	#DIV/0!	#DIV/0!	
11	-	-	-	#####	#DIV/0!	-	#DIV/0!	#DIV/0!	
12	-	-	-	#####	#DIV/0!	-	#DIV/0!	#DIV/0!	
13	-	-	-	#####	#DIV/0!	-	#DIV/0!	#DIV/0!	
14	-	-	-	#####	#DIV/0!	-	#DIV/0!	#DIV/0!	
15	-	-	-	#####	#DIV/0!	-	#DIV/0!	#DIV/0!	
16	-	-	-	#####	#DIV/0!	-	#DIV/0!	#DIV/0!	
17	-	-	-	#####	#DIV/0!	-	#DIV/0!	#DIV/0!	
18	-	-	-	#####	#DIV/0!	-	#DIV/0!	#DIV/0!	
19	-	-	-	#####	#DIV/0!	-	#DIV/0!	#DIV/0!	
20	Subtotal of HOME Unit Costs								#DIV/0!

9	HOME Share Ratio - Based on Cost	14.218%
---	----------------------------------	---------

Comparability Test Keys (For Assigning units Below)

- ▶ Beds/Baths: All units identified have the same number of bedrooms and bathrooms.
- ▶ Configuration: There are no other obvious differences between the units, such as add'l. rooms or significant differences in lay
- ▶ Sq. Footage: All units of this type have square footage within a small variation of the average of this grouping of units.
- ▶ Finishes/Amenities: All units in this type are substantially similar in terms of unit amenities, fixtures, and finishes.

Step 4. Assign Units		DCA Fills IN		Autofill with Formula (do not change)				
# of Units (Total Units)	Bedroom Size (0, 1, 2, 3, 4, 5 BRs)	Bathrooms (1.0, 1.5, 2.0, 2.5, 3.0, 3.5, 4.0)	Min. HOME Units	Rounded HOME Units	Avg. Sq. Ft.	Ind. Unit Cost	Subtotal HOME Unit Costs	
20	1	1.0	2.844	3	690	158,279	474,837	
				-			-	
54	2	1.0	7.678	8	880	201,863	1,614,905	
				-			-	

Investment/Subsidy Limit

Step 4: Calculate Maximum Project Subsidy							
	# of HOME Units	Unit Size	Max. Subsidy/Unit	Maximum Subsidy by Unit Size			
23	#DIV/0!	0 Bedroom/Efficiency		#DIV/0!			
24	-	1 Bedroom		-			
25	-	2 Bedroom		-			
26	-	3 Bedroom		-			
27	-	4 Bedroom		-			
28					Maximum Project Subsidy	#DIV/0!	
Step 5: Maximum HOME Investment, lesser of							
29		Proposed Investment (Gap) (from Step 2)					-
30		Actual Cost of HOME Units (from Step 3)					#DIV/0!
31		Maximum Project Subsidy (from Step 4)					#DIV/0!
32					Maximum HOME Investment	#DIV/0!	

HOME Subsidy Limits

- <https://www.hudexchange.info/resource/2315/home-per-unit-subsidy/>

Description

Due to the discontinuation of the Section 221(d)(3) mortgage insurance program, alternate maximum per-unit subsidy limits must be used for the HOME Program. HUD is required to undertake rulemaking to establish new maximum per-unit subsidy limits for the HOME Program because it is no longer updating and publishing limits for the Section 221(d)(3) mortgage insurance program. Until a new rule can be published, HUD published a Notice establishing an interim policy that Field Office staff and participating jurisdictions (PJs) must follow directing PJs to use the Section 234-Condominium Housing basic mortgage limits, for elevator-type projects, as an alternative to the Section 221(d)(3) limits in order to determine the maximum amount of HOME funds a PJ may invest on a per-unit basis in HOME-assisted housing projects. This interim policy remains in effect until the effective date of the new final rule provisions, amending the existing provisions of 24 CFR 92.250(a).

The Section 234 program insures blanket mortgages for the construction or substantial rehabilitation of multifamily projects to be

HUD's Office of Multifamily Housing updates the Section 234 basic mortgage limits annually and publishes them in the Federal Register. The Office of Multifamily Housing also establishes high cost percentage exceptions (HCP) for specific areas. To ensure consistency with the provisions of section 212(e)(1) of NAHA and 24 CFR 92.250(a), the HOME maximum per-unit subsidy limit that HUD can approve for a PJ cannot exceed 240 percent of the Section 234 basic mortgage limit (i.e. 100 percent of the basic mortgage limit plus up to 140 percent in high cost areas). For a PJ whose HCP has been increased above the 240 percent, the CPD Division must cap the HOME per-unit subsidy limit at 240 percent of the Section 234 basic mortgage limit.



HOME Subsidy Limits

Limits

2020

[Annual Indexing of Basic Statutory Mortgage Limits for Multifamily Housing Programs \(Section 234\) \(PDF\)](#) - Effective June 4, 2020

[Annual Base City High Cost Percentage Exceptions \(HCP\) \(PDF\)](#) - Effective June 4, 2020

Section 234—Condominium Housing

Bedrooms	Non-elevator	Elevator
0	\$60,702	\$63,881
1	69,991	73,230
2	84,411	89,049
3	108,050	115,201
4+	120,372	126,454

X 240%

Section 231(d)(4) - Moderate Income

Maximum Subsidy & DCA Hedge

		A	B	C	D	F	G	H	I	J	K	L	M	N	O	P	Q	R
44	Max. Proj.																	
45																		
46											2,089,742							
47																		
48											2,089,742							
49																		
50	Step 5: Calculate Maximum Project Subsidy																	
51		# of HOME Units		Unit Size		Max. Subsidy/Unit		Maximum Subsidy by Unit Size										
52		-		0 Bedroom/Efficiency		153,314		-										
53		3		1 Bedroom		175,752		527,256										
54		8		2 Bedroom		213,718		1,709,741										
55		-		3 Bedroom		276,482		-										
56		-		4 Bedroom		303,490		-										
57		-		5 Bedroom		303,490		-										
58	Total:	11									2,236,997							

Section 234—Condominium Housing		
Bedrooms	Non-elevator	Elevator
0	\$60,702	\$63,881
1	69,991	73,200
2	84,411	89,049
3	108,050	115,201
4+	120,372	126,454

Section 234(d)1) Moderate Income
63881

Handwritten notes: A red circle highlights the value 63881 in the formula bar and the 'Elevator' column for 1 bedroom in the table. A red arrow points from the formula bar to the table. To the right of the table, there is a handwritten calculation: $\times 240\%$ and a percentage symbol $\%$.

- It is DCA internal policy to increase the Units Needed by 10%
- So 11 units needed would go to 12.1 (rounded to 13), adding 1 1 BR unit and 1 2 BR unit
- This accounts for any disputable costs and changes in costs

Maximum HOME invested

Step 5: Maximum HOME Investment, lesser of			
29		Proposed Investment (Gap) (from Step 2)	-
30		Actual Cost of HOME Units (from Step 3)	#DIV/0!
31		Maximum Project Subsidy (from Step 4)	#DIV/0!
32		Maximum HOME Investment	#DIV/0!

Step 6: Maximum HOME Investment, lesser of			
		Proposed Investment (Gap) (from Step 2):	2,000,000
		Actual Cost of HOME Units (from Step 4)	2,089,742
		Maximum Project Subsidy (from Step 5)	2,236,997
		Maximum Investment:	<u>2,000,000</u>

Subsidy Limits

- **NHTF** - The HTF regulation [24 CFR 93.300(a)] requires grantees (states) to establish the maximum amount of HTF funds that may be invested per-unit, with adjustments for the number of bedrooms and the geographic location of the project. The regulation requires the maximums be reasonable and based on actual costs of developing housing in the area of the project.
 - **NHTF** – DCA matches subsidy limits for HOME units
- **CDBG** – all tax credit (LIHTC) units are designated CDBG units, since CDBG income requirement is 80% Area median income
- **TCAP** – no subsidy limit