



2024-2025 Georgia Qualified Allocation Plan Summary of Substantive Changes in Draft 2

This document provides a high-level overview of changes in the 2024-2025 QAP.

Please note that DCA contracted with a consultant for editing services for **Core Plan** and **Threshold Criteria**. This often resulted in changes (e.g., deletions) that appear substantive but instead were intended to clarify language, remove explanations of federal regulations (to encourage Applicants to review the regulations themselves), or consolidate related information into one place.

Items preceded with "**(draft 2)**" are newly changed in the second draft.

Core Plan

Definitions

- "Incomplete document" removed because **(Scoring) Application Completeness** section has been removed. This section applied to Threshold deficiencies, and the 2024-2025 QAP proposes removing Threshold review from the Competitive Round.
- "New Supply" changed to "New Affordability," and definition changed to encompass the rehabilitation of unrestricted existing housing.
- "Preservation" definition broadened to refer to eligibility under one of the federal program set asides without further requirements related to construction.

QAP Selection Requirements (formerly "State Priorities")

- DCA Housing Strategic Goals and QAP priorities updated.
- **(draft 2)** Federal requirements for QAPs added. Section renamed to encompass federal and state QAP requirements and goals.

Competitive Rounds

- The 2023 QAP had separate Application requirements for the 9% and 4%/Bonds Competitive Rounds. The 2024-2025 QAP proposes making submission requirement staging the same (see next bullet). For this reason, many changes in the redlined draft that appear substantive instead are only re-arranging information for purposes of this consolidation.

A. Requirements and Timeline

- **(draft 2) (Threshold) Project Team Qualifications** and certain **(Threshold) Occupied Developments** requirements to be reviewed on a rolling basis prior to Competitive Application.
- **(draft 2)** State-designated basis boost to be approved as part of the Competitive Application.
- Competitive round only involves Scoring Criteria. Threshold reviews will only be conducted for awarded Applications.
- Pre-Application dropped, but Applicants can request waivers before Threshold submission.

B. Set Asides and Allocation Targets

- 9% General Set Aside increased to 2 awards, and 4%/Bonds Round General Set Aside established, also for 2 awards.
- **(draft 2)** Nonprofit set aside increased from 10% to 15%, a change associated with removing **(Scoring) Exceptional Nonprofit/PHA**.
- 9% Preservation Set Aside Changes:
 - USDA set aside increased by 1.
 - Housing Credit set aside reduced by 1.
 - Language added to ensure 35% of Preservation awards go to Rural areas.
- Boundaries used for geographic distribution of 4% Credits/Bonds renamed to Bonds Geographic Distribution Areas.

C. Application and Award Limitations

- 4 Application limit on 4% Credit/Bonds Competitive Round (increased from 2 Applications – now same as 9% Round).
- The exception for PHAs in the 4%/Bonds round now also applies in the 9% Round.
- Per-property 9% Credit limits increased for most development types.
- Applicants claiming points under **Minority and Women-Owned Business Engagement** eligible for additional 9% Credit limit increase.
- Combined federal credit cap removed, given existing per-project and per-developer credit caps.
- **(draft 2)** Bonds request per Application raised from \$30 million to \$40 million

D. Evaluation of Competitive Applications

- Atlanta awards limit, previously set at 10% of 9% Credits, now set the same as other Metro locations.
- The following tiebreakers are removed: issuer territory housing vacancy rate, Preservation Priority narrative, and **(draft 2)** public housing authority waitlists*
 - * Replaced by **PHA and Rental Assistance Alignment** in Scoring Criteria

E. Reconsideration and Appeal Processes

- **(draft 2)** Procedures have been updated and clarified.

Modification/Waiver of Plan

- QAP policies to be maintained for two years, allowing for amendments that address major unintended consequences.
- Establishes procedures for amendments that do not fall under Commissioner discretion during two-year period.

Exhibits to Core Plan

(draft 2) Fees, post-award checklist, and deadlines updated.

Threshold Criteria

Applicability of Threshold Criteria (from 2023 QAP)

- This section has been removed, as Threshold no longer applies to the Competitive Review stage.

Project Feasibility, Viability Analysis & Conformance with Plan

- Feasibility Assumptions and Policies: Rent and Operating Utility Allowance (UA)
 - Applicants for 9% Credits must use most up to date rents as of Application submission; January 1 option no longer relevant as Threshold no longer applies to the Competitive Review stage.
 - Guidance on rents and utility allowances removed to ensure Applicants are referencing the most up-to-date federal guidance.

Services

- Services requirements removed. Allowance for services in operating budget remains.

Appraisals

- Required for all projects if selected under Competitive Round.

Building Sustainability

B. Sustainable Building Certification

- **(draft 2)** Green Globes removed as certification option.

C. DCA Building Sustainability Training (from 2023 QAP)

- **(draft 2)** This subsection/requirement has been removed.

Project Team Qualifications

- This section replaces and adjusts the requirements of **(Threshold) Experience, Capacity and Performance Requirements for General Partners and Developer Entities** under prior QAPs.

Eligibility for Credit Under the Preservation Set Asides

- USDA set aside eligibility: removed requirement that each building must have a PBRA contract.

Occupied Developments

A. Pre-Competitive Round Tenant Notices

- **(draft 2)** Requirement to receive approval for certain tenant notices on a rolling basis prior to Competitive Application deadline.

B. Relocation and Displacement of Tenants

- No in-place rehab from projects with environmental conditions of funding.

Supportive Housing

A. Housing Opportunities for Persons with Disabilities

- Moved from Core to Threshold as it is a requirement for Applications.
- **(draft 2)** Increased limit on reserved units for referrals correlated with disability from 20% to 25% of property units.
- **(draft 2)** Removed defined term “Integrated Settings” from Core Plan and incorporated under this section as a requirement for integration under Competitive Rounds.

B. Operational Requirements

- **(draft 2)** New subsection of baseline resident protections for properties providing supportive housing.

Tenant Selection

A. Tenant Selection Plan

(draft 2) Applicants must submit tenant selection plan to confirm conformance with Compliance Manual, Scoring commitments, and applicable federal guidance.

B. Federal Guidance Affirmation

(draft 2) Applicants and property management company required to sign affirmation confirming understanding of key federal guidance with tenant selection implications as identified and published by DCA.

Required Deeper Targeting

A. Minimum Deep Affordability

- **(draft 2)** Minimum standards for deeper targeting units proposed in draft 1 moved from Scoring to Threshold.
- **(draft 2)** Additional option proposed to allow sponsors to reserve 5% of units for 30% AMI households as alternative to partnering with a rental assistance provider.
- **(draft 2)** DCA PBRA Agreement moved from Scoring to Threshold

Additional Requirements for 4% Credits/Bonds Applications (from 2023 QAP)

Moved requirements in this section to related sections in Core and Threshold (Awards Limitations, Eligibility of Project Configuration, DCA Underwriting Policies).

DCA Underwriting Policies

- Maximum developer fees increased.
- **(draft 2)** Replacement reserve requirements increased.

Scoring Criteria

Documentation and Data

B. External Data Sources

- **(draft 2)** Added provision to allow DCA to ensure data publications can be revised, if needed, due to a methodology change from an outside data source. DCA anticipates that the next GA Department of Education CCRPI update (see **(Scoring) Quality Education Areas**) may require DCA to adjust the supplementary data posted to the DCA website for scoring schools.

C. Scoring Justifications (from 2023 QAP)

- Removed requirement to include comments for each Scoring section.

Applicability of Scoring Criteria

- **(draft 2)** Phased Developments now applies to 4%/Bonds Round

(removed) Application Completeness (from 2023 QAP)

- This section removed, as Threshold no longer part of Competitive Review process.

Extended Affordability Commitment

A. Waiver of Qualified Contract Right

Points increased for waiving the qualified contract right fully or for 10 years.

Minority- and Women-Owned Business Engagement

- **(draft 2)** Entities (both for-profit and non-profit) can qualify based on self-certification (formerly required external certification programs).
- Engagement Commitment and reporting
 - Minimum percentage increased from 5% to 25%.

Favorable Financing

A. Qualifying Sources

- HOME-ARP an additional qualifying source.
- New exception: sources from a development team participant can qualify if the lender/grantor is a PHA.
- Points higher for NHTF and HOME-ARP.
 - **(draft 2)** Please note: draft 1 increased restrictions for “Other qualifying sources.” These have been removed, reverting to the 2023 QAP language.

B. Property Cost Reductions

- Private Enterprise Agreements: new subsection gives points for Applications associated with a Private Enterprise Agreement that will lower property taxes.

Integrated Supportive Housing

Non-DCA Supportive Housing PBRA (from 2023 QAP)

This subsection has been moved to Threshold under **Required Deeper Targeting**

A. Supportive Housing Referrals

- “Non-DCA Supportive Housing PBRA” (from 2023 QAP) expanded to “Supportive Housing Referrals” subsection awarding points to properties reserving units for referrals from entities approved by DCA. At this time, DCA anticipates that in most cases the approved referring entities will be the following:
 - Continuum of Care (Coordinated Entry)
 - Department of Behavioral Health and Development Disabilities entities:
 - Community Service Board and/or Housing Support Program Provider Agency (often the same)
 - Regional Field Office
- **(draft 2)** Applicants do not need to submit an MOU with the Competitive Application to claim points. MOU must be submitted with Threshold Application as indicated under **(Threshold) Tenant Selection Plans**.

- 10% to 25% of units must be reserved for such referrals.
- **(draft 2)** The percentage of units that are accessible and adaptable should equal the percentage of units reserved for referrals.
- **(draft 2)** Commitments anticipated for the MOU expanded in **Exhibit B** to Scoring Criteria.
- **(draft 2)** Applicants with rental assistance contracts:
 - can claim additional points for reserving a higher percentage of units (15% to 25%)
 - can only claim points if the PBRA contracts have 15-year terms and a renewal provision.

Readiness to Proceed

- This section replaces the function of evaluating “Threshold” during the Competitive Round.
- Applicants receive points for submitting certain key documents evidencing readiness to proceed if awarded.
- **(draft 2)** Documents submitted for Readiness to Proceed do not need to be updated again for Threshold review, unless the development itself changes in a way relevant to that document.
- **(draft 2)** **Site Control** and **Site Zoning** document points doubled relative to all other items (except bond inducement resolution, which counted for double the points in draft 1, as well).

Deeper Targeting/Rent/Income Restrictions

B. Deeper Targeting through PBRA Contracts

- **(draft 2)** PBRA percentage required for points reduced from 30% to 20%.

PHA and Rental Assistance Alignment

A. HCV and PHA Notices

(draft 2) Properties required to engage with local Housing Choice Voucher administrative for referrals and, if different, PHA.

B. Rental Assistance Barriers

(draft 2) Points for Applications that commit to implement both of the following tenant selection policies:

- Applicants with rental assistance or risk mitigating resources will not be denied based on credit screening.
- Any minimum income requirement must treat rental assistance as income when determining whether the requirement is met.

Desirable/Undesirable Activities

- For Scattered Site Applications, points based on site furthest from desirable amenity.

Economic Development Proximity

- Points for being within a 30-minute commute of an economic development project expected to generate 100 jobs.

- **(draft 2)** Documentation requirement added: MOU between compan(ies) and economic development authority with jurisdiction over the project.

Previous Projects

9% Atlanta Metro Pool Competition

(draft 2) This competition proposed to be based off of number of awards within the Local Government Boundary within the last 15 years.

All Other Competitions

This section was previously based on the proximity of the current Application to a previous award and the number of years since that award. **New method** now gives points to counties with fewer low-income units as a percentage of the population.

Internet Access (from 2023 QAP)

(draft 2) This section has been removed due to changing economic conditions that make it more difficult for properties to support paying for internet access than was the case at the time this provision was first incorporated into the QAP (increased development costs, higher interest rates, and increased operating expenses).

Revitalization/Redevelopment Plans

A. Revitalization Plan/Qualified Census Tract

- **(draft 2)** Community Revitalization Plan eligibility requirement: Local Government must be a "Qualified Local Government"
- Additional points if revitalization plan was adopted by a Local Government with a designation for Revitalization Area Strategies, PlanFirst or **(draft 2)** Rural Zones.

B. Community Transformation

- This subsection, previously its own section in the 2023 QAP, now serves as one of multiple options for scoring up to 10 points for revitalization-based site scoring.
- Limit on number of Community Transformation awardees removed (previously 5 under the 2023 QAP).
- Scoring no longer comparative. Applicants scored based on either or both of:
 - evidence of past partnerships with community organizations
 - endorsement from a GICH community
- Scoring no longer based on philanthropic activities, community improvement fund, or geographic distribution.
- Community Transformation Post-Award Responsibilities moved to Exhibits to Scoring Criteria.

C. Community Investment

- Financial Commitment points can now come from either a Local Government or a Community Quarterback Board.
- The same investment can no longer be used for both “financial commitment” points and “third-party capital investment” points.

Stable Communities

Subsections A and B from the 2023 QAP are replaced with one section of indicators derived from:

- Census Bureau data
- Environmental Protection Agency data
- Georgia Housing Needs Assessment indexes

Housing Needs Characteristics

- New section awards points for sites located in areas exhibiting population growth, employment growth, or HUD-defined “housing problems.”
- **(draft 2)** Applicants only eligible for points under this section if they meet two or more of the housing needs metrics.
- **(draft 2)** This section proposed to be an additional “4th mutually exclusive” track alongside **Stable Communities, Revitalization/Redevelopment Plans, and Community Designations.**
- **(draft 2)** Sites cannot be located in a Qualified Census Tract.

Exceptional Nonprofit/PHA (from 2023 QAP)

(draft 2) This section has been removed. DCA has expanded PHA incentives elsewhere in this QAP draft, and DCA proposes expanding the nonprofit set aside to 15%.

DCA Community Initiatives

- Local Government letter requirement removed. GICH letter alone will receive points.

Preservation Scoring Criteria

Preservation-specific Scoring Criteria that were separate in the 2023 QAP have been consolidated into this new section.

The following have been removed:

- **(draft 2)** Removed points option for properties acquired that were posted for sale under the Qualified Contract Process (proposal from draft 1). DCA may propose a version of this policy in a future QAP, following further due diligence regarding unintended consequences.
- Removed **PBRA Contracts** (from 2023 QAP) as a Scoring section. Replaced by revised Preservation Set Aside eligibility which focuses on restricted units or PBRA that is preserved rather than construction type.

A. Occupancy

Tiers raised to establish 85% minimum for points

C. Property Restrictions and Age

(draft 2) Housing Credit Properties eligible to claim points under this option.

D. Tax Credit Restrictions

Lowered points for expiration year to increase competitive advantage of year 15 to 19 properties.

E. Site Characteristics

New section establishes points for property location, with points limit cap lower than what is allowable for New Affordability.

F. USDA Additional Criteria

New point options for properties at risk of program exit based on pre-payment eligibility and mortgage maturity.

Exhibits to Scoring Criteria

B. Supportive Housing Referral Commitments

(draft 2) This section expands upon the minimum commitments involved when claiming points under **(Scoring) Integrated Supportive Housing**, subsection **Supportive Housing Referrals**.