



STATE OF GEORGIA

2024-2025

QUALIFIED ALLOCATION PLAN

**Georgia Housing Credit Program**



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STATE OF GEORGIA  
2024-2025  
QUALIFIED ALLOCATION PLAN

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# Core Plan

## I. PURPOSE

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

As required by §42(m)(1) of the Code, GHFA approved this Qualified Allocation Plan (QAP) after extensive public consultation. The final QAP has been approved by the Board of Directors of GHFA and the Governor of the State of Georgia.

## II. DEFINITIONS

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The following definitions apply for the purposes of this Plan:

**"4% Credits"** means Federal Credit available to Bond Financed Projects which meet the requirements of this Plan.

**"9% Credits"** means Federal Credit allocated on a competitive basis under the provisions of this Plan.

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

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

**"Applicant"** is used interchangeably with "Project Team." See "Project Team" definition.

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

**"Application Submission"** means the date and time, as stipulated in the Core Plan, by which the relevant documents set must be submitted.

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

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

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

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

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

**“Compliance Period”** means the initial fifteen year period during which a project must operate in accordance with the federal requirements. The Compliance Period commences with the first taxable year of the Federal Credit period.

**“Consultant”** means a third-party entity that provides consulting services to Project Participants, including an entity acting in the capacity of Owner, Developer, or General Contractor or which provides technical assistance to the Owner, Developer, or General Contractor. Consultants include, but are not limited to, construction management consultants, interior design consultants, relocation specialists, application consultants, or resident certification consultants. All consulting fees are considered part of the calculation of the maximum allowable Developer Fee for each project.

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

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

**“Developer”** means the legal entity designated as the Developer in the Application as well as all Persons, affiliates of such Persons, corporations, partnerships, joint ventures, associations, or other entities that have a direct or indirect ownership interest in the Developer entity. Any entity or individual that receives all or part of the Developer Fee must be designated as a Developer. Any Person that receives more than 5% of the Developer Fee including “Consultants” are the Developer in any QAP provision which relates to limitations.

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

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

**“General Partner”** means the General Partner in the Owner as well as all persons, affiliates of such persons, corporations, partnerships, joint ventures, associations, or other entities that have a direct or

indirect ownership interest in the General Partner entity. The term also means the managing member of a limited liability company.

“**GHFA**” means the Georgia Housing and Finance Authority.

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

“**HUD**” means the U.S. Department of Housing and Urban Development.

“**Identity of Interest**” means a situation in which a Project Participant has a direct or indirect interest in the ownership of an entity which contracts with a Project Participant to provide land, goods, loans, financial support, or services for the project or where there is a financial, familial, or business relationship that permits less than arm’s length transactions.

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

“**Letter of Determination (LOD)**” means a notice issued by GHFA to the issuer of tax-exempt bonds for a specific project, which states that the project is eligible for 4% Credits and sets forth conditions which must be met before GHFA will issue the IRS Form(s) 8609.

“**Local Government**” means the controlling elected governing body of the local jurisdiction (as defined in its Charter) in which the property is located at the time of Application (e.g., city council if within the city limits, or county commission if in an unincorporated area).

“**LURC**” means the Declaration of Land Use Restrictive Covenant for Low-Income Housing Tax Credits that is a recorded agreement between GHFA and the Owner. The LURC is binding upon the Owner and its successors in interest, and that encumbers the project with respect to this Plan and the requirements of Section 42 of the Code.

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

“**MOU**” means Memorandum of Understanding.

“**Municipality**” means an incorporated city or town.

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

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

“**NHTF**” means the National Housing Trust Fund.

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

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

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

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

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

“**Plan**” means this Qualified Allocation Plan.

“**Preservation**” means development activity that meets one of the set aside requirements listed under **(Threshold) Eligibility for Credit Under the Preservation Set Asides**.

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

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

“**Project-based Rental Assistance (PBRA)**” means federal rental assistance contracts associated with units in a building regardless of funding source. Example programs include but are not limited to Project-based Vouchers, Project Rental Assistance, and Project-based Rental Assistance.

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

“**PHA**” means a local public housing authority.

“**Related Parties**” means a relative (including but not limited to grandfather, grandmother, father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half-brother, or half-sister) of any Principal or any entity that shares common Principals, executive directors, board members, or officers.

“**RAD**” means the HUD Rental Assistance Demonstration program.

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

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

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

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

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

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

**“UA”** means the utility allowances used during the Compliance Period and during the Period of Affordability as described in the Plan.

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

### III. QAP SELECTION REQUIREMENTS

#### A. Federal Requirements

##### Statutory Preferences

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

##### Statutory Selection Criteria

- Development location
- Housing needs characteristics
- Development characteristics
- Sponsor characteristics
- Tenant populations with special housing needs
- Public housing waiting lists
- Tenant populations of individuals with children
- Developments intended for eventual tenant ownership
- The energy efficiency of the development
- The historic nature of the development

#### B. DCA Housing Strategic Goals

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

## C. QAP Priorities

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

## IV. DISCRETION

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

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

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

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

## V. COMPETITIVE ROUNDS

### A. Requirements and Timeline

#### 1. Submission Requirements and Timeline

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

For each deadline, the first date listed applies to the 2024 Competitive Round and the second date applies to the 2025 Competitive Round.

Submission	Requirements	9% Credits Deadline	4% Credits/Bonds Deadline
<b>Reviews Conducted Prior to Competitive Round</b>	Certain documents from the following <b>Threshold Criteria</b> : <ul style="list-style-type: none"> <li>• <b>Occupied Developments</b></li> <li>• <b>Project Team Qualifications</b></li> </ul>	Accepted on a rolling basis. Final deadline: March 15, 2024 March 14, 2025	Accepted on a rolling basis. Final Deadline: August 2, 2024 August 1, 2025
<b>Intent to Apply</b>	A short survey response covering basic development information including but not limited to Applicant information, site location, and funding requested.	April 17, 2024 April 16, 2025	September 4, 2024 September 3, 2025
<b>Competitive Review Application</b>	<ul style="list-style-type: none"> <li>• Completed Excel and Emphasys Core Applications</li> <li>• All applicable Scoring documentation: see <b>(Scoring) Applicability of Scoring Criteria</b></li> <li>• Bond inducement resolution from the issuing authority</li> </ul>	May 17, 2024 May 16, 2025	October 4, 2024 October 3, 2025

Submission	Requirements	9% Credits Deadline	4% Credits/Bonds Deadline
<b>Waiver Requests</b>	See Waiver Requirements below	October 17, 2024 October 16, 2025	February 28, 2025 February 27, 2026
<b>Threshold Review Submission</b>	See <b>Threshold Criteria</b>	December 17, 2024 December 16, 2025	May 2, 2025 May 1, 2026

## 2. Requirements Notes

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

## 3. Waiver Requirements

DCA makes the following determinations, if applicable to the development, before Threshold Review Submission. Applicants must submit the applicable Waiver Request and supporting documentation by the dates in the table above.

- Requests to waive any requirements listed in the QAP and documentation supporting the request. Examples include but are not limited to architectural standards, accessibility standards, and underwriting.
- Applications proposing adaptive re-use or rehabilitation for any units must submit the following, if requesting architectural standards waivers:
  - DCA Rehabilitation Work Scope Form
  - DCA Physical Needs Assessment Fannie Mae Forms
  - Physical Needs Assessment report
- QAP Scattered Site Legal Opinion with completed QAP Conceptual Site Development Plan (CSDP)
- Optional Amenity Request
- Documentation for in-place rehabilitation or permanent displacement (see Relocation Manual for details)
- DCA must approve a Phased Development with a previously funded phase requesting to share amenities.

## 4. Competitive Review Application Designations

### New Affordability and Preservation Competitions

- The 9% Credits and 4% Credits/Bonds competitions involve separate rankings for Applications that qualify as New Affordability or Preservation (see “New Affordability” and “Preservation” definitions).
- Applications that qualify for both New Affordability and Preservation may compete under either or both competitions.

### Geographic Pools

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

### State-Designated Basis Boost

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

- Projects in the following categories are eligible to apply for the boost:
  - multifamily Rural projects without DCA-administered federal funding as a source
  - multifamily projects within areas that qualify for points under Stable Communities (projects which appear to have a primary purpose of subsidizing an ownership transfer do not qualify)
  - extraordinary circumstances not expected or usual for the development of an affordable multifamily tax credit property (does not include low rents, high utility costs, and proximity to a QCT)
- All requests for the state-designated basis boost must indicate which category (or categories) and include any supporting documentation.
- DCA requires projects defer 1% of the total Developer Fee for every 1% in state-designated basis boost granted unless the project receives a new source from an independent non-related party equal to at least 30% of the total Developer Fee (does not include assuming an existing loan). Applicants with USDA 515 funding may request that DCA waive the matching deferred Developer Fee.

## 5. Completeness Review

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

- organization of electronic Application Submission;
- inclusion of all required Application forms;
- submission of all required supporting documents; and
- completed Electronic Core Application.

DCA may determine substantially incomplete Applications to be ineligible.

## 6. Competitive Review

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

DCA will provide Applicants the preliminary results. Applicants will have 48 hours to respond with opinions and/or objections. Applicants may not submit additional items. DCA will review responses prior to assigning each project its final score.

## 7. Threshold Review Submission

DCA will only conduct a Threshold Criteria review for Applications that are selected under the Competitive Review process.

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

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

# B. Set Asides and Allocation Targets

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

### i. General Set Asides

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

### ii. Disaster Rebuilding Set Aside

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

## 2. 9% Credits Set Asides

### Non-Profit Set Aside

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

### Preservation Set Asides

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

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

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

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

### Broad Geographic Distribution of New Affordability

In determining awards, DCA will target as closely as possible the percentages below in the New Affordability competition .

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

### 3. 4% Credits/Bonds

#### Urban Residential Finance Authority Allocation

DCA will set aside sufficient bonds to comply with GA Code § 36-82-190 which reserves a percentage of bonds for urban residential finance authorities. The local urban residential finance authority will determine awards under this Bond Allocation reservation.

#### “Portfolio” Preservation of USDA Housing

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

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

DCA will establish Bonds Geographic Distribution Areas (“Areas”) based on population and distribute bonds based on the following:

- For each Area, DCA will ensure at least one of the selected Applications is located within the Area, provided:
  - at least one Application within the Area meets all Application submission requirements; and
  - there is sufficient Bond Allocation to fund at least one in each Area.
- For purposes of counties that cross Area boundaries, DCA will not provide multiple awards to the same county under this geographic distribution strategy.

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

#### Balancing New Affordability and Preservation

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

## C. Application and Award Limitations

### 1. Application Limitations

Each Developer may submit no more than four Applications per Competitive Round in which they have direct or indirect interests. If DCA determines that a Project Participant has proposed Ownership interests in excess of the above limitations, DCA will only evaluate the four Applications with the highest self score.

**2. Award Limitations**

All Applicants may have direct or indirect Ownership/Development interest in a maximum of two selected projects per Competitive Round.

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

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

**a. 9% Credits Award Limitations**

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

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

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

The Bond Allocation request within a Competitive Review Application cannot exceed \$40 million. This does not apply to Applications awarded under the Urban Housing Reservation. DCA reserves the right to exceed this limitation.

During the Competitive Round, DCA will not select any Competitive Review Application submitted by an Owner and/or Developer that has a 4% Credits/Bonds property that received an LOD from DCA in:

- 2022 or earlier for the 2024 Competitive Round
- 2023 or earlier for the 2025 Competitive Round

that has not closed their financing and started construction on that property as of the Competitive Review Application deadline.

### c. Additional Limitations Considerations

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

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

### d. Limitations Applicability

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

- Syndicators and Management Companies
- PHAs may exceed the above limitations only for purposes of Applications wherein the PHA:
  - is not the Certifying Entity;
  - is not the managing member; and
  - does not hold more than a 20% interest in the General Partnership

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

## D. Evaluation of Competitive Applications

### 1. 9% Credits

#### Competitive Application Selection for New Affordability

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

#### Sequence of Competitive Round Award Determinations

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

- Preservation Set Asides
  - USDA Rural Rental Housing Loan (Section 515)
  - HUD Rental Assistance Demonstration Program
  - Housing Tax Credit
  - HUD Rental Assistance
- New Affordability
  - Rural Pool
  - Other Metro Pool

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

### Geographic Allocation Limitations for Projects selected in the New Affordability Competitive Process

DCA will award:

- no more than one phase of a planned multi-phase development;
- only one Rural Application located in the same Local Government boundary; and
- up to two Metro Pool Applications located in the same Local Government boundary.

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

### Tiebreakers

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

- an Application would be the Project Team's first award while the other tying Application(s) would be the Project Team's second or third
- Application receives points under **(Scoring) Enriched Property Services**, subsection "A. Owner-provided Services"
- earlier year of the most recent 9% Credits award for the Local Government boundary
- for ties between Preservation Applications:
  - soonest year that all Housing Credit, HUD, and/or USDA affordability restrictions are set to expire
  - the rent advantage value used in **(Scoring) Preservation Scoring Criteria**, subsection **B. Rent Advantage**, if all tying Applications claimed points under the section
- applications that use the least amount of 9% Credits per low-income unit

### Special Allocation Considerations

DCA may allocate 9% Credits up to the following year's Competitive Application deadline based on the prior year's Plan with all applicable terms and conditions to projects that received an allocation in the prior year.

## 2. 4% Credits/Bonds

### Selection between competitions

If due to remaining Bond Allocation DCA must select between the next highest-scoring New Affordability Application and the next highest-scoring Preservation Application, DCA will:

- rank the two Applications based on Scoring Criteria common to both competitions; and
- if necessary, apply the tiebreakers below (excluding tiebreakers specific to the Preservation competition).

### Tiebreakers within the same competition

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

- the Bonds Geographic Distribution Area(s) that have not yet received a selected Application from the competition (New Affordability or Preservation), when considering ranking and selection determinations made prior to this tie.
- the Count(ies) that have not yet received a selected Application from the competition (New Affordability or Preservation).
- count(ies) with the lower average housing vacancy rate.
- "Readiness to Proceed" narrative, see **(Scoring) Readiness to Proceed**
- for ties between Preservation Applications:
  - the soonest year that all Housing Credit, HUD, and/or USDA affordability restrictions are set to expire
  - the rent advantage value used in **(Scoring) Preservation Scoring Criteria**, subsection **B. Rent Advantage**, if all tying Applicants claimed points under the section
- census tract(s) with the lower average housing vacancy rate
- higher ratio of sources not generated through tax-exempt bonds or 4% Credits (excluding deferred Developer Fee) to bond financing.
- lower Total Development Cost per qualified residential rental unit

## E. Reconsideration and Appeal Processes

### Reconsideration Process

Upon receipt of a scoring decision made by DCA staff, the scoring decision may be reevaluated via the Request for Reconsideration process. Applications for reconsideration must present a potential error on the part of the DCA Scoring Team that, if changed, would result in additional points being awarded to the Applicant based upon the Applicant's originally submitted Application. An Applicant may not request a reconsideration for points awarded to another Applicant. The Applicant's reconsideration request must adhere to the following guidelines:

- Not later than fourteen calendar days following the receipt of the notification of final scoring, an Applicant must submit a detailed written statement (by email);
- the statement must support the assertion that the decision is incorrect; and
- the statement must be submitted to the attention of the Director of the Office of Housing Finance.

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

Reconsideration process.

### Appeal Process

Within seven calendar days of the Applicant's receipt of a decision letter denying the Applicant's request for reconsideration, the Applicant may elect to submit a written request for a full appeal review.

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

The administrative procedures for an appeal hearing can be found on the DCA website.

## F. Post-Award

- DCA will provide its Carryover or Letter of Determination within seventy-five days of the receipt of a complete Threshold submission. If clarifications are needed, DCA reviews may take longer.
- Following Threshold approval, DCA will issue an LOD or Carryover. Applications proposing rehabilitation must include a work scope/plan review conference prior to issuing the LOD or Carryover.
- After LOD or Carryover issuance, DCA must approve any significant changes in the financing structure, syndicator, or scope of work.
- DCA will not issue Form(s) 8609 as buildings are placed in service.
- DCA will not issue a Carryover or LOD or Form(s) 8609 to Applicants exhibiting a continual pattern of noncompliance or demonstrating an inability or unwillingness to resolve noncompliance matters in a timely manner.

## VI. TAX CREDIT ADMINISTRATION

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

The Owner and Lessor must execute and record GHFA's prescribed form of the LURC prior to final allocation. The LURC will reflect all representations made in the original Application and any changes GHFA approved in writing. All permanent financing must be subordinated to the requirements of Section 42 (h)(6)(E)(ii) of the Code.

### B. Tax Credit Pricing

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

## C. Cost Reasonableness

### 1. Front End Cost Review

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

### 2. Contractor Cost Certification

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

## VII. ELIGIBILITY OF CERTAIN PROJECT CONFIGURATIONS

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### A. Eligibility of Scattered Sites

Applications proposing scattered sites must meet the following requirements:

1. all residential units are income and rent restricted under Section 42 of the Code;
2. all buildings must be under the ownership of one entity, developed under one plan of financing, considered a single project by all funding sources, and managed by one management entity;
3. the scattered sites must be appraised, if applicable, as a single proposed development;
4. each site must meet all applicable Threshold and Scoring criteria (other than any Architectural Standards and/or Amenities Waivers);
5. no more than six non-contiguous parcels within a ½ mile radius and a minimum of four residential units per parcel, except for parcels on which the community center is located;
6. include a legal opinion on scattered site to support the project's development;
7. the market study requirements must be met for the project as a whole and an appraisal establishing "as-is" value will be required for each non-contiguous parcel where an Identity of Interest exists between the buyer and seller;
8. each non-contiguous parcel must meet the additional HOME Site and Environmental requirements;
9. evidence of site control is required for each non-contiguous parcel;
10. each parcel meets site zoning requirements; and
11. required amenities must be met for each non-contiguous parcel.

For 4% Credits/Bonds, Scattered site Competitive Review Applications are only eligible if proposing Preservation of properties funded by USDA or undergoing a RAD conversion.

## B. Detached Single-Family Rental Housing

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

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

## C. Single Room Occupancy (SRO)

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

## D. Preservation of Existing Housing Credit Developments

Preservation of existing Federal Credit developments with a placed-in-service date within fifteen years of the Competitive Application deadline is ineligible.

# VIII. PROJECT RECONFIGURATION/APPLICATION MODIFICATION

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## A. Prior to Award

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

## B. After Award

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

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

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

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

## IX. FEES

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Payment must be by certified funds made payable to the "Georgia Housing and Finance Authority." Failure to pay fees when due may delay processing (e.g., Form 8609) and/or adversely affect the ability to compete in future funding rounds. All fees remitted to GHFA are non-refundable.

### A. Compliance Monitoring Fees

Owners will pay all compliance monitoring fees no later than the placed in-service date. When DCA monitors for compliance with more than one program, Owners will pay the applicable fees for each.

DCA charges a monitoring fee for all Credit developments. Credit recipients will be required to pay the entire fee covering the fifteen-year Compliance Period as indicated in Exhibit A to Core Plan..

DCA may charge additional fees to properties that require additional follow-up due to non-compliance findings. See Compliance Monitoring Fee table on the DCA website for all compliance monitoring fees. Failure to pay these fees will be considered a noncompliance issue.

DCA charges an asset management fee for all HOME-funded developments. Recipients will be required to pay the fee annually during the Period of Affordability as indicated in the Compliance Monitoring Fee table on the DCA website. Failure to pay these fees will be considered a noncompliance issue.

### B. Non-Compliant Properties

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

### C. HOME Asset Management Fees

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

## X. GEORGIA OPEN RECORDS ACT (GORA)

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Applicants must agree in the Application to hold harmless DCA and GHFA for any and all losses associated with disclosures in accordance with GORA.

## XI. MONITORING AND COMPLIANCE

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### A. Construction Monitoring

#### 1. Requirements

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

#### 2. Inspections

- After Application award DCA will assign a contracted inspector to perform quarterly increment inspections and complete DCA inspection checklist along with report form.
- DCA and/or the assigned inspector may perform monthly and/or unannounced visits for any instances of non-compliance.
- Quarterly increment inspections will be billed directly to DCA (see Exhibit A for reference). Additional costs for inspections required due to non-compliance will be the responsibility of the Owner.
- All properties funded with a DCA loan and/or grant will continue with monthly inspections by the contracted inspector.

#### 3. Construction Non-compliance Determinations

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

#### 4. Construction Non-compliance Penalties

Upon determining non-compliance, DCA may:

- require a cease of construction activity for findings related to safety;
- cease reviewing pending Applications for which any Project Team member is the same as for the development exhibiting non-compliance; and

- impose any other restrictions deemed necessary, including but not limited to award limitations for the Project Team, General Contractor, and/or architect. DCA will engage with the Project Team before imposing such restrictions.

## B. Credit Compliance Monitoring Procedures

DCA may make such alteration or amendment to its monitoring procedures as may be required. Specific procedures that Owners must follow to remain in compliance with Program requirements are outlined in DCA Compliance manual and in the "Guide for Preparing Form 8823" currently in effect. Changes and updates to these materials can be found on the Compliance Section of the DCA web site.

## C. DCA-Provided Reasonable Accommodation

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

## D. VAWA and Screening Criteria

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

All properties must comply with the HUD Office of General Counsel's "Guidance on Application of Fair Housing Act Standards to the Use of Criminal Records by Providers of Housing and Real Estate-Related Transactions" memorandum dated April 4, 2016 (unless superseded).

## XII. MODIFICATION/WAIVER OF PLAN

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The Governor recognizes and acknowledges that DCA will encounter situations which have not been foreseen or provided for in the Plan and expressly delegates to DCA the right to amend the Plan, after the public has had the opportunity to comment through the public hearing process, and to administer, operate, and manage allocations of Credits and federal funding in all situations and circumstances, both foreseen and unforeseen, including, without limiting the generality of the foregoing, the power and authority to control and establish procedures for controlling any misuse or abuses of the Credits or federal funding allocation system and the power and authority to resolve conflicts, inconsistencies, or ambiguities, if any, in the Plan or which may arise in administering, operating, or managing Credits or federal funding allocations pursuant to the Plan.

## Federal Regulatory Compliance

The Governor further expressly delegates to DCA the authority to amend the Plan to ensure compliance with federal law and regulations as such federal law may be amended and as federal regulations are promulgated governing Credits and federal funding.

## Minor Modifications

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

## Material Amendments

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

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

# Exhibits to Core Plan

For each deadline with two dates listed, the first date applies to the 2024 Competitive Round and the second date applies to the 2025 Competitive Round.

## A. DCA Fees Schedule

Fees		9% Credits Deadline	4% Credits/Bonds Deadline
<b>Pre-Competitive Submission</b>			
<b>Qualification Determination (Required)</b>	\$2,000 • Any change in Project Team requires a separate QD fee	Invoice Deadline	Invoice Deadline
<b>Competitive Submission</b>			
<b>Competitive Application Fee</b>	• \$10,000 For Profits • \$10,000 For Profits/Non-profits Joint Venture • \$8,000 Non-profits	Invoice Deadline	Invoice Deadline
<b>Waiver/Threshold Review</b>			
<b>Optional Amenity Request Fee</b>	\$2,500 per request	Invoice Deadline	Invoice Deadline
<b>Architectural Standards &amp; Design Waiver Fee</b>	\$2,500 per waiver • Up to ten Items per Waiver	Invoice Deadline	Invoice Deadline
<b>Underwriting Waiver Fee</b>	\$1,500 per waiver	Invoice Deadline	Invoice Deadline
<b>Loan Underwriting Fee (GHFA Loans only)</b>	\$15,000 per Loan • Only applicable if GHFA provides a loan	Invoice Deadline	Invoice Deadline
<b>Appraisal Fee</b>	Based on DCA cost  Only applicable if GHFA provides a loan or an additional appraisal is required	Invoice Deadline	Invoice Deadline

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

## B. DCA Post-Award Checklist and Deadlines

Requirement	DCA Submission	9% Credits Deadline	4% Credits/Bonds Deadline
<b>Pre-Construction Commencement</b>			
<b>60 Day Submission</b>	See DCA website for forms	No later than sixty days after receiving Carryover from DCA	No later than sixty days after receiving LOD from DCA
<b>DCA Review Submission (HOME Loans Only)</b>	See DCA website for forms	Forty-five days prior to Construction Loan Closing (Must include Front End Cost Review)	Forty-five days prior to Construction Loan Closing (Must include Front End Cost Review)
<b>HOME Construction Loan Closing Submission</b>	See DCA website for forms	Ten days prior to DCA Construction Loan Closing	Ten days prior to DCA Construction Loan Closing
<b>Construction Loan / Bond Finance Closing (Tax Credit only Projects)</b>	NONE	Within 180 days of Carryover issuance	Within 180 days of LOD Issuance
<b>Commencement Submission</b>	See DCA website for forms	Thirty days prior to construction commencement - no later than: December 1, 2025 December 1, 2026	Thirty days prior to construction commencement - no later than: May 1, 2026 May 1, 2027
<b>Post-Construction Completion</b>			
<b>Place in Service</b>	DCA PIS Notification (within thirty days of first building's PIS date)	December 31, 2027 December 31, 2028	December 31, 2027 December 31, 2028
<b>Final Inspection Submission (Tax Credits Only Projects)</b>	See DCA website for forms	Within thirty days of final retainage draw certified date	Within thirty days of final retainage pay app
<b>Construction Clearance Submission (Tax Credits Only Projects)</b>	See DCA website for forms	March 30, 2028 March 30, 2029	March 30, 2028 March 30, 2029

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



STATE OF GEORGIA  
2024-2025  
QUALIFIED ALLOCATION PLAN

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# Threshold Criteria

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

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

### A. Feasibility Assumptions and Policies

- Applicants must use DCA's underwriting assumptions in Exhibit A and, if applicable, DCA HOME underwriting assumptions in the Submitted Application pro forma.
- The Application must show that the project is financially sustainable based on income from operations.
- The sources and uses must be verifiable at the time of Application.
- Commitment letters must demonstrate that there will be no shortfall of funds during the construction period.
- Owner contributions outside of deferred Developer Fee are not an allowable source at the time of Application Submission.
- Deferred Developer Fee, as a construction source, cannot exceed the Developer Fee amount earned during the construction period.
- DCA may require documentation not specifically included in the minimum documentation requirements.

In addition, DCA will use the following policies to determine whether a project is feasible:

#### 1. Certifications

The Applicant must certify to DCA all:

- federal, state, and local subsidies that apply (or which the Applicant expects to apply) to the project;
- other sources of funds; and
- development costs for the project.

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

#### 2. Ancillary Income

DCA will allow a maximum of 2% of gross potential rents in the cash flow analysis. DCA will consider tax abatements and exemptions, interest credit payments, and other documented sources of commonly accepted forms of expense off-sets. Income from commercial space, fees, charitable contributions or owner contributions are not an eligible source of revenue for purposes of the cash flow analysis.

### 3. Reasonableness of Costs

DCA will determine whether proposed costs are reasonable. Applications not demonstrating cost reasonableness will be ineligible for an award.

DCA may request a breakdown of the hard construction cost line items.

DCA will adjust construction costs to more accurately reflect industry standards. Such adjustments must be covered by deferred Developer Fee.

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

DCA may adjust the pricing and/or the amount of credits to reflect more accurate market conditions and/or industry standards.

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

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

### 5. Reasonableness of Operating Costs

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

#### Minimum Documentation:

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

### 6. Rent

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

## 7. Operating Utility Allowance (UA)

For any low-income units where the residents are responsible for any utility costs, the owner must provide UAs in accordance with the federal requirements for the associated programs involved, including:

- USDA–assisted buildings;
- Buildings with USDA-Assisted residents;
- HUD-regulated buildings;
- Tax Credit buildings with no federal funding; and
- Tax Credit buildings with federal funding.

### Minimum Documentation:

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

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

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

### Minimum Documentation:

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

## 9. Deferred Developer Fee

Any deferred Developer Fee shown in the Application must be included as a source of funding in the calculation of Credit at Application Submission, carryover, and final allocation. All deferred Developer fee should be in the form of a note and incorporated into the limited partnership agreement along with a detailed repayment schedule and specific terms. DCA will consider the project’s ability to pay deferred Developer Fee within fifteen years.

Deferred Developer fee must be payable within fifteen years from available cash flow. The deferred portion cannot exceed 50% of the total amount of Developer Fee at Application Submission.

## 10. Market Units

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

- included in the Application's development budget and pro forma; and
- covered by unrestricted financing sources.

The market rate units to total units percentage must be less than or equal to the unrestricted permanent financing to Total Development Cost percentage. Deferred Developer Fee is considered an unrestricted financing source for purposes of this section.

## 11. Commitments

Funding source commitments must be for each individual Application and not be combined for more than one Application.

1. Original executed preliminary commitments for all financing must be submitted with the Application (as applicable), including but not limited to the following:
  - i. Construction financing.
  - ii. Non-DCA permanent financing.
  - iii. Bridge loans.
  - iv. Project-based Rental Assistance agreements.
  - v. Operating subsidy agreements.
  - vi. Limited partner (tax credit) equity.
  - vii. HUD letters by an authorized official from the Multifamily Housing Division stating that the Application is under serious consideration and Lender Preliminary Commitments for HUD assisted projects under 221(d)(3), 221(d)(4), 223(f), or 202 programs may be submitted with the Application, but owners must submit final MAP Invitations by the deadline noted on Exhibit A to Core Plan..
  - viii. Lender preliminary commitments are required for loans to be guaranteed under the USDA Section 538 Guaranteed Rural Rental Housing Program. The commitment should clearly state any USDA guarantees and fees associated with the program. Any grants or other forms of assistance utilized during the construction period or utilized as permanent financing must be documented.
  - ix. Applications that include costs associated with pre-development financing must provide copies of the loan documents if the loan has closed, or an original commitment from the proposed lender.
  - x. Federal Home Loan AHP financing commitment from either the Federal Home Loan Bank to the non-profit entity or to the ownership entity. If the commitment is to the non-profit entity, then the non-profit entity should provide a preliminary commitment to the ownership entity.
  - xi. Projects proposing the utilization of Historic Tax Credits must provide a historic tax credit syndicator letter and documentation of the designation for the subject project through the National Register.
2. In the case of public financing which is under final consideration at the time of Application, but is not awarded funding, the Applicant may secure alternate financing

- provided related Application documents are submitted to DCA on or before the date noted on Exhibit A to Core Plan. Failure to provide the required documentation for USDA, FHLB-AHP, HUD alternative financing, and/or the National Historic designation as stated above may result in a Threshold failure.
3. The preliminary commitments must disclose, at minimum, the following (as applicable):
    - i. The purpose of the loan and use of proceeds.
    - ii. The property address.
    - iii. The loan amount.
    - iv. The interest rate applicable to the construction period. If the construction period rate is floating, the rate index, spread, and the frequency of adjustment must be clearly identified. DCA will utilize the applicable rate effective as of:
      - i. May 1, 2024 for the 2024 Competitive Round.
      - ii. May 1, 2025 for the 2025 Competitive Round.
    - v. The interest rate applicable to the permanent period. If the interest rate is to be fixed at the time of funding, the rate index and credit spread must be clearly identified and the indicative rate as of the date of the preliminary commitment must be provided.
    - vi. All “add-ons” to the base interest rate, including but not limited to MIP, USDA annual guarantee fee, servicing fees, Ginnie Mae guarantee fees, trustee fees, issuer fees, application fees, origination and any additional underwriting fees must be clearly identified in the commitment letter.
    - vii. The general and specific terms and conditions of the loan.
    - viii. The amortization period and term of the loan.
    - ix. Equity pricing, total capital contribution amount, an estimated pay-in schedule, and any reserve requirement.
    - x. All reserves required by the lender/syndicator, including but not limited to replacement reserves, operating deficit reserves, HUD-required program reserves, and USDA-required program reserves.
    - xi. The amount of the asset management fee, the rate of increase, and the priority of payment.
    - xii. In the case of loans to be guaranteed under the USDA Section 538 Guaranteed Rural Rental Housing Program, the lender must specify if the annual USDA guarantee fee will be paid out of the lender’s principal and interest payments.
    - xiii. Applicants are responsible for correctly reflecting the terms of the loan and determining whether the funds were originally “federal funds.”

#### Minimum Documentation:

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

## 12. Assumption of Existing Debt

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

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

- a) An approval letter signed by an officer of the lender whose debt is being assumed which certifies, no less than thirty days prior to Application Submission:
  - i. the original principal balance;
  - ii. the current outstanding principal balance;
  - iii. the current accrued and unpaid interest;
  - iv. the current effective interest rate applicable;
  - v. the original date;
  - vi. the maturity date;
  - vii. annual debt service;
  - viii. the amortization period applicable to the original loan;
  - ix. That the loan is not currently in default, or if there exists an event of default, or an event that with the passage of time will constitute an event of default, all of the factual data pertinent to said default or said potential default; and
  - x. the type and current balances of any outstanding reserve accounts for existing loans and their disposition upon the sale of the project, if applicable.
- b) A copy of the original Promissory Note and any amendments and/or modifications.
- c) A copy of the original Loan Agreement and any amendments and/or modifications.
- d) A copy of the original Mortgage, Deed to Secure Debt, Deed of Trust, or such other security instrument providing security for the loan, and any amendments and/or modifications.
- e) Board resolutions approving the restructuring or assumption of existing debt.

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

1. DCA will not increase credits above the amount requested in the Application. Applicants may not request that one line item be reduced in order to increase or add an additional line item during the Threshold clarification period.
2. DCA will not make the following revisions during its analysis of feasibility:
  - a) unit count, income mix and bedroom type;
  - b) rent structure (rents may be adjusted upward or downward by DCA to meet applicable program requirements);
  - c) operating expenses proposed by the Applicant decreased to make the project feasible.

## II. TENANCY CHARACTERISTICS

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

### A. Family Development

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

### B. Senior Development

A Senior development meets one of the following:

1. intended for, and solely occupied by, individuals sixty-two years of age or older; or
2. ***Housing for Older Persons:*** Intended and operated for occupancy by individuals fifty-five years of age or older per unit, where at least 80% of the total housing units are occupied by at least one individual who is fifty-five years of age or older; and where the Owner publishes and adheres to policies and procedures which demonstrate an intent by the Owner and manager to provide housing for individuals fifty-five years of age or older. Housing for Older Persons includes HUD PHA properties that have a combined senior and disabled tenancy. For further information, see DCA defined terms in Core.

### C. Other

Projects that have funding from a program which has a different tenancy definition than those set forth above must contact DCA for instructions prior to submitting documents for Threshold review. Projects that combine senior housing and special needs housing must meet all architectural requirements of senior housing.

## III. SERVICES

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DCA allows full-time activities manager in the operating budgets for properties with one hundred units or more or part-time (on a proportional basis) for smaller projects.

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

## IV. MARKET FEASIBILITY (MARKET STUDY)

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Applicants must submit a market study by a market analyst approved by DCA in the format required by the DCA Market Study Manual. The market study must be completed no more than six months

prior to Application Submission. Applicant must ensure the market study accurately reflects the rents and unit mix of the proposed project as reflected in the Core Application.

DCA is not bound by the opinion or conclusions reached by the market analyst and determine whether the project will be able to achieve the desired lease up and maintain feasibility.

DCA may require Applicants to update their market studies during the review period to reflect a pending projects in overlapping market areas.

DCA will consider the following factors to be indicative of market feasibility:

- In Metro Pool areas, market capture rates 30% or less for all one-bedroom units, 30% or less for all two-bedroom units, 40% or less for all three-bedroom units, and 50% or less for all four or more bedroom units in the project.
- In Rural areas, market capture rates of 35% or less for all one-bedroom units, 35% or less for all two-bedroom units, 40% or less for all three-bedroom units, and 50% or less for all four or more-bedroom units in the project.
- The overall capture rate for tax credit and market rate units shall not exceed 30% for Applications in a Metro Pool and 35% for Applications in the Rural Pool.
- Market capture rates for each bedroom type within each AMI market segment type (i.e., 30%, 50%, 60% & market) shall not exceed 60%.
- Appropriate market area that does not overestimate demand.
- An absorption period less than twenty-four months to reach stabilized occupancy.
- Stabilized occupancy rate of 93% or above. Analyst must specify what the stabilized occupancy rate will be.
- Unit mixes or target populations supported by the market.
- No more than two DCA funded projects in the primary market area which have physical occupancy rates of less than 90% and which compete for the same tenant base as the proposed project.
- Strong overall market and LIHTC stabilized occupancies of 90% or greater.
- The minimum rent differential between the proposed rents and achievable market rents, as explained in the Market Study Manual, must be 10% for 60% AMI or less. 70% or 80% AMI rents must be below market rate.
- For Senior developments, demand may include residents from outside the market area converting from homeownership and seniors living with and/or supported by their children. If applicable, this must be documented by the market analyst.
- DCA, when necessary, may independently evaluate the demand for additional affordable rental housing in the geographic/market area.

See Market Study Manual for complete list of requirements.

An Application will be ineligible for award if DCA determines that the property would have an adverse financial impact on existing tax credit properties, HOME, National Housing Trust Fund, or CDBG-DR properties within the primary market area or in close proximity to the primary market area.

DCA's judgment will be the final determination as to the size of market areas or the adverse impact on existing properties.

**References:**

- DCA Market Study Manual

## V. APPRAISALS

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Appraisals are required for all developments.

### Appraisal Requirements

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

### DCA-Commissioned Appraisals

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

### Identity of Interest

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

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

**References:**

DCA Appraisal Manual

## VI. ENVIRONMENTAL REQUIREMENTS

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The Environmental Manual is incorporated herein by reference. Projects will not pass Threshold until all environmental matters are resolved.

### A. Environmental Site Assessment

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

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

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

#### 1. Additional Standards

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

- a) wetland;
- b) state waters/streams/buffers & setbacks;
- c) flood Plains/Floodways;
- d) endangered species;
- e) noise;
- f) radon gas;
- g) asbestos;
- h) lead;
- i) water leaks/mold/microbial growth;
- j) vapor intrusion;
- k) historic preservation; and
- l) other hazards and considerations.

#### 2. Additional Environmental Requirements for Projects with DCA federal funding, Including but not Limited to PBRA

The Applicant must complete additional requirements for projects with federal funding no later than the applicable date(s) noted in Exhibit A to Core Plan.

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

## B. Site and Neighborhood Standards

All properties that use HOME funds as a source must meet HUD Site and Neighborhood Standards (24 CFR §92.202 and 24 CFR §983.6) and Environmental Requirements in accordance with the HOME Manual and Environmental Manual. Applicants with established agreements with HUD regarding different standards of review must meet those established standards; the Application must include a copy of all documents relating to the different standards of review.

### Minimum Documentation:

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

## VII. SITE CONTROL

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Site control must be in the form of:

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

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

- For 9% Credits Applications, site control must be in place at least through the end of the calendar year of Application submission. If the contract provides an option to renew, it must be enforceable by the Applicant through the end of the calendar year of Application Submission.

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

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

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

**Minimum Documentation:**

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

## VIII. SITE ACCESS

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All sites proposed for development must either:

- provide a specified entrance that is legally accessible by paved roads (as defined in the DCA Architectural Manual); or
- include the Required Documentation listed below in the Application.

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

**Minimum Documentation:**

- Either existing Conditions Site Plan of the CSDP that clearly delineates legally accessible paved road(s) or evidence of Local Government approval to pave the necessary roads, a commitment for funding, and the timetable for completion.
- Commitment for funding for paving of all non-paved legally-accessible roads to be paved during construction.
- Proof of ownership or a properly executed easement on the private drive and the plans for paving the private drive, including associated development costs.
- Proof of ownership of non-utility easements.

## IX. SITE ZONING

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This section is required for Applications proposing new construction, including adding units to an existing property.

Zoning of the development site must conform to the proposed CSDP before Application Submission.

The Applicant is responsible for ensuring that all issues and questions surrounding the zoning and land use classification of a proposed site are clearly defined prior to Application Submission. Any unclear or unresolved issues could result in Threshold failure.

### Minimum Documentation:

- Letter from Local Government official on official letterhead with the name and title of the Local Government official, dated within six months of Application Submission. Letter must include:
  - project name, address, or parcel ID;
  - zoning and land use classification of the property; and
  - explanation of zoning requirements (copy of the applicable sections of the zoning ordinance for the stated classification), and all conditions of these zoning and land use classifications, or affirmation that the jurisdiction does not have or enforce a zoning ordinance, if applicable.
- If the project is requesting HOME or HUD funds, the Local Government official must also comment on whether the project will include the development of prime or unique farmland.
- Documentation that demonstrates that the site layout conforms to any moratoriums, density, setbacks, or other imposed requirements of the Local Government. This documentation must be demonstrated on the CSDP either graphically or in written form.
- If zoning confirmation letter includes parcel ID but not project name or address, evidence that the parcel ID is the correct parcel ID for the project.

## X. OPERATING UTILITIES

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This section is required for Applications proposing new construction, including adding units to an existing property.

Required project operating utilities (gas and electric service), as applicable, must be available to each parcel of the proposed development at the time of Application Submission, including all easements necessary for the providers to extend utilities to the property. Commitments from the utility providers to connect utilities to the property must be secured at the time of Application Submission

The Application must include a letter from the appropriate authorized utility authorities confirming the availability of operating utilities at the proposed development site. Any charges for the off-site extension of utility services are not eligible as project costs.

Operating utilities cannot be contingent on annexation, improvement of infrastructure, or funding to the utility provider from an outside source. Any unclear or unresolved issues regarding operating utilities may result in Threshold failure.

**Minimum Documentation:**

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

## **XI. PUBLIC WATER/SANITARY SEWER**

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This section is required for Applications proposing new construction, including adding units to an existing property.

Public water and sewer service must be available to each parcel of the proposed development site at the time of Application Submission, meaning all necessary easements are secured at the time. A commitment can be subject only to conditions within the control of the Applicant. Public water and/or sewer availability cannot be contingent on the construction of a water/sewer system, annexation of the property, or funding to the utility provider from an outside source. Any unclear or unresolved issues regarding the public water/sanitary sewer may result in Threshold failure of the Application.

**Minimum Documentation:**

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

## XII. REQUIRED AMENITIES

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

### A. Standard Site Amenities

All properties must include the following on-site amenities:

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

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

### B. Additional Site Amenities and Approvals

Properties with 125 units or fewer must include at least two additional site amenities. Properties with more than 125 units must include at least four additional site amenities.

Additional amenities not contained in the Architectural Manual must be approved by DCA through a Waiver Request. Requests for approval of additional amenities must include a detailed description and justification of the cost and appropriateness.

### C. Unit Amenities

All units must include the following:

1. HVAC systems;
2. Energy Star refrigerators;
3. Energy Star dishwashers (dishwashers are not required in senior USDA properties or HUD properties);
4. stoves;
5. microwave ovens; and
6. powder-based stovetop fire suppression canisters installed above the range cook top or electronically-controlled solid cover plates over stove top burners.

### D. Additional Requirements and Amenities for Senior Developments

1. Elevators must be installed for access to all units above the ground floor.
2. Buildings with multi-story construction must have interior conditioned and furnished gathering areas including but not limited to areas near elevators.
3. Applicants must enter all selections in the Threshold Criteria tab on the Application Form.

## XIII. REHABILITATION STANDARDS

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### A. Rehabilitation Construction Hard Costs

Properties that propose rehabilitation must present a scope of work proposing:

1. a minimum “dwelling unit” per unit hard cost budget of \$35,000;
2. the replacement of any component of the building or site with an Effective Remaining Useful Life, according to Fannie Mae Expected Useful Life Table, of less than fifteen years;
3. the replacement of existing exterior stairs, breezeways, and handrails that have no roof cover with covered vertical circulation;
4. corrective actions for all deficiencies noted in the Physical Needs Assessment;
5. compliance with the Georgia State Minimum Standard Codes and Life Safety Code for new construction regarding stairs, handrails, guardrails, smoke detectors, fire alarms, and unit fire separation such as attic draft stops, fire separation, rated party walls and floor/ceiling components, and caulking of all penetrations in the fire assemblies;
6. substantially the same scope of work in all units; and
7. compliance with the Architectural Manual, all current building codes, DCA accessibility requirements, and NSPIRE upon completion of work.

DCA will not make an award if the rehabilitation will not result in improved, safe, and decent long-term housing or if new construction would be more appropriate.

The Application must include a certification from the architect and, where applicable, an appropriately-licensed project engineer (civil, structural, mechanical, plumbing, electrical) documenting that the proposed work scope is sufficient to ensure the completed project will be viable and meet the DCA useful life requirements.

The architect must reconfirm this certification at construction completion prior to issuance of Forms 8609.

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

DCA may grant an architectural waiver to projects that will not meet the above requirements. As a condition of the waiver, DCA may require the financial pro forma provide for the full funding of the capital replacement reserve.

### B. Physical Needs Assessment

Rehabilitation and Adaptive Reuse Applications must submit a Physical Needs Assessment (PNA) and Capital Reserve Study completed by a DCA-qualified consultant. Both must be prepared in

accordance with the Rehabilitation Guide in the Architectural Manual and be no more than six months old as of the Application Submission.

## C. Rehabilitation Work Scope

DCA will not allow material changes in the scope of work after award. If awarded, Owners must submit final construction documents that confirm the scope of work submitted with the Application to DCA according to the timelines outlined in Exhibit A, Post-Application and Post-Award Deadlines and Fee Schedule.

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

1. immediate needs identified in the PNA;
2. Threshold and Scoring requirements;
3. applicable architectural and accessibility standards; and
4. remediation issues identified in the Phase I Environmental Site Assessment.

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

### Minimum Documentation:

- Physical Needs Assessment dated within six months of Application Submission.
- DCA Rehabilitation Work Scope form.
- Architect Rehab Work Scope Certification Statement.

## XIV. SITE INFORMATION AND CONCEPTUAL SITE DEVELOPMENT PLAN

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### A. Conceptual Site Development Plan

Applications must include a CSDP prepared in accordance with the Architectural Manual. The CSDP must be at least 11"x17" and include all following items, as applicable:

1. all existing and proposed easements defined and indicated;
2. wetlands, floodplains, and state waters located with areas of disturbance calculated for the wetlands, including required buffer zones clearly delineated to reflect how they will impact the development of the site;
3. use of all adjacent properties and structures within 100' of the subject property boundary defined both graphically and in written form;
4. zoning setbacks and restrictions graphically indicated;
5. indication of all existing structures, tanks, slabs, utilities and any other improvements existing on the property at the time of Application Submission;

6. indication of all driving and walking entrance access to the property and a layout of all buildings, roads, paved pedestrian walkways and parking areas;
7. location of all interior and exterior site amenities indicated in the Application; and
8. areas of existing tree and vegetation preservation and new landscaping clearly defined both graphically and in written form.

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

## B. Site Map and Color Photographs

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

Applications must include a Site Map formatted as either aerial color photograph within six months from the Application Submission date or most recent online satellite map that delineates the approximate location point of each photo.

## C. Aerial Photos of Proposed Site

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

### Minimum Documentation:

- CSDP (use DCA Cover Sheet Template).
- Site map and color photos.

# XV. BUILDING SUSTAINABILITY

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## A. Sustainability Standards

All projects must comply with the requirements in this section and the Architectural Manual. Historic properties may apply for a waiver when compliance means loss of historic character-defining features and finishes.

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

Compliance with Georgia State Minimum Standard Energy Code (International Energy Conservation Code with Georgia State Supplements and Amendments) that is in effect at the

time of permit issuance is required. DCA must receive proof of compliance prior to release of Forms 8609.

## 2. Measured duct and building envelope leakage

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

Rehabilitation units must either achieve a 20% improvement over existing conditions based on pre-rehabilitation “duct leakage” and “dwelling unit air filtration” rates or meet new construction standards for specified duct and envelope leakage rates. All projects must complete a “pre-rehab” duct leakage and dwelling air infiltration test to determine a baseline. To arrive at the pre-rehabilitation leakage rates, all units or a sampling of units in accordance with RESNET protocols shall be tested. The same units tested pre-rehabilitation shall be tested post-rehabilitation.

## 3. Bathroom fans

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

## 4. Lighting

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

## 5. Plumbing fixtures

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

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

Interior applied paints and finishes shall contain a maximum VOC level of the following, as defined by “40 CFR Part 59 – National Volatile Organic Compound Emission Standards for Consumer and Commercial Products”:

- 50 grams/liter for wall and ceilings
- 100 grams/liter for floor finishes

### 7. Water Heaters

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

### 8. Energy Star appliances

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

The final construction documents must indicate all components of the building envelope and all materials and equipment that meet these requirements.

## B. Sustainable Building Certification

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

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

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

#### Minimum Documentation:

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

## XVI. ACCESSIBILITY STANDARDS

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### A. Minimum Standards

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

1. All projects that receive allocations or funding under the QAP must comply with all applicable Federal and State accessibility laws. Applicants claiming a property is eligible for a statutory exemption must provide a legal opinion.
2. All applicable DCA accessibility requirements detailed in the Architectural and Accessibility Manuals.
3. For all senior properties, regardless of the year of first residential use, 100% of the units must be accessible and adaptable, as defined by the Fair Housing Amendments Act of 1988.

## B. Mobility and Sensory Impairments

Regardless of using HOME funds, all projects must meet the following requirements:

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

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

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

## C. Qualified Consultant

Each awarded project must retain a DCA-qualified Consultant to monitor the project for accessibility compliance. The Consultant cannot be a member of the proposed Project Team nor have an Identify of Interest with any member of the proposed Project Team.

The Consultant must perform the following:

1. A pre-construction plan and specification review to determine that the proposed property will meet all required accessibility requirements. The Consultant report must be included with the initial construction documents submitted to DCA. At a minimum, the report will include the initial comments from the Consultant, all documents related to resolution of identified accessibility issues, and a certification from the Consultant that the plans appear to meet all accessibility requirements.
2. Provide at least two training sessions to the Architect, General Contractor, Job Superintendent, and a representative of every subcontractor group that will affect accessibility (grading, concrete, framing, electrical, plumbing, sheetrock, and cabinetry) regarding accessibility requirements. One training must be on site.
3. An inspection of the construction site after framing is completed to determine that the property is following the approved plans and specifications as to accessibility. DCA must receive a copy of the report issued by the Consultant as well as documentation that all issues, if any, have been resolved.
4. A final inspection of the property after completion of construction to determine that the property has been constructed in accordance with all accessibility requirements. DCA must

receive a copy of the report issued by the Consultant as well as documentation that all issues, if any, have been resolved prior to submission of the project cost certification.

## XVII. ARCHITECTURAL DESIGN & QUALITY STANDARDS

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

### A. Standard Design Options for All Projects

Projects must choose from the "Standard Design Options" below.

#### 1. Exterior Wall Finishes

Select one category from this list:

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

#### 2. Major Building Component Materials and Upgrades

Applicants must select one of the following and may upgrade component materials from the minimums in the Architectural Manual.

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

### 3. Additional Design Options

Applicants may propose additional design options by submitting with the Waiver Request a detailed description and justification of the appropriateness for the targeted population.

## B. Broadband Access

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

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

## XVIII. PROJECT TEAM QUALIFICATIONS

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### Overview

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

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

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

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

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

## Certifying Entity

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

Designation	Eligibility
<b>Qualified</b>	The Certifying Entity currently owns and operates five or more Successful Tax Credit Projects that were Placed in Service after: <ul style="list-style-type: none"> <li>• January 1, 2013 for the 2024 Competitive Round</li> <li>• January 1, 2014 for the 2025 Competitive Round</li> </ul>
<b>Qualified with Conditions</b>	The Certifying Entity satisfies ownership and development experience needed for a “Qualified” determination, but DCA places additional conditions on the development team if there are development, ownership, management, or capacity concerns.
<b>Qualified as Probationary</b>	The Certifying Entity has development experience comparable to fully qualified developers but does not have sufficient ownership interests to fully qualify, so DCA places additional conditions or restrictions on the development team.
<b>Not Qualified</b>	DCA determines the Certifying Entity does not meet the requirements or demonstrate the ability to be Qualified.

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

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

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

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

- A Principal or entity that has left an entity (or Project Team) may use experience gained at that entity to meet qualification requirements.
- The Principal or entity will receive a compliance score (both point deductions and additions) based on the previous entity’s or Project Team’s performance for a period of three years following departure.
- A Principal or entity that has left an entity (or Project Team) and does not want to have a compliance score based on the previous entity’s performance cannot use experience gained at that entity to meet qualification requirements.
- Absent a waiver, a Principal or entity that departs from an existing entity (or Project Team) that has experienced a Significant Adverse Event will be deemed ineligible to participate for the same period of time that **(Scoring) Compliance Performance** deductions apply to Significant Adverse Events.

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

## Project Team Limitations

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

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

### Minimum Documentation:

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

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

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### Requirements for all Preservation set asides:

- The seller did not, or will not, receive any operating, maintenance, or other reserve funds as a result of or concurrent with the sale of the asset.

## A. USDA Rural Rental Housing Loan (Section 515) Set Aside Requirements

1. For Applications competing under the 9% Credits set aside, USDA-administered Project-based Rental Assurances supports at least 50% of units in the proposed development
2. For Applications competing under the 4% Credits/Bonds Competitive Round Portfolio set aside, the Application proposes Preservation of at least three hundred units. DCA reserves the right to lower this minimum.

### Minimum Documentation:

- Documentation from USDA evidencing all applicable requirements

## B. RAD Set Aside Requirements

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

### Minimum Documentation:

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

## C. Housing Tax Credit Set Aside Requirements

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

### Minimum Documentation:

- Existing LURC.

## D. HUD Rental Assistance Set Aside Requirements

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

**Minimum Documentation:**

- Direct evidence of HUD rental assistance.

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

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To be eligible under the non-profit set aside:

- The organization must be a qualified non-profit, defined as a 501(c)(3) or 501(c)(4) organization, which is not affiliated with or controlled by a for-profit organization and has included the fostering of low-income housing as one of its tax-exempt purposes.
- The qualified non-profit(s) must materially participate (as described in IRC Section 469(h)) in the development and operation of the project throughout the Compliance Period.
- The qualified non-profit(s) must own at least 51% of the General Partner's interest in the proposed project and be the managing General Partner of the Ownership entity.
- The non-profit must receive a percentage of the Developer Fee greater than or equal to its percentage of its ownership interest (DCA-certified CHDOs must own 100% of the General Partnership entity).
- The Application includes a copy of the General Partnership joint venture agreement or General Partnership operating agreement that provides the non-profit's General Partnership interest and the Developer Fee amount if the General Partnership is a joint venture.
- IRC Section 42(i)(7) provides nonprofit general partners a Right of First Refusal (ROFR). The ROFR can be used to obtain eventual ownership of the property at a minimum purchase price equivalent to the outstanding debt plus exit taxes. The provision allows nonprofit general partners to gain property ownership as their investors exit after year 15 of the Compliance Period. To ensure that nonprofit general partners are able to exercise their rights under Section 42(i)(7), the Applicant must commit to incorporating an acknowledgment of this right in partnership documents. In order to be eligible, the equity commitment letter and either the Limited Partnership Agreement or a separate ROFR Agreement must include specific language acknowledging the nonprofit general partner's ability to exercise the ROFR. The ROFR Purchase Price must be the minimum purchase price permissible under Section 42(i)(7)(B). DCA will review the LPA or ROFR agreement prior to issuance of Form 8609 to ensure this requirement has been met.

For purposes of this set aside, the term "qualified non-profit" includes any corporation if 100% of the stock of such corporation is held by one or more qualified non-profit organizations at all times.

**Minimum Documentation:**

- An opinion of a third-party attorney who specializes in tax law on the non-profit's current federal tax exempt qualification status (if such an opinion has been previously obtained, this requirement may be satisfied by submitting the opinion with documentation

demonstrating that the non-profit’s bylaws have not changed since the legal opinion was issued).

- If joint venture, copy of Agreement confirming interest and Developer Fee.

## XXI. REQUIRED LEGAL OPINIONS

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- A. A legal opinion regarding the acquisition Credit eligibility is required for projects involving acquisition and rehabilitation. If the project previously received Credits, the legal opinion must include sufficient documentation for DCA to confirm that the Compliance Period has ended.
- B. A legal opinion regarding Credit eligibility is required for projects operated as assisted living facilities.

## XXII. OCCUPIED DEVELOPMENTS

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All proposed developments with residents and non-residential tenants on-site since the earlier of the following dates or events must meet the Application and documentation submission requirements below and in the most current DCA Relocation Manual:

- Waiver Request submission
- Three months prior to Competitive Application deadline
- Submission of application for federal funds

### A. Pre-Competitive Round Approvals

General Information Notices (GINs) must be provided to tenants prior to submitting a Competitive Review Application.

Applicants must submit drafts of these notices to DCA for approval prior to circulating to residents. Please see:

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

### B. Relocation and Displacement of Tenants

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

2. The plan must detail projected start and end dates and construction phasing (if applicable), including projected start and end dates for each phase, when work will be performed on each unit, and distinguish between units requiring relocation, including the necessary length of time for unit rehabilitation.
3. DCA reserves the right to deny in-place rehabilitation to Applications with conditions of funding under VI. Environmental Requirements that reflect potentially unsafe conditions for residents. DCA will engage with the Project Team before issuing any condition, restriction, or prohibition.
4. Applicants must provide advisory services for existing tenants, which may be done by a third party (a non-profit, advocacy group, relocation specialist or Local Government). Applications must include evidence of tenant eligibility for every unit in each building with an existing tenant.
5. Applicants must disclose federal and other funding sources which may trigger additional relocation requirements and provide supporting documentation. Applications for DCA-administered federal funds (including but not limited to HOME, NHTF, CDBG-DR) must meet the requirements of the Uniform Relocation Act and any other applicable laws. Owners may not use DCA HOME Loan draws to finance the relocation costs.
6. RAD Applications must provide a relocation plan and supporting documentation as applicable, meeting RAD requirements. This is inclusive of unoccupied sites selected for RAD Conversion or RAD Transfer of Assistance.
7. In the event condemnation proceedings are pending against a proposed project, DCA's relocation policies apply to all residents and non-residential tenants residing at the property at the earlier of Application Submission or HOME consent request, if applicable.

**Minimum Documentation:**

- All documentation required by the DCA Relocation Manual.

## C. Resident Feedback on Existing Subsidized Housing

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

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

## XXIII. AFFIRMATIVELY FURTHERING FAIR HOUSING

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

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

## XXIV. SUPPORTIVE HOUSING REQUIREMENTS

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### A. Housing Opportunities for Persons with Disabilities

Integrated settings:

- enable individuals with disabilities to interact with non-disabled persons to the fullest extent possible;
- provide individuals with disabilities opportunities to live, work, and receive services in the greater community in a manner similar to individuals without disabilities;

- are located in mainstream society and offer access to community activities and opportunities at times, frequencies, and with persons of an individual's choosing; and
- afford individuals choice in their daily life activities and provide individuals with disabilities the opportunity to interact with non-disabled persons to the fullest extent possible.

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

Proposed developments must meet both of the following:

- No more than 25% of units are reserved for referrals that prioritize or are correlated with disability status.
- DCA will further assess whether a property provides integrated housing based on the Justice Department Statement on Enforcement of the Olmstead Integration Mandate.

In order to ensure that supportive housing developments meet DCA's goals, DCA will review each proposed Application as a whole to determine whether the project constitutes congregate housing for persons with disabilities. Applicants considering submitting an Application for a project that serves persons with disabilities should specifically discuss how the project meets the definition of integration as set forth in the Statement on Enforcement of the Olmstead Integration Mandate in terms of its proximity to community resources and the opportunity for residents with disabilities to interact with non-disabled persons.

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

## B. Operational Requirements

Property Management will:

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

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

## XIII. TENANT SELECTION

### A. Tenant Selection Plan

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

- Screening and selection policies pertaining to criminal history, income requirements, credit background, and eviction reflect the most up-to-date Compliance Manual and federal guidance
- Complies with both of the following:
  - The credit screening criteria will be waived for all applicants (and the additional household members) who receive rental assistance or participate in programs which provide the landlord with the ability to recover any economic losses related to the tenancy.
  - All minimum income requirements must take into consideration the applicant's rental subsidy/assistance. Landlords should either exempt households with rental assistance from the property's income policy in totality or only consider the applicant's out of pocket rental payment and UA when calculating the minimum income requirements.
- Reflects any commitments made by the Applicant under the Competitive Round with tenant selection implications (e.g., **(Scoring) Integrated Supportive Housing**).

#### Minimum Documentation:

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

### B. Federal Guidance Affirmation

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

- For Threshold review, Applicants must sign and submit this Affirmation
- As part of the Final Allocation Application, the property management company must submit both of the following:
  - Signed Affirmation
  - Description of:
    - plan for incorporating the Affirmation into the onboarding process for property management staff
    - existing policies and procedures in place at the company for ensuring staff awareness of federal guidelines pertaining to tenant screening and selection

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

**Minimum Documentation:**

- Signed Federal Guidance for Tenant Selection Affirmation

## **XIV. DCA PBRA AGREEMENT**

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

**Applicability:**

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

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

## **XXV. OPTIMAL UTILIZATION OF RESOURCES**

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

- would result in a waste of DCA resources,
- have an inferior project design or site,
- would result in the unjust enrichment of a Project Team or its member(s)
- where a Project Team member has made conditional promises or financial commitments to a Local Government in order to obtain support.

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

Examples of factors that DCA will consider include, but are not limited to:

- A. Property acquisition and rehabilitation cost versus the cost to demolish and build a similar property in the same market area.
- B. Ratio of acquisition costs versus rehab hard costs.
- C. Work scope for rehabs.
- D. DCA resources allocated to develop each unit.
- E. Effectiveness and aesthetics versus the cost of a mitigation plan.
- F. Efficient and marketable use of the site, considering size and layout, to accommodate the number and type of units and amenities proposed.

- G. Undue enrichment of any Project Participant or contractor particularly where there are Identities of Interest.
- H. Impact on affordable housing stock.
- I. Other uses proximate to the site.
- J. Market information generated by or available to DCA.
- K. Property is already affordable and not a priority for receipt of resources.
- L. Transaction appears to be primarily driven by the transfer of the property.
- M. Per unit costs not reasonable.
- N. Excessive soft costs.
- O. Oversized units.
- P. Number of bedrooms high for proposed market.
- Q. High acreage.
- R. Other factors which are contrary to the policies and objectives of DCA.
- S. Applications that misrepresent sources of funds or attempt to conceal pertinent facts related to the proposed project.

# Exhibits to Threshold Criteria

## A. DCA UNDERWRITING POLICIES

### 1. Annual Operating Expenses

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

- a) *Minimums*. Annual budgeted operating expenses must be no less than the following per unit:
- i. \$5,000 for projects within the City of Atlanta,
  - ii. \$4,500 for projects located in a Metropolitan Statistical Area (MSA) other than the City of Atlanta,
  - iii. \$3,750 for Rural projects in an MSA
  - iv. \$3,250 for non-MSA Rural projects,
  - v. DCA will determine the reasonableness of the budgeted operating expenses for existing housing developments.

Rehabilitation developments must submit detailed historic operating statements breaking out income, vacancy, other income, utilities, taxes, administration/payroll, maintenance, and insurance for the most recent two years. Audited statements must be provided, if available. DCA will not allow Applicants to decrease annual operating expenses after Application Submission.

- b) *Waiver Requests*. Applicants requesting a waiver of the minimum operating expense must submit it at the Waiver Request with the following:
- i. Documentation from the real estate taxing authority of its methodology for determining real estate taxes, and an estimate for the subject project.
  - ii. For new construction: audited operating statements breaking out income, vacancy, other income, utilities, taxes, administration/payroll, maintenance, and insurance) for at least two other projects located in similar areas of the state, with similar characteristics (Affordable, tenancy, building type) for the most recent twelve-month period of stabilized operations. Include the number of units. If comparable projects are not available in the same tax district, make an adjustment for real estate tax expense.
  - iii. Rent projections must be at least 10% below the lower of market or tax credit maximum allowable limits.

## 2. Assumptions for Building/Land Cost

For purposes of underwriting, DCA will limit the building/land cost to the lesser of the sales price or the appraised value of the building(s) and/or land. DCA will use a pro rata of the land to total value based on the appraisal to derive the allowance cost in the development budget.

## 3. Builder Cost Limitations

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

- a) General Requirements are defined as job overhead and cover project-specific overhead expenses. This typically includes:
  - i. Supervision and job-site engineering;
  - ii. On-site job office expenses directly related to the project;
  - iii. Temporary buildings, tool sheds, shops, and toilets;
  - iv. Temporary heat, water, light and power for construction;
  - v. Temporary walkways, fences, roads, siding and docking facilities, sidewalk and street rental;
  - vi. Construction equipment rental not included in trade item costs;
  - vii. Clean-up and disposal of construction debris;
  - viii. Medical and first aid supplies and temporary facilities;
  - ix. General Liability and Builder's Risk Insurance.
- b) General Requirements do not include the following:
  - i. Payment and performance bonds, letter of credit fees, and fees associated with obtaining a construction loan in lieu of payment and performance bond or letter of credit;
  - ii. Site and topographic surveys;
  - iii. Subsurface exploration (test borings);
  - iv. Soil tests, concrete tests, and other construction testing;
  - v. Fees for utility taps and connections;
  - vi. Building permits and licenses;
  - vii. General Contractor's cost certification audit fee.

These will be costs outside of the construction contract and allocated to soft costs.

## 4. Community Service Facilities

The adjusted basis of any community service facility included in eligible basis cannot exceed \$1,250,000. The Application must separately break out costs associated with community service facilities.

## 5. Construction Contingency

For new construction, the construction contingency is limited to a maximum of 5% of the total construction hard costs. For rehabilitation, the construction contingency is limited to a maximum of 10% of the total construction hard costs. For any property funded with GHFA loans, DCA requires a minimum contingency of 3% of the total construction hard costs.

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

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

The Applicant may elect whether to include the construction contingency in eligible basis for the purpose of the credit calculation.

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

- a) DCA will require that developments with debt meet, for fifteen years, a minimum DCR of 1.20 for new construction and 1.25 for rehabilitation (deferred Developer Fee does not count as debt).
- b) For purposes of this test, each year will stand alone. Amounts set aside in a reserve funded in one year may not be withdrawn in a subsequent year to satisfy the debt service coverage ratio that year. Amounts received in one year that exceed the debt service coverage target for that year will not be credited to another year.
- c) All developments with debt must have a minimum Effective Gross Income to Total Annual Expenses (including reserve for replacement) ratio of 1.10 for new construction and 1.15 for rehabilitation.
- d) DCA may reduce credit allocations to Applications with high DCRs and enough cash flow to support debt.

DCA may waive the minimum DCR for USDA 515 developments that clearly demonstrate feasibility or reduce it to match other government program funding requirements if the funding commitment includes confirmation from the agency.

Developments with no debt service will not have a DCR but instead must meet the Effective Gross Income to Total Annual Expenses ratio in subsection (c) above.

## 7. Developer Fee

- a) Consulting fees and guarantor fees are part of the total Developer Fee calculation (does not include green building certifications).
- b) The Developer Fee cannot increase after Application Submission.
- c) The maximum Developer Fees are as follows:
  - \$27,500 per unit for first fifty units
  - \$22,000 per unit for units 51-70
  - \$16,500 per unit for units seventy-one or higher
- d) The Developer Fee for Applications for additional Credits (in the year the project is placed in service) is limited to the original approved Developer Fee.
- e) Notwithstanding anything contained herein to the contrary, the Developer Fee will be limited to a maximum as follows:
  - \$2,285,000 for 9% Credits Applications
  - \$4,000,000 for 4% Credits/Bonds Applications

## 8. Distribution across Unit / Bedroom Sizes

- a) Projects with a multi-tiered rent structure must distribute the rents across unit sizes, unit types and buildings. Units float in the same way as high and low HOME rent units so long as the units and interior amenities are comparable.
- b) To the maximum extent feasible, accessible units must be distributed across unit sizes, unit types and buildings.

## 9. Identity of Interest

- a) Applications must disclose any Identity of Interest between any Project Participant or General Contractor and any subcontractors, other provider of service or materials.
- b) All financing terms and conditions must be reasonable, customary and consistent with industry standards.

## 10. Local Government Fees

The development budget must include all documented water tap, sewer tap, impact and building permit fees (these cannot be part of General Requirements).

## 11. Management Fee

The operating budget must specify a reasonable management fee. DCA will review the terms of the management agreement if the property is self-managed or if there is a related party relationship. DCA may limit or adjust management fees. Fee sharing is not allowed.

## 12. Operating Deficit Reserve

All developments must budget for and fund operating deficit reserves at or before Conversion. The operating deficit reserve must be held for the Compliance Period. The required amount is six months of operating expenses plus six months of debt service unless DCA makes an adjustment. If the investor requires a higher operating deficit reserve, DCA will utilize the higher of the two requirements for underwriting.

## 13. Permanent Debt Financing

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

## 14. Rent-Up Reserves

Applications must include a reasonable rent-up reserve (excluding marketing costs) of three months of projected operating expenses. After lease-up, Owners will transfer any funds remaining in this reserve the operating deficit reserve or used to pay any deferred Developer Fee.

## 15. Replacement Reserve

- a) Applications must include a Replacement Reserve. Owners must make contributions to the account, starting at or before the permanent loan closing, for the longer of the term of the HOME loan, Period of Affordability or Compliance Period.
- b) The minimum required contribution is the greater of the following or what is indicated in the Replacement Plan:
  - Rehabilitation: \$400 per unit per year
  - New Construction: \$300 per unit per year
  - Single Family Units/Duplexes: \$470 per unit per year
  - Historic Rehabilitation \$420 per unit per year
- c) Owners may use Replacement Reserve funds only for Capital Improvements (substantial improvements to the real estate such as re-roofing, structural repairs, or major projects to replace or upgrade existing furnishings) not including replacement of individual appliances or minor repairs or general maintenance expenses. DCA may approve less restrictive provisions required by Lenders.
  - Replacement Reserve contributions must escalate 3% per year.
  - For Rehabilitation Projects, DCA will adjust the Replacement Reserve based on the PNA to reflect reasonable and customary capital and replacement expenditures, and will continue to do so during the term of the DCA funding, if necessary.

## 16. Revenue, Vacancy, and Expense Trends

Applications will trend revenue at 2% per year and operating expenses at 3%. DCA will underwrite vacancy and collection loss at the higher of 7% or a percentage DCA determines is appropriate.

## 17. Soft Cost Contingency

DCA will not allow a "soft cost" or "total project" contingency above the allowed construction contingency.

## 18. State Tax Credit

DCA will not allocate state tax credits to a project that shows a price less than the reasonable fair market price for credits.

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

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

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

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

### 1. Contractor Change Orders

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

### 2. Construction Commencement

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

### 3. Construction Contingency

Owners must use any unused balance in the construction contingency at the time of Conversion to reduce the principal amount of the HOME Loan or the senior lender loan as appropriate.

### 4. Construction Hard Cost Financing

HOME Loan funds must be used to finance construction hard costs, General Requirements (exclusive of payment and performance bonds), Builders Overhead and Builder's Profit. Other sources must cover soft costs, acquisition costs and other project costs unless expressly approved by DCA.

### 5. Construction Loan Recourse

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

### 6. Conversion

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

### 7. Developer Fee Disbursement Limitations

The maximum amount of the Developer's and Consultant's Fee (if applicable) that can be drawn before Project Completion must not exceed the total Developer Fee requested less any portion being deferred times 50%. None of the Developer's profit will be disbursed until Conversion.

## 8. Draws

HOME Construction Loan proceeds will be disbursed on a draw basis during the construction period. The HOME loan documents will describe the policies and procedures for obtaining a draw.

## 9. Fixed or Floating Unit Designation

If the Applicant fails to make an election at the time of loan commitment the HOME assisted units will be "floating".

## 10. General Contractor

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

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

- a) A resume on the General Contractor's Construction Experience that demonstrates a history of having performed work of the scope and type required for the development (low-income housing, tax credit, multifamily, number of projects, number of units, location of projects, capacity of involvement).
- b) Three letters of reference with contact information (name, address, email, phone and facsimile numbers).
- c) Affidavit that the Contractor is not on the HUD list of contractors debarred or not approvable for prior noncompliance with HUD or DCA requirements.
- d) A statement as to whether the General Contractor has any lawsuits pending, has ever declared bankruptcy or has any pending unresolved claims.
- e) A statement as to whether the General Contractor has been bonded within the last three years; if bonded, include amount and by what entity.
- f) The General Contractor's Schedule of Work in Progress which details current projects under construction and estimated timeline for completion.
- g) General Contractor's Estimate of Construction Time for the project.
- h) Evidence of the extent to which the General Contractor is bondable.
- i) A complete AIA A305 General Contractor Qualification statement.
- j) Evidence that the General Contractor carries Comprehensive General Liability and Worker's Compensation insurance in the amounts specified in the Construction Contract or the DCA Insurance Manual, whichever is the most restrictive, along with evidence of insurance that meet the State of Georgia minimum requirements.
- k) A statement identifying all identities of interest with Project Participants and subcontractors/vendors where the value of the work subcontracted or purchased is expected to exceed \$50,000.
- l) A copy of General Contractor's license.

## 11. Guarantees

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

## 12. Intercreditor Agreements

GHFA will execute an intercreditor agreement when it is not the only construction lender on a project. At a minimum, the intercreditor agreement will contain at least the following:

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

## 13. Loan Documents

GHFA and the borrower will enter into written agreements with the terms and conditions of the HOME Loan and all other closing or loan documents DCA deems necessary or desirable to document the HOME Loan.

## 14. Loan Terms

The principal amount of the HOME construction loan and HOME permanent loan for a project will be the same. DCA will not charge interest during the construction loan period. Construction loan terms will be based upon the projected construction and lease-up schedule, as determined from the Application and DCA's underwriting. The interest rate on the permanent loan will be no less than 1% for the full loan term. Permanent HOME Loans will be fully amortizing, with maturity and amortization periods ranging from twenty to thirty-five years.

## 15. Non-Fully Amortizing Loans

Non-fully amortizing Balloon Loans are available for projects in Rural areas. DCA will set the term with monthly principal and interest payments and a balloon payment due at maturity. Borrowers must pay the outstanding interest and a portion of the principal every year (no negative amortization).

## 16. Excess Cash Flow Reserve

For all permanent non-fully amortizing Rural HOME Loans the borrower will deposit one-half of the cash flow from the project (after payment of all debt service, approved deferred Developer Fee payments and investor asset management fees) into an interest bearing reserve account. DCA must approve the holder of the reserve account and the terms under which it will be held. Third party 'cash flow' loans secured by the project will be repaid from cash flow remaining after

this annual deposit. Funds held in the reserve account will be used only for principal reduction of the HOME Loan and will be credited towards the HOME Loan balance on an annual basis.

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

DCA will review the financial status and capacity of the owner and/or developer as well as their current credit rating at the time of underwriting and may result in a requirement for additional guarantors and/or partners, reserve accounts, and/or repayment term adjustments.

#### **18. Operating Deficit Reserve**

The operating deficit reserve for HOME loans must be held by DCA or the senior lender and must remain in place for the term of the HOME Loan or the Period of Affordability, whichever is longer. All withdrawals from the operating deficit reserve must be requested in writing and approved in advance by DCA. Interest earned on the operating deficit reserve account shall be added to the account as an additional contribution and will not be credited against the required monthly cash contributions.

#### **19. Over-Income Resident Restrictions**

Upon re-certification of a previously eligible resident, if the resident's income exceeds 60% of AMI, then the resident's rent must be increased to the lesser of: 30% of the resident's adjusted annual income, HUD's fair market rent limitations, or the maximum amount allowable by the Code, not to exceed limitations set by state or local laws (if any) or to be decreased under the established rent floor.

#### **20. Owner-Contractor Agreements**

Developments where the Owner is not also the General Contractor must use an AIA Standard Form Agreement between Owner and contractor, with Standard Form Terms and Conditions. The contract can either be stipulated sum or cost plus a fee with a maximum.

#### **21. Partnership Agreements**

The partnership or operating agreement and any amendments must be fully executed prior to the HOME Loan closing and must reflect the terms of the HOME Loan transaction on all material points. After the HOME Loan closing, the partnership or operating agreement may not be further amended without GHFA's prior approval.

#### **22. Payment and Performance Bonds**

Borrowers must secure a 100% payment and performance bond for all developments with HOME Loans; DCA must approve the issuer and terms. DCA may grant a waiver if the contractor cannot obtain a bond due to an Identity of Interest and: the Owner agrees to provide a construction completion guaranty and payment guarantee, secured by a letter of credit from a federally-insured institution with a value of at least 50% of the total construction cost, including profit and overhead.

Refinancing. DCA HOME loans cannot be used to refinance or payoff an existing loan. Proceeds from permanent HOME loans can be used to pay off construction, bridge and predevelopment loans provided that the HOME assistance is part of the original financing package.

### 23. Replacement Reserve Withdrawals

DCA must approve all withdrawals from the Replacement Reserve account in advance. If the replacement reserve is held by the senior lender, the account must be maintained in an FDIC-insured financial institution. Interest earned on the Replacement Reserve account will be added to the account as an additional contribution and will not be credited against the required monthly cash contributions. Replacement Reserves are only for capital expenditures, not operating deficits. Requests for replacement reserve withdrawals must be made within ninety days of the capital expenditure. "Capital Improvements or Capital Expenditures" mean substantial improvements or expenditures for substantial improvements to the real estate, for items such as re-roofing, structural repairs, or major projects to replace or upgrade existing furnishings. Capital Improvements do not include replacement of individual appliances or minor repairs.

### 24. Construction Draws and Retainage

#### a) Construction Draws:

- i. Construction draws must be drawn as set forth in the Loan documents.
- ii. Draws of HOME loan proceeds may be submitted no more frequently than quarterly.
- iii. Borrowers must submit draws from other sources and any change order requests monthly concurrent with the request to other sources and prior to any work related to the change order request.

#### b) Retainage:

The loan agreement between the Project Owner and GHFA will provide that GHFA will retain the greater of 5% of the original GC contract amount until the conditions of the final draw are met.

In addition, the contractor is required to show retainage on the AIA G702/703 as follows:

- If the project completion is 0-50.0% of the General Contractor's contract sum, the AIA G702/703 must show at least 10% retainage on the current month's work completed to date.
- If the project completion is 50.1-100% of the General Contractor's contract sum, the AIA G702/703 must show at least 5% retainage on the entire contract sum.

The construction contract must provide and the contractor must acknowledge that GHFA has the right to withhold such retainage and that the retainage will not be disbursed until full and final completion of the construction and all conditions of the final draw are met.

### 25. Loan Modifications

DCA will consider loan modifications during the course of the HOME Loan based on a demonstrated major economic impact beyond the Owner's control.

## 26. Stored Materials

DCA must approve the use of HOME funds to cover the cost of stored materials that will not be incorporated into the construction within thirty days from the date of purchase.

## 27. Subsidy Layering Review

DCA will perform subsidy-layering analysis for HOME funded projects prior to preliminary commitment, closing, and issuing Form(s) 89609.

## 28. Syndicator Asset Management Fee

Syndicator asset management fees will be paid after HOME debt service.

## 29. Tri Party Agreements

DCA requires a Tri Party Agreement for all DCA HOME Loan transactions involving another permanent lender that is not financing construction costs. The Agreement must state, at a minimum, that the permanent lender has reviewed and approved the DCA HOME Loan documents, plans and specifications, development budget, resident lease, environmental assessment, construction contract, title exception legal description, management agreement, partnership agreement, borrower's certificate of limited partnership, survey, appraisal, form of subordination agreement, State of Georgia Qualified Allocation Plan and items necessary to satisfy the permanent commitment regarding completion of construction of the improvements of the collateral property.

## 30. Inspections

All costs incurred for DCA HOME property inspections will be the responsibility of the Borrower – including, but not limited to, inspections at Draws and Final Draw and other inspections required if a property is improperly maintained.



STATE OF GEORGIA  
2024-2025  
QUALIFIED ALLOCATION PLAN

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# Scoring Criteria

## I. DOCUMENTATION AND DATA

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### A. Minimum Documentation

Applications without Minimum Documentation and any other documents necessary to determine the Application meets the subsection criteria will not be eligible for the points. Applications must explain any alternate document to a minimum document.

### B. External Data Sources

Unless specified otherwise within the section, the following applies for any Scoring Criteria data that is administered by entities other than DCA:

- By default, Applications qualify for points based on the most up-to-date information available as of:
  - November 1, 2023 for the 2024 Competitive Round.
  - November 1, 2024 for the 2025 Competitive Round.
- If updates are conducted between this date and the Application Submission Deadline, the Applicant may claim points based on either the original or updated data.
- If an external source publishes a data update based on a methodology that differs from the original data referenced in the QAP and this change would have a substantively different impact on Scoring outcomes relative to the prior version, DCA will publish any changes to documents or policies reflecting the new methodology for a thirty-day public comment period prior to formal implementation.

## II. APPLICABILITY OF SCORING CRITERIA

	New Affordability		Preservation	
	9%	4%/Bonds	9%	4%/Bonds
<b>Extended Affordability Commitment</b>	✓	✓	✓	✓
<b>Minority- and Women-Owned Business Engagement</b>	✓	✓	✓	✓
<b>Favorable Financing</b>	✓	✓	✓	✓
<b>Compliance Performance</b>	✓	✓	✓	✓
<b>Integrated Supportive Housing</b>	✓	✓	✓	✓
<b>Readiness to Proceed</b>	✓	✓	✓	✓
<b>Deeper Targeting/Rent/Income Restrictions</b>	✓	✓	✓	✓
<b>HCV and PHA Notices</b>	✓	✓	✓	✓
<b>Desirable/Undesirable Activities</b>	✓	✓		
<b>Community Transportation Options</b>	✓	✓		
<b>Quality Education Areas</b>	✓	✓		
<b>Revitalization/Redevelopment Plans</b>	✓	✓		
<b>Stable Communities</b>	✓	✓		
<b>Community Designations</b>	✓	✓		
<b>Phased Development</b>	✓	✓		
<b>Previous Projects</b>	✓			
<b>Housing Needs Characteristics</b>	✓			
<b>Economic Development Proximity</b>	✓			
<b>Mixed Income Developments</b>	✓			
<b>Historic Preservation</b>	✓			
<b>Enriched Property Services</b>	✓		✓	
<b>DCA Community Initiatives</b>	✓		✓	
<b>Preservation Scoring Criteria</b>			✓	✓

## Site Characteristics Scoring for 4% Credits/Bonds New Affordability Competition

Applicants may claim points in any of the below Scoring Criteria related to site characteristics. However, no more than **thirty-three (33) points** overall from these criteria will contribute towards the Application score:

- Desirable/Undesirable Activities
- Community Transportation Options
- Quality Education Areas
- Revitalization/Redevelopment Plans
- Stable Communities
- Community Designations

### III. EXTENDED AFFORDABILITY COMMITMENT

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#### Up to 6 Points

Applicants may claim points in either A or B. Applicants claiming points in A may also claim **one (1) point** in C.

#### A. Waiver of Qualified Contract Right – Up to 5 Points

1. **Five (5) points** to Owners willing to forgo the Qualified Contract "cancellation option."
2. **Three (3) points** to Owners willing to forgo the Qualified Contract "cancellation option" for at least ten years.
3. **One (1) point** to Owners willing to forgo the Qualified Contract "cancellation option" for at least five years.

#### B. Resident Ownership – 1 Point

**One (1) point** to Owners that commit to submit a plan for resident ownership at the end of the fifteen-year Compliance Period outlining the Applicant's exit strategy, calculation of the estimated affordable purchase price for the unit occupied by the resident, pre-purchase homeownership counseling, and how the resident's down payment will be managed. Only single-family styled units are eligible for these points. The Applicant must own all sites (long-term leases are unacceptable).

##### Minimum Documentation:

- Documents meeting the above requirements.

## C. Waiver of Qualified Contract Right and Right of First Refusal – 1 Point

Applicants are only eligible under this subsection if also claiming points under subsection A. *Waiver of Qualified Contract Right.*

**One (1) point** to Applicants for committing to provide a right of first refusal to a qualified nonprofit organization or a local housing authority (or a wholly-owned subsidiary) if the Owner elects to transfer an interest in the property during the Compliance and Extended Use Period in accordance with DCA requirements and Section 42(i)(7) of the Code. Applicants may demonstrate commitment by any of the following:

- a) the Application complies with the ROFR provisions in **(Threshold) Eligibility for Credit Under the Non-Profit Set Aside**
- b) the Application provides a ROFR comparable to the above to a PHA co-owner
- c) the Application commits to abide by the DCA Right of First Refusal Process included as Exhibit A to Scoring Criteria

If an Application claims points based on (a) or (b) at the time of Application Submission, but the associated nonprofit or PHA relinquishes its ROFR at any point during the Compliance or Extended Use Periods, the Applicant must comply with (c).

All Applicants are eligible to receive points under this category, regardless of whether the sponsor is a nonprofit or a for-profit organization. Ownership transfers for the purposes of resyndication will not trigger the right of first refusal.

## IV. MINORITY- AND WOMEN-OWNED BUSINESS ENGAGEMENT

### 2 points

Applicants may claim points in either A or B.

For purposes of this section, a Qualified Business (QB) is a certified minority- or woman-owned organization. The following requirements must be met:

- The QB meets one of the following:
  - QB self-certifies as a minority- or woman-owned business (for-profit entities)
  - A majority of QB board members self-certify as a minority or woman (nonprofit entities)
- QB conducts business in housing or real estate, evidenced by the respective NAICS Codes.
- QB is not a Related Party to an individual or entity that has sufficient experience to receive “Qualified” or “Qualified with Conditions” designations (see **(Threshold) Project Team Qualifications**).

## A. Engagement Commitment and Reporting – 2 points

Applicant commits to:

- Engage QBs in the development (soft and/or hard costs) or operation of the proposed property in amounts equal to approximately 10% of total construction hard costs as certified by the Independent Auditor Report in the Final Allocation Application.
- Submit a report with Final Allocation Application describing these efforts. This report would detail successes, obstacles, and other notes pertaining to the Applicant’s attempts to follow through on this commitment.

## B. Project Team Eligibility – 2 points

One or more members of the Project Team is a QB. The following additional requirements must be met:

- QB has a minimum 15% ownership in the Developer or General Partner entities.
- QB must receive a percentage of the Developer Fee greater than or equal to its ownership interest percentage.
- QB has insufficient experience to be eligible for “Qualified” or “Qualified with Conditions” designations (see **(Threshold) Project Team Qualifications**).
- If the QB partners with an entity designated as “Qualified” or “Qualified with Conditions” under **(Threshold) Project Team Qualifications**, the Applicant certifies that the QB will be demonstratively and actively engaged in the oversight, management, and execution of the proposed property.

### Minimum Documentation:

- If claiming points under B:
  - DCA Self Certification Form for all relevant entities and/or board members
  - For non-profit entities, a full list of QB board members
  - Draft Co-Developer/Draft Co-Venture agreement confirming the Developer Fee interest percentage

## V. FAVORABLE FINANCING

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### Up to 5 Points

Applicants may claim points in A and/or B.

### Pre-Requisites

- Funding or assistance provided must be binding and unconditional except as set forth in this section.

- Resources must be utilized if the project is awarded.
- Only loans that will be used for both construction and permanent financing phases are eligible.
- Loans must be for a minimum period of ten years at or below long-term monthly AFR. DCA may include any fees in the calculation of the overall interest rate. Commitment or award documentation must meet the terms and conditions specified in Threshold Criteria, Section I (permanent financing, equity, deferred Developer Fee and other financing commitment).

Except where stated otherwise, all permanent sources of funds received from an entity or related party must meet the pre-requisites above.

## A. Qualifying Sources for Favorable Financing – Up to 4 points

1. Federal Home Loan Bank Affordable Housing Program (AHP).
2. Replacement Housing Factor funds (RHF) or other HUD public housing improvement fund.
3. HOME funds.
4. HOME-ARP funds.
5. Beltline Grant/Loan.
6. Historic tax credit proceeds.
7. Community Development Block Grant (CDBG) program funds.
8. Special Purpose Local Option Sales Tax (SPLOST) funds.
9. National Housing Trust Funds.
10. TCAP loans passed through a Qualified CDFI revolving loan fund (only have to meet the first two pre-requisites listed above).
11. Foundation grants, or loans based from grant proceeds that meet the following legal and financial requirements:
  - a) Must be a private foundation as defined in the US Tax Code 26 USCA 509 or a community foundation accredited by the National Standards for U.S. Community Foundations.
  - b) The foundation is not related to any Project Participant and has a history of supplying grants to affordable housing developments.
12. Other Federal, State, or Local Government grant funds or loans. Loans under this category are ineligible if originated by a conventional bank.

With the exception of PHAs, no Project Participant or affiliate may guarantee, fund, advance, or otherwise provide direct or indirect funding for the purpose of an Application claiming points in this category.

If the seller of the land/property (or any related party) is providing funds to finance the development and claiming these points, the sales price will be reduced from the total funds provided.

***Point Scale.*** The total amount (combined) of all new loans and/or new grants will qualify for points according to the table below. Applicants have the option to claim points based either on an amount per unit or overall amount, as indicated in the below table:

Points by Qualifying Sources Amount			
<b>Total funding amount</b>	\$500,000 to \$999,999	\$1,000,000 to \$1,999,999	\$2,000,000 or more
<b>OR</b>			
<b>Amount per unit</b>	\$10,000 to \$19,999	\$20,000 to \$29,999	\$30,000 or more
<b>Points if financing is NHTF or HOME-ARP</b>	2	3	4
<b>Points for all other qualifying sources</b>	1	2	3

**Minimum Documentation:**

- Commitment letter for such new loan and/or grant and/or historic tax credit equity commitment letter, which includes a description of the use of the proceeds for the qualifying source;
- A copy of the Georgia DNR-HPD and NPS approved Part 1, Part 2 and the Georgia-approved Part A (for historic tax credits only).

## B. Property Cost Reduction – Up to 1 Point

Applicants may claim points under one of the below options.

### Private Enterprise Agreement

**0.5 points** if a Private Enterprise Agreement will reduce property taxes.

**Minimum Documentation:**

- Preliminary Private Enterprise Agreement
- A legal opinion confirming that the relevant authority is allowed to engage in the agreement and the agreement will result in reduced property taxes.

### Long-term Ground Lease

**One (1) point** for Applications receiving a long-term ground lease of no less than forty-five years from a local PHA, government entity, or community land trust for no more than \$100 per year and no other land costs. Leases can only be considered for points under this sub-section. No funds other than what is disclosed in the Application may be paid for the lease either directly or indirectly. The Lessor must be willing to execute the tax credit Land Use Restriction Agreement in order to qualify for points in this section.

**Minimum Documentation:**

- A binding long-term executed ground lease or an executed option for a binding long-term ground lease, that provides the right for the Applicant to execute a binding agreement upon closing, with a minimum term of forty-five years.
- If community land trust is the lessor, articles of incorporation or bylaws detailing land stewardship and resale restrictions.
- Letter from Lessor that states it will execute the Land Use Restriction Covenant.

## VI. COMPLIANCE PERFORMANCE

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### Up to 10 Points

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

### Compliance Score: Determination and Applicability

1. Compliance score deductions are based on the compliance and performance history of the Certifying Entity(s) and each Project Team member for which both of the following apply:
  - Has a 20% or more interest in the General Partner and/or Developer entities of the proposed development.
  - Had effective control in the General Partner and/or Developer entities of the non-complying properties at the time of non-compliance. Effective control means having a majority interest in the General Partner and/or Developer or being a managing member of a limited partnership or single purpose entity, or limited liability company.
2. Negative compliance history of an entity is not negated by the resignation or removal of a Principal or selling of a noncompliant Property.
3. If a Principal withdraws from an entity with a negative compliance history, the departing Principal must claim the history for three years following the date of leaving the company.

### A. Calculation of Point Deductions

#### 1. Significant Adverse Events (SAE)

A **five (5) point** deduction for the occurrence of each SAE for which a waiver was granted or renewed, as listed in the Performance Workbook and Questionnaire.

#### 2. Adverse Circumstances (AC)

A **two (2) point** deduction for each unique instance of Adverse Circumstance, as listed in the Performance Workbook and Questionnaire.

**Minimum Documentation:**

- Copy of completed Performance Workbook and Questionnaire
- Waivers related to any Point Deductions must be requested during the Project Team Qualifications process. The document issued by DCA granting the Waiver must be included in the Compliance Performance Tab as part of the Application.

**B. Calculation of Point Additions**

The following points may be added back to the Compliance Score if the score after Point Deductions is **less than ten (10) points**. Applicants must provide documentation of Successful development and current ownership.

DCA may add Point Additions if any of the designated Project Team members can demonstrate having successfully developed and currently owns the listed number of Federal Credit or HOME properties. Applicants are eligible for only one of the following:

1. **One (1) point** for seven
2. **Two (2) points** for 8-10
3. **Three (3) points** for 11-15
4. **Four (4) points** for 16-20
5. **Five (5) points** for more than twenty

**Minimum Documentation for Point Additions:**

- Listing of Successful Affordable Developments owned by the Project Team.
- If applicable, a copy of the letter issued by DCA granting the SAE waiver.
- Information DCA requests regarding the properties in question.

**VII. INTEGRATED SUPPORTIVE HOUSING****Up to 5 Points**

- Applicants may claim points in either A or B.
- Applicants may claim points in C alone or in addition to either A or B.

**A. Supportive Housing Referrals – Up to 3 Points**

The proposed development will reserve a percentage of units to prioritize referrals from DCA-approved entities that serve the area as determined by an MOU that must be executed following selection under the Competitive Round.

The following requirements must be met:

- The percentage of reserved units must be at least 10%.
- The number of units that are accessible and adaptable, as defined by the Fair Housing Amendments Act of 1988, must be at least as many as the number of units reserved for referrals.
- The Applicant agrees to the requirements and procedures outlined in **Exhibit B to Scoring Criteria** (“Supportive Housing Referral Commitments”).

Applicants may claim points under one of the following options.

### Referrals without Project-based Rental Assistance Contract – 2 Points

The Applicant agrees to hold units vacant such that the referring entit(ies) have at least ninety days at initial occupancy and forty-five days at turnover to refer tenants to vacant units, up to the agreed-upon percentage.

### Referrals with Project-based Rental Assistance Contract – 3 Points

The Applicant:

- agrees to restrict the reserved units to 30% AMI or lower
- has secured preliminary commitments for Project-based Rental Assistance contracts for the supportive housing units and:
- the rental assistance provider commits to pursue approval for selection preferences consistent with the referral process outlined in the MOU(s), once executed
- the rental assistance contract term is for at least fifteen years with an option for renewal

#### Minimum Documentation:

- If claiming points for rental assistance contracts:
  - Preliminary commitment for rental assistance executed by authorized regulatory agency, including commitment to pursue approval for preferences consistent with the MOU(s)

## B. Tenant Selection Preference – 1 Point

DCA will award points to Applications with a commitment of HUD Section 8 Project-based Rental Assistance from a PHA which has elected to offer a tenant selection preference in their tenant Voucher programs for persons with specific disabilities identified in the Settlement Agreement (#1:10-CV-249-CAP). Applicants must commit to designating a tenant selection preference for a minimum of 15% of the total units for persons with specific disabilities identified in the Settlement Agreement (#1:10-CV-249-CAP).

The PHA must have received HUD’s approval of the tenant selection preference and of the waiver(s) of the HUD regulation(s) prohibiting preferences for persons with specific disabilities or diagnoses (specific regulation(s) to be waived depend(s) on the housing resources that will be subject to the preference). Preference must be approved for, or the PHA must have received approval to renew the preference for, at least five years from the Application Submission

Deadline or until the State of Georgia has met its housing obligations under the terms of the Settlement Agreement.

The PHA must provide associated rental assistance for no less than five years from the Application Submission Deadline date. The agency or project owner must keep a separate waiting list for the target population.

**Minimum Documentation:**

- Commitment for PBRA executed by authorized regulatory agency.
- The PHA Administrative Plan allowing for the tenant selection preference
- Documentation demonstrating HUD’s review and approval of the terms and structure of the preference and waiver(s) of the HUD regulation(s) prohibiting preferences for persons with specific disabilities or diagnoses.
- If applicable, documentation demonstrating HUD’s approval to renew the preference.

## C. DCA PBRA Commitments: Prior Performance – 2 points

DCA automatically assigns **two (2) points** to Applications under this section. DCA applies a **two (2) point penalty** in accordance with the procedures below.

This section applies to properties for which:

- The Applicant has a controlling interest in the General Partnership
- The Applicant has agreed to contract with DCA PBRA under a prior QAP

For such properties, DCA will assess whether:

- Property contacts have responded to DCA staff seeking to initiate a PBRA contract within the timeframes communicated
- DCA-assisted prospective residents do not face barriers in applying for a unit above those experienced by non-DCA-assisted prospective residents

If DCA identifies either of the above concerns, DCA staff will:

- Notify the Applicant at least 120 days prior to the Application deadline of the concern(s).
- Communicate corrective steps the Applicant can take to avoid receiving a **two (2) point penalty** under this section.

## VIII. READINESS TO PROCEED

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### Up to 13 Points

#### A. Readiness to Proceed Documents – Up to 13 Points

Applicants receive points for each set of documents below. Where applicable, documents must be prepared in accordance with the associated manual.

If selected under the Competitive Round, documents submitted for **Readiness to Proceed** do not need to be updated again for purposes of Threshold review, provided the part of the development proposal relevant to the document has not changed. If the relevant part of the development proposal changed, the document must be updated for Threshold review.

Where applicable, each document must be executed and dated prior to the Competitive Application deadline.

In all cases where a document set is not applicable to the development (e.g., if a requirement does not pertain to the construction type), the Application will receive full points for the associated document(s).

- **(Five (5) points)** Both of the following are included:
  - All Minimum Documentation listed under **(Threshold) Site Control**
  - All Minimum Documentation listed under **(Threshold) Site Zoning**, if the proposed development involves new construction or Adaptive Reuse.
- All Minimum Documentation required under each of the following Threshold sections, if the proposed development involves new construction or Adaptive Reuse.
  - **(One (1) point)** Public Water/Sanitary Sewer
  - **(One (1) point)** Operating Utilities
- **(One (1) point)** All Minimum Documentation listed under **(Threshold) Site Information and Conceptual Site Development Plan**
- **(One (1) point)** Preliminary financing commitments
- **(One (1) point)** Phase 1 Environmental Site Assessment
  - If selected under the Competitive Round, the Phase 1 must be updated to meet all DCA Environmental Manual requirements for Threshold review.
- **(One (1) point)** Estimate of development costs from a General Contractor
- **(One (1) point)** Market study
- **(One (1) point)** Physical Needs Assessment, if the proposed development involves rehabilitation of existing housing.

## B. Readiness to Proceed Narrative – Points Not Applicable

This subsection applies to 4% Credits/Bonds Applications only.

Most tiebreakers are administered by DCA based on analysis of Competitive Round outcomes and external data. This tiebreaker relies on additional information provided by Applicants.

For purposes of this tiebreaker, “readiness to proceed” refers to how quickly the development will be able to commence construction. Applicants should detail the extent to which the proposed development is ready to proceed as it pertains to elements of the pre-construction process not already captured through Threshold Criteria or Scoring Criteria in the QAP.

To be considered under this section, Applicants must provide a narrative detailing any aspects of development readiness that the Applicant believes DCA should consider along with supporting evidence.

**Minimum Documentation:**

- Evidence supporting the narrative

## IX. DEEPER TARGETING/RENT/INCOME RESTRICTIONS

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### Up to 3 Points

Applicants may claim points under either A or B.

Owners will be required to execute restrictive covenants stipulating the number of very-low rent-restricted units to be rented to very-low-income households for the term of the Compliance Period.

The overall AMI percentage will be calculated based on the total residential units. (Common spaces and employee units will not be included in the total residential units).

4% Credits/Bonds Applications are only eligible to claim points under subsection B.

### A. Deeper Targeting Through Rent Restriction – 2 Points

**Two (2) points** to Applications with an overall property area median income, calculated based on the imputed income and rent limitations (20%, 30%, 40%, 50%, 60%, 70%, 80%) for each affordable unit, equal to or less than 58%. Applicants may do so by utilizing either

- income averaging, or
- the 40% at 60% minimum set asides and targeting units at lower levels.

PBRA and public housing units can be used to claim points in this category.

### B. Deeper Targeting Through PBRA Contracts – 3 Points

**Three (3) points** to Applications with an award of government-funded Project-based Rental Assistance (PBRA). Applicants shall be eligible for points in this category provided all of the following requirements are met:

- PBRA is for at least 20% of total residential units (common spaces and employee units will not be included); and

- PBRA contract has a minimum term of ten years remaining at the time of Application submission.

**Minimum Documentation:**

- Preliminary commitment for rental assistance executed by authorized regulatory agency.

## X. HCV AND PHA NOTICES

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### 2 Points

Section 42 of the IRC requires an allocating agency to give preference to owners that agree to utilize the PHA waiting list to identify households to fill vacant units.

Upon receiving Certificates of Occupancy:

- Applicant commits to register to be a participating landlord with the local Housing Choice Voucher (HCV) administrator
- If the local PHA is not the HCV administrator for the area, Applicant further commits to inform the local PHA of the opportunity to refer eligible households on the PHA waiting lists to the property

Evidence of the above registration and written communications must be submitted with the Final Allocation Application.

Applicant further commits to make on-going efforts to request that the PHA and HCV administrator make referrals to the proposed development, or request they include relevant information about the proposed development on any listing made available to persons on their waiting lists.

## XI. DESIRABLE/UNDESIRABLE ACTIVITIES

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### Up to 20 Points

#### A. Desirable Activities

Applications will earn points for each desirable activity/characteristic category as set forth below, up to a maximum of **twenty (20) points** under this section.

## 1. Requirements

- a) Driving or walking routes must originate from geo-coordinates of the pedestrian or vehicle site entrance and end at the geo-coordinates of the desirable amenity.
- b) Each building/entity/location will be assigned to only one desirable category, with the exception of an amenity under (a), (c), or (l) below, which may be assigned to up to two desirable categories. (Example: a public park may have a gymnasium and/or a swimming pool, or a supermarket may have a pharmacy).
- c) Desirable characteristics that are under construction may be eligible for points if the construction site is clearly active and the new structures are above ground at the time of Applicant Submission.
- d) For Scattered Site Projects, points will be awarded based on the site furthest from the desirable amenity.

## 2. Eligibility

The following Desirable activities/characteristics are eligible for points:

Category	Item	Amenity	Points Group
Retail & Restaurants	a	National big box general merchandise store, typically with a minimum of 50,000 square feet of floor space (e.g., Wal-Mart, Target, Costco, BJ's, Sam's Club)	1
	b	Retail/clothing/department store (full range of clothing/household items)	2
	c	Supermarkets and grocery stores with meat, dairy, and produce (high-end specialty stores and convenience stores not eligible)	1
	d	Restaurants	2
Medical Care	e	Hospital (outpatient centers or emergency care facilities not eligible)	1
	f	Medical care provider (e.g., clinic, physician/dental office)	1
	g	Pharmacy	1
Education & Child Care	h	Childcare service licensed by Georgia Dept. of Early Care and Learning	1
	i	Institution that is part of the Technical College System of Georgia	2

Category	Item	Amenity	Points Group
	j	Elementary, middle, or high school	1
Community Assets	k	Traditional town square which includes an operational anchor institution (e.g., county courthouse, city hall) and which serves as a hub for both commercial activity and community events (only applicable to Rural properties)	1
	l	Community or recreational center (e.g., YMCA, Boys & Girls Club, public pool, public gymnasium, senior community or multipurpose facility)	1
	m	Public park/public community garden greater than 25,000 square feet	1
	n	Public park/public community garden less than 25,000 square feet	2
	o	Public library	1
	p	Fire station or police station	2
	q	Federally insured banking institutions (ATMs not eligible)	2
	r	Place of worship	2
	s	Post office	2

### 3. Point determinations

Points for each Desirable activity/characteristic are assigned based on the following tables. Distances may be based either on driving or walking routes.

Point determinations:

Distance (miles)	0.5	1	1.5 (Metro Pool) or 2.5 (Rural Pool)
Points (Group 1)	2.5	2	1.5
Points (Group 2)	2	1.5	1

## B. Undesirable/Inefficient Site Activities/Characteristics

**Two (2) points** will be **deducted** from the Applicant's Desirable points for each Undesirable activity/characteristic located within the radius of 0.25 miles of the proposed site.

For scattered-site projects, the Applicant must evaluate the 0.25-mile radius from each non-contiguous parcel separately.

### 1. Undesirable/Inefficient Site Activities/Characteristics may include but are not limited to the following:

- a) Inappropriate surrounding property uses, including but not limited to junkyards, dumps, landfills, materials storage areas, commercial livestock operations, uses that generate odor, and uses that generate excessive glare from lighting.
- b) Potential or existing environmental hazards, including but not limited to chemical or heavy manufacturing activities, industrial development, facilities listed in Federal or State hazardous inventory databases, gas stations with a history of leaking underground storage tanks, auto repair stations, and dry cleaners with a history of contaminant releases.
- c) Abandoned houses or buildings that are unoccupied and unsecured and/or detract from an area's physical appearance, diminish living conditions and/or safety of the neighborhood, and/or decrease the marketability of the proposed sites (DCA will determine "abandoned" based on unsecured windows and/or doors and lack of maintenance).
- d) Deteriorated housing or buildings where extensive defects are evident from the exterior of the building and which depress an area's physical appearance, diminish living conditions and/or safety of the neighborhood, and decrease the marketability of the proposed site.
- e) Extensive mitigation that can translate to a less efficient use of resources, including but not limited to extensive noise mitigation costs, steep grade changes that require extensive grading and/or retaining walls, extensive floodplain or wetland areas that render the existing soils unsuitable for required bearing capacity, and inefficient use of land/excessive site acreage in relation to the number of units constructed.
- f) Property is in a USDA-defined food desert. This point deduction will not be applied to properties qualifying for supermarket or grocery store point determinations under subsection A. Desirable Activities.

DCA will review the undesirable activity or establishment's proximity to the property and the impact of the activity on the proposed project and its residents in determining a point deduction.

### 2. Exceptions to Undesirable Deductions:

The point deduction will not apply if the Applicant has knowledge at the time of Application that an undesirable activity/characteristic is temporary and that a change or mitigation will remove it as set forth below.

- Mitigation performed by a third party that will remove the undesirable condition is scheduled to occur prior to the end of the calendar year of Application submission. . Applicants will need to provide proof of completion by this date.
- Mitigation by the Applicant or a Local Government must be completed by the placed in-service date.
  - Applicants must provide documentation of the site control and resources to complete the mitigation.
  - A Local Government must provide documentation that the specific mitigation will occur prior to the placed in service date.

**Minimum Documentation:**

- Desirable/Undesirable Certification Form.
- Google Maps driving or walking route for each claimed desirable starting from the geo-coordinates of the pedestrian or vehicle site entrance.
- Evidence of mitigation of undesirable activity/characteristic from the third party responsible for the mitigation by the date noted above, if applicable.
- If (h): Documentation of State license.
- Site map indicating the specific location of the nearest grocery store (including distance from site).
- USDA Food Access Research Atlas showing “LI and LA at 1 and 20 miles” layer with site location clearly marked, using the most recent USDA data available. USDA Food Access Research Atlas is available at:  
<https://www.ers.usda.gov/data-products/food-access-research-atlas/go-to-the-atlas/>

## XII. COMMUNITY TRANSPORTATION OPTIONS

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### Up to 6 Points

Applicants may claim points in either A or B.

Community Transportation Options must meet the following criteria:

- Transportation service is publicized to the general public via website or published brochure.
- Transportation service is available to all residents of the proposed development/site.
- For subsection A, transportation route has a local route. Multi-stop express routes providing regional transit are only eligible under subsection B.
- Routes that only run direct will not qualify.
- On-call transportation services are not eligible for points in the Atlanta Metro Pool.

DCA will measure required distances from the geo-coordinates of a pedestrian site entrance to the proposed transit stop. DCA will not identify and/or measure any route other than the route submitted in the Application to determine points.

For Scattered Site Properties, each non-contiguous parcel must meet the above criteria.

No Project Participants or affiliates may fund transportation options for purposes of claiming points in this Scoring section.

## A. Transit-Oriented Development – Up to 6 Points

For purposes of this subsection, a transit hub is a station that has three or more bus routes, rail options, and/or other affordable mass transit options.

1. **Six (6) points** to Metro Pool Applications proposing a site owned by a public or local transit agency which has been strategically targeted by the agency to create housing with on-site or Adjacent access to a transit hub. The agency-owned site must rest along a transit line that follows a fixed route and fixed daily schedule available to the public every day of the week.
2. **Up to five (5) points** to Metro Pool Applications that propose a site within walking distance of a transit hub. The hub must rest along a transit line that follows a fixed route and daily schedule serving the public no less than five days per week.

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

### Minimum Documentation:

- Narrative submitted and signed by a representative of the transit agency describing the strategic plan for the proposed site (Item "A1" only).
- Documentation showing the local transit agency's land ownership (Item "A1" only).
- Walking distance route obtained from Google Maps from the geo-coordinates of the pedestrian site entrance to the transit stop.
- PDF of the transit service webpage including the items below. If the PDF of the transit service webpage does not include all items listed, a letter from the transit agency is required, including all items listed, as well as a contact name or department, phone number and email address:
  - URL
  - Cost of service
  - Relevant transit route(s)
  - Route schedule

## B. Access to Public Transportation – Up to 3 Points

Applicants may only claim points for one option below.

1. **Up to three (3) points** to Metro Pool Applications that propose a site within walking distance of a public transportation stop.
  - DCA will only consider points for a site within walking distance of a public transportation stop that exists at the time of Application Submission.
  - The public transit service must serve the public no less than 5 days per week.
  - The public transportation stop must rest along a transit line that follows a fixed route and daily schedule.

Walking Distance	Points
0.25 miles	3
0.5 miles	2
1 mile	1

2. **One (1) point** to Metro Pool Applications for which a publicly operated/sponsored on-call transportation service is available on-site. The service must serve the public no less than five days per week.
3. **Two (2) points** to Rural Pool Applications demonstrating that a publicly operated/sponsored transit service that exists at the time of Application Submission will provide a reliable and available transportation option to all residents. If the transportation option is a fixed-route service, the stop must be within a 0.5-mile walking distance of the site. If the transportation option is on-call, the service must be available on-site.

### Minimum Documentation:

- Map showing the location of the transit stop in relation to the proposed site and clearly indicating the site entrance or pedestrian site entrance to be used in calculating distance (not applicable to on-call options).
- Google Map walking routes must originate from geo-coordinates of the pedestrian site entrance or the nearest physical address and end at the transit stop (not applicable to on-call options).
- PDF of the transit service webpage, including the items below. If the PDF of the transit service webpage does not include all items listed, a letter from the transit agency is required, including all items listed, as well as a contact name or department, phone number, and email address for the transit service.
  - Webpage URL
  - Cost of service
  - Relevant transit route(s) (not applicable to on-call options)

- Route schedule (not applicable to on-call options)
- Confirmation that the service is available on-site at the proposed development (not applicable to fixed-route options)

## XIII. QUALITY EDUCATION AREAS

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### Up to 3 Points

For a school to qualify it:

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

Each school qualifying for points must meet requirements for A, B or C.

- A. College and Career Readiness Performance Index (CCRPI) scores are above the average posted on DCA's website. Only scores posted since the 2018 CCRPI update qualify under this section.
  - Schools with three years of published CCRPI scores must use a three-year average.
  - Schools with only two years of published CCRPI scores may use a two-year average. Schools with only one year of published CCRPI scores may use one-year data.
  - Schools serving grades that span multiple Grade Clusters as defined by Georgia Department of Education (Elementary, Middle, and High School) must have a CCRPI score greater than the lowest score of the multiple clusters.
- B. School receives 2018 or more recent "Beating the Odds" designation
- C. School meets both of the following:
  - Average year-over-year change in CCRPI score between 2015 and 2019 is positive (excluding changes between 2017 and 2018, due to CCRPI methodology adjustment).
  - Average CCRPI score over the same time period is in the top 75% of all statewide average scores for the grade cluster.

Scoring table:

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

- Many Georgia schools have fewer grades than a full Grade Cluster (e.g., a Middle School with only grades 7 and 8). Points will be awarded based on the number of grades within schools that meet the requirements of A, B, or C and property tenancy.
- Some recently established schools do not have data for options A through C. For such schools, the Applicant may utilize scores of the applicable grade cluster for the school district.
- If two or more qualifying schools overlap in grades, an individual grade will only count once.

References:

- Quality Education Areas Scoring Data posted to DCA website.
- CCRPI website.  
<http://ccrpi.gadoe.org/>
- Beating the Odds Analysis.  
<https://gosa.georgia.gov/accountability/beating-odds-analysis>

Minimum Documentation:

- School district map(s) showing both the site location and full attendance zone boundaries indicated on the school district map(s). Maps must be published by official school district source. If the school district map is unavailable or unobtainable, a letter from a school district representative evidencing that the proposed site is within the school attendance zone boundaries (must include the project location).
- For each charter school, a letter from a charter school system representative not more than six months old confirming that admissions are not conducted on a selective basis, that residents in the attendance zone are able to attend as of right.
- Applicable CCRPI data for each school.
- Each school name highlighted in a copy of each associated “Beating the Odds Designations” report.

## XIV. REVITALIZATION/REDEVELOPMENT PLANS

### Up to 10 Points

Points from only one of the following sections will contribute to the Application score:

- Revitalization/Redevelopment Plans
- Stable Communities
- Community Designations
- Housing Needs Characteristics

Applicants may claim points by combining options from all of the below sections. However, no more than **ten (10) points** from this section will contribute to the overall Application score.

### A. Revitalization Plan/Qualified Census Tract – Up to 6 Points

Submitted revitalization/redevelopment plans must meet the following requirements to be considered Community Revitalization Plans (CRPs):

- Clearly delineate a targeted area within a Local Government boundary that includes the proposed site but is not solely the proposed site. For Applications in a Metro Pool, the targeted area must not encompass the full Local Government boundary.
- Discuss housing as a goal of the CRP.
- Be officially adopted or re-adopted by a Qualified Local Government within ten years of Application Submission.

A document is ineligible for consideration as a CRP if it is a short-term work plan, comprehensive plan, consolidated plan, municipal zoning plan, or land use plan.

#### Qualifying CRP

**Two (2) points** to Application sites located within the targeted area of a qualifying CRP.

#### Qualified Census Tract

**One (1) additional point** if the site is also located within a Qualified Census Tract.

#### Planning Best Practices

**Up to three (3) additional points** for any of the below that apply to the CRP.

- **Three (3) points** if the CRP was adopted by a Local Government that has an active designation for any of the following programs:
  - PlanFirst
  - Revitalization Area Strategy
  - Rural Zone

- **Up to three (3) points:**
  - **One (1) point** if the Local Government solicited public input and engagement during CRP creation prior to the day of adoption.
  - **Two (2) points** if the CRP includes both of the following:
    - an assessment of the targeted area’s existing infrastructure
    - Designates implementation measures.

**References:**

- Revitalization Area Strategy designated communities list posted to the DCA website
- PlanFirst designation list posted to the DCA website
- Rural Zone designations posted to the DCA website

**Minimum Documentation:**

- A PDF of the full Community Revitalization Plan.
- Map of CRP’s targeted area clearly marked with location of proposed development.
- Either:
  - Direct evidence of Local Government approval or re-approval (e.g., Local Government resolution or meeting minutes) occurring within the required timeframe; or
  - Signed letter from Local Government representative confirming the date of the Local Government’s official adoption or re-adoption of the CRP within the required timeframe.
  - If the Local Government is not a “Qualified Local Government” as defined in GA Code § 50-8-2 at the time of Application Submission, evidence that it was a Qualified Local Government at any time between November 1, 2023 and Application Submission.
- Either (if applicable):
  - Direct evidence of public input and engagement (e.g., advertisements of public meetings, agendas, sign-in sheets); or
  - Signed letter from representative of entity responsible for CRP summarizing the CRP’s public input and engagement process

**B. Community Transformation – Up to 3 Points**

- Applicants must meet all requirements below
- Applicants may claim points under both **GICH Support for CQB** and **Community Partnerships**, but no more than **three (3) points** will contribute towards the points under this section

Applicants claiming points under this section commit to undertaking community engagement and outreach and creating a “Community Transformation Plan” targeting a Defined Neighborhood.

The following terms are used throughout this subsection:

- **Defined Neighborhood:** a targeted area that includes the proposed site. For Applications in a Metro Pool, the defined neighborhood must not encompass the full Local Government boundary. If the Local Government has adopted a Community Revitalization Plan (CRP), the Defined Neighborhood should align or fall within the targeted area of the CRP.
- **Community-Based Developer (CBD):** a Project Team member that demonstrates an ongoing commitment to developing collaborative, holistic community solutions.
- **Community-Based Team:** Community-Based Developer and the Community Quarterback Board
- **Community Quarterback Board (CQB):** a coalition of public/private entities serving the Defined Neighborhood that:
  - Drives the revitalization initiative to make sure all related components are successful and sustainable;
  - Ensures the people in the Defined Neighborhood are engaged, included, and served; and
  - Serves as a single point of accountability for partners and funders.

Transformation requires housing developers to work in coordination with the Local Government, community stakeholders and service providers to achieve access to place-based opportunity for all residents. Project Teams selected must be prepared to undertake considerable Community Engagement and Outreach necessary for this transformation.

### Community Quarterback Board (CQB) Documentation - Requirement

The CQB should reflect the Project Team's local community partnerships that will drive Community Engagement and Outreach and support Community Transformation. The Applicant must convene a CQB that meets the following requirements:

1. At least one-third must be residents of the Defined Neighborhood who self-certify their income at less than 80% of AMI, other individuals who self-certify their income at less than 80% of AMI, or elected representatives of neighborhood organizations serving the Defined Neighborhood.
2. At least one-third must include three of the five following representatives:
  - a) Education representative
  - b) Employment services representative.
  - c) Transportation services representative.
  - d) Health services representative
  - e) Local Government representative – the elected official representing the district in which the proposed development is located or a member of the Local Government administration staff.
3. The CQB should build on existing community structures and local partnerships.
  - a) If the Project Team qualifies as a CHDO, the Project Team may appoint one or more members of their Board of Directors to the CQB.

- b) If the community is a GICH participant or alumni, the Project Team may appoint one or more members of the GICH Community Housing Team to the CQB.

**Minimum Documentation:**

- Signatures from representatives listed above indicating their commitment to serve on the CQB.
- A completed Community Transformation Plan Certificate.

**Engagement and Planning Responsibilities – Requirement**

If selected under a Competitive Round, the Applicant is required to comply with the engagement and planning responsibilities outlined in Scoring Exhibit **B. Community Transformation Post-Award Responsibilities**.

**Community Partnerships**

**Up to three (3) points** for evidence that the CBD has engaged in prior community partnerships.

To be eligible for points, the Application must document the following:

The CBD has successfully partnered with two or more established community organizations that serve the area in which the proposed property will be located and can document that these partnerships have measurably improved community or resident outcomes, such as improved educational achievement or increased access to health services. The length of each partnership must be at least two years. If the CBD has not supported a development in the community in which the proposed property will be located, the CBD may meet the requirement by documenting measurable improvement from community partnerships that the CBD has formed in support of their development in another community.

*“Community organizations”* are entities (a) that serve the geographic focus area noted above, and (b) whose stated mission is to increase residents’ access to community services such as education, health, employment, and/or transportation. *“Successful”* partnerships are those resulting in replicable, measurable improvement in residents’ access to education, health, employment, and/or transportation services as a result of the partnership.

Points scale (**up to three (3) points total**):

- **One (1) point** for evidencing three or more eligible partnerships
- **One (1) point** if the combined number of years for partnerships is five or more
- **One (1) point** if the organizations associated with the partnerships engage in services associated with two or more of the following:
  - Education
  - Health
  - Employment
  - Transportation

**Minimum Documentation:**

- Each established community partner must provide a letter that:
  - Recognizes the length of their partnership with the Applicant and confirms that this relationship is ongoing; and
  - Discusses how the partnership has measurably improved community development outcomes.
- Quantitative/numerical data evidencing that the joint effort between partners has measurably improved residents’ access to education, health, employment, and/or transportation services. Examples include increased attendance and/or student performance, increased number of books available to children, higher rates of community members reporting employment, and/or improved community health indicators.

**GICH Support for CQB**

**Two (2) points** if the Application includes a letter of support for the CQB from a DCA Georgia Initiative for Community Housing (GICH) team (currently active or certified alumni as defined by GICH administrators). There is no limit on the number CQB support letters a GICH team can provide.

In addition to indicating support, the letter must:

- Identify the boundaries of their GICH community;
- Identify the project as located within their stated GICH community boundaries; and
- Be executed by the GICH community’s primary or secondary contact on record with the University of Georgia Housing and Demographic Research Center as of Application Submission
- Confirm that a majority of GICH members support the CQB

Alumni GICH Teams must be certified GICH Alumni Communities whose certification has not expired as of the Competitive Application deadline to be eligible.

**Minimum Documentation:**

- Support letter meeting the above requirements

**C. Community Investment – Up to 3 Points**

**Third-Party Capital Investment**

**Up to two (2) points** if a foundation, trust, business and/or government not qualifying as a Related Party designates an investment of resources that will result in an off-site place-based improvement which:

- is within a one-mile radius (for the Rural Pool) or 0.5-mile radius (for the Metro Pools) of the proposed site;
- will serve the residents;
- was not completed more than five years prior to Application Submission;

- has an expected completion date before January 1, 2027, and
- is to be paid for in full by the unrelated third party.

Examples include, but are not limited to:

- community assets (e.g., parks, trails, community center)
- infrastructure improvements (e.g., water, sewer, drainage, streets)

Applications will earn points according to the following scale of investment amount within the applicable radius of the proposed site.

Applicants have the option to claim points based either on an investment amount per unit or overall investment amount, as indicated in the below tables:

Investment Amount Per Unit		
Atlanta Metro	\$20,000 to \$29,999	At least \$30,000
Other Metro	\$15,000 to \$24,999	At least \$25,000
Rural	\$10,000 to \$19,999	At least \$20,000
Points	1	2

Points by Amount				
Greater than: Less than or equal to:	\$500,000 \$1 million	\$1 million \$2 million	\$2 million \$4 million	\$4 million (N/A)
Points	.5	1	1.5	2

**Minimum Documentation:**

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

**Financial Commitment**

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

The same investment cannot be used for points under this subsection if it is used to claim points for **Third-Party Capital Investment**.

**Minimum Documentation:**

- Letter from a Local Government representative (or one representative from the CQB) substantiating the nature of the financial commitment to advance the CRP, if the financial commitment is not reflected in the CRP itself.

## XV. STABLE COMMUNITIES

### Up to 10 Points

Points from only one of the following sections will contribute to the Application score:

- Revitalization/Redevelopment Plans
- Stable Communities
- Community Designations
- Housing Needs Characteristics

For purposes of this section, referenced percentiles will be calculated separately within each geographic pool.

#### Points Eligibility

**Within a Census Tract:** Applications earn points if the site is located in a Census Tract with values above the 50<sup>th</sup> percentile for indicators from the Census Bureau and Georgia Housing Needs Assessment.

**Near a Census Tract:** Sites that are within .25 miles of, but not inside, a Census Tract above the 50<sup>th</sup> percentile for an indicator may use that Census Tract but receive **one (1) less point**. Distance is determined by the driving or walking distance from the Application site entrance to the Census Tract border.

Points			
Number of Indicators Above 50th Percentile for the Census Tract	2 Indicators	3 Indicators	4 Indicators
Points if site is Within a Census Tract for all indicators	6	8	10
Points if site is Near a Census Tract (within .25 miles of) for one or more indicators	5	7	9

Applicants within a census tract without data for an indicator may use the value of the nearest Census Tract with data for that indicator.

### Indicators

The indicators used for points are:

- **Georgia Housing Needs Assessment:** Environmental Health Index, Transit Access Index, and Jobs Proximity Index
- **Census Bureau:** Poverty Rate and Median Income

DCA will publish the data to be utilized for this section on the DCA website.

#### References:

- American Community Survey (Census Bureau)
- DCA Stable Communities Supplement

#### Minimum Documentation:

- Map confirming distance from site to Census Tract with data, if applicable

## XVI. COMMUNITY DESIGNATIONS

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### 10 Points

Points from only one of the following sections will contribute to the Application score:

- Revitalization/Redevelopment Plans
- Stable Communities
- Community Designations
- Housing Needs Characteristics

Applicants may claim points in either A or B.

### A. HUD Choice Neighborhood Implementation (CNI) Grant – 10 Points

**Ten (10) points** to an Application located in an area that has received a HUD CNI Grant and is identified in the CNI Grant application. The CNI awardee may select only one Application to receive these points.

#### Minimum Documentation:

- The CNI grant award.
- Evidence that the proposed project is included in the targeted area.

- Letter from the CNI awardee confirming that the proposed property has been selected to receive these points.

## B. Purpose Built Communities – 10 Points

Purpose Built Communities may select one Application to receive these points.

### Minimum Documentation:

- Letter from Purpose Built Communities nominating one proposed development that discusses how the proposed development will further the neighborhood’s holistic community revitalization strategy.

## XVII. PHASED DEVELOPMENT

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### Up to 4 Points

Applicants may only claim points in either **Phased Development** or **Previous Projects**.

- 9% Metro Pool Applications receive **four (4) points** under this section.
- 9% Rural and 4% Credits/Bonds Applications receive **three (3) points** under this section.

For purposes of this section, “Phased Development” means:

- One 9% Credit development that will be developed in several physically Adjacent phases with different allocations.
- The community was originally designed as one development with different phases.
- The phases share common planning documents, including a master site plan and may also include documents including parks, green space, and shared amenities between the different phases.
- Each phase of the property has affiliated entities.
- The site is a second or third phase.
- The Applicant must have site control for all phases at the time the initial phase was closed.

DCA awards points under this section if the proposed property is part of a Phased Development in which one or more phases received an allocation of 9% Credits or 4% Credits/Bonds within the past six QAPs and at least one phase has commenced construction by the Application Submission deadline.

Only one phase of a project can receive points during a funding round.

### Minimum Documentation:

- Master site plan with complete project concept showing all phases.

- Legal documentation that site control was established for all phases when construction commenced on the initial phase.

## XVIII. PREVIOUS PROJECTS

### Up to 5 Points

Applicants may only claim points in either **Phased Developments** or **Previous Projects**.

Applicants must select only one option under A, B, or C below.

Under this section, DCA awards points to Applications located in areas where DCA has developed comparatively fewer new construction 9% and 4% Credits/Bonds developments.

#### Timeframes of Applicable Previous Awards

- Lookback periods are based on the year of the Application ID (e.g., “Developments since 2005” refers to the “2005” in Application ID “2005-001”).
- Awards announced under the 2023 4% Credits/Bonds Round will not be considered for purposes of Previous Projects points in the 2024 9% Round. Awards announced under the 2024 4% Credits/Bonds Round will not be considered for purposes of Previous Projects points in the 2025 9% Round.
- The table below clarifies the first development ID year used for each lookback period in the below point options.

	15 years	6 years	5 years	4 years	3 years	2 years
2024 Round	2009	2018	2019	2020	2021	2022
2025 Round	2010	2019	2020	2021	2022	2023

### A. Metro Pool: Awards for Local Jurisdiction – Up to 5 Points

This subsection is for Metro Pool Applications only.

- Points will be based on awards within the Local Government Boundary (LGB).
- If proposing a development in an incorporated area, the Local Government boundary must be of a Municipality incorporated on or before January 1, 2018 for the 2024 Round, and January 1, 2019 for the 2025 Round.

Lookback Period	15 Years	
Number of awards	No awards within the LGB	Only 1 award within LGB, which was received prior to January 1, 2018
Points	5	4

## B. Metro Pool: Recent Awards within a Mile – Up to 3 Points

This subsection is for Metro Pool Applications only.

- Points will be based on:
  - awards within a one-mile radius of the Application site
  - whether the site is within a one-mile radius of a transit hub as defined in **(Scoring) Community Transportation Options**

Points				
	No awards within one-mile radius		No awards within one-mile radius of site and site is within one-mile radius of transit hub	
Lookback Period	6 years	4 years	3 years	2 years
Points	3	2	3	2

## C. Rural Pool: Awards in County – Up to 3 Points

Points are based on the number of low-income new construction units as a percentage of the county population.

Points			
Lookback Period	15 Years		5 Years
Restricted Units Percentage of Population	Less than .15%	Greater than or equal to .15%, Less than .25%	Less than .15%
Points	3	2	1

### References:

- DCA Previous Projects Data
- Interactive map of previous awards posted on DCA website

**Minimum Documentation:**

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

## XIX. HOUSING NEEDS CHARACTERISTICS

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### Up to 10 points

This section does not apply to the Atlanta Metro Pool.

Points from only one of the following sections will contribute to the Application score:

- Revitalization/Redevelopment Plans
- Stable Communities
- Community Designations
- Housing Needs Characteristics

### A. Housing Need and Growth – 5 Points

Application site location meets all of the following requirements:

- Not located in a Qualified Census Tract
- Located in a Census Tract for which 45% or more of rental units occupied by 80% AMI and below households exhibit a "severe housing problem" as defined by HUD.
- Located in a County that meets one of the following:
  - Population is higher than ten years prior **and** average year-over-year growth for the most recent three years is greater than 1% (based on American Community Survey data).
  - Employment growth for the most recent two years is greater than 1% (based on Bureau of Labor Statistics data).

### B. Stable Communities and Revitalization Characteristics – 5 Points

Applications that qualify under "Housing Need and Growth" that are also eligible for at least **five (5) points** under either **Stable Communities** or **Revitalization/Redevelopment Plans** may claim an additional **five (5) points** under this section.

**References:**

- American Community Survey (Census Bureau)
- Comprehensive Housing Affordability Strategy (CHAS)
- U.S. Bureau of Labor Statistics (BLS)
- DCA Housing Needs Characteristics Data

## XX. ECONOMIC DEVELOPMENT PROXIMITY

### 1 Point

Proposed development is located within commuting distance of an economic development project that is expected to generate, within five years from the Competitive Application deadline, net new jobs that will be maintained in accordance with the table below.

Pool	Miles from Application Site	Net New Jobs Expected
Rural	30	90
Other Metro	20	250

#### Minimum Documentation:

- Letter from local economic development authority with jurisdiction over the project executed by the authority Chairman or Executive Director confirming:
  - The industry of the project
  - That the project is expected to generate and maintain at least the minimum number of net new jobs referenced in the table above
  - The timeframe over which the net new jobs are expected to be realized
  - That the authority has executed a Memorandum of Understanding, Memorandum of Agreement, or Intergovernmental Agreement approving the project to proceed
- Google Maps route substantiating commute distance
  - Application site location point must correspond to the pedestrian site entrance. For scattered sites, location must be based on the pedestrian site entrance of the site farthest from the project.
  - Economic development project site location may correspond to any part of the parcel to be developed

## XXI. MIXED INCOME DEVELOPMENTS

### 1 Point

Applicants may claim points in either A or B.

## A. Unrestricted Unit – 1 Point

**One (1) point** will be awarded to Applications that include at least 10% unrestricted market rate units and will not make the income averaging minimum set aside election.

## B. Income Averaging – 1 Point

**One (1) point** will be awarded to Applications that will make the income averaging minimum set aside election, and do not include market rate units.

# XXII. HISTORIC PRESERVATION

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## 2 Points

Applicants may claim points in either A or B.

### A. Historic Tax Credit Proceeds – 2 Points

DCA will award points if the proposed development includes historic tax credit proceeds and is an Adaptive Reuse of a structure:

- certified as historic (either listed individually on the National Register or as a contributing structure in a National Register Historic District), or
- deemed historic via an approved NPS Historic Preservation Certification Application Part 1-Evaluation of Significance to have a preliminary determination of listing on the National Register.

DCA may require awarded Applications to, as a condition of funding, provide evidence that the proposed development qualifies as a “certified rehabilitation” via an approved NPS Historic Preservation Certification Application Part 2-Description of Rehabilitation or an approved Part A-Preliminary Certification for State Income Tax Credit Program for Rehabilitated Historic Property.

The building or buildings being adaptively reused must constitute at least 30% of the total units. Slabs, sheds, gazebos, trailers/mobile homes, pavilions, pump houses, barns, garages, and single-family homes are not eligible.

#### Minimum Documentation:

- Documentation on the previous use of the building.
- Documentation of whether or not the building is occupied.
- Narrative of how building will be reused.
- Copy of NPS approved Historic Preservation Certification Application Part 1 - Evaluation of Significance.
- Preliminary equity commitment for historic rehabilitation credit.

## B. Historic Structure – 2 Points

DCA will award points if a property is either a certified historic structure or is deemed historic (as both are defined above). The historic structure must house at least 50% of the total units.

### Minimum Documentation:

- Copy of NPS approved Historic Preservation Certification Application Part 1 - Evaluation of Significance or copy of the approved National Register of Historic Places Registration Form (NPS Form 10-900) and National Register map identifying the property.

## XXIII. ENRICHED PROPERTY SERVICES

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### 2 Points

Applicant agrees to one of the resident services commitments below for the proposed development. Services must support resident outcomes related to education, health, transportation access, or economic security at the proposed development.

### A. Owner-provided Services – 2 points

Owner will provide resident services at the proposed development. To be eligible for points under this subsection, an entity in the General Partnership must have received a certification from Certified Organization for Resident Engagement & Services (CORES) under the "Direct Model" or "Hybrid Model" options. CORES certification must be active as of the Competitive Application deadline. Sponsors are not required to maintain the CORES certification over the life of the property.

The CORES-certified entity must select only two Applications in the 9% Competitive Round for which points under this subsection can be applied. If the entity designates these points to more than two Applications, DCA will assign the option B. commitment below to all Applications for which the entity is a member of the General Partnership.

### Minimum Documentation:

- Proof of CORES certification.

### B. 3rd Party Contractor – 2 Points

Applicant commits to accept resident services coordination from an entity certified as a "3rd Party Resident Services Coordination Contractor" by CORES or other DCA-approved program.

Claiming points under this section is not a commitment to provide and pay for services regardless of property circumstances. It is a commitment to cooperate with providers when circumstances can support services. Specifically:

- Owners are expected to pay for services if:
  - A provider serves the locality and has the capacity to provide services at the property.
  - Given expected costs, property cash flow could pay for services while maintaining at least a 1.25 debt service coverage ratio.
- This commitment applies for as long as the property is monitored by DCA.
- The lack of such services at a property does not constitute non-compliance. Cooperation will be assessed based on whether:
  - the Owner is responsive to providers and DCA staff
  - property financial information is accurately represented.

Applicants who prefer to partner with a particular third party entity qualified under the above will not be required to partner with a different entity.

**References:**

- [CORES website](#)

## XXIV. DCA COMMUNITY INITIATIVES

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### 2 Points

#### Georgia Initiative for Community Housing (GICH)

DCA will award points for projects with a letter from a DCA Georgia Initiative for Community Housing (GICH) team (currently active or certified alumni as defined by GICH administrators) which:

- Identifies the boundaries of their GICH community;
- Identifies the project as located within their stated GICH community boundaries; and
- Is executed by the GICH community's primary or secondary contact on record with the University of Georgia Housing and Demographic Research Center as of Application Submission.

Each GICH team may issue only one letter for one project in this year's competitive round. Issuing more than one will result in no project in that community being awarded this point.

Alumni GICH Teams must be certified GICH Alumni Communities whose certification has not expired as of the Competitive Application deadline to be eligible.

**Minimum Documentation:**

- Letter executed by the GICH community's primary or secondary contact on record with the University of Georgia Housing and Demographic Research Center as of Application Submission, committing the formal support of the majority of GICH members.
- Letter from Local Government agreeing to the issuance of the letter.

For Scattered Site Projects, the above documentation is required from each Local Government for each non-contiguous site.

## XXV. PRESERVATION SCORING CRITERIA

- Applications are eligible to claim points in all subsections below unless stated otherwise.
- Maximum points vary by Application type.

### A. Occupancy – Up to 6 Points

Application property exhibits average monthly occupancy over twenty-four months within the ranges below.

Occupancy range	Points
95% or more	6
90% to 94.9%	4
85 to 89.9%	2

For proposed developments involving Preservation of multiple buildings, occupancy will be based on the average for all buildings.

#### Minimum Documentation:

- Table showing twenty-four consecutive months of occupancy rates ending within two months prior to the Application Submission Deadline. Rent rolls must cover all days in the full calendar month.
- Rent rolls substantiating the occupancy rates table.

### B. Rent Advantage – Up to 6 Points

**Ineligible:** 4% Credits/Bonds USDA Portfolio Set Aside Applications

For Applications seeking points under this subsection, DCA will commission a Preliminary Rent Analysis letter from a DCA-approved appraiser to provide the information used for scoring.

The Rent Analysis Letter compares the 60% Housing Credit rent limit to market rents. DCA awards points based on the following tiers:

Rent Advantage	Points
25% or more	6
20%-24.9%	4
15%-19.9%	2

For proposed developments involving Preservation of multiple buildings, this section will be evaluated based on the average for all buildings.

### C. Property Age – Up to 4 points

Applicants may only claim points in either **Tax Credit Restrictions** or **Property Age**.

Application provides evidence that the property's placed in service (PIS) date was within the time frames below.

Competitive Round Year	PIS Year	Points
2024	2003 or earlier	4
2025	2004 or earlier	
2024	2004 to 2008	2
2025	2005 to 2009	

**Minimum Documentation:**

- Evidence that property was ready for occupancy by the year of requested points.

## D. Tax Credit Restrictions – Up to 4 points

Applicants may only claim points in either **Tax Credit Restrictions** or **Property Age**.

Current Federal Tax Credit restrictions were applied to the property during the calendar year ranges below, as determined by the date the LURC was executed by all parties.

Competitive Round Year	LURC Execution Calendar Year	Points
2024	1993 to 1997	4
2025	1993 to 1998	
2024	1998 to 2003	2
2025	1999 to 2004	

### Minimum Documentation:

- Executed LURC

## E. Site Characteristics – Up to 20 points

**Ineligible:** 4% Credits/Bonds USDA Portfolio Set Aside Applications

Proposed development qualifies for points based on the below Scoring Criteria. Applicants may claim all points under each criteria, but **no more than twenty (20) points** will qualify for this section.

- Desirable/Undesirable Activities
- Community Transportation Options
- Quality Education Areas
- One of the following:
  - Revitalization/Redevelopment Plans
  - Stable Communities
  - Community Designations

## F. USDA Additional Criteria – Up to 22 Points

### Pre-Payment Risk

**Up to three (3) points** based on the percentage of properties preserved that were built before December 15, 1989, and are eligible for 515 loan pre-payment.

Percent of Properties Eligible for Pre-Payment	Points
All properties	3
At least 75% of properties	2
50% to 74.9%	1

**Minimum Documentation:**

- Loan documents substantiating points claimed
- Self-certification from property owner that no unexpired RUCs exist on the property

**Mortgage Maturity Risk**

**Up to three (3) points** based on the year of the last maturing 515 loan.

Competitive Round Year	Year of Last Maturing 515 Loan	Points
2024	2025 to 2029	3
2025	2025 to 2030	
2024	2030 to 2034	2
2025	2031 to 2035	

**Minimum Documentation:**

- Loan documents substantiating points claimed
- Self-certification from property owner substantiating maturity date of the last maturing loan

**Geographic Distribution (4% Credits/Bonds Portfolio only)**

Applications receive one (1) point for each county that a USDA property associated with the Application is located in, **up to ten (10) points**.

**Severe and Critical Need (4% Credits/Bonds Portfolio only)**

Applications may receive **up to six (6) points** if the average housing vacancy rate for the counties represented falls in one of the tiers below. Vacancy rate is as determined by DCA staff calculations.

<b>Average County Housing Vacancy Rate</b>	<b>Points</b>
<b>Less than or equal to 2.49%</b>	6
<b>2.50% to 4.99%</b>	5
<b>5.00% to 9.99%</b>	4
<b>10.00% to 19.99%</b>	2

# Exhibits to Scoring Criteria

## A. DCA RIGHT OF FIRST REFUSAL (ROFR) PROCESS

Applicants receiving points under **(Scoring) Extended Affordability Commitment**, subsection **C. Waiver of Qualified Contract Right and Right of First Refusal**, commit to provide an ROFR to a qualified nonprofit organization or a local housing authority or a wholly-owned subsidiary of such organization in accordance with Section 42(i)(7), the requirements in this section, and subject to DCA approval of the terms. The ROFR process is only triggered when a third party makes an offer on the property or for an ownership interest in the partnership.

All Applicants are eligible to receive points under this category, regardless of whether the sponsor is a nonprofit or a for-profit organization. Additionally, ownership transfers for purposes of resyndication will not trigger the right of first refusal process.

The price in an ROFR transaction must not exceed the greater of the minimum purchase price set forth in Section 42(i)(7) of the Code or fair market value of the property, the latter defined to be the as-is restricted and encumbered value of the property, as determined by an appraisal to be commissioned by DCA and paid for by the Owner. DCA will commission the appraisal within thirty (30) days of receiving notification from the Owner of a third party offer.

The ROFR posting period commences on the date DCA posts the property on the DCA website for purposes of soliciting eligible offers under the ROFR process. DCA will post the property on its website once the maximum allowable price has been established according to the appraisal. The maximum duration of the ROFR posting period is 180 days.

In order to be eligible to make an offer on the property or partnership during the ROFR posting period, a potential buyer must meet the following requirements:

- A nonprofit buyer must conform to the "qualified nonprofit" definition set forth in Section 42(h)(5)(C) of the Code;
- All buyers must have achieved the highest standard for developer qualifications in DCA's most recent review of a tax credit application from the entity. This qualification determination must have been issued in the five years prior to the commencement of the ROFR posting period.

The Owner may not accept a third party offer on the property until the ROFR requirement is satisfied. The Owner is free to accept or reject any offer from an eligible buyer during the ROFR posting period, and the Owner may, at their sole discretion, accept an offer during the ROFR posting period that is less than the maximum allowable price. However, if the Owner receives an offer from an eligible buyer at the maximum allowable price during the ROFR posting period and the Owner does

not accept the offer, then the ROFR requirement is not satisfied, and the Owner may not accept a third party offer upon expiration of the ROFR posting period. If the Owner does not receive an offer from an eligible buyer at the maximum allowable price during the ROFR posting period, then following the end of the ROFR posting period the Owner may accept any third party offer.

The ROFR transaction is not required to close by the end of the ROFR posting period. However, if the Owner and eligible buyer fail to close following the end of the ROFR posting period and DCA determines that failure to close was the fault of the Owner, the ROFR requirement is not satisfied. The Owner may accept a third party offer on the property or partnership if DCA determines that failure to close was the fault of the eligible buyer.

## B. SUPPORTIVE HOUSING REFERRAL COMMITMENTS

Applicants claiming points under **(Scoring) Integrated Supportive Housing**, subsection **A. Supportive Housing Referrals** agree to all of the following. These represent an overview of minimum requirements, not the full extent of requirements and procedures to address in the MOU.

### Duration

All commitments apply to the entirety of the Compliance and Extended use Periods.

### Referring Entities

DCA reserves the right to require the removal of a referral entity from the MOU or the addition of a referral entity into the MOU at any time.

### Services

- Owner and property management must cooperate with referring entities and service providers to allow access to the property as needed for resident services.
- The Owner is not required to pay for services.

### Prior to stabilized occupancy

- Construction Completion Notification: the Owner or property management company will notify the referring entit(ies) at least 120 days prior to anticipated availability of units for occupancy in order to coordinate referral and application processing.
- 90-Day Period Following Certificate of Occupancy (CO): for a minimum period of 90 days subsequent to the date of CO, the Owner and property management company must hold an adequate number of units to meet the percentage of units agreed to in the MOU.
- The Owner and property management company must hold primarily one-bedroom units with and without a mix of accessibility features scattered throughout the property as much as feasible, or two-bedroom units with and without a mix of accessibility features if the property was built without one-bedroom units.

### Following stabilized occupancy

- The minimum 45-day hold period begins once the referring entity has been notified of the referral opportunity. This notice can be provided no earlier than the tenant issuing a Notice to Vacate.
- Reasonable Hold Fees will be negotiated under the MOU. Hold fees are payments to cover the period after a viable referred applicant is identified but additional time is needed for this applicant to complete the application process or for the applicant to occupy the unit. Properties are not eligible to receive hold fees during the initial 90-day or subsequent 45-day hold periods or during the time needed to complete an application process involving a request for reasonable accommodation when the application was initiated before the end of the 90-day or 45-day period.

- Ongoing Communication: the Owner or property management company will communicate tenancy issues or concerns about referred tenants to the referring entities promptly to keep the organizations aware of tenancy issues and other concerns.

## C. COMMUNITY TRANSFORMATION POST-AWARD RESPONSIBILITIES

Applicants that claimed points under **(Scoring) Revitalization/Redevelopment Plans**, subsection **Community Transformation** must adhere to the post-Competitive Round responsibilities below.

### A. Responsibilities

If selected, the Applicant and CQB must comply with the following responsibilities and timeline:

1. Between notice of selection and sixty days prior to placed-in-service date, the Applicant and CQB must:
  - a) Undertake Community Engagement and Outreach as defined below; and
  - b) Create Community Transformation Plan as defined below.
  
2. At 60 days prior to placed-in-service date, the Applicant must submit the following documentation to DCA at [hfdround@dca.ga.gov](mailto:hfdround@dca.ga.gov) for approval:
  - a) A copy of the full Community Transformation Plan that meets DCA requirements
  - b) Community Outreach and Engagement documentation:
    - i. Evidence of substantial effort taken to reach low-income individuals (e.g., copies of public notices advertising required public meetings)
    - ii. Evidence of the occurrence of outreach and engagement (e.g., meeting agenda listing Applicant and CQB members present, sign-in sheet, and/or minutes)
    - iii. Methodological report of survey (e.g., when and how long was the survey available to respondents? How were respondents selected? How many people responded?)
  
3. Applicant agrees to undertake the following monitoring and reporting activities on an annual basis for a period of at least five (5) years following the placed-in-service date:
  - a) Survey residents annually; and
  - b) Report progress of Community Transformation Plan goal completion to DCA.

### B. Planning for Community Transformation

An effective Community Transformation Plan contains strategies for the coordination and provision of local services and resources to those most in need in the Defined Neighborhood.

The Community Transformation Plan must show a placed-based strategy to transform the Defined Neighborhood by addressing critical problems and challenges identified by the citizens as well as public and private community partners. The solutions proposed may be existing or new, but each must represent an intentional community strategy targeting both the future residents and the Defined Neighborhood.

## 1. Community Engagement and Outreach

Must be completed by the Community-Based Team prior to creation of the Community Transformation Plan as part of identifying challenges and opportunities for transformation. At a minimum, Community Engagement and Outreach must include the following:

- a) Public and Private Engagement: The Community-Based Team must show documentation that the CQB held at least one meeting open to the public focused on identifying challenges to Community Transformation.
- b) Citizen Outreach: The Community-Based Team must make substantial efforts to record feedback from the low-income population to be served on what challenges prevent this community from accessing local resources. This requirement for Community Outreach must be met through both:
  - i. Two public meetings led by CQB members; and
  - ii. One survey of Defined Neighborhood residents.

## 2. Community Transformation Plan Requirements

The Community Transformation Plan must include a full description of all goals, solutions, metrics of success, milestones, resources committed, and entities responsible and must discuss:

- The Local Government's current priorities and strategies for the Defined Neighborhood, which are outlined in an existing Community Revitalization Plan or other Local Government planning documents; and
  - How the Community Transformation Plan builds on those priorities and strategies.
- a) The Community Transformation Plan must clearly identify specific challenges, citing
    - i. Data from Community Engagement and Outreach that demonstrates how the local population to be served currently accesses community resources; and
    - ii. Input from Community Engagement and Outreach that identifies the challenges the local population to be served face in accessing those community resources.
  - b) The Community Transformation Plan must prioritize these challenges and, based on Community Engagement and Outreach, provide a rationale for how the community has prioritized them.
  - c) For each prioritized challenge, the Applicant must identify at least one measurable goal for increasing future residents' access to these resources. Defining a timeframe and a marker of success is essential for creating effective milestones.

For each measurable goal, the Community Transformation Plan must name at least one solution to be implemented by Community-Based Team members. For each solution, the Community Transformation Plan should note what resources have been committed by these entities or others to achieve this outcome.



STATE OF GEORGIA  
2024-2025  
QUALIFIED ALLOCATION PLAN

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# Compliance Appendix

## COMPLIANCE MONITORING PROCEDURES, REQUIREMENTS AND PENALTY CRITERIA

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The DCA Compliance department will conduct monitoring procedures and requirements to ensure Ownership Entity and Project compliance with Section 42 (m)(1)(B)(iii) of the Internal Revenue Code and all requirements as specified in the QAP. Please see the DCA Compliance Manual for further information.

- A. DCA will require an Owner of a Housing Tax Credit (HTC) project and/or Tax Exempt Bond/Tax Credit property to maintain records for each qualified Housing Credit building in the Project. For each year in the Compliance Period, the records must show the information required by the record-keeping provisions contained in Section 1.42-5 (b) of the Treasury Regulations.
- B. DCA will require an Owner to retain the records documenting compliance with Section 42 of the Internal Revenue Code (Section 42) for each year as described in Paragraph A above for at least six years after the due date (with extensions) for filing the federal income tax return for that year. DCA will also require Owners to retain the records for the first year of the Credit Period for at least six years beyond the due date (with extensions) for filing the federal income tax return for the last year of the Compliance Period of the building.
- C. DCA will require a first-year tenant file review and issuance of a clearance letter from an industry recognized HTC training and file review specialist. Each first-year file with all tax credit qualification documents must be reviewed by a specialist and a summary of their findings must be submitted to DCA within 18 months from the date of the first building being placed in service. Failure to submit the findings will impact future scoring as applicable under the Compliance Performance section for 9% tax credit Applications submitted by the owner and the property's ability to be issued a Recertification Waiver (allowing the Ownership Entity to cease full annual recertifications and process tenant self-certifications for subsequent annual recertifications for 100% HTC properties). Each ownership entity must enter all required tenant data for each property into the DCA reporting tools as required and described in DCA's memorandum notices, Compliance Manual and Asset Management Manual, by the 10th of each month for the preceding month. The required tenant data must include a report of all tenant move-ins and move-outs (to include onsite transfers) and income recertifications.
- D. An Owner of a Housing Credit Project must submit an online Annual Owner's Certification (AOC) to DCA, under penalty of perjury and as provided in Section 1.42-5 (c)(1) of the Treasury Regulations, by the stated deadline provided on the AOC form and the Compliance Monitoring website each year. All AOC submissions will be reviewed for Section 42 compliance and timely submission. DCA may deduct up to two (2) points from scoring in the Application funding round, per Section II (A)(2) of Addendum D, for the Owner's failure to submit an AOC for any project by 5:00 p.m. EST on the stated deadline.

- E. DCA will notify the IRS of an ownership entity’s noncompliance or failure to submit an AOC no later than forty-five (45) days after the end of the time allowed for correction and no earlier than the end of the correction period. DCA will notify the IRS by filing IRS Form 8823, Low-Income Housing Credit Agencies Report of Noncompliance for the fifteen-year Compliance Period. Under certain circumstances DCA may notify HUD of a failure to submit an AOC.
- F. LIHTC with a GHFA Loan (HOME)  
*Annual Audited Financial Statement Requirement:*  
 Every property funded with Low Income Housing Tax Credits and financed with a GHFA loan (HOME, TCAP, etc.) must submit audited annual financial statements, prepared by a licensed Certified Public Accountant, and form Schedule A to DCA by May 15 or as otherwise required by DCA.
- All financial statements must be uploaded through the Emphasys Certification Portal. 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 must submit annual financial data as stated in this QAP, utilizing DCA reporting tools as required and described in DCA’s policy documents, memorandum notices, Compliance Manual and Asset Management Manual.
  - Annual financial reporting must begin once lease-up commences and after the first financial year of operation has ended.

**All Properties**

*Annual Financial Reporting:*

Every property funded with Low Income Housing Tax Credits must submit annual financial data. Annual financial data/Year-end financial data is due no later than May 15th of the following year.

*Quarterly Financial Reporting:*

Every property funded with Low Income Housing Tax Credits must submit quarterly operating data. Quarterly financial data is due within forty-five days of the last day of the month following the end of the quarter.

- Each property must submit the financial data as stated in this QAP, utilizing DCA reporting tools as required and described in DCA’s policy documents, memorandum notices, Compliance Manual and Asset Management Manual.
- This requirement is effective through the end of the Extended Use Period or Affordability Period, whichever is later.
- Quarterly financial reporting must begin once lease-up commences and after the first financial quarter of operation has ended.

During the course of monitoring, if a property demonstrates financial or physical distress, DCA may request additional financial documents for the identification of possible solutions.

- G. The ownership entity of any property having received funding through DCA must prepare and submit an Affirmative Fair Housing Marketing Plan (AFHMP) as outlined within this QAP. More detailed and specific information is available on the DCA website with regard to frequency of

submission and/or updates, outreach efforts with specific contact information, required forms, etc.

- H. DCA will inspect each required HTC project with a frequency and sample size applied as defined in the DCA Compliance Manual located on the DCA website.
- I. During each Compliance Review/Audit, the ownership entity must submit the Owner Certification of Supportive Services form with corresponding detailed backup, (letters, sign in sheets, etc.) relating to the event and the resident participation. Failure to make submissions will result in State non-compliance and potential point deductions as stated in this QAP.

Each ownership entity must allow DCA, or its designated representative, to perform additional on-site inspections of any HTC unit or building in a Project through the end of the applicable Compliance Period. These additional inspections are separate from any review of tenant files or units under Paragraph I. Inspections performed outside of Paragraph F will be at the expense of the ownership entity. For any additional inspections or re-inspections required by DCA, a fee will be assessed to the property payable to DCA within thirty days of notification of the fees. Re-inspections may be mandated by conditions found during a regularly scheduled inspection, information released by a media outlet, a notification of a resident concern, or any other source. See the DCA website and Compliance Manual for the applicable fee amount and inspection guidance.

- J. DCA will promptly notify the ownership entity in writing if DCA is not provided access by either the owner or the management company to inspect and review as described in Paragraphs I and K, or otherwise discovers that the Project does not comply with Section 42. In such event, the ownership entity will be informed in writing of the stipulated period to supply missing documentation or to correct noncompliance commencing on the date of the notification letter.
- K. DCA may charge fees to cover the ongoing administrative expenses in monitoring compliance and to collect all expenses incurred in carrying out its duties as the Housing Credit agency, including, but not limited to, reasonable fees for legal and professional services.
- L. Compliance with the requirements of Section 42 is the responsibility of the ownership entity of the building for which the Housing Credits are allocated. The ownership entity of each building is responsible for compliance with all of the accessibility, adaptive design, and construction requirements, of the Fair Housing Act. Failure to comply with the requirements of Section 42 or the Fair Housing Act may result in the loss of Housing Credits pursuant to Section 1.42-9 of the Treasury Regulations.
- M. DCA monitoring of an Ownership Entity's compliance with the requirements of Section 42 and the Fair Housing Act does not make DCA or the State of Georgia liable to any Ownership Entity or to any shareholder, officer, director, partner, member or manager of any Ownership Entity or of any entity comprising any Ownership Entity for an Ownership Entity's non-compliance therewith.

- N. It is the policy of DCA to immediately report to the appropriate federal agent any indication of fraud, waste, abuse, or potentially criminal activity pertaining to the use of federal funds.
- O. DCA will report its compliance monitoring activities annually on IRS Form 8610.
- P. A copy of the IRS Form 8609, with Part II completed by the ownership entity, must be submitted to DCA the first year Housing Tax Credits are claimed for a building within sixty days of DCA's issuance of IRS Form 8609 Part I.
- Q. The ownership entity must submit a copy of any health, safety, or building code violation report issued by any regulatory (local, state, or federal) or third-party entity to DCA's Compliance Department within sixty days of receipt from said entity.
- R. If an owner wishes to change the methodology used in the calculation of the Utility Allowance at any time after the initial determination has been made, the owner must submit a written request to DCA. Only one request per calendar year may be granted by DCA. A fee shall be paid by the owner at the time the request is submitted for a change request. See the DCA website for the applicable fee amount.
- S. Applicants must ensure the management company included in all applications is approved per DCA's Management Company Approval policy by the deadline specified in Core Exhibit A. If the management company is not approved by the deadline, the Applicant will be required to replace the management company in the Application with a management company that is approved. For any anticipated change in a management company, beyond the initial Application for funding, the ownership entity must submit a request for approval of the change per DCA's Management Company Approval policy.