



2011 QAP APPLICATION WORKSHOP
Office of Affordable Housing



Laurel Hart
Office Director
Office of Affordable Housing



Proposed Legislation President's FY 2012 Budget

- Allowing LIHTC projects to elect an average-income criterion
- Providing a 30% basis boost to 4% LIHTC preservation deals
- Spending cuts (public housing capital funds, CDBG, HOME, Sec. 202 and 811, tenant-based Sec. 8, RD Sec. 538)
- Spending increases (project-based Sec. 8)

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Eligible Workforce Verification



All 2011 Awardees are required to participate in federal work authorization program (E-Verify).

Your Application Workshop Folder includes:

- Updated Affidavits for project team (owner, developer and general contractor) and for subcontractors
- Guidelines and Q&A on eligible workforce verification process

EQUITY MARKET UPDATE

Keitt King
Paul Smith
Steve Smith





**DCA UPDATE:
MITAS
HERA REPORTING**

Nan Maddux



MITAS

Introduction



**Brandon Bruce &
Collin Ferguson**



Who Will It Help and How?



- OWNERS: Easier project monitoring, thus better project performance and less findings from Audits.
- Management Companies: Easier project monitoring, more accurate record keeping, faster response to compliance concerns.
- Georgia Department of Community Affairs: Fewer compliance concerns because of added accuracy in record keeping. (Fewer 8823's)
- THE EARTH: Georgia promotes a GREEN work environment, MITAS significantly cuts down on need to use paper where compliance is concerned

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What Can MITAS Do?

MITAS Can:



- Create Reports
- Check for:
 - ✓ Changes in Basis
 - ✓ The 40/50 Rule
 - ✓ State Set Asides
 - ✓ Contact Information
 - ✓ Relocation
 - ✓ HERA Reporting
 - ✓ Next Available Unit Rule
 - ✓ Leases less than 6 months for Tax Credit Properties
 - ✓ Leases less than 1 year for HOME Properties

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MITAS

MITAS is an interactive database, that keeps track of most aspects of a project, including:

- BIN Number
- Unit Number
- Nbr of Bedrooms
- Square Footage
- Accessible Units
- Tenant Information
- Utility Allowance
- Tenant Qualification
- Subsidy Amount
- MUCH MORE

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Example 1: Tenant Query

The MITAS Tenant Query provides:

- Age
- Rent
- Gross Rent, Qualification Percentage
- and much more

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Example 1 *(cont'd)*

1.1 - The Compliance Errors Report:

- Shows Managers and Owners errors before an audit.
- Eliminates findings
- Reduces the need for Cures

1.2 - Error Log For Compliance:

Identifies errors on a given project

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Example 2.0 Web Tenant Report

The Web Tenant Report:

- Displays property's current and past tenants to Managers and Owners.
- Helps monitor property's status, including:
 - recertification dates
 - effective dates

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Example 3

3.0 - Development Sheet
Gives per project detailed view of project breakdown

3.1 - Tenant Detail & Effective Date Report provides:

- Tenant Effective Date
- Certification Type
- Move In & Out dates
- Unit Type

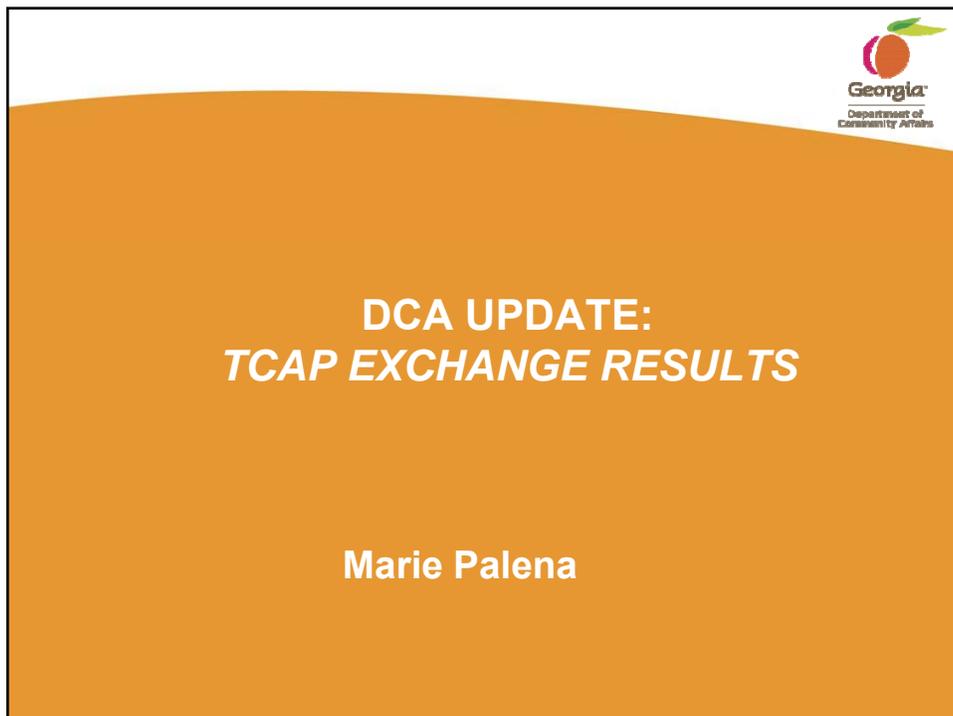
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MITAS Dates to Remember

- **February 2, 2011**
Deadline to have MITAS Data into DCA for the 2011 Funding Round
- **April 1, 2011**
Projects that have not submitted complete data will generate NONCOMPLIANCE ISSUE.

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American Recovery and Reinvestment Act (ARRA)





1. Tax Credit Assistance Program (TCAP)

- Closed on \$54,481,680 (100%)
- Disbursed (as of 2/28/2011) \$48,515,050 (89%)
- Ranked **6th** in nation by HUD in:
 - Commitment
 - Disbursement
 - Units produced
- Now we get to “re- allocate”!
- All funds must be disbursed by 2/16/12

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American Recovery and Reinvestment Act (ARRA)





2. Tax Credit Exchange Program (Exchange):

- Closed on \$195,559,945 (100%)
- Disbursed (as of 2/28/11) \$151,502,584 (77%)
- Units produced/rehabbed 3,195 (12/31/10)
- Jobs created/retained 5,782 (12/31/10)

🌻 🌻

All funds must be disbursed by 12/31/11 (read: 11/15/11 😊)

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NUTS AND BOLTS

Sandy Wyckoff
Cathy Johnson



Important Deadlines

	<u>Due no later than</u>
<ul style="list-style-type: none"> • Pre-Apps and Pre-Determinations Includes: Pre-determinations HOME Consents 	May 12, 2011*
<ul style="list-style-type: none"> • 9% Credit Applications 	June 23, 2011
<ul style="list-style-type: none"> • 4% Credit Applications 	75 days before bond closing
<ul style="list-style-type: none"> • Alternate Financing Notification to DCA 	July 29, 2011
<ul style="list-style-type: none"> • Alternate Financing Deadline 	August 17, 2011*

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Organization is  

Core Application & Instructions on website
<http://www.dca.ga.gov/housing/HousingDevelopment/programs/QAP2011docs.asp>

- Not following Tabs Checklist = loss of points
- Missing documents = loss of points
- Incomplete application = loss of points

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Pre-Applications / Pre-Determinations 

- Pre-determination of proposed Project Team Qualifications
- DCA HOME Consent
- Architectural Standards Waiver
- Amenities Waiver
- Operating Expense Waiver
- Payment & Performance Bond Waiver

**ALL PRE-APPLICATIONS AND PRE-DETERMINATIONS
MUST BE SUBMITTED NO LATER THAN 5/12/11
Attention: Andria Williams**

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Questions and Answers



- Deadline June 3, 2011
- General Questions
- Project Specific Questions
- Don't call around!! Protect yourselves.
- Verbal advice is not binding – Get it in writing



All Q&A should be sent in writing to:

oahround2011@dca.ga.gov

Application Deadline Day

June 23, 2011

Application Package

- 1 original binder
- 2 copies of original application
- 2 CD'S
 - Core Application & Performance Workbook
 - Market Study & Appraisal (if applicable)
- 1 Flash Drive - Environmental Study
- Assembly Directions in Core Application Instructions



Upcoming Events



Roundtables

- March 23 Federal Compliance (SOLD OUT)
- March 24 Design & Construction/Southface
- March 29 Feasibility/HOME
- April 12 Compliance 101
- April 19 Relocation
- April 26 Compliance 101
- May 17 Compliance 103 (fka HOME only Training)
- May 25 Compliance 101

DCA Updates



- **Newsletter**
 - DCA news
 - Events
 - Website postings and updates
- **Join our email distribution list**
 - OAH Multifamily Web Page
 - Sandy.Wyckoff@dca.ga.gov



DCA Cover Model Contest



Who was eligible?

- Project placed in service between 2007 - 2010
- Rehabilitation / New Construction
- Submitted by February 28, 2011

DCA Cover Model Runner Ups



**Sustainable
Fellwood**



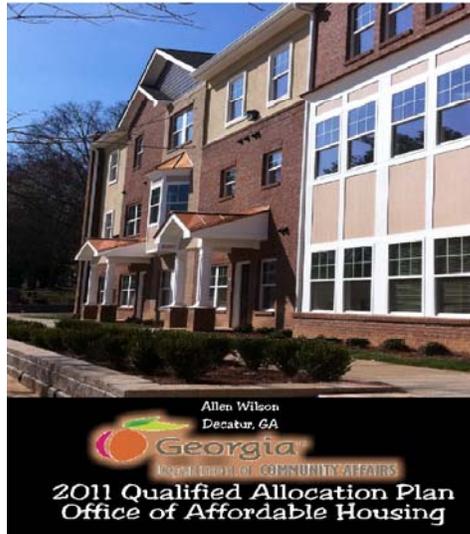
**Adamsville
Green**



DCA 2011 QAP Cover Model



Allen Wilson



“We Are Here For You”



- Office Director – Laurel Hart
Laurel.Hart@dca.ga.gov
- Compliance – Nan Maddux
Nan.Maddux@dca.ga.gov
- LIHTC – Fenice Taylor
Fenice.Taylor@dca.ga.gov
- HOME/Underwriting – Marie Palena
Marie.Palena@dca.ga.gov

“We Are Here For You”



- Environmental – Tracey Edwards
Tracey.Edwards@dca.ga.gov
- Construction – Jennifer Adams
Jennifer.Adams@dca.ga.gov
- Architecture – Michael Collins
Michael.Collins@dca.ga.gov
- Market Study – David Bartlett
David.Bartlett@dca.ga.gov

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“We Are Here For You”



- Asset Management – Theresa Hill
Theresa.Hill@dca.ga.gov
- Technical/App Spreadsheet – Stephen Barrett
Stephen.Barrett@dca.ga.gov
- Relocation/Federal Compliance – Lynnette Watson
Lynnette.Watson@dca.ga.gov
- General Questions – Sandy Wyckoff
Sandy.Wyckoff@dca.ga.gov

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Market Study Analysts

Making the A-List



- DCA annually publishes Request for Qualifications (RFQ) for Affordable Housing Market Study Firms.
- Asset Management Team
 - Reviews submittals
 - Selects firms based on ability to satisfy RFQ criteria.
- Applicants
 - Order Market Study
 - Ensure that analyst prepares study according DCA Market Study Manual criteria.



Market Analyst



2011 Approved Market Analyst List
located on DCA's website at:

<http://www.dca.ga.gov/housing/HousingDevelopment/programs/QAP2011docs.asp>

under "Other Documents"



Market Study Guide

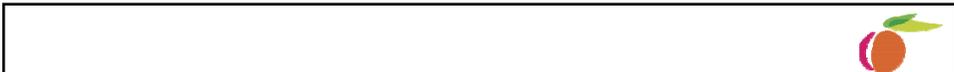


- Market analysts required to follow 2011 DCA Market Study Guide
- Applicants must verify that analyst has prepared report in appropriate DCA format.

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2011 AVAILABLE RESOURCES

Clinton Hill

2011 Available Resources



Low Income Housing Tax Credits

Available Resources for 2011: \$20 million

- Amount determined by IRS and indexed for cost of living adjustments
- Georgia has matching \$1 / \$1 state credit
- Allocated in accordance with QAP

2011 Available Resources



Basis Boost QCT / DDA

- Check at HUD website
- <http://qct.huduser.org/index.html>
- (Must have Tract number)

2011 Available Resources



Basis Boost

State Designated – up to 30%

- Criteria: (p. 15 of 2011 Core QAP)
- Rural without HOME
- Historic Designation
- Special Needs
- Stable Communities
- Extraordinary Circumstances
- Defer .5% of DF for each 1% Boost

2011 Available Resources



HOME Funds

Approximately \$13-15 million

- CHDO (minimum 15% of HOME)
- Rural
- No other debt
- Successful HOME experience in Georgia
- Recent 3 year history closing syndicator financing
- Compliance History

2011 Available Resources



Project Caps

- **LIH Tax Credits**
 - \$950,000 per project
 - \$1,700,000 per applicant
- **HOME**
 - \$2,500,000 per project
 - Normally one project max per applicant

2011 Available Resources



Set Asides

- Non Profit 10%
- Rural 30%
- Preservation \$1.8 million
- Special Needs \$950,000
- Supplemental \$1 million (Non-competitive)
- Choice / HOPE VI \$1.7 million



APPLICATION EVALUATION

Marie Palena



Evaluation of Applications

Mixing It Up!

- Stage I - Completeness Review
- Stage II- Preliminary Scoring Review
- Stage III - Review and Clarification
- Stage IV – Selection
- Tiebreakers

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Stage I. Completeness Review



- Is Application organized to mirror Tabs Checklist with appropriate copies?
- Are required third party reports included?
- Does paper copy match electronic Core Application; does CD function properly; and is there supporting documentation?

Stage II. Preliminary Scoring Review



- Applications ranked based on review of self score and how well supported.
- Possible missing document(s) or possible financial adjustment(s) deductions are not considered.
- Applicant comments required within 48 hours and must be limited to opinions regarding DCA's scoring determinations.

Stage III. Review and Clarification



- Applications that fail to meet Appendix I requirements (Threshold) will be notified in writing.
- Applicant must respond in writing within 5 calendar days from the date of the DCA notification letter.
- Response must provide a clear and specific explanation of why the Applicant believes DCA's initial determination was incorrect.

Stage III: Review and Clarification

(cont'd)



WHAT THIS IS:

- Administrative in nature
- For missing or incomplete documents existing prior to Application Submission
- For clarification of information submitted
- For correction of minor inconsistencies

WHAT IT IS NOT FOR:

- Modifying applications
- Providing documents that were not in existence at application

Stage III: Review and Clarification *(cont'd)*



IMPORTANT

Documentation submitted for clarification during threshold review period is not utilized for scoring.

For instance...

Applicant excludes commitment for NSP from application. If commitment didn't exist on June 23, 2011, it can't be counted as a source. Project may then be infeasible and fail Threshold.

If commitment did exist on June 23rd, 2011, it can be counted in sources, but not for leveraging points.

Stage III: Review and Clarification *(cont'd)*



To Avoid Threshold Failures:

- Double check Sources & Uses, Total Cost & Eligible Basis columns - errors can push the Deferred Developer Fee beyond the 50% limit.
- Make sure your Market Study follows guidelines and makes sense. (Ex. extended market area)
- Understand Environmental Report summary and know when you must comply (8-Step Process)
- Deferred developer fee must be payable in 15 yrs

Stage IV: Selection



“Begin with the End in Mind”

S. Covey

- It is to your advantage to utilize all comment sections in the Core Application
- No new documentation considered after Application submittal
- The time to clarify is Over

Stage IV: Selection *(cont'd)*



DCA Reserves the Right

- To select lower scoring projects based on geographic distribution or optimal use of resources
- To limit the number of projects in a certain geographic area due to market considerations
- To consider the most efficient use of our resources
- To use DCA's discretion to choose best projects

Tie - Breakers



- DCA resources per unit (*'biggest bang for the buck'*)
- Applicant's commitment to GA Affordable Housing (*'come here often?'*)
- Serving a majority of residents with Special Needs (*'lean on me...'*)
- Phased projects (*'the more the merrier!'*)
- HOPE VI, PHA sponsored projects utilizing RHF (*'help us reduce public housing waiting lists'*)

Tie - Breakers *(cont'd)*



- Waiting list demonstrating a need (*"Better late than never, but better never late"*)
- Family projects (*"Are we there yet?"*)
- Sustainable and energy efficient characteristics (*"The energy you save may be your own"*)
- Historic projects (*"You're HOW old?"*)
- Practical considerations
(*Yes, standing in front of the Commissioner and the Board, we have learned to be very practical...*)



Leveraging Resources

\$ \$ \$ \$

**Marie Palena
Evelyn Nu'Man**



DCA HOME - The Basics

- Workshop: March 29, 2011 at DCA
- Requests due: May 12, 2011 (4:00 PM)
- Minimum: \$800,000
- Maximum: \$2,500,000
- Must submit Qualifications Determination request
- Must receive HOME Consent to formalize
- Must use HOME funds or LIHTC may be withdrawn

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DCA HOME *(cont'd)*



- Selection Criteria: p. 20 of QAP Core
- Underwriting policies: QAP Sec. 7 A & B
- HOME Consent request – go to:
 - 'Qualified Allocation Plan Documents 2011' web page
 - <http://www.dca.ga.gov/housing/HousingDevelopment/programs/QAP2011docs.asp>
 - Click 2011 OAH Manuals and Forms, see E. HOME
- **CHDO?** DCA may help with pre-development costs
- email Tarolyn.Moore@dca.ga.gov

More Resources Available!



- City of Atlanta HOME Funds
(Evelyn Nu'Man - enuman@atlantaga.gov)
- Neighborhood Stabilization Program

Leveraging Resources Points



- CDBG program funds \$500,000 Minimum
- Federal Home Loan Bank
Affordable Housing Program (AHP) \$500,000 Minimum
- HOME Funds (non DCA source) \$500,000 Minimum
- Long term ground leases for nominal consideration
and no other land costs 1 point

Leveraging Resources



Resource	Minimum	Pts
• NSP not allocated from DCA	\$1,000,000	2
• Beltline Grant	\$1,000,000	2
• Housing Opportunity Bonds	\$1,000,000	2
• HUD 202 or 811 program funds	\$3,000,000	3



**PROJECT TEAM
QUALIFICATIONS / PERFORMANCE**

**Laurel Hart
Nan Maddux**



Project Team Qualifications

Qualifications of the Project Team

Each Project Participant Team (general partner and developer, or their principal(s)) must demonstrate the qualifications necessary to successfully own, develop and operate the proposed tax credit project.

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Project Team Qualifications



Who is Analyzed?

- Project Team is defined as the Owner and Developer Entities
- Qualification Determination can be made through the Project Team Entity or through a Principal

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Project Team Qualifications



Possible Determinations

- Qualified Without Conditions
- Qualified With Conditions
- Not Qualified

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Project Team Qualifications



What Do We Look At?

- Successful Tax Credit Experience
- Performance History
- Adverse Conditions
- Effective Control

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Project Team Qualifications



Successful Tax Credit Experience

- Must be completed
- Must be 90% occupied
- Must be currently owned
- Same project entity must be involved in both the ownership and development entities.
- Project Involvement from beginning to end

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Project Team Qualifications



Qualified Without Conditions

Requirements for Determination under paragraph (a)

- 20% Ownership interest in the General Partner and Developer entities of Five (5) Successful LIHTC Projects.
- DCA Finding of no Adverse Conditions.

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Project Team Qualifications



Qualified With Conditions

Requirements for Determination under paragraph (b)

- 20% Ownership interest in the General Partner and Developer of Two (2) Successful LIHTC Projects
- DCA finding of no Adverse Conditions

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Project Team Qualifications



Additional Considerations Under (b)

- Does not currently own or operate the requisite number of projects.
- Does not have the required 20%
- Adverse conditions that will not conclusively affect the ability of the Team
- Material change

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Project Team Qualifications



Qualified With Conditions

Requirements for Determination under paragraph (a)

Project Teams that may be determined to be qualified with conditions will generally have some tax credit experience.

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Project Team Qualifications

Qualified With Conditions

Requirements for Determination under paragraph (b)

Project Participant Team that has extensive experience in the tax credit industry may also be deemed qualified under a probationary designation with conditions

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Project Team Qualifications

Examples of Conditions

- Additional third party oversight
- Front end analysis of proposed costs
- Evidence that projects not completed are proceeding as scheduled
- Reduced owner/developer caps
- Limitations on size of proposed projects
- Limitations on ability to partner
- Consultant or Partnership Requirements

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Project Team Qualifications

Qualified With Conditions

Requirements for Determination under paragraph (c)

- DCA policy objective
- Not for typical entities looking to become an experienced tax credit developer
- DCA has the discretion to waive the applicant credit cap under this section

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Project Team Qualifications

Adverse Conditions

DCA will look at each project team and project team principals of the proposed project to determine whether they have had a role (principal or key staff member) in affordable housing projects that have had significant physical or financial issues, defaults or foreclosures.

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Tax Credit Experience Points



General Partner and Developer

- Successfully completed the closing of LIHTC financing
- Received an allocation in 2008, 2009 and 2010
- Closed prior to Application Submission
- Must include a federal credit syndicator

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Tax Credit Experience



- **Two Points For Two Closings**
- **One Point For One Closing**

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Maximum Ownership Interests



- Direct or indirect Ownership interest
- Combined total Federal Credit from the 2011 competitive funding round cannot exceed one million seven hundred thousand dollars (\$1,700,000)
- And/or total HOME funding cannot exceed twenty five percent (25%) of the total HOME Loan resources available.

2011 Compliance Scoring



Sheriff Maddux
"Just the facts"





Compliance Scoring

Always Remember

- Each Project Participant must complete a Performance Workbook, which includes a Compliance Scoring Worksheet and a Compliance History Summary
- Highest Compliance Score is now 10
- Beginning Compliance Score is 10
- Point deductions will be made for project teams and their members that were/are principals in non performing projects

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2011 Compliance Scoring

Required Documentation from all Owner, Developer and Principals



- Compliance History Form: Accurate and Complete
- Compliance Score Worksheet
- DCA Compliance Certification from each state financing agency from which Owner/Developer or principals have received LIHTC or HOME funding,
- Certification must be received by DCA prior to submission of project to DCA for scoring
- Up to the applicant to monitor, not DCA

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2011 Compliance Scoring



Programs reviewed for calculation purposes

- Low Income Housing Tax Credits (LIHTC)
- HOME
- FDIC/Affordable Housing Disposition Program
- Housing Trust Funds
- Dept. of Agriculture with LIHTC



Only projects with these funding sources should be included for consideration of compliance scoring on compliance history summary

2011 Compliance Scoring



Types of Non-Compliance

- Program Administrative Non-Compliance
- HOME Administrative Non-Compliance
- DCA Program Administrative Non-Compliance
- LIHTC Non-Compliance
- FDIC Non-Compliance
- HOME Non-Compliance

Compliance Scoring




Relevant Time Period

- Only reviews and audits from 2006-2010 through May 1st, 2011 will be considered
- All instances of major project failure/GP failures that occurred on or after January 1, 2002 will be considered

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Compliance Scoring




Calculation of Point Deduction

- **Group A:** Significant Administrative Non-Compliance
1 Point deduction for each project that is significantly non-compliant
- **Group B:** DCA Program Administrative Non-Compliance
1 Point deduction for each instance of significant non-compliance

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Compliance Scoring



Group C: Property Maintenance

Failure to Maintain Property LIHTC, HOME, FDIC or in accordance with DCA Requirements

- Levels 1-3 of Uniform Physical Compliance Standards and other code issues
- Up to 2 points for each instance of a failure to maintain property that is not cured as of April 1, 2011

Compliance Scoring



Group D: Significant Physical Issues

Up to 5 points deducted for projects that are identified as having significant physical issues (examples not limited to):

- 2% of units are “down” at property
- Loss of utilities due to non-payment of bill more than once a year
- Mold and water infiltration
- Patterns of health and safety issues

Compliance Scoring



Group E: Major Project / GP Failure

Examples not limited to:

- Foreclosures
- Default on Bond
- Project bankruptcy
- GP/Developers, principals or managing member removed, debarred or asked to voluntarily withdraw for LIHTC Partnership
- 5 points deducted for each project that is owned directly or indirectly by any project team entity or principal that is determined to be a major property failure

Compliance Scoring



Point Additions

Maximum Compliance Score = 10



If successfully owned, managed or operated required number of GA LIHTC Properties and none of the projects received any point deductions:

- **1 Point added if score is less than 10**
For **five (5)** GA LIHTC Properties
- **2 Points added if score is less than 10**
For **eight (8)** GA LIHTC Properties
- **3 Points added if score is less than 10**
For **ten (10)** GA LIHTC Properties



Common Physical Issues

(Not the worst of the worst)

Housekeeping





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Housekeeping



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Amenities



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Erosion



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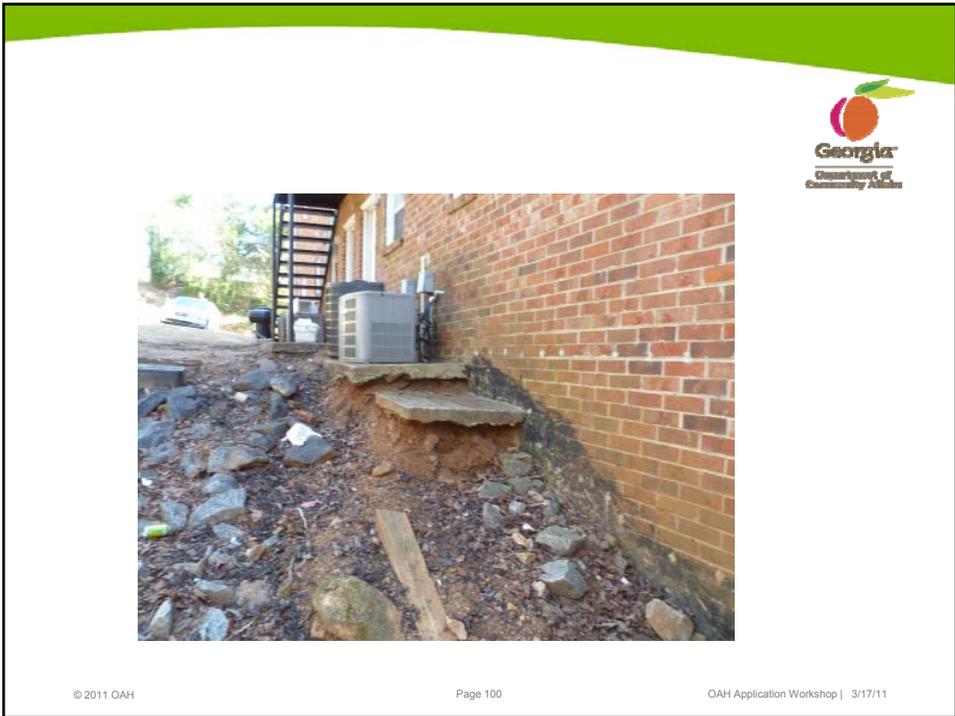
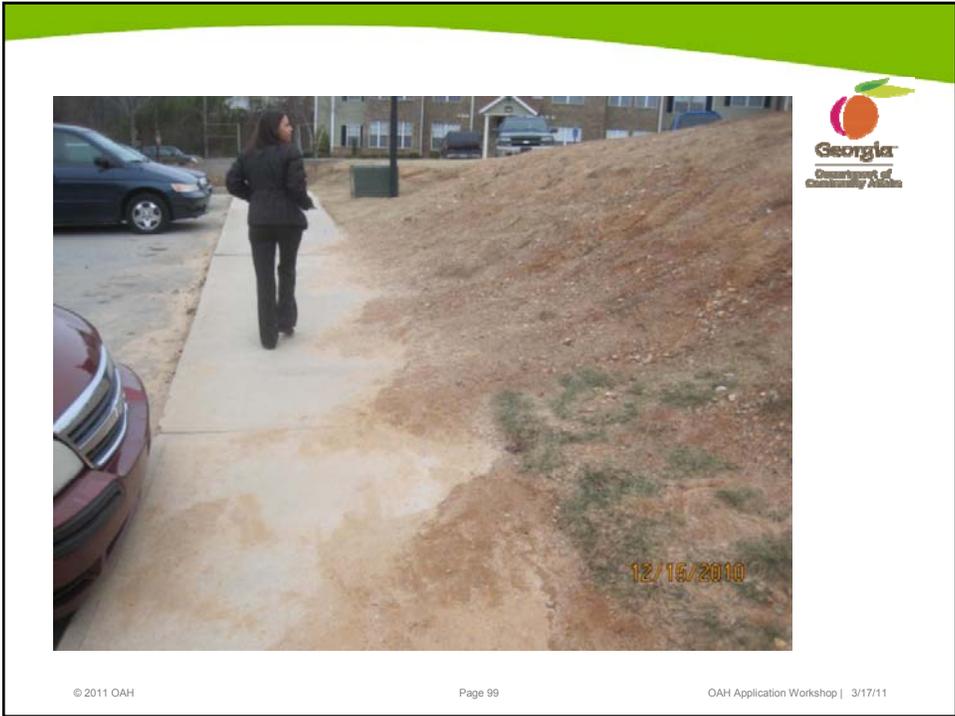
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The photograph shows a concrete retaining wall on the right side, with a significant amount of soil erosion on the left. The soil is reddish-brown and contains many small rocks. Sparse green grass is growing in the eroded area. The wall itself appears to be made of several courses of concrete blocks.

Georgia
Department of
Community Affairs

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Intrusive Vegetation



The photograph shows a light-colored building wall on the left, which is almost completely obscured by a dense, tangled mass of bare, brown vines. The vines are thick and appear to be climbing over the building. The background shows a clear blue sky and some green foliage on the right side.

Georgia
Department of
Community Affairs

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Parking Lot Deterioration



Common area violations affect all BINs!





A photograph of a concrete driveway with significant cracking and surface damage. The cracks are irregular and spread across the width of the driveway. In the background, a portion of a house and some landscaping are visible.

Georgia
Department of
Community Affairs

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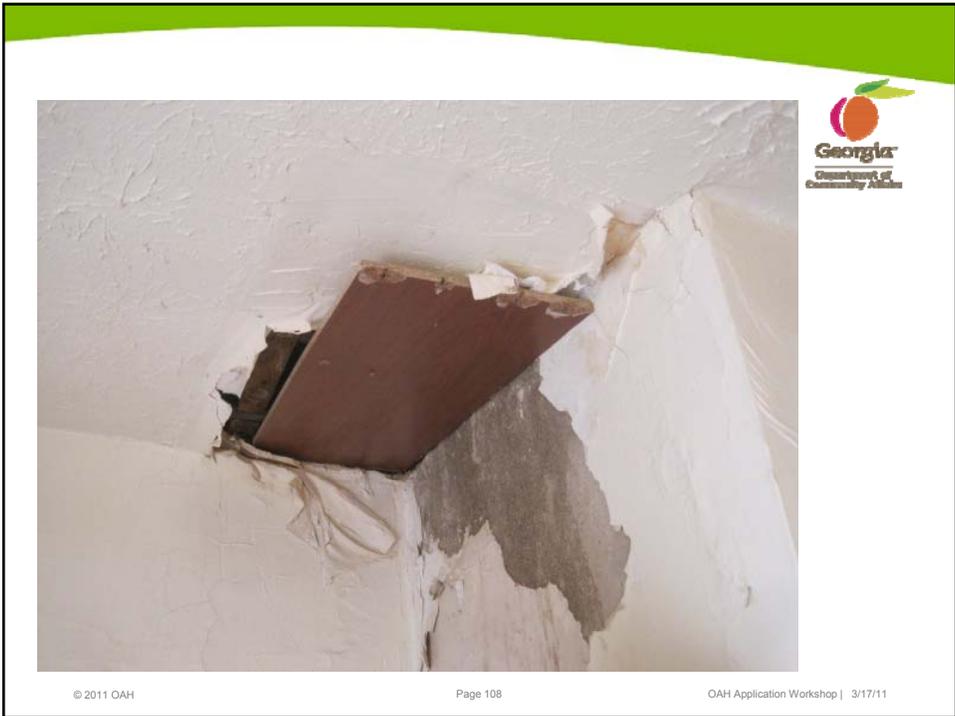
Is that really a fix?



A photograph of a showerhead mounted on a tiled wall. The showerhead is silver and has a black face. It is mounted on a square metal plate that is partially covered by a piece of clear tape. The wall is made of light-colored square tiles.

Georgia
Department of
Community Affairs

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Paint and Deteriorated Surfaces



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Vacant units not ready



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Blocked Egress




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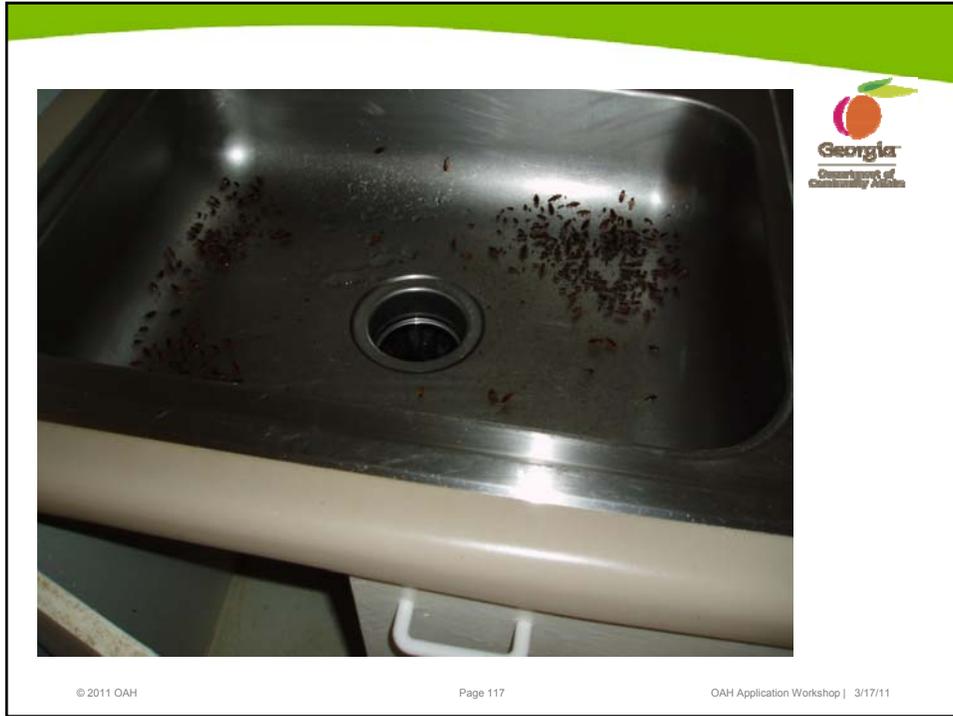
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Graffiti ...



Infestation





IRS Audit?

We are told by one of our experts that any site with **uncorrected** Level 3 or Health and Safety violations is automatically put on a potential **IRS** audit list.

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Georgia
Department of
Community Affairs

Amenity Changes not Approved



- In place of security



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PRESERVATION

Joe Collums
Tracey Edwards

Preservation Outlook



- 2010 round: 15% of resources allocated to preservation
- Over 200 tax credit properties will reach end of compliance period by 2015
- Preservation Roundtable held at DCA (2/23/2011)



Construction
Southwood Apts
Shellman, GA

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Preservation Set-Aside: \$1.8 million



- Expiring tax-credit properties
- PHA projects using replacement housing factor (RHF) funds
- USDA 515 projects with PBRA for at least 50% of units
- Properties w/project-based Section 8 that are eligible for opt out
- Existing HUD Section 236 projects
- Affordable projects w/HUD financing designated by HUD as threatened (excluding public housing)

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Project may be ineligible for set-aside if...

It is in substantially good condition

OR

Its poor condition is the result of willful deferral of maintenance

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Preservation Points

Expiring Tax Credit Properties	6 Pts for 1 st app 3 Pts of 2 nd app
USDA Section 515 Property	2 Pts for ONE application designated by USDA
HUD High Priority Property	2 Pts for ONE application designated by HUD
Historic Designation	3 Pts for Certified Historic Structure

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Preservation Points



New Changes - Historic Designation

Historic Designation - 3 points

DCA will award 3 pts if the property is a certified historic structure with:

- Approved Part 1-Evaluation of Significance
- Submitted Part 2-Description of Rehabilitation
- Approval from Georgia DNR-HPD and NPS for the work scope of the rehabilitation.

Preservation Points



Required Documentation to be submitted at Application:

- A copy of the Georgia DNR-HPD and NPS approved Part 1, Part 2, and/or if applying,
- The Georgia-approved Part A; and
- Copy of a preliminary equity commitment for Federal and Georgia historic rehab credits.



**NONPROFIT
SPECIAL NEEDS
SET-ASIDES
MARKETING PLAN-SPECIAL NEEDS**

Staci Tillman



Nonprofit Set-Aside

- p. 11 of 58 of the Core Plan
- 10% of the available 9% credits
- Nonprofit organization must materially participate
- Must present evidence of nonprofit status:
 - IRS letter
 - Articles of Incorporation and/or Bylaws
 - Have a Housing Purpose

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Nonprofit Scoring Criteria



Applicant must be eligible and apply for nonprofit set-aside in order to be eligible for points in this scoring category.

Eligible 100% qualified nonprofits with:

- A. 5** or more successful LIHTC projects = **3** Points
- or
- B. 2** or more successful LIHTC projects = **2** Points

Documentation: See p. 19 of 28 QAP - Scoring

Special Needs Set-Aside



- Up to \$950,000.00 (see p. 13 of 58)
- The applicant will need to provide a commitment for Office of Special Housing Initiatives (OSHI) funds no later than September 1, 2011.

Special Needs Set-Aside *(cont'd)*



- If more than one project meets all threshold criteria as well as the requirements of this set aside, OSHI will select the project(s) that will be selected for the set aside.
- While it is DCA's intention to fully fund this set aside, DCA may at its discretion, determine that a low scoring project does not sufficiently meet DCA's overall goals to be selected for an allocation.

Marketing to Special Needs Populations



All projects selected for funding (regardless of their tenancy) must demonstrate a willingness to initiate marketing of units to tenants experiencing a disability or homelessness.

Marketing to Special Needs Populations *(cont'd)*



- Each project selected for an award of credits must prepare and submit a Marketing Plan outlining how the applicant will market to tenants with special needs.
- The applicant must agree to provide reasonable accommodation for these tenants in the Property Management's tenant application.





FEDERAL COMPLIANCE

Lynnette Watson



What's New In Relocation?

- No new additional forms
- MITAS System
- Site Relocation Survey Form
 - Mandatory for ALL applications
 - New Construction or Rehabilitation
 - Identify Site Structures and Tenant Relocation

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Relocation Workshop



- Rescheduled Date: April 19, 2011
- Guest Speaker: **Phillip Fortenberry**
- Topics of Discussion
 - URA
 - 104D
 - Voluntary Acquisitions
 - Importance of Relocation Planning
 - Issuance/timing of notices

Application Documents



- Project specific Relocation Plan
- Relocation Cost Estimate
- Multifamily Tenant Relocation Plan Certification
- Occupancy History (recent 90 days)
- Relocation/Displacement Project Spreadsheet
- Site Map
- Tenant Household Data Form
- Site Relocation Survey Form



Site Selection

Michael Collins



Site Selection Issues

- Community Transportation
- Desirables
- Bonus Desirables Points
- Undesirables
- Other Site Considerations

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Community Transportation

Maximum of 2 Points



DCA will award:

- A. Two (2) points if the proposed site is located within ½ mile walking distance of a rapid transit station *or*
New
- B. One (1) point if the proposed site is located within ½ mile walking distance of an established public transit stop.

Desirables (10 points)



- Urban: 1 mile walking/driving distance
- Rural: 2 miles walking/driving distance
- 1 point in at least five different categories
- Each building – will be assigned to only one desirable category

Bonus Desirables (2 points)



New

Applicant must score 10 points on the desirables section without any undesirable deductions.

Desirables include:

- National big box discount store
- Hospital (not outpatient centers)
- Regional Mall
- Traditional town square, county courthouse, or city hall for non metro projects

Undesirables



- ¼ mile of the proposed site
- One (1) point deducted per activity / characteristic
- Examples:
 - Junkyards
 - Noise
 - Deteriorated housing

Undesirables



- Are conditions present which may be seriously detrimental to family life?
 - Substandard dwellings
 - Abandoned buildings
- Do these undesirable conditions predominate in the neighborhood?
- Is there evidence of a concerted program to remedy these conditions?

Other Site Considerations



- Soil stability & unsuitable soils
- Natural hazards
- Man made hazards & nuisances
- Nuisances
- Noise
- Wetlands, Floodplains, State Waters

Noise



- All new construction and rehabilitation projects must meet the DCA requirements for sound:
 - 45 dB for interior locations
 - 65 dB for exterior locations
- Sources of noise – site is within:
 - five (5) miles of a civil airport;
 - fifteen (15) miles of a military airfield;
 - 1000 feet of a major highway or busy road with greater than 10,000 average daily traffic count;
 - 3000 feet of a railroad or rail line.

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Noise



- Unmitigated noise levels that exceed 75db cannot be selected for funding
- Undesirable point deduction for unmitigated noise levels that exceed 70 db
- Neither manmade nor natural barriers will be considered in these determinations

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Noise Assessment Report



- Must document noise levels using the site DNL calculator located on HUD's website
- The noise assessment report must include all worksheets completed with the Site DNL calculator

Noise Mitigation & Barrier Calculations



- DCA will not consider any type of trees to be an effective a barrier
- HUD Barrier Performance Module for natural & manmade barriers must be accompanied by documentation that supports the input values

Floodplain, Wetlands, & State Waters



DCA will:

- avoid funding developments in floodplains and wetlands
- avoid adverse effect to floodplains and wetlands
- require the observance of all federal and state wetlands and state buffers
- require the study of alternative sites.
- require the 8-step process
- avoid proposed construction or amenities within 100 feet of wetlands, floodplain, or State Waters



DESIGN REQUIREMENTS

Erich McCarron

Accessibility Laws, Standards, and Manuals



The Fair Housing Act Amendments of 1988	Fair Housing Design Manual and Appendices
The Rehabilitation Act of 1973 (Section 504)	Uniform Federal Accessibility Standards (UFAS is usable until 15 March 2012)

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Accessibility Laws, Standards, and Manuals *(cont'd)*



Department of Justice 2010 Americans With Disabilities Act	Americans with Disabilities Act Accessibility Guidelines (ADAAG) (mandatory starting 15 March 2012, but may be now used instead of the 1991 standards)
Department of Justice 1991 Americans With Disabilities Act	Americans with Disabilities Act Accessibility Guidelines (ADDAG) (usable until 15 March 2012)

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Accessibility Laws, Standards, and Manuals *(cont'd)*



ADA and ABA
Accessibility Guidelines
for Buildings and Facilities

Published in the Federal Register July 23, 2004 and amended August 5, 2005

This document contains scoping and technical requirements for sites, facilities, buildings, and elements usable by individuals with disabilities.

Accessibility Laws, Standards, and Manuals *(cont'd)*



- Accessibility Manual
 - adopts specific requirements of Section 504 of the Rehabilitation Act of 1973
 - explanatory notes, references, and links to federal and state agencies

- Georgia state laws including:
 - Georgia Single Family Accessibility
 - Georgia Accessibility Code

Other References and Resources



- E-CFR - Electronic Code of Federal Regulations
ecfr.gpoaccess.gov
- United States Access Board - www.access-board.gov
 - “Initiative on Dimensional Tolerances in Construction”
 - “Dimensional Tolerances for Surface Accessibility”
- Fair Housing Accessibility FIRST - www.fairhousingfirst.org
- Department of Housing & Urban Development - www.hud.gov
- Department of Justice - www.doj.gov

Accessibility Threshold Requirements



- At least 5% of the total units must be equipped for the mobility disabled, including wheelchair restricted residents.
- Roll-in showers must be incorporated into 2% of these units (but no fewer than one unit)
- At least an additional 2% of the total units must be equipped for hearing and sight-impaired residents
- DCA does not distinguish between new construction and rehabilitation regarding accessibility requirements

Accessibility Threshold Requirements



- The same unit cannot be used to satisfy the 5% and 2% requirement
- Third party review of architectural plans by a qualified accessibility consultant
- Third party site accessibility inspections by a qualified accessibility consultant

Rehabilitation Guide



1. Introduction

To clarify DCA's expectations for longevity and marketability

2. Physical Needs Assessments

- Required at application for rehab, adaptive reuse, and Historic Preservation
- Describes existing conditions and immediate needs
- Should be clear, concise, and complete

Rehabilitation Guide



3. The Rehabilitation Work Scope
 - a. Based on the Physical Needs Assessment
 - b. Addresses marketability, durability, energy efficiency, and quality of life
4. Specific Systems Replacement Guidance
5. Historic Preservation
6. Appendix I - The Fannie Mae Physical Needs Assessment Guidelines

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Rehabilitation Work Scope Considerations



- Expected life of the completed property must exceed the Compliance Period or Period of Affordability by five years
- Unit Costs Minimums
 - \$25,000, for properties < 20 years of age
 - \$30,000, for properties > 20 years of age
- Provides for “like new” construction while meeting Georgia Energy Conservation Code, Life Safety Code, and DCA Building Sustainability Threshold Requirements

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Rehabilitation Work Scope Considerations



- Environmental Remediation concerns
- Uniform Physical Conditions Standards
- All work must be submitted in the appropriate DCA format – available on website

We are in a tight spot...





GA State Energy Code & Plumbing Code (SB370)

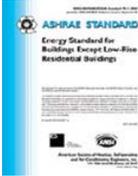
Significant Changes for Building Construction

RC Connell
Bill Towson



2009 GA State Energy Code Significant Changes

- 2009 International Energy Conservation Code (IECC) with 2011 GA State Supplements and Amendments
- Mandatory and effective statewide on Jan 1, 2011
- Residential – IECC Chapter 4
- Commercial – IECC Chapter 5 or ASHRAE 90.1-2007
- GA amendments are available at: www.dca.ga.gov



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Significant Changes – Residential

R-3, R-2 & R-4 (3 stories or less in height)



Section 202 – New Definitions:

- **Certified Duct & Envelope Tightness (DET) Verifier**
A Home Energy Rating Systems (HERS) rater, or a certified Home Performance with Energy Star contractor, or a Building Performance Institute (BPI) Analyst, or have successfully completed a certified DET Verifier course approved by the Department.
- **Space** – a) Conditioned space: 1) cooled space, 2) heated space, 3) indirectly heated space; (b) Semi-heated space and (c) Unconditioned space

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Significant Changes – Residential

R-3, R-2 & R-4 (3 stories or less in height)



- **Section 401.3 – Permanent Certificate required**
Must include HVAC equipment heating and cooling loads calcs, duct & envelope tightness test results or R2 must indicate if visual inspection option is used.
- **Section 402.4.2 - Air Sealing and Insulation**
Building envelope must be air sealed (see Appendix A)
 - Windows and doors (jambs, sills and header)
 - Building penetrations (ducts, utility entry points)
 - Plumbing, wiring, outlets boxes, panelboards
 - Showers and tubs on exterior walls
 - Anywhere air can infiltrate the building envelope

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Significant Changes – Residential

R-3, R-2 & R-4 (3 stories or less in height)



Table 402.1.1 - Windows

- Solar Heat Gain Coefficient 0.30 SHGC max Low-E windows in CZ2, CZ3 and CZ4 must be listed and labeled
- Air infiltration rate <3 cfm

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Significant Changes – Residential

R-3, R-2 & R-4 (3 stories or less in height)



Table 402.1.4 – Minimum Insulation R-Values

- R-13 stud walls
- R-13 floors over unheated spaces,
- R-30 ceilings with attics in CZ2 & CZ3
- R-38 ceilings with attics in CZ4
- R-19 ceilings with no attic
 - R-5 with rigid foam board in CZ2 & CZ3
 - R-10 with rigid foam board in CZ4

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Significant Changes – Residential

R-3, R-2 & R-4 (3 stories or less in height)



Table 402.1.4 – Minimum Insulation R-Values

(cont'd)

- R-18 attic kneewalls
 - 2x4: R-13 + R-5 or R-15 + R-3
 - 2x6: R-19
- R-13 basement cavity wall (CZ3 and CZ4)
 - CZ 2: R-0
 - CZ 4: R-10 if continuous insulation
 - CZ 3: R-5 if continuous insulation

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Significant Changes – Residential

R-3, R-2 & R-4 (3 stories or less in height)



Section 402.4.2.1 – Testing Required (Blower Door Test)

- Must be conducted by a RESNET rater, BPI analyst, Home Energy Star Contractor or by DET Verifier.
- Exception: Additions, renovations, alterations and repairs when affecting all of the building envelope
- Air leakage: Less than 7 ACH at 50 pascals

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Significant Changes – Residential R-3, R-2 & R-4 (3 stories or less in height)



Section 402.4.2.2 Low-rise Multifamily Testing Protocol (R-2 Blower Door Test)

- Testing Protocol 1) - 1 of 4 unit samples/floor
- Testing Protocol 2) - RESNET standard Chap 6
- Visual Option 3) - 100% of all units by ICC Residential Energy Inspector / Plans Examiner or equivalent

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Significant Changes – Residential R-3, R-2 & R-4 (3 stories or less in height)



Section 403.2.2 Sealing (Mandatory)

e.g. Duct Blaster Test

All ducts, air handlers, plenums, etc. must be sealed
Duct tightness testing is mandatory using Duct Blaster Test (See Appendix B for testing protocols)

- 1) Post construction - 8 cfm /100 sf of conditioned floor per system or 12 cfm /100 sf for systems w/air-handlers
 - 2) Rough in – 6 cfm /100 sf of conditioned floor space
- Exception 3: Visual duct inspection is permitted to be verified by licensed HVAC contractor or DET Verifier.

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Significant Changes – Residential

R-3, R2 & R-4 (3 stories or less in height)



- **Section 403.2.4 Joints and Seams**

Duct joints must be sealed with mastic or mastic tape (UL181 approved)

- **Section 403.6.1 - Primary heat source.**

Electric-resistance heat cannot be used as primary heat source. Exception: Alterations or additions of 50% or less than original conditioned floor area.

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Significant Changes – Residential

R-3, R-2 & R-4 (3 stories or less in height)



- **Section 403.10 - Power attic ventilators.**

Power (electric) attic ventilators are no longer allowed unless connected to a solar panel.

- **Section 404.1 - Lighting equipment.**

50% of permanently installed light fixtures shall have high efficiency lamps (CFL, T8 or T5 or LEDs but not T12) or have a on-occupancy sensor/vacancy sensor

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Significant Changes – Commercial



- **IECC Chapter 5 or ASHRAE 90.1 - 2007**
Note: GA does not specifically amend ASHRAE 90.1
- **Section 502.1.1.1 - Permanently vegetative green roof**
May use Table 5.5.3.1 'High Albedo Roof Insulation'

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Significant Changes – Commercial



- **Table 502.3 Building Envelope Requirements: Fenestration**
Includes U-factors and SHGC for windows & skylights
- **Table 503.3.1(1) Economizers**
Economizers required on all cooling systems \geq 60,000 BTU in CZ 3A & 4A. Not required in CZ2. Exception: Computer rooms, HVAC systems that operate at \leq 60F or $<$ 20 hrs/wk

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2006 GA State Plumbing Code High Efficiency Plumbing Fixtures (SB370)



On or after July 1, 2012, per O.C.G.A. 8-2-3(a) high efficiency plumbing fixtures are required in all new construction in Georgia (SB 370 enacted July 2010).

2006 GA State Plumbing Code High Efficiency Plumbing Fixtures (SB370)



O.C.G.A. 8-2-3(e) permits local governments to adopt an ordinance that grants a waiver for the installation of high efficiency plumbing fixtures on certain conditions:

1. When the repair or renovation of an existing building does not include replacing the plumbing or sewer system.
2. When the existing plumbing or sewer system will not function properly if high efficiency plumbing fixtures are installed.
3. When the system is a residential well or gravity flow spring
4. When the fixtures to be installed are used for persons with disabilities or penal institutions or for juveniles.

Definition of WaterSense



WaterSense Program – A voluntary program (non regulatory) established by the United States Environmental Protection Agency (EPA) to identify and promote water efficient products and practices.

- EPA develops **WaterSense specifications** for water efficient products via a public process.
- First **WaterSense** Standard written in 2007

Definition of WaterSense *(cont'd)*



WaterSense Labeled Fixture - A plumbing fixture tested by a third-party laboratory in accordance with the **WaterSense** program of the EPA, and is certified by such laboratory as meeting the performance and efficiency requirements of the program, and has been authorized to use the **WaterSense** label.

High Efficiency Toilets (HET)



Single flush high efficiency toilets ≤ 1.28 gal average flush volume*



- Must be WaterSense listed
- Must meet ASME A112.19.2/CSA B45.1 (On or after July 1, 2011)

* Prior to July 1, 2011 - 1.6 gal/flush

High Efficiency Toilets (HET) - *cont'd*



Dual flush high efficiency toilets ≤ 1.28 gal average flush volume



- Must be WaterSense listed
- Must meet ASME A112.19.14-2006 (On or after July 1, 2011)

High Efficiency Urinals (HEU)






High Efficiency Urinals ≤ 0.5 gal average flush volume*

- Must be WaterSense listed
- Must meet ASTM A112.19.2 / CSA B45.1 (On or after July 1, 2011)

* Prior to July 1, 2011 - 1.0 gal/flush

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High Efficiency Urinals (HEU) - *cont'd*





Nonwater (Waterless) Urinals

- Must meet ASME A112.19.3 / CSA B45.4 or ASME A112.19.19/CSA B45.4
- Water supply rough-in at 56" height min.
(On or after July 1, 2011)

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Lavatory / Kitchen Faucets



High Efficiency Lavatory Faucets or Lavatory Replacement Aerators



- ≤ 1.5 gpm @ 60 psi*
- Must be WaterSense listed and meet ASME A112/18.1/CSA B.125.1 (On or after July 1, 2011)

* Prior to July 1, 2011 - 2.2 gpm @ 60 psi

Lavatory / Kitchen Faucets (*cont'd*)



High Efficiency Kitchen Faucet or Kitchen Replacement Aerator



- ≤ 2.0 gpm @ 60 psi*
- On or after July 1, 2011

* Prior to July 1, 2011 - 2.2 gpm @ 60 psi

Replacement Aerators



High Efficiency Lavatory Replacement Aerators

- ≤ 1.5 gpm @ 60 psi*
- Must be WaterSense listed and meet ASME A112/18.1/CSA B.125.1
- On or after July 1, 2011)

* Prior to July 1, 2011 - 2.2 gpm @ 60 psi

Replacement Aerators (cont'd)



High Efficiency Kitchen Faucet Replacement Aerators

- ≤ 2.0 gpm @ 60 psi*
- (On or after July 1, 2011)

Prior to July 1, 2011 - 2.2 gpm @ 60 psi

High Efficiency Showerheads



High Efficiency Showerheads

- ≤ 2.5 gpm @ 60 psi*
- Remains unchanged by SB370*
- On or after July 1, 2011

*Prior to July 1, 2011 - 2.5 gpm @ 60 psi

High Efficiency Showerheads *(cont'd)*



High Efficiency Clothes Washers



- 1.0 gm (Grandmas) @ 75 yrs+*
- No requirements by SB370

*Prior to July 1, 19??.

Note: Requires lots of good old fashioned elbow grease

Questions & Answers



- **For additional information, please contact:**

Bill Towson, Program Coordinator
Georgia Dept. of Community Affairs
60 Executive Park South, NE
Atlanta, GA 30329
Phone: (404) 679-3109
Email: bill.towson@dca.ga.gov

- **Or, visit the DCA webpage located at: www.dca.ga.gov**
- **Energy Codes Workshops are now available statewide!**



SUSTAINABLE DEVELOPMENTS

Jennifer Adams

Building Sustainability Threshold



- HVAC system HERS Rating
- Duck leakage/air infiltration
- Bathroom exhaust fans
- Windows & door glazing
- Plumbing fixtures
- Water heaters
- Appliances
- Attic & wall insulation
- Low VOC finishes
- Lighting
- Community Laundry equipment

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Sustainable Developments Scoring



- Sustainable Communities
 - EarthCraft Communities
 - LEED ND
- Sustainable Buildings
 - EarthCraft
 - LEED
 - Enterprise Green Communities

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Sustainability References



- Energy Star
 - <http://www.energystar.gov/>
- Water Sense
 - <http://www.epa.gov/watersense/>

Sustainability References (cont.)



- EarthCraft
 - <http://www.southface.org/green-building-services/programs/earthcraft-building-certification>
- LEED (USGBC)
 - <http://www.usgbc.org/DisplayPage.aspx?CMSPageID=222>
- Enterprise Green Communities
 - <http://www.greencommunitiesonline.org/>



SUSTAINABLE COMMUNITIES

Southface



ASSET MANAGEMENT

Theresa Hill

Supplemental Set Aside



- Project must be designated as a “troubled / priority” property by DCA
- Must have received funding prior to 2001
- DCA will ask Applicant to submit application for Credits
- Selection will not be made in the competitive round

Servicing System Changes



- Reserve accounts held in one investor account
- One bank statement per loan
- Interest earned on combined account balance



HOT NEW TOPICS

Joe Collums
Laurel Hart



Local Government Support / Community Engagement

Local Government Support and
Community participation are important to
the long term sustainability of a project.

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Local Government Support / Community Engagement *(cont'd)*

Three Possible Positions by Local Government

- Support for the Project
- Opposition to the project
- No position

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Local Government Support / Community Engagement *(cont'd)*

Local Government Supports the Project

Resolution of Support from Local Government
is sufficient to pass Threshold.

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Local Government Support / Community Engagement



Local Government does not Support or Oppose
the Project

- Agenda for Board meeting
- Minutes from Board meeting
- Evidence that Project Concept was presented
- Notes of Comments
- Other documentation of community engagement

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Local Government Support / Community Engagement *(cont'd)*



Local Government Opposes the Project

Generally, lawful opposition by the local
government will result in a Threshold failure.

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Superior Project Design



“Not your typical project”

- Community changing effect
- Unique concept or design
- Overriding DCA policy Objective
- Sustainability
- Urgent need
- Substantial community involvement or support
- Coordination of state and local funding sources for economic and community development

Superior Project Design



- Only one project receives these points.
- Decisions are made by a DCA committee
- This year, the applicant’s self score will not include these points in the calculation.

Rural



Rural Points

- Projects located in a Rural area that have eighty (80) or less total units are eligible for up to three points.
- Note: Each Applicant is limited to claiming three points for one project and two points for a second project.

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Rural *(cont'd)*



Rural Projects

For scoring purposes and for determination of the minimum operating cost, rural means areas designated by USDA as rural or those counties that appear on Exhibit B of Appendix II.

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Optimal Utilization of Resources



- Despite a project's score, it may fail Threshold based on an inefficient use of tax credit resources (p. 40 of 41)
- Per Unit Cost Limits \neq Optimal Use of Resources

Optimal Utilization *(cont'd)* ... (p. 40 of 41)



How does DCA evaluate?

- Analysis of Deal Structure
 - DCA resources requested per unit / per sq ft
 - Subsidy layering, excessive cash flow, identities of interest
 - Equity - pricing and timing
- Historical Data - ARRA, MITAS
- Site Considerations - exclusionary zoning, etc.
- Extenuating Circumstances which may require more resources

Optimal Utilization *(cont'd)* ... (p. 40 of 41)



Tips for avoiding a Threshold failure

- “Does the deal structure give DCA bang for its buck?”
- Not all sites are good sites, even if the project is competitive based on scoring
- If you know the proposed deal will draw DCA’s scrutiny, then address those issues in the application

Phased Developments (p. 15 of 28 Scoring)



- 3 Points awarded if project is part of Phased Development where one of phases was funded within past 3 funding rounds
- Adjacent property does not constitute phased development
- Community must have been originally designed as one development with different phases
- DCA requires site control for entire site when the initial phase is closed



COMMUNITY CHOICES

Willa Turner



Stable Communities / Redevelopment / Revitalization

Scoring - Maximum of 6 points

- A. Stable Communities **or**
- B. Community Redevelopment / Revitalization
Plans and Strategies
 - HOPE VI or Choice Neighborhoods Initiatives
 - Statutory Redevelopment Plans
 - Redevelopment Zones
 - Local Redevelopment Plan

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Stable Communities



Documentation – Each page of FFIEC census report

4 points for projects that are located in a census tract that meets the following demographics according to the most recent FFIEC Census Report (www.ffiec.gov/census/).

- Less than 10% below Poverty level (see Income)
- Designated Middle or Upper Income level (see Demographics)
- Market study must demonstrate need for affordable housing

Stable Communities *(con't)*



Two points for projects that are located in a census tract that meets the following demographics:

- Less than 20% below Poverty level (see Income)
- Designated Middle or Upper Income level (see Demographics)
- Market study must demonstrate need for affordable housing

Community Redevelopment / Revitalization Plans and Strategies



HOPE VI / Choice Neighborhoods Initiatives 6 points

- Affordable units a part of a mixed income phased community
- Facilitate the de-concentration of poverty
- Provide for community improvements or amenities, which may include improved public infrastructure, green space, improved transportation or other improvements benefiting the community

Community Redevelopment / Revitalization Plans and Strategies *(cont'd)*



HOPE VI/Choice Neighborhoods Initiatives *(cont'd)*

Documentation

- Copy of HOPE VI or Choice Neighborhoods Revitalization Grant Assistance Award
- Certification from PHA Executive Director
- Copy of the HUD approved Revitalization Plan

Community Redevelopment / Revitalization Plans and Strategies *(cont'd)*



Statutory Redevelopment Plan 2 points

Project that is located in an area that has a Redevelopment Plan that has been adopted and formulated by the local Government and that clearly targets the specific neighborhood in which the project is located.

Community Redevelopment / Revitalization Plans and Strategies *(cont'd)*



Statutory Redevelopment Plan *(cont'd)*

Documentation

- Copy of the Plan
- Website address where information regarding plan is located
- Copy of Resolution(s) adopting the plan
- Documentation of Public Hearing and Publication
- Documentation that Plan is current, ongoing and directly affects the site

Community Redevelopment / Revitalization Plans and Strategies *(cont'd)*



Redevelopment Zones 1 Point

- QCT/DDA or
- State Enterprise Zone

Documentation

- Copy of Resolution adopting the state enterprise zone
- Documentation evidencing that the proposed site is located in a QCT/DDA

Community Redevelopment / Revitalization Plans and Strategies *(cont'd)*



Local Redevelopment Plan - 1 Point

- Adopted by January 1, 2011
- Plan current, ongoing and directly affects proposed project

Community Redevelopment / Revitalization Plans and Strategies *(cont'd)*



Documentation is key to this scoring area

- DCA Neighborhood Redevelopment Certification Form
- Documentation of the process the government used for developing and adopting the plan
- Details regarding community input and public hearings held prior to the adoption of the plan
- Copy of entire Plan
- Evidence of Adoption
- Map of area targeted by plan identifying location of project



FEASIBILITY

Marie Palena
Fenice Taylor

Builder Cost Limitations



Percent of Construction Contract

- Builder's Profit: Maximum 6%
- Builder's Overhead Maximum 2%
- General Requirements: Maximum 6%

- ☐ See Page 21 of 58 for specifics of the limitations
- ☐ These limits apply to both cost and eligible basis at application and cost certification

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Construction Contingency



- **New Construction**
 - limited to the lesser of a maximum of 5% of the total construction hard costs or \$500,000.
- **Rehabilitation**
 - limited to the lesser of 7% or \$500,000.

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Developer Fee Calculations



- Developer fee is limited to a maximum of \$1,800,000 per project
- All consulting fees are considered part of the calculation of the maximum allowable Developer fee for each project.
- Per Unit Cost Limitation applies to all Developer Fee calculations

Developer's Fee Calculation



- If there is an Identity of Interest between the Developer and the Contractor, then Builder's Profit must be subtracted from the Total Cost, prior to calculating the Development Fee
- Demolition Cost is considered part of Land Cost for all calculations

Utility Allowances

Identify Source and Date of Utility Allowances (p. 8/41)

- USDA – USDA Sec. 515 loans or rental assistance
- HUD
- Local PHA administering Sec. 8 Programs
- DCA (including Sec. 538 if none of above sources of utility allowances is applicable)
- Utility Allowances apply to Low-Income units only



Off Site Improvements, Amenities & Facility Investment



Two (2) points will be awarded if an unrelated third party (foundation, trust, and/or government) investment of at least \$1,000,000 is provided that will result in ...

- off-site infrastructure improvements adjacent to the project site, and/or
- the development of parks, green space and shared amenities, recreational facilities and improvements adjacent to the proposed project site

Off Site Improvements, Amenities & Facility Investment *(cont'd)*



- Improvements must serve the tenant base for the subject project
- Must be completed prior to the proposed placed in service date for the project.
- Development cost and source of funding associated with the development of the improvements, amenities must be mutually exclusive of the development cost and sources of funding for the subject property

Off Site Improvements, Amenities & Facility Investment *(cont'd)*



Ineligible for points if ...

- Third party investments are community wide in scope, part of the community local action plan or will be developed regardless of the development of the proposed project
- Improvements were completed prior to application submission

Off Site Improvements, Amenities & Facility Investment *(cont'd)*



Documentation

- Commitment of funds
- Detailed source of funds,
- Amount of investment,
- Timeline for completion,
- Description and location of improvements on site map, and
- Narrative that includes benefit specific to the tenant base

Cost Limits



- Total Development Cost cannot exceed Per Unit Cost Limit (PUCL)
- DCA allocation restricted to the Per Unit Cost Limit (PUCL)
- Maximum Developer's Fee restricted to the PUCL



Cost Limits *(cont'd)*

unless...

Applicant obtains funding from a foundation/other not-for-profit charitable organization in the amount equal to or greater than the cost that exceeds the PUCL

- Funding commitment letter must be included in Application
- Funds must be included as part of the project sources in Application
- Funds will not be included in calculating the maximum of credits

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Cost Limits *(cont'd)*

Per Unit Cost Limit Tax Credit / HOME Projects

Unit Type	Cost Limit
Efficiency	\$110,481
1-Bedroom	\$126,647
2-Bedroom	\$154,003
3-Bedroom	\$199,229
4-Bedroom+	\$218,693

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Cost Limits *(cont'd)*



Brownfield Projects

Unit type	Cost Limit
Efficiency	\$132,577
1-Bedroom	\$151,976
2-Bedroom	\$184,804
3-Bedroom	\$239,075
4-Bedroom+	\$262,432

Cost Limits *(cont'd)*



Historic Rehabilitation

The increased limits for historic rehabilitation **only** applies to the portion of the project costs that applies to Historic Rehabilitation

Unit Type	Cost Limit
Efficiency	\$121,529
1-Bedroom	\$139,312
2-Bedroom	\$169,403
3-Bedroom	\$219,152
4-Bedroom+	\$240,562

