

**Georgia Department of Community Affairs (DCA)
Office of Special Housing Initiatives
Community HOME Investment Program (CHIP)
SFY 2012 Program Description**

**GENERAL OVERVIEW AND REQUIREMENTS
APPLICABLE TO ALL CHIP-FUNDED PROGRAMS**

Purpose:	To expand the supply of and access to decent, safe, sanitary and affordable housing for low income households through the active participation of local governments, public housing authorities, and non-profit housing providers to undertake program eligible activities.
Funds Authorized:	Approximately \$3,000,000 in Federal HOME funds. A HOME funding amount final determination will be made based on the availability of Federal funds after de-obligation from underperforming communities, expected demand for CHIP assistance based on applications passing Threshold Review as well as demand on other HOME funded programs administered by DCA. Final CHIP funds authorized will be made at the sole and absolute discretion of DCA, subject to the requirements of the State's Citizen Participation Plan.
Maximum Award Amounts:	<p>The maximum award amount for any Application for project costs is \$300,000.</p> <p>For awards that include Down Payment Assistance and/or Homeowner Rehabilitation Assistance Activities, DCA will award an additional 2% of the awarded project cost amount to administer the Application's activities. In such instances, the total amount of assistance requested in a single Application cannot exceed \$300,000 for project costs and \$6,000 for administrative fees.</p> <p>Application proposals developed should be consistent with the community's needs and ability to commit and expend the total award within the timeframe required in this Program Description. Unexpended funds at the end of the grant period will be returned to DCA, at its sole and absolute discretion, and may reflect negatively in any future applications by the State Recipient or Sub-recipient and, if applicable, any associated Administrator.</p>
Pre-Award Costs:	Pre-award costs, including fees for preparation of applications to DCA (including the application fee required for submission of the CHIP Application), are ineligible costs and will not be reimbursed.
Award Adjustments:	State Recipients and Sub-recipients that are approved for an award adjustment for project-related funds will also receive a corresponding adjustment of administrative funds, as applicable.
Application Deadline:	To participate in the SFY2012 funding cycle, all applications must be sent certified or registered mail and postmarked by December 15, 2011 or hand delivered and received at DCA by Thursday, December 15, 2011, at 4:00 PM.

Applicants must submit an original application and three (3) copies (set of 4). All four copies must have color photographs. The mailing address is as follows:

CHIP Program Manager
Office of Special Housing Initiatives
Georgia Department of Community Affairs
60 Executive Park South, N.E.
Atlanta, Georgia 30329-2231

Applications that are not postmarked or received at DCA by the required date and time will not be accepted. Any applications received after the designated date and time or not postmarked by the designated date and time will not be considered for funding.

DCA will confirm its receipt of all applications by Friday, December 30, 2011.

Application Fee: A \$250 Application fee payable to the Georgia Housing and Finance Authority is due at time of Application.

Number of Applications Submitted for CHIP Funds: An Eligible Applicant may submit only one (1) application for CHIP funds.

Application Funding Determination: Applications will be evaluated in accordance with minimum threshold requirements and policies as described in the Program Description. Each Application will be scored based on the criteria established for each Activity type.

Only those Applications that meet threshold requirements will be considered for an award. Such determination during the review process will be made at DCA's sole and absolute discretion. Passage of threshold review does not guarantee an award.

All Applications received, as stated in the Application Deadline section to this Program Description, and meeting threshold requirements will be scored and ranked. DCA will award all funds to the highest scoring Applications until all funding available is committed. However, DCA reserves the right to not fund an Application if the remaining funds available will not entirely fund the next highest scoring Application.

Grant Agreements will only be made by DCA in its sole and absolute discretion.

Award Agreements: Written Agreements shall be entered into between the Georgia Housing and Finance Authority (GHFA), and the Applicant. DCA administers CHIP on behalf of GHFA.

Funds Disbursement: Funds will be disbursed following guidelines established in the CHIP Administration Manual for the activity funded.

Eligible Activity Types: Applications will be received by DCA to fund implementation of programs that will offer the following activities in their community or service area:

- Down Payment Assistance
- Homeowner Rehabilitation Assistance
- Habitat Development Assistance

DCA has restricted the eligible entities that may administer each activity type and has established program requirements specific to each activity type. Applicants should follow the requirements outline in both the “General Overview and Requirements Applicable to All CHIP-Funded Programs” as well as the requirements for the applicable Activity Type for which funds are sought when designing their program and preparing their funding application.

Applicants may design a program to implement multiple activity types provided that the threshold requirements of each activity type are satisfied.

Ineligible Activities: HOME program regulations prohibit the following CHIP activities:

1. Project reserve accounts: CHIP funds may not be used to provide project reserve accounts (except for initial operating deficit reserves) or to pay for project operating subsidies.
2. Project-based rental assistance: Use of CHIP funds for rental assistance activities that are tied specifically to a unit are not permitted under the Federal HOME regulations.
3. Match for other Federal programs: CHIP Program funds may not be used as the “nonfederal” match for other federal programs.
4. Operations or modernization of public housing: CHIP funds may not be used for the development or modernization of public housing or to provide annual contributions for the operation of public housing. (Public housing is established under the 1937 Housing Act).
5. Properties receiving assistance under 24 CFR Part 248 (Pre-payment of Low Income Mortgages): Properties receiving assistance through the Low Income Housing Preservation and Resident Homeownership Act (LIHPRHA) or the Emergency Low Income Preservation Act (ELIHPA) are not eligible for CHIP assistance unless the CHIP assistance is provided to priority purchasers. These programs are no longer funded.
6. Double-Dipping: During the first year after the start of the Period of Affordability, the State Recipient or Sub-recipient may commit additional funds to a project. After the first year, no additional CHIP funds may be provided to a CHIP-assisted project during the relevant Period of Affordability except that a home buyer may be assisted with CHIP funds to acquire a unit that was previously assisted with CHIP funds.

7. Acquisition of Owned Property: A State Recipient or Sub-recipient may not use CHIP program funds to reimburse itself for property in its inventory or for property purchased for another purpose. However, in anticipation of a CHIP project, a State Recipient or Sub-recipient may use CHIP funds to acquire property and to reimburse itself for property acquired specifically for a CHIP project with other funds.
8. Delinquent Taxes, Fees or Charges: CHIP funds may not be used to pay for delinquent taxes, fees or charges on properties to be assisted with CHIP funds.

For SFY2012 DCA will also prohibit the use of CHIP funds for the following activities:

9. New Construction or Rehabilitation of Rental Housing: CHIP funds may not be used to construct or rehabilitate (including reconstruction) housing for the purposes of leasing to an eligible household.
10. Lease Purchase: CHIP funds may not be used as down payment for a lease purchase agreement.
11. Reconstruction of Manufactured Homes: CHIP funds may not be used to reconstruct Manufactured Homes.
12. Tenant-Based Rental Assistance: CHIP funds may not be used to provide rental assistance to eligible households.

Governing Statute:

All activities must be conducted in full compliance with all program statues and the U.S. Department of Housing and Urban Development regulations published at 24 CFR Part 92. No provision of this Program Description shall be enforced if HUD or DCA determines that such provision is invalid under the federal or state statute or regulations.

If any provision of this Program Description conflicts with any federal or state requirement and DCA determines that a modification to this document is necessary, DCA will make such revision and post the change on its web site at:

<http://www.dca.ga.gov/housing/housingdevelopment/programs/homeinvestment.asp>.

Such changes will be made at DCA's sole and absolute discretion.

Manual and Related Documents:

The CHIP Administration Manual, Down Payment Assistance Guide, the Homeowner Rehabilitation Guide, the Habitat Development Guide, Application, Application Instructions, Compliance Monitoring and Policy Memoranda are incorporated into the CHIP Program Description and can be found on DCA's web site at:

<http://www.dca.ga.gov/housing/housingdevelopment/programs/homeinvestment.asp>.

Other Requirements: Award recipients must meet and remain in compliance with the Program Description, the Manual(s), and the Final Rule.

Reporting: All reporting requirements as outlined in this Program Description, the Manual(s) and the Final Rule must be met throughout the Period of Affordability for each project.

Non-Profit Reporting Compliance with O.C.G.A 50-20: At time of application, all non-profit Applicants must be in compliance with 50-20-1 through 50-20-8. Successful Applicants must remain in compliance with this section through program closeout. DCA will not fund any activity should the non-profit fall out of compliance with O.C.G.A 50-20 until such time that the entity's compliance has been determined by Georgia Department of Audits and Accounts and, subsequently, the Commissioner of DCA has authorized proceeding with funding of existing commitments.

Recordkeeping: All Award Recipients must maintain documentation of their program implementation based on the requirements outlined in the HOME Final Rule and the Administration Manual.

Income Verification: All programs must use the Section 8 Annual Income Method to determine eligible annual gross income according to the "Technical Guide for Determining Income and Allowances for the HOME Program."

Property Standards – General: CHIP funded properties must meet certain property standards. At minimum, all units must meet federal Housing Quality Standards. However, the HOME regulation also requires that all housing that is rehabilitated or financed with HOME funds must meet all applicable local codes (including state codes), rehabilitation standards, ordinances, and zoning ordinances at the time of project completion.

Since the State of Georgia has adopted mandatory residential construction codes, they are applicable to CHIP whether or not the local government enforces the codes. There are no exceptions on meeting these requirements for units constructed, reconstructed, or rehabilitated using CHIP funds. The State of Georgia has adopted eleven (11) "state minimum standard codes." Of the eleven (11) minimum standard codes, there are eight (8) mandatory codes. Of the eight (8) mandatory codes, four (4) apply to the construction, alterations, and renovation of all detached one-and two family dwellings and townhomes not more than 3 stories in height. These four mandatory codes are as follows:

- ◆ International Residential Code
- ◆ International Plumbing Code
- ◆ National Electrical Code
- ◆ International Energy Conservation Code

Regarding the above referenced codes, the latest edition is adopted and amended by DCA shall be used.

Please note that the chapters regarding Plumbing (Chapters 25 through 32) of the International Residential Code were deleted by the State of Georgia and

the State substituted the Georgia State Minimum Standard Plumbing Code (International Plumbing Code with Georgia Amendments).

Please also note that the chapters regarding Electrical (Chapters 33 through 42) of the International Residential Code were deleted by the State of Georgia and the State substituted for electrical requirements the Georgia State Minimum Electrical Code (National Electrical Code with GA Amendments).

The permissive codes for one and two-family dwellings are:

1. International Property Maintenance Code (Required).
2. International Existing Building Code.
3. National Green Building Standard.

Of the three (3) permissive codes listed above, State Recipients and Sub-recipients must also meet the International Property Maintenance Code, as well as the related administrative procedures and penalties, for all CHIP funded units.

Service Procurement Policy
(Does not apply to contracts with Regional Commissions):

These provisions apply, typically, to contracts with Administrators, engineers, architects and other private consultants. Applicants are advised that CHIP payments for professional services are subject to the "competitive negotiation" requirements of 24 CFR Part 85 (the "Common Rule").

To comply, the Applicant (not the individual or firm proposing to provide services) must:

1. Develop a Request for Proposals (RFP) that includes evaluation factors that indicate the level of importance of each factor selected by the applicant. The RFP could include such factors as the respondent's previous CDBG and CHIP housing experience; qualifications of key personnel; capacity of the respondent's organization; current workload of the respondent; level of services provided; mobility and proximity to project; experience with similar projects; cost to perform services; and the local government's past experience with the applicant. A Request for Qualifications (RFQ) is also acceptable for engineering or architectural services. Contact DCA for assistance.
2. Publicize the RFP or RFQ in the legal organ of the community in which the program is proposed. The RFP or RFQ may also be placed in other publications attracting minority and women owned businesses or advertised using other local electronic and print media to market and promote contract and business opportunities. The Applicant must allow thirty (30) calendar days for receipt of responses to the RFP or RFQ.
3. Send letter with a copy of the RFP or RFQ to a number of the known professional service providers. When soliciting firms to develop applications/administer projects, RFPs should be sent to at least seven (7) known providers. When soliciting engineering/architectural services, the RFP or RFQ should be sent to at least ten (10) known providers. As a service, DCA maintains a list of professionals who have expressed an

interest in responding to RFPs and RFQs on CHIP funded projects (See Administration Manual). DCA does not endorse or select professionals. Selection of any entity through this process is the sole responsibility of the Applicant or Recipient.

4. Check the published lists of debarred organizations to make sure the respondents are eligible to participate. www.epls.gov.
5. Negotiate with, preferably at least two (2), respondents to the RFP or RFQ.
6. Prepare documentation that evaluates proposals based on criteria in the RFP or RFQ and establishes reasons for selection and contracting. Prepare recommendation and proposed contract based on this documentation.
7. Consult with the appropriate attorney of the organizations with your recommendations and proposed contract.
8. Based upon established reasons and attorney's recommendation, obtain full council/commission approval if a local government or board approval, if a nonprofit or public housing authority, and execute contract. Letter(s) thanking unsuccessful respondents for making a proposal should then be sent. Based on evaluation criteria contained in the RFP or RFQ, this letter should state the reasons why the respondent was not selected.

Because CHIP funds cannot be used to pay application development costs, Applicants may (or may not at their discretion) use this procurement process to select professionals for the preparation of an application. Applicants are cautioned, however, only to obligate CHIP funds after a grant is awarded. Initial contracts should only obligate the applicant to compensate for costs of application development. If the professional is selected to prepare the application and provide additional services upon award, then the procurement process outlined above must be utilized.

If an acceptable procurement process was followed within the past 12 months for an Application that is being resubmitted because it was denied within the past 12 months, the Applicant does not need to re-advertise for professional services if they choose to retain the same firm for the same application. If the procurement is more than one year old, a new advertisement and solicitation of RFPs or RFQs is required.

The procurement guidelines for nonprofits are defined in OMB Circular A-110, and require written standards of conduct and procurement practices ensuring that the nonprofit pays the most reasonable price for good and services acquired with federal funds.

To comply these procedures shall provide for, at a minimum, that :

1. Recipients avoid purchasing unnecessary items.

2. Where appropriate, an analysis is made of lease and purchase alternatives to determine which would be the most economical and practical procurement for the Federal Government.
3. Solicitations for goods and services provide for all of the following.
 - i. A clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements, such a description shall not contain features which unduly restrict competition.
 - ii. Requirements which the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals.
 - iii. A description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.
 - iv. The specific features of "brand name or equal" descriptions that bidders are required to meet when such items are included in the solicitation.
 - v. The acceptance, to the extent practicable and economically feasible, of products and services dimensioned in the metric system of measurement.
 - vi. Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.

Georgia Security and Immigration Compliance Act:

The Georgia Security and Immigration Compliance Act requires employers to ensure that anyone they pay, whether as an employee or an independent contractor, is legally able to work. Employers who do not verify workers would not be able to deduct payments made to illegal workers on state income tax returns and would not be eligible for state contracts. To insure compliance with the Georgia Security and Immigration Compliance Act, contractors must complete the Immigration and Security Form. The State Recipient and Sub Recipient must retain copies of the completed Immigration and Security Form within (See Administration Manual) and submit to DCA.

Definitions:

Acquisition and New Construction

A HOME-assisted new construction activity which includes the acquisition of real property. This activity includes the acquisition of a structure that has received an initial certificate of occupancy within a one year period prior to acquisition.

<i>Acquisition and Rehabilitation</i>	A HOME-assisted rehabilitation activity, which included the acquisition of real property.
<i>Acquisition Only</i>	An activity that involves the acquisition of a structure that received a certificate of occupancy at least thirteen (13) months before acquisition, which did not require rehabilitation, and which is being used to provide affordable housing.
<i>Administrator</i>	A private for-profit or non-profit organization under contract to the Applicant to administer the program on behalf of the Applicant.
<i>Annual Income</i>	Annual Income is defined as the gross amount of income of all adult household members (18 years of age and over) that is anticipated to be received during the coming twelve (12) month period.
<i>Applicant</i>	The organization submitting an application for funding to DCA for CHIP resources.
<i>Application</i>	All and any part of the documents submitted by an organization for CHIP funding consideration under this Program Description.
<i>Atlanta MSA</i>	The Atlanta Metropolitan Statistical Area (MSA) includes all jurisdictions located in the following counties: Barrow, Bartow, Butts, Carroll, Cherokee, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Haralson, Heard, Henry, Jasper, Lamar, Meriwether, Newton, Paulding, Pickens, Pike, Rockdale, Spalding, and Walton.
<i>Award Recipients</i>	Organizations collectively that enter an agreement with DCA to administer CHIP funds as a State Recipient or Sub-recipient.
<i>Broker</i>	A legally organized business entity with a properly licensed business office located in the State of Georgia or in a State contiguous to and licensed in Georgia, regulated by Georgia Department of Banking and Finance, that has not been debarred, and whose principal purpose is the origination of secured single family residential mortgage loans.
<i>CHIP – Community HOME Investment Program.</i>	DCA’s name for the HOME funds administered by DCA for eligible local governments, non-profits and public housing authorities under this program description.
<i>CHDO – Community Housing Development Organization</i>	A private, non-profit organization that meets a series of qualifications prescribed in the HOME regulations at 24 CFR Part 92.2. A participating jurisdiction must award at least 15 percent of its annual HOME allocation to CHDOs. CHDOs may own, develop, or sponsor HOME-financed housing.
<i>Consolidated Plan</i>	Developed by local and state governments with input from citizens and community groups, the Consolidated Plan serves as a planning document for each state and community that lays out priorities and the jurisdictions 3-5 year strategy to implement HUD programs and as an application to HUD for funds under the CDBG, HOME, ESG, and HOPWA programs.

<i>CFR – Code of Federal Regulations.</i>	A codification of the general and permanent rules published in the Federal Register by the Executive departments and agencies of the Federal Government.
<i>Extremely Low Income</i>	Households whose annual income does not exceed 30 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger household sizes.
<i>First Time Home Buyer</i>	A household purchasing a unit who does not have a present ownership interest and has not had an ownership interest in a home used as his or her principal residence in the three (3) years prior to closing on the Second Mortgage loan.
<i>Habitat Affiliate</i>	Community-level Habitat for Humanity organizations that serve a specific area in partnership with and on behalf of Habitat for Humanity International. Each affiliate coordinates all aspects of Habitat home building in its local area, including fundraising, building site selection, partner family selection and support, house construction, and mortgage servicing.
<i>Low Income</i>	Households whose annual incomes do not exceed 80 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger household sizes. All households receiving CHIP funded assistance must be low income.
<i>Manufactured Housing</i>	Dwelling units of at least 320 square feet in size with a permanent chassis to assure the initial and continued transportability of the home and that carry a label by the manufacturer that the home section is built in accordance with U.S. Department of Housing and Urban Development’s construction and safety standards published in the Code of Federal Regulations at 24 CFR 3280.
<i>Modular Housing:</i>	A housing unit constructed off site in pieces (modules) using traditional building materials that meet or exceed all applicable State and local building codes, then transported to the building site where the modules are joined to form a complete housing unit on a slab or foundation. Modular homes are built following the standards of the State of Georgia’s Industrialized Building Program. For purposes of the CHIP program, modular housing is considered “stick-built” housing.
<i>New Construction</i>	An activity that involves either (a) addition of units outside the existing walls of the structure and (b) the construction of a new residential unit.
<i>Participating Jurisdiction (PJ)</i>	A jurisdiction that has been designated by HUD for the receipt of HOME funds. GHFA is the PJ for the State of Georgia.
<i>PDC – Project Delivery Cost</i>	A portion of the project soft costs related to the application and qualification of a household to participate in the CHIP funded program or the environmental clearance of a housing unit.
<i>Period of Affordability</i>	The length of time which restrictions on the use and occupancy of the CHIP-assisted property are placed based on the requirements of the federal HOME regulations at 24 CFR Part 92 and this Program Description.

<i>PHA – Public Housing Authority</i>	An organization established under State law to develop and operate public housing using federal assistance.
<i>Project</i>	A site or sites together with any buildings (including manufactured housing units) located on the site(s) that are under common ownership, management and financing, that are to be assisted with the CHIP funds as a single undertaking. The “project” includes all of the activities associated with the sites and buildings.
<i>Purchase Price</i>	The total cost to acquire the completed residential unit, excluding financing costs such as closing costs and pre-paid items.
<i>Reconstruction</i>	All activities that involve the demolition of an existing unit and the construction of a new unit on the same lot such that the total number of units on the lot does not change. “Reconstruction” is considered a “rehabilitation” activity.
<i>RC – Regional Commission</i>	An agency established under the Official Code of Georgia at 50-8-30 to develop, promote, and assist in establishing coordinated and comprehensive land use, environmental, transportation, and historic preservation planning in the state, to assist local governments to participate in an orderly process for coordinated and comprehensive planning, to assist local governments to prepare and implement comprehensive plans which will develop and promote the essential public interests of the state and its citizens and advance positive governmental relations among the state, regional, and local levels, and to prepare and implement comprehensive regional plans which will develop and promote the essential public interests of the state and its citizens.
<i>Rehabilitation</i>	<p>Any activity that involves one of the following: (a) repairs or improvement of the residential unit(s) to bring the unit(s) up to the property standards required by 24 CFR 251; (b) the reconfiguration of a structure to reduce the total units in order to increase the number of large family units; (c) the addition of a room or rooms outside the existing walls for the purposes of meeting occupancy or code standards and (d) the adding of a unit or units within the existing structure.</p> <p>“Reconstruction” is considered “rehabilitation” under this definition.</p>
<i>RFP – Request for Proposals.</i>	Part of a method used by CHIP Applicants to procure Administrators.
<i>RFQ – Request for Qualifications</i>	Part of a method used by CHIP Applicants to procure professional or construction services.
<i>Section 8 Annual Income Method</i>	The method selected by DCA as allowed under the HOME regulations to determine income eligibility under the CHIP program. This method is also known as the Part 5 method as defined in 24 CFR Part 5.
<i>SR – State Recipient</i>	A State PJ can award their HOME funds to units of local governments to administer HOME funds. Any unit of local government designated by a State to receive HOME funds is called a “State Recipient.” The State is responsible

for ensuring that all State Recipients allocated CHIP funds are used in accordance with the HOME regulations and other applicable laws.

Sub-recipient

A public agency or non-profit organization selected by a PJ to administer all or a part of the PJ's HOME program. A public agency or nonprofit organization that receives HOME funds solely as a developer or owner of housing is not a Sub-recipient. The State is responsible for ensuring that all Sub-recipients allocated CHIP funds are used in accordance with the HOME regulations and other applicable laws.

Very Low Income

Households whose annual incomes do not exceed 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger households.

Visitability

The features in home construction which provide basic access in order to permit people with mobility impairments to live in and visit the unit.

DOWN PAYMENT ASSISTANCE ACTIVITY REQUIREMENTS

Each **Down Payment Assistance** activity carried out by a State Recipient or Sub-recipient must meet all the criteria listed below:

Eligible Applicants

Eligible Local Government Applicants: Eligible CHIP applicants include local governments that have not been designated by HUD as a Participating Jurisdiction (PJ) for the HOME program. Local governments that are designated as PJs, and therefore are ineligible, include: City of Albany, City of Atlanta, City of Macon, City of Savannah, Athens/Clarke County, Augusta/Richmond County, Columbus/Muscogee County, Clayton County, DeKalb County, Gwinnett County, Georgia Urban Consortium (Cobb and Cherokee Counties and the Cities of Marietta and Canton) and Fulton County Consortium (Fulton County and City of Roswell).

Under State statutes, local government CHIP applicants must comply with State planning and financial reporting laws, including:

- The Georgia Planning Act
- The Service Delivery Act (HB 489)
- The Local Government Audit Act
- DCA Local Government Finance Report requirements

In certain instances of non-compliance, these laws prohibit DCA from providing grant assistance.

For the purposes of CHIP, local government applicants receiving CHIP funds will act as a State Recipient according to the HOME Final Rule Section 92.201(b)(2).

Any past State Recipient with a grant older than 3 years on December 1, 2011, (i.e. received in the 2007 or prior Grant Year) and with unexpended funds (both administrative and project funds) is ineligible.

Eligible Non-profit and Public Housing Authorities: Eligible entities include (1) Organizations designated with a 501(c)(3) or 501(c)(4) status which are not a Habitat Affiliate and which meet CHIP experience threshold requirements on the application due date, or (2) Local Public Housing Authorities which meet CHIP experience threshold requirements on the application due date.

For the purposes of CHIP, non-profits and public housing authorities receiving CHIP funds from DCA will act as a Sub-recipient according to the HOME Final Rule at Section 92.2.

Applicants must not be out of material compliance or disqualified from any program administered by DCA or under debarment, proposed debarment or suspension by a federal agency, and must meet all requirements outlined in this Program Description, the Manuals, and the Final Rule.

Ineligible Project Locations

Eligible applicants may not implement any Down Payment Assistance Activities using CHIP resources which are located in the following areas (including any cities therein): City of Albany, City of Atlanta, City of Macon, City of Savannah, Athens/Clarke County, Augusta/Richmond County, Columbus/Muscogee County, Cherokee County, Clayton County, Cobb County, DeKalb County, Fulton County, and Gwinnett County.

Eligible Activities

CHIP funds may be used to assist households with incomes at or below 80% of AMI to purchase eligible homes by providing funds for down payment, closing costs, pre-paid items, and principal reduction assistance (collectively such activities are referred as “Down Payment Assistance” Activities).

All Applicants engaging in Down Payment Assistance Activities must use the standardized loan documents provided in the Down Payment Assistance Guide.

Form of Subsidy

All funds made available to cover all or a portion of the down payment, closing costs, pre-paid items, and principal reduction for a Down Payment Assistance activity will be made available to the eligible borrowers as a 0% deferred payment loan payable to the Georgia Housing and Finance Authority only when the home is sold, refinanced or no longer being used for the borrower’s principal residence. As such, the loan will not require regular monthly payments of the home buyer. The amount of funds to be repaid will be determined based on the Recapture Requirements for a Down Payment Assistance Activity.

All funds made available for project delivery costs of the activity will be made as a grant to the home buyer and paid on behalf of the home buyer. Project delivery costs granted to the project will not be included in the calculation of the recapture amount.

Amount of Subsidy

Each Applicant may propose a total assistance amount to be provided to the borrower of between \$1,000 and \$14,999. This amount must include the eligible Project Delivery Cost. Applicants may choose to provide assistance under any of the following options as identified in their Program Policies and Procedures:

1. Applicants may provide a single, flat dollar amount of assistance provided to every home buyer receiving CHIP assistance. When this option is used, the assistance may range between \$6,500 - \$14,999, including Project Delivery Costs.
2. As a flat dollar amount provided to every home buyer with a household income within a specified tier based on the AMI Percentage for the county. The Applicant may propose up to three tiers of assistance within their program. For instance, Community A may propose the following tiered assistance amounts:
 - Households Over 70% of AMI: \$6,500
 - Households between 60% and 70% of AMI: \$9,000
 - Households Less than 60% AMI: \$14,999

When this option is used, the assistance may range between \$6,500 - \$14,999.

3. As a flat percentage of the sales price of the home. When this option is used, the assistance amount may not be less than \$6,500 or exceed \$14,999, including Project Delivery Costs.
4. As gap financing necessary to enable the home buyer to purchase the unit. In such cases where the CHIP-funded assistance provided, exclusive of Project Delivery Costs, is less than \$5,000, the Applicant will be limited to \$1,000 in Project Delivery Costs unless the first mortgage is provided through USDA Direct 502 Program. Therefore, when this option is used, the total amount of assistance to the home buyer must be between \$2,000 and \$14,999.

The Application to DCA for CHIP assistance will identify as part of the Applicant's program design the down payment assistance structure that meets CHIP funding requirements.

Property Types

Eligible properties must be a one unit single family dwelling (attached or detached) designed for residential use, condominiums, or planned unit developments approved by Fannie Mae, Freddie Mac, or the Mortgage Insurer, townhomes, and modular homes that are located in an area consistent with such use and intended for owner-occupancy.

Manufactured Housing is not eligible for CHIP-funded Down Payment Assistance. Modular Housing is eligible if the home bears the "DCA insignia" and meets the standards of the State of Georgia's Industrialized Building Program.

Properties constructed prior to 1978 where lead paint hazards are detected upon visual inspection by the State Recipient or Sub-recipient may not be purchased using CHIP-funded assistance.

Low Income Benefit

Each State Recipient and Sub-recipient must use one hundred (100) percent of its CHIP funds to assist households with incomes at or below eighty (80) percent of the area median income (AMI) based on household size for the county within which the property is located, as determined by HUD. However, programs may target their assistance to individuals at the extremely low, very low, or other income designations as part of their program design.

The Administration Manual includes the applicable HUD HOME Program Income Limits; however, the State Recipient and Sub-recipient must always use the most current version of these income limits.

Policies: DCA has implemented the following additional policies governing the implementation of a Down Payment Assistance program:

Administrative Fees

DCA will permit an administrative fee for all State Recipients and Sub-recipients to cover eligible costs of administering the program, including:

- Providing citizens with information about the CHIP-funded program, including outreach activities

- Preparing a budget and schedule
- Preparing reports and other documents related to program performance
- Office space and utility costs
- Purchasing equipment, insurance and office supplies
- Compliance monitoring
- Resolving audit and monitoring findings

DCA will permit an administrative fee equal to 2% of the total funds awarded for project costs to a State Recipient or Sub-recipient to be used to cover eligible administrative costs. Administrative fees will not be advanced prior to the completion of a Down Payment Assistance Activity. Administrative Fees will be disbursed to the State Recipient or Sub-Recipient by applying the applicable administrative fee percentage (2%) multiplied by the total amount of funds requested to be drawn for eligible project costs, including Project Delivery Costs. Administrative fees may only be requested at time of the final draw for project-related costs.

Commitment & Expenditure Deadlines

All project funds must be committed and expended within twenty-four (24) months of the date of the State Recipient or Sub-recipients agreement with GHFA.

Penalties:

DCA may recapture funds awarded to or may debar from future participation any State Recipient or Sub-recipient that fails to meet these requirements at DCA's sole and absolute discretion.

First Mortgage Assistance Requirements

All Down Payment Assistance Activities utilizing CHIP funds must be used with First Mortgages that comply with the following requirements:

- All First Mortgages must be a fixed rate loan of no more than 33 years
- Interest rate on the First Mortgage may not exceed the current 60-day price for Fannie Mae's 30-year fixed rate mortgage by more than 200 basis points
- The following fees payable to the Lender:
 - Origination fee of no more than 2.00% of the Georgia Dream First Mortgage Loan amount, if the Georgia Dream First Mortgage is utilized
 - FHA 203(k) fees to the extent allowed by FHA
- The total of the Origination Fee and the discount points charged by the First Mortgage lender may not exceed more than 2.00% of first mortgage loan amount
- Customary lender fees for application processing and underwriting may not exceed the aggregate of \$600.00 and may not be based on the size of the loan
- Closing costs, whether paid by the property seller or the mortgagor, may not exceed the aggregate of the actual amounts expended for the following third party costs:
 - title examination
 - title insurance

- attorney's fees
- credit reports
- termite reports
- tax service fees
- flood certificate fees
- surveys
- photographs
- appraiser's fees
- filing and recording fees
- transfer tax and intangible taxes
- mortgage insurance
- Georgia Residential Mortgage Licensing per-loan fee (GRMA) in the amount of \$10.00
- express mail and courier fees paid to the company other than Lender
- application, processing or underwriting fees, only if paid to an independent third party
- Adverse Market Delivery Charge of 0.25% and My Community Mortgage Loan Level Price Adjustment of 0.5625%

DCA reserves the right to issue an update concerning stated limits on allowable fees and cost limits.

Eligible Fees to be Charged to Home Buyer

The Home Buyer may not be charged an application fee by a State Recipient or Sub-recipient associated with the CHIP-funded Deferred Payment Second Mortgage loan. However, a State Recipient or Sub-recipient may require a home buyer household to pay a nominal escrow fee to discourage frivolous applications and encourage a home buyer's commitment towards the assistance process. The escrow fee may not exceed \$50, must be identified as part of the State Recipient's or Sub-recipient's program design submitted as part of their original application to DCA for CHIP funds, must be applied toward the home buyer's required contribution at closing, and must be returned to the home buyer if the first mortgage does not close.

The only other fees which may be collected associated with the CHIP-funded Deferred Payment Second Mortgage loan are:

- Recording fees
- Intangible Tax
- Georgia Residential Mortgage Act (GRMA) fee in the amount of \$10.00

Environmental Review - Tier One Review

State Recipients:

Under HUD requirements, State Recipients are permitted to complete the Environmental Review process as the Responsible Entity. As such, the Environmental Review process may be initiated either (1) prior to the submission of the Application to DCA for funding assistance in order to demonstrate the community's readiness to proceed; or (2) after submission of the Application to DCA, but prior to the announcement of the CHIP award; or (3) after announcement of the CHIP award. If the local government chooses either Option #1 or #2, DCA will not reimburse any costs incurred in preparing the Environmental Review should the local government not receive

CHIP funding. However, in all three scenarios, the Environmental Review process, including DCA approval, must be concluded within sixty (60) days of the effective date of the CHIP Agreement with GHFA. For State Recipients choosing option 2 or 3, the Environmental Review process must be completed and submitted to DCA within forty-five (45) days after entering into the CHIP Agreement with GHFA. DCA will review and provide notice back to the State Recipient within fifteen (15) days of submission in order to complete this sixty (60) day process.

During this period as the Environmental Review process is being completed by the State Recipient and DCA, the State Recipient may initiate activities that have no physical impact on any property proposed to be served. Should any physical impact occur prior to completion of the Tier Two Review (i.e. DCA's issuance of the Notice to Proceed to the State Recipient), issued) all costs associated with the property impacted will not be eligible for CHIP funding assistance under any circumstances at DCA's sole and absolute discretion.

Sub-recipients:

Under HUD requirements, Sub-recipients are not permitted to complete Tier One of the Environmental Review process. DCA will complete its role in Tier One process scope of work on behalf of the Sub-recipient within forty-five (45) days of the effective date of the CHIP Agreement with GHFA. DCA will be required to submit its determination to HUD for approval. In general, as guidance only, the HUD approval process takes fifteen (15) days to complete.

During this period as DCA and HUD are completing the Environmental Review process, the Sub-recipient may initiate activities that have no physical impact on any property proposed to be served. Should any physical impact occur prior to completion of the Tier Two Review (i.e. DCA's issuance of the Notice to Proceed to the Sub-recipient), all costs associated with the property impacted will not be eligible for CHIP funding assistance under any circumstances at DCA's sole and absolute discretion.

*Environmental Review – State Recipients:
Tier Two Review*

Once State Recipients, as Responsible Entities, have completed the Tier One process, an individual project site has been identified, and prior to beginning any work that will have a physical impact on any property proposed to be served, the State Recipient must complete an Environmental Screening Checklist which reviews each of the items on the Statutory Checklist for applicability to the specific property proposed. Any items that are triggered by regulations listed on the Screening Checklist must be addressed in accordance with the appropriate statute. For example, if the property is fifty (50) years of age or older, any activity must be reviewed for its possible effect under the National Historic Preservation Act.

The State Recipient must submit to DCA the completed Screening Checklist along with all documentation to show how the federal regulation was cleared. Upon review and approval of these items, DCA will then issue a Notice to Proceed for the project.

During this period as DCA and HUD are completing the Environmental Review process, the State Recipient may initiate activities that have no physical impact on the property proposed to be served. Should any physical impact occur prior to completion of the Tier Two Review (i.e. DCA's issuance of the Notice to Proceed to the State Recipient), all costs associated with the property impacted will not be eligible for CHIP funding assistance under any circumstances at DCA's sole and absolute discretion.

Sub-recipients:

Once Sub-recipients have completed the Tier One process, an individual project site has been identified, and prior to beginning any work that will have a physical impact on any property proposed to be served, the Sub-recipient must complete an Environmental Screening Checklist which DCA will utilize to review each of the items on the Statutory Checklist for applicability to the specific property proposed. Any items that are triggered by regulations listed on the Screening Checklist must be addressed in accordance with the appropriate statute. For example, if the property is fifty (50) years of age or older, any activity must be reviewed for its possible affect under the National Historic Preservation Act.

During this period as DCA and HUD are completing the Environmental Review process, the Sub-recipient may initiate activities that have no physical impact on the property proposed to be served. Should any physical impact occur prior to completion of the Tier Two Review (i.e. DCA's issuance of the Notice to Proceed to the Sub-recipient), all costs associated with the property impacted will not be eligible for CHIP funding assistance under any circumstances at DCA's sole and absolute discretion.

*Experience Requirement
for Administrators*

An Administrator must meet one of the following requirements to be considered an "Experienced Administrator" for the implementation of a Down Payment Assistance program:

1. Must have successfully closed out one CHIP grant in which Down Payment Assistance was an activity.

OR

2. Must have entered into a contract with an Administrator who has successfully closed out one CHIP grant in which Down Payment Assistance was an activity. The contract must have provisions to train the staff of the inexperienced Administrator on the administration of the CHIP funded activities. An inexperienced entity will only be permitted to utilize this qualifying criterion in a single instance for Down Payment Assistance, regardless of staff turnover and other circumstances affecting the entity.

OR

3. Must have experience on staff of at least one (1) individual designated as the primary lead contact who has at least three (3) years of direct

work experience:

- A. At a state or local Participating Jurisdiction and administered the HOME program, or
- B. At a state or local Entitlement Community and administered the CDBG program, or
- C. At a local government, nonprofit or for-profit organization and administered another federally funded down payment assistance activity, or
- D. At an entity providing direct mortgage lending.

Individuals must meet all Conflict of Interest requirements under the Final HOME Rule.

*Experience
Requirements of Local
Governments*

A Local Government Applicant must have administered directly and successfully closed out a CHIP grant in which Down Payment Assistance was an activity or have entered into a contract with an Experienced Administrator for Down Payment Assistance Activities.

*Experience
Requirements of Non-
profit and Public
Housing Authority
Applicants*

Non-profits and public housing authorities seeking to administer a Down Payment Assistance program must:

- (1) Have at least three (3) years experience administering a down payment assistance program and have previously provided down payment assistance to home buyers that have successfully closed on the purchase of their home. The number previously served must equal at least 50% of the number of home buyers proposed to be served under the Application.

OR

- (2) Have a staff person with at least three (3) years mortgage lending experience.

OR

- (3) Have administered directly or entered into a contract with an Experienced Administrator for Down Payment Assistance Activities. If an Administrator is used, the consulting contract must have provisions to train the staff of the non-profit or public housing authority on the administration of the CHIP-funded activities.

*Home Buyer Minimum
Contribution Required*

Each Down Payment Assistance Activity must require a minimum \$1,000 contribution by the home buyer. The contribution may be in the form of a gift.

Home Buyer Education

All households who receive CHIP-financed Down Payment Assistance must complete home buyer education or individualized housing counseling. The State Recipient and Sub-recipient may not charge a fee to the home buyer for the receipt of housing counseling assistance, but may include a fee of up to \$100 as part of the Project Delivery Costs associated with the activity. If a third-party provides such services to the home buyer, the fees charged must not exceed \$100 and the fees charged to and paid by the home buyer must

appear on the HUD-1 Settlement Statement. The amount paid by the home buyer may be counted toward the \$1,000 minimum household contribution required of all borrowers.

All State Recipients and Sub-recipients must include evidence of the household's completion of the home buyer education within the activity files maintained for that household.

*Lead-Based Paint –
Visual Assessment*

EPA's lead renovation, repair and painting (RRP) program rule (found at www.epa.gov/lead/pubs/renovation.htm) requires contractors to be certified in lead-safe work practices and training providers to be accredited by EPA. All Applications must identify as part of the Program Design at least one individual who has completed the on-line certification course for visual assessment. The course may be found on-line at: www.hud.gov/offices/lead.

The person identified in the application must be the person who conducts the visual assessment for all funded projects. If the State Recipient or Sub-recipient must use another individual, the State Recipient or Sub-recipient must provide to DCA a copy of the visual assessment certification completed prior to the inspection of any unit.

NOTE: For Application scoring purposes, a copy of the certificate must be received at DCA by the Application due date. Applicants are encouraged to take the on-line visual assessment certification course as early as possible as HUD indicates that receipt of the certification may take as long as three (3) weeks. DCA will not award points for any certification received after the Application due date.

*Other Federal and State
Requirements*

In addition to the basic HOME rules previously outlined, a number of other federal and state regulations must be adhered to in the course of administering CHIP funds. The certifying official of the Applicant is responsible for ensuring that the proposed program, activities, goals and timetables are in compliance with all federal and state laws, regulations and executive orders. The major applicable laws, regulations and executive orders include, but are not limited to, the areas outlined below:

Non-Discrimination and Equal Access:

Applicants must take measures to ensure non-discriminatory treatment, outreach and access to CHIP resources. This applies to employment and contracting, as well as to marketing and selection of program participants. DCA does not discriminate based on disability in the administration of Federal HOME funds allocated to CHIP. Please see the Administration Manual for DCA's Notice to the Public, Nondiscriminatory Policy Based on Disability.

Fair Housing and Equal Opportunity:

Applicants and their activities must comply with all of the federal laws, executive orders and regulations pertaining to fair housing and equal opportunity listed below:

- Title VI of the Civil Rights Act of 1964, As Amended (42 U.S.C. 2000d et seq.)
- The Fair Housing Act (41 U.S.C. 3601-3620)
- Section 104(b) (2) of the Fair Housing Act
- Fair Housing Act implementing regulations for HUD programs at 24 CFR Part 100-115
- Equal Opportunity in Housing (Executive Order 11063, as amended by Executive Order 12259)
- Equal Opportunity in Housing Regulations at 24 CFR Part 107
- Age Discrimination Act of 1975, As Amended (42 U.S.C. 6101)
- Title VIII of Civil Rights Act of 1968 (2 U.S.C. 3601 et seq. and implementing regulations, as amended)
- Affirmative Marketing in accordance with the HOME Investment Partnerships Act and 24 CFR 92.351 and per DCA policy for all CHIP awards
- Georgia Fair Lending Act

Accessibility for Individuals with Disabilities:

- Section 504 of the Rehabilitation Act of 1973

Equal Opportunity:

- Equal Employment Opportunity Executive Order 11246, as amended, and implementing regulations at 41 CFR Part 60

Contracting and Procurement:

- Procurement Standards at 24 CFR 85.36 and for nonprofit organizations at 24 CFR Part 84 and OMB Circular A-110
- HOME Program Conflict of Interest Provisions at 24 CFR 92.356
- Debarred, Suspended or Ineligible Contractors at 24 CFR Part 5

Environmental:

- National Environmental Policy Act of 1969 (NEPA) and the related authorities listed in HUD's implementing regulations at 24 CFR Parts 50 and 58

Lead Based Paint:

- Section 1012 and 1013 of the Residential Anti-Lead Based Paint Hazard Reduction Act of 1992, which is Title X of the Housing and Community Development Act of 1992 and implementing regulations at 24 CFR Part 35

Acquisition and Relocation:

- Uniform Relocation Act (URA)
- Section 104(d) of the Housing and Community Development Act,

known as the Barney Frank Amendments

Financial Management:

- 24 CFR Part 85 (“Common Rule”) and for nonprofit organizations see 24 CFR Part 84
- Federal OMB Circular A-133
- Federal OMB Circular A-87

Housing:

- The Truth in Lending Act (Regulation Z)
- Title I Consumer Protection Act (PL 90321)
- Construction Industry Licensing Board Act (O.C.G.A. Section 43-14-1, et seq.)
- Georgia Industrialized Building Act of 1982, As Amended (O.C.G.A. Title 8, Chapter 2, Article 2, Part 1 “Industrialized Buildings”; Part 2 Manufactured Housing [Mobile Homes])
- Mandatory State Construction Codes, as well as the International Energy Conservation Code
- Construction and Safety Standards at 24 CFR 3280 for new manufactured housing,
- Georgia Fair Lending Act

General:

- Title II of the National Affordable Housing Act of 1990, As Amended
- 24 CFR Part 92, HOME Investment Partnerships Program
- 24 CFR Part 5 A, 5.105, Other Federal Requirements
- O.C.G.A. Title 50, Chapter 18, Article 4, Georgia Open Records Act.

Period of Affordability

To ensure that CHIP investments yield affordable housing over the long term, DCA imposes occupancy requirements over the length of the Period of Affordability. Based on HUD requirements, the Period of Affordability begins on the date that the project is marked as completed in HUD’s Integrated Disbursement and Information System (IDIS).

The length of the affordability period depends on the amount of CHIP investment in the property and the nature of the activity funded. The amount of CHIP investment includes all funds invested in a unit, including Project Delivery Costs.

The table below provides the required affordability periods:

<u>CHIP Investment Per Unit</u>	<u>Length of Affordability Period</u>
Less than \$15,000	6 years
\$15,000 - \$40,000	11 years
More than \$40,000	16 years

DCA has adopted a slightly longer Period of Affordability requirement than stated in the HOME Final Rule in order to allow for sufficient administrative processing time following the closure of the loan and completion of the activity in IDIS.

CHIP funds that are invested in projects that do not meet the established Period of Affordability requirements will be subject to recapture based on policies outlined in this Program Description and the Manual(s).

Project Related Soft Costs

The following costs are eligible Project Related Soft Costs:

- Project costs associated with loan closing:
 - Fees for recordation
 - Filing of legal documents
 - Attorney fees

- Project Delivery Costs
 - Project Specific Environmental Review
 - Processing application for the home buyer
 - Housing Counseling
 - Credit Repair
 - Project Underwriting

Project related soft costs, excluding project delivery costs associated with the activity to process and settle the financing of the activity, may be included as an eligible project cost associated with the deferred payment loan to the home buyer.

The total of the Project Delivery Costs may not exceed \$2,000 per home buyer assisted. When the amount provided to the home buyer exclusive of Project Delivery Costs is less than \$5,000, the Project Delivery Costs will be limited to \$1,000 unless the first mortgage of the home buyer is provided through the USDA 502 Direct Program. Project Delivery Costs will be disbursed based on submission of invoices or other documentation evidencing the costs incurred. Project Delivery Costs will not be disbursed until after the home buyer has closed on the loan to purchase the home.

*Project Delivery Costs – State Recipients:
Environmental Review*

The State Recipient will incur costs for the Environmental Review, including time spent in preparing the required documentation and advertising the Finding of No Significant Impact. The State Recipient may request reimbursement of these costs as a Project Delivery Cost on a per project basis. The total cost incurred must be divided out on a per project basis based on the total number of units proposed to be served in the State Recipient's Application for CHIP funding. The costs assigned to any unit not completed as part of the work will not be reimbursed to the State Recipient.

Sub-recipients:

In preparation of the Environmental Review, DCA will be required to advertise a Finding of No Significant Impact in the newspaper designated as the legal organ for the community(ies) served by the program. DCA will bill the costs of the advertisement to the Sub-recipient. Payment will be due from the Sub-recipient within thirty (30) days of our billing.

The Sub-recipient may request reimbursement of these costs as a Project Delivery Cost either (1) through a single project for which funds are Committed in IDIS or (2) if the *Atlanta Journal Constitution* is used as the legal organ, may divide out these costs on a per project basis based on the total number of units proposed to be served in the Sub-recipient's Application for CHIP funding. If the second option is selected, the costs assigned to any unit not completed as part of the work will not be reimbursed to the Sub-recipient.

Property Standards for
Down Payment
Assistance

State Recipients and Sub-recipients assisting households with Down Payment Assistance Activities must ensure that the property must meet all applicable State and Local housing quality standards and code requirements and, if there are no such standards or code requirements, the property must meet the housing quality standards in 24 CFR 982.401 (Section 8 Housing Quality Standards).

Property Value

In compliance with Section 203(b) of the National Housing Act, the maximum Purchase Price for existing or newly constructed properties must be equal to or less than the following amounts based on the project's location:

Atlanta MSA: \$250,000

All Counties Outside the Atlanta MSA: \$200,000

Public Notification

Local Government Applicant:

Must provide a resolution of the municipal or county government detailing the proposed program activities, the number of households to be served, the targeted population groups to be served (if any), the addresses of activities (if known), and amount of funds to be requested. No formal public hearing is required.

Non-Profit and Public Housing Authority Applicants Proposing Activities in a Single Jurisdiction:

Must submit a copy of a letter sent to the chief elected officer (and copied to the city/county administrator, if applicable) of the jurisdiction in which the activity will be implemented that details the proposed program activities, the proposed number of households to be served, targeted population groups to be served by the program (if applicable), addresses of activities (if known), and amount of funds being requested. No formal public hearing is required.

Non-Profit and Public Housing Authority Applicants Proposing Activities in Multiple Jurisdictions:

Must submit a copy of a letter sent to the chief elected officer (and copied to the city/county administrator if applicable) of each city and county in which

the activity is proposed. The letter must detail the proposed program activities, the proposed number of households to be served, targeted population groups to be served (if applicable), the addresses of activities (if known), and the amount of funds being requested. No formal public hearing is required.

Recapture Requirements for Down Payment Assistance Activities

During the Period of Affordability, if the borrower sells the unit, refinances, or does not occupy the unit for the full term of the affordability period, DCA will follow the shared net proceeds option identified at 92.254(a)(5)(ii)(A)(3) of the HOME Regulations to determine the amount of funds subject to recapture. If the net proceeds are not sufficient to recapture the full amount of the CHIP investment (excluding project delivery costs) plus enable the homeowner to recover the amount of the homeowner’s down payment and any capital improvement investment made by the homeowner since purchase, the Georgia Housing and Finance Authority will share the net proceeds with the homeowner.

In this case, the net proceeds will be divided proportionally as set forth herein by mathematical formula:

A = CHIP amount to be recaptured

B = Amount to Borrower

$$\frac{\text{CHIP Investment less Project Delivery Cost}}{((\text{CHIP Investment less PDC}) + (\text{Borrower Investment}))} \quad X \quad \text{Net Proceeds} = A$$

$$\frac{\text{Borrow Investment}}{((\text{CHIP Investment less PDC}) + (\text{Borrower Investment}))} \quad X \quad \text{Net Proceeds} = B$$

If there are no net proceeds, repayment of the note is not required.

In the event that the net proceeds exceeds the amount necessary to repay both the homeowner’s investment and the CHIP Investment (less project delivery costs), the excess proceeds will be paid to the borrower.

This policy applies to both voluntary and involuntary sales.

Funding Determination

DCA will award CHIP funds based on a statewide competition. All applications will be reviewed by a DCA Housing Review Panel and compared based on the items described below as represented in the application. Each item will be reviewed and a score determined at DCA’s sole and absolute discretion. The maximum score possible is 100 points.

All successful Applicants that receive points within any of the following categories must adhere to that commitment throughout the implementation of the program.

Category

- | | |
|---|---------------|
| 1. Program Design | 50 pts |
| A. The proposed program design sets-aside funding for at least one (1) household at or below: | Up to 3 pts |

60% AMI - 1 Point
 50% AMI – 2 Points
 30% AMI – 3 Points

- B. The Affirmative Marketing Plan identifies special outreach activities such as: housing fairs, media advertisement, utility inserts, direct mail, or other innovative outreach efforts. Up to 5 pts
- C. The Policies and Procedures describe a well thought out application in-take process. Up to 6 pts
- D. Readiness to Proceed Up to 15pts
- A person is on staff or under contract who has a Lead-based Paint Visual Assessment Certificate.
 - An established pipeline of potential home buyers is included in the Application.
 - A person is on staff or under contract who is a certified HQS inspector.
 - The Affirmative Fair Housing Marketing Plan submitted with the Application meets CHIP requirements.
 - The Section 3 Outreach Plan submitted with the Application meets CHIP requirements.
- E. The program design includes a firm commitment by a Georgia Dream Participating Lender to partner with the Applicant to implement the activities proposed. 4 pts
- OR
- Program design sets aside 100% of funds to be used in combination with USDA Direct 502 loans.
- F. The program design includes post-purchase home buyer education of no less than one year using local or non-CHIP resources. 2 pts
- G. The program design sets-aside assistance to at least one (1) household which includes a family member with a disability. (2 points per household included in the set-aside, up to a maximum of 6 points) Up to 6 pts
- H. The program design sets-aside funding for the purchase of at least one (1) foreclosed property by an eligible home buyer. 2 pts
- I. The program design incorporates a demonstrated partnership with a public housing authority or a 4 pts

targeted special need population to move individuals into homeownership.

- J. The program design limits assistance only to First-Time Home Buyers. 3 pts

2. Program Need 18 pts

The percentage of persons in all census tracts to be served who are below the poverty line:

29.34% and Above	18 pts
24.34% and 29.33%	15 pts
19.34% to 24.33%	12 pts
14.33% to 19.33%	9 pts
9.33% to 14.32%	6 pts
4.33% to 9.32%	3 pts
4.32% and Below	0 pts

For applications that propose to target assistance only within specific block groups of one or multiple census tracts (but not the entirety of any census tract), DCA will credit points based on the percentage of all persons in that block group who are below the poverty line. If more than one block group is targeted, the weighted average of all block groups will be used. The Applicant must provide documentation as required in the Application.

3. Program Locational Characteristics 15 pts

- A. The proposed activity is located in a city or county designated as a Community of Opportunity where housing is an identified part of their DCA-approved Community Improvement Strategy on December 15, 2011. 5 pts
- B. The proposed activity is located in a past or present Georgia Initiative for Community Housing participating community. 5 pts
- C. All assistance will be provided within a county declared as a Federal Disaster area between December 1, 2009 and December 1, 2011. 5 pts

4. Match Committed within Application 5 pts

The Applicant has secured a firm local commitment of a permanent contribution of match to be provided toward the costs proposed. Match may take many forms; however, in no case may match be provided from the household assisted.

Points will be provided as follows based on the percentage of the Total Award of Project Funds that

will be matched locally:

- 15% Match 5 pts
- 10% Match 3 pts
- 5% Match 1 pt

5. Past Performance of Applicants

12 pts

Applicant may receive points by meeting either one of three criteria:

- Applicant received at least one CHIP grant funded in the 2007, 2008, or 2009 CHIP application rounds and at least the following percentage of eligible project funds for every award received has been expended by the applicant for eligible projects:

2007 – 100%

2008 – 70.0%

2009 – 40.0%

Note: Administrative funds will not be included in this calculation.

OR

- The Applicant has not received a CHIP grant in 2009 or a prior year.

OR

- The Applicant received CHIP funds in 2006 or a prior year and has closed out the CHIP grant and expended at least 60% of all funds originally awarded.

Note: Administrative funds will not be included in this calculation.

Multi-Activities Proposed Only

Applications that propose multiple eligible Activity types under a single CHIP application will be scored on factors identified within each Activity. The higher of the point totals received based on the factors for each Activity will be assigned as the score for the Application. The Applicant will be required to meet all requirements proposed in their Application regardless of which Activity score is utilized for the purposes of scoring.

Maximum Total Points:

100

Final Ranking:

The points received by each applicant on the rating factors will be totaled and the total scores ranked accordingly from highest to lowest. CHIP awards will be based on this final ranking to the extent funds are available. In case of ties, the applications will be ranked based on the differentiation of points received

in the following categories by order of priority:

1. Total Program Need.
2. Program Design.
3. Match Committed within Application.

At its sole and absolute discretion, DCA reserves the right to allocate resources to lower ranked proposals to achieve a better geographical distribution of resources or for any other reasons determined by DCA to be meritorious. Any decision DCA makes, and any action or inaction by DCA in administering, managing, and operating the funding competition, shall be final and conclusive and shall not be subject to any review, whether judicial, administrative or otherwise, and shall not be covered by, subject to, or required to comply with or satisfy any provisions of Chapter 13 of Title 50 of the Official Code of Georgia Annotated, the "Georgia Administrative Procedures Act."

Duplication of Effort:

DCA reserves the right to reject any application as a result of the proposed duplication of effort within a single jurisdiction if submitted by multiple Applicants under this Program Description. DCA will fund the application that receives the higher point score and may or may not fund any duplicate application receiving a lower score based on DCA's sole and absolute discretion.

Disposition of Applications:

CHIP Award commitments will be forwarded to eligible Applicants whose applications are approved for funding. For the SFY2012 competition, commitments will be announced by March 16, 2012.

Applicants whose programs are denied will be notified of the denial. DCA's decisions regarding awards and denials will be based on the Program Description, the Applicant's Manual, the rating and selection criteria outlined herein, and the final ranking of all applications based on the points awarded to each Applicant. DCA's funding decisions are final and DCA may waive any irregularities consistent with the Program Description.

HOMEOWNER REHABILITATION ASSISTANCE ACTIVITY REQUIREMENTS

Each **Homeowner Rehabilitation** Assistance activity carried out by the State Recipient or Sub-recipient must meet all the criteria listed below.

Eligible Applicants

Eligible Local Government Applicants: Eligible CHIP applicants include local governments that have not been designated by HUD as a Participating Jurisdiction (PJ) for the HOME program. Local governments that are designated as PJs, and therefore are ineligible, include: City of Albany, City of Atlanta, City of Macon, City of Savannah, Athens/Clarke County, Augusta/Richmond County, Columbus/Muscogee County, Clayton County, DeKalb County, Gwinnett County, Georgia Urban Consortium (Cobb and Cherokee Counties and the Cities of Marietta and Canton) and Fulton County Consortium (Fulton County and City of Roswell).

Under State statutes, local government CHIP applicants must comply with State planning and financial reporting laws, including:

- The Georgia Planning Act
- The Service Delivery Act (HB 489)
- The Local Government Audit Act
- DCA Local Government Finance Report requirements

In certain instances of non-compliance, these laws prohibit DCA from providing grant assistance.

For the purposes of CHIP, local government applicants receiving CHIP funds will act as a State Recipient according to the HOME Final Rule Section 92.201(b)(2).

Any past State Recipient with a grant older than 3 years on December 1, 2011, (i.e. received in the 2007 or prior Grant Year) and with unexpended funds (both administrative and project funds) is ineligible.

Eligible Non-profit and Public Housing Authorities: Organizations, including Habitat Affiliates, designated with a 501(c)(3) or 501(c)(4) status or Local Public Housing Authorities which meet CHIP experience threshold requirements on the application due date.

For the purposes of CHIP, non-profits and public housing authorities receiving CHIP funds from DCA will act as a Sub-recipient according to the HOME Final Rule at Section 92.2.

Applicants must not be out of material compliance or disqualified from any program administered by DCA or under debarment, proposed debarment or suspension by a federal agency, and must meet all requirements outlined in this Program Description, the Manuals, and the Final Rule.

Ineligible Project Locations

Eligible applicants may not implement any projects using CHIP resources which are located in the following areas (including any cities therein): City of

Albany, City of Atlanta, City of Macon, City of Savannah, Athens/Clarke County, Augusta/Richmond County, Columbus/Muscogee County, Cherokee County, Clayton County, Cobb County, DeKalb County, Fulton County, and Gwinnett County.

Form of Subsidy

CHIP funds may be used to assist existing low income homeowners with the repair, rehabilitation or reconstruction of their homes. Whenever CHIP funds are used for rehabilitation, the work must be performed according to the State Recipient's or Sub-recipient's Written Rehabilitation Standards describing the methods and materials to be used when performing rehabilitation, and the unit must be brought up to state codes and local code. The activity must meet all requirements published in the CHIP Homeowner Rehabilitation Guide.

Because units being rehabilitated must be brought up to state and local codes, Applicants may not undertake any form of special purpose homeowner repair program such as: weatherization programs, emergency repair programs, or handicapped accessibility programs. All of these types of repairs are eligible if they are undertaken within a more comprehensive scope of work that brings the unit up to state and local codes. The total cost of weatherization and handicapped accessibility modifications are capped at \$15,000.

All Applicants engaging in Homeowner Rehabilitation Assistance activities must record at closing and use the standardized loan documents provided in the Manual.

All Homeowner Rehabilitation Assistance Activities, including Reconstruction, will be classified as a Rehabilitation activity.

Amount of Subsidy

All construction hard costs, except those associated with the identification mitigation, abatement, or clearance of lead based paint issues, will be made available to the homeowner as a 0% deferred payment second mortgage loan payable only when the home is sold, refinanced, or no longer used for their principal residence per the Recapture Requirements for Homeowner Rehabilitation Activities. The term of the second mortgage loan will equal the Period of Affordability established for the assistance amount to the homeowner.

All costs associated with the identification, mitigation, abatement or clearance of lead-based paint will be made available to the homeowner as a grant.

All funds made available for project delivery costs of the activity will be made as a grant to the homeowner and paid to the State Recipient or Sub-recipient on behalf of the homeowner.

Stick-built or Modular Housing:

The total amount of CHIP assistance provided for any single owner-occupied, stick-built or Modular Housing unit being rehabilitated must not be less than \$1,000 or exceed \$49,000, including all project soft costs. Under special circumstances, DCA may waive this maximum limit upon the request of the State Recipient or Sub-recipient; however, in no case will the amount of CHIP

assistance exceed the per unit dollar limits established under Section 221(d)3(ii) of the National Affordable Housing Act as set forth for elevator-type structures that apply to the area in which the housing is located. For the entire State of Georgia, the maximum amount of CHIP subsidy per unit cannot exceed:

<u>Maximum Amount of Subsidy</u>	<u>No. of Bedrooms Per Unit</u>
\$102,155	0 BR Unit
\$117,100	1 BR Unit
\$142,395	2 BR Unit
\$184,211	3 BR Unit
\$202,209	4 BR+ Unit

Before committing funds to a project, the State Recipient or Sub-recipient must evaluate the project in accordance with locally adopted guidelines and may not invest any more CHIP funds, in combination with any other governmental assistance, than is necessary to provide affordable housing.

Manufactured Homes

The total amount of CHIP assistance provided for any single owner-occupied, unit of Manufactured Housing unit being rehabilitated must not be less than \$1,000 or exceed \$8,000, including all project soft costs.

Property Types

To be eligible for CHIP assistance, a property must be occupied by an income eligible homeowner and be the owner’s principal residence. The eligible property types include:

- a. Traditional single family housing (Stick-built or Modular) that is owned in fee simple. (This housing may contain one to four dwelling units.).
- b. A condominium unit (Stick-built or Modular).
- c. A cooperative unit or unit in a mutual housing project (Stick-built or Modular).
- d. Manufactured Housing that is (1) on land owned by the homeowner or having a lease in the name of the homeowner extending beyond the required Period of Affordability and (2) on a permanent foundation.

Low Income Benefit

Each State Recipient and Sub-recipient must use one hundred (100) percent of its CHIP funds to assist households with incomes at or below eighty (80) percent of the area median income (AMI) based on household size for the county within which the property is located, as determined by HUD. However, programs may target their assistance to individuals at the extremely low, very low, or other income designations as part of their program design.

The Administration Manual includes the applicable HUD HOME Program Income Limits; however, the State Recipient and Sub-recipient must always use the most current version of these income limits.

Policies: DCA has implemented the following policies governing the program’s implementation:

Administrative Fees

DCA will permit an administrative fee for all State Recipients and Sub-

recipients to cover eligible costs of administering the program, including:

- Providing citizens with information about the CHIP funded program including outreach activities
- Preparing a budget and schedule
- Preparing reports and other documents related to program performance
- Office space and utility costs
- Purchasing equipment, insurance and office supplies
- Compliance monitoring
- Resolving audit and monitoring findings

DCA will permit an administrative fee equal to 2% of the total funds awarded for project costs to a State Recipient or Sub-recipient to be used to cover eligible administrative costs. Administrative fees will not be advanced prior to the completion of a Homeowner Rehabilitation Assistance Activity. Administrative Fees will be disbursed to the State Recipient or Sub-Recipient by applying the applicable administrative fee percentage (2%) multiplied by the total amount of funds requested to be drawn for eligible project costs, including Project Delivery Costs. Administrative fees may only be requested at time of the final draw for project-related costs.

*Application Fee
Charged to Homeowners*

An application fee may not be charged by any State Recipient or Sub-recipient to a prospective participant associated with any CHIP-financed Homeowner Rehabilitation Assistance Activity.

*Commitment &
Expenditure Deadlines*

All project funds must be committed within twenty-four (24) months of the date of the State Recipient or Sub-recipients Agreement with GHFA.

All funds must be expended within thirty (30) months of the date of the State Recipient or Sub-recipients Agreement with GHFA.

Penalties:

DCA may recapture funds awarded to or may debar from future participation any State Recipient or Sub-recipient that fails to meet these requirements at DCA's sole and absolute discretion.

*Environmental Review
Tier One Review*

State Recipients:

Under HUD requirements, State Recipients are permitted to complete the Environmental Review process as the Responsible Entity. As such, the Environmental Review process may be initiated either (1) prior to the submission of the Application to DCA for funding assistance in order to demonstrate the community's readiness to proceed; or (2) after submission of the Application to DCA, but prior to the announcement of the CHIP award; or (3) after announcement of the CHIP award. If the local government chooses either Option #1 or #2, DCA will not reimburse any costs incurred in preparing the Environmental Review should the local government not receive CHIP funding. However, in all three scenarios, the Environmental Review process, including DCA approval, must be concluded within sixty (60) days

of the effective date of the CHIP Agreement with GHFA. For State Recipients choosing option 2 or 3, the Environmental Review process must be completed and submitted to DCA within forty-five days (45) days after entering into the CHIP Agreement with GHFA. DCA will review and provide notice back to the State Recipient within fifteen (15) days of submission in order to complete this sixty day process.

During this period as the Environmental Review process is being completed by the State Recipient and DCA, the State Recipient may initiate activities that have no physical impact on any property proposed to be served. Should any physical impact occur prior to completion of the Tier Two Review (i.e. DCA's issuance of the Notice to Proceed to the State Recipient), all costs associated with the property impacted will not be eligible for CHIP funding assistance under any circumstances at DCA's sole and absolute discretion.

Sub-recipients:

Under HUD requirements, Sub-recipients are not permitted to complete Tier One of the Environmental Review process. DCA will complete its role in Tier One process scope of work on behalf of the Sub-recipient within forty-five (45) days of the effective date of the CHIP Agreement with GHFA. DCA will be required to submit its determination to HUD for approval. In general, as guidance only, the HUD approval process takes fifteen (15) days to complete.

During this period as DCA and HUD are completing the Environmental Review process, the Sub-recipient may initiate activities that have no physical impact on any property proposed to be served. Should any physical impact occur prior to completion of the Tier Two Review (i.e. DCA's issuance of the Notice to Proceed to the Sub-recipient), all costs associated with the property impacted will not be eligible for CHIP funding assistance under any circumstances at DCA's sole and absolute discretion.

Environmental Review – State Recipients:
Tier Two Review

Once State Recipients, as Responsible Entities, have completed the Tier One process, an individual project site has been identified, and prior to beginning any work that will have a physical impact on any property proposed to be served, the State Recipient must complete an Environmental Screening Checklist which reviews each of the items on the Statutory Checklist for applicability to the specific property proposed. Any items that are triggered by regulations listed on the Screening Checklist must be addressed in accordance with the appropriate statute. For example, if the property is fifty (50) years of age or older, any activity must be reviewed for its possible effect under the National Historic Preservation Act.

The State Recipient must submit to DCA the Screening Checklist along with all documentation to show how the federal regulation was cleared. Upon review and approval of these items, DCA will then issue a notice to proceed for the project.

During this period as DCA and HUD are completing the Environmental

Review process, the State Recipient may initiate activities that have no physical impact on the property proposed to be served. Should any physical impact occur prior to completion of the Tier Two Review (i.e. DCA's issuance of the Notice to Proceed to the State Recipient), all costs associated with the property impacted will not be eligible for CHIP funding assistance under any circumstances at DCA's sole and absolute discretion.

Sub-recipients:

Once Sub-recipients have completed the Tier One process, an individual project site has been identified, and prior to beginning any work that will have a physical impact on any property proposed to be served, the Sub-recipient must complete an Environmental Screening Checklist which DCA will utilize to review each of the items on the Statutory Checklist for applicability to the specific property proposed. Any items that are triggered by regulations listed on the Screening Checklist must be addressed in accordance with the appropriate statute. For example, if the property is fifty (50) years of age or older, any activity must be reviewed for its possible affect under the National Historic Preservation Act.

During this period as DCA and HUD are completing the Environmental Review process, the Sub-recipient may initiate activities that have no physical impact on the property proposed to be served. Should any physical impact occur prior to completion of the Tier Two Review (i.e. DCA's issuance of the Notice to Proceed to the Sub-recipient), all costs associated with the property impacted will not be eligible for CHIP funding assistance under any circumstances at DCA's sole and absolute discretion.

*Experience
Requirements for
Administrators*

An Administrator must meet one of the following requirements to be considered an "Experienced Administrator":

1. An Administrator must have successfully closed out one CHIP or Community Development Block Grant (CDBG) grant in which Homeowner Rehabilitation was an activity.

OR

2. Have entered into a contract with an Administrator who has successfully closed out one CHIP or CDBG grant in which Homeowner Rehabilitation was an activity. If this provision is utilized, the consulting contract must have provisions to train the staff of the inexperienced Administrator on the administration of the CHIP funded activities. An inexperienced entity will only be permitted to utilize this qualifying criterion in a single instance for Homeowner Rehabilitation, regardless of staff turnover and other circumstances affecting the entity.

OR

3. Have experience on staff of at least one individual designated as the primary lead contact who has at least three (3) years of direct work

experience at a state or local Participating Jurisdiction administering the HOME program, a state or local Entitlement Jurisdiction administering the CDBG program, or experience administering another federally funded rehabilitation activity. Individuals must meet all Conflict of Interest requirements under the Final HOME Rule.

*Experience
Requirements of Local
Governments*

A Local Government Applicant must have administered directly and successfully closed out a CDBG or CHIP grant in which Homeowner Rehabilitation was an activity or have entered into a contract with an Experienced Administrator for Homeowner Rehabilitation Activities.

*Experience
Requirements of Non-
profit and Public
Housing Authority
Applicants*

Nonprofits and public housing authorities seeking to administer a Homeowner Assistance program must either:

1. Demonstrate within their Application that they have completed since April 1, 2007, the new construction or rehabilitation of at least 50% of the number of units proposed under the Application.

OR

2. Have entered into a contract with an Experienced Administrator for Homeowner Rehabilitation Activities. If an Administrator is used, the consulting contract must have provisions to train the staff of the non-profit or public housing authority on the administration of the CHIP funded activities.

*General Property
Improvements in
Homeowner
Rehabilitation Activities*

General Property Improvements outside the scope of bringing a unit up to the state and local standards are generally not permitted unless the purpose of the improvement is to increase the energy efficiency or handicapped accessibility of the unit. The costs of weatherization and handicapped accessibility improvements may not exceed \$15,000 or more than 50% of the total cost of the rehabilitation work.

Historic Preservation

State Recipients

Historic Housing Rehabilitation and New Construction in Historic Districts. Beginning in 1997, DCA and the State Historic Preservation Office (SHPO) began operating under a Programmatic Agreement for Historic Preservation of Affordable Housing. The Programmatic Agreement exempts certain rehabilitation activities in potentially historic (over 50 years old) units – and, therefore no Historic Review by SHPO is necessary. When more extensive work is proposed for a potentially historic unit, the following process must be utilized:

1. The State Recipient must hire a local Preservation Professional to determine eligibility of the unit for listing.
2. If the unit is deemed eligible for listing, the State Recipient can work with the Preservation Professional to carry out more extensive rehabilitation, in accordance with standard approaches provided in the

Agreement, than may be permitted by the Secretary of Interior's Standards.

3. If planned work exceeds that deemed acceptable for continued eligibility, the Preservation Professional can work with the State Recipient through a Standard Mitigation Process that greatly streamlines the normal Section 106 Review Process.

NOTE: If a project is located in Burke, Chatham, Effingham, Richmond, or Screven counties and will involve ground disturbance, then the State Recipient must receive clearance from the Tribal Historic Preservation Office (THPO).

By virtue of signing the CHIP Agreement, each State Recipient agrees to comply with the terms of the Programmatic Agreement and, if applicable, the Historic Review. A copy of the Programmatic Agreement is included in the CHIP Administration Manual.

Sub-recipients:

Nonprofits and public housing authorities are not covered under the Programmatic Agreement and, therefore, will be subject to a Historic Review by SHPO. The Sub-recipient must use the following process:

1. The Sub-recipient must hire a local Preservation Professional to determine eligibility of the unit for listing.
2. If the unit is deemed eligible for listing, the Sub-recipient must work with the Preservation Professional to carry out more extensive rehabilitation, in accordance with standard approaches provided in the Agreement, than may be permitted by the Secretary of Interior's Standards.
3. If planned work exceeds that deemed acceptable for continued eligibility, the Preservation Professional must work with the Sub-recipient through a Standard Mitigation Process that greatly streamlines the normal Section 106 Review Process.
4. The Sub-recipient must submit documentation showing a unit's determination as either eligible or ineligible for the listing to SHPO and receive a letter of determination from SHPO prior to the commencement of any work that will have a physical impact on the property.

NOTE: If a project is located in Burke, Chatham, Effingham, Richmond, or Screven counties and will involve ground disturbance, then the Sub-recipient must notify DCA to receive clearance from the Tribal Historic Preservation Office (THPO).

By virtue of signing the CHIP Agreement, each Sub-recipient agrees to comply with the terms of the Historic Review.

Lead-Based Paint Requirements for Homeowner Rehabilitation Activities

Based on the Lead-Based Paint Poisoning Prevention Act--(42 U.S.C. 4831-5 et al) and HUD implementing regulations at 24 CFR part 35, whenever housing built before 1978 is under consideration for CHIP funding, the State Recipient and Sub-recipient must follow HUD's regulation, "Requirements for Notification, Evaluation and Hazards in Federally Owned Residential Property and Housing Receiving Federal Assistance." The regulations can be accessed at: <http://www.hud.gov/offices/lead/>.

Please note that changes to the Lead Safe Housing Rule effective April 22, 2010, incorporated one major change – Renovation firms must be certified. At least one certified renovator must be at the job or available when work is being done. The certified renovator may be a certified Lead Based Paint abatement supervisor who has completed the 4-hour Renovation, Repair and Painting Rule (RRP) refresher course.

Lead-Based Paint – Visual Assessment

EPA's lead renovation, repair and painting (RRP) program rule (found at www.epa.gov/lead/pubs/renovation.htm) requires contractors to be certified in lead-safe work practices and training providers to be accredited by EPA. All Applications must identify as part of the Program Design at least one individual who has completed the on-line certification course for visual assessment. The course may be found on-line at: www.hud.gov/offices/lead/.

The person identified in the application must be the person who conducts the visual assessment for all funded projects. If the State Recipient or Sub-recipient must use another individual, the State Recipient or Sub-recipient must provide to DCA a copy of the visual assessment certification completed prior to the inspection of any unit.

NOTE: For Application scoring purposes, a copy of the certificate must be received at DCA by the Application due date. Applicants are encouraged to take the on-line visual assessment certification course as early as possible as HUD indicates that receipt of the certification may take as long as three (3) weeks. DCA will not award points for any certification received after the Application due date.

Other Federal and State Requirements

In addition to the basic HOME rules previously outlined, a number of other federal and state regulations must be adhered to in the course of administering CHIP funds. The certifying official of the Applicant is responsible for ensuring that the proposed program, activities, goals and timetables are in compliance with all federal and state laws, regulations and executive orders. The major applicable laws, regulations and executive orders include, but are not limited to, the areas outlined below:

Non-Discrimination and Equal Access:

Applicants must take measures to ensure non-discriminatory treatment, outreach and access to CHIP resources. This applies to employment and contracting, as well as to marketing and selection of program participants. DCA does not discriminate based on disability in the administration of Federal HOME funds allocated to CHIP. Please see the Administration Manual for DCA's Notice to the Public, Nondiscriminatory Policy Based on

Disability.

Fair Housing and Equal Opportunity:

Applicants and their activities must comply with all of the federal laws, executive orders and regulations pertaining to fair housing and equal opportunity listed below:

- Title VI of the Civil Rights Act of 1964, As Amended (42 U.S.C. 2000d et seq.)
- The Fair Housing Act (41 U.S.C. 3601-3620)
- Section 104(b) (2) of the Fair Housing Act
- Fair Housing Act implementing regulations for HUD programs at 24 CFR Part 100-115
- Equal Opportunity in Housing (Executive Order 11063, As Amended by Executive Order 12259)
- Equal Opportunity in Housing Regulations at 24 CFR Part 107
- Age Discrimination Act of 1975, As Amended (42 U.S.C. 6101)
- Title VIII of Civil Rights Act of 1968 (2 U.S.C. 3601 et seq. and implementing regulations, as amended
- Affirmative Marketing in accordance with the HOME Investment Partnerships Act and 24 CFR 92.351 and per DCA policy for all CHIP awards
- Georgia Fair Lending Act

Accessibility for Individuals with Disabilities:

The HOME regulations require adherence to the following four regulations governing the accessibility of federally assisted buildings, facilities and programs:

- Americans with Disabilities Act (42 U.S.C. 121310)
- 47 U.S.C. 155, 201, 218, and 225
- Fair Housing Act implementing regulations at 24 CFR 100.205 for design and construction requirements of multi-family dwellings
- Section 504 of the Rehabilitation Act of 1973

In addition, the State of Georgia requires compliance with the following law for all new construction of single family housing financed by DCA:

- 8-3-172 of the Official Code of Georgia

Employment and Contracting:

- HOME regulations require that Applicants comply with the regulations listed below governing employment and contracting opportunities, including equal opportunity, labor requirements and contracting/procurement procedures

Equal Opportunity:

- Equal Employment Opportunity Executive Order 11246, as amended, and implementing regulations at 41 CFR Part 60
- Section 3 of the Housing and Urban Development Act of 1968
- Minority and Women's Business Enterprise under Executive Orders 11625, 12432, and 12138 and Section 281 of the National Affordable Housing Act and 24 CFR 85.36.

Labor Requirements:

- Davis Bacon and Related Acts (40 U.S.C. 276 (A) – 7)
- Contract Work Hours and Safety Standards Act, As Amended (40 U.S.C. 327 – 333)
- Copeland (Anti-Kickback) Act (40 U.S.C. 276 c)
- Fair Labor Standards Act of 1938, As Amended (29 U.S.C. 201 et seq.)

Contracting and Procurement:

- Procurement Standards at 24 CFR 85.36 and for non-profit organizations at 24 CFR Part 84 and OMB Circular A-144
- HOME Program Conflict of Interest Provisions at 24 CFR 92.356
- Debarred, Suspended or Ineligible Contractors at 24 CFR Part 5

Environmental:

- National Environmental Policy Act of 1969 (NEPA) and the related authorities listed in HUD's implementing regulations at 24 CFR Parts 50 and 58

Lead Based Paint:

- Section 1012 and 1013 of the Residential Anti-Lead Based Paint Hazard Reduction Act of 1992, which is Title X of the Housing and Community Development Act of 1992 and implementing regulations at 24 CFR Part 35

Acquisition and Relocation:

- Uniform Relocation Act (URA)
- Section 104(d) of the Housing and Community Development Act known as the Barney Frank Amendments

Financial Management:

- 24 CFR Part 85 ("Common Rule") and for non-profit organizations see 24 CFR Part 84
- Federal OMB Circular A-133
- Federal OMB Circular A-87

Housing:

- The Truth in Lending Act (Regulation Z)
- Title I Consumer Protection Act (PL 90321)
- Construction Industry Licensing Board Act (O.C.G.A. Section 43-14-1, et seq).
- Georgia Industrialized Building Act of 1982, As Amended (O.C.G.A. Title 8, Chapter 2, Article 2, Part 1 “Industrialized Buildings”; Part 2 Manufactured Housing [Mobile Homes])
- Mandatory State Construction Codes, as well as the International Energy Conservation Code
- Construction and Safety Standards at 24 CFR 3280 for new manufactured housing; Senate Bill 423 Regarding Handicapped Accessibility Requirements
- Georgia Fair Lending Act

General:

- Title II of the National Affordable Housing Act of 1990, As Amended
- 24 CFR Part 92, HOME Investment Partnerships Program
- 24 CFR Part 5 A, 5.105, Other Federal Requirements
- Title 50, Chapter 18, Article 4, Official Code of Georgia, Georgia Open Records Act

Owner Contribution Requirements

All Homeowner Rehabilitation Activities using CHIP funds must not require any contribution for eligible project costs from an eligible homeowner with an income as adjusted for household size shown below:

Household Size	Income Limit Below Which No Owner Contribution Can Be Required
1	\$15,610
2	\$17,840
3	\$20,070
4	\$22,300
5	\$24,530
6	\$26,760
7	\$28,990
8+	\$31,220

Period of Affordability

To ensure that CHIP investments yield affordable housing over the long term, DCA imposes occupancy requirements over the length of the Period of Affordability. Based on HUD requirements, the Period of Affordability begins on the date that the project is marked as completed in HUD’s Integrated Disbursement and Information System (IDIS).

The length of the affordability period depends on the amount of CHIP investment in the property and the nature of the activity funded. The amount of CHIP investment includes all funds invested in a unit, including all Project Soft Costs.

The table below provides the required affordability periods:

<u>CHIP Investment Per Unit</u>	<u>Length of Affordability Period</u>
Less than \$15,000	6 years
\$15,000 - \$40,000	11 years
More than \$40,000	16 years

DCA has adopted a slightly longer Period of Affordability Requirement than stated in the HOME Final Rule in order to allow for sufficient administrative processing time following the closure of the loan and completion of the activity in IDIS.

CHIP funds that are invested in projects that do not meet the established Period of Affordability requirements will be subject to recapture based on policies outlined in this Program Description and the Manual(s).

Project Cost Exceptions

The State Recipient or Sub-Recipient may increase the amount of assistance provided to any Homeowner Rehabilitation Activity by up to 20% above the original project cost without seeking approval from DCA for the increased costs. All costs must be meet eligibility requirements under the HOME Final Rule and the CHIP Program Description. Any increases in project cost above 20% of the original project cost must be approved by DCA prior to initiating any work associated with the cost amendment.

Project Related Soft Costs

The following eligible Project-Related Soft Costs may be charged to the activity:

- Lead based paint inspections, risk assessments and clearance testing.
- Asbestos testing.
- Architectural, engineering or related professional services required to prepare plans, drawings or specifications of a project.
- Fees for recordation and filing of legal documents, building permits, attorneys, private appraisals, and independent cost estimates.
- Preparation of work write-ups and work specifications.
- Construction inspections.
- Project Delivery Costs:
 - Processing of applications from the homeowner.
 - Project underwriting.
 - Project document preparation.
 - Tier One Environmental Review.
 - Tier Two Site -Specific Environmental Review.
 - Costs associated with informing a homeowner about relocation rights or benefits.

For Stick-built or Modular Housing, the total Project Delivery Cost may not exceed \$3,000.

For all Manufactured Housing, the Project Delivery Cost may not exceed \$1,000.

All Project Soft Costs will be disbursed based on submission of invoices or other documentation evidencing the costs incurred. First draw for Project Soft Costs may be submitted at the time of first draw for construction costs.

Project related soft costs - excluding project delivery costs and costs associated with lead based paint inspections, risk assessments and clearance testing - will be included as an eligible project cost associated with the deferred payment loan to the home buyer.

*Project Delivery Costs – State Recipients:
Environmental*

The State Recipient will incur costs for the Environmental Review, including time spent in preparing the required documentation and advertising the Finding of No Significant Impact. The State Recipient may request reimbursement of these costs as a Project Delivery Cost on a per project basis. The total cost incurred must be divided out on a per project basis based on the total number of units proposed to be served in the State Recipient's Application for CHIP funding. The costs assigned to any unit not completed as part of the work will not be reimbursed to the State Recipient.

Sub-recipients:

In preparation of the Environmental Review, DCA will be required to advertise a Finding of No Significant Impact in the newspaper designated as the legal organ for the community(ies) served by the program. DCA will bill the costs of the advertisement to the Sub-recipient. Payment will be due from the Sub-recipient within thirty (30) days of our billing.

The Sub-recipient may request reimbursement of these fees as a Project Delivery Cost either (1) through a single project for which funds are Committed in IDIS or (2) if the *Atlanta Journal Constitution* is used as the legal organ, may divide out these costs on a per project basis based on the total number of units proposed to be served in the Sub-recipient's Application for CHIP funding. If the second option is selected, the costs assigned to any unit not completed as part of the work will not be reimbursed to the Sub-recipient.

*Property Standards for
Homeowner
Rehabilitation*

The HOME regulations require that all housing that is rehabilitated with HOME funds must meet all applicable local codes (including the applicable state codes), rehabilitation standards, ordinances, and zoning ordinances at the time of project completion.

In the absence of a local code for rehabilitation, CHIP requires that all units must meet the International Residential Code and the International Property Maintenance Code.

The locally adopted CHIP Policies and Procedures must set forth the requirements that will be met at project completion.

The HOME regulations also require that the State Recipients and Sub-

recipients have written standards for rehabilitation to cover all interior, exterior, and system repairs in order to ensure that the CHIP-assisted housing is decent, safe and sanitary. The Written Rehabilitation Standards will describe the methods and materials to be used when performing rehabilitation. The Written Rehabilitation Standards must meet all applicable local and state codes, rehabilitation standards, ordinances and zoning ordinances. The Written Rehabilitation Standards must be set forth in the locally adopted CHIP Policies and Procedures as an exhibit.

Property Value

In compliance with Section 203(b) of the National Housing Act, the After-Rehabilitation Value of a property assisted with CHIP funds cannot exceed the following amounts based on the location of the property:

Atlanta MSA: \$250,000

All Counties Outside the Atlanta MSA: \$200,000

While the HOME regulation removed the requirement for an appraisal, Applicants must use a reasonable method to determine the After-Rehabilitation Value of the property. Project files must contain the estimate of value and document the basis for the value estimates. Acceptable methods include:

1. Estimate of value by the State Recipient or Sub-recipient provided the project file contains documentation as to the basis for the value estimate;
2. Appraisals, whether prepared by a licensed fee appraiser or by a staff appraiser of the State Recipient or Sub-recipient, provided the project file documents the appraisal approach used; and
3. A tax assessment for a comparable property located in the same neighborhood may be used to establish the after-rehabilitation value **if** the assessment is current and accurately reflects market value **after** rehabilitation.

Note: In order to ensure that the “After-Rehabilitation Value” falls within the HUD prescribed maximum value limitations, the After-Rehabilitation Value must be established prior to any rehabilitation work being performed utilizing one of the acceptable methods described above.

Public Notification

Local Government Applicant:

Must provide a resolution of the municipal or county government detailing the proposed program activities, the number of households to be served, the targeted population groups to be served (if any), the addresses of activities (if known), and amount of funds to be requested. No formal public hearing is required.

Non-Profit and Public Housing Authority Applicants Proposing Activities in a Single Jurisdiction:

Must submit a copy of a letter sent to the chief elected officer (and copied to the city/county administrator, if applicable) of the jurisdiction in which the activity will be implemented that details the proposed program activities, the proposed number of households to be served, targeted population groups to be

served by the program (if applicable), addresses of activities (if known), and amount of funds being requested. No formal public hearing is required.

Non-Profit and Public Housing Authority Applicants Proposing Activities in Multiple Jurisdictions:

Must submit a copy of a letter sent to the chief elected officer (and copied to the city/county administrator if applicable) of each city and county in which the activity is proposed. The letter must detail the proposed program activities, the proposed number of households to be served, targeted population groups to be served (if applicable), the addresses of activities (if known), and the amount of funds being requested. No formal public hearing is required.

Recapture Requirements A percentage of the loan amount for homeowner rehabilitation activities must be forgiven annually in equal installments over the Period of Affordability. Any funds subject to recapture will be paid to the Georgia Housing and Finance Authority unless approved by DCA as noted below.

Reconstruction and Visitability All reconstruction activities must meet the visitability requirements of 8-3-172 of the Official Code of Georgia.

Written Rehabilitation Standards The HOME Final Rule requires each State Recipient and Sub-recipient to adopt Written Rehabilitation Standards for rehabilitation work assisted with HOME funds. This section will assist Applicants to understand:

- 1) Written Rehabilitation Standards;
- 2) Their function in administering CHIP funds; and,
- 3) How Written Rehabilitation Standards differ from property standards.

“Property Standards” Defined:

State and local codes are the property standards or the Housing Quality Standards used to determine whether a housing unit is decent, safe and sanitary. They are the standards against which the actual physical condition of a property is judged in the inspection process. Using the property standard as a baseline, a housing inspector determines the scope of rehabilitation necessary to address the physical deficiencies of the unit and to bring the unit up to the standard or code(s).

The HOME Final Rule also requires that the standard for rehabilitation be included in the Written Agreement between the State Recipient or Sub-recipient and the homeowner.

“Written Rehabilitation Standards” Defined:

Written Rehabilitation Standards establish the standards for the actual rehabilitation work that will bring substandard housing into compliance with the property standard or code(s). The Written Rehabilitation Standards prescribe the method and materials to be used in the rehabilitation of the property. The Written Rehabilitation Standards are sometimes referred to as

“specs” or “specifications” and include details such as the grade of lumber to be used, the number of nails per square foot, the type of material that can or cannot be used for doors serving as fire exits, the distribution pattern and material of roofing tiles, etc.

The Written Rehabilitation Standards provide a common basis for contractor bids. This commonality is particularly important because by ensuring that all contractors are bidding on work using identical methods and materials, the State Recipient or Sub-recipient can make an accurate determination of the cost reasonableness of bids. By holding all contractors to a single rehabilitation standard, consistent and high quality rehabilitation is assured.

Applicants must adhere to the methods and materials set forth in the locally adopted Written Rehabilitation Standards as set forth in the CHIP Manuals.

Funding Determination

DCA will award CHIP funds based on a statewide competition. All applications will be reviewed by a DCA Housing Review Panel and compared based on the items described below as represented in the application. Each item will be reviewed and a score determined at DCA’s sole and absolute discretion. The maximum score possible is 100 points.

All successful Applicants that receive points within any of the following categories must adhere to that commitment throughout the implementation of the program.

Category		
1.	Program Design	50 pts
A.	The proposed program design sets-aside 100% of funding for households at or below 50% AMI.	6 pts
B.	The Affirmative Marketing Plan identifies special outreach activities such as: housing fairs, media advertisement, utility inserts, direct mail, or other innovative outreach efforts.	Up to 5 pts
C.	The Policies and Procedures of the Applicant describe a well thought out application intake process.	Up to 6 pts
D.	Readiness to Proceed	Up to 18 pts
	<ul style="list-style-type: none"> • A person is on staff or under contract who has a Lead-based Paint Visual Assessment Certificate. • A person is on staff or under contract who is a Certified Renovator for Lead Based Paint. • A person is on staff or under contract who 	

has a minimum of three (3) years experience as a professional construction inspector or as a professional in a related field, such as architecture, engineering, construction supervision, building or housing code inspection, or a similar field.

- A person is on staff or under contract who is a Certified HQS Inspector.
- An established pipeline of potential home owners eligible for the program is included in the Application.
- The Affirmative Fair Housing Marketing Plan submitted with the Application meets CHIP requirements.
- The Minority Business Enterprise (MBE)/Women Business Enterprise (WBE) Outreach Plan submitted with the Application meets CHIP requirements.
- The Section 3 Outreach Plan submitted with the Application meets CHIP requirements.

- | | | |
|----|---|-------|
| E. | The program design sets-aside 100% of the funding for households in which at least one household member is at least 62 years of age at the time of application by the household for assistance. | 6 pts |
| F. | The program design targets 100% of the assistance to an area within a locally approved urban redevelopment plan, a state enterprise zone designated pursuant to O.C.G.A. 36-88, a local redevelopment area adopted pursuant to O.C.G.A. 36-61, a Tax Allocation District adopted pursuant to O.C.G.A. 36-44, or a DCA approved Revitalization Area. | 3 pts |
| G. | The program proposed incorporates the use of energy audits in the assessment of all work completed. | 3 pts |
| H. | The program design requires the completion of visitability improvements identified in O.C.G.A 8-3-172 within all units receiving assistance to the extent compatible with the | 3 pts |

rehabilitation work proposed. The State Recipient or Sub-recipient must document why any visitability improvements required by this law were not incorporated into the assisted improvements for each home.

2. **Program Need** **18 pts**

The percentage of persons in all census tracts to be served who are below the poverty line:

29.34% and Above	18 pts
24.34% and 29.33%	15 pts
19.34% to 24.33%	12 pts
14.33% to 19.33%	9 pts
9.33% to 14.32%	6 pts
4.33% to 9.32%	3 pts
4.32% and Below	0 pts

For applications that propose to target assistance only within specific block groups of one or multiple census tracts (but not the entirety of any census tract), DCA will credit points based on the percentage of all persons in that block group who are below the poverty line. If more than one block group is targeted, the weighted average of all block groups will be used. The Applicant must provide documentation as required in the Application.

3. **Program Locational Characteristics** **12 pts**

- A. The proposed activity is located in a city or county designated as a Community of Opportunity where housing is an identified part of their DCA-approved Community Improvement Strategy on December 15, 2011. 4 pts
- B. The proposed activity is located in a past or present Georgia Initiative for Community Housing participating community. 4 pts
- C. All assistance will be provided within a county declared as a Federal Disaster area between December 1, 2009 and December 1, 2011. 4 pts

4. **• Match Committed within Application** **5 pts**

The Applicant has secured a firm local commitment of a permanent contribution of

match to be provided toward the costs proposed. Match may take many forms; however, in no case may match be provided from the household assisted.

Points will be provided as follows based on the percentage of the Total Award of Project Funds that will be matched locally:

- 15% Match 5 pts
- 10% Match 3 pts
- 5% Match 1 pts

5. **Past Performance of Applicants** **12 pts**

Applicant may receive points by meeting either one of three criteria:

- Applicant received at least one CHIP grant funded in the 2007, 2008, or 2009 CHIP application rounds and at least the following percentage of eligible project funds for every award received has been expended by the applicant for eligible projects:

- 2007 – 100%
- 2008 – 70.0%
- 2009 – 40.0%

Note: Administrative funds will not be included in this calculation.

OR

- The Applicant has not received a CHIP grant in 2009 or a prior year.

OR

- The Applicant received CHIP funds in 2006 or a prior year and has closed out the CHIP grant and expended at least 60% of all funds originally awarded.

Note: Administrative funds will not be included in this calculation.

6. **Activity Proposed:** **3 pts**

Programs that propose that 100% of all activities will be Homeowner Rehabilitation will receive the full allocation of points in this category.

Multi-Activities Proposed Only

Applications that propose multiple eligible Activity types under a single CHIP application will be scored on factors identified within each Activity. The higher of the point totals received based on the factors for each Activity will be assigned as the score for the Application. The Applicant will be required to meet all requirements proposed in their Application regardless of which Activity score is utilized for the purposes of scoring.

Maximum Total Points

100

Final Ranking:

The points received by each applicant on the rating factors will be totaled and the total scores ranked accordingly from highest to lowest. CHIP awards will be based on this final ranking to the extent funds are available. In case of ties, the applications will be ranked based on the differentiation of points received in the following categories by order of priority:

1. Total Program Need.
2. Program Design.
3. Match Committed within Application.

At its sole and absolute discretion, DCA reserves the right to allocate resources to lower ranked proposals to achieve a better geographical distribution of resources or for any other reasons determined by DCA to be meritorious. Any decision DCA makes, and any action or inaction by DCA in administering, managing, and operating the funding competition, shall be final and conclusive and shall not be subject to any review, whether judicial, administrative or otherwise, and shall not be covered by, subject to, or required to comply with or satisfy any provisions of Chapter 13 of Title 50 of the Official Code of Georgia Annotated, the “Georgia Administrative Procedures Act.”

Duplication of Effort:

DCA reserves the right to reject any application as a result of the proposed duplication of effort within a single jurisdiction if submitted by multiple Applicants under this Program Description. DCA will fund the application that receives the higher point score and may or may not fund any duplicate application receiving a lower score based on DCA’s sole and absolute discretion.

Disposition of Applications:

CHIP Award commitments will be forwarded to eligible Applicants whose applications are approved for funding. For the SFY2012 competition, commitments will be announced by March 16, 2012.

Applicants whose programs are denied will be notified of the denial. DCA’s decisions regarding awards and denials will be based on the Program Description, the Applicant’s Manual, the rating and selection criteria outlined herein, and the final ranking of all applications based on the points awarded to

each Applicant. DCA's funding decisions are final and DCA may waive any irregularities consistent with the Program Description.

HABITAT DEVELOPMENT ASSISTANCE ACTIVITY

Each **Habitat Development** Assistance activity must meet all the criteria listed below:

<i>Eligible Applicants</i>	<p>Organizations meeting the definition as a Habitat Affiliate as well as CHIP experience threshold requirements on the application due date.</p> <p>For the purposes of CHIP, Affiliates receiving CHIP funds from DCA will act as a Sub-recipient according to the HOME Final Rule at Section 92.2.</p> <p>Applicants must not be out of material compliance or disqualified from any program administered by DCA or under debarment, proposed debarment or suspension by a federal agency, and must meet all requirements outlined in this Program Description, the Manuals, and the Final Rule.</p>
<i>Applicant Experience Threshold Requirement</i>	<p>An Affiliate must show proof of the construction and sale of at least two (2) units within the last two (2) years prior to the CHIP Application due date.</p>
<i>Eligible Project Locations</i>	<p>Eligible applicants may implement a Habitat Development Assistance Activity in any county in the State of Georgia.</p>
<i>Eligible Activities</i>	<p>Eligible Habitat for Humanity Affiliates will be able to offer two forms of assistance:</p> <ol style="list-style-type: none">1. <u>Home Buyer Subsidy</u>: CHIP funds may be used to provide a home buyer subsidy to cover down payment, closing cost, pre-paid items, and principal reduction assistance for the purchase of each unit that meets the program's threshold requirements. <p>Each home buyer purchasing a unit developed under this program will carry (1) a Georgia Dream first mortgage originated through one of DCA's Participating Lenders, (2) a Home Buyer subsidy in the form of a 0% interest, deferred payment second mortgage loan, and (3) a Habitat Affiliate third mortgage to make up the difference between the property's appraised value and the total value of the first and second mortgages.</p> <p>Unless the First Mortgage 580 Loan Option is used, DCA will finance its First Mortgage using the proceeds of Mortgage Revenue Bonds made available under DCA's Georgia Dream Homeownership Program.</p> <ol style="list-style-type: none">2. <u>First Mortgage 580 Loan Option</u>: For borrowers working through Affiliates of Habitat for Humanity with a credit score of 580-619, DCA will finance the first mortgage using CHIP funds. The second mortgage will still be \$20,000 down payment assistance deferred payment loan through CHIP and the Affiliate will still carry a third mortgage lien through the Habitat Affiliate for the remaining equity after the first and second mortgages.
<i>Form of Subsidy</i>	<p>All funds made available as a Home Buyer Subsidy will be made available to eligible borrowers as a 0% deferred payment loan payable to the Georgia</p>

Housing and Finance Authority only when the home is sold, refinanced or no longer being used for the borrower's principal residence. The amount of funds to be repaid will be determined based on the Recapture Requirements.

All funds made available under the First Mortgage 580 Loan Option will be available according to the terms of the Georgia Dream Homeownership Program.

Amount of Subsidy to a Home Buyer All eligible home buyers assisted with a Home Buyer Subsidy will receive a fixed \$20,000.

- In addition to the Home Buyer Subsidy, a home buyer with a credit score between 580 and 619 may also receive an amount equal to their first mortgage. The amount of the first mortgage may not exceed the first mortgage amount per unit as proposed in the Affiliate's application for CHIP funds.

Number of Units per Application A Habitat Affiliate may receive funding associated with the development and purchase of no more than four (4) housing units.

Policies: DCA has implemented the following policies governing the program's implementation:

Administrative Fees No Administrative Fee will be provided in association with a Habitat Development Activity.

Application Fee Charged to Home Buyers An application fee may not be charged by any Habitat Affiliate to a prospective participant associated with the CHIP-financed Habitat Development Activity.

Appraisals Appraisals must comply with the requirements established in the Habitat Development Manual. The Appraisal must contain the "as is" value and the "after development" value specific to the proposed project plans. The appraised "as is" and "after development" values must be accurately reflected in the development budget. DCA will review each appraisal to ensure compliance is met.

Commitment & Expenditure Deadline All project funds must be committed and expended within twenty-four (24) months of the date of the Sub-recipients agreement with GHFA.

Penalties:

DCA may recapture funds awarded to or may debar from future participation any Sub-recipient that fails to meet these requirements at DCA's sole and absolute discretion.

Credit Score A home buyer must have a credit score of 620 or greater unless the First Mortgage 580 Loan Option is associated with the grant award to the Habitat Affiliate.

Eligible Sites The property must be zoned for single family residences.

- If the Sub-recipient is proposing to rehabilitate an existing unit, the existing unit must not have been constructed prior to January 1, 1978.

*Energy Efficiency
Design Requirements*

Upon completion, all newly constructed and rehabilitated properties must meet, at minimum, Georgia Energy Codes as outlined in the Habitat Development Manual. For newly constructed units, a Certificate of Occupancy will demonstrate satisfaction of this requirement. For rehabilitated units, a Certificate of Final Inspection must be received upon completion of rehabilitation. The Home Buyer Subsidy will not be disbursed until required documentation is received.

Energy Star Program

Applicants that receive points for proposing the construction or rehabilitation of units that meet Energy Star Program Standards as part of their program design must provide certification from an Energy Star third party verifier using the method of SEER Ratings or Building Option Packages (BOPs) as defined by the Energy Star Program.

*Environmental Review
Tier One Review*

Under HUD requirements, Sub-recipients are not permitted to complete Tier One of the Environmental Review process. DCA will complete its role in Tier One process scope of work on behalf of the Sub-recipient within forty five (45) days of the effective date of the CHIP Agreement with GHFA. DCA will be required to submit its determination to HUD for approval. In general, as guidance only, the HUD approval process takes fifteen (15) days to complete.

During this period as DCA and HUD are completing the Environmental Review process, the Sub-recipient may initiate activities that have no physical impact on any property proposed to be served. Should any physical impact occur prior to completion of the Tier Two Review (i.e. DCA's issuance of the Notice to Proceed to the Sub-recipient), all costs associated with the property impacted will not be eligible for CHIP funding assistance under any circumstances at DCA's sole and absolute discretion.

*Environmental Review –
Tier Two Review*

Once the Tier One process is completed, an individual project site has been identified, and prior to beginning any work that will have a physical impact on any property proposed to be served, the Sub-recipient must complete an Environmental Screening Checklist which DCA will utilize to review each of the items on the Statutory Checklist for applicability to the specific property proposed. Any items that are triggered by regulations listed on the Screening Checklist must be addressed in accordance with the appropriate statute. For example, if the property is 50 years of age or older, any activity must be reviewed for its possible affect under the National Historic Preservation Act.

During this period as DCA and HUD are completing the Environmental Review process, the Sub-recipient may initiate activities that have no physical impact on the property proposed to be served. Should any physical impact occur prior to completion of the Tier Two Review (i.e. DCA's issuance of the Notice to Proceed to the Sub-recipient), all costs associated with the property impacted will not be eligible for CHIP funding assistance under any circumstances at DCA's sole and absolute discretion.

Existing Physical Conditions

All Applicants must document existing physical condition of structures within one quarter mile radius of each proposed unit site, including the Affiliate's written strategy for addressing significant levels of deterioration, vacancy, or blight within that area.

First Time Home Buyer

All households purchasing a unit assisted through this program must be a First Time Home Buyer as defined by this Program Description, unless the household is seeking to purchase a home located in a Targeted Area, as defined by DCA's Georgia Dream Homeownership Program or its successor.

Historic Preservation Requirements

The Sub-recipient must ensure that the construction of new housing units in an eligible historic district is carried out and compatible with the architecture of other buildings within the surrounding historic district in terms of setbacks, size, scale, massing design, color, features, and materials. In order to determine that the proposed project is in compliance with Section 106, the Sub-recipient must submit their project proposal to the State Historic Preservation Office for determination of compliance.

NOTE: If a project is located in Burke, Chatham, Effingham, Richmond, or Screven counties and will involve ground disturbance, then the Sub-recipient must notify DCA to receive clearance from the Tribal Historic Preservation Office (THPO).

Home Buyer Contribution

All households must contribute a minimum amount based on the requirements of the local Habitat Affiliate.

Home Buyer Education

Applicant or partnering organization must be either (1) a certified HUD or DCA Approved Housing Counseling Agency, or (2) have staff certified as Housing Counselors by the Neighborhood Reinvestment Corporation, the National Association of Housing Counselors and Agencies, or the American Homeowner Education and Counseling Institute. Applicants partnering with an organization must submit a letter of commitment from the organization with the application.

The Applicant or partnering organization must have, at minimum, a curriculum for housing counseling activities which include (1) first time home buying workshops (2) one-on-one pre-purchase counseling, (3) post-occupancy counseling, and (4) budget counseling.

Every home buyer must complete a home buyer education or housing counseling program meeting the requirements outlined for DCA's Georgia Dream program. Evidence of program completion must be included in the Underwriting Package submitted by the DCA Participating Lender.

Income Determination

A beneficiary's household income cannot exceed 60% of area median income (AMI) for the county as adjusted per household size as stated in the applicable income limits released from HUD.

Potential home buyers that have signed a contract to purchase before the unit is constructed must make application as soon as possible with a DCA approved participating lender and have the credit portion of the mortgage loan

processed and underwritten by the lender. Once completed by the lender, the package must be sent to DCA for review. Loan documentation (i.e. paystubs, bank statements, employment verification etc.) must be no more than 120 days old at the time of underwriting and 180 days old at the time of closing. If the loan closing exceeds 180 days, then new documentation must be resubmitted. Potential home buyers that do not meet program requirements at time of resubmission will not be eligible for program assistance.

Inspections

Sub-recipients are required to obtain inspections during construction of the unit(s) from the local government building and inspection department where the unit(s) is/are located. If the local jurisdiction does not have a building and inspection department, the Sub-recipient must use DCA's list of Approved Building Inspectors as listed in the Habitat Development Manual. Once the unit is completed, the Applicant must obtain certification from a third-party inspector that the unit meets the visitability requirements of this program.

Lead-Based Paint

Rehabilitation, including reconstruction, of pre-1978 units is not allowed under Habitat Development Assistance.

Mortgage Lien Position

The deferred payment Second Mortgage loan shall not assume a lien position lower than second place unless prior authorization is given by the Director of DCA's Office of Homeownership.

Other Federal and State Requirements

In addition to the Final HOME Rule, a number of other federal and state regulations must be adhered to in the course of administering CHIP funds. The certifying official of the Applicant is responsible for ensuring that the proposed program, activities, goals and timetables are in compliance with all federal and state laws, regulations and executive orders. The major applicable laws, regulations and executive orders include, but are not limited to, the areas outlined below:

Non-Discrimination and Equal Access:

Applicants must take measures to ensure non-discriminatory treatment, outreach and access to CHIP program resources. This applies to employment and contracting, as well as to marketing and selection of program participants. DCA does not discriminate based on disability in the administration of Federal HOME funds allocated to CHIP. Please see the Administration Manual for DCA's Notice to the Public, Nondiscriminatory Policy Based on Disability.

Fair Housing and Equal Opportunity:

Applicants and their activities must comply with all of the federal laws, executive orders and regulations pertaining to fair housing and equal opportunity listed below:

- Title VI of the Civil Rights Act of 1964, As Amended (42U.S.C. 2000d et seq).
- The Fair Housing Act (41 U.S.C. 3601-3620)
- Section 104(b) (2) of the Fair Housing Act

- Fair Housing Act implementing regulations for HUD programs at 24 CFR Part 100-115
- Equal Opportunity in Housing (Executive Order 11063, As Amended by Executive Order 12259)
- Equal Opportunity in Housing Regulations at 24 CFR Part 107
- Age Discrimination Act of 1975, as amended (42 U.S.C. 6101);
- Title VIII of Civil Rights Act of 1968 (2 U.S.C. 3601 et seq. and implementing regulations, as amended
- Affirmative Marketing in accordance with the HOME Investment Partnerships Act and 24 CFR 92.351 and per DCA policy for all CHIP awards
- Georgia Fair Lending Act.

Accessibility for Individuals with Disabilities:

The HOME regulations require adherence to the following four regulations governing the accessibility of federally assisted buildings, facilities and programs:

- Americans with Disabilities Act (42 U.S.C. 121310)
- 47 U.S.C. 155, 201, 218 and 225
- Fair Housing Act implementing regulations at 24 CFR 100.205 for design and construction requirements of multi-family dwellings
- Section 504 of the Rehabilitation Act of 1973

In addition, the State of Georgia requires compliance with the following law for all new construction of single family housing financed by DCA:

- 8-3-172 of the Official Code of Georgia

Employment and Contracting:

- HOME regulations require that Applicants comply with the regulations listed below governing employment and contracting opportunities, including equal opportunity, labor requirements and contracting/procurement procedures

Equal Opportunity:

- Equal Employment Opportunity Executive Order 11246, As Amended, and implementing regulations at 41 CFR Part 60
- Section 3 of the Housing and Urban Development Act of 1968
- Minority and Women's Business Enterprise under Executive Orders 11625, 12432, and 12138 and Section 281 of the National Affordable Housing Act and 24 CFR 85.36

Labor Requirements:

- Davis Bacon and Related Acts (40 U.S.C. 276 (A) – 7)
- Contract Work Hours and Safety Standards Act, As Amended (40

- U.S.C. 327 – 333)
- Copeland (Anti-Kickback) Act (40 U.S.C. 276 e)
- Fair Labor Standards Act of 1938, As Amended (29 U.S.C. 201 et seq.)

Contracting and Procurement:

- Procurement Standards at 24 CFR 85.36 and for non-profit organizations at 24 CFR Part 84 and OMB Circular A-133
- HOME Program Conflict of Interest Provisions at 24 CFR 92.356
- Debarred, Suspended or Ineligible Contractors at 24 CFR Part 5

Environmental:

- National Environmental Policy Act of 1969 (NEPA) and the related authorities listed in HUD’s implementing regulations at 24 CFR Parts 50 and 58

Lead Based Paint:

- Section 1012 and 1013 of the Residential Anti-Lead Based Paint Hazard Reduction Act of 1992, which is Title X of the Housing and Community Development Act of 1992 and implementing regulations at 24 CFR Part 35

Acquisition and Relocation:

- Uniform Relocation Act (URA)
- Section 104(d) of the Housing and Community Development Act, known as the Barney Frank Amendments

Financial Management:

- 24 CFR Part 85 (“Common Rule”) and for non-profit organizations see 24 CFR Part 84
- Federal OMB Circular A-133
- Federal OMB Circular A-87

Housing:

- The Truth in Lending Act (Regulation Z)
- Title I Consumer Protection Act (PL 90321)
- Construction Industry Licensing Board Act (O.C.G.A. Section 43-14-1, et seq.)
- Georgia Industrialized Building Act of 1982, As Amended (O.C.G.A. Title 8, Chapter 2, Article 2, Part 1 “Industrialized Buildings”; Part 2 Manufactured Housing [Mobile Homes])
- Mandatory State Construction Codes, as well as the International Energy Conservation Code
- Construction and Safety Standards at 24 CFR 3280 for new

manufactured housing; Senate Bill 423 Regarding Handicapped Accessibility Requirements

- Georgia Fair Lending Act

General:

- Title II of the National Affordable Housing Act of 1990, As Amended
- 24 CFR Part 92, HOME Investment Partnerships Program
- 24 CFR Part 5 A, 5.105, Other Federal Requirements
- Title 50, Chapter 18, Article 4, Official Code of Georgia, Georgia Open Records Act

Participating Lenders All home buyers are required to obtain a first mortgage loan through one of DCA's Participating Lenders under the Georgia Dream Homeownership Program.

Period of Affordability A period of affordability of eleven (11) years will begin on the date of the loan closing for the purchase of a completed unit by a qualified buyer when the amount of CHIP funds are up to \$40,000. When CHIP funds exceed \$40,000 in one unit, the period of affordability is sixteen (16) years.

Project Design As sites are identified and proposed, the Applicant must certify to DCA that the proposed project site will include at least three (3) of the following features which will enhance the immediate and long-term curb appeal of the unit:

- Sidewalks are present or will be installed
- Off street parking will be available to the home buyer
- A neighborhood playground/park is within ½ mile of the unit
- A public elementary, middle or high school is located within ½ mile of the unit and sidewalks are present to allow for the safe passage of students to and from school
- A street tree of at least two inches in diameter will be planted
- The unit design will include brick on the unit front
- The unit will have a sodded front yard at time of unit completion
- The unit will have a sodded back yard at time of unit completion

Property Standards for Habitat Development Activities The HOME regulations require that all housing that is constructed or rehabilitated with HOME funds must meet all applicable local codes (including the applicable state codes), rehabilitation standards, ordinances, and zoning ordinances at the time of project completion.

In the absence of a local code, CHIP requires that all units must meet the International Residential Code and the International Property Maintenance Code.

The locally adopted CHIP Policies and Procedures must set forth the requirements that will be met at project completion.

The HOME regulations also require that the Sub-recipients have written

standards for rehabilitation to cover all interior, exterior, and system repairs in order to ensure that the CHIP-assisted housing is decent, safe and sanitary. The Written Rehabilitation Standards will describe the methods and materials to be used when performing rehabilitation. The Written Rehabilitation Standards must be set forth in the locally adopted CHIP Policies and Procedures as an exhibit.

Property Value

In compliance with Section 203(b) of the National Housing Act, the Maximum Purchase Price for existing or newly constructed properties must be equal to or less than the following amounts based on the project's location:

Atlanta MSA: \$250,000

All Counties Outside the Atlanta MSA: \$200,000

However, all single family units which are constructed or rehabilitated through the program must be affordable to households with a total household income at or below 60% AMI as defined in the HOME Investment Partnership Program Final Rule (24 CFR Part 92).

Public Notification

Applicants Proposing Activities in a Single Jurisdiction:

Must submit a copy of a letter sent to the chief elected officer (and copied to the city/county administrator, if applicable) of the jurisdiction in which the activity will be implemented that details the proposed program activities, the proposed number of households to be served, targeted population groups to be served by the program (if applicable), addresses of activities (if known), and amount of funds being requested. No formal public hearing is required.

Applicants Proposing Activities in Multiple Jurisdictions:

Must submit a copy of a letter sent to the chief elected officer (and copied to the city/county administrator if applicable) of each city and county in which the activity is proposed. The letter must detail the proposed program activities, the proposed number of households to be served, targeted population groups to be served (if applicable), the addresses of activities (if known), and the amount of funds being requested. No formal public hearing is required.

*Recapture Requirements
for Habitat Development
Assistance*

Home Buyer Subsidy:

The amount of the Home Buyer Subsidy provided must be repaid if the original borrower either (a) sells or transfers the property, (b) refinances the first mortgage, or (c) the original borrower no longer uses the mortgaged property as their principal residence during the period of affordability.

In the event that the borrower sells the property at fair market value either outright or through a pre-foreclosure sale, transfer the mortgaged property, or if the mortgaged property is foreclosed upon, and after the first lien holder (and any other higher priority liens) is satisfied, DCA will employ the shared net proceeds option. The remaining funds will be accepted based on the Settlement Statement as the net proceeds of the sale and as the amount of HOME funds subject to recapture. DCA will write off the remaining balance. DCA will satisfy the security deed and will not pursue any further collection

efforts.

In the event a mortgage is foreclosed upon, DCA will approve a Habitat for Humanity eligible low income substitute mortgagor. In this event, the full affordability period will start over.

First Mortgage 580 Loan Option:

The borrower must repay the HOME investment unless there is a sale deficiency. In such instances when a deficiency exists, the State will recapture the net proceeds, if any.

Reconstruction and Visitability

All reconstruction activities must meet the visitability requirements of 8-3-172 of the Official Code of Georgia.

Services and Facilities

The eligible site must demonstrate that two (2) of the following services or facilities listed below are available within five (5) miles of the project site:

- Church
- City Hall
- Medical Facility (including public health center)
- Park
- Bank
- Library
- Post Office
- Public School of some combination of grades K – 12
- Full Service Grocery Store
- Community Center Facility (i.e. Boys and Girls Club, YMCA, YWCA, Senior Center, or other similar type facility)

Site Approval

DCA must approve each site selected by the Sub-recipient. DCA will require that each Sub-recipient provide documentation that each site, the unit design, and the sales price conform to the requirements of the program.

Site Control

The Habitat Affiliate must have site control in the form of (1) a Warranty Deed that conveys title to the property to the Habitat Affiliate, or (2) a legally binding contract to purchase a proposed project site in the name of the Habitat Affiliate (or which provides for an assignment to the Habitat Affiliate).

Utilities

Required operating utilities (gas and electric service) must be available to a proposed project site. To be considered “available” for the purposes of this requirement, all necessary easements and all utilities to the property must be available. The appropriate utility company must confirm in writing the availability and capacity of operating utilities to the site. Operating utilities cannot be contingent upon annexation of the property, improvement of infrastructure or funding to the utility provider from an outside source.

Visitability Requirements for Newly Constructed or Reconstructed Units

All units which are newly constructed or reconstructed must meet the visitability requirements of 8-3-172 of the Official Code of Georgia.

Warranty

The Habitat Affiliate must warrant that during the first thirty (30) days after the Home Buyer occupies the property; the Habitat Affiliate will adjust or correct minor defects, omissions, or malfunctions, such as missing equipment or hardware; sticking doors, drawers or windows; dripping faucets; and other minor malfunctions reported by the Home Buyer.

Within one (1) year from the date of closing or occupancy by the Home Buyer, whichever is first, the Habitat Affiliate will repair or replace, at the option of the Habitat Affiliate, any latent defects in material or workmanship not apparent at time of occupancy by the Home Buyer.

Water and Sewer

Sites with Public Water and Sewer Service: Documentation demonstrating public water and sewer service must be submitted at time of DCA’s Site Approval. At minimum, to be considered “available” for the purposes of this section, all necessary easements must be in place and water and sewer must be available to the site. The availability and capacity of public water and sewer service to the site must be documented by original letters from the appropriate public water and sewer authorities.

Sites with Private Wells and Septic Systems: Sites with private wells or septic systems are eligible. Documentation must be provided at time of DCA’s Site Approval that the lot meets all requirements for installation of a private well and/or septic system as outlined in the Habitat Development Manual.

Funding Determination

DCA will award CHIP funds based on a statewide competition. All applications will be reviewed by a DCA Housing Review Panel and compared based on the items described below as represented in the application. Each item will be reviewed and a score determined at DCA’s sole and absolute discretion. The maximum score possible is 100 points.

All successful Applicants that receive points within any of the following categories must adhere to that commitment throughout the implementation of the program.

		Category	
1.	Program Design		50 pts
A.	Readiness to Proceed		Up to 24 pts
		<ul style="list-style-type: none"> • Person on staff, a volunteer, or under contract who is a certified HQS inspector. • Person on staff, a volunteer, or under contract who has a minimum of 3 years experience as a professional construction inspector or as a professional in a related field such as architecture, engineering, construction supervision, building or housing code inspecting or a similar field. • A Section 3 Outreach Plan is included in the Application that meets the CHIP 	

requirements.

- A Minority Business Enterprise (MBE)/Women Business Enterprise (WBE) Outreach Plan is included in the Application that meets the CHIP requirements.
- The program design includes a firm commitment by a Georgia Dream Participating Lender to partner with the Applicant to implement the activities proposed.
- An established pipeline of potential home buyers is included in the Application.

- B. The program design targets 100% of the assistance to an area within a locally approved urban redevelopment plan, a state enterprise zone designated pursuant to O.C.G.A 36-88, a local redevelopment area adopted pursuant to O.C.G.A 36-61, a Tax Allocation District adopted pursuant to O.C.G.A 36-44, or a DCA approved Revitalization Area. 5 pts
- C. The program proposes that 100% of the units constructed will meet Energy Star Program Standards. 3 pts
- D. The program design requires that all units will be constructed with at least three (3) Universal Design Elements of Universal Design which are not required under O.C.G.A 50-20. 3 pts
- E. The program design sets-aside assistance to at least one household which includes a family member with a disability. (2 points per household included in the set-aside up to a maximum of 4 points). Up to 4 pts
- F. The program design sets-aside funding for the purchase of at least one foreclosed property. 3pts
- G. The program design incorporates a demonstrated partnership with a public housing authority or a targeted special need population to move individuals into homeownership. 5 pts
- H. The proposed program is not located in a community which receives HOME funds directly from HUD as a Participating Jurisdiction. 3 pts

2. **Program Need** **18 pts**

The percentage of persons in all census tracts to be served who are below the poverty line:

29.34% and Above	18 pts
24.34% and 29.33%	15 pts
19.34% to 24.33%	12 pts
14.33% to 19.33%	9 pts
9.33% to 14.32%	6 pts
4.33% to 9.32%	3 pts
4.32% and Below	0 pts

For applications that propose to target assistance only within specific block groups of one or multiple census tracts (but not the entirety of any census tract), DCA will credit points based on the percentage of all persons in that block group who are below the poverty line. If more than one block group is targeted, the weighted average of all block groups will be used. The Applicant must provide documentation as required in the Application.

3. **Program Locational Characteristics** **15 pts**

- | | | |
|----|--|-------|
| A. | The proposed activity is located in a city or county designated as a Community of Opportunity where housing is an identified part of their DCA-approved Community Improvement Strategy on December 15, 2011. | 5 pts |
| B. | The proposed activity is located in a past or present Georgia Initiative for Community Housing participating community. | 5 pts |
| C. | All assistance will be provided within a county declared as a Federal Disaster area between December 1, 2009 and December 1, 2011. | 5 pts |

4. **Match Committed within Application** **5 pts**

The Applicant has secured a firm local commitment of a permanent contribution of match to be provided toward the costs proposed. Match may take many forms; however, in no case may match be provided from the household assisted.

Points will be provided as follows based on the percentage of the Total Award of Project Funds that will be matched locally:

- 15% Match 5 pts
- 10% Match 3 pts

- 5% Match 1 pt

5. **Past Performance of Applicants** 12 pts

Applicant may receive points by meeting either one of three criteria:

- Applicant received at least one CHIP grant funded in the 2007, 2008, or 2009 CHIP application rounds and at least the following percentage of eligible project funds for every award received has been expended by the applicant for eligible projects:
 - 2007 – 100%
 - 2008 – 70.0%
 - 2009 – 40.0%

Note: Administrative funds will not be included in this calculation.

OR

- The Applicant has not received a CHIP grant in 2009 or a prior year.

OR

- The Applicant received CHIP funds in 2006 or a prior year and has closed out the CHIP grant and expended at least 60% of all funds originally awarded.

Note: Administrative funds will not be included in this calculation.

Multi-Activities Proposed Only

Applications that propose multiple eligible Activity types under a single CHIP application will be scored on factors identified within each Activity. The higher of the point totals received based on the factors for each Activity will be assigned as the score for the Application. The Applicant will be required to meet all requirements proposed in their Application regardless of which Activity score is utilized for the purposes of scoring.

Maximum Total Points 100

Final Ranking:

The points received by each applicant on the rating factors will be totaled and the total scores ranked accordingly from highest to lowest. CHIP awards will be based on this final ranking to the extent funds are available. In case of ties, the applications will be ranked based on the differentiation of points received in the following categories by order of priority:

1. Total Program Need.
2. Program Design.
3. Match Committed within Application.

At its sole and absolute discretion, DCA reserves the right to allocate resources to lower ranked proposals to achieve a better geographical distribution of resources or for any other reasons determined by DCA to be meritorious. Any decision DCA makes, and any action or inaction by DCA in administering, managing, and operating the funding competition, shall be final and conclusive and shall not be subject to any review, whether judicial, administrative or otherwise, and shall not be covered by, subject to, or required to comply with or satisfy any provisions of Chapter 13 of Title 50 of the Official Code of Georgia Annotated, the “Georgia Administrative Procedures Act.”

Duplication of Effort:

DCA reserves the right to reject any application as a result of the proposed duplication of effort within a single jurisdiction if submitted by multiple Applicants under this Program Description. DCA will fund the application that receives the higher point score and may or may not fund any duplicate application receiving a lower score based on DCA’s sole and absolute discretion.

Disposition of Applications:

CHIP Award commitments will be forwarded to eligible Applicants whose applications are approved for funding. For the SFY2012 competition, commitments will be announced by March 16, 2012.

Applicants whose programs are denied will be notified of the denial. DCA’s decisions regarding awards and denials will be based on the Program Description, the Applicant’s Manual, the rating and selection criteria outlined herein, and the final ranking of all applications based on the points awarded to each Applicant. DCA’s funding decisions are final and DCA may waive any irregularities consistent with the Program Description.