

**State of Georgia**  
**1998**  
**Combined Qualified Allocation Plan**  
for  
**Low Income Housing Tax Credits**  
and  
**Affordable Housing Resources**

---

Georgia's 1998 Combined Qualified Allocation Plan (Plan) sets forth: a) a description of federal and state resources available for financing rental housing affordable by low and very low income households; b) the legislative requirements for distributing these financing resources; c) the State's requirements for the location of such housing; d) the State's preferences for the type of rental housing to be developed; e) the process to evaluate funding requests and awarding of these resources; and f) program compliance requirements and procedures. The Plan is administered by the Georgia Department of Community Affairs (DCA) through the Office of Affordable Housing Development.

DCA is committed to making quality affordable housing available for low income Georgians. Accordingly, the Office of Affordable Housing Development will direct Tax Credit, HOME, and other state resources to those projects that best address Georgia's affordable housing needs. DCA has identified areas in Georgia for targeting affordable housing resources based on job growth, population growth, and relative need. The results of this study are discussed under Project Locational Characteristics within the Project Selection Criteria portion (Section 13) of this Plan.

DCA will promote the development of affordable housing that meets DCA quality levels that can be maintained for the affordability period required by all program regulations. The 1998 Threshold and scoring elements are designed to encourage such housing development.

Additionally, DCA will provide all applicants with guidance in developing financially feasible and economically viable applications through a Pre-Application process. Based on Pre-Application data submitted, DCA will identify to the applicant ways in which the proposed project could be made more economically viable and financially feasible. Applicants whose Pre-Application proposals are deemed by DCA to be infeasible will be advised of this determination during the Pre-Application stage to assist the applicant in avoiding the costs associated with submitting a Formal Application. Projects that receive funding awards will be those that best achieve a balance between construction quality, financial feasibility, and ability to meet Georgia's housing need.

**SECTION 1                      FINANCING RESOURCES**

### **Low-Income Housing Tax Credits**

The annual federal Low Income Housing Tax Credit (Credit) allocated to the State of Georgia equals \$1.25 multiplied by the federal government's estimate of Georgia's population. The amount of Credit available for the 1998 funding cycle will be comprised of the State's 1998 Credit allocation, unused Credit from previous years and national pool Credit available to the state. The total estimated amount of Credit available for 1998 will be set forth in the 1998 Notice of Funds Available (NOFA).

### **HOME Investment Partnerships Program (HOME)**

HOME funds are allocated to states annually by the U.S. Department of Housing and Urban Development (HUD) using a formula that takes into consideration the existence of substandard housing conditions and poverty levels within each state. The amount of HOME funds available to the Resource Bank for State Fiscal Year (SFY) 1999 will be comprised of a part of the State's Federal Fiscal Year (FFY) 1998 allocation of HOME funds, plus any unused HOME funds allocated to the HOME Rental Housing or HOME CHDO Loan programs from previous federal fiscal year allocations. The FFY1998 HOME allocation will be available to the State on July 1, 1998, following approval of the Annual Action Plan for FFY1998 Consolidated Funds. The 1998 NOFA will set forth the approximate amount of HOME funds available to the Resource Bank.

### **State Housing Trust Fund for the Homeless**

In 1989, the General Assembly created the State Housing Trust Fund for the Homeless (HTF) to finance homeless assistance and homeless prevention programs. One of the HTF's programs, the Supportive Housing Production Program (SHPP), is administered by the Office of the State Housing Trust for the Homeless. The approximate amount of SHPP funding amount and a full program description will be set forth in the 1998 NOFA.

## **SECTION 2           LEGISLATIVE REQUIREMENTS**

### **Low Income Housing Tax Credit Program**

The Official Code of Georgia Annotated Title 50-26-8(a)32 gives the Georgia Housing & Finance Authority (GHFA) certain powers of authority. As the agency managing the affairs of GHFA, DCA is authorized to:

“... allocate and issue low-income housing credits under Section 42 of the Internal Revenue Code of 1986, as amended, and to take all other actions and impose all other conditions which are required by federal law or which in the opinion of the agency are necessary or convenient to ensure the complete, effective, efficient and lawful allocation of and utilization of the low-income housing credit program. Such conditions may include barring applicants from participation in the tax credit program due to abuses of the tax credit program and imposing more stringent conditions for receipt of the credit than are required by Section 42 of the Internal Revenue Code....”

Section 42 of the Internal Revenue Code (IRC) mandates that each state adopt an annual plan for Credit allocation. A draft version of the Plan is made available for public comment and the final version is approved by the Governor. The Plan applies to projects awarded Credits from the State's annual allocation, and to projects financed by tax-exempt bonds and awarded Credits outside of the annual Credit allocation. IRC Section 42(m)(1)(B-C) requires that each State:

- A. Set forth the project selection criteria appropriate to local conditions;
- B. Give preference in allocating Credits to projects which:
  - 1) serve the lowest income tenants
  - 2) obligate to serve qualified tenants for the longest time periods;
- C. Consider the following in allocating Credits:
  - 1) project location
  - 2) housing needs characteristics
  - 3) project characteristics
  - 4) applicant characteristics
  - 5) participation of local tax-exempt organizations
  - 6) tenant populations with special housing needs
  - 7) public housing waiting lists; and,
- D. Establish procedures to monitor projects receiving Credits for compliance with program provisions, and to notify the Internal Revenue Service of any noncompliance issues.

### **HOME Investment Partnerships Program**

The HOME Investment Partnerships Program regulations (24 CFR Part 92) require that each Participating Jurisdiction (PJ) distribute its HOME resources in accordance with the priorities and objectives outlined in its most current approved Consolidated Plan prepared in accordance with established HUD regulations (24 CFR Part 91). The State's Annual Action Plan for FFY1998 Consolidated Funds identifies its proposed distribution method, geographic allocation, and guidelines for meeting other federal requirements for all HOME funded programs of the State. The Annual Action Plan incorporates the Combined Qualified Allocation as the established policy and procedures for the State's review and evaluation of applications to DCA for its HOME Rental Housing Loan, HOME CHDO Loan, and HOME CHDO Predevelopment Loan programs.

### **HTF Supportive Housing Production Program**

In 1989, the General Assembly created the State Housing Trust Fund for the Homeless (HTF). The Supportive Housing Production Program (SHPP), is administered by the Office of the State Housing Trust Fund for the Homeless, and provides financial assistance to nonprofit developers of permanent housing. The assistance is usually in the form of long term loans. These loans have requirements related to the continued affordability of the rents and the provision of adequate supportive social services for the residents.

## **SECTION 3 AFFORDABLE RENTAL HOUSING NEEDS**

The State's Consolidated Plan identifies the housing needs of low and moderate income Georgians. Issues of cost burden, overcrowding and substandard housing affect many households with incomes less than 80% of Median Family Income (MFI). In addition to this general population of low income households, HUD and the State consider certain other subpopulations as Special Need households, including: the homeless, the elderly, persons with disabilities (mental, physical, developmental), abused spouses and their children, persons with alcohol or other drug addiction, and persons living with HIV/AIDS. The State has also added migrant farm workers to this definition of "Special Need" households. Applicants are referred to the State's Consolidated Plan for complete information regarding Georgia's housing need.

To assist in DCA's evaluation of applications submitted in 1998, the DCA Office of Research and Analysis has completed a multifamily locational scoring model designed to identify those geographic areas in Georgia having the greatest need for Resource Bank financing. The model is based on three variables: (1) Job Growth, (2) Population Growth, and (3) Relative Need (the ratio of households with incomes between 51-80% MFI to the number of affordable housing units). The results of this analysis are described in the Project Selection Criteria section of this Plan.

#### **SECTION 4 AFFORDABLE RENTAL HOUSING OBJECTIVES**

The State's Consolidated Plan establishes priorities and objectives to improve affordable housing and community development opportunities across Georgia. One State priority established in the Consolidated Plan is to increase the number of Georgia's low and moderate income households who have obtained affordable, rental housing which is free of overcrowded and structurally substandard conditions. The mandate of the Office of Affordable Housing Development is to encourage the production of quality, rental housing to fulfill this priority need. To achieve this mandate, DCA makes federal and state resources available to applicants that support either of the following purposes:

- Provide affordable rental housing, particularly in areas of Georgia where the area median income is below the state's average and the area has been underserved previously by Plan resources.
- Make available affordable rental housing that incorporates supportive programs for special need households, including the homeless, the elderly, persons with disabilities (mental, physical, developmental), abused spouses and their children, persons with alcohol or other drug addiction, persons with HIV/AIDS, and migrant farm workers.

Within these broad priorities, DCA will rank all projects that meet Threshold based on the following factors:

- Application Completeness
- Project Locational Characteristics
- Tenancy Characteristics
- Local Government Support and Financing Assistance
- Project Characteristics

- Deferment of Developers Fee
- Nonprofit Special Needs Projects
- Project Readiness to Proceed, and
- Compliance Status

## **SECTION 5                    1998 APPLICATION SUBMISSION DEADLINE**

DCA will conduct one application cycle for Resource Bank funds during 1998, consisting of two parts: (1) the Pre-Application and (2) the Formal Application. Both applications must be delivered by the appropriate deadlines to:

Georgia Department of Community Affairs  
Housing Finance Division  
Second Floor  
60 Executive Park South, NE  
Atlanta, GA 30329-2231

The Pre-Application must be received at DCA by 5:00 p.m. on March 9, 1998. Within the Pre-Application, each applicant should outline their proposed project, including:

- A description of the project concept, including the number of units and buildings, population to be served, amenities, and services to be offered;
- Information on the proposed location, including evidence of appropriate zoning or application for rezoning, and evidence of access to utilities;
- Identification of the proposed ownership entity, development team (including consultants) and management team;
- A site location map, identification of the full physical address, and a description of surroundings (including photographs of the site);
- Information on the proposed rent structure;
- A preliminary sources and uses of funds and proforma cash flow;
- Plans on displacing any existing tenants; if so, to what extent; and,
- A proposed production timetable.

Questions regarding the Pre-Application must be received by DCA in writing, via mail, or facsimile transmission, by March 2, 1998. DCA's responses to questions will also be in writing to avoid potential misunderstandings or miscommunications that may result from verbal discussions. Accordingly, DCA will not entertain telephone calls or conferences. Pre-Applications must be submitted in the written format prescribed by DCA, and must include one (1) original and two (2) copies.

The Pre-Application will serve as the first of a two-tiered approach to encourage the submission of housing development proposals that address Georgia's needs and best reflect the characteristics associated with existing, successful projects. The Pre-Application process will afford DCA the opportunity to suggest alternatives to initial proposal concepts that, if incorporated into the development plan, would enhance the proposal's financial feasibility and

economic viability. **However, applicants are hereby advised that their acceptance and incorporation of our suggestions into their proposal does not constitute a DCA endorsement of the proposal or a guarantee that the proposal will receive DCA funding.**

### **Formal Application**

On April 3, 1998, DCA will send Formal Applications and suggested alternatives, if any, to all pre-applicants. **Only parties who submitted Pre-Applications by the March 9, 1998 deadline will be eligible to submit a Formal Application for DCA funding.** The Formal Application must substantially reflect the Pre-Application. The submission of a Formal Application only guarantees an applicant an opportunity to compete in the funding round if all Threshold requirements for the Formal Application are satisfied.

The Formal Application is due at DCA by 5:00 p.m. on May 15, 1998. DCA must receive one (1) original and one (1) copy of the Formal Application, as well as payment for the associated market study and appraisal, by the submission deadline. Applicants should submit complete Formal Applications in the format and according to all direction prescribed in the 1998 Resource Bank Application Manual (Manual).

DCA will commission a market study and appraisal for all applicants that submit a Formal Application. These documents may be assigned to other lenders. Parties who intend to submit a Formal Application should notify DCA in writing by 5:00 p.m. on May 1, 1998, in order for DCA to commission a market study and appraisal on the project. The applicant will be invoiced for the cost of the market study and appraisal. The applicant must pay this cost prior to the Formal Application submission deadline.

### **SECTION 6 PROJECT RECONFIGURATION/APPLICATION MODIFICATION**

Applicants will not be allowed to make any changes to the Formal Application after submission to DCA without a written request and prior written approval from DCA. This provision applies to any changes proposed after submission of the Formal Application, and if an award of funds is made, throughout the project's compliance period. All proposed changes to the project from the Formal Application must be discussed in detail with DCA. Applicant must clearly establish the importance of the change, and why it is necessary to ensure the project's long-term financial feasibility and economic viability. DCA will determine, in its sole and absolute discretion, whether or not a requested change will be authorized. The prohibition against changing any part of the Formal Application without the prior written approval of DCA also applies to transfers of direct, indirect, and/or equitable general partner's or developer's interest. Failure to abide by this provision will adversely affect the applicant's eligibility to receive future Resource Bank funding and/or may jeopardize any DCA loans.

### **SECTION 7 CONFORMANCE WITH FORMAL APPLICATION INSTRUCTIONS**

Formal Applications must conform with all of the instructions set forth in the Manual. Applicants failing to complete the Formal Application in accordance with the instructions set forth in the Manual will be notified in writing of the Formal Application incompleteness and will be provided a seven (7) business day period from the date of the notification letter to correct DCA identified deficiencies in accordance with Manual requirements. DCA identified deficiencies will be limited to Threshold items. No changes to a scoring item will be accepted after the application deadline. A reprocessing fee will be charged for each form and supporting document either not submitted in the Formal Application package, or not completed in accordance with the instructions set forth in the Manual.

## **SECTION 8                    1998 FORMAL APPLICATION PROCESSING FEES**

The following Formal Application processing fees will be charged based on the status of the applicants. According to the schedule below, all fees must be paid by check or money order made payable to the Georgia Department of Community Affairs. No fee will be assessed during the Pre-Application process.

### **For-Profit and For-Profit/Nonprofit Joint Ventures**

	<b>Fees</b>	<b>Due Date</b>
1998 Credit Application Fee	\$2,000	5/15/98
1998 HOME Application Fee	\$500	5/15/98
1998 SHPP Application Fee	\$500	5/15/98
Waiver Review Fee	\$100 – Special Needs \$500 - Others	Prior to 4/15/98
Reprocessing Fee	\$500 per document	Upon request by DCA
Credit Reservation Fee	7% of annual allocation	At time reservation sent in
Credit Compliance Monitoring Fee	\$600 per unit	At time of Carryover
Credit Compliance Monitoring Fee for USDA projects	\$150 per unit	At time of Carryover
Bond/4% Credit Determination Letter	\$2,500 (\$2,000 will be credited to the compliance monitoring fee)	At time of submission of Formal Application
Bond/4% Credit IRS Form 8609 Fee	2% of Credit Amount	At time of submission of IRS Form 8609

### Nonprofit Sole General Partner

	<b>Fees</b>	<b>Due Date</b>
1998 Credit Application Fee	\$1,000	5/15/98
1998 HOME Application Fee	\$250	5/15/98
1998 SHPP Application Fee	\$250	5/15/98
Waiver Review Fee	\$50 – Special Needs \$500 - Others	Prior to 4/15/98
Reprocessing Fee	\$500 per document	Upon request by DCA
Credit Reservation Fee	7% of annual allocation	At time of reservation or when credits are syndicated
Credit Compliance Monitoring Fee	\$600 per unit	At time of Carryover
Credit Compliance Monitoring Fee for USDA projects	\$150 per unit	At time of Carryover
Bond/4% Credit Determination Letter	\$2,500 (\$2,000 will be credited to the compliance monitoring fee)	At time of submission of Formal Application
Bond/4% Credit IRS Form 8609 Fee	2% of Credit Amount	At time of submission of IRS Form 8609

## SECTION 9 EVALUATION OF FORMAL APPLICATIONS

The 1998 Resource Bank financing resources will be made available to projects through a competitive selection process. Formal Applications will be evaluated as follows:

### COMPLETENESS REVIEW

Formal Applications received by DCA will be reviewed for completeness, as set forth in the Manual, including:

- Organization of the application;
- Inclusion of all required application forms; and
- Submission of all required supporting documents.

Applicants with incomplete Formal Applications will be notified in writing and provided seven (7) business days to correct DCA identified deficiencies. A fee of \$500 per deficiency will be assessed for document reprocessing. The seven (7) business day “grace period” will

begin as of the date DCA transmits via facsimile the notification letter to the applicant. A second copy of the deficiency letter will be sent to the applicant by registered mail. Corrections of the Formal Application deficiencies identified by DCA must be submitted in writing and must be sent to DCA via registered mail with a check or money order in the amount of the reprocessing fee. Formal Applications that are incomplete after the seven (7) business day grace period will fail Threshold requirements and will not be considered for funding. Applicants are responsible for the quality and content of their Formal Applications. DCA will only notify an applicant if a required Threshold document is physically missing or not completed in accordance with the Manual's instructions. DCA makes no representation at this stage regarding the adequacy of the submissions.

**Note: Modification of the content of any Threshold or Scoring Criteria documentation will not be allowed after the Formal Application submission deadline.**

## **PROJECT SELECTION PROCESS**

All complete Formal Applications will be reviewed to determine if the project meets the mandatory Threshold requirements. Only complete applications that pass the Threshold Analysis will be scored against the Project Selection Criteria set forth below. Scored applications will be ranked in descending order by total point score. The approval of partial project financing will be at the sole and absolute discretion of DCA. DCA will provide written notification to each applicant of their respective award status.

### **SECTION 10 DETERMINATIONS FINAL**

DCA's determinations on the allocation of Resource Bank funding will be final. The applicants of non-funded applications will not be afforded an administrative appeal.

### **SECTION 11 DCA POLICIES**

DCA maintains certain basic policies pertaining to programs administered by the Office of Affordable Housing Development. Each applicant is responsible for all information covered in the policies. These policies are attached and included by reference in this Plan. Generally, a proposed project must:

- Meet housing and community development needs set forth above and be supported by market demand as determined by DCA;
- Meet DCA feasibility and viability standards;
- Meet DCA site and construction quality standards;
- Demonstrate readiness to proceed to loan closing and commencement of construction (with funds available to cover project costs during construction) and lease-up;
- Evidence of lack of local government opposition, be consistent with local development plans, and have proper zoning and infrastructure;
- Have identified sources of funds to pay for any amenities or services proposed; and,

- Consist of an ownership, development and management team that does not have a history of significant noncompliance problems.

In awarding Tax Credits, DCA will, in its sole and absolute discretion, take the necessary measures to ensure that no geographic area of the state receives an undue share of the projects in any application round.

## **SECTION 12 APPLICATION THRESHOLD REQUIREMENTS**

**To be considered for Resource Bank financing, applications must meet the following mandatory Threshold requirements:**

### **I. Conformance with DCA Policy Statements and Proforma Assumptions**

In preparing project economic forecasts, applicants must use the DCA's project economic pro forma assumptions and abide by DCA policy statements. These economic pro forma assumptions and DCA policy statements are set forth in the Manual.

### **II. IRC Section 42 and/or 24 CFR Part 92 Gross Rent Restrictions**

Dwelling unit rents must conform to U.S. IRC Section 42 and/or HOME 24 CFR Part 92 gross rent (contract rent and tenant utility allowances) restrictions. Tenant utility allowances must conform to the requirements set forth in the Manual. In the event Credits and HOME or SHPP funds are requested, the most restrictive gross rents will govern.

### **III. Mandatory Maximum Rents for Projects Located in the Atlanta MSA**

**Note: Not applicable to Tax Exempt bond financed projects.**

For each unit included in a 100% Tax Credit Project, maximum gross rents may not exceed 30% of 54% of the effective AMI tables for the Atlanta MSA for the duration of the Credit compliance period. Applicants should assume 1.5 persons per bedroom. Applicants will be required to execute restrictive covenants to this effect.

In the event an applicant seeks both HOME funds and Credits, 40% of the unit rents may not exceed 30% of 50% of the effective AMI table, and the remaining units may not exceed 30% of 54% of the effective AMI tables. Applicants should assume 1.5 persons per bedroom.

### **IV. Unit Cost Limitations for Calculating Subsidy Limit**

**Note: Not applicable to Tax Exempt bond financed projects.**

The following maximum unit cost limitations will be used to calculate subsidy limits. No credit will be used to fund costs in excess of the unit costs limits. In such cases, the total financing sources still must equal the total development cost. Only the following per unit costs will be recognized for the purpose of calculating the Credit amount:

<u>Unit Type</u>	<u>Cost Limit</u>
0 Bedroom	\$51,000
1 Bedroom	\$59,000
2 bedrooms	\$71,500
3 Bedroom	\$92,500
4 Bedroom +	\$101,500

Example of Calculation of Cost Limits for Underwriting Purposes

A project has 100 total units, consisting of 35 one-bedroom, 45 two-bedroom, and 20 three-bedroom units. The total project cost is \$8,245,000. The subsidy limits are calculated as follows:

35	1BR	x	\$59,000 (limit for 1BR)	=	\$2,065,000
45	2BR	x	\$71,500 (limit for 2BR)	=	\$3,217,500
20	3BR	x	\$92,500 (limit for 3BR)	=	\$1,850,000
				=	\$7,132,500

The total proposed project cost \$8,245,000 is above the maximum allowable for subsidy underwriting purposes; this project exceeds the cost limits by \$1,112,500. In this case, the excess amount of \$1,112,500 must be subtracted from the Total Eligible Basis.

All applicants may request cost limit waivers if they feel extenuating circumstances exist that justify such a waiver. However, the decision to grant such a waiver is solely DCA's, and DCA's decision will be final.

Waiver requests must be submitted to DCA as early as possible, but no later than April 15, 1998, and accompanied by the appropriate Waiver Review Fee. DCA will respond to Waiver requests within ten (10) business days of receipt. Applicants must use the Per Unit Subsidy Waiver Form included in the Manual for requesting a Waiver. An approved Waiver must be included in the Formal Application as a condition of DCA's approval of higher subsidy limits.

## **V. Site Control**

Site control must be in the form of a Warranty Deed or a legally binding contract to purchase (contract) the proposed project site in the name of the ownership entity. A binding long-term ground lease, with a minimum term of forty-five (45) years may serve as evidence of site control. Contracts must provide legal control of the site to the proposed ownership entity at least through August 31, 1998. In the event the Contract provides the ownership entity with the ability to renew the Contract for specific periods of time, the ownership entity must include in the Formal Application verifiable documentation which demonstrates that the ownership entity met the time period extensions through August 31, 1998. A copy of a recorded Warranty Deed or a fully executed contract must be submitted with the Formal Application. Contracts must meet the specifications set forth in the Manual.

When a proposed site has unit density of less than eight (8) units per acre, documentation must be submitted with the Formal Application to support the purchase of land above and beyond the eight (8) unit density standard. This documentation may be either flood plain and wetlands designations that indicate the ratio of buildable land, or any other information which explains the size of the land block being developed.

## **VI. Environmental Requirements**

### **A. Environmental Study**

A Phase 1 Environmental Study prepared in accordance with the Environmental Guide contained in the Manual must be included in the Formal Application. This environmental study should fully address all recommendations of the Consulting Environmental Engineer, including Phase II Environmental Studies or any additional testing, and must be completed at the time of the Formal Application. The Phase 1 Environmental Study must have been conducted within six (6) months of the Formal Application submission date. If an environmental study needs to be updated, all requirements set forth in the Environmental Review Guide located in the Manual must be met. In addition, other information required includes: (1) details of the new reconnaissance with updated photos; (2) an update of all regulatory reviews including federal and state lists; (3) all original material and updates; and (4) a professional opinion, provided by the engineer completing the update, addressing any changed conditions to the site.

### **B. Site Owner's Environmental Questionnaire**

The owner of record of the proposed development site must complete a Site Owner's Environmental Questionnaire (Questionnaire) and the applicant must include the completed original Questionnaire in the Formal Application. The Questionnaire must be signed and notarized in the spaces provided.

## **VII. Project Feasibility and Viability Analysis**

Formal Applications will be reviewed to confirm project financial feasibility and economic viability. As part of this process, the type of construction and associated hard construction costs will be examined. For example, a rehabilitation work scope will be compared to the cost of new construction for the same project, the longevity of the loan, and the unrestricted appraised value of the completed project. Applications will not be funded if the rehabilitation of a substandard property, in the opinion of DCA, will not result in improved, safe and decent long-term housing or, if new construction would be more appropriate. A similar review of project financial feasibility and economic viability will be conducted for all applications proposing new construction to ensure that each project's construction hard costs will produce high quality housing for the targeted tenant market.

The review standards for both rehabilitation and new construction projects will be:

- a. The expected life of the completed property must exceed by five (5) years the greater of the minimum Credit Compliance Period, or the DCA HOME Loan Term.
- b. All construction must meet the requirements set forth in the Manual.

In addition, the total hard cost of any rehabilitation project must not exceed ninety percent (90%) of the as-completed unrestricted appraised value of the property. The appraisal will be commissioned by DCA and will be based on market rents.

The proposed project must achieve a blended debt service coverage ratio of no less than 1.10 during the fifteen (15) year initial credit compliance monitoring period and/or the full term of the HOME Loan. The annual income, vacancy rate, operating cost and replacement reserve forecasting assumptions set forth in the Manual must be applied in determining the debt service coverage ratio. The outstanding balance on balloon loans at loan maturity must not exceed the original loan balance. In addition, with balloon loans, the projected appraised value of the subject property at maturity must exceed the outstanding loan balance.

### **VIII. Site Zoning**

Zoning of the development site must conform to the site development plan and must be confirmed, in writing, by the authorized local government official. The original letter from the authorized local government official must be included in the Formal Application. In the event that the governmental jurisdiction does not have or enforce a zoning code, the applicant should include in the Formal Application an adopted resolution of the local governing body which states that the local government does not have or enforce a zoning code, and that the local governing body approves the site development plan.

### **IX. Operating Utilities**

Required project operating utilities (gas and electric service) must be available to the proposed development site as of the Formal Application submission date. The appropriate utility company must confirm in writing the availability and capacity of operating utilities at the proposed development site. The original letters bearing original signatures from the appropriate utility companies must be included in the Formal Application. Where service is available to but not currently at the site, and the Local Authority will bring the service to the site, the Applicant must provide the supporting documentation that shall include an original letter from the Local Authority stating where the services are currently located, and that the Authority will bring the services to the site, along with the timetable for this work and any contingencies that might hinder the completion of this extension of services. Any charges for the extension of services are not eligible for funding as project costs under Resource Bank programs. If the utilities are contingent on annexation of the property, the annexation process must be completed as of the Formal Application submission date, and documented verification of the annexation must be submitted with the Formal Application.

### **X. Public Water/ Sanitary Sewer/Storm Sewer**

Public water and sewer service must be available at the proposed development site as of the Formal Application submission date. The availability and capacity of public water and sewer service to the site must be documented by letter(s) from the local public water and sewer authorities. The original letters from the appropriate public water and sewer authorities must be included in the Formal Application. Where service is available to but not currently at the site, and the Local Authority will bring the service to the site, the Applicant must provide the supporting documentation that shall include an original letter from the Local Authority stating where the services are currently located, and that the Authority will bring the services to the site, along with the timetable for this work and any contingencies that might hinder the completion of this extension of services. Any charges for the extension of services are not eligible for funding as project costs under Resource Bank programs. If the public water and sewer system are contingent on annexation of the property, the annexation process must be completed as of the Formal Application submission date, and documented verification of the annexation must be submitted with the Formal Application.

#### **XI. Market Feasibility**

**Note: Not applicable to Tax Exempt bond financed projects.**

DCA will commission a market study prepared in accordance with agency policies. If an applicant submits an independent market study, the DCA market study will govern. DCA will evaluate the impact of proposed projects on existing subsidized housing located in the geographic/market area. A satisfactory market study will demonstrate that sufficient demand for rental housing exists in the proposed geographic/market area to support the proposed project. DCA reserves the right in its sole and absolute discretion to independently evaluate the demand for additional affordable rental housing in the geographic/market area.

#### **XII. Physical Needs Assessment (Rehabilitation Projects Only)**

For rehabilitation projects only, a Physical Needs Assessment must be included in the Formal Application, and prepared in accordance with instructions set forth in the Manual. The assessment must be completed no more than ninety (90) days prior to the Formal Application submission deadline.

#### **XIII. Conceptual Design and Schematic Documents**

Conceptual design and schematic documents prepared in accordance with the instructions set forth in the Manual must be included in the Formal Application for all projects. In addition, location maps, photographs, a description of the surroundings, and the physical address of the site, if available, must also be included in the Formal Application.

#### **XIV. Preliminary Financing Commitments**

**Note: Not applicable to Tax Exempt bond financed projects**

Preliminary commitments for non-Resource Bank debt financing and general and limited partner equity contributions must be submitted in the form prescribed in the Manual and must be included with the Formal Application, including preliminary commitments for:

- Construction financing;
- Non-Resource Bank permanent financing;
- Limited Partner's equity;
- Equity bridge loans, if required; and
- Any grants or other forms of assistance included in the construction period or permanent financing sources and uses statement.

A project that requires some project-based rental assistance for feasibility must include in the Formal Application a letter or notice of commitment from the providing agencies for the amount of rental assistance that will be provided, its duration and any qualifying terms and/or conditions. Any financing source for which the applicable federal rate of interest applies must be clearly noted.

DCA, in its sole and absolute discretion, reserves the right to determine the adequacy of all preliminary financing commitments submitted in the Formal Application.

#### **XV. Ownership Entity's Experience**

The managing general partner (or co-managing general partner) of the proposed project must submit documentation that demonstrates its ownership experience, beginning with the development phase and extending for a period of at least three (3) years thereafter, for at least one (1) rental housing project of similar size and type (in terms of the number of dwelling units and physical configuration) within the last five (5) years. The managing general partner may include experience gained as a principal in another firm or company. The managing general partner must submit a detailed summary of its housing development experience, including information on the role played in each development, the number of units in each project, and the length of the managing general partner's participation in every development listed in the summary.

Community Housing Development Organizations (CHDO) applying for a CHDO Loan can meet the Ownership Entity's Experience Requirement by providing an executed contract with a consultant who has the required experience. The consultant contract must specify that development services to the CHDO will be provided through construction, lease-up, and permanent loan conversion, and must state that the consultant will train the CHDO in the housing development process. All communication between DCA and the ownership entity will be through the CHDO.

#### **XVI. Developer's Experience**

The quality of the development and the efficiency of the development process are directly related to the experience of the developer. DCA requires that a development firm, whether acting as the general partner or under contract to the general partner, have a minimum of three (3) years experience in real estate development on a scale that is equal to or greater

than the project proposed in the Formal Application. An applicant should include in the Formal Application evidence of any related additional experience. In situations where a new firm is created by experienced principals or a firm not meeting the above requirements hires an experienced principal, the critical principals must have comparable experience to that described above prior to the firms creation or their joining the inexperienced firm. Documentation must be submitted to substantiate experience level.

This policy applies to all applicants acting as general partner, including nonprofits. This level of experience must be present if the nonprofit proposes to be the developer; otherwise, an experienced developer must be retained under contract and participate in the day to day business operations of the property until the property is leased-up and stabilized. An executed contract binding the applicant through the lease-up and stabilization period must be submitted with the Formal Application. DCA will have sole and absolute discretion to determine the adequacy of the development experience.

#### **XVII. Management Company's Experience**

The proposed property management company must submit documentation which demonstrates at least three (3) consecutive years of management experience in the last five (5) years. This experience must include at least one (1) rental housing project similar in scale to the proposed project and funded with Credits and/or HOME funds. An applicant should include in the Formal Application evidence of any related additional experience. The proposed management company must be materially in compliance on all existing and previous managed projects with the Credit and HOME Program requirements. The status of material noncompliance exists when a management company exhibits either a continual pattern of noncompliance or demonstrates an inability or an unwillingness to resolve noncompliance matters in a timely manner.

In certain instances, a property management company with no Credit and/or HOME program experience may be approved subject to the company engaging the services of an acceptable consultant or more experienced management company. Documentation must be submitted to substantiate the experience level. In these situations, the function of the consultant/management company must be described in detail and approved by DCA. Any consultant used on the project must participate in the daily on-site management of the proposed project through lease-up stabilization. An executed contract binding the applicant and the consultant through the lease-up and stabilization period must be submitted with the Formal Application.

DCA will have the sole and absolute discretion to determine which management companies and consultants are ineligible to compete for Resource Bank financing due to noncompliance or lack of experience status.

#### **XVIII. Eligibility for Credits Under the Nonprofit Set-Aside**

**Note: Only applicable if applicant is applying for resources under the Nonprofit Set-Aside.**

- A. The organization must be a qualified nonprofit, defined as a 501(c)(3) or 501(c)(4) organization, which is not affiliated with or controlled by a for-profit organization and has included, as one of its tax-exempt purposes, the fostering of low income housing (IRC Section 42(h)(5)(C));
- B. The nonprofit may be the sole general partner of the ownership entity or a co-general partner with another qualified organization meeting the experience requirements set forth above and must participate in the project as described in IRC Section 42(h)(5)(B). In the event the nonprofit is a co-general partner with another entity, the nonprofit must have at least 49% of the ownership of the general partnership. The nonprofit must receive a percentage of the owner's share of the developer's fee equal to the percentage of the ownership interest. A copy of the general partnership joint venture agreement which indicates the nonprofit's general partnership interest and developer's fee amount must be included in the Formal Application; and,
- C. Nonprofit organizations applying for Credits under the nonprofit set-aside must include in the Formal Application an opinion of an attorney who specializes in tax law on the nonprofit's current federal tax exempt qualification status in accordance with the prescribed format contained in the Manual.

#### **XIX. Eligibility for HOME Loans Under the CHDO Set-Aside**

**Note: Only applicable if applicant is applying for resources under the CHDO Set-Aside.**

Any nonprofit applying for HOME funds under the CHDO set-aside must be pre-qualified by DCA as a 1998 State CHDO as of the Formal Application submission deadline. The nonprofit must also be either the sole general partner of the ownership entity or a co-general partner with another entity. The CHDO must be the managing general partner of an ownership entity. In the event the CHDO is a co-general partner with a for-profit or nonprofit general partner, the CHDO must have at least 49% of the general partnership interest. A copy of the general partnership joint venture agreement indicating the CHDO's general partnership interest and its share of the developer's fee must be included in the Formal Application. A copy of the State CHDO pre-qualification letter must also be included in the Formal Application.

#### **XX. Local Government Understanding**

Applicants must demonstrate that the local government, within whose jurisdiction the proposed housing project lies, does not oppose the project. Applicants must obtain from the respective local government's elected body (e.g., city council if within the city limits, or county commission if in an unincorporated area) a letter stating that it understands the nature of the proposed project and is unopposed to the project's development. This letter must be included in the Formal Application.

**XXI. HOME-Funded Project Location**

Applicants will only be awarded HOME funds if the proposed project is located outside of the political boundaries of any entity designated as a local Participating Jurisdiction (PJ) by HUD. These local PJs include the cities of Albany, Atlanta, Macon, and Savannah; DeKalb County; the consolidated governmental units of Athens-Clarke County, Augusta-Richmond County, and Columbus-Muscogee County; and the counties comprising the Georgia Urban County Consortium (Clayton, Cobb, Fulton and Gwinnett). Two exceptions to the non-PJ location requirement are those organizations applying to the CHDO Loan Program, and those applicants whose project will serve a Special Need population and received points as a Special Need Project.

**XXII. Federally Debarred & Suspended Entities**

Any person (individual, corporation, partnership, association), principal (officer, director, owner, partner, key employee, or person who has critical influence), or agent for a Project Participant that is under debarment, proposed debarment, or suspension by a federal agency is ineligible to submit a Formal Application to DCA. Such applications will be rejected. Each applicant must also include in the Formal Application a statement concerning all criminal convictions, indictments, and pending criminal investigations of all general partners, and provide dates and details of each circumstance. DCA reserves the right to perform a full criminal, employment, and credit investigation of all parties identified above.

**SECTION 13 PROJECT SELECTION CRITERIA**

The 1998 Project Scoring System is summarized on the table below, and is detailed on the following pages. The total score possible for the 1998 funding round is 200. However, project applications must score a minimum of 100 points to be eligible for Resource Bank funding. Projects that score less than 100 points will not be considered for funding awards, irrespective of fund availability.

The Scoring Criteria are intended to direct applicants toward developing housing located in the State’s areas of greatest need, that are positioned on sites having the most attractive characteristics, and for which local support exists and proper planning has been performed. It should be noted that scoring ties, between projects in proximity will be resolved by DCA in its sole and absolute discretion.

**PROJECT SCORING SUMMARY**

		<b>Total Score Value</b>
<b>I.</b>	<b><i>FORMAL APPLICATION COMPLETENESS</i></b>	
	<b>A. Complete Formal Application</b>	<b>6</b>
	<b>B. All necessary Supporting Documentation Included</b>	<b>6</b>
	<b>C. Application Organized in prescribed Format</b>	<b>3</b>



- C. The Formal Application is organized in the format prescribed by DCA in the Manual. (3 points)

**Note: Applicants who have incomplete Formal Applications, as determined by DCA in its sole and absolute discretion, and are asked to submit any additional information will not receive any points for this scoring section.**

## II. PROJECT LOCATIONAL CHARACTERISTICS

### A. Project Demographics Scoring Value: 45 points

The DCA Office of Research and Analysis has completed a multifamily locational scoring model designed to identify those areas in Georgia having the greatest need for affordable multifamily housing. The model is based on three variables; (1) Job Growth, (2) Population Growth, and (3) Relative Need (the ratio of 51-80% MFI households to numbers of affordable housing units).

The data used to develop this model included 1990-1996 job growth rates obtained from the Georgia Department of Labor, 1990-1996 population growth rates obtained from the U.S. Census Bureau, and housing information obtained from the U.S. Department of Housing and Urban Development. Using this data, Georgia's 159 counties were ranked based on the three variables listed above. Although all three variables are considered important, each was assigned a relative weight. Of the 45 points available for this scoring criterion, Job Growth was assigned 20 points, Population Growth was assigned 15 points, and Relative Need was assigned 10 points.

For each variable, counties were assigned to quartiles based on their relative performance. Specifically, for each variable, those counties ranked 1 through 40 were placed in the first quartile, 41 through 80 in the second, 81 through 120 in the third, and 121 through 159 in the fourth. Scores of diminishing value were assigned to quartiles one to four, for each variable. The total score value associated with each county was determined by summing the scores awarded for each variable.

The map on page 22 illustrates the relative scores assigned to Georgia's counties. Project proposals will be awarded Project Demographics points based on the project's location. For example, a project located in Walton County will receive 35 points, versus a project located in Carroll County that will receive 20 points.

Note: A detailed spreadsheet of the data used for the location score determinations will be furnished by DCA upon request. Requests for copies must be in writing, and should be sent to the same DCA address identified in Section 5 of this Plan.

# MAP

## **B. Site Review**

DCA will inspect all proposed development sites at the time of Pre-Application. DCA will consider some activities and/or land uses (commercial, residential or industrial) that occur within a close proximity of the development to be undesirable. See categories below for more information.

**DCA will determine, at its sole and absolute discretion, sites that are not suitable for the planned development.**

All sites must undergo a Phase I Environmental Site Assessment and must not exhibit any hazardous or potentially hazardous conditions. No funding will be available for off-site development, including but not limited to road development and access to utilities.

To qualify for points under this category, the site must exhibit the following characteristics:

1. Configuration: **(10 points)**  
A desirable site is one that is relatively flat, or has slopes less than 10%, and does not have any bodies of water on the property. This site would retain most of its original trees; only minor clearing would be necessary. Little or no fill would be required to obtain optimum drainage patterns.  
  
An undesirable site is one that requires grading and/or fill that will change the original configuration of the property. Site drainage will require extensive underground piping systems to retention ponds or storm water systems. All vegetation will be cleared.
2. Neighborhood Characteristics: **(9 points)**  
Residential development is adjacent to site. This residential use shall be adjacent to one side of the site as a minimum, and the housing should be part of a stable occupied neighborhood. The proposed site shall not be surrounded by uses that are undesirable for residential development.
3. Regulatory: **(9 points)**  
A desirable site has no wetlands or flood plain delineated within the property boundaries, or;  
The site may have wetlands or flood plain area within its boundaries, but these areas must not be disturbed during the construction process and/or during the period of affordability.
4. Accessibility: **(7 points)**

Easy vehicular or pedestrian access to adjacent streets and within walking distance (1 mile) to public transportation or a primary access road.

5. Neighborhood Proximity: **(6 points)**

A desirable site is one located within walking distance (1 mile), or has transportation available to it, and activities suitable for the proposed tenant base. Desirable activities are defined as but not limited to retail, recreation, schools, day care, hospital, employment centers, civic centers.

Undesirable activities are defined as but not limited to junk yards, liquor stores, hazardous or chemical activities, sources of noise, odor or other nuisance pollution, locations identified by local law enforcement officials as gathering places for criminal activity.

Points will be added to a maximum of six (6) for desirable activities and deducted to zero for undesirable activities.

6. Visibility: **(4 points)**

Site is visible from the access road with a frontage of at least 100 feet.

### III. TENANCY CHARACTERISTICS

**A. Development or Tenant Support Program** **Scoring Value: 15 Points**

The proposed project is a component of the Local Public Housing Agency's (PHA) tenant initiative program as evidenced by: 1) the Local PHA's financial investment in the project's physical plant and/or a financial contribution to the long-term economic feasibility of the project via operating cost contributions or tenant rent subsidies for a minimum period of five (5) years; and 2) an executed agreement between the Local Public Housing Agency and the project ownership entity setting forth the project ownership entity's responsibility to rent dwelling units to public housing tenants. The Local PHA's financial contribution must come from a source independent of the project. Developer fees earned or deferred by the PHA on the subject project, funds from any non-PHA general partner, limited partner, or other development team member will not be considered a PHA contribution.

To be eligible for scoring points under this criterion, the applicant must include in the Formal Application a copy of the executed agreement between the ownership entity and the Local PHA. The executed agreement must set forth the type, term and amount of the Local PHA's financing assistance to the proposed project and/or the Agency's long-term financial contribution to the long-term (at least five (5) years) economic feasibility of the project via operating cost contributions and/or tenant rent subsidies as well as the number and type of rental units the proposed owner will hold and rent to public housing tenants. "Hold and rent" means that the Applicant agrees to rent the designated units exclusively to existing public housing tenants.

Scoring points under this criterion will be awarded as follows:

Rental Assistance

10% of units reserved and rented to public housing tenants	(2 points)
20% of units reserved and rented to public housing tenants	(4 points)
30% of units reserved and rented to public housing tenants	(6 points)

Capital Investment

10% of units reserved and rented to public housing tenants	(3 points)
20% of units reserved and rented to public housing tenants	(6 points)
30% of units reserved and rented to public housing tenants	(9 points)

**B. Special Need Projects**

**Scoring Value: 6 points**

The applicant agrees to hold and rent at least fifty percent (50%) of the total project dwelling units to Special Need households as defined in Section 3, Affordable Rental Housing Needs. The applicant must provide the supportive services applicable to the needs of the designated Special Need tenants.

With the exception of those projects serving the elderly, applicants must satisfy the following requirements to qualify for the scoring points:

1. Submit a conditional commitment for rental assistance from the Georgia Department of Human Resources, U.S. Department of Housing and Urban Development, or another federal or state rental assistance provider; and
2. Submit a conditional contract with an experienced, licensed provider for the appropriate services executed by the applicant and the service. A final, binding contract for the proposed services must be included in the Formal Application and approved by DCA as a condition of obtaining a Credit carryover or receiving a DCA loan.

**C. Very Low Income Tenancy Exceeding Mandatory Requirements**

**Scoring Value: 4 points**

Applicants reserving and renting dwelling units with rents affordable by very low income households, those earning annual gross incomes of fifty percent (50%) or less of the area median income, serve a very pressing housing need in Georgia. Projects that reserve and rent more than the minimum number of dwelling units to lower-income households than is required by the appropriate program will be awarded additional scoring points. These minimums are defined in the applicable Manual. Owners will be required to execute restrictive covenants stipulating the number of dwelling units to be reserved and rented to very-low income households for the term of the Credit Compliance period or the term of the HOME loan, whichever has the longest duration. Points will be awarded as follows:

% of units beyond program minimum

1-20	(2 Points)
21-40	(3 Points)
41+	(4 Points)

**D. Mixed Income Projects** **Scoring Value: 4 points**

Projects designed for both low-income and market-rate tenants are eligible to receive up to 4 points, to be awarded as follows:

- 20% of project units designated for low-income tenants (2 points)
- 30% of project units designated for low-income tenants (3 points)
- 40% of project units designated for low-income tenants (4 points)

**E. Extended Affordability Period** **Scoring Value: 2 points**

For Tax Credit Projects Only: Applicants agreeing to maintain projects as affordable rental housing beyond the fifteen (15) year minimum required Credit compliance period will be awarded two (2) points.

For HOME and Tax Credits or HOME Only: To be eligible for two (2) points, projects will be required to maintain the income and rent restrictions as presented in the applicable Manual throughout the extended affordability period. Restrictive covenants will be recorded to reflect this requirement.

**IV. LOCAL GOVERNMENT SUPPORT AND FINANCING ASSISTANCE**  
**Scoring Value: 15 Points**

DCA encourages all low-income housing development teams to coordinate project developments with respective local governments. Applicants who obtain local governments' project endorsements will be awarded points as described below:

The elected body of the local government jurisdiction in which the property is located at the time of Formal Application (e.g. city council if within the city limits, or county commission if in an unincorporated area) must adopt a resolution of support for the proposed project, or provide an original letter of project endorsement signed by the authorized individual or body representing the jurisdiction. A certified copy of the resolution or letter of endorsement must be included in the Formal Application. (3 points)

Points also will be awarded under this criterion if the respective local government reduces project development costs, if the participating jurisdiction in which the project is located funds the project with HOME or CDBG funds, or if USDA funding is obtained to serve as leveraged assistance. Local governments must reduce total project development costs through:

- waiver of water and sewer tap fees
- waiver of building permit fees
- foregoing real property taxes during construction
- contribution of land for project development
- providing below market rate construction and/or permanent financing
- providing an abatement of real estate taxes
- providing other project operational cost subsidies, and/or
- other contributions.

USDA funding must be obtained in the form of loan funds or rental assistance or both. Points under this scoring category will be calculated based on the percentage reduction in total project cost and/or project operating cost subsidies, as follows:

5% total project cost and/or annual operating cost reduction	-	<b>(3 points)</b>
10% total project cost and/or annual operating cost reduction	-	<b>(6 points)</b>
15% total project cost and/or annual operation cost reduction	-	<b>(9 points)</b>
20% total project cost and/or annual operating reduction	-	<b>(12 points)</b>

A letter from the chief executive officer of the local government certifying the local government's contribution to the proposed project's development and/or operation must be included in the Formal Application. Public Housing Authority assistance does not qualify for points in this section.

In the case of USDA funding, documentation in the form of a USDA "notification of award" letter must be included in the Formal Application. In the case of CDBG and HOME funds contributed by a participating jurisdiction, a firm financing commitment must be included in the Formal Application.

## **V. PROJECT CHARACTERISTICS**

**Scoring Value: 19 points**

**Note: These requirements are applicable to both new construction and rehabilitation projects.**

### **A. Energy Efficiency Requirements (4 points)**

To receive these points, projects must exceed the Georgia Energy Code. To qualify for these points, the applicant must supply:

1. An original letter from the registered architect or professional engineer of record for the project, stating and certifying to the elements that make up the energy rating of the structures, or provide a letter from the local energy supplier which states that the project exceeds the local energy efficiency requirements.

### **B. Project Amenities**

All properties must include as basic: HVAC systems, refrigerators, stoves, an on-site laundry (1 washer and 1 dryer per every 14 units) and one equipped recreation area suitable for the proposed tenant base. If washers and dryers are installed and maintained in every unit at no additional cost to tenants, the requirement for a central laundry may be waived by DCA. All properties in urban locations must be fenced on the sides and rear of the property. All amenities, with the exception of the on-site laundry, must be available to the tenants at no additional charge. The registered architect or professional engineer of record must submit a letter with the Formal Application, which identifies the amenities for each project. All the amenities identified by the registered architect or professional engineer will be verified by DCA at the time of the final construction inspection. The appropriateness and adequacy of the proposed amenities for the purposes of point scoring will be determined at the sole discretion of DCA. No reduction or adjustment in amenities will be allowed after submission of the Formal Application.

Points will be allocated as follows:

- Washer/Dryer hookups in all units in addition to required central laundry or washers and dryers are installed and maintained in every unit at no additional cost to tenants **(6 Points)**
- Additional equipped recreational area (1 point per area to a maximum of 3 Points) (i.e.: picnic area, pool, weight room, basketball, etc. **(3 Points)**
- Community building, to include leasing office and community spaces **(3 Points)**
- Ornamental or security fencing at the front property line **(2 Points)**
- Dishwasher and Disposal (both must be supplied) **(1 Point)**

**VI. DEFERMENT OF DEVELOPER’S FEE Scoring Value: 4 Points**

A developer’s fee of fifteen percent (15%) is allowed under the policy guidelines of DCA. Points are awarded for deferring a percentage of the developer fee over a period of five (5) years. To receive points, an applicant must submit an executed deferred developer fee note, demonstrate that the project will generate income sufficient to pay this note, and agree to use the deferred developer fee note as a source in the gap method calculation of Credit. Points will be awarded as follows:

- 15% of developer fee deferred **(1 Points)**
- 20% of developer fee deferred **(2 Points)**
- 30% of developer fee deferred **(3 Points)**
- 40% of developer fee deferred **(4 Points)**

**VII. READINESS TO PROCEED Scoring Value: 6 Points**

An applicant should apply for all Building and Disturbance Permits as required by the local jurisdiction, or be able to demonstrate that the proposed construction will meet all federal, state and local construction requirements, applicable building codes, and permitting requirements. To qualify for points the owner must supply:

- A. A copy of the building permit obtained, dated appropriately to allow construction to commence within a time frame that allows completion in accordance with DCA requirements. An original letter from the local building authority must be included in the application, indicating all documentation has been received and all fees have been paid, or; **(6 points)**
  
- B. An original letter from the licensed Architect of record stating that the proposed construction will meet all federal, state and local requirements for construction, and that the plans will meet the applicable building code and permitting requirements of the local jurisdiction. Project owner must also include an original letter from the registered engineer of record stating that the site development will meet all federal, state and local requirements, and the design will meet all applicable permit requirements of the local, state and federal jurisdictions. **(4 points)**

## **VIII. COMPLIANCE SCORING SECTION**

**Scoring Value: ± 20 Points**

### **General**

This section is designed to consider prior experience with HOME, FDIC, or Credit properties as part of the overall scoring process. Developers/general partners, owners, syndicators, and management companies (Project Participants) with no prior experience or compliance audits in Georgia or one of Georgia's contiguous states will have no impact on the final Compliance Score. Those Project Participants with experience that have been audited will be scored in accordance with the Compliance Evaluation Process discussed below. The scores for the Project Participants with experience/audits will be weighted along with the neutral scores of those Project Participants with no experience/audits. The final Compliance Score may result in either the addition or deduction of a maximum of 20 points to the Formal Application score.

### **REQUIRED DOCUMENTATION**

The developer/general partners, owner, syndicator, and management company designated in the project application must submit copies of all HOME, FDIC, and Tax Credit notices of noncompliance (i.e. 8823's, letters, reports, etc.) issued by the DCA or the GHFA within five (5) years of the Pre-Application submission deadline. This submission should include all noncompliance notices for all projects in which any Project Participant was a participant at the time of the audit. Also, the number of units included in each of the audits must be reported.

Any Project Participant having had no DCA/GHFA audits of HOME, FDIC, or Tax Credit properties within the five (5) year period, but were audited by similar agencies in Georgia, Florida, Alabama, Tennessee, or South Carolina, must submit copies of all HOME, FDIC, and Tax Credit notices of noncompliance ( i.e. 8823's, letters, reports, etc.) issued by these agencies, along with a list of all projects audited by these agencies within the five (5) year period. This submission should include all noncompliance notices on projects for which any Project Participant was a participant at the time of the audit. The number of units included in each audit must also be reported. In addition, five (5) fully executed copies of the Compliance Information Release Form (included in the Pre-Application package) must be submitted.

## Compliance Evaluation Process

### Overview

A numerical value will be applied for each instance of noncompliance. The numerical value applied to each instance of noncompliance is discussed below. The total number of units audited for each Project Participant designated in the Application will be divided by the total of the numerical values to determine a Participant Compliance Factor. Project Participants with no experience/audits will receive a neutral Participant Compliance Factor. The total of the Participant Compliance Factors for the four categories of participants determines the Overall Compliance Factor. The Compliance Score can then be found from the Compliance Scoring Table included in this Section.

<u>Noncompliance Categories/Numerical Values</u>	<u>Per Unit</u>	<u>Project Wide</u>
Isolated instances of minor noncompliance resolved during the DCA assigned cure period	<b>0</b>	<b>3</b>
Incurable instances of minor noncompliance – measures taken to prevent further instances of noncompliance	<b>1</b>	<b>6</b>
Curable instances of minor noncompliance left uncured	<b>3</b>	<b>10</b>
Incurable instances of minor noncompliance – no measures taken to prevent further instances of noncompliance	<b>3</b>	<b>6</b>
Incurable instances of major noncompliance – measures taken to prevent further instances of noncompliance	<b>3</b>	<b>6</b>
Incurable instances of major noncompliance – no measures taken to prevent further instances of noncompliance	<b>*</b>	<b>*</b>
Unused Tax Credits resulting from failure to meet the 10% carryover requirement or not placing a project in service within 24 months of the reservation**	<b>N/a</b>	<b>10</b>
Submission of fraudulent information or equivalent acts	<b>N/a</b>	<b>*</b>
Debarred from participation in similar programs by any of the contiguous states at the Pre-Application deadline date	<b>N/a</b>	<b>*</b>
Debarred from participation in similar programs by any Federal agency at the Pre-Application deadline date	<b>N/a</b>	<b>*</b>

\* Applicable Participant Ineligible to participate in this round

\*\* For Scoring Purposes this applies to each building if tax credit properties are involved.

### Examples Of Major and Minor Instances Of Noncompliance

The following examples are intended to provide general guidance to determine whether a particular notice of noncompliance will be treated by DCA as major or minor for scoring purposes. This list of examples does not include every conceivable category of noncompliance and is not intended to be all-inclusive. DCA will make the final determination on a case by case basis. Based on this general guidance, applicants should use their own judgment for self-scoring purposes.

#### Examples of Major Noncompliance

- Rents charged to tenants that exceed the tax limit
- Failure to follow the Next Available Unit Rule
- Numerous instances of administrative noncompliance (failing to execute the policies and procedures stated in the Georgia Low Income Tax Credit Compliance Manual)
- Severe Health and Safety Violations generally effecting more than one unit (structural problems, severe water damage, fire hazards, etc.)
- Down units (not suitable for occupancy for extended period of times generally more than ninety (90) days)
- Disposition/Sale of property

#### Examples of Minor Noncompliance

- Isolated instances of administrative noncompliance (failing to execute the policies and procedures stated in the Georgia Low Income Tax Credit Compliance Manual)
- Less critical instances of health and safety violations (loose handrail, inoperable stove burner, minor leak under sink, etc.)

**EXAMPLES OF COMPLIANCE SCORING PROCESS**

<i>Example 1 assumes all four participants have been audited within the five-year period</i>			
Project Participants	Number of Units Audited Within:	Participant Compliance=	Participant Compliance
	Five-Year Period	Numerical Value	Factor
Developer/General Partner	330	5	66.0
Syndicator	700	9	77.8
Owner(see note 1)	45	0	100.0
Management Company (see note 1)	120	1	100.0
<b>Overall Compliance Factor</b>			<b>343.8</b>
<b>Final Compliance Score From Compliance Scoring Table</b>			<b>9</b>

<i>Example 2 assumes three of the four participants have been audited within the five-year period</i>			
Participants	Number of Units Audited Within:	Participant Compliance=	Participant Compliance
	Five-Year Period	Numerical Value	Factor
Developer/General Partner	330	5	66.0
Syndicator	700	9	77.8
Owner (see note 2)	0	0	73.0
Management Company	120	1	100.0
<b>Overall Compliance Factor</b>			<b>316.8</b>
<b>Final Compliance Score From Compliance Scoring Table</b>			<b>4</b>

*Note 1 – The maximum participant compliance factor is 100.*

*Note 2 – An unaudited participant will receive a participant compliance factor of 73, which will have no Positive or negative impact on the final compliance score.*

<b>COMPLIANCE SCORING TABLE</b>	
<b>Overall Compliance Factor</b>	<b>Final Compliance Score</b>
395 – 400	20
390 – 394	19
385 – 389	18
380 – 384	17
375 – 379	16
370 – 374	15
365 – 369	14
360 – 364	13
355 – 359	12
350 – 354	11
345 – 349	10
340 – 344	<i>See Scoring Example 1</i>
335 – 339	8
330 – 334	7
325 – 329	6
320 – 324	5
315 – 319	<i>See Scoring Example 2</i>
310 – 314	3
305 – 309	2
295 – 299	1
290 – 294	0
285 – 289	-1
280 – 284	-2
275 – 279	-3
270 – 274	-4
265 – 269	-5
260 – 264	-6
255 – 259	-7
250 – 254	-8
245 – 249	-9
240 – 244	-10
235 – 239	-11
230 – 235	-12
225 – 239	-13
220 – 224	-14
215 – 219	-15
210 – 215	-16
205 – 209	-17
200 – 204	-18
195 – 199	-19
170 – 194	-20

## **SECTION 14           NONPROFIT PROJECT OWNERSHIP SET-ASIDE**

Ten percent (10%) of the Credits are set aside for financing affordable rental housing owned, in part, by qualified nonprofit organizations incorporated in the State of Georgia, and which meet all requirements set forth in IRS Code Section 42(h)(5).

## **SECTION 15           HOME SET-ASIDES**

A minimum of fifteen percent (15%) of the State's FFY1998 HOME fund allocation will be set-aside for projects owned by nonprofits which have been prequalified by the State as CHDOs.

## **SECTION 16           RESOURCE BANK FUNDING RESTRICTIONS**

### **Maximum Credit Authority Per Project**

**Note: Not applicable to Tax Exempt bond financed projects.**

No project will be awarded more than ten percent (10%) of Georgia's annual Credit authority.

### **Maximum Credit Award per Resource Bank Annual Cycle**

**Note: Not applicable to Tax Exempt bond financed projects.**

No individual applicant shall receive more than twenty percent (20%) of Georgia's annual Credit authority. The individual general partnership interests of applicants requesting Credits will be analyzed. In the event it is determined that an individual applicant has general partnership interests in a limited partnership which will exceed the twenty percent (20%) Credit ceiling, the project will not be awarded financing, regardless of the Formal Application score or the project's economic feasibility.

### **Maximum HOME Award per Resource Bank Annual Cycle**

No individual applicant shall receive more than thirty percent (30%) of the Resource Bank's annual HOME loan authority. The individual general partnership interests of applicants requesting HOME funds will be analyzed as to the percentage of ownership interest held. In the event it is determined that an individual applicant has a general partnership interest in a limited partnership which will exceed the thirty percent (30%) loan ceiling, the Formal Application will not be awarded financing, regardless of the application score or the project's financial feasibility and/or economic viability.

### **Credit Recapture: Failure to Complete Work Scope**

Owners of projects receiving Credit for the rehabilitation of an existing property must perform one hundred percent (100%) of the rehabilitation work scope in accordance with the

original Physical Needs Assessment submitted with the Formal Application. Owners of properties receiving Credits for new construction must perform one hundred percent (100%) of the work scope as set forth in the DCA approved construction drawings and specifications. DCA will inspect projects requesting IRS Form(s) 8609 to ensure that all work has been completed prior to issuing Form(s) 8609. If a lesser percentage is completed, DCA reserves the right to recapture all Credit allocated. At its sole and absolute discretion, DCA may approve requested modifications to the proposed work scope.

### **Credit Recapture: Failure to Commence Construction/Rehabilitation**

**Note: Not applicable to Tax Exempt bond financed projects.**

Owners of projects receiving Credits for new construction or rehabilitation must commence construction or rehabilitation by the date set forth at the time of credit reservation. Failure to commence construction as scheduled will cause an automatic recapture of the Credits. DCA will closely monitor construction start dates. To certify the commencement of construction and/or rehabilitation, the Project Owner will be required to provide DCA with copies of project building permits and a copy of the Project Owner's Notice to Proceed to the project's general contractor. In reviewing the commencement and completion schedules, DCA, in its sole and absolute discretion, reserves the right to grant waivers on written requests.

### **Credit Recapture: Failure to Commence work on 1996 Credit Allocations**

Any property which received Credit in 1996 and is applying for additional Credit in 1998, must have completed at least fifty percent (50%) of the 1996 project work scope as defined in the construction documentation submitted in the 1996 Formal Application. The construction documentation shall include drawings, specifications, written work scope, and physical needs assessments as applicable for new construction or rehabilitation projects. The fifty percent (50%) completion requirement must be met as of the 1998 Formal Application submission deadline.

### **Credit Recapture: Failure to Pay Compliance Monitoring Fee**

Failure by a Project Owner to pay the required Credit Compliance Monitoring Fee within the time frame established by DCA will result in an automatic recapture of the Credits.

### **Disqualification: Continuing Non-Compliance**

Principals of projects awarded Credits in previous award cycles must remain materially in compliance with Credit and HOME Program requirements (if applicable) to remain eligible to compete for future Credit awards or HOME loans. Material noncompliance status exists when in the judgment of DCA, an applicant exhibits a continual pattern of noncompliance, or when an applicant demonstrates an inability or an unwillingness to resolve noncompliance matters in a timely manner. DCA will have sole and absolute discretion to determine those parties ineligible to participate in the 1998 Resource Bank funding competition due to noncompliance status.

### **Disqualification: Failure to Use Previously Awarded Credits**

An applicant, including principals or officers of the ownership entity, awarded or allocated Credit in a previous year, which went unused for reasons other than for acts of God or the exercise of the power of eminent domain by a governmental body, will be ineligible to apply for Credits for a period of one year. An owner will be banned from ever reapplying for Credit for the specific project for which Credit went unused and Carryover Allocation was allowed to expire. In its sole and absolute discretion, DCA may allow an Applicant who returned Credits allocated in a previous year to apply for Credit on the condition that if the Formal Application is approved, the owner will pay a reservation fee equal to seventeen percent (17%) of the annual allocation amount.

## **SECTION 17 TAX EXEMPT FINANCED PROJECTS/4% CREDITS**

To be eligible for an allocation of four percent (4%) Credits, tax exempt bond financed projects must satisfy the Threshold Requirements set forth above, unless otherwise noted. In addition, tax-exempt bond financed projects must comply with those requirements contained in the Section 16 (Resource Bank Funding Restrictions) of this Plan.

Although IRC Section 42 states that the tax-exempt bond issuer is directly responsible for determining whether or not the project meets the State's Plan, DCA will make its own determination. No IRS Form(s) 8609 will be issued until this determination has been made by DCA. Owners are strongly urged to apply for the Determination Letter before closing the bonds. In making application for the Determination Letter, an Owner must complete the standard Formal Application, as well as provide all supporting documentation necessary to meet all applicable Threshold requirements. DCA will provide the Determination Letter within 45 days of the receipt of a complete Formal Application. After being placed in service, tax-exempt bond financed projects must apply for IRS Form (s) 8609 by completing a Final Allocation Application. DCA will make the final determination of the Credit amount. DCA will not issue Determination Letters or 8609's when an applicant exhibits a continual pattern of noncompliance, or when the applicant demonstrates an inability or an unwillingness to resolve noncompliance matters in a timely manner.

## **SECTION 18 MONITORING AND COMPLIANCE**

Compliance responsibilities begin with the award of the HOME funds and/or the Tax Credits and will continue through the end of the compliance period or the term of the loan, whichever is longer.

Applicants are advised that DCA is required to monitor projects for compliance with the requirements of IRC Section 42, the HOME regulations at 24 CFR Part 92, the representations set forth in the Formal Application, the requirements stated in the Plan, and the requirements set forth in the respective program manuals. DCA's plan for compliance monitoring described below outlines the overall requirements, offers explanations for individual program regulations, and sets forth the requirements for properties participating in multiple programs.

## **Required Training for Owners**

**Note: Tax-exempt Bond Properties must meet this requirement.**

The Owner/General Partner is required to successfully complete a compliance training seminar provided by or sponsored by DCA. The Owner of a HOME-funded property will be required to submit the Certificate of Successful Completion prior to leasing the first unit. Limited partners are strongly encouraged to attend these training seminars, but may elect to have property managers serve as the Limited Partner's representative. Seminars for HOME, Tax Credit, and HOME/Tax Credit properties will be available on an individual property basis. Certification testing is required and Certificates are awarded upon successful completion of the training. The Owner of a Tax Credit property will be required to submit to DCA the Certificate of Successful Completion for the Tax Credit training prior to placing the first building in service. Georgia HOME and Tax Credit Compliance Manuals will be distributed at the training sessions.

DCA will hold the applicant/owner responsible for all state representation made in the approved Formal Application. The applicant/owner also is responsible for ensuring that the property abides by the rules, regulations, and restrictions specified in the Plan, the Land Use Restriction Agreement or Covenant, the Georgia HOME and Tax Credit Manuals, the HOME Final Rule (as amended on 5/28/97 and 8/22/97), and in Section 42 of the IRS Code. Although DCA is responsible for monitoring the Owners' compliance with these rules, regulations, and restrictions, this responsibility does not make DCA liable for an Owners' noncompliance.

## **Property and Record Compliance**

- A. For purposes of determining initial or ongoing eligibility and compliance with property maintenance requirements, DCA asserts the right to conduct on-site inspections of any project receiving Tax Credit, HOME, or both Tax Credit and HOME funding at any time through the end of the compliance period or the term of the loan, whichever is longer. DCA will provide prompt written notice to the Owner of noncompliance findings and will assign an appropriate cure period.
- B. DCA asserts the right to perform an on-site inspection of tenant records on any project receiving Tax Credit, HOME, or both Tax Credit and HOME funding at any time through the end of the compliance period or the term of the loan, whichever is longer. DCA will provide prompt written notice to the Owner of any noncompliance finding and will assign an appropriate cure period.
- C. In the Tax Credit Program, DCA is required to report all items of possible noncompliance to the IRS on IRS Form 8823. This form(s) will be issued to the Owner/General Partner of the project. If the noncompliance can be and has been corrected by the end of the cure period, the correction will be noted on Form 8823. DCA and the IRS consider Form 8823 to be a confidential tax document and, as such, Form 8823 will not be provided to parties not having an ownership interest in the project.

## **Reports to be Provided to DCA**

- A. Project Owners receiving HOME loans are required to submit Quarterly Occupancy Reports in a format prescribed in the DCA HOME Manual, together with copies of Tenant Income Certifications for rental units leased during the quarter (beginning with initial lease-up date), until the property has reached one hundred percent (100%) initial occupancy. After one hundred percent (100%) occupancy is achieved and the property is determined by DCA to be in compliance with the HOME regulations and with all DCA requirements, the property will then be required to report on an annual basis throughout the term of the loan. Project Owners are also required to submit an Annual Owners Certification and Annual Owner's Report in a format prescribed by DCA.
- B. Project Owners receiving Tax Credits are required to submit Quarterly Occupancy Reports with tenant income certifications for rental units leased that quarter, beginning with the first building placed in service forward, until the project reaches one hundred percent (100%) initial occupancy. After one hundred percent (100%) occupancy has been achieved and the property is found to be in compliance with Tax Credit regulations and all DCA requirements, the property will then report on an annual basis through the end of the project's compliance period. Project Owners are also required to submit an Annual Owners Certification and Annual Owner's Report in a format prescribed by DCA.
- C. Project Owners receiving HOME loans and Tax Credits are required to submit Quarterly Occupancy Reports from the initial lease-up date forward until the project has reached one hundred percent (100%) occupancy. If the property is determined to be in compliance with the HOME regulations, with Section 42 of the IRC, and with all DCA requirements, the property will then report on an annual basis in a format prescribed by DCA through the term of the loan or the compliance period, whichever is longer. Project Owners are also required to submit an Annual Owners Certification and Annual Owner's Report in a format prescribed by DCA.
- D. Project Owners who received Tax Credit and are financed under the Section 515 program of the U.S. Department of Agriculture will not be required to submit monthly or quarterly reports. These properties are required to submit the Annual Owner's Certification and Annual Owner's Report prescribed by DCA in the Tax Credit Manual, on an annual basis through the end of the project compliance period.
- E. Owners of projects that received Tax Credits and are also financed with proceeds from tax-exempt bonds will be required to submit Quarterly Occupancy Reports beginning with the first building placed in service until the property has reached one hundred percent (100%) occupancy. If the property is determined to be in compliance with Tax Credit regulations and all DCA requirements, the property will then report on an annual basis throughout the compliance period. Failure to report as required will be considered noncompliance.

## **Record Keeping and Record Retention**

- A. Project Owners awarded HOME loans must keep records for each assisted building as stipulated in the final HOME regulations dated September 16, 1996, and as amended on May 28, 1997, and on August 22, 1997, and as stated in the Georgia HOME Compliance Manual.
- B. Project Owners allocated Tax Credits must keep records for each building as stipulated in Section 42 of the IRS Code Section 1.42-5(b) and in the Georgia Low Income Housing Tax Credit Manual.
- C. Project Owners receiving HOME loans and Tax Credits must follow the most stringent requirements of the two programs.

### **Properties with Multiple Sources of DCA Funding**

Project receiving more than one source of DCA funding (e.g., HOME and Tax Credits) are required to comply with the monitoring provisions of each of the individual funding sources and with the Land Use Restriction Agreements and Covenants. In the event of inconsistencies between the funding program requirements, agreements, or covenants, the most restrictive requirements will always govern.

### **Compliance Standards**

- A. Assessment of Noncompliance  
Principals of projects awarded Credits in previous award cycles must remain materially in compliance with Tax Credit and HOME Program requirements (if applicable) to remain eligible to compete for future Credit awards or HOME loans. Material noncompliance status exists when a party exhibits a continual pattern of noncompliance, or when a party demonstrates an inability or an unwillingness to resolve noncompliance matters in a timely manner. DCA will have sole and absolute discretion in determining those parties ineligible to participate in the Resource Bank financing competition due to noncompliance status.
- B. Cure Period Standards  
DCA will notify the owner in writing of any possible findings of noncompliance. Each item of noncompliance will have an assigned cure period. The cure periods will typically range from thirty (30) to a maximum of ninety (90) days. The following is a listing of some items of noncompliance that will provide examples of cure periods assigned.

<u>Noncompliance Items</u>	<u>Typical Cure Periods</u>
<b>Health and Safety</b>	
Any issue	48 hours
<b>Administrative Noncompliance</b>	
Incomplete or incorrect tenant income certifications	30 days
Tenant income certifications not notarized	30 days
Failure to report on a quarterly or annual basis	30 days
<b>Project-wide Noncompliance</b>	
Incorrect utility allowances	60 days
Violations of 40/50 rule	60 days
Rent overages	60 days
<b>Incurable Instances of Noncompliance</b>	
Over income first year tenants	No cure
Rent overages during first year	No cure
Submission of fraudulent information to DCA	No cure

Federal regulations require that all noncompliance, whether or not corrected, must be reported to the IRS. Federal Regulations also authorizes DCA to extend the cure period for up to six (6) months, but only if DCA determines that such extension is justified.

### **Monitoring Fees**

- A. DCA charges a monitoring fee for all Tax Credit developments containing five (5) or more low-income units. Credit recipients will be required to pay the entire fee covering the fifteen (15) year compliance period prior to the issuance of the project's IRS Forms 8609. The compliance fee for the fifteen (15) year Credit compliance period is \$600 per unit.

- B. Developments financed by the U.S. Department of Agriculture under the Section 515 program are charged a reduced compliance fee. Recipients will be required to pay the entire fee covering the fifteen (15) year Credit compliance period prior to the issuance of the project's IRS Forms 8609. The compliance fee for the fifteen (15) year LIHTC compliance period is \$200 per unit.

### **Compliance Monitoring Responsibilities**

- A. DCA may choose to delegate all or a portion of its compliance monitoring responsibilities to an agent or other private contractor. This option, if chosen, does not relieve DCA of its obligation to notify HUD or the IRS of noncompliance instances. DCA may also delegate some or all of its compliance monitoring responsibilities to another State agency. This delegation may include the responsibility of notifying the IRS of noncompliance.
- B. DCA must be informed of all conditions or extenuating circumstances at each project which may impact compliance monitoring duties. Any questions regarding compliance with the Tax Credit or HOME programs should be addressed in writing and faxed to Compliance Monitoring at (404) 679-0631.

## **SECTION 19                      MODIFICATION OF PLAN**

Without limiting the generality of DCA's power and authority to administer, operate, and manage the allocation of Credits according to federal law, federal procedures, and this Plan, DCA shall make such determinations and decisions, publish administrative rules, require the use of such forms, establish such procedures, and otherwise administer, operate, and manage allocations of Tax Credit in such respects as may be, in the DCA's determination, necessary, desirable, or incident to its responsibilities as the administrator, operator, and manager of allocations of tax credits.

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

In its sole and absolute discretion and where warranted by extenuating circumstances, DCA reserves the right to allocate credit, up to the first day of the allocation round, based on the prior year's allocation plan with all applicable terms and conditions, to projects that received an allocation in the prior year. DCA also may award credits to projects by other than the highest score within the preferences stated in this Plan. If necessary, in each round, DCA will award seventy-five percent (75%) of the credit authority available according to the points received and

the preferences set forth in the plan until the amount available is depleted. The remaining twenty-five percent (25%) of credit authority will be awarded within the preferences to achieve balance as required by factors, such as geographic area, type of activity (new construction/rehabilitation), size of project, and type of project (family/elderly).

Additionally, DCA may allow owners to address deficiencies in the Formal Application if DCA does not approve a sufficient number of Formal Applications to use all the credit authority available in an application cycle and it receives Formal Applications which are acceptable except for minor deficiencies which the developer can address within a reasonable amount of time (generally not to exceed 10 business days). Should DCA not allow applicants to address any deficiencies or applicants fail to submit any requested information within the time period specified, DCA will reject the Formal Application.

In the event a project which met the minimum score does not receive a reservation because the amount of credit available in that application cycle has been exhausted, that project will, subject to DCA approval, be placed on the waiting list for that cycle's credit ceiling. Projects for which no reservation was made may compete again in a subsequent cycle.

Any decision DCA makes, and any action or inaction by DCA in administering, managing, and operating the system 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 Procedure Act." The Governor further expressly delegates to the Board of Directors of the DCA the ability to amend this Plan to ensure compliance with federal law and regulations as such federal law may be amended and as federal regulations are promulgated governing Credits.