



**Georgia Housing and Finance Authority
Multifamily Affordable Housing
2019 Notice of Funding Availability
HOME Partnership Program & 4% Housing Tax Credits**

I. Overview

The Georgia Housing and Finance Authority (GHFA) hereby notifies interested Applicants of the availability of funds allocated from the Georgia HOME Investment Partnerships Program (HOME). The availability and use of these funds is subject to Federal HOME regulations (24 CFR Parts 91 and 92), and any amendments thereto including the final regulations published by the Department of Housing and Urban Development (HUD) in the Federal Register. The Georgia Department of Community Affairs (DCA) is the administrator of GHFA programs.

In releasing this Notice of Funding Availability (NOFA), the goal of GHFA is to facilitate rehabilitation and acquisition/rehabilitation of naturally occurring affordable multifamily rental housing (**Option A**) & preserving affordable housing in gentrifying communities (**Option B**) by providing gap financing at rates below those charged by commercial lending institutions. Funding from this NOFA combined with other sources will assist in preserving at-risk housing throughout the State of Georgia to ensure that there is long-term affordability in the future. These GHFA HOME NOFA loans are to be leveraged with 4% Low Income Housing Tax Credits (Housing Credits) and Tax-Exempt Multifamily Housing Revenue Bonds.

All housing developments must meet DCA's core policies and Threshold requirements including but not limited to HOME underwriting criteria, which can be found in the 2019 QAP Core and Appendix I (Threshold) requirements. All selected properties will be subject to a stringent underwriting review and must be approved by the DCA Project Loan Committee (Committee) prior to final commitment of funds. Properties that are determined by the Committee to pose an undue risk to DCA or GHFA after a full underwriting review will not receive a final commitment of funds.

A copy of this NOFA and other related materials are available on the DCA website at <https://www.dca.ga.gov/node/5430>. Frequently Asked Questions and Answers will be posted to this site. All questions should be directed to hfdround@dca.ga.gov until the close of this NOFA, with a subject line of "2019 4% HOME NOFA".

DCA will not designate all units as HOME units, and will determine the required number of units based on HOME per unit subsidy requirements.

II. Specific NOFA Requirements

- A. Amount of Funds Available for Award.** DCA anticipates that no less than twelve million dollars (\$12,000,000) will be available under this NOFA. DCA may fund, in whole or in part, any, all, or none of the Applications submitted.
- B. Per Application Award Limit.** DCA will award no more than four million dollars (\$4,000,000) and no less than two million dollars (\$2,000,000) per Application.

C. Application Limitations. Applicants must submit an Application to DCA during the Application period referenced below.

D. Important Dates

NOFA Release: January 24, 2019

HOME Consent Application Deadline: Extended to March 4, 2019, 4pm EST

-Required Documents for HOME Consent Application:

- DCA Core Application (Excel) with all preliminary and relevant sources and uses, pro forma, rent, and expense information
- Pre-Application Performance Workbook and HOME Consent Request
- HOME NOFA Application Fee (\$500)
- Documents outlined in NOFA Section J. Selection Criteria

Anticipated Announcement for HOME Consent: March 30, 2019

Full Pre-Application Due: May 1, 2019

-Required Documents for Full Pre-Application:

- Qualification Determination
- Waivers (if applicable) and Backup Documentation to evidence need for waiver(s)

Full Housing Credit Application Due: July 1, 2019

-Required Documents for Full Application:

- DCA Core Application (Excel) with all relevant sources and uses, pro forma, rent, and expense information
- Documents outlined in 2019 QAP, Appendix I Threshold Requirements

Final Closing Date: January 31, 2020

Applications for funding will be accepted at The Georgia Department of Community Affairs, 60 Executive Park South, NE, Atlanta, Georgia 30329 until the deadline of 4:00 p.m. EST on the dates described above. Applicants should label the file "**2019 Multifamily 4% HOME NOFA**". One complete Application package should be submitted on a flash drive. Any Application received after the deadline will be ineligible. Applicants should refer to the detailed submission instructions for additional information regarding the format for Applications.

E. Eligible Applicants. Eligible Applicants include for-profit entities, qualified non-profit entities and Public Housing Authorities. The Project Team must be qualified under the 2019 Project Team Qualification policy set forth in the 2019 DCA Qualified Allocation Plan. No Probationary Participation will be considered under this NOFA.

F. Eligible Activities. GHFA will use HOME funds to make loans to finance acquisition and rehabilitation or rehabilitation of existing building(s) for very low income, low income and

moderate-income households. All eligible activities must be undertaken in accordance with DCA QAP requirements, HOME regulations, and program requirements.

DCA HOME Loans funded under this NOFA may be used for acquisition of land or construction hard costs. Hard costs include site development, unit/building construction, and Contractor Services—which includes General Requirements (inclusive of payment and performance bonds), Builder’s Overhead, and Builder’s Profit. Soft costs, acquisition costs, and other project costs must be financed by other financing sources.

Developments must have at least seventy-five (75) affordable residential rental units.

Applications submitted under this NOFA are not eligible for income averaging.

G. Terms of Loan. DCA HOME loans funded under this NOFA will have the following terms

- 0% interest during construction
- payments sized at 1% interest for permanent financing based on projected cash over the term of the loan
- loans made in conjunction with HUD loans will be cash flow contingent
- amortization period and term matching that of the first permanent loan.

DCA may require selected Applicants to use DCA HOME funds first during construction. DCA will require all selected Applicants to have a payment and performance bond.

H. Ineligible Activities/Characteristics. The following activities or Application characteristics will be ineligible for funding under this NOFA:

- Applications that propose refinancing of existing debt with DCA HOME Funds.
- Applications that propose rehabilitation of a property that has an existing DCA HOME loan, which is still within the period of affordability.
- Properties that may adversely impact the lease-up or operations of a multifamily development funded by DCA in the preceding two years.
- Other ineligible activities as set forth in the 2019 DCA Qualified Allocation Plan.

I. Minimum Requirements. To be considered for funding, an Applicant must meet all of the following criteria:

1. All Applications must meet the requirements set forth in the 2019 Georgia Qualified Allocation Plan Core and Appendix I (Threshold) including Exhibit A (DCA Underwriting Policies & DCA HOME Underwriting Policies).
2. Generally, DCA will require that all other debt be subordinate to its loan with the exception of HUD funds and tax-exempt bond debt.

J. Selection Criteria. In the event DCA receives funding requests in excess of funds available, DCA will use the following criteria in selecting Applications that will be funded. The criteria are listed in the order of their importance, although DCA will consider all criteria in making selections. It is the Applicant’s responsibility to submit sufficient documentation to receive consideration of any Selection Criteria.

Applicants should also include **a narrative** that is limited to two (2) pages. This narrative should detail how the Applicant believes the application is competitive for each Selection Criterion outlined below:

Selection Criterion One –

➤ Option A: Preservation of naturally occurring affordable housing:

Applicants must be able to show that the property is a natural occurring affordable housing development based on the property's rents, rents of comparable nearby properties, and LIHTC Rent Limits for the applicable area.

➤ Option B: Preserving Affordability in Gentrifying areas:

Applicants must be able to demonstrate that the property is in an area of rapid gentrification based on the property's rents, rents of nearby properties, and LIHTC Rent Limits of the applicable area. Current housing tax credit properties that are fifteen (15) years or older will receive preference.

Required Documents (If Applicable):

- Rent roll-demonstrating current rents and occupancy level
- 8609s from the previous placed in Service Date (15+ years prior)
- Documentation evidencing rent in surrounding market rate properties

Selection Criterion Two – Leveraging

Leveraging of permanent financing resources is encouraged (excluding DCA HOME Funds and Housing Tax Credit equity). Applications with a significant amount of leveraged resources in the capital stack will be considered.

Required Documents (If Applicable):

- Preliminary grant and/or low interest loan commitments

Selection Criterion Three - Readiness to proceed

Applications that submit additional documentation showing the greatest readiness to proceed with closing and construction will be strongly considered.

Required Documents (If Applicable):

- zoning verification
- evidence of site control
- timeline for completion of Phase 1 and/or environmental review
- proposed construction timeline
- property survey
- PNA (if rehabilitation)
- financing commitments that may document additional readiness to proceed
- 90-95% complete plans and specifications

Selection Criterion Four – Age of Housing

Applicants that can evidence that the proposed property is at least 15 years of age will be considered. Older properties will be given preference.

Required Documents:

- Building/property original Certificate of Occupancy
- Original 8609s (if applicable)

Selection Criterion Five– HOME Experience

Required: Either the General Partner or the Developer team member must currently operate at least one (1) Multifamily HOME Loan funded property in which that member was the owner and developer. This Multifamily HOME Loan funded property must have been awarded after January 1, 2000. The Proposed Project team must be current on all federal loans and have no outstanding compliance issues.

DCA will give preference to applicants where the Owner and Developer entity currently owns and developed five (5) HOME-funded properties. Only properties awarded after January 1, 2000 will be considered. If HOME assisted multifamily experience is derived from participation in a non-DCA HOME property, the Applicant must submit the following additional documentation from the Participating Jurisdiction that funded the HOME loan: verification that the HOME loan is current, verification of timely payment of all required payments for a period of thirty six (36) months prior to January 1, 2019, the property is currently owned by the Applicant, and all real estate taxes have been paid. A copy of the HOME loan agreement must also be provided to DCA as part of the HOME Consent Application package.

Required Documents:

- Qualification Performance Workbook and Supporting Documents (see 2019 QAP, Threshold p. 35 for required documentation).

Selection Criterion Six – Risk-mitigating factors

Applications that propose housing developments with financing and/or property characteristics that mitigate risk for DCA's HOME loan will be considered. These characteristics include but are not limited to:

- Modeled cash flow that can amortize the HOME loan over the term of the loan.
- Commitment of Project-based Rental Assistance for at least 20% of units.

Required Documents:

- DCA Core (Excel) application with Preliminary Rent/Proforma
- Rental Assistance Commitment (if applicable)
- Non-DCA Grants and/or low interest loan commitments

DCA may consider equitable distribution of resources among Applicants and jurisdictions in making final selections.

K. Compliance with Other Federal Requirements

Applicants must comply with all applicable federal or state laws, regulations and other requirements now or hereafter in effect. The Project Team is responsible for ensuring the proposed program, activities, goals and timetables comply with all federal or state laws, regulations and other requirements.

Areas covered by the applicable laws and regulations include but are not limited to: Non-Discrimination and Equal Access; Fair Housing and Equal Opportunity; Accessibility; Contracting and Procurement; Environmental; Lead Based Paint; Acquisition and Relocation; Financial Management; Labor Standards; and Immigration.