Welcome

- Welcome
- Recognition of Carmen Chubb
- Upcoming Events
- New Staff/Staff Changes
- DCA Contact List
- DCA Strategic Goals & State Priorities
- Efficient Use of Resources

DCA Contact List

<table>
<thead>
<tr>
<th>Area</th>
<th>Contact</th>
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<tbody>
<tr>
<td>QAP Input</td>
<td>Grace Baranowski</td>
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<tr>
<td>Q &amp; A (Funding Round)</td>
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<tr>
<td>Qualification Determination</td>
<td>Nikki Flanigan / Raven Thompson</td>
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<td>Core Application/Technical Issues</td>
<td>Stephen Barrett</td>
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<td>9% Application Scoring</td>
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<td>4% Bond Applications (42m)</td>
<td>Teresa Crowe</td>
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<td>Carryover Allocations / LURCs</td>
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<td>Project Concept Changes</td>
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# DCA Contact List

<table>
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<tr>
<th>Task</th>
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<tr>
<td>Underwriting Waivers</td>
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<td>Pre-Construction Conference</td>
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<td>HOME Draws &amp; Review Submission</td>
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# 2018 Application Round Summary

February 28, 2019
2018 Application Round Summary

- 60 Total Applications Submitted
  - 50 New Construction
  - 10 Rehab Applications
- Awards
  - 28 New Construction & 8 Rehab
  - 5 Rural Home Preservation (7 Apps)
  - 1 General Set Aside
  - 13 Elderly/HFOP & 23 Family

2018 Application Round Summary

- 29 HOME Consent Requests at Pre-Application
  - 8 HOME Consents Awarded
  - 3 HOME Applications Selected for Funding
  - 2 CHDO Applications Submitted, none selected for Funding
2018 LIHTC Competitive Round Awards

36 Awards

2019 Competitive Round
General Information
### 2019 Important Dates to Remember

- Pre-application: March 7
- Application Intake: May 23
- 9% HOME Loan Closing: July 13, 2020

### 2019 Available Resources

- 9% LIHTCs - $25 Million (estimated)
- HOME - $12 Million
- No 2019 General Set Aside (awarded in 2018)
- No CHDO consents issued (handled in NOFA)
Rural HOME Preservation Set Aside: General

- Up to $1.5M of 9% Credits available
- Up to five Applications may be selected
- Maximum Credit award: $375,000

Rural HOME Set Aside: Requirements

- Must apply at Pre-Application
- Eligibility:
  - Must have PIS date between 1996-2001
  - Existing DCA HOME loan balance must be at least $200,000
- Full requirements in Appendix I, XXII
Waivers

- All waivers must be submitted at Pre-Application
  - 9% - March 7
  - 4% - Rolling
- Include the following:
  - Architectural, e.g., Amenities, $25,000/Unit Rehab
  - Project Development Costs
  - Underwriting
  - Significant Adverse Event

2019 Q&A Process

- Q&A has started and ends on May 13, form available:
  - https://www.dca.ga.gov/node/5652
- DCA posts answers to:
  - https://www.dca.ga.gov/node/5654
- Project Specific answers may not be posted
2019 Core Application and Forms

- DCA Manuals, Pre-Application Forms, and a beta version of the Core Application:
  - [https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/housing-tax-credit-program-lihtc/application](https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/housing-tax-credit-program-lihtc/application)

- Updated Previous Project Lists:
  - [https://www.dca.ga.gov/node/5430](https://www.dca.ga.gov/node/5430)

Useful Tools for Application Preparation

- 2003-2018 9% Core Applications

- 2013-2018 9% Market Studies

- Novogradac’s Rent & Income Calculator
Common Mistakes

- Cost Limits: DCA will not make changes to bring an application’s Total Development Costs under Project Cost Limits if the application was submitted over cost limits.
- CTO: On-call services must be operated or sponsored by a public entity to qualify for points.
- Markets units without an alternate source of financing.

Market Threshold

- “Should not have more than two DCA funded projects in the primary market area which have physical occupancy rates of less than 90% and which compete for the same tenant base…”
- Application will “fail” this requirement if DCA determines the property will have an adverse financial impact on existing LIHTC and/or HOME properties within or close to the PMA.
- Demand for units in the PMA and timing of properties coming on line will be relevant.
2019 Scoring Process

Scoring Review and Appeals

- Release of preliminary scores
- Applicants have 7 days to comment
- Release of Final Funding Selections
- Applicants not selected can request an informal reconsideration with DCA
- Applicants not selected after reconsideration may request a formal Appeal
- Reviews have **NO** effect on subsequent or future funding round scoring decisions
Introduction to the 2019 Qualified Allocation Plan

Moved and New Items

- Items moved from Scoring to Threshold
  - Integrated Supportive Housing
  - Sustainable Developments

- New items:
  - Bond Additional Threshold Requirements
  - Disaster Rebuilding Set-Aside: DCA may award 9% credits to up to 3 developments
Threshold Additions: Resident Engagement

- Required Services: Applicants must
  - Track resident participation and
  - Request resident feedback if participation declines

- Rehab Standards
  - Applies to occupied rehab
  - Applicant must source resident feedback on current building, amenities, operations, and services

Threshold Additions: Resident Engagement

- Relocation and Displacement of Tenants
  - Owner must provide advisory services for existing tenants
  - Conducted by an experienced third party or Project Participant staff member
Award Limitations

- Project Limitations
  - Flexible Pool: $950,000 → $1,000,000
  - Rural Pool: $850,000 → $900,000
- Applicants’ Ownership/Development interest in a maximum of two (2) selected projects in which the combined total Federal Credit cannot exceed $1,700,000 → $1,800,000

Geographic Limitations & Considerations

- Not considered in geographic limitations:
  - Selected CHDOs
  - Rural HOME Preservation Properties
  - Disaster Rebuilding Set-Aside
- Transformational Communities: Application less competitive if proposed within boundary already containing a Transformational Community initiative funded in 2017 or 2018
Recent Notice of Funding Availability (NOFAs)

- National Housing Trust Fund ($6.3 Million)
  - [https://www.dca.ga.gov/sites/default/files/fall_2018_fy17-18_nhtf_nofa_revised.pdf](https://www.dca.ga.gov/sites/default/files/fall_2018_fy17-18_nhtf_nofa_revised.pdf)
  - Deadline: Same for 9% and 4% deals (March 7)
- 2019 4% HOME NOFA ($12-$16 million HOME)
  - [https://www.dca.ga.gov/sites/default/files/2019_home_nofa_0.pdf](https://www.dca.ga.gov/sites/default/files/2019_home_nofa_0.pdf)
  - Deadline extended to March 4 by 4PM EST
Past NOFA

- 2019 9% CHDO NOFA ($3-4 Million HOME)
  - January 2019
  - 5 applications received - 2 Awarded

Disaster Funding– August 2018 HUD Notice

- Georgia Received $37,943,000 in CDBG-DR Funds
- $12.5 Million for Multifamily Housing
- 80% of funds (No less than $30,354,400) must be used in the following zip codes:
  - 31520 (Brunswick)
  - 31548 (Kingsland)
  - 31705 (Albany)
- Previous Awards and 2019 Set Aside
Path towards closings

- Government Shutdown & Delays
  - Alternate Financing
  - Meeting DCA's underwriting requirements
- 2018 9% Awards

Bond Update

February 28, 2019
### Bond (4% Tax Credit) Development

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<th>Affordable Units</th>
<th>Total Units</th>
<th>Tax Exempt Bond Amount</th>
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<td>407</td>
<td>408</td>
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<td>2014</td>
<td>1,669</td>
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<td>2015</td>
<td>1,174</td>
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<td>2016</td>
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<td>2017</td>
<td>5,104</td>
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<td>2018</td>
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### Bond Application Process Flow

- Pre-Application Review
  - 30 Days
  - 45 Days (Portfolio)

- Application Review
  - 75 Days
  - 105 Days (Portfolio)

- Drafting Letter of Determination 42 (M) Letter

- Applicant response to Waivers: Any “No” determinations from DCA
- Confirmation from DCA Bond Lead to submit Application?
2018 Bond Pre-Application Process

Pre-Application Review
30 Days; 45 Days (Portfolio)

1. Qualification Determination (QD)
   Output: QD Letter

2. Architectural Waivers
   Output: Waiver Letter*

3. Underwriting Waivers
   Output: Waiver Letter*

Clearance from Bond Lead

*If applicable

Finishing Reviews

Pre-Application Review
- 30 Days
- 45 Days (Portfolio)

Application Review
- 75 days
- 105 Days (Portfolio)

Drafting Letter of Determination 42 (M) Letter

- Applicant response to Waivers: Any “No” determinations from DCA
- Confirmation from DCA Bond Lead to submit Application?
2019 Bond (4%) Additional Requirements

- Extended Affordability Commitment: 5 Years
- Qualification Requirements:
  Projects seeking 4% Credits must have a Certifying Entity that is fully qualified as a developer and a general partner. A probationary participant cannot be the Certifying Entity

- 3 Buckets:
  - Economic Dev.: $469M
  - Housing Share $469M
  - Flexible Share $165M
- Amounts fixed until September 30, 2019
- Last 3 months of 2019:
  - All unused goes into one bucket

2019 Bond Allocation

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<td>Period #3</td>
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<td>Total State Cap</td>
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<td>$1,104,544,875</td>
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2019 Tax-Exempt Bond Allocation Formula

1/1/2019

2018 State Population = 10,519,475  ($105 per)  $1,104,544,875
2018 Bond Allocation

- $200 Million moved from GHFA to Local Reservation
- Transfers from Economic Share and Housing Share on (10/1/18)

Appraisal Issues

- Must Adhere to the 2019 QAP and Appraisal Manual
- Appraisals Required for:
  - 9% Apps: Identity of Interest Buyer/Seller
  - 4% Apps: All applications
- DCA must be an Intended User
- Date of Appraisal must be within 6 months of app submission
- Effective Date versus Report Date
Appraisal Issues

- Unit Mix should match appraisal and market study
- Common Area Units not correctly identified
- For improved properties include both land and building values
- Include land value and Value as Complete and Stabilized
- Land Only: Lesser of Sale Price or Appraisal Analysis

Land/Building Value

- Acquisition/Rehab – When Sale Price is less than Appraisal, See example below:
  - Appraisal: $1,000,000  Sale Price: $900,000
  - Land - 200,000 (20%)  Land - $180,000 (20%)
  - Building – 800,000 (80%)  Building: $720,000 (80%)
- When Appraisal is Less than Sale Price, Use Appraiser’s Value for Land and Building
Project Team Qualifications

Pre-App Requirement

- QD Review required during Pre-App for **ALL** Applications
  - 9% **New**!
  - 4% Bond
- Ensure project team is qualified **before** submitting application
- Opportunity to communicate with DCA staff re: questions
Certifying Entity

- Project Team must have Certifying Entity for the
  - General Partner and
  - Developer
- Must exercise effective control
  - Majority Interest
  - Managing Member

Experience

- 20% minimum interest in GP and/or Developer for 5 Successful LIHTC Projects (10 if Significant Adverse Event waiver)
- Participation from Allocation to present
- Completed since January 1, 2008
- Minimum 90% occupancy
- Cannot combine experience of different entities or Principals
Required for Each Qualifying Project

- Letter from Syndicator certifying role and interest (Partnership Agreement is not a substitute)
- 8609 forms or Certificate of Occupancy
- Applicant-certified trailing 12-month occupancy reports New!

Capacity

- Financial solvency
- Experience in similar developments
  - Size
  - Complexity
  - Scope
- If a joint venture, include the Partnership Agreement demonstrating effective control for the proposed project
Performance

- DCA will consider patterns of intermittent noncompliance or poor performance (adverse circumstances) in the development or operation of a LIHTC property
- Three year period prior to Application Submission
- Noted in Performance Questionnaire or in DCA files
- See 2019 QAP for examples

Compliance

- Substantial compliance with the following:
  - DCA Rules
  - Section 42 Program Requirements/Regulations
  - HOME Program Requirements/Regulations
- Significant Adverse Events
- Good standing letters only required if requested by DCA
Significant Adverse Event Waiver Request

- Requires Waiver Form **New!**
- Must be submitted during pre-app QD review
- Must include
  - Narrative and
  - Third party supporting documentation
- Requires ownership and development of 10 successful LIHTC projects

Grandfathering Determination

- Submitted documentation of experience in 2018 and received determination of “Qualified”
- Provide 2018 QD letter or applicable pre-app/app number
- Not required to submit experience documents for 2019
- Must complete all other sections of the Performance Workbook
Not Qualified - Partnering As a Certifying Entity

- Entities with insufficient experience:
  - Must partner with an experienced GP and Developer
  - May be subject to additional conditions or restrictions
  - Still subject to other parts of QD review

Probationary Participation

- Entities with material participation in at least 3 LIHTC projects but not requisite ownership or development experience
- Ownership or development experience in >2 but <5 Successful LIHTC projects
  - Additional documentation required
  - May be subject to additional conditions or restrictions
Desirable Activities/Undesirables

Desirable Activities: Changes in 2019

- **New!** Desirable Activities grouped into 4 major categories
- **New!** Child Care Service providers must hold a valid Dept. of Early Care and Learning license
Desirable Activities: Distance Requirements

- Maximum of 10 points, no limit to the number that can be sought
- Distance requirements for 1 point desirables:
  - Rural within 2 miles
  - Flexible Pool within 1.5 miles
- 2 point desirables must be within 0.5 mile for either pool

Desirable Activities: Documentation Requirements

- Driving and walking routes must be from Google Maps
- Desirable/Undesirable Certification Form
- Pictures of Desirables Not Required
Desirable Activities: Stable Communities

- Qualifying for 10 points may also allow points under some Stable Communities items
- Review the Stable Communities section

Undesirable Activities: USDA Food Deserts

- 2 points deducted if the site falls within a USDA Food Desert
- If a Supermarket does exists within a USDA Food Desert, document it on the Undesirables portion of the certification form
**Undesirable Activity: Mitigation**

- Provide evidence that mitigation will be completed prior to the project’s placed-in-service date
- Specifically identify the exact Undesirable and location
- General plans of mitigation in the proposed site community and area will **not** be considered

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**Desirable Activities: Common Mistakes**

- Google Maps Address is different than address on the Desirable/Undesirable Certification Form
- Incorrect Desirable address when using geo-coordinates
- Desirable route(s) over the maximum distance
Undesirable Activities: Common Mistakes

- Letter from Local Authority does not indicate:
  - The specific address of the Undesirable(s)
  - Undesirable(s) will be mitigated on or before PIS date

Best Practices – Helpful Hints

- Double-check all geo-coordinates and addresses
- Desirable names displayed on Google routes must match Certification Form
Flexible Pool – 5 points

- Owned by a local transit agency which has been strategically targeted by the agency to create housing with on-site or adjacent access to public transportation
- Resting along a transit line that follows a fixed route and fixed daily schedule available to the public every day of the week
- 1 point additional if serving a Family Tenancy
Flexible Pool – **4 points**

- Within 1 mile of a transit hub (a station that has 3 or more bus routes, rail options, and/or other affordable mass transit options)
- Resting along a transit line following a fixed route and daily schedule serving the public no less than 5 days per week
- 1 point additional if serving a Family Tenancy

Flexible Pool – **Varying Distances**

- 3 points: Sites within 0.25 mile of an established public transportation stop
- 2 points: Sites within 0.5 mile
- 1 point: Sites within 1 mile
Community Transportation Options

Rural Pool: On-Call Transportation – 2 Points

- Publicly operated/sponsored
- Available at least 5 days per week
- On-site pickup

OR

- Fixed-Route Service within 0.5 mile of Pedestrian Site Entrance

Community Transportation Options

- All routes must be sourced from Google Maps
- Transportation routes that run direct or express (no local routes) will not qualify for points
- On-call services must be operated or sponsored by a public entity
Common Mistakes: On-call Transportation website page is missing one or more of the following:

- Cost of service
- Relevant transit route
- Route schedule
- Webpage URL address

Common Mistakes: Transit Service/Authority letters missing:

- Cost of service
- Relevant transit route
- Route schedule
- Transit Authority/Service phone number and email address
Priority Point

Priority Point: Avoiding Mistakes

- If more than one property is designated, one in the Flexible pool and one in the Rural Pool, no points awarded for either.
- Development Teams or Members earning 5% or more of the Developer Fee cannot claim the Priority Point for more than one Development/Project.
Income Averaging and Extended Affordability

Income Averaging Background

- New minimum set-aside added to Section 42 in last year’s Consolidated Appropriations Act (Omnibus Spending Bill)
- Allows serving a broader population and deeper targeting
- Challenges include:
  - Market rate rent vs. 80% AMI in rural areas
  - Leveraged financing resource requirements
  - Use in properties with market rate units
Amendments to DCA’s Income Averaging Policy

- Allows IA in HOME properties provided the HOME units are fixed and none has a designated AMI percentage >60%
- Clarification of policy regarding monitoring of the AI set aside
- Equitable distribution of bedroom sizes among the designations
- Income Averaging Set aside Election
  - 2018 Awardees
  - 2019 9% Applicants
  - 4% Bond Applications

Income Averaging Rule: Match Size & AMI Mix

- Income limits must be
  - Equally distributed among bedroom sizes
  - Other than a single unit per AMI limit if necessary due to odd numbers
- DCA allows exceptions to:
  - Facilitate HUD 811 units or other supportive housing
  - Reduce relocation impact in occupied rehab properties
  - Comply with the requirements of project-based assistance
**Income Limits Must Be Equally Distributed**

Example 1 passes DCA’s rule: At Different AMIs, share of 30% units among 1BRs is the same as the share of 30% units among 2BRs, etc.

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<th>Count</th>
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<td>30</td>
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**Income Averaging: Match Size Mix & AMI Mix**

Example 2 fails DCA’s rule: 80% AMI is more heavily represented than 30% AMI for 3BR.

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<th>AMI</th>
<th>Bedrooms</th>
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<td>33.33%</td>
<td>-</td>
</tr>
<tr>
<td>50% AMI</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>40% AMI</td>
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<tr>
<td>30% AMI</td>
<td>-</td>
<td>50.00%</td>
<td>50.00%</td>
<td>16.67%</td>
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<tr>
<td>20% AMI</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
</tr>
</tbody>
</table>
Income Averaging: Match Size Mix & AMI Mix

Example 3 passes DCA's rule: Matching percentages are required unless the total # of units necessitates a single unit difference

Table (Part VI- Revenues & Expenses Core App) automatically calculates the distribution of AMI across bedroom types
Income Averaging: Match Size Mix & AMI Mix

- On or before May 13, applicants may submit their proposed unit mix to hfdround@dca.ga.gov for DCA review
- One advance review allowed per application

Deal Structuring Considerations

- Can be used with HOME and bond deals
- HOME units must be fixed (not floating) and cannot have a designated AMI percentage >60%
- Designations must be made at application and cannot change
Preservation (Impediments)

- Ownership changes without DCA consent
- Noncompliance & deteriorating properties
- Applying for Qualified Contracts

Qualified Contracts (QC) Requests

- 19 Final QC requests submitted (2017 & 2018)
  - 10 kept affordable
  - 2 were withdrawn
  - 7 still in the QC period
- Approximately 2,759 of 3,130 LIHTC units have been converted to market units via QC
- Many thousands more in prior years
- Displacing low income residents is contrary to DCA’s mission
Extended Affordability Commitment

- Changes:
  - A. Waiver of QC Right
  - C. Waiver of QC Right and Right of First Refusal
  - No change: B. Tenant Ownership

Waiver of QC Right Changes

- For every 5 additional years owner agrees to waive the QC right after the Compliance Period, application earns an additional point
- Applicants eligible for up to 3 points (waiving QC right for full Extended Use Period)
Qualified Contracts: Updated Policy

- Completed 8609s with Part II completed
- Increased QC fee
- All documents are due at the time of the QC submission
- Property must be listed and marketed by an Approved Broker
- A DCA selected CPA will calculate the QC Price
- 100% unit inspection
- All fees will be passed on to the owner

Right of First Refusal (ROFR)

- New! Owner commits to provide a ROFR to a nonprofit or a local housing authority should the owner transfer ownership interest prior to the end of the Extended Use Period
- Points for ROFR can only be earned if applicant also agrees to one of the QC waiver commitments in category A.
ROFR Process

- Potential nonprofit/PHA buyers have up to 6 months to make an offer at the maximum purchase price
- Maximum purchase price is capped at fair market value, determined by appraisal
- Full process is detailed in Exhibit B to QAP Appendix II

ROFR Clarifications

- **Question**: “Does this give a nonprofit/PHA the right to purchase the property even if I don’t want to sell?”
- **Answer**: No, under DCA’s ROFR process, the nonprofit/PHA right to purchase is only triggered if the owner chooses to sell
Extended Affordability: ROFR clarifications

- **Question:** “If I transfer ownership in order to resyndicate, will I have to sell to a nonprofit?”
- **Answer:** No. Ownership transfers related to LIHTC resyndication will not trigger the ROFR process.

- **Question:** “Can I get these points if I am a for-profit sponsor?”
- **Answer:** Yes, all applicants are eligible for the additional point.
Point-Claiming Eligibility

- Applicants are ineligible to claim points in either Scoring Sections VII. Revit./Redevelopment Plans or VIII. Community Transformation
- If claiming points in either Scoring Sections VI. Place-Based Opportunity or IX. Stable Communities

Revitalization Plan Criteria

- Clearly delineate a Targeted area within a Local Government boundary that includes the proposed site but does not encompass the entire surrounding city, municipality, or county
- Solicit public input and engagement during its creation
- Discuss housing as a goal of the CRP
Revitalization Plan Criteria (Continued)

- Include an assessment of the community’s existing infrastructure
- Designate implementation measures along with specific timeframes and funding sources
- Be officially adopted, approved, or re-approved by a Local Government within five (5) years of Applicant Submission

2019 Community Transformation

- Point eligibility

<table>
<thead>
<tr>
<th>Cannot claim points in</th>
<th>Must claim 3+ points in</th>
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<tbody>
<tr>
<td>VI. Place-Based Opportunity</td>
<td>V. Enriched Property Services</td>
</tr>
<tr>
<td>IX. Stable Communities</td>
<td>VII. Revitalization/Redevelopment Plans</td>
</tr>
</tbody>
</table>

- Pre-app responsibilities removed in 2019 QAP
2019 Community Transformation

- DCA will select up to 5 Applicants (3 Flexible, 2 Rural)
- Applicants must:
  - Secure commitment from potential Community Quarterback Board members
  - Commit to undertaking Community Outreach and Engagement
  - Complete a Community Transformation Plan

Community Quarterback Board

- At least one-third: low-income residents or representatives of low-income neighborhood organizations (Signatures)
- At least one-third: public officials or Local Government employees (Letters of Commitment)

<table>
<thead>
<tr>
<th>Representative</th>
<th>Req’d for Family</th>
<th>Req’d for Senior</th>
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<tr>
<td>Education</td>
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<td></td>
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<tr>
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<td>Transportation</td>
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<td>X</td>
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<tr>
<td>Health services</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Local Government</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Criteria for Selecting Community-Based Developers

- Partnerships with at least 2 community nonprofits resulting in measurable improvements to community/resident outcomes
- Participated/led philanthropic activities benefitting community
- If applicable, selected by Local Government through RFP
- Secure commitment of funds to support community transformation
- Equitable geographic allocation

Equitable Geographic Allocation

- Applicants will be rated less competitively if the development proposed is within a Local Government boundary already containing a Transformational Community initiative funded in 2017 or 2018
- In those cases, the Community-Based Team associated with the original Transformational Community initiative must be on the Community Quarterback Board
Transformational Communities: 2017 & 2018

<table>
<thead>
<tr>
<th>Name</th>
<th>City</th>
<th>County</th>
<th>Year</th>
</tr>
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<tr>
<td>Tindall Fields II</td>
<td>Macon</td>
<td>Bibb</td>
<td>2017</td>
</tr>
<tr>
<td>Tindall Fields III</td>
<td>Macon</td>
<td>Bibb</td>
<td>2018</td>
</tr>
<tr>
<td>National Church Residences at Ash Branch</td>
<td>Pembroke</td>
<td>Bryan</td>
<td>2018</td>
</tr>
<tr>
<td>Live Oak Landing</td>
<td>Savannah</td>
<td>Chatham</td>
<td>2017</td>
</tr>
<tr>
<td>Breakers at Trion</td>
<td>Trion</td>
<td>Chattooga</td>
<td>2017</td>
</tr>
<tr>
<td>White Circle Ph 3</td>
<td>Marietta</td>
<td>Cobb</td>
<td>2017</td>
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<tr>
<td>Trinity Walk Ph III</td>
<td>Decatur</td>
<td>DeKalb</td>
<td>2017</td>
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<tr>
<td>Grove Gardens</td>
<td>Atlanta</td>
<td>DeKalb</td>
<td>2017</td>
</tr>
<tr>
<td>Altoview Terrace Apartments</td>
<td>Rome</td>
<td>Floyd</td>
<td>2018</td>
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<tr>
<td>Quest Commons West</td>
<td>Atlanta</td>
<td>Fulton</td>
<td>2017</td>
</tr>
<tr>
<td>Brunswick Commons</td>
<td>Brunswick</td>
<td>Glynn</td>
<td>2018</td>
</tr>
<tr>
<td>Peaks of Oakwood</td>
<td>Oakwood</td>
<td>Hall</td>
<td>2017</td>
</tr>
<tr>
<td>240 Atlanta St Dev P3</td>
<td>Gainesville</td>
<td>Hall</td>
<td>2017</td>
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<td>Chandler Trace</td>
<td>Hartwell</td>
<td>Hart</td>
<td>2017</td>
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<td>WR Redev Ph I</td>
<td>Warner Robins</td>
<td>Houston</td>
<td>2017</td>
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<td>Clarlin School</td>
<td>Columbus</td>
<td>Muscogee</td>
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<tr>
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<td>2017</td>
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<td>Fort Valley</td>
<td>Peach</td>
<td>2017</td>
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<tr>
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<tr>
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<td>Abbington Linwood</td>
<td>LaFayette</td>
<td>Walker</td>
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<tr>
<td>MainSt Walton Mill</td>
<td>Monroe</td>
<td>Walton</td>
<td>2017</td>
</tr>
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</table>

XV. DCA Community Initiatives

- If GICH letter is from alumni, must be **certified**
- Alumni GICH teams which have not successfully completed a GICH Alumni Certification application within the previous two years are ineligible for the point
- Alumni communities which were not certified in 2018 but successfully complete the recertification process by April 1 will still be eligible for DCA Special Initiatives points
- Removed B. Designated Military Zones point
<table>
<thead>
<tr>
<th>Non-Certified Alumni</th>
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<tbody>
<tr>
<td>Americus/ Sumter County</td>
<td>Douglasville</td>
<td>Nashville</td>
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<tr>
<td>Auburn</td>
<td>Eatonton</td>
<td>Perry</td>
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<tr>
<td>Brunswick</td>
<td>Fort Valley</td>
<td>Porterdale</td>
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<tr>
<td>Calhoun</td>
<td>Gainesville</td>
<td>Rincon</td>
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<tr>
<td>Camden County</td>
<td>Greensboro</td>
<td>Roswell</td>
</tr>
<tr>
<td>Cartersville</td>
<td>Harlem</td>
<td>Sandersville/Tennille/ Washington County</td>
</tr>
<tr>
<td>Colquitt</td>
<td>Hawkinsville</td>
<td>Thomson/McDuffie County</td>
</tr>
<tr>
<td>Cordele</td>
<td>Lithonia</td>
<td>Tifton</td>
</tr>
<tr>
<td>Covington</td>
<td>Metter</td>
<td>Toccoa</td>
</tr>
<tr>
<td>Dalton</td>
<td>Milledgeville</td>
<td>Washington</td>
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<td>Douglas</td>
<td>Moultrie</td>
<td>Waycross</td>
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Cost Containment
Cost Reasonableness

<table>
<thead>
<tr>
<th>Scoring Round</th>
<th>LIHTC Reserved</th>
<th>Total Units</th>
<th>Affordable Units</th>
<th>LIHTC Per Unit</th>
<th>LIHTC Per Affordable Unit</th>
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<tr>
<td>2014</td>
<td>$23.3 million</td>
<td>2,412</td>
<td>2,203</td>
<td>$9,674</td>
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<tr>
<td>2015</td>
<td>$27.1 million</td>
<td>2,668</td>
<td>2,495</td>
<td>$10,174</td>
<td>$10,879</td>
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<tr>
<td>2016</td>
<td>$24.9 million</td>
<td>2,621</td>
<td>2,005</td>
<td>$9,511</td>
<td>$12,433</td>
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<tr>
<td>2017</td>
<td>$24.7 million</td>
<td>2,359</td>
<td>1,932</td>
<td>$10,486</td>
<td>$12,804</td>
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<tr>
<td>2018</td>
<td>$27.5 million</td>
<td>2,385</td>
<td>2,201</td>
<td>$11,466</td>
<td>$12,528</td>
</tr>
</tbody>
</table>

2018 Competitive Round - New Construction

- Average Costs for submitted applications:
  - $12.9 Million Total Development Costs ($191K per unit)
  - $8.4 Million Hard Construction Costs ($125K per unit)
  - 65% Hard Construction Costs
  - $174 TDC/sq. ft ; $114 Hard Cost/sq. ft
- Development Size: 68 units (62 affordable units)
- Average LIHTC Request: $834K
2019 Cost Limit Areas

Cost Reasonableness

- Different Areas
- Different Cost Limits
- Different Property/Site Characteristics
- Line Item Outlier Analysis:
  - Hard & Soft Costs
  - Unit Sizes, Residential Area, Common Space
Underwriting & Feasibility

HOME Consents — Scoring Criteria

- Criteria 1:
  - Both the Owner and Developer entity currently own and have developed 5 HOME properties
  - Total HOME Properties Developed
- Criteria 2: Selected General Contractor will be payment and performance bonded
- Criteria 3: Rural pool - no debt other than DCA HOME
HOME Consents – Scoring Criteria

- Criteria 4: Flexible pool - HOME loan is in senior/first position throughout the loan term
- Criteria 5:
  - HOME loan is fully amortizing in Flexible Pool
  - Loan terms does not exceed 30 years
  - Preference for 20-year term and amortization loan

Flexible Tiebreakers

- Exhibit the greatest ability to further DCA’s fair housing goals will be given a preference
- DCA will evaluate the fair housing impact of a property using the combined tools listed under the Stable Communities and Quality Education Areas scoring sections
Rural Tiebreakers

- Exhibit a strong record of DCA HOME performance
- Factors include:
  - Number of DCA HOME loans
  - Timely HOME payments over past thirty-six months
  - Strong compliance history
  - Have received fewer than 3 HOME Loan Awards within the previous 3 competitive rounds

HOME Consents – Geographic Limitations

- DCA will limit awards in HOME Participating Jurisdictions to 30% of HOME funds available in the 2019 round
- Rural Pool – At least:
  - 60% of the available HOME funds
  - 50% for a senior tenancy
  - Only 1 HOME consent per County
CDFI Coalition Revolving Fund (CCRF)

- DCA made a $8M grant to the CCRF from recycled TCAP to finance housing projects for families below 80% AMI
- The first $8 million dollars in loans (Round One) from the Fund will support 4% and 9% LIHTC transactions

Deeper Targeting

- 2 points awarded with an overall property AMI equal to or less than 58%
- Applicants may do so by utilizing
  - Income Averaging
  - 40% at 60%
- PBRA and public housing units can be used to claim points
Local Government Fee Reasonableness

- Must provide supporting documentation and/or calculations.
- Development budget must include all documented water tap, sewer tap, impact, and building permit fees (cannot be part of General Requirements).
- Including fees that are not required by the local government at the time of application will result in a loss of points.

Operating Expenses

- Annual budgeted operating expenses must be no less than:
  - $5,000 per unit for projects within Atlanta,
  - $4,500 per unit for projects in MSA other than Atlanta,
  - $3,750 per unit for Rural projects in an MSA,
  - $3,250 per unit for non-MSA Rural projects, and
- DCA will determine the reasonableness of operating expenses for USDA 515 projects.
Rental Assistance

- Projects with PBRA with **less than 10 years remaining** from Application Submission Date must be underwritten within the maximum LIHTC and/or HOME rents (as applicable)
- All units with High HOME rents and PBRA must be underwritten at the maximum HOME rent **NOT** the PBRA rent

Financial Adjustments

- DCA may correct minor errors or make minor adjustments (financial or otherwise) to the Application
- The first will not result in a point deduction
- 1 point deducted for Applications requiring 2-4
- Each additional results in a 1 point deduction
Common Mistakes

- Front-End Cost Review Fee not included in Part IV Uses
- Fees in Part IV Uses do not match fees in commitments
- Describe commitment fees in Part IV Uses narrative box (failure to do so risks financial adjustment)
- Market Units must be financed with unrestricted financing: the % should match the % of Market Units

Construction & Federal Compliance Services
Conceptual Site Development Plan Cover Sheet

Application must include
DCA’s Site Plan Cover Sheet Template

2019 QAP Changes

- **Threshold XI: Operating Utilities Minimum Documentation:**
  Letter must be dated **within 6 months** of Application Submission

- **Threshold XVII: Accessibility Standards:**
  Provide at least two training sessions (one on-site) to the **Architect, General Contractor, Job Superintendent, and a rep of every subcontractor group** that will affect accessibility (grading, concrete, framing, electrical, plumbing, sheetrock, and cabinetry) regarding accessibility requirements
Changes (Continued)

- **New! B. Sustainability Building Certification**
  - Applicants must commit to obtaining one of four sustainable building certifications:
    - EarthCraft (Multifamily, House, and Sustainable Preservation)
    - Enterprise Green Communities
    - LEED for Homes
    - National Green Building Standard

Changes (Continued)

- **Threshold XXV: Relocation and Displacement of Tenants**
- **New!** Advisory services requirement added
  - Third party: nonprofit, advocacy group, relocation specialist or local government
  - Prior experience in face-to-face community engagement with the tenancy served
New! B. Parking: Parking areas must be concrete, asphalt paving, or pervious pavement (porous asphalt, plastic grids, permeable interlocking concrete pavers, permeable clay brick pavers, resin-bound paving, bound recycled glass porous pavement) and have curbs
Building Interiors Design Standards

New! H. Additional Requirements: Cable outlets must be provided in the main living area and in all bedrooms

Provide one internet router outlet

Rehab Guide, Specific Systems Replacement

New! Site Utilities: The DCA Rehabilitation Work Scope form must contain a budget line item to investigate (including with remote imaging) and repair or replace all main utility lines on the property, regardless of age
Amenities Guide

- **Deleted**! Equipped walking path with exercise stations
- **New**! **Exterior Gathering Area**
  - One bench for every 25 units
  - Exterior Gathering Areas must be separate from the Equipped Playground observation area

Amenities Guide

- **New**! **Fenced Community Garden**: Post garden availability for residents, rules and safety guidelines at garden entrance
- **New**! **Equipped Computer Center**: One operable computer for every 25 units and WiFi accessibility (replaced every 5 years)
Common Mistakes

Site Information and Conceptual Site Development Plan

- Areas of all tree and vegetation preservation not clearly defined on map
- Ground level photos do not include date stamp verifying pictures were taken within 6 months
- Aerial color photo or most recent satellite images don’t show
  - The date the photo was taken (6 months or less)
  - Approximate site boundaries and adjacent land issue
Common Mistakes

Pre-app waiver request
- Not submitted according to instructions
- No supporting documentation
- Waiver fees not submitted with waivers

Construction / Federal Compliance Roundtable
March 19, 2019
9:00 AM – 12:00 PM
Limited Space!
Starting on Monday March 4th please RSVP:
Amber.Riley@dca.ga.gov
Resident Engagement for Occupied Rehab Properties

- After award, owners must use at least 2 engagement methods to source resident feedback on
  - the current building, amenities, operations, services; and
  - what residents would change
- Methods include workshops, charrettes, poster sessions, site walks, surveys, and meetings
Mutual Learning Opportunity

- Leverages broad, local knowledge and preferences (beyond PNA)
- Positive financial impact (lower maintenance costs and turnover rates)
- Get out of it what you put in

Intentional Process Enhances Value

- Who? Enabling, accessible facilitators who value residents’ input and translate lingo
  - Must be engagement experts; can rely on 3rd party
  - Who to engage? Diverse representation, can include site staff
- Select diverse methods; use a fun, active and collaborative space
  - Tools and Guides in Rehab Manual, Appendix II
- When? Accommodate residents’ varied schedules
Clarify Expectations

- Developers incorporate (or propose to do so) input if it is reasonable and feasible
- Notify residents of what is and isn’t incorporated, and why (can use REOH form)

Timeline

<table>
<thead>
<tr>
<th>Pre-App</th>
<th>Full App</th>
<th>After LoD</th>
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</thead>
<tbody>
<tr>
<td>identify facilitator → conduct engagement → are proposals reasonable &amp; feasible? → Y – incorporate in App</td>
<td>Y - incorporate in App</td>
<td>Y - incorporate in App</td>
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<tr>
<td>4%</td>
<td>Full App</td>
<td>After LoD</td>
</tr>
<tr>
<td>identify facilitator → conduct engagement → are proposals reasonable &amp; feasible? → N – do not incorporate</td>
<td>N – do not incorporate</td>
<td>N – do not incorporate</td>
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</table>

<table>
<thead>
<tr>
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<th>After Carryover</th>
<th>60-day Submission</th>
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</thead>
<tbody>
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<td>identify facilitator, submit minimum doc → conduct engagement → is change in plan reasonable &amp; feasible? → Y - submit REOH Form + PCC (if needed)</td>
<td>Y - submit REOH Form + PCC (if needed)</td>
<td>Y - submit REOH Form + PCC (if needed)</td>
</tr>
<tr>
<td>9%</td>
<td>Full App</td>
<td>After LoD</td>
</tr>
<tr>
<td>receive DCA response</td>
<td>notify tenants</td>
<td>notify tenants</td>
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 Timeline

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<th>60-day Submission</th>
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</thead>
<tbody>
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<td>Y - submit REOH Form + PCC (if needed)</td>
<td>Y - submit REOH Form + PCC (if needed)</td>
</tr>
<tr>
<td>9%</td>
<td>Full App</td>
<td>After LoD</td>
</tr>
<tr>
<td>receive DCA response</td>
<td>notify tenants</td>
<td>notify tenants</td>
</tr>
</tbody>
</table>
HUD 811 Rental Assistance

What’s the 811?

- Threshold Requirement for all developments (9% & 4%)
- Designate 10% of total units to be utilized by households with disabilities through 811 or a similar program
- Application must include a commitment to designate units for 811
- Why? To help create more community integrated low income housing units for individuals with disabilities
811 Pre-Lease Timeline

- Step 1: Contract with DCA at 50% completion
- Step 2: Notify DCA when pre-leasing
- Step 3: Process referrals
- Step 4: House appropriate referrals
- Step 5: Receive subsidy

811 Timeline

- Timeline – Already in Service
  - Step 1: Contract with DCA
  - Step 2: Notify DCA when there is a vacancy
  - Step 3: Process referrals
  - Step 4: House appropriate referrals
  - Step 5: Receive subsidy
- A 60-day vacant unit payment may be enacted if DCA needs more time finding households to fill the units
811 Considerations

- Property location matters: urban areas have greater need because that is where resources are located
- Many households have single individuals
  - New processes to increase referrals for households with disabilities
  - Still a great need for one-bedroom units

HUD 811 Updates

- Population Expansion: this is for individuals with all types of disabilities that could affect their housing
- Lease in Place
  - DCA One Day Approval and Leasing Program
  - Properties can refer eligible individuals as well to receive subsidy and/or waitlist referral
HUD 811 Updates (Continued)

- 811 Annual Owners Certification
- Increasing amount of Service Providers
  - Enrolling more throughout the State through the expansion
  - Assist 811 to provide more referrals and tenancy supports

Compliance Performance
Significant Adverse Event (SAE) Waiver Form

- **New!** SAE Waiver form required as part of Pre-App
  - Form is available within the Performance Workbook
  - SAEs with a granted waiver still assessed a 5 point deduction for each SAE in this scoring section
- No fee charged for SAE waivers

---

Significant Adverse Event (SAE) Waiver Form

- Each SAE waiver request requires a separate waiver form
- Must be filed within the same Pre-App folder (Qualification) contains the Performance Workbook
- For previously approved SAE waivers, the DCA approval letter must be submitted in the same folder with the Performance Workbook
Performance Workbook Changes

- New! Significant Adverse Event Waiver Form tab
- New! Management Company info requested on questionnaire
- New! Separate tab for Georgia DCA Successful Properties owned – Compliance History List to be used to claim add-back points in the Compliance Performance – Scoring Section

Common Mistakes

- Failure to provide a minimum of 30 days advance notice to DCA and/or obtain pre-approval of a Management change or Ownership change
- AOC filings late (if filed after 3/1/19) or are incomplete
- Late cost certifications
- Mitas setup/registration of property and data not completed before placing in service/lease-up
- Mitas upload of transactions is not current, must be done by the 10th of each month, and must be complete
Common Mistakes (continued)

- Property name differs in Georgia Housing Search, Mitas and the Performance Workbook CHS listing, DCA unable to verify
- 8823s and/or uncured findings of noncompliance
- Failure to pay DCA fees such as; Compliance Monitoring, Allocation, Asset Management etc. – penalty assessed if not paid before application date
- Amenities listed on LURC/LURA not provided or available as required

Introduction to Portfolio Management
Meet the Team

<table>
<thead>
<tr>
<th>COMPLIANCE</th>
<th>ASSET MANAGEMENT</th>
<th>POLICY &amp; EXTERNAL DEVELOPMENT</th>
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<tbody>
<tr>
<td>Joanna Jin</td>
<td>Leonard Newsome</td>
<td>Merranda James</td>
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<tr>
<td>Thaphony Dumas</td>
<td>Jeff Gevertz</td>
<td>Tarron Gibbs</td>
</tr>
<tr>
<td>Henrietta Harmon</td>
<td>Stephen Vlkovic (Manager)</td>
<td>Patricia Kokotan</td>
</tr>
<tr>
<td>Vanessa Saint-Louis</td>
<td></td>
<td>Gwen Walton</td>
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<tr>
<td>Angela Lowery (Manager)</td>
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<td>Denise Farror (Manager)</td>
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<th>PORTFOLIO MANAGEMENT</th>
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<tbody>
<tr>
<td>Nick Sexton (Legal Consultant)</td>
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<tr>
<td>Jill Cromartie (Director)</td>
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</tbody>
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Goals of Portfolio Management

- Increased stewardship
  - Physical
  - File
  - Financial
- PODS
- Tailored compliance monitoring
- Risk based portfolio and property scoring
- Training
Properties by Management Companies

- 86% of Mgt Companies w/4 Properties or Less
- 14% of Mgt Companies w/5 Properties or More

Annual Owner Certification Updates

- Forms simplified
- Any version before or after Feb 1 is OK to submit
- Released February 1, 2019
- HUD 811
- 8823

**SUBMISSION DEADLINE IS MARCH 1, 2019**
Income Averaging

Compliance Monitoring Policy

- What kind of reporting will be required
- Required training for management companies
- Impact of general unit non-compliance
- Next available unit compliance
- How will DCA monitor this new set-aside?
DCA Monitoring – Federal Compliance

- Minimum set-aside: at least 40% of the LI units are rented at their designation, which must average to 60%
- Applicable Fraction: a unit becoming “unqualified” is an applicable fraction issue
- Income compliance
- Rental rate compliance

DCA Monitoring – State compliance

- Parity
- Reporting
- Designations
- Management Company Preparedness
  - Staff training
  - Written Policies & Procedures: Recertifications, Transfer Requests, Waitlist Procedures, Marketing plans
Income Averaging Kick-Off Workshop
March 14, 2019
1:30 – 3:30 pm
Limited space - Register Now!

External Training and Development
Forward Thinking Compliance Strategy

Always

Add

Value

Pathways to Adding Value

- Training Curriculum
  - Test Out/Test Down Training
  - Short eLearning bursts
  - Engagement

- Platforms
  - Virtual meetings, webinars, & online library
  - Statewide venues
  - DCA Central Office training
Pathways to Adding Value

- Continuous Development
  - Clear expectations
  - Common goals
  - Consistent information sharing and guidance
  - Accountability
  - Open lines of communication

Upcoming Events

- MITAS Training  March 7th
- Income Averaging Kickoff  March 14th
- GAHC Coalition Conference  March 27th
BLAST!

- Bi-Monthly E-newsletter
  - Policy Updates
  - Compliance Corner
  - 811 Basics
  - Training Opportunities
- SIGN UP & READ!
What is Asset Management?

- Portfolio Management Goals
  - Ensure compliance with all programs (Includes Section 42 and HOME regulations)
  - Mitigate risk and preserving our assets
  - Accomplished through the monitoring of property files along with the physical and financial health of a property

On The Horizon...

- Performance Stats
- Periodic submission of property financials (all properties)
- Changes to:
  - Management Company Approval Process
  - Project Concept Changes
  - Qualified Contracts
Performance Stats

Objective Metrics
- Occupancy rates
- Physical condition
- File reviews
- DCR and Cash Flow
- Operating and Replacement Reserves

Subjective Metrics
- General Partner responsiveness
  - Advance notices required by DCA of owner and management changes
- Management Company responsiveness
- Timely reporting
  - Monthly MITAS reporting, AOC filings, Notice of Casualty Losses, etc.
Project Concept Changes (PCCs)

Any request to change a material component of a deal that deviates from the original application and LURA/LURC obligations

Examples of PCCs

- Ownership interest changes
- Management company approvals
- Amenities and services changes, unit designations and other changes
- Requires extensive review
- Current PCC processing fee = $1,500
Management Company – Approval Process

- 30 days advance notice is required for Management Change approvals
- Process requires a thorough review of incoming management company
- In early 2019 a fee will now be charged for processing Management approval requests
- Third party management companies are required to hold a valid real estate brokerage license; DCA will verify licensure

Impact of Non-Compliance

- Competitive round scoring: One (1) point deduction
- Restricts new business
  - Owner
  - Management Company
- Administrative Non-Compliance (Reporting)
Workshop Q&A
(open mic)

Return your badges!