

2020 QAP Application Workshop



February 11, 2020

Introductory Notes

- ❑ The slideshow posted to the DCA website includes some QAP content slides that were not presented at the 2020 QAP Workshop on February 11, 2020. These additional slides largely provide additional information on topics already covered at the workshop, rather than introducing new topics.
- ❑ **(Disclaimer)** The 2020 QAP Workshop slides are primarily intended to help applicants navigate changes from the 2019 to the 2020 QAP. The slides are a supplement, not a substitute, for the 2020 QAP. If the slides in any way deviate from 2020 QAP provisions, the 2020 QAP governs for purposes of the 9% HTC Competitive Round.
- ❑ Applicants with any questions related to the 2020 9% HTC Competitive Round should email hfdround@dca.ga.gov.

Agenda

☐ Morning:

- Opening remarks
- Workshop overview
- Update from Office of Housing Finance Directors
- Team-specific presentations: 2020 changes and common issues
- External partner presentations
 - State Historic Preservation Office
 - Federal Home Loan Bank of Atlanta

☐ Afternoon:

- Finish presentations
- Q&A

2019 Application Round Summary



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2019 Application Round Summary – 29 Awards

- ▣ 63 New Construction Applications Submitted
- ▣ 29 Awards (46% of applications)
 - ▣ \$25.1 Million in 9% Credits

2019 Application Set Asides – 10 awards

- ▣ 9% HOME CHDO NOFA
 - ▣ 5 Applications received
 - ▣ 2 Applications awarded
- ▣ CDBG-DR NOFA
 - ▣ 10 Applications received
 - ▣ 4 Applications awarded
- ▣ Rural HOME Preservation
 - ▣ 4 Applications received and awarded

2019 9% Awards – 39 Awards

- ▣ 39 Awards
 - ▣ 29 Comp. Round
 - ▣ 10 Set Aside
- ▣ 2,788 units

Mistakes from 2019 Scoring Round

- ▣ 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
- ▣ Markets units Costs
 - ▣ Any and all costs directly associated with developing unrestricted units must be covered by unrestricted financing sources. The market rate units to total unit percentage must be less than or equal to the unrestricted permanent financing to total development cost percentage. Deferred developer fee is considered an unrestricted financing source for purposes of this section

Market Threshold – Existing Properties

- ❑ No more than two (2) DCA funded projects in the primary market area which have physical occupancy rates of less than 90 percent and which compete for the same tenant base as the proposed project.
 - ❑ Both 9% and 4% Applications apply
- ❑ 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 online will be relevant

Market Area - Competing Applications

- ❑ If more than one project receives a competitive score in the same market area and will serve the same tenancy, DCA will select the higher scoring Application.
- ❑ For purposes of this subsection, Family, Elderly, HFOP, and Other are each distinct tenancies.

Market Area - Competing Applications

- ❑ 2019 Columbus Market Area
- ❑ 3 Properties Submitted with Family Tenancy
 - ❑ Mill Village (2019-043) (Score-61) -Selected
 - ❑ Brennan Place (2019-042) (Score-56)- Not Selected
 - ❑ Harper Woods (2019-006) (Score-55)- Selected

Note: Cut-off for Flexible Pool was 54

Lesson Learned from 2019 Applications

- ❑ Rental Assistance Demonstration (RAD) & LIHTC (Displacement)
 - ❑ RAD – Existing tenants Right to Return
 - LIHTC designated Tenancy (Family & Senior)
 - Over-income tenants
 - Unit Bedroom Sizes (Current vs. Proposed)
 - Students
 - Owner Screening Criteria
 - 12 Month and 1 Day construction period – Permanently Displaced (Does not exempt from Right to Return requirement)

2019 Request for Reconsideration and Appeals

- ▣ 2 Requests for Reconsideration received.
 - ▣ 1 scoring decision overturned resulting in one additional award.
- ▣ No appeals

Introduction to the 2020 Qualified Allocation Plan



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Award Limitations

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

Geographic Limitations & Considerations

- ❑ Not considered in geographic limitations:
 - ❑ Selected CHDOs
 - ❑ Rural HOME Preservation Properties
 - ❑ Disaster Rebuilding Set-Aside

2020 Competitive Round General Information



February 11, 2020

2020 Important Dates to Remember

- | | |
|------------------------------|-------------|
| ❑ 4% NOFA Application Intake | February 17 |
| ❑ Pre-application | March 5 |
| ❑ Application Intake | May 21 |

2020 Available Resources - Credits

- ❑ 9% LIHTCs – est. \$25 Million for Competitive Apps
- ❑ LIHTC Set Asides:
 - ❑ General Set Aside – 1 deal (Possible 2020 & 2021 award) (Due at Pre-App)
 - ❑ CHDO NOFA – 2 deals
 - ❑ Rural HOME Preservation – up to 5 deals for \$1.5 Million in credits/\$375K Max Award
 - ❑ CDBG-DR – 2020 awards unlikely
- ❑ 9% Awards & GAP Funds (HOME only)
 - ❑ HOME - \$4-6 Million for Competitive Apps; \$4 Million for CHDO Set Aside
 - ❑ **DCA HOME funds no longer qualify for favorable financing**
 - ❑ NHTF not available for 9% Apps

2020 Scoring Process



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Scoring Review and Appeals

- ❑ All applications will be fully reviewed and scored
- ❑ Release of preliminary scores
- ❑ Applicants opportunity 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

2020 Q&A Process

- ❑ Q&A will begin February 11, 2020.
- ❑ DCA will post Workshop Specific Q&A responses.
- ❑ Q&A closings:
 - Last day to submit Scoring-related questions: April 21, 2020.
 - Last to submit any question: May 14, 2020.
- ❑ DCA posts answers to:
 - ❑ <https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/housing-tax-credit-program-lihtc/2020-qualified>

Waivers



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Waivers

- ❑ All the following Waivers must be submitted at Pre-Application (March 5, 2020) for 9% Applications:
 - ❑ Architectural (Amenities, \$25,000/Unit Rehab, etc.)
 - ❑ Underwriting (operating expenses, vacancy, etc.)
 - ❑ State Basis Boost
 - ❑ Significant Adverse Event
 - ❑ Applications that will require permanent relocation (New)

Cost Waivers

- ❑ 9% Applicants may submit Cost Limit Waivers at Application Submission or Pre-Application.
- ❑ If DCA denies a cost waiver submitted after the Application Submission deadline, the Applicant will fail Threshold.

NOFAs for 9% Credits Set Asides & Gap Funding

 Georgia Department of
Community Affairs

February 11, 2020

2020 9% CHDO NOFA

- ❑ Up to Two (2) 9% Credits Awards
- ❑ Up to \$4M in HOME
- ❑ Up to \$2M HOME per application
- ❑ NOFA in draft stage for CHDO partner comments
- ❑ NOFA planned for post-round (Nov/Dec)

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
- ❑ Eligibility:
 - ❑ Rural developments that have existing DCA HOME loan balances
 - ❑ Change: Does not have to be a previous 9% tax credit award

Rural HOME Set Aside: Requirements

- ❑ Must apply at Pre-Application
- ❑ Eligibility:
 - ❑ Must have PIS date between 1997-2002
 - ❑ Existing DCA HOME loan balance must be at least \$200,000
- ❑ Full requirements in Appendix I, XXII

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)
- ❑ 4 Awards made for 2019
- ❑ Do Not Submit for Disaster Set Aside during round

Bond Update



February 11, 2020

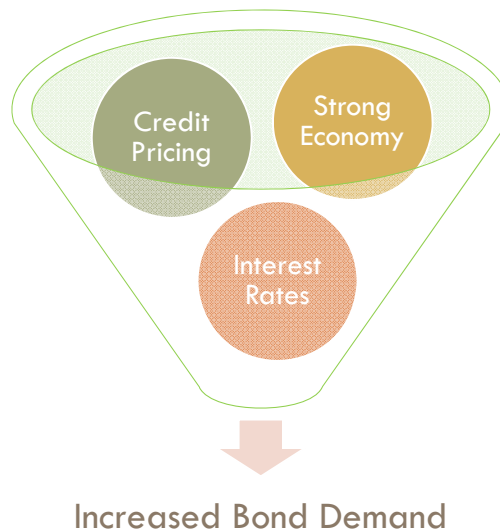
4% Notice of Funding Availability (NOFAs)

- ❑ 2020 4% HOME NOFA
 - ❑ HOME - \$26M
 - ❑ NHTF - \$2M
 - ❑ https://www.dca.ga.gov/sites/default/files/home-nhtf_nofa_jan28update.pdf
- ❑ Applications due February 17

Bond (4% Tax Credit) Development

Year (QAP)	Affordable Units	Total Units	Tax Exempt Bond Amount	Applications
2013	407	408	\$28 million	3
2014	1,669	1,711	\$87 million	25 (19 USDA Portfolio)
2015	1,174	1,174	\$69 million	7
2016	2,986	3,029	\$240 million	18
2017	5,104	5,127	\$410 million	60* (39 USDA Portfolio)
2018	~10,000	~10,000	\$1.0 billion	60 Stand alone
2019	~10,000	~10,000	\$1.1 Billion	67 pre-apps

Reasons for Bond Demand



2019 Bond Allocation Usage

- State Ceiling: 1,104,544,875
- Total Used: 1,068,445,000 (97% usage)
- Total Remaining year end: \$36 Million
- Multifamily Housing: 75% usage of \$1,068,445,000

2020 Bond Allocation

- 3 Buckets:
 - Economic Dev.: \$473M
 - Housing Share \$473M
 - Flexible Share \$167M
- Amounts fixed until September 30, 2020
- Last 3 months of 2020:
 - All unused goes into one bucket

2020 Tax-Exempt Bond Allocation Formula 1/6/2019

2019 State Population =	10,617,423	(\$105 per)	\$	1,114,829,415
Share	Available	Amount		Cumulative
Economic Development				
Period #1	1/1/20- 3/31/20	\$ 189,521,001		
Period #2	4/1/20- 6/30/20	\$ 189,521,001		
Period #3	7/1/20 - 9/30/20	\$ 94,760,500		\$ 473,802,501
Housing Share				
GHFA Reservation	1/1/20 - 9/30/20	\$ 293,757,551		
URFA Reservation	1/1/20- 9/30/20	\$ 90,022,475		
Local Reservation	1/1/20 - 9/30/20	\$ 90,022,475		\$ 473,802,501
Flexible Share				
	1/1/20 - 12/31/20	\$ 167,224,412		\$ 167,224,412
Total State Cap				\$ 1,114,829,415

Bond 101 - Housing Development

- ❑ Total State allocation is based on per capita calculation:
\$1,114,829,415
- ❑ Amounts available for housing development: \$473,802,501
 - ❑ GHFA Reservation (62%) - \$293M
 - ❑ URFA Reservation (19%) - \$90M
 - ❑ Local Reservation (19%) - \$90M

Possible Changes

- ❑ Non-URFA housing applications must include an LOD to reserve a bond allocation
- ❑ 2021 QAP adjustments and preferences

Other DCA Updates



February 11, 2020

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

CCRF | Overview

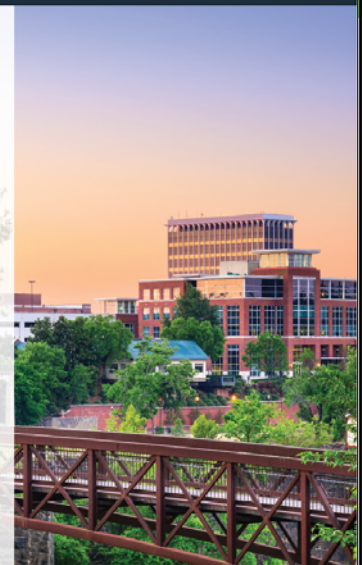
Providing Capital for Affordable Housing Across Georgia

The CDFI Coalition Revolving Fund (CCRF) is a coalition of five CDFIs across the State of Georgia. These collaborating organizations are certified by the U.S. Department of Treasury's CDFI Fund to provide financial services to low-income communities and to people who lack access to financing.

CCRF is comprised of the following CDFIs.

- The ANDP Loan Fund
- Enterprise Community Loan Fund
- NeighborWorks Columbus
- Reinvestment Fund
- Southwest Georgia United

In 2019, the Georgia Department of Community Affairs (DCA) granted CCRF \$8 million in Tax Credit Assistance Payment (TCAP) funds. The first round of capital is available to support the acquisition, construction and/or rehabilitation of multi-family affordable housing across Georgia. CCRF is currently providing financing for affordable housing developments that have received 4% or 9% Low-Income Housing Tax Credits.



CDFI Coalition Revolving Fund (CCRF)

□ Contact information:

Mandy J. Eidson

Loan Fund Manager, ANDP

meidson@andpi.org

□ <https://www.ccrfgeorgia.org/>

CCRF | Overview

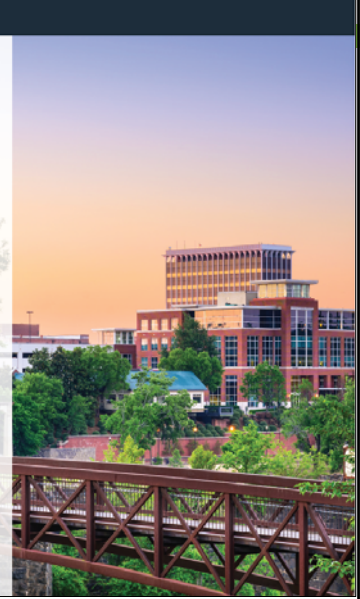
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Questions?

Georgia Department of
Community Affairs

February 11, 2020

Project Team Qualifications



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Requirement

- ❑ Project Team Qualifications may be reviewed at Pre-App or Application Submission for 9% Applications **New!**
- ❑ Project Team and Construction type must be finalized, not TBD, to receive QD review
- ❑ Pre-App Advantage - Ensure project team is qualified before submitting application
- ❑ Note that QD Review is still required during Pre-App for 4%/bond Applications

Overview

- ❖ Four Main Components
 - ❖ Experience (Certifying Entities only)
 - ❖ Capacity (Certifying Entities only)
 - ❖ Performance
 - ❖ Compliance

Certifying Entity

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

Experience

- ❑ 20% minimum interest in GP and/or Developer for 5 Successful Tax Credit Projects ("STCP") (10 if Significant Adverse Event waiver)
- ❑ Participation from Allocation to present
- ❑ Completed since January 1, 2009
- ❑ Minimum 90% occupancy
- ❑ Cannot combine experience of different entities or Principals

Required for Each Qualifying Project

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

Capacity

- ▣ Financial solvency
- ▣ Experience in similar developments
 - ▢ Size
 - ▢ Complexity
 - ▢ Scope

Performance

- ▣ DCA will consider patterns of intermittent non compliance 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 2020 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
- ❑ 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 2019 and received determination of “Qualified”
- ❑ Provide 2019 QD letter or applicable pre-app/app number
- ❑ Not required to submit experience documents for 2020
- ❑ 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

Significant Changes

- ▣ Project Teams may be reviewed during pre-app or Application Submission
- ▣ Credit & Criminal Release form, only required if requested by DCA

Construction: QAP Changes



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2020 QAP Changes

2020 Threshold – XIII. Required Amenities

A. Standard Site Amenities

- **Revised Definition!** The deletion below reflects not a change in definition, but was intended to direct applicants to the Amenities Guide within the Architectural Manual to see the full range of options.
 - 2. An accessible exterior gathering area ~~such as a gazebo or exterior covered porch~~ located in a central area.

Construction: Manual Changes



February 11, 2020

Architectural Manual Changes

- ▣ 2020 Architectural Manual Part 1 Architectural Standards
- ▣ 2020 Architectural Manual Part 2 Submission Requirements
- ▣ 2020 Architectural Manual Part 3 Amenities Guide
- ▣ 2020 Architectural Manual Part 4 Rehabilitation Guide

Architectural Standards

New Definition!

All DCA Hard Costs identified with “Contractor Services” are deemed to be work performed by the primary General Contractor. This Contractor work scope would be further defined in the Uses of Funds tab of the Owner’s Core application, DCA Rehabilitation Work Scope form, DCA Schedule of Values form and the executed agreement between the Owner and Contractor.

Architectural Standards (continued)

New Definition!

All DCA Hard Costs identified as “Other Construction Hard Costs” in the Core Application and elsewhere are deemed to be work managed directly by the Ownership. This Hard Cost category is intended for very limited use and would be a small percentage of the overall Hard Cost Budget.

“Other Construction Hard Costs” work scope must be identified and approved by DCA both at application and prior to construction commencement.

Amenities Guide

Clarification!

For New Construction Only:

All communities must provide washer and dryer “hookups” in each unit.

Rehabilitation Guide

Revised!

A minimum “dwelling unit” per unit hard cost budget of \$25,000.

NOTE: Hard costs eligible for this minimum “dwelling unit” per unit hard cost minimum requirement shall be limited to interior dwelling unit improvements and dwelling unit envelope work items that directly impact the quality of life of the resident. (windows, entry doors, unit insulation, balconies and patios only). Exterior wall cladding and roofs of residential structures, site improvements, common building systems, community building improvements, new community buildings, maintenance facilities, other common use structures, interior and exterior amenities and other similar items **ARE NOT** eligible to count towards the \$25,000 “dwelling unit” per unit hard cost minimum.

Rehabilitation Guide (continued)

New!

Miscellaneous General Notes:

- no tenant belongings shall remain in the unit during construction/renovation of the unit
- no residence move-in until 100% of the dwelling unit work scope is completed

Note: Applicant's may present a formal request for an exception for "in-place renovation" for DCA's consideration.

Rehabilitation Guide (continued)

New!

Dwelling Unit Interiors:

All dwelling units shall be rehabilitated to "as new" condition upon completion of work scope and move-in of new residents. This shall include 100% replacement of all existing floor covering, tile tub/shower surrounds and painting of unit interiors. All dwelling units are required to have substantially the same work scope and therefore the work scope must be defined prior to QAP application and award.

Rehabilitation Guide (continued)

New!

Dwelling Unit Interiors (continued)

Replacement of ALL components of the dwelling unit with a Remaining Useful Life of less than 15 years, as determined by the “Dwelling Unit” section of the Fannie Mae Expected Useful Life Table. This includes but is not limited to appliances, bath accessories/fixtures, tubs/surrounds, doors, cabinets/counters, floor covering, electrical fixtures/accessories, water heaters and HVAC systems.

Rehabilitation Guide (continued)

New!

A certification from the architect and, where applicable, the appropriately-licensed project engineer (civil, structural, mechanical, plumbing, electrical) must also be provided documenting that the proposed work scope is sufficient to ensure that the completed project will be viable and meet the DCA useful life requirements.

Note: The architect will be required to reconfirm this certification at construction completion prior to issuance of 8609's.

Rehabilitation Guide (continued)

New Definition!

6. Substantially the same work in all units.

Note: All “dwelling unit” work scope items, with the exception of Accessibility related work scope items, shall be performed in at least 95% of the total units to meet the requirements of item #6 above.

Rehabilitation Guide (continued)

New!

The DCA Rehabilitation Work Scope form shall be based on:

- Requirements for the replacement of components with an Effective Remaining Useful Life of less than 15 years, building code and health/safety violations, and immediate needs from the Physical Needs Assessment;
- A minimum “dwelling unit” per unit hard cost budget of \$25,000.
- Substantially the same scope of work in all units
- 100% replacement of all floor covering
- 100% painting of unit interiors
- 100% replacement of tile tub/shower surrounds

(Revised) DCA Rehabilitation Work Scope Form

2020 DCA REHABILITATION WORK SCOPE

"Summary"

(form date: 02/04/20)

Project Name:		Year Built (first occupancy):		Bldg Count:	
Location:		Total Residential Units Net SF:		Unit Count:	
HARD COSTS - TOTAL DEVELOPMENT BUDGET *				\$	-
Contingency					
HARD COSTS - TOTAL CONSTRUCTION HARD COSTS				\$	-
HARD COSTS - OTHER CONSTRUCTION HARD COSTS				\$	-
Non-GC Work Scope Items Done By Owner					
HARD COSTS - GENERAL CONTRACTOR				\$	-
Contractor Services					
LAND IMPROVEMENTS				\$	-
Land Improvements - On-site				\$	-
Land Improvements - Off-site					
STRUCTURES				\$	-
Residential Structures				\$	-
Residential Structures - New					
Residential Structures - Rehab				\$	-
Accessory Structures				\$	-
Accessory Structures - New					
Accessory Structures - Rehab				\$	-

Total Dwelling Unit Area Rehabilitation Hard Costs: \$0
Average Rehabilitation Hard Costs Per Dwelling Unit Area: #DIV/0!

(Revised) DCA Rehabilitation Work Scope Form

2020 DCA REHABILITATION WORK SCOPE

(Residential Structures - Rehab)

Project Name:		Year Built (first occupancy):		Bldg Count:			
Location:		Total Residential Units Net SF:		Unit Count:			
RESIDENTIAL STRUCTURES - REHAB							
Totals:				Units Areas	Common Areas	Total	
				\$	\$	\$	
				-	-	-	
CSI DIVISION	TRADE ITEM	Trade Descriptions	Percent demolished or replaced	Costs	Percent demolished or replaced	Costs	TOTAL
2004 Format	1995 Format						
3	3	CONCRETE	Trade Descriptions	Units Areas	Common Areas	Total	
			Percent	\$	Percent	\$	\$
3	3	Concrete (MAP)	Work Scope	Percent	\$	Percent	\$
		foundations repairs					\$0
		bldg entry stoops/stairs/patio					\$0
		gyp/concrete w/lt concrete (subfloor topping/overlay)					\$0
		Other Concrete	Work Scope	Percent	\$	Percent	\$
							\$0
4	4	MASONRY	Trade Descriptions	Units Areas	Common Areas	Total	
			Percent	\$	Percent	\$	\$
4	4	Masonry (MAP)	Work Scope	Percent	\$	Percent	\$
		foundations repairs					\$0
		walls/veneer					\$0
		caulking/sealants					\$0
		Other Masonry	Work Scope	Percent	\$	Percent	\$
							\$0
5	5	METALS	Trade Descriptions	Units Areas	Common Areas	Total	
			Percent	\$	Percent	\$	\$
5	5	Metals (MAP)	Work Scope	Percent	\$	Percent	\$
		interior stair construction					\$0
		stair & breezeway construction					\$0
		bldg structural steel					\$0
		balcony construction					\$0
		Other Metals	Work Scope	Percent	\$	Percent	\$
							\$0
6	6	WOOD & PLASTICS	Trade Descriptions	Units Areas	Common Areas	Total	
			Percent	\$	Percent	\$	\$

Want more information....?

Construction Services Department Link

<https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/housing-tax-credit-program-lihtc/construction>

Environmental Review

 Georgia Department of
Community Affairs

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Environmental

❑ XVI. BUILDING SUSTAINABILITY

❑ Required document:

- Certificate of Participation in DCA's Green Building for Affordable Housing Training Course. DCA will accept certificates from 2017 through 2020.
- ❑ The 2020 Core Application will have a self-certify box for the applicant to certify they watched DCA's Training Course.
- ❑ The self-certification box in the core app meets this required document in lieu of the Certification of Participation

Environmental Manual Change

New! HUD Airport Noise Tool for HUD HOME and/or NHTF funded projects:

<https://www.hud.gov/sites/documents/AIRPORTNOISEWKSHT.PDF>

This tool is intended to be used for sites that are within 15 miles of a civilian or military airport and lists Federal Aviation Administration's (FAA) Aeronautical Data Team (ADT) data on air traffic to determine if the number & type of flights are below the noise threshold.

Compliance Monitoring



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Compliance Monitoring

Appendix III Procedures, Requirements and Penalty Criteria

- A. DCA will require an Owner of a Housing Tax Credit (HTC) project and/or Tax Exempt Bond/Tax Credit property to maintain records for each qualified Housing Credit building in the Project. For each year in the compliance period, the records must show the information required by the record-keeping provisions contained in Section 1.42-5 (b) of the Treasury Regulations.
- B. DCA will require an Owner to retain the records documenting compliance with Section 42 of the Internal Revenue Code (Section 42) for each year as described in Paragraph A above for at least 6 years after the due date (with extensions) for filing the federal income tax return for that year. DCA will also require Owners to retain the records for the first year of the Credit Period for at least 6 years beyond the due date (with extensions) for filing the federal income tax return for the last year of the compliance period of the building.

Compliance Monitoring

Appendix III Procedures, Requirements and Penalty Criteria

- C. NEW!** DCA will require a first-year tenant file review and issuance of a clearance letter from an industry recognized HTC training and file review specialist. Each first-year file with all tax credit qualification documents must be reviewed by a specialist and a summary of their findings must be submitted to DCA within 18 months from the date of the first building being placed in service. Failure to submit the findings will impact future scoring as applicable under the Compliance Performance section for 9% tax credit applications submitted by the owner and the property's ability to be issued a Recertification Waiver (allowing the Ownership Entity to cease full annual recertifications and process tenant self certifications for subsequent annual recertifications for 100% HTC properties).

Compliance Monitoring

Appendix III Procedures, Requirements and Penalty Criteria

- D.** An Owner of a Housing Credit Project must submit an online Annual Owner's Certification (AOC) to DCA, under penalty of perjury and as provided in Section 1.42-5 (c)(1) of the Treasury Regulations, by the stated deadline provided on the AOC form and the Compliance Monitoring website each year. All AOC submissions will be reviewed for Section 42 compliance and timely submission. DCA may deduct up to two (2) points from scoring in the application funding round, per Section II (A)(2) of Addendum D, for the Owner's failure to submit an AOC for any project by 5:00 p.m. EST on the stated deadline.
- E.** DCA will notify the IRS of an ownership entity's noncompliance or failure to submit an AOC no later than forty-five (45) days after the end of the time allowed for correction and no earlier than the end of the correction period. DCA will notify the IRS by filing IRS Form 8823, Low-Income Housing Credit Agencies Report of Noncompliance for the 15-Year Compliance Period. Under certain circumstances DCA may notify HUD of a failure to submit an AOC.

Compliance Monitoring

Appendix III Procedures, Requirements and Penalty Criteria

- F. Each ownership entity must submit an audited annual financial statement and form Schedule A (filed with IRS Form 8609 for each year during the 15-Year Compliance Period) to DCA for each project by May 1st. Each project funded with Housing Credits and HOME funds must submit annual audited financial statements prepared by a licensed Certified Public Accountant. All financial statements must be sent electronically unless otherwise permitted. Paper financial statements will not be accepted. An owner must submit a copy of the Schedule A (IRS Form 8609) Annual Statement filed with the federal income tax return of the Ownership Entity for each Project by May 1st.
- G. Each property having received any funding through DCA at any time will be required to submit a quarterly financial package, to include: a balance sheet, an income and expense report (with budget variances), a general ledger, and a check register. Quarterly financial packages will be due within 30 days of the last day of the month following the end of the quarter. The first package will be due for the quarter after the first tenant occupies a unit on the property.

Compliance Monitoring

Appendix III Procedures, Requirements and Penalty Criteria

- H. The ownership entity of any property having received funding through DCA must prepare and submit an Affirmative Fair Housing Marketing Plan (AFHMP) as outlined within this QAP. More detailed and specific information is available on the DCA website with regard to frequency of submission and/or updates, outreach efforts with specific contact information, required forms, etc.
- I. DCA will inspect each required HTC project with a frequency and sample size applied as defined in the DCA Compliance Manual located on the DCA website.

Compliance Monitoring

Appendix III Procedures, Requirements and Penalty Criteria

- J. During each Compliance Review/Audit, the ownership entity must submit the Owner Certification of Supportive Services form with corresponding detailed backup, (letters, sign in sheets, etc.) relating to the event and the resident participation. Failure to make submissions will result in State noncompliance and potential point deductions as stated in this QAP.
- K. Each ownership entity must allow DCA, or its designated representative, to perform additional on-site inspections of any HTC unit or building in a Project through the end of the applicable Compliance Period. These additional inspections are separate from any review of tenant files or units under Paragraph I. Inspections performed outside of Paragraph F will be at the expense of the ownership entity. Each unit or building inspection will be performed using the Uniform Physical Condition Standards (UPCS) guidelines established by HUD. The UPCS standards and related definitions provided by HUD (<https://www.hud.gov/sites/documents/appendix2-finaldictionary.pdf>) provide guidance for at least five hundred twenty (520) compliance protocols. For any additional inspections or re-inspections required by DCA, a \$75.00 per unit fee will be assessed to the property payable to DCA within 30 days of notification of the fees. Re-inspections may be mandated by conditions found during a regularly scheduled inspection, information released by a media outlet, a notification of a resident concern, or any other source.

Compliance Monitoring

Appendix III Procedures, Requirements and Penalty Criteria

- L. DCA will promptly notify the ownership entity in writing if DCA is not provided access by either the owner or the management company to inspect and review as described in Paragraphs I and K, or otherwise discovers that the Project does not comply with Section 42. In such event, the ownership entity will be informed in writing of the stipulated period to supply missing documentation or to correct noncompliance commencing on the date of the notification letter.
- M. DCA may charge fees to cover the ongoing administrative expenses in monitoring compliance and to collect all expenses incurred in carrying out its duties as the Housing Credit agency, including, but not limited to, reasonable fees for legal and professional services.

Compliance Monitoring

Appendix III Procedures, Requirements and Penalty Criteria

- N. Compliance with the requirements of Section 42 is the responsibility of the ownership entity of the building for which the Housing Credits are allocated. The ownership entity of each building is responsible for compliance with all of the accessibility, adaptive design, and construction requirements, of the Fair Housing Act. Failure to comply with the requirements of Section 42 or the Fair Housing Act may result in the loss of Housing Credits pursuant to Section 1.42-9 of the Treasury Regulations.
- O. DCA monitoring of an Ownership Entity's compliance with the requirements of Section 42 and the Fair Housing Act does not make DCA or the State of Georgia liable to any Ownership Entity or to any shareholder, officer, director, partner, member or manager of any Ownership Entity or of any entity comprising any Ownership Entity for an Ownership Entity's non-compliance therewith.

Compliance Monitoring

Appendix III Procedures, Requirements and Penalty Criteria

- P. It is the policy of DCA to immediately report to the appropriate federal agent any indication of fraud, waste, abuse, or potentially criminal activity pertaining to the use of federal funds.
- Q. DCA will report its compliance monitoring activities annually on IRS Form 8610.
- R. A copy of the IRS Form 8609, with Part II completed by the ownership entity, must be submitted to DCA the first year Housing Tax Credits are claimed for a building within 60 days' of DCA's issuance of IRS Form 8609 Part I.
- S. The ownership entity must submit a copy of any health, safety, or building code violation report issued by any regulatory (local, state, or federal) or third-party entity to DCA's Compliance Department within 60 days' of receipt from said entity.

Compliance Monitoring

Appendix III Procedures, Requirements and Penalty Criteria

- T. If an owner wishes to change the methodology used in the calculation of the Utility Allowance at any time after the initial determination has been made, the owner must submit a written request to DCA. Only one request per calendar year may be granted by DCA. A \$5.00 per HTC unit fee shall be paid by the owner at the time the request is submitted for a change request.
- U. For any anticipated change in a management company, beyond the initial application for funding, the ownership entity must submit a request for approval of the change using the online DCA form 30 days prior to the date of the change. DCA will provide an online publication of the Approved Management Company List to be updated quarterly.

Compliance Performance Scoring



February 11, 2020

Significant Adverse Event (SAE) Waiver Form

Reminders:

- ❑ No fee charged for SAE waivers
- ❑ Each SAE waiver request requires a separate SAE Waiver Form
- ❑ Instructions include naming conventions for the SAE Waiver Form and Supporting Docs
- ❑ Must be filed within the same folder that contains the Performance Workbook
- ❑ For previously approved SAE waivers, the DCA approval letter should also be submitted in the same folder with the Performance Workbook

Compliance Performance - Scoring

Notable modifications:

- ❑ Significant Adverse Events (SAEs) DCA lookback period had some changes in 2020
- ❑ Adverse Circumstances/Conditions (ACs) look back period had some changes in 2020, as well. Slight changes in point deduction amounts for certain ACs in the Compliance Performance Scoring Section
- ❑ SAE Waivers that are granted by DCA are still subject to their corresponding point deduction in this section, unless expressly stated in the SAE Waiver approval letter (rare)
- ❑ Double-check whether your possible add-back points can cover your deductions in Compliance Performance Scoring Section

Compliance Performance - Scoring

- ❑ DCA has improved access to administrative and other non-compliance data
- ❑ Late filings of the 2019 AOC's that are due March 2nd will be penalized two (2) points
- ❑ The AOC deadline is March 2, 2020, if not correctly filed by this date, Applicants will see a 2-point penalty against their beginning 10 points in the Compliance Performance Section for each property that did not file a timely AOC

Compliance Performance Modifications

These Significant Adverse Events (SAEs) include, but are not limited to:

SIGNIFICANT ADVERSE EVENT Five (5) POINT DEDUCTION	LOOK BACK PERIOD (FROM APPLICATION SUBMISSION DATE)
Foreclosure of a loan or deed in lieu of foreclosure, which is secured by a tax credit property after the compliance period ended and resulting loss of affordability during the Extended Use Period (commencing on the entry of the judgment of foreclosure)	5 Years
Foreclosure of a loan or deed in lieu of foreclosure, which is secured by a tax credit property before the compliance period ended and resulting loss of affordability during the Compliance Period (commencing on the entry of the judgment of foreclosure or filing of the deed, Major Project Failure)	5 Years
Default on a HOME loan which results in a foreclosure or deed in lieu of foreclosure and removal of the Owner and property retains affordability (commencing on the entry of the judgment of foreclosure or filing of the deed, Major Project Failure) 8 Years Senior Lender loan default or foreclosure	8 Years

Compliance Performance Modifications

These Significant Adverse Events (SAEs) include, but are not limited to:

SIGNIFICANT ADVERSE EVENT Five (5) POINT DEDUCTION	LOOK BACK PERIOD (FROM APPLICATION SUBMISSION DATE)
Senior Lender loan default or foreclosure which results in the extinguishment of a HOME loan security interest and resulting loss of affordability during the Extended Use Period (Major Project Failure)	10 Years
Removal or withdrawal as General Partner or Managing General Partner of an Affordable Housing property other than a DCA approved ownership change with no adverse circumstances surrounding the change	5 Years
A pattern of reoccurring significant uncured physical findings, in the absence of an approved Workout Plan, for any Affordable Housing properties	7 Years

Compliance Performance Modifications

These Significant Adverse Events (SAEs) include, but are not limited to:

SIGNIFICANT ADVERSE EVENT Five (5) POINT DEDUCTION	LOOK BACK PERIOD (FROM APPLICATION SUBMISSION DATE)
Any outstanding uncured findings from an 8823 or any DCA notice of a finding of non-compliance on a DCA funded property, in the absence of an approved Workout Plan	7 Years
A Fair Housing investigation by any government agency on any Affordable Housing property which resulted in; a lawsuit (regardless of the outcome), a negotiation for settlement, and/or a settlement agreement	10 Years
Any violation of DCA's and/or IRS' requirements of a property during the property's Decontrol period following the (1) one-year Qualified Contract period's expiration	5 Years

Compliance Performance Modifications

These Significant Adverse Events (SAEs) include, but are not limited to:

SIGNIFICANT ADVERSE EVENT Five (5) POINT DEDUCTION	LOOK BACK PERIOD (FROM APPLICATION SUBMISSION DATE)
Any determination of an owner(s)'s outright refusal to participate in the applicable funding program during the Compliance and Extended Use Period. 'Refusal to participate' includes, but is not limited to; the owner's failure to rent units within the rent and income limits, refusal to grant DCA access to the property and or resident files, failure to properly determine qualification for Affordable Housing residents, etc.	7 Years

Compliance Performance Modifications

These Adverse Circumstances include, but are not limited to:

ADVERSE CIRCUMSTANCE Two (2) POINT DEDUCTION	LOOK BACK PERIOD (FROM APPLICATION SUBMISSION DATE)
Failure to properly notify DCA of a change in the management company for any Affordable Housing property in the DCA portfolio, following the initial award of funding by DCA and no less than 30 days prior the start date of the new management company	3 Years
Any determination by DCA, HUD, or the IRS that at least one resident was overcharged rent in the Compliance Period or the Extended Use Period, regardless of whether the rent was paid back to the resident	5 Years
Failure to complete a tenant initial certification or annual recertification of income and assets (TIC), for any tenant of an Affordable Housing property in the DCA portfolio	3 Years

Compliance Performance Modifications

These Adverse Circumstances include, but are not limited to:

ADVERSE CIRCUMSTANCE Two (2) POINT DEDUCTION	LOOK BACK PERIOD (FROM APPLICATION SUBMISSION DATE)
Failure to timely submit a complete and accurate Annual Owner Certification (AOC) for all applicable funding sources, as required by DCA	3 Years
Failure to timely submit any financial reporting for any Affordable Housing property in the DCA portfolio, as required by DCA	3 Years

Compliance Performance Modifications

These Adverse Circumstances of non-compliance include, but are not limited to:

ADMINISTRATIVE NON-COMPLIANCE/PROGRAM NON-COMPLIANCE ONE (1) POINT DEDUCTION	LOOK BACK PERIOD (FROM APPLICATION SUBMISSION DATE)
Failure to submit the 8609 with Part I and Part II completed, for any Affordable Housing property in the DCA portfolio	Until Cured
Failure to timely submit tenant data in Mitas by the 10th of each month for any property in the DCA Affordable Housing portfolio, following at least one (1) written notification from DCA for Mitas reporting noncompliance.	3 Years
Obtaining a tenant initial certification or annual recertification of income and assets (TIC) beyond the required due date, for any tenant of an Affordable Housing property in the DCA portfolio 3 Years Other determination that a property is out of compliance with HOME or LIHTC regulations	3 Years

Compliance Performance Modifications

These Adverse Circumstances of non-compliance include, but are not limited to:

ADMINISTRATIVE NON-COMPLIANCE/PROGRAM NON-COMPLIANCE ONE (1) POINT DEDUCTION	LOOK BACK PERIOD (FROM APPLICATION SUBMISSION DATE)
Other determination that a property is out of compliance with DCA Affordable Housing Program requirements	7 Years

Common Deductions and/or 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 3/2/20) 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, submission not completed by the 10th of each month, and/or incomplete

Common Deductions and/or Mistakes

- ❑ 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

Compliance Performance - Suggestions

- ❑ Submit for the maximum amount of add-back points that corresponds to your Georgia DCA portfolio size, even if you do not believe you will be assessed any deduction points in this section
- ❑ Complete the tab within the Performance Workbook tab entitled Georgia DCA Compliance History (this is the listing of GA DCA) properties, even if you do not believe you will be assessed any deduction points in this section
- ❑ Indicate in the Core App, Scoring Section XIX, any add-back points you can claim for your Georgia Portfolio size
- ❑ Comments in the Core App can state that you are submitting for add-back points in the event DCA discovers any non-compliance that require a point deduction in this section

Underwriting



February 11, 2020

Threshold: Appraisals

- ▣ 2019: Properties in control of Applicant for 3 years or less will be valued at acquisition cost at time of the related party obtained initial site control.
- ▣ 2020: 9% Applicants - Properties in control of applicant or related party for 5 years or less will be valued at acquisition cost
- ▣ 2020: 4% Applicants – Properties in control of applicant or related party for 3 years or less valued at acquisition cost

Scoring: Favorable Financing

- DCA HOME no longer eligible for points

Underwriting Waivers

- Submission Requirements
 - Core Application
 - Fees
- Deadlines for Submission
 - 9% Round – March 5, 2020
 - 4% Round – 30 days prior to full application submission

DCA HOME Underwriting

- Pre-Application
- Full Application
- Tax Credit Award
- 60 Day Submission
- DCA Review Submission

DCA HOME Underwriting

- Loan Closing Submission
- Drafting Loan Documents
- Due Diligence Closing
- Closing

Developer Fee calculation change

- 2019 – Developer Fee limited to 15% of TDC less the budgeted Developer Fee, any demolition cost, any reserves, and the underwritten cost of land.
- 2020 – **Change!** Developer Fee calculated on a per unit basis

Development type	Developer fee per unit
9% Applications	
First 50 units	\$25,000
Units 51-70	\$20,000
Units 71 or greater	\$15,000
4% Applications	
First 100 units	\$18,000
Units 101-130	\$15,500
Units 131 or greater	\$13,000

Developer Fee - details

- Developer Fee cannot be increased after Application Submission
- For developments with more than one eligible basis activity, the developer fee should be split proportionally between each activity based on the total basis for each activity to total project basis
- Developer fee limited to a maximum of:
 - **\$2,000,000** for 9% Applications
 - \$3,500,000 for 4% Applications
- If DCA staff have to adjust Developer Fee down, by any amount, to bring a development under project cost limits, this will count as a financial adjustment under Application Completeness

Desirable/Undesirable Activities



February 11, 2020

Desirable Activities: Changes in 2020

- ❑ **New!** Institution that is part of the Technical College System of Georgia is added to desirable activities

Desirable Activities: Distance Requirements

- ❑ Maximum of 10 points
- ❑ Distance requirements for 1_point desirables:
 - ❑ Rural pool 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
 - ❑ Routes must originate from geo-coordinates of the pedestrian or vehicle site entrance and end at the geo-coordinates of the desirable amenity
 - ❑ Scattered site developments: measure from center point of each scattered site location
- ❑ Desirable/Undesirable Certification Form
- ❑ Pictures of Desirables not required unless the applicant is claiming points for Desirables that are under construction

Desirable Activities: Stable Communities

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

Undesirable Activities

- ❑ 2-point deduction for each undesirable activity
- ❑ Applicant must evaluate the 0.25-mile radius from each non-contiguous parcel separately
 - ❑ Inappropriate surrounding property
 - ❑ Environmental hazards
 - ❑ Abandoned houses/buildings
 - ❑ Extensive mitigation that translates to inefficient resource use
 - ❑ USDA Food Desert
 - If a Supermarket exists within a USDA Food Desert, document it on the Undesirables portion of the certification form

Undesirable Activity: Mitigation

- ❑ Provide evidence that 3rd party mitigation will be completed prior to September 1, 2020 or that applicant/local government mitigation will be completed by 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

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
- ❑ Letter from Local Authority does not indicate:
 - ❑ The specific address of the Undesirable(s)
 - ❑ Undesirable(s) mitigation date

Best Practices – Helpful Hints

- ❑ Double-check all geo-coordinates and addresses
- ❑ Desirable names displayed on Google routes must match Certification Form

Community Transportation Options



February 11, 2020

Community Transportation Options – Transit Oriented Development

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

Community Transportation Options – Transit Oriented Development

Flexible Pool – 4 points

- ❑ Within 1 mile walking distance 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

Community Transportation Options – Access to Public Transportation

Flexible Pool – Varying Distances

Service must follow fixed route and serve the public no less than 5 days per week

- ☐ 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 – Access to Public Transportation

Rural Pool: Fixed Route or On-Call Transportation – 1 Point

- ☐ 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
 - ☐ Available at least 5 days per week

Community Transportation Options

- ❑ All routes must be sourced from Google Maps
- ❑ Transportation routes that run direct or express will not qualify for points
- ❑ On-call services must be operated or sponsored by a public entity

Community Transportation Options

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

Community Transportation Options

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

 Georgia Department of
Community Affairs

February 11, 2020

Priority Point: Removed from 2020 QAP

- Priority Point section removed from 2020 QAP
 - Result of listening sessions and public hearings
 - Allow applications to stand on their own separate from developer discretion

Enriched Property Services



February 11, 2020

V. Enriched Property Services

- ☐ A. Education Outcomes - 3 points for Family tenancy Applicants providing an educational program addressing residents' barriers to education attainment and improves outcomes
 - ☐ May partner with external organization
 - ☐ May provide independently if Applicant can demonstrate prior experience independently providing an education program for residents

V. Enriched Property Services

- ☐ B. Preventive Health Care - 3 points for Applicants providing on-site preventive health care services and education
 - ☐ Must provide at least monthly
 - ☐ Must cost resident \$15 or less, preferably at no cost
 - ☐ May partner with external organization
 - ☐ May provide independently if Applicant can demonstrate prior experience independently delivering preventive health care services and education to residents
 - ☐ Must designate a Health Services Coordinator to assess residents' needs and track outcomes

Common Mistakes

- ❑ Service plan must be detailed and include descriptions of services, the entity providing services, and details of education
- ❑ Applicant must indicate how they will track measurable benefits and outcomes for residents
- ❑ Applicant must include an estimated budgeted cost of operating the services annually
- ❑ Applicant must include the staff cost of the Health Services Coordinator in the Core app
- ❑ Applicant must describe the screening space
- ❑ Applicant must submit an MOU, LOI, or service agreement signed by both parties
 - ❑ Identify roles and responsibilities
 - ❑ Confirm which entity will compensate the service provider – if not the Owner, must submit an executed commitment letter including estimated budget and commitment to fund for at least 3 years
- ❑ Services may not be paid for by billing residents' insurance.

V. Enriched Property Services

- ❑ C. Healthy Eating Initiative – 1 point for providing a community garden with monthly healthy eating programming
 - ❑ Documentation:
 - Detailed description and plan
 - How the Applicant will track measurable benefits and outcomes
 - Estimated budgeted cost of operating services annually
 - Confirmation of which entity will pay for services
 - Applicant must submit an MOU, LOI, or service agreement signed by both parties
 - Identify roles and responsibilities
 - Confirm which entity will compensate the service provider – if not the Owner, must submit an executed commitment letter including estimated budget and commitment to fund for at least 3 years

Scoring Tracks and Point Eligibility



February 11, 2020

Scoring Tracks: Applicant's Choice

- ❑ Depending on sections that an applicant chooses to claim points under, there are restrictions on what other sections the applicant will be eligible to claim additional points under.
- ❑ If the applicant claims points in either Scoring Sections **VI. Place-Based Opportunity** or **IX. Stable Communities**, then the applicant is ineligible to claim points in either Scoring Sections **VII. Revit./Redevelopment Plans** or **VIII. Community Transformation**.

VII. Revitalization/Redevelopment Plans
VIII. Community Transformation

VI. Place-Based Opportunity
IX. Stable Communities

Place-Based Opportunity



February 11, 2020

VI. Place-Based Opportunity

- A. Quality Education Areas – up to 3 points if located in attendance zone of high-performing schools (above-average CCRPI scores or 2018 or 2019 BTO designation)
 - DCA has posted average [CCRPI scores on the DCA website](#)
 - Must use 3-year average if school has 3 years of published scores
 - Must use 2-year average if school only has 2 years of published scores
 - Must use 1-year average if school only has 1 year of published scores
 - Schools that span the ranges K-5, 6-8, 9-12, must have a CCRPI score greater than the lowest score requirement of the groupings it spans
 - Example: a school serves grades 5 and 6. The school's CCRPI score must be greater than the lower of the K-5 average or the 6-8 average to receive points.

VI. Place-Based Opportunity

- ▣ 2 points if ALL schools serving grades K-12 for which the property is in the attendance zone meets CCRPI or BTO criteria

- ▢ All grades K-12 must be represented in the core app

- ▢ Applicants may mix and match CCRPI and BTO

- Example:

School	CCRPI above average	BTO designation
DCA Elementary (K-5)	x	
DCA Middle (6-7)		x
DCA Junior High Academy (8-9)	x (must exceed lesser of 6-8 or 9-12 CCRPI average)	
DCA High (10-12)	x	

- ▢ Additional point if all schools serving K-12 meets CCRPI or BTO criteria and is a family tenancy

- ▣ 1 point if all schools within at least one of the 3 grade groupings K-5, 6-8, 9-12, but not all schools for which the property is in the attendance zone, meets CCRPI or BTO criteria

Common Mistakes

- ▣ School district map(s) must show the site location and the **full** attendance zone boundaries
- ▣ All grades K-12 must meet CCRPI or BTO criteria to receive points
 - ▢ Review all schools in your area: primary schools, elementary schools, middle school, 9th grade academy, junior high school, senior high school, etc.
- ▣ If submitting a letter evidencing the site is within school district boundaries, the letter must come from a school district representative

VI. Place-Based Opportunity

- ▣ B. Workforce Housing Need and Job Strength – up to 2 points
 - ▣ 1 point for exceeding job threshold per Census OnTheMap tool
 - ▣ 2 points for exceeding job threshold by 50% or more
- ▣ Common Mistakes
 - ▣ “Other MSA” must be used if Applicant is:
 - ▣ In the Rural pool in a non-Atlanta MSA
 - ▣ In the Atlanta MSA but not in the listed Atlanta Metro counties
 - DO NOT use Rural threshold in these circumstances
 - ▣ Use Application geo-coordinates, NOT site address, when using the OnTheMap tool

Revitalization/ Redevelopment Plan



February 11, 2020

VII. Revitalization/Redevelopment Plans

- Primary criteria – all are required to get points under this section
- Additional criteria – applicants get up to 3 points depending on how many “Additional criteria” are met
- Revitalization/Redevelopment Plan Criteria Guidance [published on DCA’s website](#) – further explanation of criteria
- Ineligible documents: short-term work plan, comprehensive plan, consolidated plan, municipal zoning plan, land use plan
- 2 additional points for applications receiving at least 1 point above and located in QCT

Revitalization Plan Criteria

Primary Criteria (all required)	Additional Criteria (at least one required; meeting more gets more points, up to 3)
Clearly delineate a Targeted area within a Local Government boundary that includes the proposed site. For Flex applicants, the Targeted Area must not encompass the full Local Government boundary.	Solicit public input and engagement during its creation
Discuss housing as a goal of the CRP	Include an assessment of the community’s existing infrastructure
Be officially approved or re-approved by a Local Government within 5 years of Application Submission	Designate implementation measures along with timeframes and funding sources

VII. Revitalization/Redevelopment Plans

Points Earned	Primary Criteria Met	Additional Criteria Met
3	All 3	All 3
2	All 3	2
1	All 3	1
0	Any one criterion not met	All 3 (because all three Primary Criteria must be met)
0	All 3	0

Community Transformation



February 11, 2020

VIII. Community Transformation

❑ Point eligibility

Cannot claim points in	Must claim 3+ points in
VI. Place-Based Opportunity	V. Enriched Property Services
IX. Stable Communities	VII. Revitalization/Redevelopment Plans

❑ Only one Applicant may be selected from each defined neighborhood

- ❑ DCA will post a list of 2017-2019 Community Transformation awardees and corresponding defined neighborhoods to the website

Community Transformation

❑ DCA will select up to 5 Applicants, **regardless of pool**

❑ Applicants must:

- ❑ Demonstrate capacity of Project Team to qualify as a Community-Based Developer
- ❑ Secure commitment from potential Community Quarterback Board members
- ❑ Commit to undertaking Community Outreach and Engagement
- ❑ Complete a Community Transformation Plan

❑ DCA will publish scoring rubric to its website prior to application due date (target date: March 1, 2020)

Criteria for Selecting Community-Based Developers

- ❑ Partnerships with at least 2 community nonprofits resulting in measurable improvements to community/resident outcomes
 - ❑ Applicants may demonstrate **more than 2 partnerships**
- ❑ Participated/led philanthropic activities benefitting community
- ❑ Secure commitment of funds to support community transformation
- ❑ Equitable geographic allocation
- ❑ **Criterion Change:**
 - ❑ Selection through local government RFP process is **not considered** when ranking Community Transformation applicants

Equitable Geographic Allocation

- ❑ Applicants will be rated less competitively if the development proposed is within **or overlaps** a **Defined Neighborhood** already containing a Transformational Community initiative funded in 2017, 2018, **or 2019**.
- ❑ **Change:** If a development is within or overlaps a Defined Neighborhood of a 2017, 2018, or 2019 Community Transformation awardee, the Community-Based Team associated with the original Transformational Community initiative **does not need to be** on the Community Quarterback Board

Community Quarterback Board

- ❑ At least one-third:
 - ❑ residents of the defined neighborhood or other individuals who self-certify their income at less than 80% of AMI, or elected representatives of neighborhood organizations serving the Defined Neighborhood (Signatures required)
- ❑ At least one-third: 3 of the 5 following representatives (Letters of Commitment required)
 - ❑ Education
 - ❑ Employment
 - ❑ Transportation
 - ❑ Health Services
 - ❑ Local Government

Change: Specific representatives are not required by tenancy. Applicant may choose any 3 of the 5 categories.

Stable Communities



February 11, 2020

IX. Stable Communities

- ▣ Subsection A. Low-Poverty Communities
 - ▣ Available to Flex **and Rural** applicants
 - ▣ Points based on proximity to low poverty and high income census tracts
- ▣ Subsection B. Enterprise Community Partners Opportunity360
 - ▣ Applicants receive up to 2 points if the development's census tract receives a score of 60 or higher under Health and well-being and/or Economic security
 - In the 2020 QAP, applicants can no longer claim points in this section based on the Housing Stability metric.
 - ▣ An Opportunity360 Scoring Table of census tracts is posted to the DCA website. DCA will update this table to reflect any Enterprise updates.

Mixed Income Developments



February 11, 2020

X. Mixed Income Developments

- ▣ In 2020 QAP, now its own section. In 2019, Mixed Income Developments was a subsection of 2019 Stable Communities.
- ▣ 1 point to applications with at least 10% market rate units and not making the income averaging minimum set-aside election
- ▣ 1 point to applications making the income averaging minimum set-aside election and do not include market rate units
- ▣ Applicants seeking points in this section are advised to review the [Market Study Manual](#) rent advantage requirements.

Community Designations



February 11, 2020

XI. Community Designations

- ▣ Applicants in this section are ineligible for points under VII. Revitalization/Redevelopment Plans or IX. Stable Communities
- ▣ 10 points if Application is located in an area that has received a HUD CNI grant. Proposed development must be identified in the CNI Grant application
- ▣ 10 points if Application is designated by Purpose Built Communities as furthering one Purpose Built Community's transformation.

Phased Development



February 11, 2020

XII. Phased Development

- **New** – separate section from XIII. Previous Projects
- Applicants claiming points in XII. Phased Development are ineligible to claim points in XIII. Previous Projects
- 3 points for Flex applications in which the proposed property is part of a Phased Development (as defined in QAP) in which one or more phases received an allocation of 9% tax credits or 4% tax credits in the last 6 QAPs and at least one phase has commenced construction by the 2020 Application Submission deadline

Previous Projects



February 11, 2020

XIII. Previous Projects

- **New** – separate section from XII. Phased Development
 - A. 15 Year Lookback Period
 - B. Two to Six Year Lookback Period
- Applicants claiming points in XII. Phased Development are ineligible to claim points in XIII. Previous Projects
- Rural HOME Preservation Set Aside funded applications are not considered when reviewing previous projects in an area
- Previous Projects [map posted on DCA's website](#) (“LIHTC Properties Map”)

15 Year Lookback Period

- **5** points if proposed development site is:
 - Within a current Local Government Boundary that has not been awarded 9% Credits within the last 15 DCA Housing Credit Competitive Rounds
- **4** points if proposed development site is:
 - Within a current Local Government Boundary that has only received one 9% Credits award within the last 15 DCA Housing Credit Competitive Rounds

Two to Six Year Lookback Period

Pool-specific buffers

- Flex: 1-mile radius
- Rural: Local Government Boundary

All Applicants, not within pool-specific buffer of a 9% Credit development in:		Flex Applicants, within 1-mile radius of transit hub and not within 1-mile radius of a 9% Credit development in:	
Last 6 DCA Competitive Funding Cycles	Last 4 DCA Competitive Funding Cycles	Last 3 DCA Competitive Funding Cycles	Last 2 DCA Competitive Funding Cycles
3 points	2 points	3 points	2 points

DCA Community Initiatives



February 11, 2020

XVI. DCA Community Initiatives

- ❑ 1 point for applications with a letter from a DCA Georgia Initiative for Community Housing team (current or certified alumni)
 - ❑ Letter must identify GICH community boundaries, state that the proposed development is in their GICH community boundaries, and be executed by the primary or secondary contact on file with UGA
- ❑ If GICH letter is from alumni, must be certified
 - ❑ Certification maintained by UGA

XVI. DCA Community Initiatives

- ❑ Minimum Documentation – 2 letters
 - ❑ Letter executed by the GICH community's primary or secondary contact on record with the University of Georgia Housing and Demographic Research Center as of May 1, 2020, committing the formal support of the majority of GICH members
 - ❑ Letter from Local Government agreeing to the issuance of the GICH letter
- ❑ Want more information?
 - ❑ Email kristyn.cherry@dca.ga.gov to confirm GICH community status
 - ❑ Visit <https://www.fcs.uga.edu/fhce/gich>

HUD 811 Rental Assistance



February 11, 2020

What's the 811 requirement?

- ❑ Threshold Requirement for all developments (9% & 4%)
 - ❑ To help create more integrated low-income housing units for individuals with disabilities
- ❑ Designate at least 10% of total restricted units and no more than 20% of overall units to be utilized by households with disabilities through 811 or a similar program
 - ❑ **New!** If using non-DCA PBRA to meet this requirement, Applicant must submit documentation for the proposed PBRA funding source to DCA for approval by May 13, 2020
 - Send to hfdround@dca.ga.gov

What's the 811 requirement?

- ❑ **New!** 2019 Option B. Target Population Preference for Properties with Rental Assistance – **removed in 2020 QAP**

811 Timeline

Pre-Lease	Already in Service
1. Contract with DCA at 50% completion	1. Contract with DCA
2. Notify DCA when pre-leasing	2. Notify DCA when there is a vacancy
3. Process referrals	
4. House appropriate referrals	
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 are single individual households
 - ❑ Still a great need for one-bedroom units
 - ❑ New processes to increase referrals for households who need more two and three bedroom units

811 Updates

- ❑ Population Expansion
 - ❑ Serving additional households with disabilities independent of the Settlement Agreement (Mental Health) and Money Follows the Person (Nursing Home)
- ❑ Lease in Place
 - ❑ Properties can refer eligible households who live at the property to receive the 811 subsidy
 - ❑ Properties can refer eligible households on their Property Waitlist to DCA's 811 Waitlist

811 Updates (Continued)

- ❑ 2019 811 Annual Owners Certification
 - ❑ Due March 31, 2020
- ❑ Increasing amount of Service Providers and Supportive Service Options
 - ❑ Continue enrolling more throughout the State through the expansion
 - ❑ Assist 811 to provide more referrals and tenancy supports
- ❑ Want more information? Email HUD811@dca.ga.gov

External Partner:
Historic Preservation Division,
Georgia Department of
Natural Resources



February 11, 2020

LIHTC and GEPA Reviews



February 11, 2020

Stacy Rieke, Environmental Review Historian

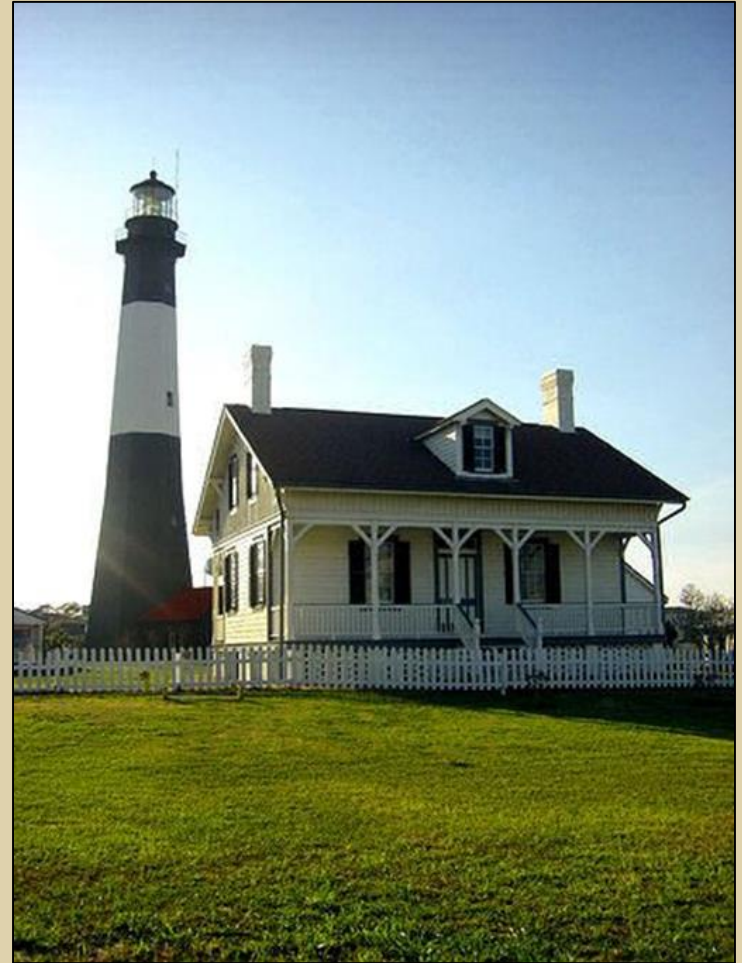
HPD's Mission Statement



To promote the
preservation and
use of historic
places for a better
Georgia.

Georgia Environmental Policy Act

- A State law that requires State agencies to consider the impact of governmental actions on the environment, including historic & cultural resources



HPD's Role in GEPA Review Process

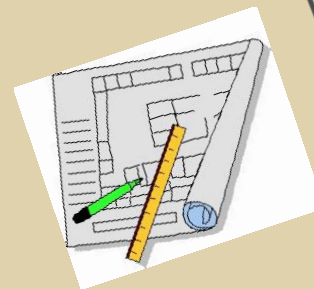
- Assist state agencies and their applicants in assessing the impacts of projects on historic & archaeological resources listed in or eligible for listing in the Georgia Register of Historic Places



GEPA Consultation with HPD

What's Needed?

- HPD's Environmental Review Form
 - <http://www.georgiashpo.org/review>
- Limited (Reconnaissance) Cultural Resources survey prepared by a Preservation Professional to include
 - Project information
 - Map
 - Photographs
 - Project/construction plans and elevation drawings, as applicable



Environmental Review Form

Georgia Historic Preservation Division Environmental Review Form

At a minimum, the Historic Preservation Division (HPD) requires the following information in order to review projects in accordance with applicable federal or state laws. Please note that the responsibility for preparing documentation, including items listed below, rests with the federal or state agency or its designated applicant. *HPD's ability to complete a timely project review largely depends on the quality and detail of the material submitted. If insufficient information is provided, HPD may need to request additional materials, which will prolong the review process. For complex projects, some applicants may find it advantageous to hire a preservation professional with expertise in history, architectural history and/or archaeology, who would have access to the Georgia Archaeological Site Files and an understanding of HPD's publicly available files.*

PLEASE NOTE: THERE IS A 30-DAY REVIEW PERIOD FROM THE DATE HPD RECEIVES THE SUBMITTAL. SHOULD ADDITIONAL INFORMATION BE REQUESTED, THE 30-DAY PERIOD RESTARTS.

I. General Information

A. Project Name: _____

Project Address: _____

City: _____ County: _____

B. Federal Agency Involved: _____

State Agency (if applicable): _____

C. Agency's Involvement:

- ☐ Funding
☐ License/Permit
☐ Direct/Is performing the action

- ☐ Unknown
☐ Other, please explain: _____

D. Type of Review Requested:

- ☐ Section 106 of the National Historic Preservation Act (Federal involvement)
☐ Section 110 of the National Historic Preservation Act (Federally owned properties)
☐ Georgia Environmental Policy Act (State involvement)
☐ State Agency Historic Property Stewardship Program/State Stewardship (State owned properties)
☐ Technical Assistance (No Federal or State involvement)
☐ Unknown

E. Contact Information: ☐ Applicant ☐ Consultant

Name/Title/Company: _____

Address: _____

City/State/Zip: _____

Phone: _____ Email: _____

Agency Contact Info (either State or Federal, according to review type):

Name/Title/Agency: _____

Address: _____

City/State/Zip: _____

Phone: _____ Email: _____

- <https://georgiashpo.org/review>
- Mandated 30-day review period: **restarts** if additional information is needed to complete review
- Project name and location
- Review Type
- Project Plans – Scope of Work
- Construction Date of Historic Resources
- Previous HPD Review?
- Assessment of Effects

Maps



Department of Natural Resources
Historic Preservation Division

Photos

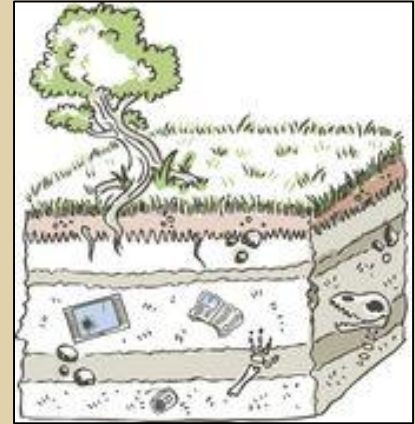


Tips for All Project Information Packets

- Fill out the ER Form completely
- Prepare the ER form, the HRS, and any other supporting documentation with the cold reader in mind
- Include a clear map
- Include clear, current photographs

GEPA Review Process

- Process is Similar to S106 Reviews
- The Submittal is Received by HPD – the clock starts!
- HPD has a 30-day Review Window
 - Project Type
 - Reconnaissance Survey Documents Historic Properties
 - Effects
- Is More Information Needed? If so, the clock re-starts... every time...
- HPD Responds – valid for 3 years



GEPA Effects Determinations

- No Impact
- No Significant Impact
- Sometimes HPD recommends that DCA consider applying certain **conditions** to a project to avoid a SI determination... DCA typically accepts those recommendations
- **Significant Impact**
 - The introduction of an incompatible visual or atmospheric element
 - A change in the use, character, or setting of a resource
 - Destruction (demo) or damage (through rehab) to a resource



Significant Impact: What Next?

DCA dictates What's Next!

- DCA can instruct you to change the SOW of work for the project so that the SI is removed...
- DCA can instruct you to mitigate the SI instead of changing the SOW.....
- DCA could tell you to go ahead with the project without changing the SOW or mitigating the SI... although this is unlikely...
- “What’s Next” is up to DCA!

Mitigate Significant Impacts

- The goal of any preservation-related mitigation is to balance the loss
- Creativity is encouraged – think outside the box...
- Consult with local preservation organizations if you need ideas
- Traditional Examples
 - Photographic Documentation
 - Historic Resources Survey
 - Historic Narrative Report
 - Exhibit



Final Points

- Cold Reader
- Sufficient Documentation
- Clear/Color Photos and Maps
- Site Plans and Elevations
- Significant Impacts can be avoided or mitigated
- HPD and DCA are here to help!



GEORGIA
DEPARTMENT OF NATURAL RESOURCES

HISTORIC PRESERVATION DIVISION

www.georgiashpo.org

Stacy Rieke
Environmental Review
Historian

Stacy.Rieke@dnr.ga.gov
(770) 389-7854

Jewett Center for Historic Preservation
2610 GA Hwy 155, SW
Stockbridge, Georgia 30281

Department of Natural Resources
Historic Preservation Division

External Partner: Federal Home Loan Bank of Atlanta



February 11, 2020



FHLBank Atlanta's Affordable Housing Competitive Program

Georgia Department of Community Affairs
QAP Workshop

Andrea Rattray, Production and Portfolio Team Lead

February 11, 2020

FHLBank Atlanta Affordable Housing Products

- What is the Affordable Housing Program?
- Scale and Impact of AHP
- What is the AHP Competitive Program?
- How often do we offer the AHP Competitive Program?
- Application Criteria
- Helpful Resources
- What's New for 2020?
- Looking Ahead

What is the AHP Competitive Program?

Rental and Ownership Development

AHP Competitive

- \$500,000 for rental or ownership development projects
- Competitive application – each FHLBank has its own scoring criteria
- Shareholder contacts:
 - Commercial loan officers
 - Community Reinvestment Act (CRA) officers
 - Business development officers

Mortgage Purchase

Homeowner Assistance

- Down payment, closing costs, and principal reduction funding for home purchase or home rehabilitation
- Generally first come, first served
- Shareholder contacts:
 - Single-family mortgage loan officers
 - CRA officers
 - Business development officers

Advance

CIP/EDP

- Discounted advance products for residential or economic development projects
- Generally first come, first served
- Shareholder contacts:
 - Commercial loan officers
 - CRA officers
 - Business development officers

Developer/Builder Driven

- New construction
- Rehabilitation
- Multifamily
- Single-family
- Acquisition
- Construction and/or permanent financing



Mortgage Professional Driven

Owner-occupied products:
First-time Homebuyer,
Community Partners,
Veteran, Community
Rebuild and Restore,
Foreclosure Recovery



Shareholder Driven

Enable housing
development
and community
revitalization
activities



Scale and Impact of AHP



As of December 31, 2019

Scale and Impact of AHP

Georgia Rental, Home Construction, and Rehabilitation Activities

GEORGIA Rental, Home Construction and Rehabilitation Activities

Economic Basis



\$86.55 MILLION

TOTAL AHP SUBSIDY

AHP provides real estate finance equity for both rental and for-sale housing. AHP is more often referred to as a subsidy or grant and is delivered to FHLBank-member financial institutions to assist in the funding for construction, rehabilitation and purchase of affordable housing.

\$113.07 MILLION

TOTAL AHP SUBSIDY INFLATION-ADJUSTED



\$933.88 MILLION

DEVELOPMENT COST

Development Cost refers to the cost of acquiring land or pre-existing housing units, demolition and/or relocation costs and any costs incurred while constructing, rehabilitating or redeveloping housing.

\$1.22 BILLION

DEVELOPMENT COST INFLATION-ADJUSTED

856

PROJECTS

Projects refers to the distinct use of AHP funding for a specific acquisition, construction or rehabilitation of building(s) or housing unit(s).

14,211

TOTAL UNITS

Total Units refers to the total number of single-family and multifamily units constructed using AHP funding, where each individual dwelling unit in a multifamily building is counted separately.

Inflation-Adjusted refers to the measure of return that takes into account the time period's inflation rate. For example, \$100 in 1990 is worth \$192 in 2018. This study reports all economic impacts in inflation-adjusted dollars.

2

GEORGIA Home Purchase Activities

Economic Basis



\$13.08 MILLION

TOTAL AHP SUBSIDY

AHP provides real estate finance equity for both rental and for-sale housing. AHP is more often referred to as a subsidy or grant and is delivered to FHLBank-member financial institutions to assist in the funding for construction, rehabilitation and purchase of affordable housing.

\$15.01 MILLION

TOTAL AHP SUBSIDY INFLATION-ADJUSTED



\$224.91 MILLION

FIRST MORTGAGES

First Mortgages refers to the volume and value of first-lien position mortgages financed by lenders in a home purchase activity.

\$251.85 MILLION

FIRST MORTGAGES INFLATION-ADJUSTED

2,303

TOTAL UNITS

Total Units refers to the total number of single-family and multifamily units constructed using AHP funding, where each individual dwelling unit in a multifamily building is counted separately.

Inflation-Adjusted refers to the measure of return that takes into account the time period's inflation rate. For example, \$100 in 1990 is worth \$192 in 2018. This study reports all economic impacts in inflation-adjusted dollars.

3

The multiplier is calculated based on factors presented in the study "Enhancing Lives, Impacting Communities: The Federal Home Loan Bank System" prepared by the Center for Economic Forecasting and Analysis, Florida State University, 2018.

2019 AHP Competitive Awards – Georgia



GEORGIA

5 Projects

\$1,940,000 from FHLBank Atlanta in grant equity, leveraging total development of \$54,114,176

305 rental units funded

9 ownership units funded

FORT McPHERSON

Atlanta, GA

Member: Enterprise Community Loan Fund, Inc.

Sponsored by: 3Keys, Inc.

Secondary Sponsor: Tapestry Development Group, Inc.

Grant: \$500,000 for 70 rental units

Total Development Cost: \$14,374,038

EDGEWOOD CENTER II

Atlanta, GA

Member: First-Citizens Bank & Trust Company

Sponsored by: Affordable Housing Solutions

Grant: \$500,000 for 50 rental units

Total Development Cost: \$7,176,680

SAVANNAH GARDENS PHASE VI

Savannah, GA

Member: SunTrust Bank

Sponsored by: Mercy Housing SouthEast, Inc.

Secondary Sponsor: Mercy Community Housing Georgia

Grant: \$350,000 for 85 rental units

Total Development Cost: \$17,918,136

SAVANNAH MSA AFFORDABLE HOMEOWNERSHIP 2019

Savannah, GA

Member: Carver State Bank

Sponsored by: The Coastal Empire Habitat for Humanity

Grant: \$90,000 for 9 ownership units

Total Development Cost: \$1,583,520

THE CAPSTONE AT TRINITY

Augusta, GA

Member: Troy Bank & Trust Company

Sponsored by: The Banyan Foundation, Inc.

Grant: \$500,000 for 100 rental units

Total Development Cost: \$13,061,802

What is the AHP Competitive Program?



What is the AHP Competitive Program?

Funding for rental or ownership development

- Flexible source of real estate finance equity
- Reduces rental project debt service, thus increasing affordability
- No geographic restrictions
- Accessible only through FHLBank Atlanta shareholders
- Developer driven



Senior Residences at Mercy Park| Chamblee, GA

AHP Equity: \$500,000

Total Development Cost: \$15,823,020

What is the AHP Competitive Program?

What makes AHP different than other sources of funds?

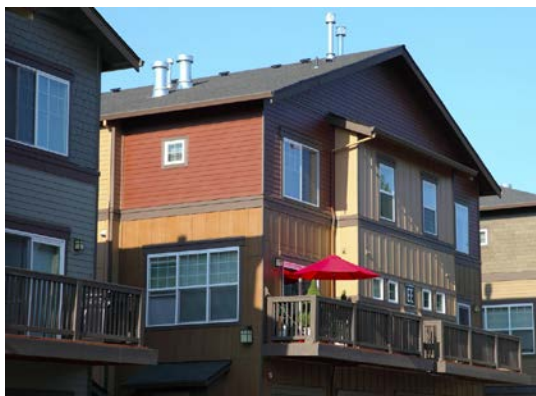
- Equity-like funding
 - Maximum direct subsidy of \$500,000 per project
- No interest accrues
- No expectation of repayment if the initiative remains in compliance
- Secured with a note and security instrument to ensure compliance through the affordability period
 - Five years for ownership projects that include a transfer of ownership
 - As of January 1, 2020 retention is not allowed for owner-occupied units that do not include transfer of ownership (e.g. rehabilitation)
 - 15 years for rental
- Maximum 80 percent of area median income (AMI) for AHP units
- Subsidized advances are also available (discounted rate loan)



What is the AHP Competitive Program?



Imperial Hotel | Atlanta, GA
AHP Investment: \$500,000
Total Development Cost: \$19,614,577



YWCA of NW GA Renovation | Cobb County, GA
AHP Investment: \$500,000
Total Development Cost: \$9,680,841

Uses of AHP Funds

Rental

- Types
 - Low-income Housing Tax Credit (LIHTC)
 - Non-LIHTC multifamily
 - Mixed-use
 - Supportive housing (Non-income producing rental)

- Use of Funds

- Acquisition
- New construction and/or rehabilitation
- Development soft costs

Ownership

- Use of Funds

- Down-payment assistance
- Owner occupied rehabilitation

FHLBANK ATLANTA AHP COMPETITIVE 2020 APPLICATION SCHEDULE



Application Criteria



Minimum Requirements to Submit an Application



- 1 Certification of accuracy, experience, completeness, etc.
- 2 Site control
- 3 Development budget and funding sources
- 4 20 percent of development funding committed by unrelated third party
- 5 Project Type Specific Thresholds
 - Purchase: 20 percent of homebuyers identified
 - Owner-occupied rehab: 20 percent of homeowners identified and qualified, costs established
 - New construction: cost breakdown
 - Rental rehab: scope and cost breakdown
- 6 Development team qualifications

Application Criteria – Scoring



Category	Points	Type
Donated Government Owned or Other Property	5	Variable
Nonprofit or Government Sponsor	5	Variable
Targeting	20	Variable
Housing for Homeless Households	5	Fixed
Empowerments	5	Variable
First District Priority		
• Shareholder Participation	15	Fixed
Second District Priority		
• Project Readiness	10	Variable
• Veterans	10	Variable
• Leveraging	10	Fixed
AHP Subsidy per Unit	10	Variable
Community Stability	5	Fixed
Total	100	

FHLBank Atlanta Website

www.fhlbatl.com

Affordable Housing Program Implementation Plan

<http://corp.fhlbatl.com/files/documents/ahp-implementation-plan.pdf>

Sponsor Registration Instructions

<http://corp.fhlbatl.com/files/documents/ahp-sponsor-registration.pdf>

AHP Household Income Limits Calculator

<https://cis.fhlbatl.com/ahp/utilities.portal>

What's New for 2020?



Expanding the Availability of AHP Funds

Guideline	Enhancement
100 percent of net proceeds to seller from purchase of a property from a related party must become a source of funds for the subject project	Not applicable for governmental or quasi-governmental seller or when AHP funds are used to replace short-term debt or equity from the sponsor or a related party for property acquisition prior to the AHP funding

Expanding the Availability of AHP Funds

Guideline	Enhancement
The subject property must be donated by an entity not related to the sponsor, project owner, or member prior to the disbursement of AHP funds	A donation from government or quasi-government sellers or lessors to a related party is allowed

Expanding the Availability of AHP Funds

Guideline	Enhancement
<p>Deferred Developer Fee (DDF) If financing has closed on or before application with deferred developer fee or other subordinate funding from a related party as a source of funding:</p> <ul style="list-style-type: none">• Up to 50 percent of the AHP award can be used to reduce DDF or other subordinate funding from a related party, and• At least 25 percent of the total developer fee remains deferred	<p>Does not apply if AHP funds are used to replace short-term debt or equity from the sponsor or a related party for property acquisition prior to the AHP funding</p>

New AHP Regulations

- 12/31/19 Implementation:
 - Homeownership Units: Retention changes implemented
- 12/31/20 Implementation:
 - General Fund (f/k/a Competitive)
 - Optional: Targeted Fund

New Online Application Portal

- More information to follow

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