



**Georgia Housing and Finance Authority  
Multifamily Affordable Housing  
2022 Notice of Funding Availability for Cost Increases**

## I. Purpose

In releasing this Notice of Funding Availability (NOFA), the goal of GHFA is to provide additional funding for previously awarded developments facing a funding gap due to construction cost increases.

## II. NOFA Requirements

### A. NOFA Funding Available

- DCA is allocating \$40 million in HOME funds and \$12 million in National Housing Trust Funds (NHTF) for this NOFA.
- DCA reserves the right to utilize additional DCA resources, as circumstances necessitate.

### B. Eligible Developments

Eligible developments must meet all the following requirements:

- Developments previously awarded Housing Credits (9% or 4%)
- Developments that have not yet started construction
  - Developments that have already started construction are eligible under this NOFA if HOME or NHTF was already a source of funds for the development.
- Developments that are facing a funding gap due to construction cost increases

### C. Eligible Applicants

- For-profit entities, qualified non-profit entities, or Public Housing Authorities
- Must be a special-purpose entity (e.g., partnerships), corporation, tax-exempt organization (501(C)(3) and 501(C)(4)), or public entity (such as public housing authorities).

### D. Eligible Activities

- GHFA funds will provide gap financing to cover increases.

## E. HOME Requirements

Eligible activities must be undertaken in accordance with the applicable manual and regulations:

- [DCA HOME Manual](#)
  - The posted 2021 HOME manuals and forms are applicable to this NOFA.
- [HOME regulations](#)

Developments will be required to comply with the following HOME federal regulations. DCA staff are available to assist in answering questions about how your development may comply with these regulations (see **Application Process and Timeline**, subsection **Further Questions** below for contact information):

- Environmental Reviews:  
For HOME-funded developments, DCA will need to undertake a full NEPA Environmental review. Acquisition and commencement of construction cannot occur between the publishing of this NOFA and DCA's finalized review of all Environmental requirements. The Environmental Review Manual may be found [here](#).
- Relocation:  
HOME-funded developments are subject to the Uniform Relocation Act requirements (URA). Details about URA can be found in the Federal Compliance and Relocation Manual [here](#).
- Davis Bacon, MBE/WBE, Section 3:  
HOME-funded developments are subject to the labor laws and equal opportunity requirements in the Davis-Bacon Act, the HOME program's Minority- and Women-owned business outreach plan, and Section 3 of the Housing and Urban Development Act of 1968. Details about these requirements can be found in the Federal Compliance and Relocation Manual [here](#).

## F. NHTF Requirements

- Eligible activities must be undertaken in accordance with the following:
  - [DCA NHTF Allocation Plan](#)
  - [Federal regulations](#)
- DCA requires that developments seeking NHTF have project-based rental assistance (PBRA) contracts for at least 10% more units than the minimum number of NHTF units required by HUD cost allocation (see Application Submission Requirements for more information on cost allocation).
  - Meeting this PBRA requirement does not guarantee NHTF eligibility. Eligibility for NHTF is determined by DCA during the underwriting process.

## G. Eligible Costs

- Loans under this NOFA will only be awarded up to an amount which covers increases in construction costs since initial application.

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

- Applications that propose refinancing of existing debt with DCA funds
- A project previously assisted with DCA HOME or NHTF funds, during the period of affordability
- Properties that may adversely impact the lease-up or operations of a multifamily development funded by DCA in the preceding two years
- The acquisition of property owned by GHFA
- Delinquent taxes, fees, or charges on properties to be assisted with DCA funds
- Funds may not be used for operating assistance.
- Other ineligible activities as set forth in the 2022 DCA Qualified Allocation Plan

**I. Subsidy Limits** The maximum per unit subsidy limits for all loans under this NOFA are HUD's applicable limits for the HOME program. HUD recently updated the data underlying these limits, and HUD requires that allocating agencies request subsidy limits from the regional HUD office rather than calculating subsidy limits themselves.

DCA is in contact with HUD and will publish the subsidy limits applicable to this NOFA once HUD provides these limits to DCA.

**J. Additional requirements**

- Regarding the impact of an award under this NOFA and resulting LURA:
  - The LURA will not invalidate any existing restrictions on the property.
  - DCA is not required to adjust any requirements associated with a prior award (e.g., awardees are not entitled to deadline extensions).
  - 9% Credit developments are not entitled to an updated Carryover.
- DCA reserves the right to deny Applications for which DCA determines:
  - The development poses an undue risk to DCA or GHFA.
  - A member of the Project Team exhibits significant capacity concerns. In such instances, DCA may limit the number of awards or provide no awards under this NOFA to ensure the member(s) can focus on completing other developments.
- All selected properties will be subject to a stringent underwriting review and must be approved by the DCA Project Loan Committee (Committee) prior to final commitment of funds. Properties that are determined by the Committee to pose an undue risk to DCA or GHFA after a full underwriting review will not receive a final commitment of funds.
- Applicant must demonstrate it meets experience and capacity requirements for other federal, state, or local housing programs that may be used in conjunction with DCA funds to ensure compliance with all applicable requirements and regulations of such programs.
- Applicants must make acceptable assurances to GHFA that it will comply with the requirements of the applicable funding program during the entire period between selection and conclusion of all development activities.
- Applicants must comply with all applicable federal or state laws, regulations, and other requirements now or hereafter in effect. The Project Team, as defined in the 2022 QAP, is responsible for ensuring the proposed program, activities, goals and timetables comply with all federal or state laws, regulations and other requirements.

Areas covered by the applicable laws and regulations include but are not limited to: Non-Discrimination and Equal Access; Fair Housing and Equal Opportunity; Accessibility; Contracting and Procurement; Environmental; Lead Based Paint; Acquisition and Relocation; Financial Management; Labor Standards; and Immigration, Title VI of the Civil Rights Act of 1964, as amended, Age Discrimination Act of 1975, As Amended, Title VIII of Civil Rights Act of 1968, Affirmative marketing in accordance with 24 CFR 92.351, Section 3 of the Housing and Urban Development Act of 1968, Georgia Fair Lending Act, Section 504 of the Rehabilitation Act of 1973, Procurement Standards at 24 CFR 85.36, 24 CFR Part 84, and OMB Circular A-110, HOME Program Conflict of Interest Provisions

### III. Loan Terms and Requirements

Default DCA Loan Structure	
Minimum request	\$1 million
Maximum request	\$4 million
Period of affordability	HOME loans: <ul style="list-style-type: none"> <li>• New Construction: 20 years</li> <li>• Rehabilitation: 15 years</li> </ul> NHTF loans: <ul style="list-style-type: none"> <li>• 30 years</li> </ul>
Loan term	Greater of: <ul style="list-style-type: none"> <li>• period of affordability, or</li> <li>• first loan's term, if DCA loan is not in first position.</li> </ul>
Construction interest rate	0%
Permanent interest rate	HOME loans: 2% NHTF loans: 0%
NHTF repayment structure	Cash-flow contingent

#### Loan Structure: DCA Discretion

Applications reflect the Project Team's initial proposal for the DCA loan and may reflect less stringent loan repayment terms than the above for either HOME or NHTF (e.g., a lower interest rate, cash-flow contingent repayment). However, final loan terms are ultimately determined by DCA during underwriting review.

- Repayment structure: DCA may increase the interest rate and periodic payments. Any DCA increases in stringency will not exceed the default loan characteristics above (e.g., HOME interest rate will not exceed 2%).
- Loan amount: DCA may reduce the requested loan amount based on a cost reasonableness assessment.

### Additional requirements:

- DCA may require selected applicants to use DCA funds before other funding sources during construction.
- DCA will require all selected applicants to have a payment and performance bond.

## IV. Application Process and Timeline

### A. Application Submission Requirements:

The following documents comprise a complete NOFA application.

- The application fee is \$1,500 made payable to Georgia Housing and Finance Agency (GHFA). This expense must be paid by the applicant and cannot be included in an updated development budget.
- Applications that are selected for funding must submit a \$15,000 underwriting review fee. This fee must be paid upon receiving a DCA commitment letter.
- Narrative/Formal Request Memo
  - Funding Gap: Detail the current funding gap based on the original tax credit award, updated development costs, and updated non-tax credit sources of funds. Describe attempts to increase equity pricing from the submitted core application, increase loan amounts, and/or secure other sources of funding.
  - Changes Summary: Note the change in construction costs and total development costs as compared to the original core application submission and explain the cause of cost increases.
  - Sources Update: Detail the change in funding sources provided for this development and efforts made to fund the gap.
  - Timeline to Closing: Detail the projected timeline to closing and construction commencement.
- Updated Core Application with:
  - Updated Part III-Sources of Funds
  - Updated Part IV-A-Uses of Funds
    - The developer fee may not increase.
  - Updated Part V-Utility Allowances (if applicable)
  - Updated Part VI-Revenues & Expenses;
  - Updated Part VII-Pro Forma
    - No more than 50% of the original developer fee can be deferred (if cash flow is available to pay the fee in full by year 15).
- HOME Cost Allocation Tool (as published by HUD)
  - This tool is used to determine the applicant's initial proposal for the minimum number of required HOME or NHTF units in the application.

- DCA requires that applicants propose 10% more HOME/NHTF units than the minimum number required per the Cost Allocation Tool. Please ensure the proposed unit mix in the application reflects this 10% adjustment.
- Applicants should utilize the proration method.
- This same tool and process can be used to determine the minimum number of required NHTF units.
- Updated Relocation documentation (if applicable):
  - New or Updated Relocation Plan
  - New or Updated Relocation Budget
  - New or Updated Relocation Worksheet
  - New or Updated Signed Certification
  - DCA may request additional documentation such as household data forms, rent rolls, and relevant HUD documentation if necessary to complete the relocation review.
- Updated Commitments:
  - Loan commitments and equity commitments as referenced in the Updated Core Application (Part III Sources).
  - Rental assistance and/or government financial assistance contract (if applicable)
- Updated construction bids
- Description of any value engineering
- Third-Party Front-end analysis of construction costs
- Updated Environmental report if a previous submission did not contain the following:
  - HOME HUD Environmental Questionnaire
  - 8 step process supporting documentation (if applicable)
  - HOME Site and Neighborhood Standards Certification, and Supporting documentation
    - Note: If the original Environmental Report included all of the above, please only include the original submission.
- MBE/WBE outreach plan guide form
- For Selection Criteria:
  - Selection Criteria narrative: please submit a PDF describing which sections and point options the applicant is claiming points under with comments explaining why the applicant qualifies for the points.
  - Supporting documentation for applicable Selection Criteria

**Submission Instructions** One complete NOFA application comprising the above documentation should be submitted through Emphasys in accordance with DCA's NOFA application folder structure. Both the Emphasys application and NOFA folder structure are forthcoming.

Applications for funding and all applicable fees will be accepted until the deadline of 4:00 p.m. EST on the dates described below.

## B. Submission Timeline

NOFA Application Timeline	
NOFA released	June 17, 2022
DCA posts Emphasys application and folder structure	July 1, 2022 (anticipated)
Application deadline	July 18, 2022

Prior to closing, Applicants will need to submit to DCA's Construction Services Department the DCA 60-day submission, DCA Review Submission, and Loan Closing Submission. See the 2021 Architectural Submission Transmittal here: <https://www.dca.ga.gov/node/3058>

PLACE AN 'X' IN THE BOX NEXT TO EACH DOCUMENT SUBMITTED	
60 DAY SUBMISSION (due no later than 60 days after announcement of awards; or no later than March 30, 2021)	
01	<input type="checkbox"/> DCA Award letters (copy of Carryover and HOME Consent ltrs/exhibits)
02	<input type="checkbox"/> ALTA/ACSM Land Title Survey
03	<input type="checkbox"/> Geotechnical Report (new construction only)
04	<input type="checkbox"/> Owner/Architect Agreement - Executed
05	<input type="checkbox"/> Contractor Approval Package (see HOME Underwriting Policies of the 2020 QAP Threshold)
06	<input type="checkbox"/> Accessibility Consultant DCA Qualifications Package (see Accessibility Manual for requirements)
07	<input type="checkbox"/> Accessibility Consultant Agreement
08	<input type="checkbox"/> Accessibility Contractor and Subcontractor Training Sessions Action Plan (submit a document that states how this will be accomplished (min. two training sessions))
09	<input type="checkbox"/> Sustainable Building Certification "draft" scoring sheet for the development and related Consultant Agreement
10	<input type="checkbox"/> HERS Rater Consultant Agreement (agreement/proposal)
11	<input type="checkbox"/> Copy of Rehabilitation Standards Threshold Section "Energy Audit Report (ECM)" that was due/submitted with the application (rehab projects only)
12	<input type="checkbox"/> 3rd Party Cost Reviewer DCA Qualifications Package (ALL projects)
13	<input type="checkbox"/> DCA Amenities & Design Options Re-Certification form (per the awarded CORE application)
14	<input type="checkbox"/> DCA Approved Architectural Waivers/Optional Amenities (including evidence of DCA approval)
15	<input type="checkbox"/> DCA Approved Project Concept Changes (including evidence of DCA approval)
16	<input type="checkbox"/> Other: <input type="text"/>

DCA#:	1/0/1900	Program: 2020 NHTF 9pct	Page: 01 of 02
<b>PLACE AN 'X' IN THE BOX NEXT TO EACH DOCUMENT SUBMITTED</b>			
<b>DCA REVIEW SUBMISSION</b> (Due 45 days prior to DCA construction loan closing and no later than May 30, 2021)			
<input type="checkbox"/>	01	DCA Construction Document Log (drawing log)	(DCA Review Set)
<input type="checkbox"/>	02	DCA "Review Set" of drawings (plans)	(see directions for definition of "DCA Review Set") (no paper set required-PDF only)
<input type="checkbox"/>	03	DCA "Review Set" of Project Manual (specs)	(no paper set required-PDF only)
<input type="checkbox"/>	04	DCA Schedule of Values form	(DCA Review Set)
<input type="checkbox"/>	05	DCA Amenities & Design Options Re-Certification form	
<input type="checkbox"/>	06	Owner/Contractor Agreement - Draft	(current A101 Stipulated Sum or A102 Cost of Work Plus Fee With a Guaranteed Maximum Price forms)
<input type="checkbox"/>	07	Other Construction Hard Cost Work Scope	(support documentation for work not included in O/C agreement)
<input type="checkbox"/>	08	Construction Schedule - Draft	(DCA Review Set)
<input type="checkbox"/>	09	Third Party Front-End Cost Review	(DCA Review Set) (ALL projects)
<input type="checkbox"/>	10	Narrative that identifies each Carryover Allocation letter "Assumptions & Conditions" and provides a status update of each condition (Construction Svcs Dept items (ex.: wetlands delineations, noise mitigation plans, etc.) (restate each C.o.F in the narrative)	
<input type="checkbox"/>	11	Federal Work Authorization Affidavits (E-Verify)	
<input type="checkbox"/>	12	DCA Approved Architectural Waivers/Optional Amenities (including evidence of DCA approval)	
<input type="checkbox"/>	13	DCA Approved Project Concept Changes (including evidence of DCA approval)	
<input type="checkbox"/>	14	Other: _____	
<b>LOAN CLOSING SUBMISSION</b> (due 10 days prior to DCA construction loan closing)			
<input type="checkbox"/>	01	DCA Construction Document Log (drawing log)	(DCA Contract Set)
<input type="checkbox"/>	02	DCA "Contract Set" of drawings (plans)	(see directions for definition of "DCA Contract Set") (no paper set required-PDF only)
<input type="checkbox"/>	03	DCA "Contract Set" of Project Manual (specs)	(no paper set required-PDF only)
<input type="checkbox"/>	04	Addendum incorporating/outlining revisions from "DCA Review Set" into the "DCA Contract Set"	
<input type="checkbox"/>	05	DCA Schedule of Values form	(DCA Contract Set)
<input type="checkbox"/>	06	DCA Amenities & Design Options Re-Certification form	
<input type="checkbox"/>	07	Owner/Contractor Agreement - Executed	(DCA Contract Set)
<input type="checkbox"/>	08	Other Construction Hard Cost Work Scope	(support documentation for work not included in O/C agreement)
<input type="checkbox"/>	09	DCA Approved Architectural Waivers/Optional Amenities (including evidence of DCA approval)	
<input type="checkbox"/>	10	DCA Approved Project Concept Changes (including evidence of DCA approval)	
<input type="checkbox"/>	11	Other: _____	

## D. Questions and Answers Process

[Click here](#) to visit the NOFA website. A copy of this NOFA and related materials are available on this website. To submit questions regarding the NOFA, please visit this page and select, "Submit a question."

For Selection Criteria questions, frequently asked questions, or questions deemed of high importance, DCA will post responses on the NOFA website. For all other questions received, DCA staff will respond directly to those submitting questions over email.

## V. Selection Criteria

In the event DCA receives funding requests in excess of funds available, DCA will use the following criteria in selecting applications that will be funded. It is the applicant's responsibility to submit sufficient documentation to receive consideration of any Selection Criteria.

Competitive review is conducted separately by funding source (e.g., applications seeking HOME will compete against each other if requests for HOME funds exceeds the amount available). Applicants must indicate in their application if they are seeking HOME, NHTF, or the development could accept either source.



<b>Selection Criteria</b>
<p><b>Loan position and repayment</b></p> <ul style="list-style-type: none"> <li>• <b>(5 points)</b> DCA construction-permanent loan is in lien position 1.</li> <li>• <b>(3 points)</b> DCA construction-permanent loan is in lien position 2.</li> <li>• <b>(1 point)</b> DCA construction-permanent loan is in lien position 3.</li> </ul> <p>Must be reflected in Core Application, part III-Sources.</p>
<p><b>Readiness to proceed</b></p> <ul style="list-style-type: none"> <li>• <b>(4 points)</b> Evidence of permit approval from local authority</li> </ul> <p>Minimum documentation: permit approval evidence.</p>
<p><b>Recent 9% Awardees</b></p> <ul style="list-style-type: none"> <li>• <b>(2 points)</b> Application is for a development awarded under the 2020 or 2021 9% Competitive Rounds.</li> </ul>
<p><b>Federal funds experience</b></p> <p>Within the last 15 years, applicant has had experience using federal funds for the new construction or rehabilitation of multifamily rental properties larger than 30 units in one of the following ways. To be eligible, a property must have already placed in service.</p> <ul style="list-style-type: none"> <li>• <b>(4 points)</b> Developed three properties using HOME or NHTF, and applicant is still owner and/or operator for all three</li> <li>• <b>(3 points)</b> Developed one property using HOME or NHTF, and applicant is still owner and/or operator</li> <li>• <b>(2 point)</b> Developed one property using HOME or NHTF</li> <li>• <b>(1 point)</b> Developed at least two multifamily rental properties using federal funds that were not HOME or NHTF</li> </ul> <p>Minimum Documentation: updated DCA Performance Workbook</p>
<p><b>Federal funds compliance history</b></p> <ul style="list-style-type: none"> <li>• <b>(2 points)</b> Applicant is eligible for one of the above Federal Funds Experience point options, and the applicant has no outstanding compliance history for a federally funded property</li> </ul> <p>Minimum Documentation: updated DCA Performance Workbook</p>

### Priority Point

(2 points) Applicants designate one application as the top priority among all applications submitted under this NOFA. The “one application” limitation applies to all applications for which for the entity has effective control.

Effective control is as defined in the 2022 QAP in **(Threshold Criteria) Experience, Capacity and Performance Requirements for General Partner and Developer Entities**.

Selection Criteria Narrative must list all applications submitted under this NOFA for which applicant has effective control.

**Tiebreakers** will be applied in this order:

For any ties between 9% applications awarded in the same year, DCA will first apply the following two tiebreakers (e.g., DCA will apply these tiebreakers to a tie between two 2020 9% credits awardees):

- A. Compliance Score received from the original 9% Competitive Round
- B. Overall score received from the original 9% Competitive Round

If the above two tiebreakers cannot resolve the tie (e.g., the applications were awarded under different competitive rounds), then DCA will apply the following tiebreakers:

- C. First awarded application under this NOFA for the entity with effective control
- D. Earlier year of the most recent 9% credits award for the Local Government Boundary
- E. Lower Housing Stability score for census tract according to Enterprise Community Partners Opportunity 360
  - Please note that this data is no longer public as Enterprise 360 has been discontinued. Enterprise has provided this data to DCA.
- F. Applications that use the least amount of HOME or NHTF per low-income unit
- G. Applicants with documentation that the property will reduce public housing waiting lists
- H. Any remaining ties will be resolved by random number assignment