How to Get Your GHFA/DCA Loan Closed
DCA/GHFA Closing Process

Pre-App
• HOME/NHTF/CDBG Consent
• May also be awarded under a NOFA instead of pre-app
• 4% HOME NOFA
• CHDO NOFA 9%

Full Application
• LIHTC & QAP review

Tax Credit Award
• 9% Carryover
• 4% LOD
• Construction Transmittal is attached for 60-Day, DCA Review Submission, and Loan Closing submission
• PI to developer

60-Day Submission
• Construction Team
• Due 60 Days after Tax Credit Award
• Bi-monthly calls start to keep deal moving

DCA Review Submission
• Construction Team
• Due 45-60 days prior to Loan Closing

Loan Closing Submission
• CS Team
• Due 10 days prior to closing
• Updated UW workbook due at this time with updated financial commitments.
• Full/final UW review

Drafting Loan Documents
• UW Team has finalized underwriting
• CS team has forwarded final contract hard costs which match UW workbook
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Due Diligence Closing
• John Grubb works out issues and questions with Nick, Ryan, Sandy, and Underwriter assigned
• John Grubb coordinates with the developer’s attorney as well.

Closing
• Developer/Owner signs closing documents at DCA
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• Construction starts and draws begin

NEPA Environmental Review Process
- Starts after LIHTC award; process varies per funding source (HOME, NHTF, etc.)

Authority to Use Grant Funds (AUGF)
- HUD sends AUGF to DCA/GHFA
- Must receive prior to Acquiring property, starting construction
DCA Resources - Affordable Housing Development

- **DCA as the Housing Tax Credit (LIHTC) Issuer**
  - 9% Credits
  - 4% Credits

- **DCA as a Lender (Loans and/or Grants):**
  - Home Investment Partnership Program (HOME)
  - National Housing Trust Fund (NHTF)
  - Tax Credit Assistance Program (TCAP)
  - Community Development Block Grant-Disaster Recovery (CDBG-DR)
## Funding Source Summary

<table>
<thead>
<tr>
<th>GAP Funding Source</th>
<th>DCA/IGHFA Uses</th>
<th>Income Requirements</th>
<th>Rents</th>
<th>Minimum Affordability Period</th>
<th>Typical Terms</th>
<th>NEPA/State Environmental Review</th>
</tr>
</thead>
</table>
| HOME               | *3% CHDIO HOME  
*4% HOME Gap financing (NOFA)  
*CHIP (Single family) | *100% for low-income households (≤ 80% of AMI)  
*20% of rental units in projects of more than 5 HOME units for households at < 50% AMI (LOW HOME) - remainder of HOME designated units are lessee of High HOME/60% LIHTC | *High HOME rents (including utilities) are capped at the lesser of: the Fair Market Rent (FMR) for the area or 30% of the income of a household whose income is 65% of AMI.  
*Low HOME rents (including utilities) are capped at 30% of the income of a household whose income is 50% of AMI | *Rehab - 5, 10, 15 years depending upon the amount of the HOME investment  
*New Construction - 20 years | *0% Construction  
*0% perm or based on % of cash flow | *YES |
| NHTF               | *3% & 4% LIHTC Gap Financing  
*Have done NHTF non-LIHTC deals (e.g. Holly Street) | *100% for extremely low-income households (≤ 30% AMI) or families with incomes at or below the poverty line (whichever is greater) when HTF funds are less than $1 billion | *The HTF rent plus utilities of an extremely low-income tenant shall not exceed the greater of: 30 percent of the federal poverty line or 30 percent of the income of a family whose annual income equals 30 percent of the Area Median Income | *30 years (no exceptions) | 0% interest Construction and permanent | *YES |
| CDBG-DR            | *3% CDBG-DR Gap financing  
*Four Awards in 2019 LIHTC  
*Set Aside | *HUD requires that at a minimum, 70% of the total CDBG-DR funds benefit households of low to moderate income.  
*Low to moderate income households are defined as households that do not exceed 80% of the area median income for their area, | *80% Area Median Income | *(15) years or more for the rehabilitation of projects with eight or more units  
*(20) years for the new construction of projects with five or more units | *0% Construction  
*0% perm or based on % of cash flow | YES |
| TCAP 2             | *Matching Construction Loan to HOME Construction Loan  
*Acquisition Loans (e.g. Capitol View) | *80% Area Median Income | *80% Area Median Income | 15 years | 0% Construction | NO |
| TCAP 3             | * To be determined | *None - unrestricted funds/DCA discretion | *None - unrestricted funds/DCA discretion | TBD | TBD | NO |
How to get Awarded GHFA Funds

- Pre-App request (9%)
- NOFA/RFP
  - 4% deals
  - 9% set asides
    - CHDO
    - Disaster Set Aside
    - Etc.
DCA/GHFA Closing Process

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Pre-App

- March (9%)
- Year Round (4%)* (previously)

Documents and Issues to Work Out:
  - Project Team Qualifications
  - Waivers (Underwriting, Construction, Cost, etc.)
Georgia Housing and Finance Authority
Multifamily Affordable Housing
2020 Notice of Funding Availability
HOME Partnership Program & 4% Housing Tax Credits
National Housing Trust Fund Program & 4% Housing Tax Credits

I. Overview

The Georgia Housing and Finance Authority (GHFA) hereby notifies interested Applicants of the availability of funds allocated from the HOME Investment Partnerships Program (HOME) and the National Housing Trust Fund (NHTF). The Georgia Department of Community Affairs (DCA) is the administrator of GHFA programs.

In releasing this Notice of Funding Availability (NOFA), the goal of GHFA is to facilitate new construction, rehabilitation, and acquisition/rehabilitation of multifamily rental housing by providing gap financing at rates below those charged by commercial lending institutions. Funding from this NOFA, combined with other sources, will assist in creating new housing and
# NOFA/RFP Awards List

## New Construction Competition

<table>
<thead>
<tr>
<th>Status</th>
<th>DCA Score</th>
<th>Application Number</th>
<th>Application Name</th>
<th>City</th>
<th>County</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awarded</td>
<td>41</td>
<td>2020-HN20</td>
<td>McAuley Park Phase I</td>
<td>Atlanta</td>
<td>Fulton</td>
<td>4,000,000 HOME</td>
</tr>
<tr>
<td>Awarded</td>
<td>40</td>
<td>2020-HN13</td>
<td>Stanton Park Apartments</td>
<td>Atlanta</td>
<td>Fulton</td>
<td>2,600,000 HOME</td>
</tr>
<tr>
<td>Awarded</td>
<td>37</td>
<td>2020-HN21</td>
<td>1265 Lakewood</td>
<td>Atlanta</td>
<td>Fulton</td>
<td>3,100,000 HOME</td>
</tr>
<tr>
<td>Awarded</td>
<td>37</td>
<td>2020-HN22</td>
<td>The Mallory</td>
<td>Atlanta</td>
<td>Fulton</td>
<td>2,900,000 HOME</td>
</tr>
<tr>
<td>Awarded</td>
<td>35</td>
<td>2020-HN06</td>
<td>Heartside Lawrenceville</td>
<td>Lawrenceville</td>
<td>Gwinnett</td>
<td>2,000,000 HOME</td>
</tr>
<tr>
<td>Awarded</td>
<td>32</td>
<td>2020-HN07</td>
<td>Highland Terrace II</td>
<td>Columbus</td>
<td>Muscogee</td>
<td>4,000,000 HOME</td>
</tr>
<tr>
<td>Awarded</td>
<td>27</td>
<td>2020-HN11</td>
<td>Madison Reynolds Town</td>
<td>Atlanta</td>
<td>Fulton</td>
<td>4,000,000 NHTF</td>
</tr>
<tr>
<td>Awarded</td>
<td>27</td>
<td>2020-HN17</td>
<td>Peaks of Dawsonville</td>
<td>Dawsonville</td>
<td>Dawson</td>
<td>4,000,000 HOME</td>
</tr>
<tr>
<td>Awarded</td>
<td>26</td>
<td>2020-HN12</td>
<td>Wisteria Place of Albany</td>
<td>Albany</td>
<td>Dougherty</td>
<td>4,000,000 HOME</td>
</tr>
<tr>
<td>Awarded</td>
<td>21</td>
<td>2020-HN19</td>
<td>Belview Oaks Apartments</td>
<td>Bremen</td>
<td>Carroll</td>
<td>4,000,000 HOME</td>
</tr>
<tr>
<td>Awarded</td>
<td>19</td>
<td>2020-HN18</td>
<td>80 Rockbridge</td>
<td>Stone Mountain</td>
<td>Gwinnett</td>
<td>3,700,000 HOME</td>
</tr>
<tr>
<td>Awarded</td>
<td>18</td>
<td>2020-HN10</td>
<td>Abington Point</td>
<td>East Point</td>
<td>Fulton</td>
<td>2,500,000 HOME</td>
</tr>
<tr>
<td>Ineligible</td>
<td>28</td>
<td>2020-HN09</td>
<td>Flats-Villas at Stone Hogan</td>
<td>Atlanta</td>
<td>Fulton</td>
<td>4,000,000 HOME</td>
</tr>
</tbody>
</table>

HOME awarded: 22,600,000
NHTF awarded: 4,000,000

## Rehabilitation Competition

<table>
<thead>
<tr>
<th>Status</th>
<th>DCA Score</th>
<th>Application Number</th>
<th>Application Name</th>
<th>City</th>
<th>County</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awarded</td>
<td>51</td>
<td>2020-HN23</td>
<td>Columbus Village</td>
<td>Decatur</td>
<td>DeKalb</td>
<td>3,200,000 HOME</td>
</tr>
<tr>
<td>Awarded</td>
<td>42</td>
<td>2020-HN03</td>
<td>Big Bethel Village II</td>
<td>Atlanta</td>
<td>Fulton</td>
<td>2,000,000 HOME</td>
</tr>
<tr>
<td>Awarded</td>
<td>41</td>
<td>2020-HN08</td>
<td>Lakewood Christian Manor</td>
<td>Atlanta</td>
<td>Fulton</td>
<td>2,000,000 NHTF</td>
</tr>
<tr>
<td>Awarded</td>
<td>40</td>
<td>2020-HN16</td>
<td>Murphy Homes*</td>
<td>Macon</td>
<td>Bibb</td>
<td>2,000,000 NHTF</td>
</tr>
<tr>
<td>Awarded</td>
<td>40</td>
<td>2020-HN01</td>
<td>Renaissance at Park Place South</td>
<td>Atlanta</td>
<td>Fulton</td>
<td>4,000,000 HOME</td>
</tr>
<tr>
<td>Awarded</td>
<td>37</td>
<td>2020-HN15</td>
<td>Davis Homes</td>
<td>Macon</td>
<td>Bibb</td>
<td>2,000,000 HOME</td>
</tr>
<tr>
<td>Awarded</td>
<td>35</td>
<td>2020-HN05</td>
<td>Phoenix Way</td>
<td>LaGrange</td>
<td>Troup</td>
<td>3,740,000 HOME</td>
</tr>
<tr>
<td>Awarded</td>
<td>33</td>
<td>2020-HN14</td>
<td>Mounts Homes</td>
<td>Macon</td>
<td>Bibb</td>
<td>2,000,000 HOME</td>
</tr>
<tr>
<td>Awarded</td>
<td>31</td>
<td>2020-HN04</td>
<td>Neims House</td>
<td>East Point</td>
<td>Fulton</td>
<td>2,000,000 HOME</td>
</tr>
<tr>
<td>Awarded</td>
<td>17</td>
<td>2020-HN02</td>
<td>Vineville Christian Towers</td>
<td>Macon</td>
<td>Bibb</td>
<td>4,000,000 HOME</td>
</tr>
</tbody>
</table>

HOME awarded: 5,200,000
NHTF awarded: 4,000,000

* Selected through tiebreaker.
One page invitation to apply

Dear Lakewood Senior I, LP,

Congratulations! The above referenced project has been selected to receive a 2020 Consent to utilize DCA HOME funding.

Please note that there should be no material changes to the Application, or to the organizational structure of the proposed General Partner or Developer entity. DCA requires that the project receiving this HOME Consent Include the full HOME Consent Amount and other criteria as listed in the HOME Consent Request within the LIHTC Application. Failure to do so could result in a Threshold Failure Determination. If the applicant is approved for a LIHTC award, the HOME funds must be utilized.

Please note that at this time DCA has not conducted the review of the project financial feasibility, market feasibility, or other threshold requirements.

As a result, the Application is subject to all applicable Core & Threshold reviews outlined in the 2020 QAP.

Sincerely,

Ryan Fleming

Ryan Fleming, Office Director
Housing Finance & Development Division
Reservation Letter

- General Overview of Submission Requirements and Closing Process

Exhibit A  Typical Conversion Conditions;
Exhibit B  Architectural Requirements
Exhibit C  Environmental Review
Exhibit D  Appraisal; Final Underwriting Review
Exhibit E  Legal Closing Phase
XIX. EXPERIENCE, CAPACITY AND PERFORMANCE REQUIREMENTS FOR GENERAL PARTNER AND DEVELOPER ENTITIES

Overview
DCA must comply with statutory requirements to take into consideration the qualifications of the Project Team for a proposed project or to own and operate a tax credit property. A proposed Project Team in a submitted Application or in any request related to a transfer of an interest must have experience, capacity and successful performance in the Tax Credit Program to own and/or develop a tax credit project. Further, all properties must have Project Teams that are substantially compliant with DCA rules, Section 42 Program requirements and regulations and HOME Partnership program requirements and regulations. Overall, DCA reviews the following four areas of the proposed Project Team:
- Experience
- Capacity
- Performance
- Compliance History

Project Teams may be reviewed for qualifications at Pre-Application or Application Submission. To receive a full Threshold review at Pre-Application under this section, Applicant must have the project team and construction type finalized by Pre-Application. If either is “To Be Determined,” DCA will not conduct a team qualifications review during the Pre-Application review phase.

A. Certifying Entities
Pre-App Waiver Items – Must Demonstrate Need!!

- **Rehabilitation Waivers (Work Scope):**
  - DCA Work Scope Form
  - Physical Needs Assessment
  - Legal opinion (accessibility)
  - Floor plans

- **Underwriting Waivers:**
  - Rental assistance contract
  - Operating statements (existing property)
  - Initial DCA Core App (Underwriting excel model)

- **Cost Waivers:**
  - Section II Cost Limits
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Full Application

- 9% Credits & 4% Credits
- 2020 Qualified Allocation Plan ("QAP")
  - Core (9% and 4%)
  - Threshold (9% and 4%)
  - Scoring (9%)
Core & Threshold

- 2020 QAP

Appendix I
Threshold Criteria

- Project Feasibility, Viability Analysis & Conformance with Plan
- Cost Limits
- Tenancy Characteristics
- Required Services
- Market Feasibility (Market Study)
- Appraisals
- Environmental Requirements
- Site Control
- Site Access
- Site Zoning
- Operating Utilities
- Public Water/Sanitary Sewer/Storm Sewer
- Required Amenities
- Rehabilitation Standards
- Site Information and Conceptual Site Development Plan
- Building Sustainability
- Accessibility Standards
- Architectural Design & Quality Standards
- Experience, Capacity and Performance Requirements for General Partner and Developer Entities
- Eligibility for Credit Under the Non-Profit Set Aside
- Eligibility for Credit Under Rural Home Preservation Set Aside
- Eligibility for Home Loans Under the CHDO Set Aside
- Required Legal Opinions
- Occupied Developments
- Affirmatively Furthering Fair Housing
- Integrated Supportive Housing
- Optimal Utilization of Resources
# The Office of Housing Finance Team

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marshall Alton</td>
<td>Assistant Office Director</td>
</tr>
<tr>
<td>Stephen Barrett</td>
<td>Operations Manager</td>
</tr>
<tr>
<td>Fenelle (in progress)</td>
<td>Program Assistant</td>
</tr>
<tr>
<td>Sherrie Potter</td>
<td>Construction Manager</td>
</tr>
<tr>
<td>RC Connell</td>
<td>Construction Lead</td>
</tr>
<tr>
<td>Gary Hughes</td>
<td>Construction Specialist</td>
</tr>
<tr>
<td>Shon Walker</td>
<td>Construction Specialist</td>
</tr>
<tr>
<td>Derek Briggs</td>
<td>Construction Specialist</td>
</tr>
<tr>
<td>Vacant</td>
<td>Construction Specialist</td>
</tr>
<tr>
<td>Vacant</td>
<td>Administrative Assistant</td>
</tr>
<tr>
<td>Nikki Fortin</td>
<td>Legal Officer</td>
</tr>
<tr>
<td>Sandy Wyckoff</td>
<td>Tax Credit Manager</td>
</tr>
<tr>
<td>Robert Keeler</td>
<td>Underwriting Manager</td>
</tr>
<tr>
<td>Carliss Connelly</td>
<td>Tax Credit Specialist</td>
</tr>
<tr>
<td>Mitchell (in progress)</td>
<td>Tax Credit Specialist</td>
</tr>
<tr>
<td>Intern Group</td>
<td>Wilkerson, Shirin Thorderson, Corley Nicholson, Cherilla Uspalji, Henni Berman, Jessica Raza, Zainab</td>
</tr>
<tr>
<td>Phyllis Crow</td>
<td>Senior Program Assistant</td>
</tr>
<tr>
<td>Teresa Crowe</td>
<td>Bond Lead</td>
</tr>
<tr>
<td>Gary Garner</td>
<td>Senior Underwriter</td>
</tr>
<tr>
<td>Raven Thompson</td>
<td>Tax Credit Specialist</td>
</tr>
<tr>
<td>Jessica Plante</td>
<td>Underwriter</td>
</tr>
<tr>
<td>Angela Lowery</td>
<td>Underwriter</td>
</tr>
<tr>
<td>Vacant</td>
<td>Underwriter</td>
</tr>
<tr>
<td>Vacant</td>
<td></td>
</tr>
</tbody>
</table>
DCA Ordered Appraisal

Exhibit D
Appraisals Review Process

Appraisals will be ordered by DCA upon receipt of the architectural documentation. DCA commissioned appraisals will meet the DCA requirements as outlined in the Appraisal Guide. It is DCA’s goal that the appraisal will be completed within 30 days of its order. Applicants may elect to provide DCA with a copy of the Appraisal conducted for the primary lender in lieu of the DCA commissioned Appraisal. Should the Applicant choose to provide the Appraisal conducted for the primary lender, the Applicant must submit a letter stating their election, the name of the primary lender and the anticipated date of completion of the Appraisal. The Applicant must insure that the appraisal meets the DCA requirements as outlined in the DCA Appraisal Guide and includes a letter from the Appraiser indicating that DCA can rely on the information and conclusions contained in the Appraisal. Questions regarding the DCA appraisal requirements should be directed to Nikki Flanigan at nikki.flanigan@dca.ga.us.

Applicants are required to submit the required due diligence documentation to the attention of the Multifamily Underwriting Manager as set forth below. This documentation should be submitted as one due diligence packet once final construction pricing is determined. It is DCA’s goal to complete its review of the due diligence documents within 30 days of receipt. Incomplete or partial packets will be returned to the Applicant.

Please contact Nick Sexton at nick.sexton@dca.ga.us if you have any questions concerning the DCA due diligence process.

See Reservation Letter
Letter of Determination ("LOD")

- Preliminary Award for Tax Credits
- Letter of Determination
- “LOD”

---

**GEORGIA HOUSING & FINANCE AUTHORITY**

Programs administered by the Georgia Department of Community Affairs

![Letter of Determination](image)

**LETTER OF DETERMINATION**

<table>
<thead>
<tr>
<th>Project Owner:</th>
<th>Milton Family I, LP</th>
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</thead>
<tbody>
<tr>
<td>Contact Person:</td>
<td>Wiley A. Tucker, III</td>
</tr>
<tr>
<td>Contact Address:</td>
<td>3715 Northside Pkwy Bldg 200 Ste 175</td>
</tr>
<tr>
<td>City, State, Zip:</td>
<td>Atlanta, GA 30327</td>
</tr>
<tr>
<td>Contact Phone:</td>
<td>(404) 949-3871</td>
</tr>
<tr>
<td>Contact email:</td>
<td><a href="mailto:jody@prestwickcompanies.com">jody@prestwickcompanies.com</a></td>
</tr>
<tr>
<td>Project Name:</td>
<td>55 Milton</td>
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<tr>
<td>Project Number:</td>
<td>2019-528</td>
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<tr>
<td>Project City/County:</td>
<td>Atlanta/Fulton</td>
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<td>Type of Development:</td>
<td>New Construction</td>
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<td>Target Population:</td>
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<td>Tax-exempt Bond Issuer:</td>
<td>Urban Residential Finance Authority of the City of Atlanta, Georgia</td>
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<tr>
<td>Preliminary Annual Federal &amp; State Credit Amount:</td>
<td>$1,186,827</td>
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<tr>
<td>Date of Determination Letter:</td>
<td>May 11, 2020</td>
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The Georgia Department of Community Affairs (DCA) has received an application for a determination of credit eligibility under Georgia’s 2019 Qualified Allocation Plan (QAP) for the above project, as required by Section 42(m)(1)(D) of the Internal Revenue Code of 1986, as amended (IRC). The project owner has also requested a preliminary determination that the application meets the financial feasibility requirement pursuant to Section 42(m)(2)(D).
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   - LIHTC & QAP review

3. **TAX CREDIT AWARD**
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   - Construction Transmittal is attached for 60-Day, DCA Review Submission, and Loan Closing submission FYI to developer

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9. **Closing**
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   - Pre-Closing meeting follows
   - Construction starts and draws begin

**NEPA Environmental Review Process**
- Starts after LIHTC award; process varies per funding source (HOME, NHTF, etc.)

**Authority to Use Grant Funds (AUGF)**
- HUD sends AUGF to DCA/GHFA
- Must receive prior to Acquiring property, starting construction
# Environmental Review Requirements

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>DCA Checklist</th>
<th>NEPA Review</th>
<th>Tribal Consultation</th>
<th>Public Notice</th>
<th>HUD Request for Release of Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIHTC</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>HOME</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>NHTF</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>CDBG</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>TCAP</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>
HOME Environmental Review

- HUD/HOME Environmental Questionnaire
- Phase I and Phase II (if applicable) ESA
- Site and Neighborhood Standards Certification
- Core Application
DCA/GHFA Closing Process

Pre-App
• HOME/NHTF /CDBG Consent
• May also be awarded under a NOFA instead of pre-app
• 4% HOME NOFA
• CHDO NOFA 9%

Full Application
• LHTC & QAP review

Tax Credit Award
• 9% Carryover
• 4% LOD
• Construction Transmittal is attached for 60-Day, DCA Review Submission, and Loan Closing submission FYI to developer

60-Day Submission
• Construction Team
• Due 60 Days after Tax Credit Award
• Bi-monthly calls start to keep deal moving

DCA Review Submission
• Construction Team
• Due 45-60 days prior to Loan Closing

Loan Closing Submission
• CS Team
• Due 10-days prior to closing
• Updated UW workbook due at this time with updated financial commitments.
• Full/initial UW review

Drafting Loan Documents
• UW Team has finalized underwriting
• CS team has forwarded final contract hard costs which match UW workbook
• John Grubb drafts closing documents based on final UW workbook

Due Diligence Closing
• John Grubb works out issues and questions with Nick, Ryan, Sandy, and Underwriter assigned
• John Grubb coordinates with the developer’s attorney as well.

Closing
• Developer/Owner signs closing documents at DCA
• Pre-Con meeting follows
• Construction starts and draws begin

NEPA Environmental Review Process
• Starts after LHTC award; process varies per funding source (HOME, NHTF, etc.)

Authority to Use Grant Funds (AUGF)
• HUD sends AUGF to DCA/GHFA
• Must receive prior to Acquiring property, starting construction
NEPA Review Process

- NEPA Review Begins
- Determination of Level of Environmental Review
- NEPA Review Conducted and Documentation recorded in Environmental Review Form (ERR)
  - If no clarifications needed, Conditions of Funding recorded and send to the Developer
- Completed ERR signed by DCA Signature Authority
  - Upon completion of NEPA Review and determination that no outstanding information is required
- Notice of No Significant Impact and Request for Release of Funds
  - 15-day public comment period
- Notice of Intent to Request Release of Funds (RROF) sent to HUD
  - If no adverse comments are received or valid concerns found
- HUD Review Process (20-40 days)
- HUD sends DCA Authority to Use Grant Funds (AUGF)
  - DCA Loan Committee Convenes
- Completed ERR is filed as a hard copy and digitally
Environmental Concerns

- Airport Hazards
- Coastal Barrier Resources
- Air Quality
- Coastal Zone Management
- Site Contamination
- Endangered Species
- Explosive and Flammable Hazards
- Farmlands Protection
- Floodplain Management
- Historic Preservation

- Noise Abatement and Control
- Sole Source Aquifers
- Wetlands Protection
- Wild and Scenic Rivers
- Environmental Justice
Environmental Concerns

Tribal Consultation

• If it is determined that the proposed project may affect tribal historic properties, DCA will consult with THPO to determine actual effect.

• The tribe must provide within 30 days an indication of their desire to consult. The Tribal review and consultation may take longer.
After completing the review

Legal Notice

• DCA publishes a notice in a local paper.
• 15 day public comment period
• Receive affidavit from newspaper
Request for Release of Funds

• If no adverse comments are received or valid concerns are found to exist, DCA then sends the **RROF** with a copy of the notice.
• Email to HUD with Legal Notice and "no comment" memo
• Mail original to HUD
Authority to Use Grant Funds

• HUD’s review generally takes about 20-40 days

• Once completed, HUD will send the Authority to Use Grant Funds to DCA authorizing that DCA can use the funds as the Responsible Entity
July 1, 2020

Mr. Ryan Fleming  
Director  
Georgia Department of Community Affairs  
60 Executive Park South, NE  
Atlanta, GA 30329

Dear Mr. Fleming:

Subject: Request for Release of Funds – Grove Park Project

We received your Request for Release of Funds and Certification, form HUD-7015.15 along with supporting documentation on May 27, 2020. Based on our review of the submitted documentation, your request for release of funds for the subject project has been determined to be acceptable.

The original Authority to Use Grant Funds, form HUD-7015.16 is enclosed for your records. If you have any environmental review related questions, please contact Mr. Barry Bennett, CPD Program Environmental Specialist.

Sincerely,

Jessica Vasquez  
Director  
Atlanta Office of Community Planning and Development
Authority to Use
Grant Funds

U.S. Department of Housing
and Urban Development
Office of Community Planning
and Development

To: (name & address of Grant Recipient & name & title of Chief Executive Officer)  
Copy To: (name & address of SubRecipient)

Mr. Ryan Fleming  
Director - Office of Housing Finance  
Georgia Department of Community Affairs  
60 Executive Park South, NE  
Atlanta, GA 30320

We received your Request for Release of Funds and Certification, form HUD-7015.15 on May 27, 2020

Your Request was for HUD/State Identification Number

B-18-OP-13-0001

All objections, if received, have been considered. And the minimum waiting period has transpired.

You are hereby authorized to use funds provided to you under the above HUD/State Identification Number.

File this form for proper record keeping, audit, and inspection purposes.

GRANT NUMBER: B-18-OP-13-0001

Grove Park Apartments will be located on Middle School Road in Kingsland, GA. Middle School Road is a publicly maintained, paved street which will offer direct access to the proposed development site. The site is located adjacent to existing residential development and undeveloped land, yet also within a short walk or drive of shopping, amenities, and services. The site offers excellent access to I-95. The 24 acre property is currently zoned R-3 and PDR-3 which currently entitles the site for the proposed apartment development. The site is locate in Flood Zone X and no wetlands will be impacted by its development. The apartments will be constructed with brick and fiber-cement siding. The high quality features of the townhouses will offer its residents a unique affordable housing opportunity that will surpass most other tax credit developments. Affordable unit rents will comparable to other LIHTC developments. The new development will consist of 80 apartment units in 2 and 3 story buildings, with a mix of one, two, and three bedroom units. Design features will include energy efficient windows and doors, high R-value insulation, many family friendly features including central heated and air-conditioned living areas, ceiling fans, dishwasher and microwave appliances. High quality construction techniques and energy efficient materials will result in a product that meets the standards as a Sustainable building. The development will be constructed to meet the Enterprise Green Communities certification program requirements. Development amenities will include a community building, fully equipped playground, outdoor gazebo, and community garden. Grove Park will also provide activities geared towards the family demographic. Grove Park Apartments will include 10% of its units as available for Section 811 tenants and has more than 10% of the proposed units as 1 bedroom units. LIHTC and CDBG-DR are funding sources.

If you have any environmental review related questions, please contact Barry Bennett, CPD Program Environmental Specialist.

Typed Name of Authorizing Officer  
Signature of Authorizing Officer  
Date (mm/dd/yyyy)

Jessica Vasquez  
Title of Authorizing Officer  
CPD Director

Digitally signed by JESSICA VASQUEZ  
Date: 2020.07.01 15:57:35 -0400
Activities that have physical impacts or which limit the choice of alternatives cannot be undertaken, even with the grantee or other project participant's own funds, prior to obtaining **ENVIRONMENTAL** clearance.

- Expenditure of HOME/CDBG funds;
- Demolition, dredging, filling, excavating;
- Acquisition of real property;
- Rehabilitation/construction of buildings or structures
- Relocating buildings or structures
- Conversion of land or buildings/structures
DCA/GHFA Closing Process

**Pre-App**
- HOME/NHTF/CDBG Consent
- May also be awarded under a NOFA instead of pre-app
- 4% HOME NOFA
- CHDO NOFA 9%

**Full Application**
- LIHTC & QAP review

**Tax Credit Award**
- 9% Carryover
- 4% LOD
- Construction Transmittal is attached for 60-Day,
  DCA Review Submission, and Loan Closing submission
  FYI to developer

**60-Day Submission**
- Construction Team
  - Due 60 Days after Tax Credit Award
  - Bi-monthly calls start to keep deal moving

**DCA Review Submission**
- Construction Team
  - Due 45-60 days prior to Loan Closing

**Loan Closing Submission**
- CS Team
  - Due 10-days prior to closing
  - Updated UW workbook due at this time with updated financial commitments.
  - Full/final UW review

**Drafting Loan Documents**
- UW Team has finalized underwriting
- CS team has forwarded final contract hard costs which match UW workbook
- John Grubb drafts closing documents based on final UW workbook

**Due Diligence Closing**
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**NEPA Environmental Review Process**
- Starts after LIHTC award; process varies per funding source (HOME, NHTF, etc.)

---

**Authority to Use Grant Funds (AUGF)**
- HUD sends AUGF to DCA/GHFA
- Must receive prior to Acquiring property, starting construction
HOME/NHTF/CDBG Bi-Monthly Calls

- Ensure DCA/Developer meets closing timelines
- Calls 2X/month to get update and clarify anything DCA needs or developer needs to know
  - Underwriting Team – Robert Keeler & team
  - Construction Team – Sherrie Potter & team
  - Environmental Review – Joanna Jin
### 60-Day Review Submission

**DO NOT COMBINE THE STAGED SUBMISSION PACKAGES** (maintain separate binders/flash drives per submission) ***

**PLACE AN ‘X’ IN THE BOX NEXT TO EACH DOCUMENT SUBMITTED**

**60 DAY SUBMISSION**  (due no later than 60 days after the date of Letter of Determination - 42m)

<table>
<thead>
<tr>
<th></th>
<th>Document Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>DCA Award letters  <em>(copy of LoD and HOME Consent ltrs/exhibits)</em></td>
</tr>
<tr>
<td>02</td>
<td>ALTA/ACSM Land Title Survey</td>
</tr>
<tr>
<td>03</td>
<td>Geotechnical Report  <em>(new construction only)</em></td>
</tr>
<tr>
<td>04</td>
<td>Owner/Architect Agreement - Executed</td>
</tr>
<tr>
<td>05</td>
<td>Contractor Approval Package  <em>(see HOME Underwriting Policies of the 2020 QAP Threshold)</em></td>
</tr>
<tr>
<td>06</td>
<td>Accessibility Consultant DCA Qualifications Package  <em>(see Accessibility Manual for requirements)</em></td>
</tr>
<tr>
<td>07</td>
<td>Accessibility Consultant Agreement</td>
</tr>
<tr>
<td>08</td>
<td>Accessibility Contractor and Subcontractor Training Sessions Action Plan *(submit a document that states how this will be accomplished) <em>(min. two training sessions)</em></td>
</tr>
<tr>
<td>09</td>
<td>Sustainable Building Certification &quot;draft&quot; scoring sheet for the development and related Consultant Agreement</td>
</tr>
<tr>
<td>10</td>
<td>HERS Rater Consultant Agreement  <em>(agreement/proposal)</em></td>
</tr>
<tr>
<td>11</td>
<td>Copy of Rehabilitation Standards Threshold Section &quot;Energy Audit Report (ECM)&quot; that was due/submitted with the application <em>(rehab projects only)</em></td>
</tr>
<tr>
<td>12</td>
<td>3rd Party Cost Reviewer DCA Qualifications Package  <em>(ALL projects)</em></td>
</tr>
<tr>
<td>13</td>
<td>DCA Amenities &amp; Design Options Re-Certification form  <em>(per the awarded CORE application)</em></td>
</tr>
<tr>
<td>14</td>
<td>DCA Approved Architectural Waivers/Optional Amenities  <em>(including evidence of DCA approval)</em></td>
</tr>
<tr>
<td>15</td>
<td>DCA Approved Project Concept Changes  <em>(including evidence of DCA approval)</em></td>
</tr>
<tr>
<td>16</td>
<td>Other:</td>
</tr>
</tbody>
</table>

**DCA#:** 1/0/1900  **Program:** 2020 HOME 4pct  **Page:** 01 of 02

See Construction Services Transmittal
Common Mistakes/Holdups

- 3rd Party Front End Cost Review (FECR) Consultant folder missing qualification package or required documents
- Contractor Approval folder missing qualification package or required documents
- Owner/Architect agreement draft instead of finalized agreement
- Submitting unsigned Accessibility Consultant Agreement
- Amenities changed from awarded core application
**DCA/GHFA Closing Process**

**Pre-App**
- HOME/NHTF/CDBG Consent
- May also be awarded under a NODA instead of pre-app
- 4% HOME NODA
- ChDO NODA 9%

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- HUD sends AUGF to DCA/GHFA
- Must receive prior to Acquiring property, starting construction
DCA Review Submission

PLACE AN 'X' IN THE BOX NEXT TO EACH DOCUMENT SUBMITTED

DCA REVIEW SUBMISSION (Due 45 days prior to DCA construction loan closing)

01 DCA Construction Document Log (drawing log) (DCA Review Set)
02 DCA "Review Set" of drawings (plans) (see directions for definition of "DCA Review Set") (no paper set required-PDF only)
03 DCA "Review Set" of Project Manual (specs) (no paper set required-PDF only)
04 DCA Schedule of Values form (DCA Review Set)
05 DCA Amenities & Design Options Re-Certification form
06 Owner/Contractor Agreement - Draft (current A101 Stipulated Sum or A102 Cost of Work Plus Fee With a Guaranteed Maximum Price forms)
07 Other Construction Hard Cost Work Scope (support documentation for work not included in O/C agreement)
08 Construction Schedule - Draft (DCA Review Set)
09 Third Party Front-End Cost Review (DCA Review Set) (ALL projects)
10 NOFA Application Letter from Accessibility Consultant substantiating that lesser of current and proposed (accessible and adaptable units) (rehab projects only)
11 Narrative that identifies each Carryover Allocation letter "Assumptions & Conditions" and provides a status update of each condition (Construction Srvcs Dept items only) (ex: wetlands delineations, noise mitigation plans, etc.) (restate each C.o.F in the narrative)
12 Federal Work Authorization Affidavits (E-Verify)
13 DCA Approved Architectural Waivers/Optional Amenities (including evidence of DCA approval)
14 DCA Approved Project Concept Changes (including evidence of DCA approval)
15 Other:

See Construction Services Transmittal
Common Mistakes/Holdups

- FECR folder missing report or required documents
- FECR report containing issues of concern from Consultant
- Schedule of Values (SoV) different from FECR report and/or Owner/General Contractor draft agreement
- SoV missing input of construction contingency and other construction hard cost by Owner
- Missing narrative identifying conditions of funding from award letter
- Missing E-Verify from Owner, Developer, and General Contractor
DCA/GHFA Closing Process

Pre-App
- HOME/NHTF /CDBG Consent
- May also be awarded under a NOPA instead of pre-app
- 4% HOME NOPA
- CHDO NOPA 9%

Full Application
- LIHTC & QAP review

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- Must receive prior to Acquiring property, starting construction

NEPA Environmental Review Process
- Starts after LIHTC award; process varies per funding source (HOME, NHTF, etc.)
## DCA Loan Closing Submission

<table>
<thead>
<tr>
<th></th>
<th>LOAN CLOSING SUBMISSION (due 10 days prior to DCA construction loan closing)</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>DCA Construction Document Log (drawing log) (DCA Contract Set)</td>
</tr>
<tr>
<td>02</td>
<td>DCA &quot;Contract Set&quot; of drawings (plans) (see directions for definition of &quot;DCA Contract Set&quot;) (no paper set required-PDF only)</td>
</tr>
<tr>
<td>03</td>
<td>DCA &quot;Contract Set&quot; of Project Manual (specs) (no paper set required-PDF only)</td>
</tr>
<tr>
<td>04</td>
<td>Addendum incorporating/outlining revisions from &quot;DCA Review Set&quot; into the &quot;DCA Contract Set&quot;</td>
</tr>
<tr>
<td>05</td>
<td>DCA Schedule of Values form (DCA Contract Set)</td>
</tr>
<tr>
<td>06</td>
<td>DCA Amenities &amp; Design Options Re-Certification form</td>
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<td>DCA Approved Project Concept Changes (including evidence of DCA approval)</td>
</tr>
<tr>
<td>11</td>
<td>Other:</td>
</tr>
</tbody>
</table>

See Construction Services Transmittal
Common Mistakes/Holdups

- Addendum of revisions to contract set drawings not submitted
- Changes to SoV cost that effect both construction and underwriting numbers
## Federal Compliance Requirements

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Davis Bacon</th>
<th>Section 3</th>
<th>MBE/WBE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HOME</strong></td>
<td>Yes – if 12 or more HOME Assisted units</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>NHTF</strong></td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>CDBG</strong></td>
<td>Yes – if more than $2,000 award</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>TCAP</strong></td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>
Final Underwriting Package

The following documents must be submitted by the Applicant as one underwriting packet to the assigned DCA NHTF Underwriter as soon as final construction pricing is received:

1. Updated Core Application prepared by Applicant
2. Final Commitment letters for all Equity and Debt Providers, and any other form(s) of financial assistance
3. Draft property management agreement
4. Copies of executed consulting agreements and Developer Agreement
5. An organizational chart that details the Owner, General Partner (or Managing Member) and Developer entities down to the level of the individual and/or established entity members, partners or majority shareholders and their accurate percentage of interest; complex structures may require the submission of organizational documents
6. Authorization to release credit information for the principals* of the General Partner (Managing Member) and the Developer
7. Year to date financial statements certified as to truth and accuracy and the most recent audited financial statements for the principals* of the General Partner (Managing Member), Developer and Owner (if established)
8. Resumes for the principals* of the General Partner (Managing Member) and Developer, and the proposed management company
9. A real estate schedule listing each project approved/awarded, under construction or in lease up, anticipated completion date or occupancy percentage, and anticipated conversion date certified as to truth and accuracy for the principals* of the General Partner and the Developer

*principals include individuals and/or established operating entities that are members, partners or shareholders; CHDO entities may require additional documentation.

See Reservation Letter
# Payments

## Total Construction Financing:

<table>
<thead>
<tr>
<th>No.</th>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>31</td>
<td>Total Construction Period Costs from Development Budget</td>
<td>13,104,608</td>
</tr>
<tr>
<td>32</td>
<td>Surplus / Shortage of Construction funds to Construction costs</td>
<td>0</td>
</tr>
</tbody>
</table>

## Permanent Financing

<table>
<thead>
<tr>
<th>Financing Type</th>
<th>Name of Financing Entity</th>
<th>Principal Amount ($)</th>
<th>Effective Int Rate</th>
<th>Term (Years)</th>
<th>Amort. (Years)</th>
<th>Loan Type</th>
<th>Annual Debt Service in Year One</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortgage A (Lien Position 1)</td>
<td>CDBG</td>
<td>4,170,000</td>
<td>1.00%</td>
<td>20</td>
<td>20</td>
<td>Amortizing</td>
<td>230,131</td>
</tr>
<tr>
<td>Mortgage B (Lien Position 2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mortgage C (Lien Position 3)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foundation or charity funding*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred Devr Fee</td>
<td>JFM Development LLC &amp; Outlook Dev LLC</td>
<td>757,161</td>
<td>0.00%</td>
<td>15</td>
<td></td>
<td>Cash Flow</td>
<td>0</td>
</tr>
<tr>
<td>Proforma Totals over DDF Term</td>
<td></td>
<td>Cash Flow:</td>
<td>1,047,080</td>
<td>DDF Paid:</td>
<td>757,161</td>
<td>Actual %:</td>
<td>72.31%</td>
</tr>
</tbody>
</table>

## Federal Grant

<table>
<thead>
<tr>
<th>Type</th>
<th>Equity Check</th>
<th>+/-</th>
<th>TC Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>State, Local, or Private Grant</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Housing Credit Equity</td>
<td>6,111,600</td>
<td>-511.00</td>
<td>% of TDC</td>
</tr>
<tr>
<td>State Housing Credit Equity</td>
<td>3,660,850</td>
<td>0.00</td>
<td>42%</td>
</tr>
<tr>
<td>Historic Credit Equity</td>
<td></td>
<td></td>
<td>25%</td>
</tr>
<tr>
<td>Investm Earnings: T-E Bonds</td>
<td></td>
<td></td>
<td>67%</td>
</tr>
</tbody>
</table>
Common Holdups - Underwriting

- Costs Increases -- ripple effect
  - Sources, Uses, payments
  - Delays
- Unit Mix Changes
- There should not be significant changes with final construction pricing
Determining HOME/NHTF/CDBG Units

- General Idea
  
  \[ \text{Final Amount} = \frac{\text{Loan (or Grant) Amount}}{\text{TDC}} \times 110\% \text{ Hedge} \]

- Final Amount Determined at Final UW with finalized costs
HUD’s Cost Allocation Tool – Proration Method

https://www.hudexchange.info/resource/5190/home-cost-allocation-tool/
Start with Investment Amount $ -- How many units needed?

Purpose – to ensure enough HOME/NHTF/CDBG units are on the property to justify the loan/grant given to the development
<table>
<thead>
<tr>
<th>Step 1: Determine Comparability, Select Method of Cost Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
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<table>
<thead>
<tr>
<th>Step 2: Proposed Investment</th>
</tr>
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<tbody>
<tr>
<td>2</td>
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<table>
<thead>
<tr>
<th>Step 3: Calculate Actual Cost of Designated Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
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<tr>
<td>4</td>
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<td>7</td>
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<tr>
<td>8</td>
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<tr>
<td>9</td>
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</table>
Base Cost % - How many units for each bedroom size

<table>
<thead>
<tr>
<th># of Units</th>
<th>Unit Type Description/Notes</th>
<th>No. of BRs</th>
<th>Min. HOME Units</th>
<th>Rounded HOME Units</th>
<th>Avg. Sq. Ft.</th>
<th>Ind. Unit Cost</th>
<th>Subtotal HOME Unit Costs</th>
</tr>
</thead>
<tbody>
<tr>
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<td>20</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Subtotal of HOME Unit Costs: #DIV/0!
### HOME Share Ratio - Based on Cost

#### Comparability Test Keys (For Assigning units Below)

- **Beds/Baths**: All units identified have the same number of bedrooms and bathrooms.
- **Configuration**: There are no other obvious differences between the units, such as add'l. rooms or significant differences in lay.
- **Sq. Footage**: All units of this type have square footage within a small variation of the average of this grouping of units.
- **Finishes/Amenities**: All units in this type are substantially similar in terms of unit amenities, fixtures, and finishes.

#### Step 4. Assign Units

<table>
<thead>
<tr>
<th># of Units (Total Units)</th>
<th>Bedroom Size (0, 1, 2, 3, 4, 5 BRs)</th>
<th>Bathrooms (1.0, 1.5, 2.0, 2.5, 3.0, 3.5, 4.0)</th>
<th>DCA Fills IN</th>
<th>Autofill with Formula (do not change)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>20</td>
<td>1</td>
<td>1.0</td>
<td>2.844</td>
</tr>
<tr>
<td></td>
<td>54</td>
<td>2</td>
<td>1.0</td>
<td>7.678</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Min. HOME Units</th>
<th>Rounded HOME Units</th>
<th>Avg. Sq. Ft.</th>
<th>Ind. Unit Cost</th>
<th>Subtotal HOME Unit Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.844</td>
<td>3</td>
<td>690</td>
<td>158,279</td>
<td>474,837</td>
</tr>
<tr>
<td>7.678</td>
<td>8</td>
<td>880</td>
<td>201,863</td>
<td>1,614,905</td>
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</table>
### Investment/Subsidy Limit

#### Step 4: Calculate Maximum Project Subsidy

<table>
<thead>
<tr>
<th># of HOME Units</th>
<th>Unit Size</th>
<th>Max. Subsidy/Unit</th>
<th>Maximum Subsidy by Unit Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>23</td>
<td>#DIV/0! 0 Bedroom/Efficiency</td>
<td></td>
<td>#DIV/0!</td>
</tr>
<tr>
<td>24</td>
<td>- 1 Bedroom</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>25</td>
<td>- 2 Bedroom</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>26</td>
<td>- 3 Bedroom</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>27</td>
<td>- 4 Bedroom</td>
<td></td>
<td>-</td>
</tr>
</tbody>
</table>

#### Maximum Project Subsidy: #DIV/0!

#### Step 5: Maximum HOME Investment, lesser of

<table>
<thead>
<tr>
<th>Step 5: Proposed Investment (Gap) (from Step 2)</th>
<th>-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual Cost of HOME Units (from Step 3)</td>
<td>#DIV/0!</td>
</tr>
<tr>
<td>Maximum Project Subsidy (from Step 4)</td>
<td>#DIV/0!</td>
</tr>
</tbody>
</table>

#### Maximum HOME Investment: #DIV/0!
HOME Subsidy Limits

- [https://www.hudexchange.info/resource/2315/home-per-unit-subsidy/](https://www.hudexchange.info/resource/2315/home-per-unit-subsidy/)

**Description**

Due to the discontinuation of the Section 221(d)(3) mortgage insurance program, alternate maximum per-unit subsidy limits must be used for the HOME Program. HUD is required to undertake rulemaking to establish new maximum per-unit subsidy limits for the HOME Program because it is no longer updating and publishing limits for the Section 221(d)(3) mortgage insurance program. Until a new rule can be published, HUD published a Notice establishing an interim policy that Field Office staff and participating jurisdictions (PJs) must follow directing PJs to use the Section 234-Condorinium Housing basic mortgage limits, for elevator-type projects, as an alternative to the Section 221(d)(3) limits in order to determine the maximum amount of HOME funds a PJ may invest on a per-unit basis in HOME-assisted housing projects. This interim policy remains in effect until the effective date of the new final rule provisions, amending the existing provisions of 24 CFR 92.250(a).

The Section 234 program insures blanket mortgages for the construction or substantial rehabilitation of multifamily projects to be HUD's Office of Multifamily Housing updates the Section 234 basic mortgage limits annually and publishes them in the Federal Register. The Office of Multifamily Housing also establishes high cost percentage exceptions (HCP) for specific areas. To ensure consistency with the provisions of section 212(e)(1) of NAHA and 24 CFR 92.250(a), the HOME maximum per-unit subsidy limit that HUD can approve for a PJ cannot exceed 240 percent of the Section 234 basic mortgage limit (i.e. 100 percent of the basic mortgage limit plus up to 140 percent in high cost areas). For a PJ whose HCP has been increased above the 240 percent, the CPD Division must cap the HOME per-unit subsidy limit at 240 percent of the Section 234 basic mortgage limit.
# Limits

**2020**

[Annual Indexing of Basic Statutory Mortgage Limits for Multifamily Housing Programs (Section 234) (PDF) - Effective June 4, 2020](#)

[Annual Base City High Cost Percentage Exceptions (HCP) (PDF) - Effective June 4, 2020](#)

## Section 234—Condominium Housing

<table>
<thead>
<tr>
<th>Bedrooms</th>
<th>Non-elevator</th>
<th>Elevator</th>
</tr>
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<tbody>
<tr>
<td>0</td>
<td>$60,702</td>
<td>$63,881</td>
</tr>
<tr>
<td>1</td>
<td>69,991</td>
<td>73,230</td>
</tr>
<tr>
<td>2</td>
<td>84,411</td>
<td>89,049</td>
</tr>
<tr>
<td>3</td>
<td>108,050</td>
<td>115,201</td>
</tr>
<tr>
<td>4+</td>
<td>120,372</td>
<td>126,454</td>
</tr>
</tbody>
</table>

X 240%
It is DCA internal policy to increase the Units Needed by 10%.

So 11 units needed would go to 12.1 (rounded to 13), adding 1 1 BR unit and 1 2 BR unit.

This accounts for any disputable costs and changes in costs.
Maximum HOME invested

### Step 5: Maximum HOME Investment, lesser of

<table>
<thead>
<tr>
<th></th>
<th>Proposed Investment (Gap) (from Step 2)</th>
<th>Actual Cost of HOME Units (from Step 3)</th>
<th>Maximum Project Subsidy (from Step 4)</th>
<th>Maximum HOME Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>29</td>
<td>-</td>
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<td>32</td>
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</tbody>
</table>

### Step 6: Maximum HOME Investment, lesser of

| Proposed Investment (Gap) (from Step 2): | 2,000,000 |
| Actual Cost of HOME Units (from Step 4):  | 2,089,742 |
| Maximum Project Subsidy (from Step 5):   | 2,236,997 |

**Maximum Investment:** 2,000,000
Subsidy Limits

- **NHTF** - The HTF regulation [24 CFR 93.300(a)] requires grantees (states) to establish the maximum amount of HTF funds that may be invested per-unit, with adjustments for the number of bedrooms and the geographic location of the project. The regulation requires the maximums be reasonable and based on actual costs of developing housing in the area of the project.

- **NHTF** – DCA matches subsidy limits for HOME units

- **CDBG** – all tax credit (LIHTC) units are designated CDBG units, since CDBG income requirement is 80% Area median income

- **TCAP** – no subsidy limit
Final Underwriting Workbook

- Robert Keeler sends Final UW Workbook to John Grubb
- John Grubb drafts loan documents and coordinates with Developer’s Counsel
DCA/GHFA Closing Process

Pre-App
- HOME/NHTF/CDBG Consent
- May also be awarded under a NOFA instead of pre-app
- 4% HOME NOFA
- CHDO NOFA 9%

Full Application
- LIHTC & QAP review

Tax Credit Award
- 9% Carryover
- 4% LOD
- Construction Transmittal is attached for 60-Day, DCA Review Submission, and Loan Closing Submission PIF to developer

60-Day Submission
- Construction Team
- Due 60 Days after Tax Credit Award
- Bi-monthly calls start to keep deal moving

DCA Review Submission
- Construction Team
- Due 45-60 days prior to Loan Closing

Loan Closing Submission
- CS Team
- Due 10-days prior to closing
- Updated UW workbook due at this time with updated financial commitments
- Full/final UW review

Drafting Loan Documents
- UW Team has finalized underwriting
- CS team has forwarded final contract, hard costs which match UW workbook
- John Grubb drafts closing documents based on final UW workbook

Due Diligence Closing
- John Grubb works out issues and questions with Nick, Ryan, Sandy, and Underwriter assigned
- John Grubb coordinates with the developer's attorney as well

Closing
- Developer/Owner signs closing documents at DCA
- Pre-Con meeting follows
- Construction starts and draws begin

NEPA Environmental Review Process
- Starts after LIHTC award; process varies per funding source (HOME, NHTF, etc.)

Authority to Use Grant Funds (AUGF)
- HUD sends AUGF to DCA/GHFA
- Must receive prior to Acquiring property, starting construction
Loan Documents

- Depend on deal type and funding source(s)