

Purpose

Both of the following provide guidance for allocating tax-exempt bonds for rental housing development:

- [Georgia Code Title 3, Local Government Chapter 82, Bonds Article 8, Georgia Allocation System](#)
- [2022 Qualified Allocation Plan \(QAP\)](#)

This document explains how relevant policies from each will be used to administer the 2022 4% Credits/Bonds Competitive Round, summarized in the table below.

Section from State Code	Applicable Provision(s)	Basis of DCA implementation
Allocation Policy Guidelines	Geographic distribution of bonds	Submit to DCA Board: geographic allocation strategy
Allocation Policy Guidelines	Economic opportunity	Scoring Criteria in 2022 QAP
Allocation Policy Guidelines	Severe and critical need	Scoring Criteria in 2022 QAP
Allocation Policy Guidelines	Public good and general welfare	Scoring Criteria in 2022 QAP
Factors to Consider in Applying Policy Guidelines	Various metrics for consideration (not all applicable to housing)	Submit to DCA Board: tiebreaker proposal utilizing metrics relevant to rental housing
Requirements for Qualified Residential Rental Projects	Proposed maximum bonds limitation	Submit to DCA Board: details for applying limitation

Georgia Code Implementation Discussion

Policy Guidelines for Making Allocations (GA Code § 36-82-195) states:

When the department is required to decide which applications should receive a notice of allocation, it shall compare the applications from which the selection is to be made, applying the policy guidelines set forth in this Code section. These policy guidelines are designed to assist the department in making its decisions and are not intended to establish definitive tests or standards. The decision which the department makes shall be final and conclusive...the order in which [the policy guidelines] are stated does not indicate any priority of one over another.

Geographic Distribution Implementation

GA Code § 36-82-195(b)(1) states:

Special consideration shall be given to projects with a view toward an even and more broadly based geographical distribution of bond issues or bond proceeds, as the case may be, over the state...the geographic location of the private activity portion of governmental use bonds shall be considered to be the same as the geographic location of the issuer.

The 2022 QAP states in **4% Federal Credit – Bond Financed Projects**:

DCA will ensure a one-to-one ratio of New Supply Applications to Rehabilitation Applications.

DCA will first rank New Supply and Rehabilitation applications in accordance with the 2022 QAP. DCA will then award bond allocation in the following order to ensure a broad geographic allocation:

1. Approximately \$97 million of bonds allocated towards the highest-scoring applications in the City of Atlanta, as required by the Urban Housing Reservation (**GA Code § 36-82-190**)
2. For all DCA Regions that received at least one application, DCA awards the highest-scoring application within each Region.
 - a. This includes one award within Region 3 that is outside of Atlanta, if applicable.
 - b. For purposes of implementing a one-to-one ratio of New Supply to Rehabilitation applications, the first award outside of Atlanta will be from the New Supply competition.
3. For all remaining available funds, DCA will allocate bonds based solely on 2022 QAP Scoring Criteria without further consideration of geographic distribution.

Economic Opportunity, Severe and Critical Need, and Public Welfare Implementation

DCA will implement the following policy guidelines through the sections outlined in (**2022 QAP**)

Appendix II: Scoring Criteria:

- **GA Code § 36-82-195(b)(2)**: *Special consideration shall be given to projects that would promote or expand economic opportunities, with particular attention given to areas of economic distress.*
- **GA Code § 36-82-195(b)(3)**: *Special consideration shall be given to those projects that will meet a severe and critical need and which can demonstrate a significant impact on the territorial area of the issuer in which the project will be carried out.*
- **GA Code § 36-82-195(b)(4)**: *Special consideration shall be given to projects which the department has determined will enhance the public good and general welfare of the state as a whole.*

“Factors to Consider in Applying Policy Guidelines” Implementation

DCA will implement recommended metrics from **Factors to Consider in Applying Policy Guidelines (GA Code § 36-82-196)** as tiebreakers. DCA will apply tiebreakers in the following order:

1. Housing vacancy rate of the DCA Region
2. Housing vacancy rate of the county
3. Housing vacancy rate of the territory of the issuer
4. Unemployment rate of the territory of the issuer
5. Ratio of private investment to bond financing
 - a. For purposes of this tiebreaker, “private investment” is defined as all development funds not generated through tax-exempt bonds or 4% credits. Deferred developer fee does not qualify.
6. Cost per qualified residential rental unit

Local Reservation Bond Limitation Implementation

Requirements for Applications for Qualified Residential Rental Projects (GA Code § 36-82-192) states:

The department shall not be required to give notices of allocation from the local housing reservation for any qualified residential rental housing project in an aggregate principal amount of more than 25 percent of the amount of the local housing reservation.

Applications requesting bond allocation above 25% of the Local Housing Reservation will be ineligible for Local Housing Reservation funding, unless excess bond allocation remains after scoring applications.

At this time, DCA anticipates that 25% of the Local Housing Reservation will be \$24.25 million of bonds.