

## CONSULTANT/PARTNERSHIP TRAINING AGREEMENT MANUAL

The Georgia Department of Community Affairs (DCA) has a responsibility to ensure that the funds allocated to its funding recipients will be efficiently used to create well-constructed, well-managed affordable housing. Some Applicants do not yet possess the necessary owner and/or developer experience to own, develop, rent up, and provide management oversight of affordable housing projects without additional technical assistance. In this case, this Plan devises a way for inexperienced Applicants to meet DCA experience requirements by engaging the services of an experienced consultant or partnering with an experienced entity that meets the Owner and/or Developer experience requirements. The key to this interim strategy of developing Owner and/or Developer experience for these Applicants is the requirement that training take place during the term of the Consultant/Partnership agreement. The Partnership between the experienced and inexperienced entities should allow the inexperienced entity to participate in all project negotiations, the development of the final project design and observe the development and construction process from start to finish. The ultimate goal is to have a financially sound Applicant that can initiate, own, develop, and oversee the management of future projects independently.

### 2010 QAP PROVISIONS

#### Partnering to meet Experience

An inexperienced Owner or an inexperienced Developer can meet DCA Threshold experience requirements by partnering with an experienced Owner or Developer. The applicant must submit the following documentation in the Application in order to meet experience through partnering:

- 2010 DCA experience certificate for experienced Owner and/or Developer Partner or evidence that the Owner and/or Developer are on the DCA Experienced list.
- If the applicant is inexperienced in the Owner category, an executed partnership agreement with a partner that meets DCA Owner experience requirements should be included. The inexperienced partner must be part of the General Partnership entity for the Project. The agreement must describe in detail the responsibilities of both the experienced and inexperienced partner.
- If the applicant is inexperienced in the Developer category, an executed partnership/development agreement with a partner that meets DCA Developer experience requirements should be included. The defined relationship of the parties must be co-developers. The agreement must describe in detail the responsibilities of both the experienced and inexperienced partner.

#### Consulting Agreements

An inexperienced Owner or an inexperienced Developer that can show that one property meets DCA experience requirements can also meet the requirements of this section by retaining an Owner and/or Developer Consultant that meets the DCA experience requirements. **Owners and developers that have no experience in the appropriate category of Owner or Developer experience cannot use a consultant to meet experience requirements (Please see the 2010 QAP, Threshold Criteria).** Consultant's eligible to contract with inexperienced developers for purposes of meeting experience requirements must have a minimum compliance history score of 10 and must not have any non-cured outstanding instances of noncompliance at their own projects.

The applicant must submit the following documentation in the Application in order to meet Owner and or Developer experience through a consultant:

- 2010 DCA experience certificate for the experienced Owner and/or Developer Consultant;

- If the applicant is inexperienced in the Owner category, an executed agreement with a consultant that meets DCA Owner experience requirements should be included. If the applicant is inexperienced in the Developer category, an executed agreement with a consultant that meets DCA Developer experience requirements should be included. The agreement must describe in detail the responsibilities of the experienced consultant as well as the inexperienced Owner and/or Developer; and
- Each executed consulting agreement must include a training plan providing for the training of the inexperienced partner by the experienced partner in the Ownership and/or development of the project. The training plan must specify that the training services will be provided from project commencement, through construction, lease up, and permanent loan conversion. In addition, consultants that fail to provide consulting services through the required time period may be prohibited from contracting as a consultant for purposes of meeting DCA Experience requirements in future rounds. Timetables, milestones and projected training hours per week must be included in the plan. The training plan should be attached as an exhibit to the executed consultant agreement.

### **Agreement Requirements**

- Both the experienced and inexperienced partner/consultant must actively participate in the Ownership and/or Developer responsibilities.
- The partnership relationship must remain in effect until the property is complete and has reached stabilized occupancy for a minimum period of two years.
- Each executed partnership/consultant agreement must include a training plan providing for the training of the inexperienced partner by the experienced partner in the Ownership and/or development of the project.
- The training plan must specify that the training services will be provided from project commencement, through construction, lease up, and permanent loan conversion and or issuance of 8609's – whichever is later. Timetables, milestones and projected training hours per week must be included in the plan.
- The experienced Partner/Consultant must agree to submit bi-monthly written reports to DCA outlining the progress made in the development of the project, outstanding issues that need to be resolved and disclosure of any issues regarding the training of the inexperienced entity. The report must also contain a summary of the date and time of all meetings between the experienced and inexperienced entity and the experienced entities training progress. These reports will be due on the 15<sup>th</sup> of the month, commencing on January 15 following project award.
- In the event that a project fails to meet any of the DCA deadlines for submission of documents or commencement of construction, both parties will be required to meet with DCA representatives to discuss the status of the project.
- The inexperienced Applicant must materially participate in decision making regarding the project notwithstanding the involvement of a Consultant/Partner.
- All communication between DCA and the ownership entity throughout the project development process must include the inexperienced Applicant.
- There can be no change in the experienced Consultant or Partner without DCA's prior written consent.
- Inexperienced Applicants must take the DCA Tax Credit course prior to issuance of 8609s.
- Inexperienced Applicants will be required to meet with DCA representatives at least twice the year following project award. At that meeting DCA will discuss the status of the project.

### **Failure to Perform**

DCA will monitor completion of the training plan included in these Agreements to ensure that the inexperienced Applicant is receiving the services agreed to in the Consultant/Partnership Agreement approved by DCA. While the inexperienced Applicant is solely responsible for ensuring that the services for which it has contracted are delivered by the Consultant/Partner, DCA reserves the right to prohibit future participation in

DCA funding rounds of Consultant/Partners and/or inexperienced Applicants that DCA determines, at its sole and absolute discretion, are not providing/receiving the services agreed to in the Consultant/Partnership Agreement. DCA also reserves the right to determine that an inexperienced Applicant has not materially participated in the project. Therefore, the project may not be used to meet experience requirements for the inexperienced entity in future rounds. The Consultant/Partner and the inexperienced Applicant must retain evidence that each task and milestone of the Training Plan has been completed based on the terms of the Consultant/Partnership Agreement.