

## INTRODUCTION

**Documents:** Minimum document requirements are listed after each point category. However, Applicants are required to submit all documents at Application Submission which are necessary for DCA to determine that the Application meets the criteria for points. Additional guidance will be available in the Application Tab checklist. No additional documentation or explanations can be provided after Application Submission. **DCA strongly recommends that Applicants use the comment section in the scoring workbook to fully explain the basis for points claimed in each category.**

### **I. APPLICATION COMPLETENESS / FINANCIAL ADJUSTMENTS / ORGANIZATION** **10 points**

Each Application will be awarded an initial score of ten (10) points in this category. Point deductions to that score will be made for missing, incomplete, or inaccurate documents, financial or other adjustments or unorganized submissions. There is no cap on the total number of points that may be deducted. Therefore, an application may receive a negative point value in this section.

#### **A. Missing/Incomplete Documents**

Each Submitted Application must meet DCA requirements and policies. It must include all required forms and supporting documentation. For each missing or incomplete document, one (1) point will be deducted. Points will be deducted for each document that does not have the correct number of copies as set out in the Application Instructions. (Documents that are submitted with the Application but must be modified to accurately reflect the structure of the Application will be considered an adjustment and not a missing document.)

Guidelines that will be used by DCA in scoring this section include, but are not limited to the following:

- ~~The application must accurately all supporting documentation as well as any representations. It is incumbent on the applicant to verify that all facts concerning the project are accurately represented in the application. All documents must accurately reflect the pro forma and representations made in the Application~~
- Each Application document must be accurate
- Only documents that were in existence prior to Application Submission day may be submitted after Application Submission with the exception of written clarifications requested by DCA
- Applications must be complete when submitted. Applicants cannot submit updated applications or new documents after the Application Submission date
- Applications that contain a significant number of missing or incomplete documents will be returned to the Applicant and be deemed a threshold failure

**B. Financial and Other Adjustments**

DCA may make financial and other adjustments to the Application and/or supporting documentation if the Application:

- Does not meet DCA requirements and policies
- Is inaccurate
- Does not reflect the project as structured in the Application
- Does not utilize realistic and reasonable development and operating cost assumptions

Points will be deducted for financial adjustments and revisions as follows:

1-3 adjustments and/or revisions will result in a one (1) point deduction. An additional point will be deducted for each adjustment after the first three.

Guidelines that will be used by DCA in scoring this section include, but are not limited to the following:

- DCA may make minor adjustments to a Core Application to ensure consistency with supporting documents.
- Total development cost may be increased or decreased during DCA's review if it is determined that line items are not reasonable or are not accurately reflected in supporting documents.
- Development costs may not be increased by the Applicant during DCA's review.
- Minor adjustments in the pro forma made by DCA which result in increases in line items may be allowed, but only developer fee may be utilized to cover increases in line item development costs.
- Credits may be adjusted downward for each adjustment.
- Credits will not be increased above the amount requested in the Application.
- Applicants may not request that one line item be reduced in order to increase or add another line item during the threshold clarification period.

Revisions that will not be allowed include, but are not limited to:

- Unit count and bedroom type
- Rent structure (rents may be adjusted upward or downward but the number of 50/60/market units may not be adjusted). If rents are adjusted upward, the relevant debt coverage ratio and feasibility analysis must meet DCA's requirements
- New financing sources cannot be added (with the exception of DDF to fund any financing gap)\*

\*Minor clarification of submitted financing sources may be allowed but will be considered an adjustment.

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Examples of financial adjustments include, but are not limited to: incorrectly calculating developer fee, additions to line item development cost, application errors that result in a change in the allowable tax credits, and/or failure to include DCA required reserves.

**C. Organization**

Points will be deducted if the Application is not organized in the format prescribed by DCA in the QAP, Application Instructions, Tab Checklist and/or a required document is not behind the appropriate tab.

**II. DEEPER TARGETING / RENT AND INCOME RESTRICTIONS**

**63**

**points**

**A.** Applications that agree to set gross rents and income limits for a specified number of low-income units at or below 30% of 50% AMI shall be awarded up to three points in this category. In order to qualify for these points, tenants must meet the required income restrictions for the property and the tenant portion of the rent must not exceed the 50% rent restriction.

~~Rent subsidies other than Section 8 must also meet the statutory requirements of the tax credit program.~~ Owners will be required to execute restrictive covenants stipulating the number of very low rent-restricted units to be rented to very-low income households for the term of the Compliance Period or the Period of Affordability (if applicable), whichever is longer.

50% rent and income restricted units are eligible for points as follows:

<del>Equal to or greater than 5% and less than 10%</del>	<del>1 point</del>
<del>Equal to or greater than 10% and less than 15%</del>	<del>2 points</del>
Equal to or greater than 15%	<del>3</del> <u>31</u>

pointss

Percentage of deeper targeted units will be calculated based on the total residential units (common space employee units will not be included in the total residential units).

**OR**

**B.** ~~Applications that have an award of government-awarded project based rental assistance for a specified number of low-income units for a minimum of ten (10) years shall be awarded up to six points in this category. In order to qualify for these points,~~

<del>Equal to or greater than 515% and less than 4025%</del>	<del>43</del>
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points

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Equal to or greater than ~~40~~25% and less than ~~45~~50% - ~~42~~  
points

Equal to or greater than ~~45~~50% ~~63~~  
points

Percentage of deeper targeted units will be calculated based on the total residential units (common space employee units will not be included in the total residential units).

**III. DESIRABLE AND UNDESIRABLE CHARACTERISTICS** \_\_\_\_\_ 12

**points maximum**

One (1) point will be awarded for each desirable activity/characteristic category that is near a proposed site ~~to a maximum of ten (10) points~~. One (1) point will be deducted from the total desirable activities score for each undesirable activity/characteristic category that is near a proposed site. ~~A maximum of ten (10) points will be awarded in this category.~~ The total points awarded will be determined by calculating the sum of the total desirable activity points less the total undesirable activity points. A negative total in this category will be awarded zero (0) points.

For Scattered Site Projects, the perimeter of the ½ mile radius in which the non-contiguous parcels are located shall serve as the boundary of the proposed site from which the distances for determining the location of the desirable and undesirable activities shall be measured for both non-Rural and Rural sites. All desirable and undesirable activities within the perimeter of the ½ mile radius must also be noted for purposes of claiming points. Each parcel shall be reviewed individually as defined above. ~~One (1) point will be awarded for each desirable activity or characteristic to a maximum of ten (10) points. One (1) point will be deducted for each undesirable activity or characteristic.~~ The applicant shall calculate the total score (to a maximum ~~of ten (10)~~ allowed points) for each non-contiguous parcel then add the total points obtained and divide by the number of non-contiguous parcels to arrive at the total points for this category. No rounding up, and only whole numbers may be claimed as points.

**A. Desirable Activities**

In order to be eligible for desirable points, the following criteria must be met:

- Only activities and/or characteristics, which are located within a 24.0 mile walking/driving distance from the proposed site ~~in urban areas or within 2.0 miles walking/driving distance from the proposed site in Rural areas~~ will be considered.
- ~~Applicants must score one (1) point in five (5) different categories before they can receive points in a duplicate category.~~ Each desirable category may only be counted once.
- Each building/entity will be assigned to only one desirable category.
- ~~Desirable activities/characteristics may include, but are not limited to the following categories:~~ are eligible for points according to the following scale:
  - ~~—Retail stores (includes pharmacies, clothing stores, department stores, etc.)~~
  - ~~—Federally insured banking institutions (ATMs are not eligible for points in this category)~~
  - ~~—Recreational facilities / public parks / civic centers~~
  - ~~—Grocery stores (convenience stores attached to gas stations are not eligible for points in this category)~~
  - ~~—Day care services (must be licensed)~~

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- ~~—School(s)~~
- ~~—Libraries~~
- ~~—Restaurants~~
- ~~—Medical facilities~~
- ~~—Churches~~

<del>- National big box discount store (i.e. Wal-Mart, Target and K-Mart)</del>	<del>2 pts</del>
<del>- Hospital (not outpatient centers or emergency care facilities)</del>	<del>2 pts</del>
<del>- Traditional town square which includes an operational anchor institution (e.g. county courthouse, city hall) and which serves as a hub for both commercial activity and community events</del>	<del>2 pts</del>
<del>- Grocery stores (convenience stores not eligible)</del>	<del>2 pts</del>
<del>- Elementary, middle, or high school</del>	<del>2 pts</del>
<del>- Public Park</del>	<del>1 pt</del>
<del>- Public library</del>	<del>1 pt</del>
<del>- Fire Station or Police Station</del>	<del>1 pt</del>
<del>- Retail/ Clothing/ Department store</del>	<del>1 pt</del>
<del>- Restaurants</del>	<del>1 pt</del>
<del>- Federally insured banking institutions (ATMs are not eligible for points in this category)</del>	<del>1 pt</del>
<del>- Post Office</del>	<del>1 pt</del>
<del>- Medical facility (i.e. clinic, physician/dental office)</del>	<del>1 pt</del>
<del>- Pharmacy</del>	<del>1 pt</del>
<del>- Church</del>	<del>1 pt</del>
<del>- Day care services (must be licensed)</del>	<del>1 pt</del>
<del>- Community or Recreational Center (i.e. YMCA, Boys &amp; Girls Club, Senior Community or Multipurpose Facility)</del>	<del>1 pt</del>

- Desirable characteristics that are under construction may be eligible for points if the construction site is clearly active and the new structures are above ground at the time of Application Submission.

● **B. Bonus Desirable Sites** **Maximum of 2 Points**

~~Two (2) points will be awarded for a bonus desirable within a 1.0 mile (rural) ½ mile (non rural) walking/driving distance from the proposed site. These points will only be awarded if the applicant scores at least 10 points on the base Desirables section above, without any Undesirable deductions. The desirables in this category may not also be used to satisfy the base Desirables section above.~~

- ~~● National big box discount store with food center included. Examples include Wal-Mart, Target, and K-Mart~~
- ~~● Hospital (not outpatient centers or 24 hour emergency care facilities)~~
- ~~● Regional Mall (at least 50 stores leased from same landlord on same parcel of land)~~

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- ~~• Traditional town square, county courthouse, or city hall for non metro projects~~

**BC. Undesirable/Inefficient sSite Aactivities/cCharacteristics Sites**

In determining whether an undesirable activity/characteristic is near a proposed site, the Application must consider any undesirable activity/characteristic that is located within the radius of one quarter (1/4) mile of the proposed site.

~~• Undesirable/Inefficient site~~ activities/characteristics may include but are not limited to the following:

- ~~• developments~~**Developments** that propose any new construction activities that place impervious surface including paving, sidewalks, or buildings within 100 feet of any floodplain, wetlands, perennial stream, or intermittent stream (in other words, State Waters that require a buffer according to GA EPD). Exception: stream crossings that that are covered under the USACE's Nationwide Permit.
- ~~• Inappropriate surrounding property uses (examples include junkyards, dumps, landfills, materials storage areas, commercial livestock operations, uses that generate odor, uses that generate excessive glare from lighting)~~
- ~~• Potential or existing environmental hazards such as chemical or heavy manufacturing activities, industrial development, facilities listed in Federal or State hazardous inventory databases, gas stations with a history of leaking underground storage tanks, auto repair stations and drycleaners with a history of contaminant releases~~
- ~~• Junkyards~~
- ~~• Hazardous, chemical or heavy manufacturing activities, industrial development within 1 mile of the proposed site~~
- ~~• Sources of odor~~
- ~~• Noise (regardless of mitigation) that is 70 decibels or more prior to mitigation and barrier adjustments as calculated in the Phase I Environmental Assessment at the time of Application Submission. Decibels will be calculated in accordance to HUD NAG requirements.~~
- ~~•~~
- ~~• sources of excessive glare from lighting on adjacent properties~~
- ~~• Abandoned houses or buildings, unoccupied, unsecured buildings (abandoned will be determined by the following factors: broken windows, doors, unsecured, lack of maintenance, and/or evidence of loitering; unsecured means open or broken windows and doors)~~
- ~~• Deteriorated housing or buildings where extensive defects are evident from the exterior of the building and depress an area's physical appearance, diminish living conditions and/or safety of the neighborhood and decrease the marketability of the proposed sites~~
- ~~• Topographic, hydrogeologic, or other site characteristics that require extensive mitigation and translate to a less efficient use of resources (examples include extensive noise mitigation costs, steep grade changes that require extensive grading and/or retaining walls, extensive floodplain or wetland areas that render the existing~~

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soils unsuitable for required bearing capacity, inefficient use of land/excessive site acreage in relation to the number of units constructed)

- Projects located within a 1 mile radius of any ~~previously existing~~ LIHTC project (meaning subject to extended use requirements) except phased projects under the same owner

One (1) point will be deducted per activity/characteristic.

Not all activities or establishments listed will result in a point deduction depending on the proximity to the property and the impact to the resident population. This list is not all inclusive. DCA will determine in its sole and absolute discretion, whether or not the undesirable activity will impact the proposed development when completed.

**Exceptions to ~~undesirable~~ Undesirable deductions:**

If the Applicant has knowledge at the time of Application that the conditions that make the property undesirable are temporary and that change or mitigation is imminent (i.e. demolition, rehabilitation, etc.), sufficient evidence of the change must be submitted in the Application.

DCA will consider mitigation to be performed by a third party that will remove the undesirable condition imminent if it scheduled to occur prior to September 1, ~~2011~~2012. Applicants will need to supplement their application by providing evidence to DCA that the condition has been mitigated by September 1, ~~2011~~2012 (Applicants will not be notified that this documentation should be submitted prior to the deadline).

If the mitigation will be completed by the Applicant as opposed to a third party, the condition must be mitigated by the placed in service date for the project. Applicants will need to provide clear documentation that they have the site control and resources to complete the mitigation.

**Documentation ~~for Desirable/Undesirable~~ points:**

- Desirable/Undesirable Form
- A site map indicating the specific locations of each desirable and undesirable activity/characteristics. The map must contain a key stating the type of activities/characteristics identified and their addresses and must include the following:
  - location of site including an indication of major access roads
  - indication of distances in 1/4 mile increments
  - indication of any major industrial or commercial development, and
  - all desirable and undesirable activities/characteristics
- Photographs of the desirable and undesirable activities/characteristics. All photographs are to be either color originals or color copies. Black and white photographs are not acceptable.



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- Documentation from the owner of the site on which the undesirable condition exists or from a third party government source documenting how such change will occur and the time frame.
- Documentation that evidences the desirable activity/characteristic that will be located in sites under construction.

**IV. COMMUNITY TRANSPORTATION OPTIONS**

~~2~~ — ~~3~~

**points**

~~A. To qualify for two (2) Community Transportation points, the proposed site must be located within 1/2 mile walking distance of a rapid rail transit station along paved roads, sidewalks, established pedestrian walkways or bike trails.~~

~~or~~

~~B. To qualify for one (1) Community Transportation point, the proposed site must be located within 1/2 mile walking distance of an established public transit stop along paved roads, sidewalks, established pedestrian walkways or bike trails. The stop must rest along a transit line that follows a fixed route and daily schedule.~~

~~**COMMUNITY TRANSPORTATION OPTIONS** — **3 points**~~

Three (3) points will be awarded to applications that propose a site adjacent to an established public transportation stop along paved roads, sidewalks, established pedestrian walkways or bike trails. The stop must rest along a transit line that follows a fixed route and daily schedule. DCA will define adjacent for this purpose as within 300 feet of the site's main entrance.

OR

Two (2) points will be awarded to applications that propose a site within standard walking distance (1/4 mile or less) to an established public transportation stop along paved roads, sidewalks, established pedestrian walkways or bike trails. The stop must rest along a transit line that follows a fixed route and daily schedule.

OR

One (1) point will be awarded to applications that propose a site in close proximity (1/2 mile or less) to an established public transportation stop along paved roads, sidewalks, established pedestrian walkways or bike trails. The stop must rest along a transit line that follows a fixed route and daily schedule.

**Documentation:**

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- Map showing the location of the ~~rapid rail transit station and/or~~ transit stop in relation to the proposed development site
- Documentation from transit authority showing relevant bus route and schedule

For Scattered Site Projects, each non-contiguous parcel must meet the above criteria

**V. ADAPTIVE REUSE**

**1 point**

One (1) point will be awarded if the proposed development is an adaptive reuse of an entire existing building and constitutes a significant part of the development as a whole. Adaptive reuse is defined as the change in use of a major building for residential use or as a community building. The reuse of only a part of a building (slabs, sheds, gazebos, trailers/mobile homes, pavilions, pump houses, barns, garages or single-family homes) are not eligible for these points. For rehabilitation projects, the reuse of buildings that are already part of the existing multifamily development are not eligible for these points.

**Documentation:**

- Documentation on the previous use of the building
- Photographs of the building to be reused
- Documentation of whether or not the building is occupied
- Narrative of how building will be reused

**VI. BROWNFIELD**

**2 points**

Two (2) points will be awarded if the proposed development is the redevelopment of a Brownfield site. The definition of a Brownfield site is one where the EPA, Georgia EPD or other environmental regulatory agency has defined the site as a Brownfield site and has determined the applicable guidelines for the cleanup required for residential uses.

**Documentation:**

- Evidence of designation as a Brownfield site
- An opinion letter from either an attorney or a PE that the property appears to meet the requirements for issuance of an EPD Letter of No Further Action or ~~'limitation~~limitation of liability' that does not contain conditional language
- Proposed scope of work for ~~clean-up~~cleanup of a site (where applicable)
- Detailed budget for clean up (where applicable)
- Time line for clean up must also be submitted (where applicable)

(DCA will require a copy of the Letter of No Further Action prior to issuance of 8609s.)

**VII. SUSTAINABLE DEVELOPMENTS**

**Maximum 3 Points**

Certification of the project's compliance with a sustainable program that is utilized to claim points must be submitted at either the LIHTC final certification or HOME Loan final construction draw, whichever comes last. Failure to demonstrate a good faith effort to complete the certification may result in a finding of non-compliance and limited participation in further rounds. DCA will review proposed scoring sheets to determine that the Applicant has made a good faith effort to obtain the certification.

**A. Sustainable Communities Certification**

**3 Points**

Three (3) points will be awarded to projects that seek certification in:  
~~projects located within larger developments officially enrolled in the following sustainable programs:~~

~~1. **Earth-Craft Communities** program through Southface Energy Institute and the Greater Atlanta Home Builder's Association, W~~

~~1. With the following stipulations:~~

- ~~a. Site Analysis Packet as defined in EarthCraft Communities Guidebook is submitted and reviewed by both DCA and EarthCraft Communities administrators at Pre-application.~~
- ~~b. Project may **not** seek to points for certification in the following categories unless it is clearly demonstrated in the application that the majority of the financing for these technologies is from other sources:~~
  - ~~• District heating/cooling~~
  - ~~• Renewable electric generation~~
  - ~~• Alternative thermal production~~

~~**Documentation:**~~

- ~~• Copy of an executed EarthCraft Communities Memorandum of Participation for the development where the project is located.~~
- ~~• If Memorandum of Participation is not signed by the Applicant, then the Applicant must provide a narrative as to how the Memorandum is applicable to the project.~~
- ~~• Draft scoring worksheet for the development that includes the minimum score under the program to qualify for the designation and includes the comments from the EarthCraft design review.~~
- ~~• Site Analysis Packet (Pre-application)~~

OR

~~2. **Leadership in Energy and Environmental Design for Neighborhood Development (LEED-ND)**,<sub>2</sub>~~

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**2. ~~w~~With the following stipulations:**

- a. Feasibility study prepared by a LEED AP ND that evaluates the feasibility of the proposed project meeting LEED ND criteria is submitted and reviewed by DCA at Pre-Application.
- b. Project may **not** seek to points for certification in the following categories unless it is clearly demonstrated in the application that the majority of financing for these technologies is from other sources:
  - On site Renewable Energy Sources
  - District Heating and Cooling

**Documentation:**

- Draft scoring worksheet for the development that includes the minimum score under the program to qualify for the designation and master site plan for the development.
- Documentation of the project's registration in the LEED database
- Feasibility study prepared by a LEED AP ND that evaluates the feasibility of the proposed project meeting LEED ND criteria (Pre-application)

~~Regardless of program requirements, all projects must meet threshold requirement for Building Sustainability and implement the following to educate residents and management:~~

- ~~• Educate tenants with a project manual provided to each tenant upon move-in and conduct at least 1 class on green building features of the units prior to the submission of LIHTC final allocation application. Submit a copy of the manual along with a sign-in sheet for the class conducted prior to the submission of LIHTC final allocation application.  
i.e., <http://www.practitionerresources.org/cache/documents/639/63997.doc>~~
- ~~• Educate management and maintenance staff with an orientation and produce a green operations and maintenance manual detailing sustainable features, the staff's role in maintaining those features, and a replacement parts product source guide. Submit a copy of the manual to DCA prior to the submission of LIHTC final allocation application.  
i.e., <http://www.practitionerresources.org/cache/documents/639/63995.doc>~~

DCA reserves the right to deny points for the following:

- Projects that seek EarthCraft Communities or LEED ND designations through the projection of points in categories that require an excessive amount of DCA resources
- Projects that materially change the project concept between Pre-application and Application submission.
- Failure to accurately complete the draft scoring worksheet

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Developments certified under these programs successfully protect and enhance the overall health, natural environment, and quality of life of communities. The program rating systems integrate the principles of smart growth, new urbanism, and green building into a standard for neighborhood design. The programs provide independent, third-party verification that a development's location and design meet accepted high standards for environmentally responsible, sustainable development.

~~(DCA will randomly audit draft score sheets for accuracy. Failure to accurately complete the draft score sheet may result in the non-selection of the project.)~~

**Documentation:**

- ~~• Copy of an executed EarthCraft Communities Memorandum of Participation for the development where the project is located or a LEED-ND registration for the larger development from the US Green Building Council. If Memorandum of Participation is not signed by the Applicant, then the Applicant must provide a narrative as to how the Memorandum is applicable to the project.~~
- ~~• Draft scoring sheet for the development that includes the minimum score under the program to qualify for the designation and master site plan for the development.~~

**OR**

**B. Sustainable Building Certification**

**2 Points**

Two (2) points will be awarded to projects that commit to obtaining a sustainable building certification from one of the following entities.

- Southface Energy Institute's and Greater Atlanta Home Builder's Association's Earth Craft House multifamily (or single family or renovation) certification program.
- Enterprise Foundation's Green Communities certification program (following Enterprise Green Communities protocol under the guidance of a Enterprise Qualified TA provider).
- US Green Building Council's LEED for Homes certification program which includes single family detached and multi-family low and mid-rise structures.

Regardless of program requirements, all projects must meet threshold requirements for Building Sustainability and engage in tenant and building manager education in compliance with the points requirements of the respective programs.  
~~implement the following to educate residents and management:~~

- ~~• Educate tenants with a project manual provided to each tenant upon move-in and conduct at least 1 class on green building features of the units prior to the submission of LIHTC final allocation application. Submit a copy of the manual along with a sign-in sheet for the class conducted prior to the submission of LIHTC final allocation application.  
i.e., <http://www.practitionerresources.org/cache/documents/639/63997.doc>~~

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- ~~Educate management and maintenance staff with an orientation and produce a green operations and maintenance manual detailing sustainable features, the staff's role in maintaining those features, and a replacement parts product source guide. Submit a copy of the manual to DCA prior to the submission of LIHTC final allocation application.  
i.e., <http://www.practitionerresources.org/cache/documents/639/63995.doc>~~

**Documentation:**

- Draft scoring sheet for the development that includes the minimum score under the program to qualify for the designation.
- ~~Certificate of Participation incompletion of Southface's green building for affordable housing training course completed by a direct employee of the project owner dated 2011 or 2012. DCA may request an explanation of the participant's relationship to the owner.~~

**VIII. STABLE COMMUNITIES /Redevelopment/Revitalization      ~~Maximum~~ **6**  
points maximum**

DCA promotes developments located in strong and stable communities that have a need for affordable housing and in areas which demonstrate the capacity for community redevelopment, economic growth and revitalization. Applicants may choose points in either Category A or Category B.

**A. Stable Communities      **4 points****

~~Four~~ **Four (44)** points will be awarded to projects that are located in a census tract that meets the following demographics according to the most recent FFIEC Census Report ([www.ffiec.gov/WebCensus/](http://www.ffiec.gov/WebCensus/)) (<http://www.ffiec.gov/census/>).

- Less than 10% below Poverty level (see Income)
- Designated Middle or Upper Income level (see Demographics)
- Market study must demonstrate need for affordable housing

**OR**

~~Two~~ **Two One (221)** points will be awarded to projects that are located in a census tract that meets the following demographics according to the most recent FFIEC Census Report ([www.ffiec.gov/WebCensus/](http://www.ffiec.gov/WebCensus/)).

- Less than 20% below Poverty level (see Income)
- Designated Middle or Upper Income level (see Demographics)
- Market study must demonstrate need for affordable housing

**Documentation:**

Each page of FFIEC census demonstrating project meets requirements

**B. High Opportunity** **- 22**  
**pointss**

Two (2) points will be awarded to Family projects that are located in an elementary school attendance zone with a high-performance school as of the application deadline date, as defined by the Georgia Education Scoreboard released by the Governor's Office of Student Achievement. DCA defines a high-performance school as one in which each grade level meets or exceeds the average state achievement level. An elementary school attendance zone does not include magnet schools or elementary schools with district-wide possibility of enrollment, unless that district has only one elementary school.

See: (<http://www.gaosa.org/>)

**Documentation:**

Elementary School name, local school district contact information and copy of the elementary school's most recent Georgia Education Scoreboard results

OR

**C. Community Redevelopment /Revitalization Plans and Strategies**

**1. HOPE VI or Choice Neighborhoods Initiatives** **6 points**

Six (6) points will be awarded if the proposed project is a phase or component of a PHA-sponsored Community Building Initiative which is part of a PHA-sponsored HOPE VI/Choice Neighborhoods revitalization initiative. The Initiative must:

- Provide affordable units for an extended period of 30 years or more;
- Be part of a mixed income phased community with a significant market component;
- Facilitate the deconcentration of poverty; and
- Provide for community improvements or amenities, which may include but are not limited to new or improved public infrastructure, green-space, improved transportation, quality of life enhancements, or other improvements benefiting the community

**Documentation:**

- A copy of the HOPE VI or Choice Neighborhoods Revitalization Grant Assistance Award (form HUD-1044) which identifies the PHA receiving the HOPE VI or Choice

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Neighborhood grant and the amount of the grant, and additional documentation reflecting the time limits for use of the HOPE VI or Choice Neighborhoods funds;

- A letter from the Executive Director of the identified PHA certifying that:
  - the development proposed in the Initial Application is identified in the PHA’s HUD approved HOPE VI or Choice Neighborhoods application or Revitalization Plan;
  - the housing units are an essential element of that Plan; and
  - the Tax Credits for the development proposed in the Initial Application are an essential component of the financing plan for the PHA’s HOPE VI or Choice Neighborhoods Program
- A copy of the HUD approved Revitalization Plan.

**OR**

**2. *Statutory Redevelopment Plans***

**2 points**

Two (2) points will be awarded to a project that is located within an area that has a Redevelopment Plan that has been adopted and formulated by the local Government under O.C.G.A. §36-44 et. seq. or O.C.G.A. §36-61 et. seq. and that clearly targets the specific neighborhood in which the project is located. In order to receive these points, the documentation must conclusively prove that the Plan is current, ongoing and directly affects the site of the proposed project.

**Documentation:**

- Copy of the Plan
- Website address where information regarding the plan can be located
- Copy of Resolution(s) adopting the Plan according to requirements of statute
- Documentation of Public Hearing and Publication as required by statute
- Documentation that Plan is current, ongoing and directly affects the site

**OR**

**3. *Redevelopment Zones***

**1 point**

One (1) point will be awarded if the proposed development site is located in a QCT/DDA or State Enterprise Zone.

**Documentation:**

- Copy of Resolution adopting the state enterprise zone
- Documentation evidencing that the proposed site is located in a QCT/DDA

**OR**

**4. *Local Redevelopment Plans***

**1 point**



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One (1) point will be awarded if there is an adopted redevelopment plan/community revitalization plan adopted and formulated by the Local Government that clearly targets the specific neighborhood in which the project is located. The Plan must have been adopted on or before January 1, ~~2011~~2012. (For the purposes of this category, in Rural counties a neighborhood may be as large as one county.) In order to receive these points, the documentation must conclusively prove that the Plan is current, ongoing and directly affects the site of the proposed project.

The Community Redevelopment/Revitalization Plan must include the following:

- a discussion of potential sources of funding for the plan;
- a clearly delineated target area that includes the proposed project site;
- detailed policy goals (one of which must be the rehabilitation or production of affordable rental housing);
- Implementation measures along with specific time frames for the achievement of such policies and housing activities. The timeframes and implementation measures must be current and ongoing;
- the proposed development project must support at least one of the goals of the redevelopment or revitalization plan; and
- an assessment of the existing physical structures and infrastructure of the community

The following plans are not eligible for points:

- Plans formulated by the Owner of the project and submitted to a local government for approval;
- ~~short~~Short-term work plans;
- ~~comprehensive~~Comprehensive plans, consolidated plans, municipal zoning plans or land use plans; and
- Plans that are outdated and do not reflect the current neighborhood conditions (Plans that are more than four years old will be presumed outdated unless documentation regarding the continued viability of the plan is submitted with the Application.)

**Documentation:**

- The DCA Neighborhood Redevelopment Certification Form
- Documentation of the process the government used for developing and adopting the plan
- Details regarding community input and public hearings held prior to the adoption of the plan must be included in the Application
- A copy of the entire plan must be included in the Application.
- Evidence of adoption
- Map of area targeted by plan identifying location of project

**OR**

**5. Community Oriented Developments 6 points**

Six (6) Points will be awarded if the proposed project is part of a Local Government's holistic "placed based" strategic initiative for rebuilding a severely stressed neighborhood which has been designated as a high priority by the local government. While the Local Government is not required to be part of the Project Team, it must clearly be actively engaged in selection of the Project Team and in formulation of the strategy for the community and the project. The project concept must clearly show the following:

- Potential is high for collaborative community building.
- Community strategy includes local government requirements for greenspace
- Local Government engagement and contribution towards redevelopment of the high priority area.
- Incorporation of planning objectives set out in Transit Oriented Developments, Sustainable Communities or Livable Community Initiatives.

**IX. PHASED DEVELOPMENTS / PREVIOUS PROJECTS**

**-A. Phased Developments 3-1  
points**

Three (3) points will be awarded if ~~the proposed~~ a new construction project is part of a Phased Development-multi-phase public housing redevelopment -in which one or more phases received an allocation of 9% tax credits within the past 3 funding rounds and at least one phase has commenced construction per that allocation. Documentation of the Master plan, site control and total project concept must be submitted in the application. Projects that DCA determines are adjacent (as opposed to being Phased Developments) are not eligible for points. DCA will look to the underlying project concept to determine whether the community was originally designed as one development with different phases. Only one phase of a project can receive points during a funding round. In determining whether a project is a phased development, DCA will require that site control over the total site be in place for the entire site when the initial phase is closed.

OR

**B. Previous Projects 3 points**

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Three (3) points will be awarded if the proposed development site is within the boundaries of a Local Government in which a 9% Credit, 4% Credit and/or HOME project has not been awarded within the last ~~four~~five (45) DCA funding cycles.

**OR**

Two (2) points will be awarded if the proposed development site is within the boundaries of a Local Government in which a 9% Credit, 4% Credit and/or HOME project has not been awarded within the last ~~three~~four (34) DCA funding cycles

**OR**

~~One (1) point will be awarded if the proposed development site is within the boundaries of a Local Government in which a 9% Credit, 4% Credit and/or HOME project has not been awarded within the last two (2) DCA funding cycles.~~

For Scattered Site Projects, each non-contiguous parcel may be considered for points in this category. However, the Application will be awarded a maximum of three (3) points in this category.

**X. MARKET**

**2 points**

Each Application will be awarded an initial score of 2 (two) points in this category. Point deductions to that score will be made if DCA determines that one or more of the following conditions may negatively affect the ability of the project to meet the DCA market requirements.

- DCA determines that occupancy rates at comparable DCA properties have experienced a significant decline which indicates a deteriorating market. DCA would utilize the submitted market study, DCA rent rolls and project data of similar projects located in close proximity to determine that the property could have difficulty in achieving the required lease up.
- There are more than two DCA funded projects in the primary market area which have occupancy rates of less than 90 percent and which compete for the same tenant base as the proposed project. (DCA reserves the right to determine that the low occupancy rate of a project is not the result of market conditions but rather the result of poor property management or deferral of physical maintenance).
- — Analysis of one or more comparable properties in the market areas indicates that the property may have difficulty reaching stabilized occupancy within the required timeframe.

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- DCA has one or more projects in the primary market area that have been unable to convert construction to permanent loans due to failure to reach stabilized occupancy.
- 
- DCA determines that there has been a significant change in economic conditions in the proposed market that was unknown at the time of Application and which could detrimentally affect the long term viability of the proposed project and the proposed tenant population. An example would be the loss of a major employer that would affect the proposed tenant population.
- 
- DCA determines that foreclosures in the proposed market area will detrimentally affect the ability of the proposed project to lease up.
- 
- DCA determines that the proposed rents are at or near market rate rents of comparable properties.
- 
- The proposed market area appears to be overestimated creating the likelihood that the demand for the project is weaker than projected.

**XI. WAIVER OF QUALIFIED CONTRACT RIGHT / Tenant Ownership Plan Max 1 pt**

**A. Waiver of Qualified Contract Right 1 point**

The Code requires that all low-income units in a project receiving Credits remain rent-restricted and income-restricted for the 15-year Compliance Period and for 15 years after the close of the Compliance Period. However, owners have an option to request DCA's assistance in procuring a qualified contract for acquisition of the building(s) after the 14th year of the Compliance Period. If DCA is unable to present such a contract within a one-year period, the owner may terminate the extended use agreement. One (1) point will be awarded to Owners willing to forgo this "cancellation option" for at least five years after the close of the Compliance Period.

**OR**

**B. Tenant Ownership 1 point**

One (1) point will be awarded to Owners that commit to submit a plan for tenant ownership, acceptable to DCA, at the end of the 15-year Compliance Period. Only single family styled units are eligible for these points. In order to qualify for tenant ownership plan points, Applicants must agree to submit a viable homeownership strategy for residents who inhabit the units before the end of the Compliance Period. The strategy must outline the Applicant's exit strategy and calculation of the estimated affordable purchase price for the unit occupied by the tenant and pre-purchase homeownership counseling. All sites must be owned by the Applicant (long-term leases

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are unacceptable). Applicant must clearly show how the property will be managed during the compliance period and how the tenant's down payment will be managed.

**Documentation:**

Copy of Strategy meeting requirements

**XII. PRESERVATION** **Maximum 6 points**

**A. Historic Designation** **3 points**

~~Three (3) points will be awarded if the property is a certified historic structure with an approved Part 1-Evaluation of Significance AND has submitted a Part 2-Description of Rehabilitation (and/or the Georgia equivalent, Part A-Preliminary Certification) and has received approval from the Georgia DNR-HPD and the NPS of the scope of the rehabilitation as presented in the Part 2 and/or Part A application(s).~~

**Documentation:**

- ~~• A copy of the Georgia DNR-HPD and NPS approved Part 1, Part 2 and, if applying, the Georgia approved Part A; and~~
- ~~• Copy of preliminary equity commitment for federal and Georgia historic rehab credits.~~

~~One (1) point will be awarded if property is a certified historic structure (either listed individually on the National Register, or as a contributing structure in a National Register Historic District), or is deemed via a Georgia DNR-HPD approved NPS Part 1-Evaluation of Significance to have a preliminary determination of listing on the National Register.~~

**Documentation:**

- ~~• Copy of Georgia DNR-HPD and NPS approved Part 1 - Evaluation of Significance;~~
- ~~• Copy of preliminary equity commitment for federal and Georgia historic rehab credits. (DCA encourages Applicants to see <http://hpd.dnr.state.ga.us> for further guidance on the requirements and associated timeframes for the development of projects with historic tax credits. DCA also encourages Applicants to seek the advice of a qualified attorney and/or tax professional before proceeding with any project of this nature.)~~

**B. Preservation of Affordable Projects** **6 points**

**1. Expiring Tax Credit Properties.** ~~Points will be awarded for an Application that proposes the preservation of an affordable housing project with low-income housing tax credits that is beyond the fourteenth year of the compliance period or for DCA HOME only funded developments, if the minimum statutory period of affordability has expired.~~

~~DCA will only award these points to projects that clearly demonstrate the following:~~

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- ~~• Projects must be at least 80% average physical occupancy for 6 months prior to Application Submission. (verified in MITAS system or independent documentation by DCA)~~
- ~~• Project will not have significantly higher rents after rehab (generally more than 10% increase)~~

~~If the current owner is a member of the Project Owner or Developer Team, the following additional requirements are applicable:~~

- ~~• Projects that have physical issues due to the willful deferral of maintenance by the Owner will not be eligible for these points.~~
- ~~• Project that have significant outstanding or uncured major noncompliance issues are also not eligible for these points.~~

~~Each Applicant will be limited to claiming these points for only two projects. Each Applicant may claim six (6) points for one submitted Application and three (3) points for one additional Application. Projects receiving three points in this category may also be eligible for the two points for USDA Properties or HUD Properties (in the following two categories), if applicable.~~

~~**Documentation**~~

~~The partnership's tax returns for the first and last years in which credits were claimed must be provided, along with the appropriate IRS Forms 8609 attached.~~

~~**2. USDA Properties** **2 points**~~

~~Two (2) points will be awarded for One (1) Applications that proposes the preservation of affordable housing projects funded by the USDA 515 program which have been designated by USDA as High Priority projects. USDA must designate no more than one (1) project as High Priority. USDA may require that applicants seeking this priority designation for a project submit documentation no later than 60 days prior to Application Submission.~~

~~Documentation from USDA specifying the projects' High Priority designation must be submitted with the Applications.~~

~~**3. HUD Properties** **2 points**~~

~~Two Points will be awarded for an Application that propose the preservation of affordable housing projects receiving project-based rental subsidies that are within two years of any permitted prepayment or subsidy contract expiration with a likely conversion to market rate housing or equivalent loss of low income use restrictions and which have been designated by HUD as its High priority project. HUD may designate no more than one (1) project as High Priority. HUD may require that applicants seeking this priority designation for a project submit documentation no later than 60 days prior to Application Submission.~~

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~~Documentation from HUD specifying the projects High Priority designation must be submitted with the Application~~

**XIII. NONPROFITNON-PROFITNONPROFIT**  
**33 points**

~~DCA is required to allocate 10% of its resources to projects that include participation by non-profitnon-profitnonprofit organizations. In order to maximize the success of projects which include non-profitnon-profitnonprofit participation, DCA may, but is not required to, award 334 points to no more than three projects that are eligible for and apply for the non-profitnon-profitnonprofit set aside and which demonstrate the best chance of success based on the following: as described in the application's Project Narrative:~~

- ~~• Technical expertise in the tax credit program.~~
- ~~• Successful development and ownership in tax credit project development:the tax credit program by Project Team~~
- ~~• Sufficient liquidity or guarantees to increase chances for syndication~~
- ~~• Additional resources included in the project including grants, project based rental assistance or other government funds~~
- ~~• Mission oriented purpose of the proposed project~~
- ~~— Unique project concept~~
- ~~•~~
- ~~— To be eligible for points under either A or B, the project must apply for and be eligible for the nonprofitnon-profit set-aside. Each Applicant will be limited to claiming three points for one project in which they have a direct interest and two points for a second project in which they have a direct interest.~~

~~A. Three (3) points will be awarded if the 100% general partnership of the proposed project is composed of a 100% qualified nonprofitnon-profit organization(s) that currently has/have an ownership in 5 or more successful LIHTC projects which they developed, from project financing, construction/rehabilitation through placement in service. constructed/rehabbed and placed into service.~~

**OR**

~~B. Two (2) points will be awarded if the 100% general partnership of the proposed project is composed of a 100% qualified nonprofitnon-profit organization(s) that currently have an ownership in 2 or more successful LIHTC projects which they developed, from project financing, construction/rehabilitation through placement in service. constructed/rehabbed and placed into service.~~

**Documentation:**

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- Description of ~~non-profit~~ nonprofit in Application project narrative
- IRS Tax-Exempt Status Determination Letter
- Secretary of State Certification of Nonprofit~~Non-profit~~Nonprofit Status
- General Partnership Joint Venture Agreement if applicable
- Current Legal Opinion regarding ~~nonprofit~~non-profitnonprofit tax-exempt status
- Documentation of Nonprofit~~Non-profit~~Nonprofit's ownership interest
- Board of Directors information: name, address, phone, occupation, positions
- Development Agreement
- By-Laws or Articles of Incorporation for Non Profit~~Non-profit~~Nonprofit
- Copy of State CHDO Pre-qualification or Renewal Letter if requesting DCA HOME funds from CHDO set-aside~~set aside~~
- Evidence of CHDO Predevelopment Loan if requesting DCA HOME funds from CHDO set-aside~~set aside~~
- Evidence that project is within CHDO service area if requesting DCA HOME funds from CHDO set-aside~~set aside~~

**XIV. TAX CREDIT EXPERIENCE \_\_\_\_\_ 2 points**

~~Two (2) points will be awarded if the General Partner and Developer of the proposed project has been a project participant in two low income housing tax credit projects which have satisfied all of the following criteria:~~

- ~~successfully completed the closing of tax credit financing~~
- ~~received an allocation in 2008~~2009, ~~2009~~2010 or ~~2010~~2011
- ~~closed prior to Application Submission. The closing must have included a federal credit syndicator and not been a 100% Exchange project.~~

**OR**

~~One (1) point will be awarded if the General Partner and Developer of the proposed project has been a project participant in one low income housing tax credit project which has successfully completed the closing of tax credit financing for a project which received an allocation in 2008~~2009 or ~~2009~~2010, or ~~2010~~2011 allocation closing prior to Application Submission. The closing must have included a federal syndicator of credits and not been a 100% Exchange project.

**Documentation**

~~Letter from closing attorney evidencing final closing of equity and construction has occurred and the date.~~

**XIV. RURAL \_\_\_\_\_ 3 points**

Projects involving new construction that are located in a Rural area that have eighty (80) or less total units are eligible for up to three points.



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Each Applicant will be limited to claiming three points for one project in which they have a direct interest ~~and two points for a second project in which they have a direct interest.~~

Failure by the Applicant to designate these points to qualified projects, or to incorrectly designate these points, will result in no points being awarded.

**XVI. DCA COMMUNITY INITIATIVES**

**1 point**

One (1) point will be awarded for projects that have a letter from a designated DCA Georgia Initiative for Community Housing Community or DCA Community of Opportunity which clearly:

- identifies the project as located within their political jurisdiction,
- is indicative of the community's affordable housing goals,
- identifies that the project meets one of the objectives of the Community,
- is executed by the official representative of the Community.

Each community may issue only one (1) letter for one project in this year's competitive round. If more than one letter is issued, no project in that community shall be awarded points.

**Documentation:**

Letter executed by Official Representative

For Scattered Site Projects, the above documentation is required from each local government for each non-contiguous site.

**XVII. LEVERAGING OF RESOURCES**

**Maximum 8 points**

To be eligible for points under section A or B below, the following criteria must be met:

1. Funding or assistance provided above must be binding and unconditional except as set forth in this section.
2. Resources must be utilized if the project is selected for funding by DCA.
3. Only loans that are for both construction and permanent financing phases will be considered for points in this section.
4. Loans must be for a minimum period of ten years and reflect interest rates at or below AFR.
5. Commitment or award documentation must meet the terms and conditions as applicable specified in Appendix I, Threshold Criteria, Section I. (I) (Permanent

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financing, limited partnership equity, deferred developer fee and other financing Commitment).

**A. Grants/Loans  
points**

**Maximum of 4~~2~~3**

New loans or new grants from the following sources that will provide new capital funding will qualify for points under this category:

- Community Development Block Grant (CDBG) program funds
- Federal Home Loan Bank Affordable Housing Program (AHP)
- HOME funds (non-DCA source)
- NSP ~~not allocated from DCA~~
- Beltline Grant
- Housing Opportunity Bonds
- HUD 202 or 811 program funds
- Other funding sources approved at DCA's sole discretion

New loans and/or new grants will qualify for points according to the following scale:

<u>Loan/grant amount at least 15% of Total Development Cost (TDC)</u>	<u>4 points</u>
<u>Loan/grant amount at least 10% but less than 15% of TDC</u>	<u>3 points</u>
<u>Loan/grant amount at least 5% but less than 10% of TDC</u>	<u>2 points</u>
<u>Loan/grant amount at least 2% but less than 5% of TDC</u>	<u>1 point</u>

**Documentation:**

Commitment letter for such new loan and/or grant:

- ~~Community Development Block Grant (CDBG) program funds (\$500,000 Minimum)~~  
~~1 point~~
- ~~Federal Home Loan Bank Affordable Housing Program (AHP) (\$500,000 Minimum)~~  
~~1 point~~
- ~~HOME Funds (non-DCA source) (\$500,000 Minimum)~~  
~~1 point~~
  
- ~~Long term Ground leases for nominal consideration and no other land costs~~  
~~1 point~~
- ~~NSP not allocated from DCA (\$1,000,000 Minimum)~~  
~~2 points~~
- ~~Beltline Grant (\$1,000,000 Minimum)~~  
~~2 points~~
- ~~Housing Opportunity Bonds (\$1,000,000 Minimum)~~  
~~2 points~~

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- ~~• HUD 202 or 811 program funds (\$3,000,000 Minimum)  
3 points~~

**B. Efficient use of DCA Resources**  
**Maximum of 3 4 points maximum**

~~DCA OAH HOME Loan Consent 3  
4 points~~

**BC. Local Government/Non-profit Nonprofit Contribution**  
**1 Ppoint**

- ~~• One (1) point will be awarded for projects receiving long-term (no less than 45-year) ground leases from a local public housing authority, local government or a charitable non-profit/nonprofit organization for nominal consideration and no other land costs~~

**Documentation:**

~~A copy of the ground-lease agreement.~~

- ~~• One (1) point will be awarded for projects receiving a -10-year tax abatement.~~

**Documentation:**

~~Approval of abatement through a resolution/ordinance, which includes the schedule showing the abatement for each of the 10 years during the period.~~

**DC. Off Site Improvement, Amenity and Facility Investment** - **2**  
**points**

Two (2) points will be awarded if an unrelated third party (foundation, trust, and/or government) investment of resources is provided that will result in off-site infrastructure improvements adjacent to the project site, and/or the development of parks, green space and shared amenities, recreational facilities and improvements adjacent to the proposed project site that will serve the tenant base for the subject project. Points will be awarded according to the following scale:

Investment amount at least 10% but less than 15% of TDC 2 points  
Investment amount at least 5% but less than 10% of TDC 1 points

The proposed improvements, amenities and/or facilities must be completed prior to the proposed placed in service date for the project. The development cost and source of

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funding associated with the development of the improvements, amenities and/or facilities must be mutually exclusive of the development cost and sources of funding for the subject property. The cost for the improvement must ~~be at least \$1,000,000 and~~ be paid for in full by the unrelated third party. Examples of third party improvement, amenity, and facility investment of resources include, but are not limited to, the following:

- ~~construction~~ Construction of off-site or on-site access road which is required for access to the property,
- ~~development~~ Development of parks, green space or walking trails on a master plan development site,
- ~~development~~ Development of YMCA, youth center, senior center, and/or
- Construction of sidewalks or streetscape adjacent to the property.

\*Third party investments that are community wide in scope, part of the community local action plan or that will be developed regardless of the development of the proposed project will not be eligible for points in this section. Additionally, improvements that were completed prior to application submission are not eligible for points in this section.

**Documentation:**

- Commitment of funds
- Detailed source of funds,
- Amount of investment,
- Timeline for completion,
- Description and location of improvements on site map, and
- Narrative that includes benefit specific to the tenant base.

**XVIII. SUPERIOR PROJECT CONCEPT AND DESIGN**

**6 points**

DCA may, but is not required to, elect to give one submitted Application six (6) points if it determines that the project represents a superior project concept that has “community changing” effect on the neighborhood or represents a unique concept or design or will meet an overriding DCA policy objective not generally addressed in tax credit projects. Criteria could include a superior level of sustainability, a project proposed to meet a unique and urgent need in a community, or a project has shown substantial community support and involvement. Financing sources alone are not sufficient to be considered for superior project concept. The award and exact criteria for this point category is at DCA’s sole discretion. Applicants should articulate and demonstrate how the development will fulfill or achieve these goals citing and evidencing as many of the above attributes as possible to be favorably considered for these points. If part of a comprehensive strategy, there should be a commitment of sufficient resources to substantiate that the strategy has a reasonable chance of being implemented. Efforts that show coordination with other state and local funding sources for economic and community development are encouraged in this initiative.

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Applicants must submit a narrative, not more than two pages, along with supporting documentation to request these points. The narrative should specifically address how this project meets the criteria of this section and why the concept or design is different than most tax credit projects.

**XIXXVIII. BONUS POINTS**  
**Points**

**36**

**A. Compliance with DCA Web-Based MITAS System Requirements** — **3 Points**

~~Applications which have an Owner and Developer that are determined to be in compliance with DCA web based MITAS Property Management system requirements as of 2/1/20112012 will receive three points. DCA reserves the right to deny the points under this category if it determines the data entry into the MITAS system is materially inaccurate.~~

**B.A. Marketing to Tenants with Special Needs Integrated Supportive Housing**  
**3 Points**

Three (3) points will be awarded to an application that agrees to accept rental assistance from a state (e.g. Georgia Rental Assistance Program), federal (e.g. HUD Section 811 project-based rental assistance) or other approved entity for up to 5% of the units for the purpose of providing integrated housing opportunities to individuals with mental illness, as defined in the Settlement Agreement between the State of Georgia and the Department of Justice (#1:10-CV-249-CAP).

~~Applications which have an Owner and Developer that agree to accept a rental assistance from a state, federal or other approved organization for up to 5% of the units in their Georgia owned Tax credit developments for purposes of housing tenants covered by the settlement order between the State of Georgia and the Department of Justice in case # 1:10-CV-249-CAP, will receive an additional three (3) points.~~

Applicants that agree to this provision are not required to provide project based rental assistance, reduce rents or provide ~~on-site~~onsite supportive services or a service coordinator. They will also not be required to displace existing residents. No participant will be required to violate the terms of any statute, program requirement, regulation which is in place at any of their developments.

**XIX. COMPLIANCE / PERFORMANCE**  
**points**

**10**

Each project team for a proposed project will receive a compliance history score under this section for inclusion in their DCA Final Score. For purposes of this section, project team will be defined as the General Partner entity, the Development entity and each

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principal of these entities. Point deductions will be made for project teams and their members that were principals in non performing projects. Project Team members that seem to be qualified based on previous tax credit experience may be required to consider poor compliance performance as a condition of participation.

Managers must also submit the required documentation (see below). Property Managers will receive a Pass/Fail notification and will not receive a numeric score.

**A. Overview of Scoring**

- Each proposed project will start with a ~~compliance~~compliance history score of ten (10) Compliance Points. Deductions shall be made from that base Compliance Score for each instance of non compliance which exists for any of the defined project team.
- Non compliance shall be deemed to be noncompliance which is reportable on Form 8823 and which was not cured within the 90 day cure period or within any 6 month state approved extension.

**Funding Programs**

The following funding programs will be reviewed for purposes of calculating the score in this section:

- Low Income Housing Tax Credits (LIHTC)
- HOME
- FDIC/Affordable Housing Disposition Program
- Housing Trust Fund
- Department of Agriculture reviews of LIHTC properties

Only projects that have these sources of funding should be included on the Compliance History Summary.

***1. Required Documentation***

All Owner/Developer entities as well as principals of each entity and proposed Property Management Companies must submit a DCA Compliance History Form for each project.

All Owners/Developer entities as well as principals must also submit a DCA Compliance Certification from each state financing agency from which the Owner/Developer entity or principals have received Low Income Housing Tax Credits or HOME funding.

***2. Relevant Time Period***

All funding program reviews/audits from ~~2006~~2007, ~~2007~~2008, ~~2008~~2009, ~~2009~~2010, ~~2010~~2011 through May 1, ~~2011~~2012 will be considered for point deductions in the following areas:

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- Program Administrative Non-compliance
- HOME Program Administrative Non-compliance
- DCA Program Administrative Non-compliance
- LIHTC Non-compliance issues that were reported on IRS Form 8823 as uncured
- Major Property Condition Violations
- Pattern of minor property condition violations
- Failure of Project

In addition, all instances of major project failure/General Partner failures that occurred on or after January 1, 2002 will be considered for point deductions.

**3. Calculation of Point Deductions**

**a. Point Deductions for Significant Program Administrative Non-compliance**

**Low Income Housing Tax Credits/HOME:** One (1) point will be deducted for each project that is determined to be significantly non compliant with HOME or Tax Credit Program administrative requirements.

For purposes of this section, non-compliance will include:

- Household Income Above Income Limit upon Initial Occupancy
- Owner failed to Provide Annual Certifications or Provided Incomplete or Inaccurate Certification,
- Project failed to meet Minimum set aside,
- Gross rents exceed Tax Credit Limits,
- Project not available to the General Public
- Failure to maintain high and low HOME rents,
- Failure to adjust Over Income HOME tenant's rent at recertification
- Failure to Comply with Federal Relocation Requirements,
- Failure to Comply with Davis Bacon
- Failure to Comply with Section 3
- Failure to complete certification for Sustainable Buildings or Communities prior to issuance of 8609s from a previous round

**b. DCA Program Administrative Non-Compliance:**

One (1) point will be deducted for each instance of significant DCA Program Administration non-Compliance. For purposes of this section, non compliance will include:

- Failure to submit completed cost certification for a tax credit project within 6 months of the required due date. (All cost certifications for Bond Projects in which the bonds closed in ~~2007~~2008 or earlier are now more than six months overdue.)

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- Failure to pay DCA Compliance monitoring fees for a project. Fees paid by April 1, ~~2011~~2012 will not be considered non compliance.
- Failure to respond to DCA requests for Monitoring Reviews.
- Failure to convert a DCA HOME loan within 12 months of the required conversion date.
- Repeated failure to comply with administrative requirements such as notifying DCA in writing at least 30 days prior to any change of ownership or management
- –Failure to provide or maintain DCA required amenities,
- –Failure to provide or maintain DCA required support services, and
- –Failure to comply with representations made in application.
- Applications which have an owner or developer that has a property or properties determined to be out of compliance with DCA web-based MITAS Property Management system requirements beginning January 1, 2012 going forward will receive a one (1) point deduction for each noncompliant property.
- Applications which have an Owner or Developer that has a property or properties that has not complied with the required submission of tax credit or HOME Annual Owner Certification by March 15, 2012 will receive a one (1) point deduction for each noncompliant property.

**c. Failure to Maintain Property in accordance with tax credit, HOME, FDIC or DCA requirements.**

Up to two (2) Points will be deducted for each instance of a failure to maintain property. Projects which have the following uncured conditions at any property as of April 1, ~~2011~~2012 shall have points deducted:

- |   |          |
|---|----------|
| • Level 1 and 2 Violations of UPCS as set forth in 8823 Guide | 1 point  |
| • Level 3 and 4 Violations of UPCS as set forth in 8823 Guide | 2 points |
| • Health and Safety Issues                                    | 2 points |
| • Other code Issues   | 1 point  |

**d. Significant Physical Issues 5 points**

Projects which are identified as having significant physical issues shall receive a point deduction of 5 points. Significant physical issues shall include but not limited to the following:

- ~~2~~2% of units are “down” at a property. (Properties that have experienced a fire may petition for a waiver of this point deduction if the units have been down less than thirty days).
- ~~Loss~~Loss of utilities due to the non-payment of utility bills more than once in a year
- ~~Mold~~Mold issues or water infiltration into units
- ~~Failure~~Failure of any major system such as heating or air conditioning
- ~~Pattern~~Pattern of health and safety issues
- ~~Project closing~~



**e. Major Project / General Partner Failure**

Five (5) points will be deducted for each instance of Major Project/General Partner Failure. Examples of Major Project/General Partner failure includes, but is not limited to the following:

- Foreclosure of a project loan, including but not limited to a HOME loan, or State Housing Trust Fund Loan
- Foreclosure or default on bonds at a property that has DCA Tax Credit or HOME funding
- Failure to meet placed in service date which results in the recapture of credits
- Project Bankruptcy
- Failure to file a LURC for a Tax Credit Project within time prescribed by Section 42(h)(6)(j)
- Project is no longer in Compliance nor participating in Program
- Submission of fraudulent documents to DCA
- Debarred or suspended from participation in similar Federal or State programs in last six years
- Fair Housing Act violations
- General Partners/Developers, principals, or managing members who from January 1, 2002 through April 1, ~~2014~~2012 have been removed, debarred, or asked to voluntarily withdraw from a LIHTC partnership.
- Project closing.
  -

DCA may waive this deduction if it determines (prior to Application submittal) that the withdrawal ~~or removal~~or removal was for reasons beyond the control of the General Partner/Developer.

Applicants that have demonstrated a documented good-faith effort to avoid project failure may petition DCA for a waiver to these point deductions. Applicants that have one or more instances of major project failure may be deemed ineligible to participate pursuant to DCA Threshold requirement. DCA will, at its sole and absolute discretion, determine if the participant or entity is eligible to participate.

**4. Calculation of Point Additions**

The following points may be added to the Owner/General Partner Compliance Score if the score after deductions is less than ten (10) points:

One (1) point will be added if the General Partner can demonstrate that he has successfully owned, managed and operated five (5) Georgia Tax Credit Properties within the required time period and that none of the projects received any point deductions as set forth in the above section.

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**OR**

Two (2) points will be added if the General Partner can demonstrate that he has successfully owned, managed and operated eight (8) Georgia Tax Credit Properties within the required time period and that none of the projects received any point deductions as set forth in the above section.

**OR**

Three (3) points will be added if the General Partner can demonstrate that he has successfully owned, managed and operated ten (10) Georgia Tax Credit Properties within the required time period and that none of the projects received any point deductions as set forth in the above section.

**B. Exceptions**

1. In the event DCA determines that a Project qualifies for a point deduction for an instance of non-compliance in which the cure was not completed by the DCA cure date, for the 20112012 round only, the point will not be deducted if the cure is completed prior to Application Submission. The Applicant must submit sufficient evidence and documentation of the cure in the Application.
2. In the event DCA determines that a Project qualifies for a point deduction for Program Administrative Non compliance that cannot be cured such as the placement of a over income tenant in a unit and DCA determines that the non-compliance does not constitute a pattern of non-compliance, the Applicant may submit an explanation to DCA within 14 days of notification outlining the corrective action that has been taken by Management to ensure that the non-compliance will not occur again. DCA, at its discretion, may waive the Point deduction.
3. In the event DCA determines that a Project qualifies for a point deduction for Physical issues at the project site, the Applicant may submit evidence that corrective action has commenced, the timeline for completion and that sufficient funds have been set aside to pay for the correction within 14 days of notification. DCA, at its discretion, may waive the point deduction.
4. Waivers made for exceptions may be withdrawn if the Applicant does not take the proposed corrective action with the approved timeframe.
5. Participants who have significant successful tax credit experience outside of Georgia can submit a request that DCA consider that successful experience for point additions. The determination as to what experience will be considered is within the discretion of DCA.

5.

**XX. PRESERVATION PRIORITY POINTS**

To be eligible for points under this category, the project must apply for and be eligible for the Preservation Set aside. To determine selections under the

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Preservation/Rehabilitation Set aside, DCA will assign each Preservation application with a Final Aggregate Score based on the Total Score earned under the regular scoring criteria above plus any Preservation Priority Points earned under the criteria below. Regardless of an application's Final Aggregate Score or Total Score without Preservation points, no preservation application will receive a 9% tax credit award if not selected for funding under the Preservation Set aside.

**A. DCA HOME Properties** **5 points**

Five (5) points will be awarded to an application proposing to pay the full balance of a DCA HOME loan where the minimum statutory period of affordability has expired. --An application receiving points in this category is not eligible to claim Expiring Tax Credit Properties points.

**B. Expiring Tax Credit Properties** **4 points**

Four (4) points will be awarded to an application that proposes to rehabilitate an existing tax credit property with a compliance period that began at least 18 years from the application deadline.

Three (3) points will be awarded to an application that proposes to rehabilitate an existing tax credit property with a compliance period that began between 14 and 17 years from the application deadline.

Only properties that originally received an award of 9% credits and continue to be subject to extended use restrictions are eligible for points. An application proposing to rehabilitate a tax credit property which has previously undergone a rehabilitation funded by tax credits is not eligible to claim these points unless the property also qualifies for Historic Designation points (see below).

**C. HUD Properties** **3 points**

—Three (3) points will be awarded to an Application that proposes to preserve an affordable housing property receiving project-based rental subsidies that is within two years of any permitted prepayment or subsidy contract expiration with a likely conversion to market rate housing or equivalent loss of low income use restrictions. The property must also have been designated by HUD as a High priority project. HUD may designate no more than two (2) projects as High Priority. HUD may require that applicants seeking this priority designation for a project submit documentation no later than 60 days prior to Application Submission.

Documentation from HUD specifying the projects High Priority designation must be submitted with the Application

**D. Significant Community Value**

**3 points**

DCA, at its sole discretion, may elect to award three (3)4 points to two applications that seeks to rehabilitate an existing affordable property of significant community value. The property must be in danger of losing its affordability, located in a high-need neighborhood, and clearly exhibit intrinsic value as an asset to its community and to the state's affordable housing stock.

**E. Historic Designation**

**2 points**

**1. Two (2) points** will be awarded if the property is a certified historic structure with an approved Part 1-Evaluation of Significance AND has submitted a Part 2- Description of Rehabilitation (and/or the Georgia equivalent, Part A-Preliminary Certification) and has received approval from the Georgia DNR-HPD and the NPS of the scope of the rehabilitation as presented in the Part 2 and/or Part A application(s).

**Documentation:**

- A copy of the Georgia DNR-HPD and NPS approved Part 1, Part 2 and the Georgia-approved Part A (if applicable)
- Copy of preliminary equity commitment for federal and Georgia historic rehab credits and such equity must be included as part of the project funding sources.

**2. One (1) point** will be awarded if property is a certified historic structure (either listed individually on the National Register, or as a contributing structure in a National Register Historic District), or is deemed via a Georgia DNR-HPD approved NPS Part 1-Evaluation of Significance to have a preliminary determination of listing on the National Register.

**Documentation:**

- Copy of Georgia DNR-HPD and NPS approved Part 1 - Evaluation of Significance;
- Copy of preliminary equity commitment for federal and Georgia historic rehab credits- and such equity must be included as part of the project funding sources.

(DCA encourages Applicants to see <http://hpd.dnr.state.ga.us> for further guidance on the requirements and associated timeframes for the development of projects with historic tax credits. DCA also encourages Applicants to seek the advice of a qualified attorney and/or tax professional before proceeding with any project of this nature.)

**F. High Occupancy Properties**

**2 points**

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Ninety Percent (90%) Occupancy. Two (2) points will be awarded to an application that has a documented average physical occupancy of at least 90% for the 12 months period prior to Application submission.

Eighty Percent (80%) Occupancy. One (1) point will be awarded to an application that has a documented average physical occupancy of at least 80% for the 12-month period prior to Application submission.

**G. Optimization of Construction Cost** **1 point**

One (1) point will be awarded to a preservation application where the -construction hard costs are at least 45% of the Total Development Cost, subject to final feasibility review.