

# **DCA Summary of 2008 Qualified Allocation Plan Revisions Core Plan, Appendix I & II**

The following is intended to assist potential Applicants at identifying important revisions in the Qualified Application for the 2008 Application round. This list represents most, but not all, QAP changes.

A complete copy of the QAP can be obtained by visiting the DCA web site at <http://www.dca.state.ga.us/housing/HousingDevelopment/programs/QAP2008docs.asp> or by contacting Andria Williams at (404) 982-3483 or [awilliam@dca.state.ga.us](mailto:awilliam@dca.state.ga.us).

## **Summary of Core Changes**

### **Definitions added as follows:**

LURA  
Subsidy Layering Review  
Master Planned Community

### **Definitions modified as follows:**

Consultant

### **Under Section 7: Financing Resources, the following changes were made:**

Maximum Project Credits Award increased to \$850,000.

#### **Additional Credits**

DCA believes that the underlying factors which made the additional credits provision necessary are no long in place. Under extra ordinary circumstances, the owner may petition DCA for additional 9% Credits in the year the project is placed in service. Petitions for Additional Credits must be received by DCA no later than May 1 of the year the project is placed in service.

#### **4% Federal Credit - Bond Financed Projects**

All waiver requests must be submitted 30 days prior to Application submission.

Owners of projects receiving a Letter of Determination for Bond Financed Projects in 2008 must also complete and submit the "DCA Placed in Service" form at the time the first building is placed in service.

### **Under Section 8: Financing Resources – HOME Loans, the following changes were made:**

The minimum HOME loan amount is \$500,000. The maximum HOME Loan will be \$2,500,000 project.

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**Under Section 9: Policies, the following changes were made:**

**Annual Operating Expenses.** Annual budgeted Operating Costs, excluding reserve contributions, must be no less than \$3,500 per unit for urban projects, \$3,000 for non-MSA rural projects and \$2,800 for projects that include USDA loans as a funding source.

**Debt Coverage Ratio.** The debt ratio for all tangible debt after funding expenses and other required reserve funding must be between 1.15 and 1.35 for the first five years of operation. The Credits and/or HOME Loan amount may be reduced if DCA's underwriting indicates a debt coverage ratio greater than 1.35 in the first five years of operation.

**Developer Fee Limitation.** For new construction projects, the Developer fee will be limited to 15% of Total Development Costs less the budgeted Developer Fee, the demolition cost and the cost of Land.

**Management Fee.** A management fee is required for all projects.

**Rent-Up Reserves.** A reasonable rent-up reserve (excluding marketing expenses) is required for all projects based on the estimate projected lease up deficit.

**Contractor construction cost certifications.** All certification must be prepared in accordance with DCA requirements.

**Developer Overhead and Consultant Fees.** The amount of the Developer's overhead and Consultant's Fee (if applicable) that can be drawn before Conversion must not exceed 50% of the total Developer Fee requested.

**Inspections.** All costs incurred by DCA for DCA HOME property inspections will be the responsibility of the Borrower – including, but not limited to Inspections at Draws and Final Draw and other inspections required if a property is improperly maintained.

**Payment and Performance Bonds.** When an Identity of Interest exists and the contractor cannot obtain a payment and performance bond, a waiver of the requirement for payment and performance bond may be granted.

**Under Section 10: Eligibility, the following changes were made:**

Proposed Project Participants may be ineligible to participate in the 2008 competitive round and receive funding under the Plan if the proposed Project Participant falls within any one of the following categories:

1. Continuing Non-Compliance, Disqualification in DCA Programs. Principals of projects awarded Credits or HOME Loans in previous award cycles must remain materially in

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compliance with all applicable requirements of the Credits and the HOME Loan programs to remain eligible to compete for future Credits or HOME Loans. Material non-compliance status exists when, in the judgment of DCA, an Applicant exhibits a continual pattern of non-compliance or when an Applicant demonstrates an inability or an unwillingness to resolve non-compliance matters in a timely manner.

2. Failure to commence and complete projects. Project Participants must start and complete outstanding DCA HOME Loan or Credits projects in a timely manner and meet all material obligations under applicable loan documents and/or carryover allocations to remain eligible to compete for future Credits or HOME Loans. Project Participants must accurately complete and submit all forms required under Federal regulations in a timely manner including, but not limited to tenant data and Davis-Bacon documentation. Project Participants must remain qualified to participate in all DCA-administered programs to remain eligible to compete for future Credits or HOME Loans.

3. Previous Conduct. Project Participants may be disqualified from participation based on previous conduct. Examples of conduct which may result in disqualification include, but are not limited to, any Owner, Developer, Manager or principal of such entity that:

DCA will have the sole and absolute discretion to determine those parties ineligible to receive funding under the Plan due to non-compliance, default or disqualification status. If an entity is determined to be ineligible to compete for DCA tax credit and HOME resources, the principals of that entity will also be ineligible. A disqualification under this subsection will result in the individual or entity involved not being allowed to participate in the 2008 competitive cycle or the tax exempt bonds 4% tax credits and removing from consideration any application where they are identified.

**Under Section 11: Submissions Requirements and Award Limitations, the following changes were made:**

**Applicants may submit documentation for DCA review and approval prior to Application submission for the following criteria:**

**1. Experience Determinations**

Requests for experience determinations may be submitted prior to Application in the sole and absolute discretion of the Applicant. For experience determinations, the Experience Submittal Form should be completed in accordance with the Experience Submittal Form Instructions for each Owner, Developer, and Management Company to be considered by DCA.

**2. Compliance Score Determination**

Compliance score determinations will be issued for individuals as well as for Owner and Developer entities. For compliance score determinations for individuals, the Compliance Summary Form must be submitted on or before the applicable date. Details of the

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proposed project, other than the size or the applicable range of the total number of units and type of project, are not required as part of these submissions.

### **3. Market Study Determinations**

Request for pre-application market determinations may be submitted to DCA prior to Application submittal in the sole and absolute discretion of the Applicant. Applicants seeking market threshold determination prior to the 2008 Competitive Funding Round application submit date must submit all required documentation on or before March 15, 2008. Once the market analysis is complete, threshold status letters will be issued to those projects prior to the application round. All threshold passes will be subject to the Applicant submitting an Application which no significant changes in structure, unit mix, rents or amenities. Applications that do reflect these changes may be required to have an update to the original market study prepared at the expense of the Applicant.

Applicants seeking 4% Tax Credit allocations may submit a request for market determination not later than 60 days prior to the submittal of the application for tax credits.

### **4. Environmental**

Request for approval of Threshold Environmental Requirements including but not limited to Phase I and Phase II reports (as applicable) must be submitted to DCA on or before March 15, 2008 for environmental review and clearance. Once the environmental review is complete, clearance letters will be issued to those projects prior to the application round. Submittal of the environmental documentation at application will not result in a penalty. All Environmental Threshold determinations made at pre-application will be conditioned on DCA's site visit after receipt of the full application.

Applicants seeking 4% Tax Credit allocations may submit a request for environmental review and clearance of the Phase I and Phase II reports (as applicable) not later than 60 days prior to the submittal of the application for tax credits.

### **5. HOME/HUD Site and Neighborhood Standards**

Applications seeking HOME/HUD funding which requires a finding that the property meets HUD's site and neighborhood standards may submit the required documentation on or before March 15, 2008. DCA will review the information and issue documentation that the property meets the requirements of site and neighborhood standards. Any threshold pass will be conditional on DCA's site review during the normal Application Round.

### **6. Eligibility for Credit under the Nonprofit Set-Aside**

Applicants may, but are not required to submit their documentation to DCA for determination that the proposed ownership structure is eligible for the non profit set aside.

### **7. Redevelopment/Revitalization Plans**

Applicant may, but are not required to submit documentation to DCA for determination that a specific Redevelopment/Revitalization Plan is eligible for points.

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## 8. Waivers

The following Waivers may be requested from DCA:

- Per Unit Cost Limitation Waivers
- Architectural Standards/Enhancements Waivers
- Targeted Population Project Waiver
- Environmental Requirement Waiver
- Operating Expense Waiver
- Optional Amenities Waiver
- Experience Waivers (Owner, Developer and/or Manager)
- Probationary Participation
- Energy Efficient Options Waiver
- 3rd Party Amenities Waiver
- Services Requirement Waiver
- Public Water/Sewer Requirements

Submissions under this category will only be evaluated if the submissions are complete and accurately prepared in accordance with the submittal instructions. Please see specific categories in Threshold as well as Core Plan Exhibit "A" DCA Fees and Deadlines for additional information. Submittal instructions are included in the 2008 Application instructions.

## Maximum Number of Applications

DCA will assign sequential project numbers to all Applications in the order they are received, and prior to any form of Application review. Applicants will be permitted to submit a maximum of four (4) Applications for funding resources under the Plan. This limitation applies to Ownership interests of all proposed Project Participants except for syndicators. Ownership interests of all Project Participants in the proposed Applications will be reviewed. If it is determined that a Project Participant has proposed Ownership interest in more than four (4) Applications DCA will only evaluate the first four (4) project Applications submitted to DCA. Any other Applications which include the same Project Participant will be considered ineligible and will not be evaluated.

## Award Limitations

1. **Maximum Ownership Interests.** Applicants will be limited to direct or indirect Ownership interest in projects in which the combined total Federal Credit from the 2008 competitive funding round cannot exceed one million seven hundred fifty thousand dollars (\$1,750,000) and/or total HOME funding cannot exceed twenty five percent (25%) of the total HOME Loan resources available. This limitation applies to direct or indirect Ownership interests of all proposed Project Participants, except Syndicators. Once an applicant has been awarded projects that meet the above limits, all of that Applicant's lower scoring projects will be deemed ineligible. For nonprofit applicants, DCA will look at Executive Directors and common threads of effective control as well as whether

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different nonprofit entities have met DCA Experience requirements through the same individuals or entities.

## **Under Section 12: Post Award Deadlines, the following changes were made:**

**Tax Credit and HOME Projects/Commencement of Construction/Rehabilitation.** Projects receiving HOME Loans must not begin construction prior to DCA's issuance of the environmental release nor prior to the HOME Loan closing.

## **Under Section 13: Project Reconfiguration/Application Modification, the following changes were made:**

Changes in the number of tax credit units, market units, and unit mix cannot be made after the LURC for the property is recorded for both 9% and 4% projects.

## **Under Section 15: Evaluation of Applications, the following changes were made:**

### **Tie-Breaker**

In the event one or more projects have the same score, but DCA has insufficient resources to fund all of the projects having that score, the following criteria will be utilized to select the funded projects:

- First Tiebreaker: Applications for Targeted Population Developments (majority of units)
- Second Tiebreaker: HOPE VI or CHDO HOME Loan Applicants (only if the CHDO set aside is not met)
- Third Tiebreaker: Phased projects that have already had at least one phase selected for funding by DCA in a previous round
- Fourth Tiebreaker: Projects that receive all points in Previous Projects Section
- Fourth Tiebreaker: Distribution of resources among participants in this funding round
- Fifth Tiebreaker: Expiring DCA LIHTC properties
- Sixth Tiebreaker: Family Projects
- Seventh Tiebreaker: Projects that use least amount of DCA resources

## **Under Exhibit A, the following changes were made:**

Waivers and Pre-Application determinations fees have increased to \$1,500.

Application Submission Fees include market study and/or environmental review fee of \$7,000.

All submission/due dates have been updated.

Cost Certification Amendments are \$1,500 per request and are due at the time of request.

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Final Inspection Fee increased to \$3,000.

Front End Analysis Fee increased to \$2,700.

Project Application Amendments and Post Award Project Concept Amendments Fee increased to \$2,000.

Additional Waivers added to schedule.

All outstanding fees due to DCA must be paid in full prior to issuance of 8609's for all projects receiving allocation of tax credits per this Plan.

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## **Appendix I - Threshold Changes**

### **Project Feasibility, Viability Analysis, and Conformance with Plan**

#### **General**

Only minor adjustments will be made by DCA to the financial proforma submitted by the Applicant. However, no adjustments (except error corrections) will be made to the following:

- Unit count and/or distribution
- Rent structure
- Addition of new Financing sources (with the exception of DDF to fund any financing gap)
- Clarification of submitted financing sources may be allowed but will be considered an adjustment
- Total development cost

#### **Preliminary Financing, Limited Partner Equity, Deferred Developer Fees and Other Financing Commitment**

Project Based Rental Assistance agreements added to the list of original preliminary financing commitments that must be submitted with the Application.

Projects proposing the utilization of Historic Tax Credits must provide documentation of the National Historic designation for the subject project on or before August 15, 2008.

In the case of USDA, FHLB-AHP, or HUD loans which are under final consideration at the time of Application, but are not awarded funding, the Applicant may secure alternate financing provided revised Application documents are submitted to DCA on or before August 15, 2008. Failure to provide the required documentation for USDA, FHLB-AHP, HUD alternative financing and/or the National Historic designation as stated above may deem the application insufficient and the application may be subject to Threshold failure.

Preliminary commitments must clearly reference the amount of the loan. Commitments that include language such as "Applicant is approved up to a certain loan amount" will be carefully scrutinized by DCA to determine if the commitment supports the amount of the loan.

#### **Unit Cost Limitations**

##### **Cost limits increased.**

The maximum allowable developer fee will be calculated based on the allowable total development cost utilizing these DCA Per Unit Cost Limits. If the total development cost for the project exceeds the per unit cost limitations above and the Application is not seeking additional DCA resources for the cost which exceed the per unit cost limitations, the Applicant is not required to obtain DCA's approval nor submit a waiver for the total development cost.

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However, if the total development cost for the project exceeds the per unit cost limitations above and the Applicant is seeking additional DCA resources for the cost which exceed the per unit cost limitations, the Applicant is required to obtain DCA's approval and submit a waiver for the total development cost. In this instance, a per unit cost waiver must be submitted prior to Application submission for DCA approval.

**DCA will consider waivers to the limitations stated above on a case-by-case basis. Waivers will be granted only for extraordinary circumstances (see Architectural Manual for examples). Applicants must submit sufficient documentation with their cost waiver request to justify the basis of the cost increase. Waiver requests and applicable fees must be submitted in accordance with Exhibit "A" (DCA Deadlines and Fees).**

## **Tenancy Characteristics**

Projects that have funding from a program which has a different tenancy definition than those set forth above, must seek DCA's approval of the definition prior to Application Submission.

## **Market Feasibility (Market Study)**

Pre- Applications may be submitted for the purpose of DCA commissioning a market study for HOME and/or 9% Tax Credit funded projects on or before March 15, 2008 utilizing the core application and pre-application instructions. Predeterminations that a proposed project meets DCA's market threshold requirements will be conditional based on the Applicant's submission of an application on Application Submission date which represents the unit mix, design, amenities and location as set forth in the pre-application submission.

## **Environmental Requirements**

Several changes were made to Flood Plains/Floodways and Wetlands.

State Waters, Additional Environmental Requirements for HOME/HUD funded Projects and Pre-Application Submittal sections were added.

## **Required Amenities**

Additional Requirement Project Amenities for 4% Tax Credits Projects list changed.

## **Physical Needs Assessment (Rehabilitation Projects Only)**

Changes to Physical Needs Assessment guidelines.

## **Site Information and Conceptual Site Development Plan**

The Conceptual Site Development Plan must also include state waters located with areas of disturbance calculated for the Wetlands.

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## **Architectural Design & Quality Standards**

All applications must meet the Architectural Standards contained in the Architectural Manual for quality and longevity.

## **Experience and Capacity**

Any Owner or Developer that has withdrawn or been involuntary removed from a HOME or Tax Credit project in the last thirty six months must notify DCA of the change. That Owner/Developer's name or entity will be removed from the 2007 Experienced list. The Owner and or Entity must resubmit all of the documentation required pursuant to this section and obtain a new decision as to whether they meet DCA's experience and capacity requirements.

Items added to the Full Disclosure list.

To be considered for Management Company's Experience, the manager's experience with a project must extend for at least two (2) years and include project lease up experience and stabilization (90% occupancy within one year of placed in service date).

DCA only grants waivers in cases where sufficient documentation is submitted that the Owner, Developer or Manager is only short for meeting the requirements by a small margin of time.

## **Additional HUD Requirements**

Projects which list HUD funds (HOME, 221 D(3) or D(4), HOPE VI, etc) as a source of construction and/or permanent financing, including PBRA, must meet additional Site and Neighborhood Standards (24 CFR 92.202 and 24 CFR 983.6) and Environmental Requirements as mandated by the HOME regulations. These requirements must be met in accordance with instructions set forth in the HOME Manual and Environmental Manual.

## **Relocation and Displacement of Tenants**

Applicants must include all documentation required in the DCA Relocation Manual at the time of Application. DCA will review the development budget to insure that sufficient cost have been included for relocation expenditures.

## **Compliance History Summary**

Each compliance summary form must list all projects in which an entity or principal has participated in the ownership, development or management in the State of Georgia and in any other state. Compliance audit detail should be completed for only the last three years.

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DCA Compliance history form executed by other State Housing Agencies must also be included in the application.

Owners/Developers and Managers of Tax Exempt Bond projects must also complete these forms. DCA will score each entity in accordance with the scoring requirements set forth in Appendix II. Entities that do not meet DCA minimum scoring requirements will be deemed to have not met this Threshold requirement.

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## Appendix II - Scoring Changes

The following information is a brief summary of some of some of the changes made to the Competitive Scoring Criteria. Applicants are encouraged to review the entire Competitive Scoring Criteria. This list is not meant to be inclusive of every change made, but a guide to those areas that contain substantial revisions.

### New Scoring Criteria /Sub criteria:

#### 1) Rural Definition – New

For purposes of scoring only, Rural shall be defined as “**Rural**” means those areas designated by USDA as being Rural. A list of USDA Rural areas can be accessed on the USDA website at <http://eligibility.sc.egov.usda.gov/eligibility> or those counties that appear on the DCA Rural Counties Funding Round List. This list can be found in the Appendix to the QAP.

### **I. Application Completeness/Financial Adjustments/Organization**

#### Major Changes:

Please review all sections to review the changes that were made. Changes included, but were not limited to, the following:

- Score changes
- Additions and/or deletions to scoring category requirements
- Examples added
- Additional scoring sub-categories
- Definitions and explanations
- Required documentation

### **II. Desirable/Undesirable activities/characteristics**

#### A. Desirable Activities

Added the following categories:

- public parks
- churches
- restaurants

Characteristics must include at least five categories before categories are duplicated.

#### B. Undesirable Sites – Added the following:

- industrial development,

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- Noise (regardless of mitigation) is 70 decibels or more at the time of Application Submission
- unoccupied, unsecured buildings (unsecured means open or broken windows and doors)
- abandoned houses or buildings (abandoned will be determined by the following factors: broken windows, doors, unsecured, lack of maintenance, and/or evidence of loitering)
- deteriorated housing or buildings where extensive minor 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.

### III. Deeper Targeting/Rent and Income Restrictions

- Public Housing Authority Investment and Either Operating or Rental Subsidy- **Deleted**
- Governmental Project Based Rental Assistance –HUD, PHA or USDA- **Deleted**
- Other Governmental Project Based Rental Assistance –**Deleted**
- Deeper Targeting- **Changed**

Added sections A & B, 50% and 30% units

Applicants can choose different structures to include all 50% deeper targeted units or a combination of 30% and 50% units to achieve a maximum of 10 points.

Following language added:

Projects that have Section 8 PBRA, Operating subsidy or USDA rental assistance can utilize that assistance for these units and receive the allowable rent allowed by the funding. Applicants will also not be prohibited from placing tenants with tenant based section 8 vouchers in a deeper targeted unit provided the tenant meets the required income restriction for the property and the tenant portion of the rent does not exceed the rent restriction.

### IV. Mixed Income

Points and required number of units changed.

### V. Quality Growth Initiatives

#### A. Infill

##### 1. Urban Infill

Language added to Urban Infill:

- DCA defines infill housing as the process of developing vacant or underused parcels

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within existing urban areas that are already largely developed that results in the use of existing utilities and infrastructure while promoting the conservation of open space, traffic congestion and the creation of more livable communities.

- DCA will review the four compass sides (north, south, east, and west) of a project to determine if the site is surrounded by established development.
- For Master Planned Communities, DCA will look at the entire project site to determine if it is surrounded by established development. Documentation that the Applicant has site control over the entire parcel must be submitted in the Application.

Rural Infill deleted and replaced with Rural Smart Growth.

## **2. Rural Smart Growth Development**

DCA defines Smart Growth Rural Development as the encouragement of Rural housing development near or within existing established development that minimizes the use of natural resources and maximizes the use of existing utilities and infrastructure.

Three (3) points will be awarded to Applications that meet the following criteria:

- Proposed site must be located in a Rural area
- The site must maximize the use of existing utilities and infrastructure.
- At a minimum, the Adjacent established development on one side must consist of occupied residential development. (Scattered, single family housing does not constitute established residential development for the purposes of this category).

### **B. Community Transportation Options**

Changes in when “on call” bus can be utilized for points.  
Community Transportation Roadway section deleted.

### **C. Economic Investment Areas- New**

Two (2) Points will be awarded to propose Projects located in Local Governments that have received an EDGE or REBA grant over 1 million dollars in 2004 or later.

## **VI. Redevelopment and Revitalization Strategies**

### **B. Community Redevelopment Plans**

Additional language regarding DCA’s interpretation of “formulated by local government”.

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## C. PHA Community Building Initiative- (previously in deeper targeting)

Six 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 revitalization initiative utilizing PHA assets including but not limited to HOPE VI, or the Capital Fund including Replacement Housing Factor funds. (Investments which do not include HOPE VI or Capital Funds must be pre-approved by DCA.) In addition, the Initiative must:

- Provide affordable units for an extended period of 30 years or more;
- Provide a mixed income community with a significant market component;
- Facilitate the deconcentration of poverty;
- 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;

To be eligible for points under these criteria, the project must meet each of the following requirements:

- The PHA's investment in the project's hard cost using PHA assets must be eligible to claim points under "Government Financial Assistance"

AND

- The project provides PHA contribution to the long-term economic feasibility of the project via operating cost contributions or project-based tenant rent subsidies for a minimum period of five (5) years and is eligible to claim points under "Deeper Targeting."

To be eligible for scoring points under this criterion, the Application must include an executed agreement between the PHA and the project ownership entity documenting all of the required components of the program.

## VII. Adaptive Reuse and Brownfield/Greyfield Redevelopment

- (a) The reuse of buildings that are already part of an existing multifamily development are not eligible for adaptive reuse points.
- (b) Unsuitable Soils- Deleted

## VIII. Previous Projects/Phased projects

Points increased from 5 to 6 for projects in areas where 9% or 4% development has not been allocated for three years.

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**New:** Five (5) points if the proposed project is part of a Master Planned Community in which one or more phases received an allocation of 9% tax credits. Documentation of the master plan, site control and total project concept must be submitted in the application. (See also new definition for Master Planned Community in core).

**New:** Three (3) points will be awarded if the proposed development site is within the boundaries of a local government in which a 9% credit project has not been awarded in the last three DCA funding cycles.

## **X. Preservation of Existing Affordable Housing-**

### **The following was deleted from section on HUD designation of priorities:**

Projects receiving a designation of high priority 5 points

Projects receiving a designation of medium priority 4 points

Projects receiving a designation of low priority 3 points

**NEW:** One (1) additional point will be awarded for properties that currently have a project Based Section 8 contract but are eligible to opt out of that contract with a one year notice to tenants. To be eligible to opt out, the Contract must be out of its original term and in a renewal period of five years or less.

Deleted: Points for unrestricted preservation of affordable housing.

## **XII. Special Needs Targeted Units**

Points for projects with a majority of units designated for special needs reduced from 12 to 10.

Developments with a Portion of Units Designated as Targeted

**NEW:** In the event, a project is able to meet all of the requirements of this paragraph, except that the project does not have Section 8 or comparable rental assistance designated for special needs, but has agreed to set aside 5% of the units at 30% pursuant to the provisions of the Deeper Targeting section of the QAP, those 30% units may be utilized to obtain points in accordance with this paragraph.

## **XIII. CHDO/Nonprofit**

Ownership Makeup 3 points

General partnerships comprised of 100% nonprofit organizations will receive two (2) points if the project is applying for and is eligible for the nonprofit set-aside.

Points for CHDO predevelopment loans deleted.

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## **XIV. Rural Projects**

Points reduced from 5 to 4

## **XV. Local Government Support**

Signature Community points increased from 1 to 2.

**NEW:** Community Housing Initiatives and Community of Opportunity points added.

## **XVI. Government support changed to Financial Assistance, Leveraging of Resources, Reduction of Risk**

Only loans at or below AFR or cash flow loans considered.

Calculation different for rural projects as follows:

- 3% but less than 6% of total project development cost and/or average annual operating cost reduction six (6) points
- 6% or more of total project development cost and/or average annual operation cost reduction ten (10) points

### **Off Site –New Point category added.**

- Improvement, Amenity and Facility Investment One (1) point

One (1) point will be awarded if a unrelated third party (foundation, trust, and/or local government) investment of resources are provided that will result in off-site infrastructure improvements adjacent to the project site and/or the development of parks, greenspace and shared amenities, recreational facilities and improvements adjacent to the proposed project site that will serve the tenant base for the subject project. 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 funding associated with the development of the improvements, amenities and/or facilities must be outside of and in addition to the development cost and source of funding for the subject property. Third party investments that are community wide in scope 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. The cost for the improvement must be at least \$200,000 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 of off-site or on-site access road which is required for access to the property,
- development of parks, greenspace or walking trails on a master plan development site,

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- development of YMCA, youth center, senior center, and/or,
- construction of sidewalks or streetscape adjacent to the property.

The proposed improvements, amenities and/or facilities must be pre-approved by DCA for points under this category. Sufficient documentation detailing the source of funds, specific investment, the timeline for completion, location of improvements on site map, and/or benefit to the tenant base, must be included in the pre-approval submittal to DCA.

## **XVII. Optional Amenities**

Points adjusted in many categories to allow applicants to choose between indoor and outdoor amenities on a more equal basis. Amenities will need to be constructed as set forth in the new DCA amenity specification manual.

### **Off Site Improvements in Master Plan Communities- New**

Master Plan Communities which include the development of at least 1 acre of greenspace into a park or recreational area and which are located on the Master Plan site and which provides at least two active and/or passive recreational features for use by the residents and include walking paths which can be accessed by continuous use sidewalks from the proposed site will be awarded six (6) points. Evidence that the Improvement has been or will be completed by the proposed projects placed in service date must be submitted in the Application.

## **XVII. Architectural Enhancements**

### **Energy Efficiency and Indoor Air Quality Requirements -New**

- Completed construction will meet the Enterprise Foundation's Green Communities standards as verified by an independent qualified third party. The certification must be submitted at either the LIHTC final certification or HOME Loan final Construction draw, whichever comes first. Fourteen (14) Points
- Completed construction will meet the US Green Building Council's LEED for Homes certification program. The certification must be submitted at either the LIHTC final certification or HOME Loan final construction draw, whichever comes first. Fourteen (14) Points

### **Leeds-ND Designation- New**

Four (4) points will be awarded to any project which is seeking the Leadership in Energy and Environmental Design (LEED) for Neighborhood Development Certification and has obtained pre approval to the Application submission date from U.S. Green Building Council. The LEED- ND pre-approval letter must be included in the Application. LEED for Neighborhood Development (LEED-ND) is a rating system that integrates the principles of smart growth, urbanism, and green building into the first national standard for neighborhood design and

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provides independent, third-party verification that a development's location and design meet accepted high standards for environmentally responsible, sustainable, development. LEED-ND recognizes development projects that successfully protect and enhance the overall health, natural environment, and quality of life of communities. The rating system encourages smart growth and new urbanism best practices, promoting the design of neighborhoods that reduce vehicle miles traveled and communities where jobs and services are accessible by foot or public transit. It also promotes more efficient energy and water use.

Equivalent Neighbor Certification programs preapproved by DCA may also be eligible for these points.

**XX. Compliance History Status- Entire Section Revised**