

**Georgia Housing and Finance Authority  
2016 National Housing Trust Fund and HOME CHDO  
Notice of Funding Availability  
Invitation to Apply**

The Georgia Housing and Finance Authority (GHFA) hereby notifies interested applicants of the availability of funds for the construction, preservation or acquisition/rehabilitation of multifamily rental properties, to be allocated from:

- The Georgia National Housing Trust Fund (NHTF) Program. (All NHTF units will be targeted for use by extremely low-income (ELI) households with incomes at or below 30% of Area Median Income (AMI))
- DCA HOME CHDO Loan Program
- DCA HOME CHDO Predevelopment Loan Program

Under this NOFA an Applicant may request:

- **A combined NHTF and HOME CHDO award in one proposed Application\***
- An NHTF award request only
- **HOME CHDO award request only\***
- A HOME CHDO Predevelopment Loan with any option above that includes a HOME CHDO award

**\*A HOME CHDO award may not be requested for Applications that will also seek federal low income housing tax credits**

All recipients of NHTF funding must comply with the provisions of the approved Georgia National Housing Trust Fund Plan and federal requirements identified at 24 CFR 93. The requirements for NHTF are very similar to the HOME program (located at 24 CFR 92) with the notable exception that the period of affordability for NHTF funds will be a minimum of 30 years and Davis-Bacon federal labor standards do not apply to NHTF financed developments (however, if another federal source which does require compliance with Davis-Bacon is part of the funding for a development, the labor standards will still apply to the entire transaction).

All Recipients HOME CHDO funding must comply with the provisions of the HOME Partnership Program and federal requirements identified at 24 CFR 92; HOME CHDO funds will be required to utilize Davis-Bacon federal labor standards.

The CHDO Predevelopment Fund is intended to ensure Community Housing Development Organizations (CHDOs) have access to project-specific assistance on eligible pre-development expenditures. DCA requires Predevelopment loans to be used only as Project-Specific Seed Money Loans (Seed Money Loans) as set forth in 24 CFR 92.301. Applicants should refer to the DCA website for additional requirements for CHDO predevelopment loans.

In releasing this Notice of Funding Availability (NOFA), the goal of GHFA is to facilitate construction, rehabilitation, and acquisition/rehabilitation of affordable multifamily rental

housing by providing gap financing at rates below those charged by commercial lending institutions.

A competitive advantage will be given to Applications seeking NHTF funds and not federal low income housing tax credits.

A copy of the state of Georgia’s National Housing Trust Fund Allocation Plan and other related materials are available on the DCA website at:

<http://www.dca.ga.gov/housing/HousingDevelopment/programs/NationalhousingTrustFund.asp>

Program updates and Frequently Asked Questions will be posted to this site on a regular basis. All inquiries should be directed to [NHTF@dca.ga.gov](mailto:NHTF@dca.ga.gov).

DCA will use definitions and criteria in the Georgia 2017 Qualified Allocation Plan to determine Threshold requirements unless expressly defined in the NHTF Allocation Plan or this NOFA.

Application forms for proposed properties that will not be seeking low-income housing tax credits will be posted within seven days of publication of this NOFA on the same website. Applications that will seek credits in the 2017 competitive round should use the standard tax credit core application.

Application fees are as follows:

NHTF	Seven Hundred and Fifty Dollars	\$750
CHDO HOME loan	Seven Hundred and Fifty Dollars	\$750
CHDO Predevelopment Loan	No fee	\$0

Applications under this NOFA will be accepted for the first round beginning on February 20, 2017 and ending on March 10, 2017.

Applications for funding will be accepted at:

Georgia Department of Community Affairs  
60 Executive Park South, NE  
Atlanta, Georgia 30329  
Attn: Office of Housing Finance, NHTF

until the deadline of 4:00 p.m. EST on the dates described above. **Applicants should label the file “NHTF NOFA.”** One complete application package should be submitted on a flash drive. Any application received after the deadline will be deemed ineligible and will not be considered for funding.

## **I. Specific NOFA Requirements**

### **A. Amount of Funds Available for Award**

DCA anticipates that approximately \$2,983,151 will be available under this NOFA for the NHTF funds and approximately \$2,000,000 for HOME CHDO funds. Applications

requesting HOME CHDO funds can also request an additional \$50,000 CHDO Predevelopment loan.

All programmatic funds will be distributed through the following existing DCA program structures:

- DCA Multifamily Grant/Loan Program (includes HOME, NHTF and TCAP funds). These funds are not used in conjunction with a federal housing tax credit allocation.

Or

- DCA Georgia Housing Tax Credit Program (includes the Federal Housing Credit and Georgia State Credit).

## **B. Per Application Award Limits**

### **1. NHTF funds**

- DCA Multifamily Grant/Loan Program (properties w/out Tax Credits): \$2,983,151
- DCA Georgia Housing Tax Credit Program Competitive Round: \$1,500,000
- DCA Georgia Housing Tax Credit/4% Tax Exempt Bond Program: \$2,983,151

### **2. HOME CHDO funds**

**\$1,000,000**

Per Application (may be combined with NHTF requests but cannot be used with Tax Credits).

### **3. HOME CHDO Predevelopment funds**

**\$50,000**

Per project.

## **C. Application Limitations**

Eligible applicants may not submit more than one application.

## **II. Eligible Applicants**

Eligible applicants include for-profit entities, eligible non-profit entities 501(C)(3) and 501(C)(4), and public entities (such as Public Housing Authorities) that will undertake the eligible activities on behalf of the ELI households. Applicants seeking HOME CHDO funds cannot be public housing authorities.

In accordance with the definition at 24 CFR 93.2, eligible NHTF applicants must also:

- Make acceptable assurances to the Grantee (GHFA), that the applicant will comply with the requirements of the NHTF program during the entire period that begins upon selection of the applicant to receive NHTF funds and ends upon the conclusion of all NHTF-funded activities.

- Demonstrate sufficient experience and capacity to develop, own and operate the property for the Period of Affordability.
- Demonstrate it meets experience and capacity requirements required for other federal, state, or local housing programs that may be used in conjunction with NHTF funds to ensure compliance with all applicable requirements and regulations of such programs.

In accordance with the definition at 24 CFR 92, eligible CHDO HOME applicants must also:

- Make acceptable assurances to the Grantee (GHFA), that the applicant will comply with the requirements of the HOME program during the entire period that begins upon selection of the applicant to receive HOME funds and ends upon the conclusion of all HOME-funded activities.
- Demonstrate sufficient experience and capacity to develop, own and operate the property for the Period of Affordability.
- Demonstrate that the Applicant can be certified as a HOME CHDO entity. (Applicants will need to include a CHDO application.

Both NHTF and HOME CHDO applicants will need to demonstrate that the Owner and Developer entities meet experience and capacity requirements required for other federal, state, or local housing programs that may be used in conjunction with NHTF and/or HOME CHDO funds to ensure compliance with all applicable requirements and regulations of such programs.

Applicants will need to submit a Performance Workbook as part of their application, available on DCA's website at the following link:

<http://www.dca.ga.gov/housing/HousingDevelopment/programs/QAP2017docs.asp>

### **III. Eligible Activities**

Georgia NHTF and HOME CHDO funds may be used for the production (new construction), preservation, and rehabilitation of affordable **rental** housing. This specifically includes the following eligible activities and expenses for NHTF applications (HOME CHDO applicants should refer to HOME eligible activities in the DCA HOME Manual):

- Acquisition
- Site improvements and development hard costs
- Related soft costs
- Demolition
- Finalizing costs
- Relocation costs
- Operating costs of NHTF-assisted rental housing
- Reasonable administrative and planning costs

CHDO predevelopment loans may be used to cover specific predevelopment costs for the following eligible activities:

- Costs of obtaining firm construction loan commitments
- Architectural plans and specifications
- Zoning Approvals
- Engineering Studies
- Legal Fees

#### **IV. Terms of Loan**

NHTF Funds that will be used as a financing source in a property also allocated Georgia Housing Tax Credits will be structured as a Construction/Permanent Cash Flow Loan with a 0% interest rate. (Applicants intending to seek credits will need to ensure that the proposed loan meets IRS requirements to be included in eligible basis.)

HOME CHDO funds must be used as a financing source for both construction and permanent financing. These funds will be structured as a 0% construction loan with permanent loan terms of 1% as more fully set forth in the DCA HOME underwriting requirements.

CHDO Predevelopment Loans must be repaid upon the closing of the HOME loan.

NHTF Funds awarded under this NOFA for properties that will not utilize Georgia Housing credits will be structured as a 0% interest “compliance loan.” If all of the regulatory and contractual requirements are completed, the loan will be extinguished at the end of the NHTF Period of Affordability and DCA’s security interest released. DCA would have the right to foreclose on the security deed in the event of a determination of nonperformance or substantial noncompliance with NHTF program requirements.

#### **V. Ineligible Activities**

Georgia NHTF funds may not be used for the following:

- Provide assistance (other than renewal of operating cost assistance reserve) to a project previously assisted with NHTF funds during the period of affordability established by the grantee in the written agreement under 93.404 (c) (2) (iv).
- Pay for the acquisition of property owned by the Grantee, except for property acquired by the grantee with NHTF funds or property acquired in anticipation of carrying out an NHTF project.
- Pay delinquent taxes, fees, or charges on properties to be assisted with NHTF funds.
- Pay for political activities, advocacy, lobbying (whether directly or through other parties), counseling services, travel expenses (other than those eligible under 93.202 (b)), or preparing or providing advice on tax returns.
- Pay for any cost that is not eligible under 93.201 and 93.202.

## **VI. Project Requirements**

### **Maximum Per-Unit Subsidy Amount**

The maximum per unit subsidy limits for NHTF and HOME CHDO units will be set at HUD's applicable limits for the HOME Program. These limits are based on the per-unit dollar statutory limits for elevator-type projects as established under Section 234 of the National Housing Act. These limits will be applied statewide and are adjusted by the number of bedrooms per unit and for the geographic location of the project.

In accordance with the current HOME limits, the NHTF limits will be set at:

<u>Nbr of Bedrooms</u>	<u>Limit</u>
0	\$140,107
1	\$160,615
2	\$195,304
3	\$252,662
4	\$277,344

for the 2017 awards. Operating cost assistance and operating assistance reserves to an NHTF-assisted rental project do not count towards the maximum per-unit development subsidy amount.

DCA will also review the proposed application to ensure that: 1) the level of subsidy provided does not exceed the actual eligible development cost of the unit, 2) the costs are reasonable and in line with similar projects across the state, 3) the developer is not receiving excessive profit, and 4) Funding does not exceed the amount necessary for the project to be successful for the required affordability period.

## **VII. Selection Criteria**

### **A. DCA HOME CHDO Funds**

Applicants that receive an allocation of NHTF under the selection criteria below in Section B will be considered first for an award of HOME CHDO funds. Applicants requesting CHDO HOME funds but not NHTF will be selected based on the criteria in the 2017 QAP for HOME CHDO consents.

### **B. NHTF**

To be considered for an allocation of DCA NHTF resources, applications must meet each of the Threshold requirements as set forth in the NHTF Allocation Plan. Funds will be awarded to qualified applicants who have met all Threshold Requirements and receive the highest score for the submitted Application based on the priority for funding criteria below.

## 1. Geographic Diversity

15 points

NHTF funds will be available on a statewide basis. Achieving this end requires that the State invest in both improving neighborhoods that already serve low-income residents and providing new housing options in historically less affordable communities that provide residents access to a broad array of jobs, services, and amenities. Resulting from the relatively small amount of NHTF funds available the first year, the State will limit one NHTF award per county in the 2016 funding cycle, unless no feasible alternative exists.

Applicants may apply for the following points in this category:

- Properties that do not fall within a food desert, defined as a low-income census tract where a significant number or share of residents is more than 1 mile (USDA urban) or 10 miles (USDA rural) from the nearest supermarket **4 points**
- Properties near a traditional town square which include an operational anchor institution (e.g. county courthouse, city hall) and which serve as a hub for both commercial activity and community events. **2 points**
- Properties near a grocery store with meat, dairy, and produce (high end specialty stores and convenience stores not eligible). **4 points**
- Properties near a community or Recreational Center (e.g. YMCA, Boys & Girls Club, Public Pool, Senior Community or Multipurpose Facility). **2 points**
- Properties zoned for high performing elementary, middle, or high schools with CCRPI scores of with an average of 72 or above. **3 points**

### Minimum Documentation

- Site map(s) indicating the specific locations of each activity/characteristic. The map(s) 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 and site entrance(s)
  - Indication of distances in 1/4 mile increments
- School District map showing that property is in attendance zone of school.
- CCRPI report for each school year (2013, 2014, and 2015): <http://ccrpi.gadoe.org/2013/ccrpi2013.aspx>; <http://ccrpi.gadoe.org/2014/ccrpi2014.aspx>; <http://ccrpi.gadoe.org/2015/>
- USDA Food Desert Map: <http://www.ers.usda.gov/data-products/food-access-researchatlas/go-to-the-atlas.aspx>

## 2. Obligate funds and undertake eligible activities in a timely manner 20 points

Applicants must show the ability to obligate NHTF dollars and undertake funded activities in a timely manner through the development team's capacity; project readiness; projected implementation schedule; record of accomplishment for developing projects within a reasonable timeframe; experience with federal affordable

housing programs; and history of managing the project (in good standing) throughout the affordability period.

(a) Project Team Capacity: **10 points**

- Project team has developed **two (2)** affordable housing developments using federal, state, or local funds. *2 points*  
OR  
Project team has developed **four (4)** affordable housing developments using federal, state, or local funds. *4 points*
- Applicant has demonstrated a history of serving tenants that have extremely low income. *5 points*
- Applicant has developed at least one development using HOME funds. *1 point*

(b) Project Readiness: **5 points**

Applicant has the ability to show that land being used to develop has been acquired (closed on the acquisition of land).

(c) Compliance History: **5 points**

Ability to show that there is no history of outstanding non-compliance for a federally funded development.

**Minimum Documentation**

- Organizational Chart
- Proposed Project Narrative Form
- Resumes of all principals and key staff involved in the development
- Each project team member must complete a DCA Compliance History Summary (CHS), available on DCA's website at the following link: <http://www.dca.ga.gov/housing/HousingDevelopment/programs/QAP2016docs.asp>
- DCA Performance Workbook

**3. Project-Based Rental Assistance** **15 points**

Applicants will be scored based on ability to secure federal, state or local project-based rental assistance so rents are affordable to extremely low-income families at or below 30% AMI for NHTF-assisted units. The type of project-based rental assistance and the length of commitment for the assistance will also be considered. Other mechanisms that ensure affordability for extremely low-income households, such as cross-subsidization or operating assistance reserves, will be considered. The applicant will receive points based on their ability to:

- Documentation must be provided to show that the project-based subsidies will be in place for the term of five (5) years with renewal provision. *9 points*
- Documentation must be provided to show that the project-based subsidies will be in place for the term of ten (10) years with renewal provision. *12 points*

- Documentation must be provided to show that the project-based subsidies will be in place for the term of fifteen (15) years with renewal provision. *15 points*

**Minimum Documentation**

- Applicants must provide a commitment letter of services
- Applicant must show letter committing PBRA

**4. Period of Affordability 15 points**

Developments supported by NHTF funds will be required to enter into a restrictive covenant agreement pledging to maintain the units in the program for a 30-year period. Applications that best present operating sustainability for the entire 30-year period will receive points as follows:

- Budget demonstrates positive or breakeven cash flow through year 20. *5 points*
- Budget demonstrates positive or breakeven cash flow through year 25. *10 points*
- Budget demonstrates positive or breakeven cash flow through year 30. *15 points*

**5. Priority Housing Needs 15 points**

Georgia has many cost-burdened renter families that need quality affordable housing. The NHTF is primarily a funding source meant to add NHTF-assisted units to the supply of affordable housing for extremely low-income households. DCA’s Consolidated Plan highlights the priority housing need as increasing more affordable housing options across the state by fostering inclusive communities free of barriers to individuals underserved by existing housing programs. As indicated in SP-25, the priority housing needs for extremely low-income renters include:

- Families with children
- Frail Elderly
- Chronic Homelessness
- Severe and Persistent Mental Illness
- Persons with Physical Disabilities
- Persons with Developmental Disabilities
- Persons with Alcohol or Other Addictions
- Veterans
- Persons with HIV/AIDs
- Victims of Domestic Violence

Applicants that identify the group of persons based on the list above that the development will serve and can provide a short explanation as to how this group will be served will receive full points (15 points) in this section.

In addition, DCA’s Supportive Housing Policy reflects HUD’s and the DOJ’s intent that public entities administer services, programs, and activities in the most integrated setting appropriate to the needs of qualified individuals with disabilities. DCA will not

fund the new construction of congregate housing for persons with a disability. To that end, DCA will focus on the creation of affordable, supportive housing options in Integrated Settings. New construction projects must provide housing for persons with a disability in an Integrated Setting (See Section VIII below).

**6. Leveraging**

**20 points**

Given the 30% AMI income targeting requirements, viable developments will likely require additional sources of funding. Funding or assistance provided must be binding and unconditional except as set forth in this section.

Applicants that are able to provide non-federal sources of funding will have a competitive advantage as set forth in the table below. New loans and/or new grants will qualify for points according to the following point scales.

<b>Non-Federal Funding Point Scale</b>	Amount at least 10% of Total Development Cost (TDC) of ELI units	<b>20 Points</b>
	Amount at least 5% but less than 10% of TDC of ELI units	<b>15 Points</b>
	Amount at least 2% but less than 5% of TDC of ELI units	<b>10 Points</b>
<b>Federal Funding Point Scale</b>	Amount at least 10% of Total Development Cost (TDC) of ELI units	<b>15 Points</b>
	Amount at least 5% but less than 10% of TDC of ELI units	<b>10 Points</b>
	Amount at least 2% but less than 5% of TDC of ELI units	<b>5 Points</b>

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

- a) Community Development Block Grant (CDBG) program funds
- b) Federal Home Loan Bank Affordable Housing Program (AHP)
- c) HOME/TCAP funds
- d) Beltline Grant/Loan
- e) Foundation grants that meet the following legal and financial requirement:  
 The foundation must be a private foundation as defined in the US Tax Code 26 USC 509 or a community foundation that is accredited by the National Standards for U.S. Community Foundations. Points will only be counted in this section if the foundation is not related to any entity or person in the General Partner or Developer teams and has a history of supplying grants to affordable housing developments.
- f) Government grant funds or loans with interest rates below AFR
- g) Other non-federal sources approved by DCA

**Minimum Documentation**

Commitment letter for such new loan and/or grant

**VIII. Tiebreaker Criteria**

- Developments in which applicant and/or developer are community-based organizations that shows the ability to demonstrate a local commitment to developing

collaborative, holistic solutions in the community in which the proposed development is located.

- Developments in which applicant and/or developer are a part of a transformational community plan such as Choice Neighborhood or Purpose Built Community.

### **Minimum Documentation**

Project Narrative that includes information on tiebreaker criteria

## **IX. Housing Targeting Persons with Disabilities**

In addition to embracing its role in creating housing opportunities, DCA seeks to support the broader goals of community integration expressed in the original Olmstead Decision. The 1999 US Supreme Court decision in *Olmstead v L.C.*, 527 U.S. 581 (1999), held that people with disabilities have the right to live in the least restrictive, most integrated settings. DCA defines a person with a disability as "any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such impairment; or is regarded as having such an impairment." In general, a physical or mental impairment includes hearing, mobility and visual impairments, chronic substance abuse issues, chronic mental illness, AIDS, AIDS Related Complex, and mental retardation that substantially limit one or more major life activities. Major life activities include walking, talking, and hearing, seeing, breathing, learning, performing manual tasks and caring for oneself.

The "most integrated setting" is defined as "a setting that enables individuals with disabilities to interact with non-disabled persons to the fullest extent possible." Integrated settings are those that provide individuals with disabilities opportunities to live, work, and receive services in the greater community in a manner similar to individuals without disabilities. Integrated settings are located in mainstream society and offer access to community activities and opportunities at times, frequencies and with persons of an individual's choosing. Integrated settings also afford individuals choice in their daily life activities and provide individuals with disabilities the opportunity to interact with non-disabled persons to the fullest extent possible. Settings that are not integrated include, but are not limited to, properties, which target more than 20% of the units to individuals with disabilities.

***For purposes of this NOFA, DCA will not consider applications that propose housing populated exclusively for or which target more than 20% of the units to individuals with a disability, except that the preservation of existing subsidized affordable housing which is occupied by persons with disabilities may be considered for a NHTF award under this NOFA. Funding sources or rental assistance that requires documentation of a disability as a condition will be considered documentation that the unit targets individuals with disabilities.***

Further, in assessing whether a property supports the broader goals of community integration under Olmstead, tenants must have access to community resources such as

public transportation, educational facilities, libraries, shopping venues, and recreational activities. In addition, tenants should not be limited to interacting with or traveling about the community with other individuals with a disability or people from the same residential setting. For example, requiring residents with similar disabilities to travel by van to access community resources does not satisfy these criteria. If proposed housing units are geographically isolated or distant from transportation and community activities or located in a campus or institution like setting, DCA will not select the application for funding under this NOFA.

## **X. Compliance with Other Federal Requirements**

Applicants must comply with all applicable federal or state laws, regulations and other requirements now or hereafter in effect. The Project Team is responsible for ensuring the proposed program, activities, goals and timetables comply with all federal or state laws, regulations and other requirements.

Areas covered by the applicable laws and regulations include but are not limited to: Non-Discrimination and Equal Access; Fair Housing and Equal Opportunity; Accessibility; Contracting and Procurement; Environmental; Lead Based Paint; Acquisition and Relocation; Financial Management; Labor Standards; and Immigration.

## **XI. Fair Housing and Equal Opportunity**

Applicants and their activities must comply with all of the federal laws, executive orders and regulations pertaining to fair housing and equal opportunity listed below:

- Title VI of the Civil Rights Act of 1964, As Amended (42 U.S.C. 2000d et seq.)
- The Fair Housing Act (41 U.S.C. 3601-3620)
- Section 104(b) (2) of the Fair Housing Act
- Fair Housing Act implementing regulations for HUD programs at 24 CFR Part 100-115
- Equal Opportunity in Housing (Executive Order 11063, as amended by Executive Order 12259)
- Equal Opportunity in Housing Regulations at 24 CFR Part 107
- Age Discrimination Act of 1975, As Amended (42 U.S.C. 6101)
- Title VIII of Civil Rights Act of 1968 (2 U.S.C. 3601 et. seq. and implementing regulations, as amended
- Affirmative marketing in accordance with the HOME Investment Partnerships Act and 24 CFR 92.351
- Section 3 of the Housing and Urban Development Act of 1968
- Georgia Fair Lending Act

*Accessibility for Individuals with Disabilities:* Section 504 of the Rehabilitation Act of 1973

*Equal Opportunity:* Equal Employment Opportunity Executive Order 11246, as amended, and implementing regulations at 41 CFR Part 60

*Contracting and Procurement:*

- Procurement Standards at 24 CFR 85.36 and for nonprofit organizations at 24 CFR Part 84 and OMB Circular A-110
- HOME Program Conflict of Interest Provisions at 24 CFR 92.356
- Debarred, Suspended or Ineligible Contractors at 24 CFR Part 5