

GENERAL

The purpose of the Application package is to afford the Department of Community Affairs (DCA) the information necessary to select the most feasible, viable, and desirable affordable housing project proposals. Selections are made in accordance with the DCA Program Descriptions, Threshold Criteria, and Competitive Selection Criteria, as well as Section 42 of the Internal Revenue Code, 24 CFR Part 92, and O.C.G.A. Title 50-26-8(a)(32). **It is extremely important that all applicants fully understand these documents. DCA shall not be held responsible for consequences resulting from an applicant's misunderstanding or lack of awareness of any regulation, policy, law, or other information in the public record.** The Code of Federal Regulations can be found at <http://www.access.gpo.gov/nara/cfr/cfr-table-search.html>. The HOME Final Regulation is found at 24 CFR Part 92. The Internal Revenue Service regulations governing tax credits can be found starting at 26 CFR Part 1.42.

Any application submitted becomes the property of the Georgia Department of Community Affairs (DCA) at the time of submission. Applicants may not obtain an original application submitted in a previous year or original documents from an application package submitted in a previous year. A previous year's application would be of limited use, as the letters and documents would need to be updated to meet current application requirements.

Anyone needing accommodation for reading this document, such as a large-print version, should contact Sandy Wyckoff in the Georgia Department of Community Affairs at Sandy.Wyckoff@dca.ga.gov.

All sections of the Application package and all supporting documentation must conform to the applicable sections of the 2014 DCA Application Manuals, 2014 DCA Qualified Allocation Plan, and 2014 Application Forms, which can be found on the DCA 2014 HFDD Funding Round web page at: www.dca.ga.gov/housing/HousingDevelopment/programs/QAP2014docs.asp. Should there be a discrepancy between the 2014 DCA Qualified Allocation Plan and any other 2014 DCA document, then what is stated in the Qualified Allocation Plan shall rule.

It is the strict policy of the Georgia Department of Community Affairs that all applicants will be held to all representations made in the HFDD 2014 Core Application Form and all supporting documentation, whether the representations apply to specific competitive selection criteria or not, for the duration of the greater of the Credit Compliance Period or term of the DCA HOME loan, if applicable. Changes of any Project Participant after submission of Application to DCA must be approved in writing by DCA prior to the change. Failure to obtain the appropriate approvals can result in DCA determining that an entity is no longer eligible to participate.

Please read these entire Instructions carefully and thoroughly for complete comprehension. If you require clarification of any policy or issues related to the Qualified Allocation Plan, please contact HFDDround2014@dca.ga.gov prior to the end of the annual application Question and Answer period in the spring of each year.

DCA provides an electronic Core Application and other materials in order to assist our customers in submitting Applications for housing tax credits. Applicants should note, however, that tools like the electronic Core Application include automatic calculations and locked cells that may not be compatible for Applications with certain unique circumstances. **If there is any feature on an electronic tool offered by DCA that limits your ability to accurately display values or information, please contact Stephen Barrett at Stephen.Barrett@dca.ga.gov for assistance.** Stephen can work with you to make the necessary changes to the core application so that you are able to accurately display the values and characteristics of your unique application.



FEES

A “Walk-In Submission Form and Application Fee Calculation Worksheet” is attached for the applicant’s use in determining fee due and facilitating the application submission process. A DCA Project Number will be assigned by DCA upon delivery of Application. Applicant must complete this form as indicated, attach a completed money order or cashier’s check to it (**payable to Georgia Housing and Finance Authority**), and include in the front of the scoring binder as instructed in the next section.

REQUIRED EXECUTION AND DELIVERY

Please read these entire Instructions carefully and thoroughly for complete comprehension. Information not submitted on DCA-required forms will not be reviewed.

APPLICATION DELIVERY INSTRUCTIONS

DELIVER TO:

Georgia Department of Community Affairs
Housing Finance and Development Division
60 Executive Park South NE
Atlanta, Georgia 30329-2231

For third-party delivery via a delivery service, also add to the address above the following on the outer mailing label:

CONTENTS: HFDD 2014 Application Package (Multifamily Production)
<<Enter Project Name here>>
<<Enter DCA Pre-Application Nbr here, if applicable>>

Please note that the applicant is solely responsible for applications being delivered prior to the deadline and that late deliveries will NOT be accepted.

Competitive Application Cycle

The Application Packages must be received by DCA no later than 4:00 p.m. on Thursday June 5, 2014. If you wait until June 5, 2014 for walk-in delivery, tables will be set up for application receiving from 9:00 a.m. to 4:00 p.m. Arrival by 1:00 is recommended for faster processing. No assembly or copying of applications will be allowed on DCA grounds. These tasks must be performed prior to arrival at DCA. Both paper and electronic versions must be submitted simultaneously. **No applications will be accepted after 4:00 p.m. on June 5, 2014.** Prior to an individual securing a position in the walk-in processing line, that individual must have all of the application materials required for the submission for each of their applications. Holding a place in line while waiting for materials needed to complete or organize applications will not be allowed.

Mailed or courier packages must be received by DCA on or before 4:00 p.m. June 5, 2014. DCA shall not be responsible for any delivery failure on the part of the Applicant. If an Applicant chooses to use a postal or courier service to deliver the Application Package to DCA and such service fails to deliver the package by the deadline, then the Application Package will be deemed by DCA as untimely and, consequently, will not be reviewed for project awards.

4% Tax Credit Applications for Bond Financed Projects can be submitted throughout the year, subsequent to Bond Allocation, but no later than seventy-five (75) days prior to bond closing date.



APPLICATION PACKAGE ASSEMBLY INSTRUCTIONS

For each proposed project, the applicant must ensure completion, execution and delivery of all necessary forms and supporting documentation, *in the appropriate order determined by the 2014 Application Tabs Checklist*, as follows:

- I. **One (1) full application package** (with original photographs) containing all (fully completed and fully executed) necessary forms and supporting documentation placed and secured in a binder. Third party reports (market studies, appraisals, environmental, etc.) may be printed double-sided in order to conserve paper.
- II. **One working, VIRUS-FREE USB flash drive** in a small, protective re-sealable container with a built-in fastener - e.g., Velcro, zipper, Ziploc, string or metal clasp - (both supplied by applicant) containing exact electronic copies of **ALL** of the same items included in the binder described above, arranged in the same order. Only one project submission per flash drive is permitted. The USB flash drive must be of sufficient size and must contain all files being submitted from all Project Participants. Applicants may submit one backup flash drive with identical contents, but this is not required.

A. **Requirements for Electronic TABS / FOLDERS.**

- 1. Upon opening the flash drive, the only item visible should be the project folder titled **“2014-0xx YourAbbreviatedProjectName”**. Upon opening this project folder, the following items, corresponding to the Application Tabs Checklist (TC), must be visible. **Required:** name and number Application Tab folders as follows:

<u>2014-0xxProjNameCore</u>	07Environmental	16SiteInfoDevPlan	25Transport	34Leveraging
<u>2014-0xxProjNameTC</u>	08SiteControl	17DesignStds	26Brownfield	35SupProjConcpt
00ProjOverview	09SiteAccess	18QualDetCompl	27SustDevs	36IntSuppHsg
01Feasibility	10Zoning	19NonprofThresh	28StableComms	37HistPres
02CostLimit	11Utilities	20CHDO	29CommRevitPln	38PreservatnScorg
03Tenancy	12WtrSwr	21AddlHUD	30PhasePrev	39HiPerfSchlZn
04Services	13LocalGovt	22ReqdLegalOpin	31ExtAffordCommt	40WkfrcHsgNd
05Market	14Amenities	23Relocation	32NonprofScorg	41CompliancePerf
06Appraisal	15RehabStds	24DesirUndes	33DCACommInit	42Other

This folder structure has been created and included in a .zip file for your download and use in compiling the electronic copy of the complete application. This file is located on the 2014 HFDD Funding Round web page. **For the electronic submission**, note that the complete core application and a separate standalone copy of the accurately completed Tabs Checklist (both in Excel format) must be included outside of the folders. Applicants may create separate electronic standalone copies of the various narrative tabs for the required order in 01ProjOverview folder.

- 2. **PLEASE DO NOT CREATE ADDITIONAL SUBFOLDERS.** Each folder name becomes part of the file path for each file it contains. This filepath is limited in size/length – when the length is exceeded, the file is unopenable.
- 3. If a folder will be empty with no documents in it, include NA at the end of the folder name or delete it altogether.
- 4. **BEFORE** uploading the populated project folder to the flash drive for submission to DCA, **first move the entire folder to the top (root) level of your C drive** to avoid adding unnecessary subfolders to the file path (see note 2 above). To do this on a Windows-based PC:
 - a. Copy the populated project folder
 - b. Click Start and select (My) Computer
 - c. Click C: drive (Hard Disk). The C: root level window opens; Apps and Users folders are seen.
 - d. Paste the project folder here
 - e. Copy it from C: root and paste it to the flash drive.
- 5. **BEFORE** unplugging the USB flash drive from the computer, use the “Safely Remove Hardware” option in the System Tray at the bottom right of the computer Desktop screen to avoid potential file corruption. Be sure to wait for the confirmation pop-up box to appear, notifying you that it is safe to remove the flash drive.
- 6. Double-check the USB drive. Verify that it contains all application files and that it operates properly.



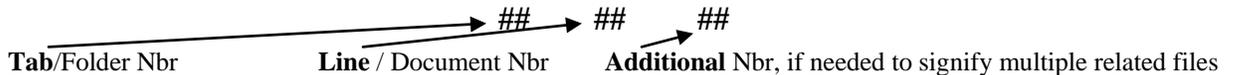
B. Requirements for Electronic FILES / DOCUMENTS.

1. **LARGE** text files of 3rd-party reports – i.e., market studies, appraisals, environmental/engineering reviews, physical needs assessments, redevelopment plans - must allow electronic word searches. Any PDF formats of such files must be created from the original electronic document, not from a scanned paper copy, so as to be searchable. The author provides this version. Any such documents requiring signatures must be executed on the paper version.
2. Electronic submissions of DCA Excel forms, such as the Core Application and the Performance Workbook, **must be in Excel format**. Any DCA Excel documents requiring signatures must be signed in the paper version.
3. **Electronic versions of such documents in 1 or 2 above must be identical to the paper version but for the signature.**
4. **SMALL** text files (letters/forms) requiring signatures must be executed, scanned and put into PDF format to preserve signatures. The electronic word search capability is not required for such files. Files containing only standalone maps, photos, charts, etc. also do not need to be searchable in this manner.
5. Do not combine the documents for each tab into one combined pdf file. Each document in the Tabs Checklist is required to be standalone.
6. **NAMING** electronic files:
 - a. Use CondensedTitleCaseFormat (no spaces or underscores)
 - b. Do **NOT** use special characters (e.g., &, /, \, \$, -, +, *, #, %, @, periods ".", etc.). These prevent your files from being uploaded to the DCA server.
 - c. Remove any references to your version number or version date from the file name
 - d. Name files sensibly such that it will be obvious to DCA what is in the file without having to open it.
 - e. Abbreviate to reduce filename size to about 30 characters. Use first initial and surname for project team. See (i).
 - f. Decide on a project name abbreviation that uses the fewest characters yet still makes sense. Do not include the developer's name. Include this abbreviation near the front of each file name. **Use the same abbreviation for each file.**

- **OMIT** words such as “Apartments”, “Residences”, “Estates”, “Homes”, “Townhomes”, “Lofts”, “Villas”, “Phase”, “The”, “of”, “on”, “at” and “Ltd Partnership” **altogether** in electronic file names.
- **INCLUDE** abbreviations such as shown below **if** using the related words:

<u>Abbrev</u>	<u>For</u>	<u>Abbrev</u>	<u>For</u>	<u>Abbrev</u>	<u>For</u>	<u>Abbrev</u>	<u>For</u>
Ave	Avenue	Hvn	Haven	Pk	Park	Stn	Station
Brk	Brook	Hghld	Highland	Pltn	Plantation	Terr	Terrace
Ct	Court	Lawrvl	Lawrenceville	Pte	Pointe	Trc	Trace
Ctr	Center	Lk	Lake	Rdg	Ridge	Trl	Trail
Crk	Creek	Ldg	Landing	Redev	Redevelopment	Twr	Tower
Crsg	Crossing	Lgcy	Legacy	Schl	School	Ver	Veranda
Gdn	Garden	Ln	Lane	Sr	Senior	Vw	View
Fmly	Family	Mtn	Mountain	Slvr	Silver	Vlg	Village
Frdm	Freedom	Nth	North	Sq	Square	Vly	Valley
Frst	Forest	Ovrlk	Overlook	St	Street	Wtr	Water
Grv	Grove	P3	Phase III	Sth	South	Wd	Wood

- g. **Begin each file name with 6-digit ID numbers** (e.g., 010101, 010201, 020101, 020201 ...) at the beginning of each file name inside each tab/folder so as to arrange files in the order prescribed by the Tabs Checklist. **Please do NOT create additional subfolders.** The numbering sequence is #####:



Georgia Department of Community Affairs
Housing Finance and Development Division
2014 Core Application Instructions

In cases where not all line items in a folder will be submitted, use the same numbering as if all were in fact submitted, but just skip the number for those documents that will not be submitted.

For example: in the 01Feasibility folder, the first few files listed could look something like this:

010100AbbrevProjNamePHARnts
010100AbbrevProjNameUAs
010200AbbrevProjNamePBRAAgrmt
010301AbbrevProjNameDevAgrmtDrft
010302AbbrevProjNameDDFNoteDrft
010401AbbrevProjNamePreDebtCommSource
010401AbbrevProjNamePreEqtyCommSource1
010401AbbrevProjNamePreEqtyCommSource2
010402AbbrevProjNameHUDConfirm

h. Some files have specific **required** electronic file naming formats.

- Core Application: "2014-0xxAbbrevProjName**Core**"
- Tabs Checklist (standalone): "2014-0xxAbbrevProjName**TC**"
- Performance Workbook: "18052014-0xxAbbrevProjName**PWR**RoleLtrCodeTeamMbrName"

Use these Role Letter Codes to group similar entity roles together:

A – Owner
B - Developer

- Appraisal: "060111AbbrevProjName**Apprsl**"
- Environmental Study: "07022014-0xxAbbrevProjName**ESAPh1**" (for Phase I)
"07032014-0xxAbbrevProjName**ESAPh2**" (for Phase II)
- Market Study: "05012014-0xxAbbrevProjName**MS**"
- Physical Needs Assessment: "15022014-0xxAbbrevProjName**PNA**"
- Tax-exempt bond projects: Substitute "2014-5xx" for "2014-0xx" in file names

i. **Examples** of possible abbreviation and naming:

- "Developer Name George Washington Senior Residences at Gateway Crossing Pointe Phase III 2014 HFDD Core Application v2" Could be: 2014-0xxWashSrGCP3Core
- "Ty Cobb Heights Senior Residences Performance Workbook for Owner Benjamin Franklin Hill Jr 031012" Could be: 1806013012-xxxTCobbHtsSrPWABHill
- "Martin Luther King Freedom Vision Homes Performance Workbook for Developer Patricia Smith v4 April" Could be: 180601MLKFrmdVsnPWBPSmith
- "Ryan Seacrest Hometown Lofts at Discovery Landing Performance Workbook for Washington Gateway Management v2 031212" Could be: 180601SeaHmDiscLdgPWCWashGtwy

	<u>Could be</u>		<u>Could be</u>
- Abbington Ridge	AbbgtnRdg	- Mountain View Senior Residences	MtnVwSr
- Ashleigh Place Senior Apts	AshleighSr	- Pauldoe Redevelopment Ph II	PauldRedevII
- Baker Village Apts. Phase IV	BakerVlgIV	- Potemkin Sr.Village of Warner Robins II	PotmknSrWRII
- Industrial School Senior Lofts	IndustSchlSr	- The Gardens, Young Harris	GdnsYgHrs
- Legacy at Walton Oaks Ph II	LgcyWaltOakII	- The Landing at South Broad	LdgSthBrd
- Liberty District Apts. Phase I	LibrtyDistI	- The Legacy at Kenton	LgcyKenton
- Meriwether Redevelopment Ph I	MeriwthrRedevI	- Veranda at Groveway	VerGrovwy

III. Completed "**Walk-In Submission Form and Application Fee Calculation Worksheet**" (one form) located at the very end of this document. Attach a certified funds check or money order for the correct fees made out to "**Georgia Housing and Finance Authority**".

APPLICATION BINDER LABELING INSTRUCTIONS

Label Specifications. The following label specifications are heavily recommended and preferred by DCA.

- Printed from: Computer printer (Avery labels typically come with instructions for use on computers)
- Label size: 2” x 4” Shipping labels, for example either Avery Laser #5163 or Avery Inkjet #8163. Cut off unused label space to enable placement perpendicular to binder spine.
- Font: Arial Narrow, bold-face, 20-point
- Number of labels: Between 1 and 3 in most cases, depending on size of application – see Label text.
- Label text: The “1 of”, “2 of”, and “3 of” parts will vary depending on the application size. In place of the lines shown below, the applicant will substitute the total number of pieces in the Original.

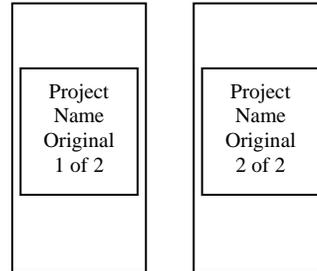
<<Project Name>>	<<Project Name>>	<<Project Name>>
Original	Original	Original
1 of ____	2 of ____	3 of ____

Label Affixing: Affix labels in the middle of the spine of the binder(s) such that the text, when read, is perpendicular to the edge of the spine. Leave at least the top four inches (4”) of the spine visible. See the sample illustration below. Label all binders **before** arriving at DCA.

Labeling for 1-binder Original :

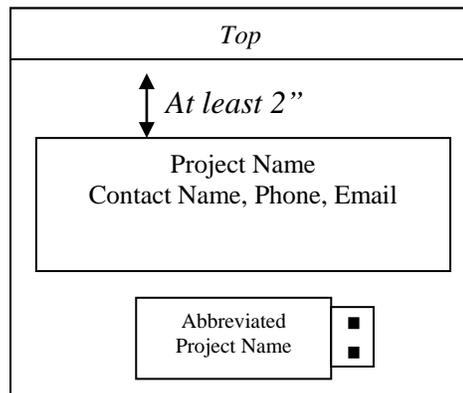


Labeling for 2-binder Original



USB FLASH DRIVE LABELING INSTRUCTIONS

Both the small, protective re-sealable container and the external casing of the flash drive itself must be labeled with the project name. Place a small label cut to best fit on the external case of the flash drive. Use transparent tape to keep the label attached. The protective re-sealable envelope/pouch/sleeve must also be labeled with the name, phone number, and email of the person to contact in case of flash drive failure. **Leave 2” at the top of the protective case for DCA to place a label containing the assigned DCA Project Number.**



SPECIAL INSTRUCTIONS FOR COMPLETING ELECTRONIC CORE APPLICATION

All applicants are required to use the DCA-protected electronic HFDD 2014-100 Core Application Form provided by DCA at (<http://www.dca.ga.gov/housing/HousingDevelopment/programs/QAP2014docs.asp>). To download, right-click on the link at the DCA web site, select Save Target As and choose the storage location on your computer. If during download a message box appears requiring a password, keep clicking "OK". Otherwise, ***download on a computer with Excel 2007 or later version. Applicants with computers running later versions of Excel will need to first save the file as an Excel 2007 version after entering their data and before submitting it to DCA.*** If prompted by the computer to upgrade the file to a newer version of Excel, choose "NO". Applicants should email webmaster@dca.ga.gov if download problems are encountered.

Please do not transfer tabs from one core app file to another, even if it is for the same application. If you plan to submit more than one application, please make additional electronic copies of the HFDD 2014-100 Core Application Form file **after** completing portions that *are* common to all of your applications and **before** completing any portions that are *not* common to all of your applications. This copying process must occur while the electronic file is unopened. In other words, right-click on the closed file in the folder where you have stored it on your computer, select Copy, right click in a white space of the destination folder and select Paste.

DCA recommends that users close all other applications, files, and windows before and during use so as to improve performance. It may take several moments to open or to save. The electronic HFDD 2014-100 Core Application Form is best viewed on a PC-compatible computer using Microsoft Windows 7 and Microsoft Office 2007 or later version, equipped with at least 4 GB of RAM. The electronic HFDD 2014-100 Core Application Form is created in a Microsoft Excel 2007 spreadsheet workbook.

Please note that you should fill in all applicable boxes, and there are several places requiring original signatures. Please read directions that follow.

Please do not enter information using all upper case or all lower-case letters. Sentence case or title case is preferred.

1. There are fourteen electronic tabs in the Excel workbook that represent separate spreadsheets for applicant use. Applicants are encouraged to print out a blank version of each tab below beforehand to be aware of all contents:

Tabs Checklist

Project Narrative

I: Project Information	VII: Pro Forma
II: Development Team	VIII: Threshold Criteria
III: Sources of Funds	IX-A: Scoring Criteria
IV: Uses of Funds	IX-B: Innovative Project Concept Narrative
V: Utility Allowances	X: Applicant Certification Letter
VI: Revenue & Expenses	

After opening the workbook, simply click the mouse pointer on the appropriate tab at the bottom of the screen to navigate to the desired form. The small black directional arrows in the bottom left corner will also assist you in navigating the workbook.

2. Fill in only the areas shaded in Blue or Green. Green shaded cells automatically calculate information provided by the applicant but are unlocked. All questions (generally denoted by black or blue font in the electronic application) are intended to elicit a response, so please do not leave out any requested information. Yellow- or white-shaded cells are not for applicant use and have been locked. Applicants may initially enter a formula or reference into a cell to determine a correct amount, but **do NOT leave formulas or references to other cells in cells requesting numerical values.** However, using the Comments section to explain a calculation (i.e., soft debt service payment = NOI x .75) can be valuable to DCA's review and prevent the necessity of a clarification later. **If references are made to**

Georgia Department of Community Affairs
Housing Finance and Development Division
2014 Core Application Instructions

external spreadsheets, those references must also be removed prior to submission to DCA. Failure to do this may result in automatic removal of the application from consideration for funding. Do not import external tabs/spreadsheets into the core application Excel workbook, even if they are from copies of the core application. Doing so may result in automatic removal of the application from consideration for funding. Test final spreadsheet before submission by reviewing it alone on a separate non-networked computer from the one used for data entry. Remove any Shared workbook settings enabled for group use.

3. DATA ENTRY RULES: When entering **text** data, please do not use all upper-case letters or all lower-case letters. When entering phone, fax, beeper, and cellular numbers or zip codes, enter **numbers** only with no blank spaces, parenthesis or hyphens – these cells are pre-formatted. Phone, fax, beeper, and cellular numbers will require area codes. **Zip codes will require 4-digit extensions (enter 4 zeroes at end if needed)**. Applicants must complete **all** boxes that apply to their project – if a box does not apply, then leave it empty (do not enter zero, “n/a”, nor a space “”). Do NOT enter zeros or blank spaces in any cell in order to cause the spreadsheet to function in a certain way, or for any arbitrary reason. Leave all number cells completely empty unless a number greater than zero is entered to indicate actual pertinent data.
4. If a particular cell’s text appears to be cut off, simply highlight the cell and the entire text will appear in the text box directly above the document body. If the text font is too small or appears shoved together, simply adjust the zoom percentage. Selecting Print Preview will show how the text will look when printed out.
5. This electronic application has been designed so that some information, such as the project name and address, need only be entered once. In order to take advantage of this feature, the user must enter information in the order in which it is requested. An exception to this is the completion of the Rent Chart in the “Revenues and Expenses” tab, which feeds back into the “Project Information” tab.
6. Unless otherwise noted, enter all comments/recommendations in spaces provided in the electronic application.
7. In order to maintain the integrity of the electronic application, many cells are locked and inaccessible by the applicant. Any attempt to access or tamper with the formulas in those cells or to otherwise “fool” the system or its intent will be cause for **automatic rejection of the application**. This includes entering zeros or blank spaces in green-shaded cells intended for actual data. Leave all number cells completely empty unless a number greater than zero is entered to indicate actual pertinent data.

Any attempt to replicate the form in such a manner so as to remove the DCA-protection feature and then submit the unprotected (or re-protected) replicated version for consideration will be cause for automatic rejection of the application.

8. Print margins may shift in viewing and printing due to different printers and printer drivers. In these cases, applicants are requested not to adjust margins except just prior to printing. Margin adjustments must not be saved and should be returned to the preset positions before submitting to DCA. To do this, save the document BEFORE making margin changes (close and re-open if necessary), then make margin changes, then print, then either click the “Undo” button at the top of the open file or else close the file without saving, and then re-open the file if needed. DCA has pre-set the margins to work on DCA printers.
9. **If you have any questions on using or difficulties with the electronic version of the application or these instructions**, contact Stephen Barrett via email at Stephen.Barrett@dca.ga.gov. Include the following:
 - A virus-free **compressed** (e.g., right-click on closed file, select “Add to <<filename>>.zip”) copy of the electronic HFDD 2014-100 Core Application Form workbook you are working in as an attachment. Please perform a virus scan on the file prior to sending (right-click on the unopened file and select **Scan for Viruses** after you have updated your anti-virus files from the manufacturer’s web site – e.g. Norton or McAfee).
 - Electronic Core Application Tab Name and cell reference (column letter, row number), if applicable
 - Detailed description of the nature of your problem
 - Your computer’s basic specs: processor speed, MB of RAM, operating system, Excel version

2014 APPLICATION TABS CHECKLIST

Included in the front of the electronic 2014-100 Application Excel workbook, the 2014 Application Tabs Checklist lists each tab number, a brief name or description of each tab, and the required order of the tab contents. The checklist also includes item numbers for each document in each tab, and a form name for each item. Some items comprised of multiple documents also have form numbers to distinguish between these documents. Finally, the applicable scoring section and a check box are provided. All applicants should review the Application Tabs Checklist before completing the HFDD 2014-100 Core Application Form. **The completed Application Tabs Checklist must be printed out and placed in front of Tab 1 in the application binder.**

Several items on the HFDD 2014-100 Core Application Form will require the attachment of additional pages. Please note that there are items required by the Application Tabs Checklist that are not mentioned in either the HFDD 2014-100 Core Application Form or in these Instructions. Follow the directions for each item, label the item accordingly, and insert it into the Application Package Binder in the appropriate tab as indicated by the Application Tabs Checklist. Check the appropriate box for each document included. Also included in the electronic 2014-100 Core Application (Excel workbook), is the Applicant Certification tab. **An original signed Applicant Certification should be included with the Original of the application binder.**

PROJECT NARRATIVE

Project Narrative – Include where indicated by the Tabs Checklist a narrative explaining the project concept. Identify the needs of the tenant population and specifically address how the project will meet the needs of the tenant population. Any information which will help DCA understand the project concept, the market viability, the qualifications for a set-aside (if applicable) and any unique features should be included in the Narrative. **A form is included in a tab in the electronic core application for your use.** Press and hold Alt-Enter to start new paragraphs in the box provided.

HFDD 2014-100 CORE APPLICATION FORM INSTRUCTIONS

PART ONE—PROJECT INFORMATION

Applicants must enter all clarifications and/or comments pertaining to this Part into the Applicant Comments and Clarifications boxes at the bottom of this section in the electronic application.

Please do not enter information using all upper case or all lower-case letters. For entries comprised of multiple words (except for Comments), please use Title Case capitalization.

Blue cells are unlocked for your use and do not contain references/formulas. Green cells are unlocked for your use and do contain references/formulas that can be overwritten.

I. REQUESTED RESOURCES

The LIHTC request will auto-feed from the Uses of Funds tab. The DCA HOME amount will auto-feed from the Sources of Funds tab and must match the amount that you received in the DCA HOME Consent Letter. Please refer to the Maximum LIHTC and HOME amounts allowable under the QAP.

For applications requesting additional credit in the year of the project placement in service, the LIHTC Amount should be only the additional credit amount. Credits previously allocated are listed elsewhere.

Enter the DCA Pre-Application Number assigned to the pre-application submission associated with this project.

II. TYPE OF APPLICATION

Type of Application - Indicate either Competitive Round or Tax Exempt Bond / 4% credit.

Pre-Application Number – if this project was submitted for pre-application review, provide the DCA Pre-Application Number assigned to the project.

Changes in Project – if this project was submitted for pre-application review, indicate whether any changes have occurred in the project concept since the time of pre-application review. If Yes, then include a detailed explanation of changes in the Comments box at the end of the tab.

III. APPLICANT CONTACT INFORMATION

Include the name, address, city, state, zip, title, email, phone number, fax and cell phone number of the contact person. The person listed here will be the primary contact with which DCA corresponds during the application review process. Due to short time frames, it is imperative that the contact information be accurate, and that the person named be available to respond to DCA in a timely manner.

IV. PROJECT LOCATION

Project Name — Enter the name of the proposed project. Do NOT use all upper case or all lower-case letters. If this project was submitted for pre-application, use the same project name here.

Phased Project — Enter whether the application is for a project that is part of a phased development per the 2014 QAP definition of “Phased Development”. Choose from: “Yes – no Master Plan”, “Yes – w/ Master Plan”, or “No”.

Scattered Site — Enter whether the application is for a scattered site project. If Yes, also indicate the number of non-contiguous sites.

Site Street Address — Enter the street address, city, **nine (9)**-digit ZIP code (MUST be verified by the applicant at <http://www.usps.com/zip4/welcome.htm?from=global&page=2132findzip>), and county (automatically completed) of the proposed site/parcel. Regardless of whether the project is located in any city’s limits, be sure to include the correct city

Georgia Department of Community Affairs
Housing Finance and Development Division
2014 Core Application Instructions

that will be used in the *postal* address. Do NOT use all upper case or all lower-case letters. Do not indicate “Unincorporated” for city on the project address.

If street number is unknown at the time of application, the street name or a description of the project location must be provided. In addition, the “Nearest Physical Street Address” box must be completed.

Nearest Physical Street Address — If the actual Street Address is unavailable for the project, provide the nearest physical street address, in addition to the description provided in the “Site Street Address” box above.

Site Geo Coordinates — Provide the site’s geo-coordinates, in addition to the description provided in the “Site Street Address” box above.

Acreage — Enter the area of the site in acres. This should be accurate and correspond to the site control documents. Use the Comments section in the Uses tab of the core application to explain any discrepancy, or how acquisition cost was calculated, if not obvious.

County - Should the correct county name not appear in the County box, simply type in the correct county name.

Site Predominant Location— Indicate whether the project is located inside the city limits or in an unincorporated area of the county. Do NOT leave this box blank. If the site straddles the jurisdiction line, determine whether or not the majority of the buildable area that will contain units lies within the city limits. Use the Comment box provided for this Tab to explain any such situations.

Census Tract Number—Enter the census tract number in which the proposed site/parcel is located. The census tract number and information are available from the local planning authorities.

QCT (Qualified Census Tract) or DDA (Difficult Development Area)—Note whether the proposed site/parcel is located in a qualified census tract or difficult development area. The census tract number and information are available from the local planning authorities. Insert documentation evidencing site/parcel is in QCT or DDA stating the census tract and the property address in the application binder where indicated by the Tabs Checklist. The QCT/DDA lists can be accessed on the HUD website at <http://www.huduser.org/portal/datasets/qct.html>.

USDA Rural Area — Indicate whether the project is located in rural area as determined by the USDA website at <http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do> . The USDA Rural eligibility in effect as of the application submission date is appropriate. However, for purposes of determining applicable income and rent restrictions, applicants must use the U. S. Dept of Housing and Urban Development FY 2014 Income Limits Area Definitions and Fair Market Rent tables.

HUD Statistical Area (SA) Name—Indicate the MSA name, if applicable, as designated by HUD. These lists can be accessed on the HUD website at <http://www.huduser.org/datasets/pdrdatas.html>. Should the correct HUD Statistical Area not appear in the HUD Statistical Area box, simply type in the correct HUD Statistical Area.

Legislative Districts — Identify the applicable districts in which the parcel lies for the U.S. House of Representatives, the Georgia State Senate, and the Georgia State House of Representatives. For United States Congressional Districts, the applicant MUST verify the correct district at <http://www.govtrack.us/congress/findyourreps.xpd>. If the property lies on a “line,” i.e., in more than one district, indicate the other district in the second (bottom) space provided. Enter only a number with no letters (e.g., 8, not 8th).

Local Political Jurisdiction Information—Provide the requested information. Do **not** use all upper case or all lower-case letters. When entering phone, fax, or zip codes, enter numbers only with no blank spaces, parenthesis or hyphens. Phone and fax numbers will require area codes. Zip codes will require 4-digit extensions (enter 4 zeroes at end if not applicable).

Name of Political Jurisdiction (city if within city limits; county if outside of city limits).

Jurisdiction’s web site address (if one exists), and

Name of the Chief Executive Official (elected official—e.g., mayor, county commission chairman, etc.), and that person’s title, address, city, county, zip code, email address, telephone number, and fax number.

V. PROJECT DESCRIPTION

A. Type of Construction – these boxes are mostly locked and will be filled in based on applicant entries in the rent chart. Please provide the date of original construction for projects involving acquisition and rehabilitation.

B. Mixed Use – Indicate whether project is a mixed-use development (ex. residential and commercial or public space). For a mixed-use development, please include in the application binder where indicated by the Tabs Checklist the:

- Development Budget for commercial component
- Sources of Funds for commercial component
- Annual Income Statement for commercial component
- Annual Expense Statement for commercial component
- 15-year Operating Proforma for commercial component
- Evidence of Preliminary Financing for commercial component
- Leases and/or letters of intent from prospective lessees

C. Unit Breakdown – these boxes are locked and will be filled in based on applicant entries in the rent chart

D. Unit Area – these boxes are locked and will be filled in based on applicant entries in the rent chart

E. Buildings - Enter the number of residential (not considered common space) and non-residential buildings proposed. Also enter the total common area square footage from nonresidential areas (ex. Interior enclosed hallways and leasing office space).

F. Total Residential Parking Spaces – indicate number of parking spaces to be available as residential parking spaces. Minimum required is 1.5 spaces per unit for family projects and 1 space per unit for Senior projects.

VI. TENANCY CHARACTERISTICS

A. Family or Senior - Indicate the applicable population from the choices provided: Family, Senior (Elderly), Senior (HFOP), or Other. If you are using a program that utilizes a different approved definition of Senior, then select “Other” and list the program in the box provided. The definition according to the “Other” program should be detailed in both the Comments and in the Narrative.

B. Mobility Impaired – indicate the number of units equipped for mobility impaired tenants. These units cannot be counted as satisfying the requirements for units equipped for the Sight/Hearing Impaired.

- Roll-in Showers – indicate the number of units equipped for the mobility-impaired that also feature a roll-in shower. This number must be at least 40% of the units for the mobility-impaired, and no less than 1 (one).

C. Sight / Hearing Impaired - indicate the number of units equipped for sight/hearing impaired tenants. These units cannot be counted as satisfying the requirements for units equipped for the Mobility Impaired.

VII. RENT AND INCOME ELECTIONS

A. Tax Credit Election — Indicate the desired set-aside election (20/50 or 40/60). Note: this election must be made if you are applying for any low-income housing tax credits. Please be advised that all HOME applications seeking Low Income Housing Tax Credits must choose a Tax Credit minimum set-aside in addition to their HOME Set-Aside Election below.

B. DCA HOME Only Projects Minimum Set-Aside Requirement (Rent and Income)—Projects (with 5 or more units) funded with DCA HOME must set aside at least twenty (20) percent of the HOME assisted units that must be occupied by very low-income families and meet one of the following rent requirements, whichever is lower:

- 50% of AMI, or
- The HUD Fair Market Rent for the area.

The balance of low income units must have rents set at or below 60% of AMI or the HUD Fair Market Rent, whichever is lower.

VIII. SET ASIDES

Indicate any competitive round set-asides applicable to the project (choose from eligible set-asides listed)

A. LIHTC

- **Non-Profit** - 10% of the available 9% Credits are set aside for non-profit- sponsored Applications pursuant to the Code

B. HOME

- **CHDO** – Only if pre-designated by DCA and a DCA HOME Consent has been granted.

IX. COMPETITIVE POOL

Competitive Pool – Select from Flexible, Rural or N/A-4% Bond. See QAP for further detail..

X. TAX EXEMPT BOND FINANCED PROJECTS

Tax Exempt Bond Financed Project — Enter the name of the bond issuer and contact information, inducement date, and the Applicable Qualified Allocation Plan (QAP). The applicable QAP is the one in effect at the time of the Application submission unless a pre-approval from DCA was received stating otherwise.

XI. AWARD LIMITATIONS FOR CURRENT DCA COMPETITIVE ROUND

This section has been added to assist DCA in ensuring that award limitations in the competitive round are met. Applicants are encouraged to review the applicable QAP for assistance in completing this section. Applicants should provide all information that DCA will need to ensure that each individual and/or entity has not received a combined allocation in excess of the Federal Tax Credit Limit or submitted more than the maximum number of projects allowed in the current competitive round. For purposes of calculating this cap, applicants submitting Additional Credit applications should list only the amount requested in the 2014 competitive round.

XII. PRESERVATION

If this application involves an existing tax credit, Section 8, or affordable non-public housing project funded by HUD or USDA, then select “Yes” from the box provided.

A. Subsequent Allocation - If you are applying for tax credits for an existing tax credit project that was placed in service prior to 2014, please indicate as such and provide the GHFA/DCA project number previously assigned to that project from the earlier Allocation, the first year of the credit period, the first and last building identification numbers (BINs) in the project, whether the project is an expiring LIHTC property, and the date that all buildings will complete the 15-year compliance period.

B. Expiring Section 8 – indicate whether the project is an expiring Section 8 project.

C. Expiring HUD – indicate whether the project is an affordable public or non-public housing project funded by HUD.

XIII. ADDITIONAL PROJECT INFORMATION

A. PHA units—State whether the proposed project is part of a local public-housing replacement or rehabilitation program. Indicate the Number of units reserved, number of units rented to public housing tenants, and percent of PHA units to total residential units. Also indicate the number of units reserved and rented to PHA tenants with PBRA or households on waiting list.

Name of Local Public Housing Authority—Enter the name of the local PHA. Do NOT use all upper case or all lower-case letters.

Contact Name—Enter the name of the individual who will serve as the primary contact with the applicant. Do NOT use all upper case or all lower-case letters.

Office Street Address—Enter the **street address** (not a P. O. Box), city, state, and ZIP code for the ownership entity or the individual or organization serving on its behalf in dealings with DCA. Do NOT use all upper case or all lower-case letters.

Georgia Department of Community Affairs
Housing Finance and Development Division
2014 Core Application Instructions

Contact Email Address—Enter the electronic mail address of the individual who will serve as the primary contact with the applicant. Do NOT use all upper case or all lower-case letters.

Phone Numbers—Enter the main office telephone number, extension (if applicable), facsimile number, direct number, and cellular phone number. When entering phone, fax, and cellular numbers or zip codes, enter numbers only with no blank spaces, parenthesis or hyphens – these cells are pre-formatted. Phone, fax, and cellular numbers will require area codes.

B. Extension of Cancellation Option Period—For existing properties, indicate whether there is currently an Extension of Cancellation Option. For new properties, indicate whether there will be an Extension of Cancellation Option. For 9% tax credit applications enter the number of years the Owner agrees to forgo the Cancellation Option beyond the 15-year compliance period. This must coincide with the Appendix II Exhibit A Waiver of Qualified Contract Right.

C. Tenant Ownership Plan—Indicate whether there is a tenant ownership plan in place.

D. Current Occupancy—If the proposed project involves rehabilitation, state whether the project has existing tenants. Identify both the total number of *existing* units, the total number of *occupied* units and the *percentage* of units occupied. Please also see the “Relocation and Displacement of Tenants” policy in the 2014 QAP, as well as the Relocation and Displacement Manual.

E. Waivers / Pre-Approvals—Note (indicate with a “Yes”) which of the pre-approved waivers or approvals listed apply to this project. If you have requested and been granted a waiver from DCA, insert a copy of DCA’s waiver approval in the application binder where indicated by the Tabs Checklist. No waiver requests may be submitted at the time of Application.

- **Sustainable Communities Site Analysis Packet or Feasibility Study** – Indicate whether the Memorandum of Understanding received from Southface Energy Institute as a result of the site analysis is included in the application.
- **Operating Cost Waiver Approved**—If you have requested and been granted an Operating Cost waiver from DCA, enter the new Operating Cost Limit into the box provided.
- **Per Unit Cost Limitation Waiver**—If you have requested and been granted a Per Unit Cost Limitation Waiver from DCA, enter the project’s new Cost Limit into the box provided.
- **Credit Award Limitation Waiver** (extraordinary circumstances) - If you have requested and been granted a Credit Award Limitation Waiver from DCA, enter the project’s new Award Limit into the box provided.

F. Projected Place-In-Service Date – Indicate projected place-in-service date for project.

XIV. APPLICANT COMMENTS & CLARIFICATIONS

Include all clarifications or comments pertaining to this Part in this section.

PART TWO—DEVELOPMENT TEAM INFORMATION
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It is the strict policy of the Georgia Department of Community Affairs that all applicants will be held to all representations made in the HFDD 2014-100 Core Application Form and all supporting documentation, whether the representations apply to specific competitive selection criteria or not, for the duration of the greater of the Credit Compliance Period or term of the DCA HOME loan if applicable. Please refer the 2014 QAP for definitions and details regarding Development team requirements for experience and capacity.

SPECIAL NOTE: If the proposed project is awarded funding by the Georgia Department of Community Affairs (DCA), the project must proceed with the team members as presented in this HFDD 2014-100 Core Application Form unless written approval is obtained in advance from DCA.

INSTRUCTIONS FOR EACH PARTNER AND/OR TEAM MEMBER INFORMATION SECTION:

Please do not enter information using all upper case or all lower case letters. Sentence case or title case is preferred.

Enter for the individual (or organization, if applicable) serving on its behalf in dealings with DCA the:

Georgia Department of Community Affairs
Housing Finance and Development Division
2014 Core Application Instructions

- **Name** of the proposed partner/team member entity. If the partner/team member is a business entity, be sure that the name includes the type of business entity (“Inc.,” “LP,” “LLC,” etc.).
- **Street address** (no Post Office boxes)
- **City**
- **State**
- **ZIP Code** - enter nine (9) digit code only with no blank spaces, parenthesis or hyphens (cell is pre-formatted). This MUST be verified for the Ownership Entity and the Managing General Partner by the applicant at <http://www.usps.com/zip4/welcome.htm?from=global&page=2132findzip>
- **Name of Principal**
- **Title of Principal**
- **Email Address**

For each of the following, enter numbers only with no blank spaces, parenthesis, decimals or hyphens (the cells are pre-formatted). Include area codes.

- **Phone Number** (for Main Office), **extension** (if applicable)
- **Fax Number**
- **Direct line Phone Number** (if no extension)
- **Cellular Phone Number**

ADDITIONAL INSTRUCTIONS FOR SPECIFIC PARTNER AND/OR TEAM MEMBER INFORMATION SECTIONS:

I. OWNERSHIP INFORMATION

A. Ownership Entity — Please enter the exact name of the project ownership entity.

Federal Tax ID - Enter the federal tax identification number for the project ownership entity, if available.

Census Tract - Enter the census tract number of the main headquarters of the ownership entity.

Congressional District - Enter the Congressional district (including the state abbreviation – e.g., GA 05) of the main headquarters of the ownership entity.

B. Proposed Partnership Information

If **more than one entity** comprises any of the partners, provide all requested information for all the entities and / or principals making up that partner entity in the Organizational Chart in the application binder where indicated by the Tabs Checklist.

II. DEVELOPER(S) (**Note:** Refer to the Compliance Summary section at the end of the Instructions).

Enter the name of the principal(s) or business entity(-ies) serving as the Developer(s). **Complete this section for “Development Consultant” if applicable.**

III. OTHER PROJECT TEAM MEMBERS

SPECIAL NOTE: If the proposed project is awarded funding by the Georgia Department of Community Affairs (DCA), the project must proceed with the team members as presented in this HFDD 2014-100 Core Application Form unless written approval is obtained in advance from DCA.

IV. OTHER REQUIRED INFORMATION

A. Identity of Interest — Indicate whether any of the listed entities have an identity of interest. If Yes, explain the relationship in the corresponding box provided. If additional pages are needed, place them where indicated by the Tabs Checklist. If an identity exists for two parties not listed in combination, please use the Other box to explain.

B. Additional Information — Answer the questions for each participant in the spaces provided.

V. APPLICANT COMMENTS & CLARIFICATIONS

Include all clarifications or comments pertaining to this Part in this section.

PART THREE A - SOURCES

I. GOVERNMENT FUNDING SOURCES

Government Funding Sources — Check **all** applicable government funding sources (DCA and non-DCA) in the project and/or identify any “other” source not listed.

II. CONSTRUCTION FINANCING SOURCES

For each construction-financing source, enter the entity providing the financing, the principal amount, annual interest rate, and term in months. This information should mirror that provided in the Commitment from that source. Categorize each source under private loans, federal loans or grants, state, local or private loans or grants, deferred developer fees, and Section 42 Credits (equity investment pay-ins during construction-, Historic Rehabilitation tax credit proceeds paid-in during construction, and acquisition and construction grants. All amounts and terms displayed must be identical to those on supporting documentation.

III. PERMANENT FINANCING SOURCES

Categorize each source under loans requiring repayment, deferred developer fees, Federal loans or grants, State, Local or Private Loans or Grants, Federal and state housing credit equity (equity investment raised by syndication of the tax credits) or other sources.

Required Information

Name of Financing Entity - e.g. lender name, PHA name, local jurisdiction name, etc. – also include the funding program used, if applicable. Be specific – do not be overly concerned about cell width limiting your entry. ALL applicants must make a selection from the drop-down list provided in the first line.

Principal Loan Amount, Interest Rate, Term in Years, Amortization Period in Years, Annual Debt Service -- required for ALL loans with amortizing debt, whether fully-amortizing or not, including developer notes and deferred developer fees (even if the interest rate is 0%, do not leave DDF interest rate cell blank). The annual debt service will be automatically calculated based on the information inputted by the Applicant. However, the automatic calculation can be modified, if necessary.

For variable interest rate loans, the higher of the initial interest rate or the maximum rate should be entered.

DCA requires all permanent debt financing to have a minimum term of ten (10) years. DCA allows for Deferred Developer Notes to have terms of up to 15 years.

Loan Type - The drop down list contains the following choices: amortizing, DCA HOME IPS (irregular payment stream), cash flow or adjusted interest.) *DCA HOME Loans are NOT cash flow loans, they can either be fully amortizing or irregular payment stream (IPS).* Only DCA HOME Rural loans can use IPS based on DCA policy, which will result in balloon payments at the date of maturity. Please review QAP Policies for all DCA HOME loans.

Target (Desired) Debt Coverage Ratio -- applicant **MUST** enter **only** if the Loan Type is either “DCA HOME IPS” or “Cash Flow” (for cash flow notes). Target DCR entered should be for the corresponding funding source only. **The minimum blended DCR for all Secured Debt is 1.20 for New Construction and 1.25 for projects involving rehabilitation.** No financing source’s Desired DCR should be higher than a source with a higher lien position.

Total Permanent Financing - The application will automatically total all of the principal amounts listed in the schedule.

Total Costs from Development Budget - The total costs from the development budget are linked to this cell.

Georgia Department of Community Affairs
Housing Finance and Development Division
2014 Core Application Instructions

Surplus/Shortage of Permanent Funds to Development Costs – this must be zero.

Deferred Developer fees - Deferred developer fees will be considered a source of debt financing, but will not be considered in the Gap Method of the credit calculation. Include the first year's payment in the debt service column. See Qualified Allocation Plan for guidelines related to Deferred Developer Fee.

Comments must be included to reference the location of all supporting documentation, any atypical circumstances, and confirmation of whether any source listed originated as Federal Funds.

IV. APPLICANT COMMENTS & CLARIFICATIONS

Include all clarifications or comments pertaining to this Part in this section.

PART FOUR—USES OF FUNDS

I. DEVELOPMENT BUDGET

Identify development costs in the categories provided, and calculate the proposed total development cost. If requesting tax credits, indicate the level of eligible basis (4%/Acquisition Credit or 9%/New Construction/Rehabilitation Credit) to which applicable project costs are appropriate. If you encounter a development cost for the proposed project that is not addressed by the development budget AND does not fall into a budget section containing an “Other” line, then your electronic application form may perhaps be able to be customized to meet your need.

Applicants can include cell references in the LIHTC Basis cells of the development budget section of the application so long as they only reference the Total Cost cell on the same line item **and** the Total Cost cells being referenced do not themselves contain formulas or references to other cells.

Projects that include any combination of “Acquisition”, “Rehabilitation”, and/or “New Construction” must break out the associated costs related to each activity for which they are claiming credits in the appropriate Eligible basis columns. Adaptive reuse is considered “Rehabilitation”.

Land – Acquisition cost must coincide with site control documentation or an explanation is required in “Comments”.

Off-Site Improvements/Preparation is generally not eligible for inclusion in eligible basis for tax credit purposes, and is not eligible for subsidization with HOME funds.

Construction Contingency — Do NOT leave formulas or references to other cells as the Total Amount – an actual numerical value must be entered before submitting the electronic application. Please refer to the “Construction Contingency” policy; “Soft Cost Contingency” is not allowed per the policy in the 2014 QAP.

Contractor Services – Please refer to the 2014 QAP policies regarding “Builder Cost Limitations” and itemize all cost in the appropriate lines.

Other Construction Hard Costs – This covers any work items performed by the owner that are not included in the general contractor’s scope of work. Please provide detailed description in box provided and use Comments section if needed.

Construction Period Financing – Please itemize all Construction Period Financing expenses and fees in the appropriate lines. DCA HOME loan Applicants that have obtained DCA pre-approval to obtain a construction loan in lieu of a payment and performance bond for applications where there is an identify of interest between the owner and the contractor may itemize the construction loan interest and fees in this section. Comments regarding the calculation of Construction financing interest and fees are required.

Professional Services – Please itemize all professional services fees in the appropriate lines. Comments regarding the calculation of Professional Costs and Fees are required.

Local Government Fees – Please itemize all Local Government Fees in appropriate lines. Please do not include these items in Unit/Building Construction line items. Please indicate whether Water Tap Fees or Sewer Tap Fees have been waived. Documentation or comments supporting these estimates are required.

Permanent Financing Fees – As represented in the commitment letters provided in the appropriate tab.

DCA-Related Costs - Please itemize all applicable DCA related fees in the appropriate lines. DCA fees are listed in the 2014 QAP Exhibit A “DCA Post Award Deadlines and Fee Schedule”.

Equity Costs – Tax Credit Allocation Fee is calculated as 8% of the annual federal allocation amount for both 4% and 9% credit projects. Tax Credit Compliance Monitoring Fees are listed in the 2014 QAP Exhibit A “DCA Post Award Deadlines and Fee Schedule”. Do NOT leave formulas or references to other cells as the amount – an actual numerical value must be entered before submitting the electronic application.

Developer’s Fee — Includes the total of all Consultant (please review Plan definition) fees (regardless of whether the Consultant is serving as a developer, construction manager, development administrator, etc.), developer’s overhead, and developer’s profit. Generally developer’s overhead should not account for more than 50% of the full fee. **Do NOT leave**

formulas or references to other cells as the amount – an actual numerical value must be entered before submitting the electronic application.

If you are applying for both acquisition and rehab credits or for rehab credits only, please refer to the Maximum Developer Fee section of the 2014 QAP Policies. The developer fee will be a two-part calculation pursuant to the 2014 Core Plan. The adaptive reuse of an existing structure is considered rehabilitation. Please also see the “Developer’s Fee Limitations” policy in the 2014 QAP. Please note that rehab costs and new construction costs should be broken out for eligible basis.

Start-Up and Reserves - please refer to the 2014 Core Polices for policies and requirements regarding the following start-up expenses and reserves. Any other resources or escrows listed must be documented requirements of lenders or equity providers.

Marketing - Include all pre-stabilization marketing expenses in this section, exclusive of rent-up reserves.

Rent Up Reserves - A reasonable rent up reserve is required for all projects based on the estimated projected lease up deficit, exclusive of marketing cost. Absent information to the contrary, DCA will assume that three months of projected operating expenses constitutes a reasonable reserve.

Operating Deficit Reserve - DCA Tax Credit and HOME funded projects must generally establish an operating deficit reserve account equal 6 months’ debt service for all secured debt on the project plus 6 months projected operating expenses. This amount may be greater, depending upon the requirements of other lenders or investors. However, DCA reserves the right to determine its reasonableness for the project.

Replacement Reserves - Replacement reserves are generally funded out of operating expenses. Only existing or pre-funded replacement reserves should be entered.

Furniture, Fixtures and Equipment - DCA requires that the cost of all **common space** furniture and equipment be included in this line item of the development budget. Do **NOT** include these costs in the construction contract. Do not include the cost for Interior Design Consultants in this location. Interior Design Consultants are included in the Developer Fee.

Other Costs — Please specify the costs in the space(s) provided. Do not use vague, general terms that may include several unrelated items – be specific. Provide further detail in the electronic Comments section.

Soft Cost Contingencies — or “project contingencies” above and beyond construction contingency are not allowed and will not be considered by DCA to be a part of the development cost.

II. TAX CREDIT CALCULATION – BASIS METHOD

Subtractions from Basis — Complete the table, identifying those items that are required to be deducted from the project’s eligible basis.

Eligible Basis Adjustment Calculation — Complete the table. Per the federal requirement, if the project is in a qualified census tract or difficult development area, the project is eligible for up to 30% basis boost for new construction and/or rehab. If the State Designated Boost is being requested, the Comments section must indicate the basis for the request, and the appropriate deferred developer fee must be entered in Sources. **All required backup documentation substantiating the need and indicating eligibility category(ies) per the 2014 QAP for the state designated basis boost must be identified in Comments with a reference to the Application tab.**

The **applicable fraction** will be automatically calculated (the lesser of the percentage of low-income units or low-income square footage).

For purposes of an application for 9% credits the Applicable Credit Percentage for the month of May 2014 should be utilized. For purposes of an application for 4% credits (Tax-Exempt Bond financed applications), the Applicable Credit Percentage for the month preceding the submission of the application for tax credits should be utilized.

III. TAX CREDIT CALCULATION – GAP METHOD

Project Cost Limit (PCL) – This number is auto-calculated based upon the Applicant’s entries into the following parts of the electronic core application:

1. Per Unit Cost Limitation Waiver Request (Part I – Project Information tab; Section XII – Additional Project Information, E – Waivers and Approvals)
2. Rent and unit configurations (Part VI – Revenues & Expenses tab; Section I – Rent Schedule and Section II – Unit Summary)

NOTE: For further detail see Section 2 – Cost Limits portion of the “Part VIII – Threshold Criteria” tab of the core application. The Project Cost Limit (or Total Per Unit Cost Limit for Project, as shown there) is the sum total of the applicable individual per unit cost limits multiplied by the number of units of each unit type. The amount of any Per Unit Cost Limitation waiver request granted by DCA and entered by the Applicant is also reflected in the formula for this box.

Total Development Cost (TDC) – Enter the lesser of the DCA Project Cost Limit (PCL) or the TDC, if the proposed TDC is within DCA’s PCL.

If the TDC exceeds the PCL, the applicant must:

1. Enter the proposed TDC amount in the box, provided there is a grant from a non-profit foundation or a charitable organization to cover the cost in excess of DCA’s cost limit. If there is no grant funding from a foundation or charitable organization to cover the cost that exceeds DCA’s cost limit, the TDC for the purposes of the Gap Method of the credit calculation cannot exceed the applicable DCA cost limit.
2. Identify on the “Foundation or charity funding” line in the Permanent Financing section (Part III - Sources of Funds, Section III) the foundation/charitable organization name and the funding amount, which must be greater than or equal to the cost in excess of the DCA Project Cost Limit.

If the project involves a Historic Designation, select “Yes” in the box provided.

Equity Factors - The equity factor used will be the price per federal and state tax credit dollar, respectively, based on the equity commitment in the Application. DCA reserves the right to adjust the prices per federal and state tax credit dollar (equity factors) if the amounts input by the applicant are not reasonable.

If you have any questions regarding the operation or other technical aspects of the electronic core application with regard to the Gap Method calculation, please contact Stephen Barrett at Stephen.Barrett@dca.ga.gov .

IV. TAX CREDIT ALLOCATION

Tax Credit Allocation — The credit amount determined by the eligible basis calculation establishes the *maximum* credit amount. However, DCA cannot allocate more credit to a project than is necessary for financial feasibility. If the credit amount resulting from the equity gap calculation is *less than* the credit amount resulting from the eligible basis calculation, then the maximum credit amount *needed* will be the credit amount resulting from the equity gap calculation. However, the amount of actual tax credit allocation will be the lesser of:

1. This maximum credit amount *needed*
2. The DCA per owner project award limitation (determined in the Plan) or
3. Any lower credit amount requested by the applicant.

V. APPLICANT COMMENTS & CLARIFICATIONS

Include all clarifications or comments pertaining to this Part in this section.

PART FIVE – UTILITY ALLOWANCES

UTILITY ALLOWANCE SCHEDULES

Utility Allowance Per Unit Information— Two separate Utility Allowance Schedules are provided to capture up to two different utility configurations. In the tables provided, indicate which utilities the owner would pay and which the tenant would pay. For the tenant-paid utilities, indicate the allowance amounts from the appropriate source documentation. Use the allowances appropriate to the structure type – i.e., multifamily (2+ units), single family detached or manufactured housing. If using DCA Utility Allowances, note the applicable DCA Utility Region – north, middle or south shown at the top of the chart (for more information, please refer to the map provided at <http://www.dca.state.ga.us/housing/HousingDevelopment/programs/utility.asp>). The total utility allowance per bedroom size calculates automatically. Further instructions are as follows:

Enter the **Source** and **Date** of the source document from which the utility allowance amounts were obtained. Be sure that the most recently released allowances are used.

Indicate the applicable **Structure Type** as defined in the source document from which the utility allowance amounts were obtained. For example, applicants using the DCA Utility Allowances would choose MF, SF Detached or Mfd Home.

For each of the seven utility categories shown (Heat, A/C, Cooking, Hot Water, Lights, Water & Sewer, and Refuse Collection), indicate the following in the spaces provided (NOTE: Elderly allowances cannot be used except at properties that have 100% HUD PBRA and satisfy the appropriate HUD program definition for elderly):

1. For the Heat, Cooking and Hot Water utilities, select the applicable Fuel Type.
2. For Water & Sewer, indicate whether the units will be submetered. The “Georgia Water Stewardship Act” of 2010 requires all new multi-unit residential buildings permitted on or after July 1, 2013 to install submeters and bill tenants according to their individual water use.
3. Is the utility to be paid by the Tenant or by the Owner? If the utility is available, one or the other must be marked.
4. For the tenant-paid utilities, indicate the allowance amounts from the source documentation mentioned above. Calculate the total utility allowance per bedroom size. **Note: If there is a local public housing authority administering the Section 8 program in your area, contact that authority for water, sewer, and refuse collection allowances also.** If the entity administering the Section 8 program in the project’s local jurisdiction does not have utility allowances for water, sewer, or trash removal, then the DCA utility allowances should be used.

NOTE: No changes will be allowed after application submission in the fuel types, utility providers, or payers of the utility bills.

APPLICANT COMMENTS & CLARIFICATIONS

Clarifications or comments pertaining to this Part should be entered in this section.

PART SIX – REVENUES AND EXPENSES

I. RENT SCHEDULE

Floating or Fixed HOME units - Indicate whether the HOME funded units will be floating or fixed. DCA will assume that all HOME units are floating unless otherwise designated in this section. Note that all low income units are considered to be HOME assisted units and subject to those restrictions.

100% HUD PBRA—Indicate whether all units in the project are HUD PBRA units.

Georgia Department of Community Affairs
Housing Finance and Development Division
2014 Core Application Instructions

For the Rent Schedule section all applicants must show the proposed Unit Mix by answering all column questions in each row used. To avoid errors, fill in the chart from left to right without skipping columns. Order the columns first by Unit Rent Type, then by Nbr of Bedrooms (All 50% units first, broken down by nbr of bedrooms, then 60% next, etc).

Rent Type is a drop-down box. Select the appropriate Unit Rent Type from the drop down box. Please also see the “Unit Distribution with Multiple DCA Funding Resources” policy in the 2014 QAP. **Please use order shown below:**

<u>For a Unit Rent Type of:</u>	<u>Select:</u>
50% of AMI	50% AMI
60% of AMI	60% AMI
Unrestricted	Unrestricted
Common Space	N/A-CS

The units that are designated as **HOME** are subject to fair market rent limitations. For projects with DCA HOME funds, all low-income units are considered to be HOME units. For low-income units receiving HOME funds and tax credits, the gross rents may not exceed 30% of 50% of the effective AMI for at least twenty percent (20%) of the low income units, with the balance of low income units not exceeding 30% of the 60% AMI. It is important to note that *all* low income units are limited to HUD’s Fair Market Rent for the appropriate bedroom size should it be less than the applicable rent at the proposed AMI. Applicants should assume 1.5 persons per bedroom. For HOME Loans, rents must be affordable at initial lease-up and must remain affordable over the term of the DCA HOME loan.

If HOME units are subject to a PBRA agreement (with a minimum 10 year term or 10 years remaining term), then the PBRA rents should be used. If the HOME units are not under a rental assistance agreement (or one with less than 10 years remaining) then the HOME rents should be used. Applicants are encouraged to review DCA and HUD guidance on determining the correct number of HOME units.

Number of Bedrooms - Please indicate the number of bedroom(s) in the units by choosing from the options provided (Efficiency, 1, 2, 3, or 4) in the column.

Number of Bathrooms – indicate the number of bathrooms in the units described in the row.

Unit Count – indicate the number of units that reflect each unit configuration.

Unit Area – indicate the square footage that reflects each unit configuration.

Max Gross Rent Limit – Enter the program maximum unit rent that can be charged for the units as governed by DCA LIHTC or HOME rent and income limits.

Proposed Gross Rent – enter the proposed rent to be charged for each unit (includes utility allowance). This rent cannot exceed the Gross Rent Limit, except if there is PBRA for 10 yrs or more which allows for higher rents.

LIHTC/PHA units with an investment/operating subsidy - The proposed Unit Gross Rent and the Net Rent will generally be reflected as zero. Applicants must enter a Utility Allowance of zero for these units into the rent chart. **Applicants must enter the operating subsidy in the Non-Occupancy Based income part of the Other Income Sources section.**

If the application will have an operating subsidy provided through a public housing authority, please select “PHA Oper Sub” from the dropdown menu. **If “PHA Oper Sub” is selected, then applicants must also enter a zero “0” for Proposed Gross Rent AND enter the operating subsidy amount in the Non-Occupancy Based income part of the Other Income Sources section.**

Utility Allowance – enter the utility allowance for each unit from the appropriate utility allowance chart. A zero must be entered here for market rate units and for **PHA op sub units with an investment/operating subsidy.**

PBRA Provider or Operating Subsidy – If neither PBRA nor Operating Subsidy applies, then leave box empty. If the application has or will have any project based rental assistance (PBRA), select the provider of the PBRA for such units from the dropdown menu: HUD, PHA PBRA, USDA or Other Governmental PBRA.

Georgia Department of Community Affairs
Housing Finance and Development Division
2014 Core Application Instructions

Net Rent – The application will automatically subtract the Utility Allowance from the Gross Rent to determine the net rent to be collected by the Owner for each unit. The Application will automatically calculate the total net rent the Owner will receive for all units and then transfers it to the Proforma.

Employee Unit is a drop-down box. If your Employee Unit is a low income restricted unit, then the employee must be income-qualified and the unit will be subject to both income and rent restrictions and the Applicant must select “Residential” from the drop down menu. If your Employee Unit is a market rate unit, then rent may be charged and no rent and income restrictions are applicable, so choose “No” from the drop down menu. If your Employee Unit is a common space unit, then no rent may be charged for this unit, a Rent Type of “N/A-CS” must be selected and “Common” should be chosen from the drop down menu. Common space employee units are included in the Total Unit count but not the Residential Unit count.

Building Type is a drop down box. Indicate the appropriate building type for each unit in the column from the choices provided: Single-family detached, Manufactured home, Duplex, Townhome, 1 Story, 2 Story, 2 Story Walk up, 3+ Story.

Type of Activity is a drop down box. Indicate the appropriate activity for each unit in the column from the choices provided: New Construction, Rehabilitation, or Acquisition/Rehabilitation.

II. UNIT SUMMARY

This section automatically fills in based upon the lines **completed correctly** in the rent chart, except for the following two items:

Adaptive Reuse units – enter the number of adaptive reuse units of each bedroom size

Historic Rehab units - enter the number of historic rehab units of each bedroom size

NOTE: If this section does not appear to calculate correctly, please carefully review the rent chart to make sure the rows used are completed and correct. Partial or illogical (e.g., common space units showing a Rent Type of something other than “N/A-CS”) completion of rows in the rent chart can result in incorrect numbers in the unit summary.

III. ANCILLARY AND OTHER INCOME SOURCES

Ancillary Income— refers to regular anticipated income that is dependent on project occupancy rate and that will be trended in the pro forma at the DCA revenue trend rate. Ancillary income may involve laundry and vending machines, nonrefundable deposits and fees, etc. Ancillary income defaults to 2% of gross income for DCA underwriting purposes, though a lower percentage may be entered.

Other Income— refers to regular income that is NOT dependent on project occupancy rate and that will NOT be trended in the pro forma at the DCA revenue trend rate. Enter the annual actual dollar amounts in the spaces provided, for each year the income is anticipated.

This income category is further divided into two sections for each year:

1. Other Income that is typically *included* in the calculation of the property management fee

Operating Subsidy - Enter the operating subsidy amount for each of the applicable years. All annual payment schedules must be substantiated with original documentation detailing the source, amounts, and duration inserted in the application binder where indicated by the Tabs Checklist. **For operating subsidies provided by PHAs, the Rent Schedule should show Proposed Gross rents of zero (0) charged for the units receiving the operating subsidy, as well as a selection of “PHA Oper Sub” from the drop-down list in the “PBRA Provider or Operating Subsidy” column for such units.**

Other - Enter the source and other income amount for each of the applicable years for applicable sources. All annual payment schedules must be substantiated with original documentation detailing the source, amounts, and duration inserted in the application binder where indicated by the Tabs Checklist. Use Comments as necessary.

2. Other Income that is typically *NOT included* in the calculation of the property management fee

Tax Abatement - Enter the annual tax abatement amount for each of the applicable years. All annual payment schedules must be substantiated with original documentation detailing the source, amounts, and duration inserted in the application binder where indicated by the Tabs Checklist. The Real Estate Tax box in the Annual Operating Expense Budget should include the anticipated real estate tax *before* abatement.

To show tax *exemptions*, simply leave the Real Estate Taxes box in the operating expense budget empty and enter an explanation into the comments section provided for this section.

Other - Enter the other income amount and source for each of the applicable years for applicable sources. All annual payment schedules must be substantiated with original documentation detailing the source, amounts, and duration inserted in the application binder where indicated by the Tabs Checklist.

IV. ANNUAL OPERATING EXPENSE BUDGET

All expenses delineated in the Operating Budget must be broken out in as many categories as apply.

Enter the on-site staff costs, on-site office costs, professional services, maintenance expenses, utilities, taxes and insurance, on-site security costs and management fee in the applicable categories. The Total Operating Expenses and the Total Annual Expenses will automatically calculate. The Total Operating Expenses less management fee and the replacement reserve contributions will automatically transfer to the Pro Forma.

Other (describe here)—must be described in the space(s) provided. Do not use vague, general terms that may include several unrelated items – be specific. If unable to accomplish this in the space provided, please enter “See Comments” in the space and provide further detail in the applicant comments section that follows.

Note: The annual operating expense budget, net of replacement reserve contributions, must be no less than \$4,500 per unit for projects located in the City of Atlanta, \$4,000 for other urban areas (projects located in metropolitan statistical areas), \$3,000 for Rural areas (as defined in the Qualified Allocation Plan), or \$3,000 for rural projects using USDA 515 funds. DCA reserves the right to scrutinize the operating budgets in accordance with market analyses, appraisals, and information on existing DCA projects similar in size, scope, and location. See also the “Annual Operating Expenses” policy in the 2014 QAP.

Real Estate taxes – Amount entered must be gross taxes without any deduction for abatement. Abatements must be shown in the “Other Income” section in the line provided. Please also include the calculation methodology in the Applicant Comments. If project has a tax exemption, then leave this amount blank or enter a zero.

Management Fee – Use the boxes provided at the top of the Proforma to indicate Management Fee

The annual **replacement reserve contribution** must be no less than \$350 per unit for projects involving rehabilitation, \$250 per unit for new construction projects, \$420 per unit for single-family units, or \$420 per unit for projects involving historic rehabilitation. DCA will use the reserve levels in the tax credit policy for HOME underwriting purposes unless a greater amount is specified. For the purposes of final HOME underwriting, documentation of the reserve will be reviewed by DCA. For rehab projects, DCA will review the capital reserve replacement information provided in the physical needs assessments to verify that the correct amount is entered. The application will automatically calculate the reserve based on the number of units inputted in the project information section. See also the “Replacement Reserve” policy in the 2014 QAP. Indicate in the space provided the proposed annual replacement reserve contribution per unit.

Operating Expenses per unit and Replacement Reserves per unit - The electronic application automatically calculates actual proposed Operating Expense per unit and Replacement Reserve per unit based on applicant’s entries.

V. APPLICANT COMMENTS & CLARIFICATIONS

Clarifications or comments pertaining to this Part must be entered into this section, and must include the methodology for projecting the real estate expense at a minimum.

PART SEVEN - PROJECT CASH FLOW PRO FORMA

Complete the entire pro forma forecast for the greater of:

1. The entire credit Compliance Period
2. HOME loan term, or the
3. Period of Affordability, as applicable.

Note: Most of the Proforma will be automatically generated. Please also see the “Revenue, Vacancy, and Expense Trends” policy in the 2014 QAP.

I. OPERATING ASSUMPTIONS

Revenue Growth — The assumption for revenue growth for project-based rents, project-based rental assisted rents, and occupancy-based income will be 2% per year.

Expense Growth — The assumption for expense growth for operating costs net of management fee and replacement reserve contributions will be 3% per year.

Reserves Growth — The assumption for growth for annual reserve contribution will be 3% per year.

Vacancy/Collection Loss—The assumption for vacancy and collection loss will be a minimum of 7%.

Ancillary Income – The assumption for other income growth will be 2% per year.

Asset Management Fee – Enter the appropriate asset management fee.

Property Management Fee Growth – applicants must indicate the trending method to be used in the operating forecast by using the choice boxes provided. *Applicant must choose ONLY one of the following options:*

- "Expense Growth Rate" - also provide the Year 1 Management Fee amount, or
- "Percent of Effective Gross Income" - also provide the percentage to be used

Do not make ANY entry in the box for the option not chosen – leave it empty.

II. PROFORMA

Vacancy Rate—enter applicable rate of DCA Policy minimum or greater if determined by market study..

Management Fee—The annual amount of the property management fee will be automatically calculated based upon the applicant’s choice of fee calculation methods.

Debt Service—The spreadsheet automatically calculates a fully amortizing debt service value default based on the numbers entered on the Permanent Financing summary in the Sources & Uses Tab. For other debt service types, the applicant must enter the debt service amount (enter each amount as a **negative** integer for proper calculation of the pro forma) for each loan for each year, in accordance with the terms of the loan. Applicant comments **and** an amortization schedule from the lender are required if the payments are not based on standard amortization.

Cash Flow (Before-Tax)—**must be positive** during the entire credit compliance period or term of the DCA HOME loan.

Debt Service Coverage Ratio (DCR)-The Debt Service Coverage Ratio, or the last calculated DCR line shown in the Application, must be no less than **1.20 for New Construction and 1.25 for projects involving rehabilitation** during the entire credit Compliance Period, HOME loan term, or the Period of Affordability, whichever is longer. Please also see the “Debt Coverage Ratio” policy in the 2014 QAP.

Operating Expense Coverage Ratio – used to evaluate no-debt proposals.

Balance of DCA HOME Loan—If you are applying for a DCA HOME loan, then enter the outstanding balance of the DCA HOME loan in one of the “Other Source Balance” spaces provided. **The outstanding balance may not exceed the principal loan amount during any year of the DCA HOME loan term.**

III. APPLICANT COMMENTS & CLARIFICATIONS

If applicants have any clarifications or comments pertaining to this Part, these must be entered into this section.

PART NINE A – SCORING CRITERIA

All Applicants are required to complete each section in the self score as follows:

- 1) Enter the Applicant's self score for each section and subsection. Take note of multiple subsections indicating AND or OR for requesting appropriate scores.
- 2) Review and answer all applicable questions by selecting an answer from the drop down menu provided or entering the requested information,
- 3) Complete the comment section for each applicable scoring section by providing a brief summary of why the Applicant believes that the submitted Application should obtain the requested score. Reference any supporting documents that are included in the Application and indicate the tab number.
- 4) Recheck all scores, answers, and totals to ensure completion and accurate calculation of self score.

PART NINE B – INNOVATIVE PROJECT CONCEPT NARRATIVE

Innovative Project Concept Narrative – Include where indicated by the Tabs Checklist at most a two page narrative explaining how this project meets the criteria of this Scoring section and why the concept or design is different than most tax credit projects. **A form is included in a tab in the electronic core application for your use.**

