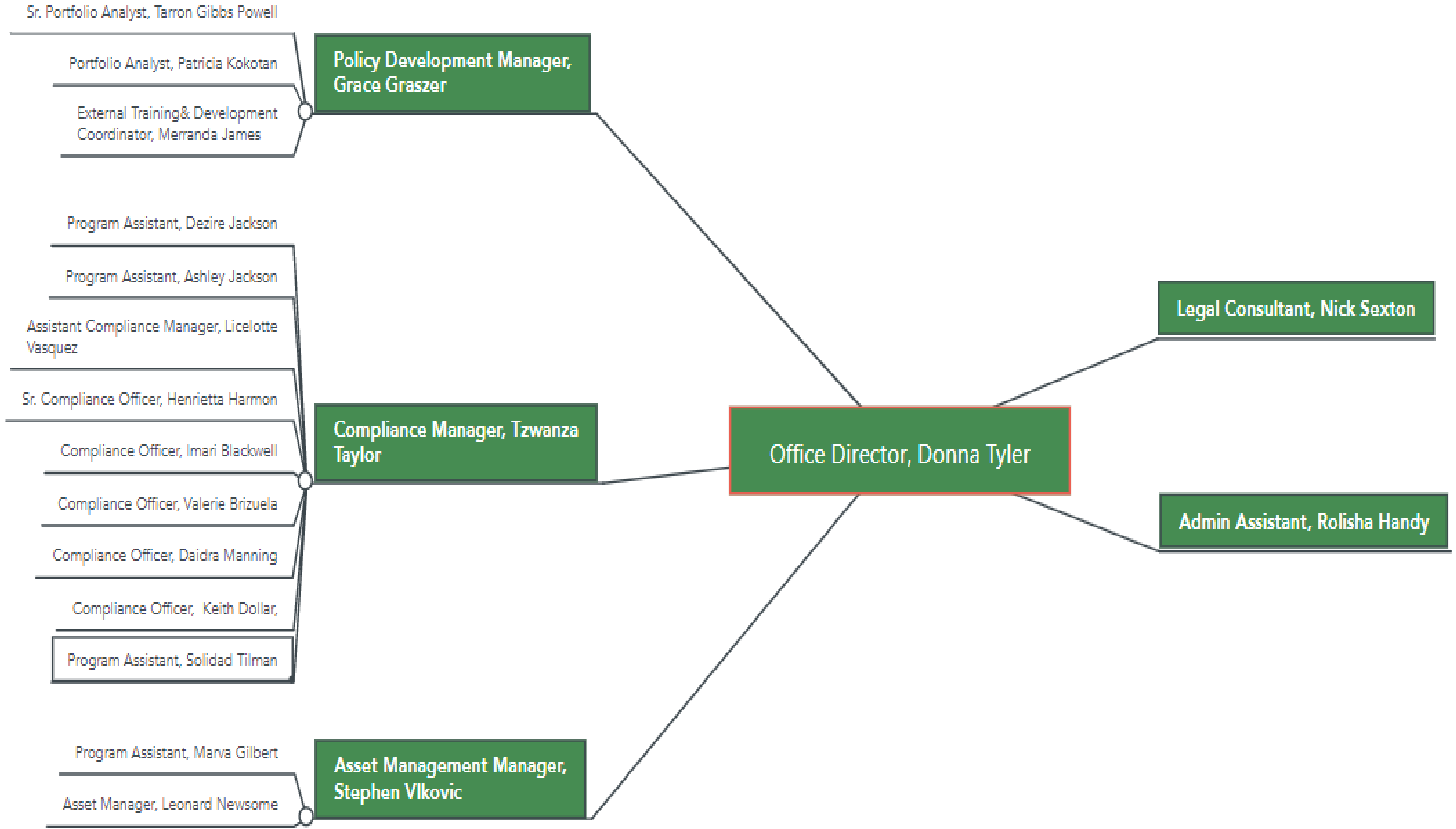
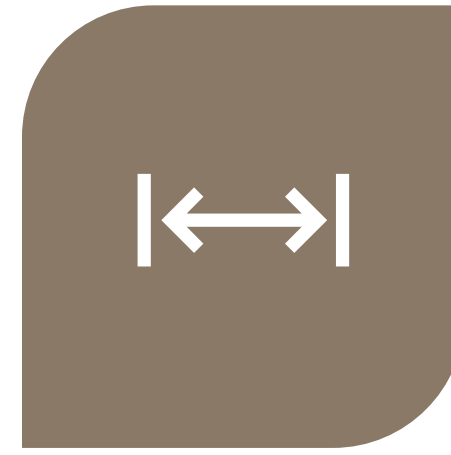


OPM Management Company Meeting







SOFTWARE TRANSITION



MANAGEMENT COMPANY
APPROVAL



E-SIGNATURE POLICY
UPDATE



COVID-19 UPDATES



NEWSLETTER
SUBSCRIPTION



REMINDERS

Agenda



UNCORRECTED
ACCESSIBILITY ITEMS



ASSET MANAGEMENT

Software Migration



December 10th LAST
DATE TO USE MITIAS



Mandatory software
training



WHAT TO EXPECT



Brian P. Kemp
Governor



Christopher Nunn
Commissioner

Management Company Approval Policy

Effective date: [REDACTED]

Policy Overview

The Georgia Department of Community Affairs ("DCA") is responsible for ensuring that owners of properties funded by the Georgia Housing and Finance Authority's ("GHFA") various multifamily affordable housing programs maintain compliance with all funding programs' requirements. These funding programs include but are not limited to: Housing Tax Credit ("HTC") 9% and/or 4%-Bond funding, 1602 Tax Exchange Funding, HOME, NSP, PSHP, SHTF, and TCAP funding. This policy comprises the minimum requirements necessary to gain DCA's approval to manage a property that currently has affordable housing restrictions imposed on it by GHFA or will have affordable housing restrictions imposed on it by GHFA due to a submitted application for funding. DCA will perform a comprehensive review to determine whether a proposed management company meets minimum qualification requirements related to affordable housing experience, training, technical skills, and performance history to successfully manage an affordable housing property community or portfolio in the state of Georgia. DCA reserves the right, to modify this policy at any time or to waive any of the requirements listed below on a case-by-case basis.

DCA must comply with statutory requirements to consider project team qualifications to own and operate a DCA or GHFA-funded property. This extends to the management company's ability to manage a DCA affordable property. Experience and training are required to manage all DCA affordable properties, regardless of the funding program. Further, all project teams must include a management company that agrees to operate properties in accordance with compliance requirements set forth by DCA, HTC program regulations, HOME Investment Partnership program ("HOME") regulations, and/or other funding program regulations.

DCA will not approve management companies
if the following conditions exist:

Management company is currently barred or suspended or has been barred or suspended by any state HFA or equivalent agency within the past (2) years from the date that approval is sought.

* Management company has had a Charge of Discrimination as defined by the U.S. Department of Housing and Urban Development (“HUD”) issued against them or has been found guilty of discrimination by any government agency on any affordable housing property.

Management company is performing third-party management without a licensed brokerage in Georgia. Georgia Law requires that all third-party property management companies be a licensed brokerage in Georgia or perform all leasing activity under a licensed Georgia real estate broker.

Section I. Qualification Requirements:

| | | | |
|--|--|--|--|
| <p>Two or more years managing a minimum of three qualifying affordable properties in any state. The qualifying affordable properties must be funded by HTC, HOME, or USDA's Rural Development program. These qualifying properties must be under a management contract at the time of request submission</p> | <p>Each management company must always have at least one compliance specialist or responsible manager with at least one of the following nationally recognized credentials: HCCP, SCHM, NPCC, C3P or higher. These credentials/certifications must be current and valid.</p> | <p>Good standing status with all applicable state HFAs and/or their equivalents must be provided to DCA in the form of a Letter of Good Standing or equivalent proof of general compliance provided by each HFA or their equivalent.</p> | <p>Completion of the Management Change/Approval Request form available on the DCA website here</p> |
|--|--|--|--|

Section II. Management Companies new to DCA

| | | | |
|--|--|--|---|
| <p>Two or more years managing a minimum of three qualifying affordable properties in any state. The qualifying affordable properties must be funded by HTC, HOME, or USDA's Rural Development program. These qualifying properties must be under a management contract at the time of request submission</p> | <p>Each management company must always have at least one compliance specialist or responsible manager with at least one of the following nationally recognized credentials: HCCP, SCHM, NPCC, C3P or higher. These credentials/certifications must be current and valid.</p> | <p>Good standing status with all applicable state HFAs and/or their equivalents must be provided to DCA in the form of a Letter of Good Standing or equivalent proof of general compliance provided by each HFA or their equivalent.</p> | <p>Completion of the <u>Management Change/Approval Request form</u></p> |
|--|--|--|---|

Section III. Management Companies already managing DCA properties

| | | |
|--|---|---|
| <p>Applicable Management Company Approval Fee (see fee schedule, Section IV. herein)</p> | <p>Copy of the lease template package, which should include the lease application, lease addenda and other forms, currently in use or proposed for use for low-income units (if applicable)</p> | <p>Completion of the <u>Management Change/Approval Request form</u></p> |
|--|---|---|

Section IV. Multiple Property Requests

Owners and/or Management Companies seeking approval for more than one property may submit one on-line form requesting approval to manage multiple properties. However, the properties must all be owned by the same Ownership team.

DCA reserves the right to limit the number of properties any management company may receive approval to manage.

Section V. Fees

First property: \$500

Any additional properties: \$150 per property, not to exceed \$2,000 total

Section VI. Non-compliance Penalty

All Management Company change approval requests provided less than **30 days** in advance will be issued a finding of administrative non-compliance:

Point penalties imposed on an HTC application score as indicated in the applicable QAP Scoring Compliance Performance section

A \$250 penalty fee (per instance) for non-compliance/failure to provide 30 days' notice and receive DCA's approval in advance the management company change

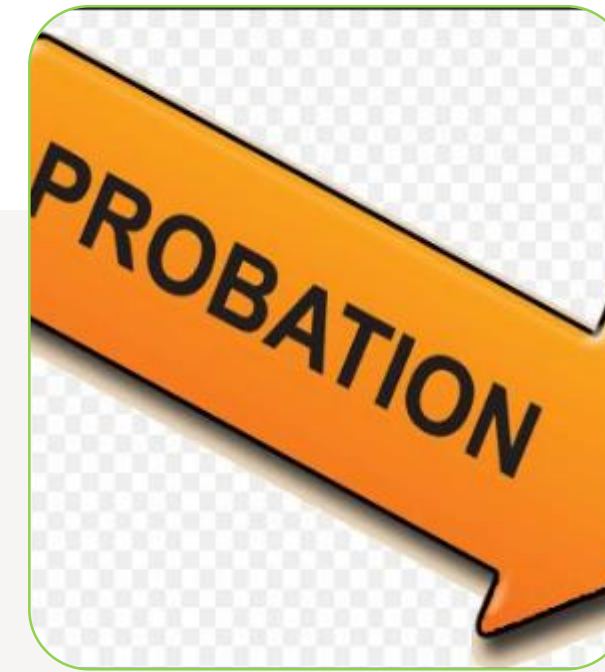
Section VII. Approval Levels



All experience, credentials, and documentation meet DCA requirements



Any of the requirements of Section I of this policy has not been met.. DCA will limit the number of properties that can be managed to no more than five (5) properties.



Management companies previously receiving a DCA Approved or Conditionally Approved with Limitations status may be downgraded to Probationary Approval. DCA reserves the right to downgrade approval status if it becomes aware of evidence of systemic noncompliance or operational issues, at DCA's sole discretion



One or more of DCA's requirements have not been met. DCA reserves the right to deny approval or revoke approval to a management company for any reason, at DCA's sole discretion.

Electronic Signature Compliance Monitoring Policy

The owner is responsible for ensuring that tenant files are in accordance with IRS and/or HUD rules and regulations, and that the signature is that of the tenant. Additionally, the owner is responsible for ensuring investor and syndicator acceptance of the use of electronic signatures. Should issues arise as a result of electronically signed documents, DCA reserves the right to require 'wet' signatures. Wet signatures are required for the property's initial DCA audit.

Owners/Management Companies of properties being monitored by DCA intending to take advantage of DCA's electronic signature policy must take the following actions:

- **Owner/Management Policy:** Initially, and upon any change in the Owner/Management Company, the Owner/Management company must develop and implement a policy and procedure for the use of electronic signatures. DCA has no liability for owner/management company electronic signature policies that do not meet IRS and/or HUD rules and regulations.
- **DCA Request for Documents:** Hard copies of the tenant files must be provided to DCA upon request.
- **File Format:** All tenant files must be made available in a format compatible with DCA software.
- **Hard Copies:** The Owner/Management policy must provide an accommodation to residents who request to review and sign hard copies of documents.



IRS Notice 2020-53



monitoring inspections or reviews in the period beginning on April 1, 2020, and ending on December 31, 2020. The Agency must resume compliance-monitoring inspections or reviews as due under § 1.42-5 after December 31, 2020.

C. COMMON AREAS AND AMENITIES

If an amenity or common area in a low-income building or project is temporarily unavailable or closed during some or all of the period from April 1, 2020 to December 31, 2020, in response to the COVID-19 pandemic, and not because of other noncompliance for § 42 purposes, this temporary closure does not result in a reduction

What can you expect after December 31, 2020

| | |
|------------------|----------------------|
| Desk File Review | Physical Inspections |
|------------------|----------------------|



Uncorrected Accessibility Items

Accessibility Cure Response Policy

Audit Status: Open with Accessibility Items

Bi-weekly Compliance Blast (1st/15th)

- Request email contact list from Merranda.james@dca.ga.gov
- Provide domain name



Compliance Reminders

| | | | | |
|--|--|---|--|--------------------------------|
| <p>Continue to use Property Information forms to update contacts and property name changes</p> | <p>All communication should be sent to POD email inboxes. Include GAID and property name</p> | <p>8609(s) are due by email the same day they are sent to the IRS</p> | <p>If an owner is working with an outside consultant, DCA should be notified in order to release information</p> | <p>Welcome to OPM packages</p> |
|--|--|---|--|--------------------------------|

Asset Management

| Type of change reported | <u>PCC Requests</u> |
|---|---------------------|
| Transfer in ownership interest | Yes |
| Fee simple sales of property and approval of new ownership team | Yes |
| Subordination agreements | Yes |
| Modification of LURC or LURA | Yes |
| Unit designations change (market to employee) | Yes |

2021 Financial Reporting Requirements

DCAFinancialReporting@dca.ga.gov

| | | | | |
|--|---|--|---|---|
| <p>Annual and Quarterly financial reporting and data submission/entry will be required for all DCA Multifamily properties. For properties with GHFA/DCA Loans, the submission of audited annual financial statements is required</p> | <p>Properties required to report are all DCA funded properties currently in the Compliance Period, Extended Use Period, HOME Affordability Period, and/or with an unpaid DCA loan. Properties funded in future QAP rounds will also be required to report financial data.</p> | <p>Quarterly and Annual reporting will be due for properties with a GHFA or DCA loan as of May 15, 2021. Tax Credit properties without a DCA or HOME are expected to begin reporting in November 2021</p> | <p>Reporting for newly completed properties should begin once lease-up begins and after the first financial quarter of operation has ended.</p> | <p>Properties will no longer be required to report after their respective affordability or monitoring periods end, for example, upon expiration of the HOME Affordability Period, LIHTC Extended Use Period, or upon GHFA or DCA Loan Payoff, <u>whichever is latest.</u></p> |
|--|---|--|---|---|



- opmpoda@dca.ga.gov
- opmpodb@dca.ga.gov
- opmpodc@dca.ga.gov

Email
compliance@dca.ga.gov

Email questions to
Compliance@dca.ga.gov

Q&A will be published to
DCA website after
12/9/20

