

Pipeline Administration- Improving
Oversight from Construction to Compliance
**Georgia Department of Community Affairs/Georgia Housing and
Finance Authority**
Rental Housing: Multifamily Management

HFA Staff Contact

Grace Graszer

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The Georgia Department of Community Affairs (DCA) through the Georgia Housing and Finance Authority (GHFA) administers the Low Income Housing Tax Credit program, Georgia’s State Housing Tax Credit, Housing Trust Fund, and is the Participating Jurisdiction for Georgia’s allocation of federal HOME program funds. Over the past 10 years, utilization of DCA’s affordable housing programs has increased dramatically, with affordable housing production more than tripling throughout the state. As DCA’s portfolio grows increasingly each year, and with an understanding that a strong initial relationship with a property can lead to a more successful compliance monitoring phase, DCA has sought ways to improve and streamline communication with development partners to ensure a successful transition from construction to compliance monitoring.

In early 2020, DCA repurposed an existing position within the Housing Finance and Development Division’s Office of Portfolio Management. The newly resulting position is the Pipeline Administrator. The Pipeline Administrator acts as the liaison between DCA’s Office of Housing Finance, and DCA’s Office of Portfolio Management, shepherding developments from final construction into compliance monitoring. In this role, the Pipeline Administrator tracks developments that are near construction completion, creates and sends a personalized Welcome Package to each development, ushering the property into Georgia’s affordable housing program, outlining DCA portfolio management expectations during the compliance monitoring phase, communicating required property information form submissions from the development to DCA, and listing key development commitments in an attractive, succinct format. This position not only serves as a key contact for our external development and property management partners, but also provides a clear communication and transition path internally, between offices.

PIPELINE ADMINISTRATION MILESTONES

The Pipeline Administrator monitors DCA’s construction team’s Construction Progress Log for properties at 75% or greater construction completion and transfers them to the Pipeline Tracker. This signals that a property has completed a significant portion of construction and may begin leasing up, finalizing property policies, and preparing final documents soon.

Once this threshold is met, the Pipeline Administrator creates an individualized Welcome Package to send to the owner and manager of each property. This package consists of 4 documents:

- **Welcome Letter** – addressed to the owner and outlines the DCA Portfolio Management primary points of contact and explains the other documents in the package.
- **Property Abstract** – contains the most vital property commitments made by the developer in the application process such as tenancy, total low-income units, resident services, amenities, utility allowance, and set asides.

- **Important Information to Know** – explains which DCA staff handles various topics, lists required forms and reporting the property must complete to remain in good standing, details the process for communicating with DCA regarding changes to the property, and lists various resources.
- **Checklist** – lists all required documents the property must submit to DCA to begin the compliance monitoring process, with associated due dates.

Meanwhile, internally, the Pipeline Administrator assigns properties to their compliance pod, the compliance and asset management team that will work with the property throughout the compliance period. Additionally, the Pipeline Tracker serves as the source list for inspection scheduling, seamlessly transitioning properties from construction to compliance.

Finally, the Pipeline Administrator tracks document submittal and follows up as necessary with properties as they move closer to lease-up and officially placing in service. This follow-up ensures DCA's portfolio management team has necessary foundational information to begin the compliance monitoring phase, and that owners and managers understand DCA's expectations and role in compliance monitoring and asset management.

BENEFITS

In just a few short months, DCA has already seen multiple benefits from creating the Pipeline Administrator role. With no established transition process for properties from construction to compliance in the past, this newly established position innovatively bridges two separately managed departments, improving internal processes and streamlining communication with properties. It also provides a highly replicable, innovative approach to better equip site staff with key property information, acting as a resource when completing pre-audit documents and reflecting the commitments owners made to DCA in their funding application.

Other HFAs can replicate DCA's success by forming a partnership between portfolio management and construction staff to share data on properties' construction progress and anticipated Placed in Service dates. Additionally, since DCA's Welcome Packages are template-based, other HFA's can easily replicate the documents and update them for the data points that are most relevant to their needs. The template-based nature of the Welcome Package is instrumental in allowing the Pipeline Administrator to easily individualize packages per property, in a short amount of time. DCA is also considering replicating this process for properties as they reach the extended use phase, to communicate changes in monitoring practices and reiterate expectations. DCA may also replicate this process when properties have a change in management or owner, to ensure new owners and managers receive consistent communication about their compliance monitoring responsibilities.

Since DCA is responsible for monitoring thousands of additional units each year, which are managed by close to 200 different management companies, it is an important state housing need to establish a strong foundation for the next 15+ years of monitoring. The Pipeline Administrator's responsibilities make property owners and managers aware of DCA Portfolio Management staff and DCA's expectations

for the compliance monitoring phase as well as ensuring the accuracy of the property information DCA maintains for critical audit and reporting purposes.

While DCA has benefited from the improved internal processes this position has created, our development partners have also experienced benefits. The Pipeline Administrator provides owners and managers with an attractive snapshot of the requirements of their property in a format that can easily be distributed to property management staff or displayed in the leasing office. While the Land Use Restrictive Covenant (LURC) includes key data, it does not reflect all commitments made by the owner in the application. The Welcome Package includes commitments that may not be included in the LURC, better helping our properties meet DCA's expectations. Furthermore, the Welcome Package details DCA's compliance monitoring expectations in straightforward language, increasing transparency and aiding in preparing pre-audit documentation. The Welcome Package checklist clearly communicates what information the owner or manager needs to submit to DCA and has already proven successful, as several of the first properties to receive their Welcome Packages have promptly submitted documentation.

The Pipeline Administrator role and its associated responsibilities' benefits far outweigh the costs. The position was repurposed from an existing position and has been deployed successfully while still maintaining other responsibilities, effectively using department resources. This role accomplishes DCA strategic objectives, aligning internal processes between departments and reducing duplicative work collecting information multiple times from owners and managers. Most importantly, the Pipeline Administrator position and processes result in DCA's Portfolio Management team obtaining accurate and complete property information from the start, preventing staff from having to dedicate time and effort to correct property data later down the line.

The partnerships forged by the creation of this role have been beneficial to DCA as well. The Pipeline Administrator partnered with DCA's marketing department to create the Welcome Package template in a way that allows flexibility in content, but uniformity in style. The Pipeline Administrator partners with the properties to obtain photos to include in the Welcome Package, and the open lines of communication created through the Welcome Package lay the groundwork for lasting partnerships throughout the compliance monitoring phase. Partnerships between DCA departments have also been forged and strengthened through this position. The creation of the Pipeline Administrator position allows for clear communication and alignment of data and processes between the construction and tax credit teams and the portfolio management team.

NOTES

Attached is a sample Welcome Package the Pipeline Administrator customizes and sends to each property as it transitions from Construction to Compliance. Please note it has been updated to remove identifying information. Names, IDs and property details are for demonstration purposes only.



60 Executive Park South NE
Atlanta, GA 30329
complianceonboarding@dca.ga.gov

June 1, 2020

RE: Georgia Senior Apartments (2020-001)

Dear Mr. Jones,

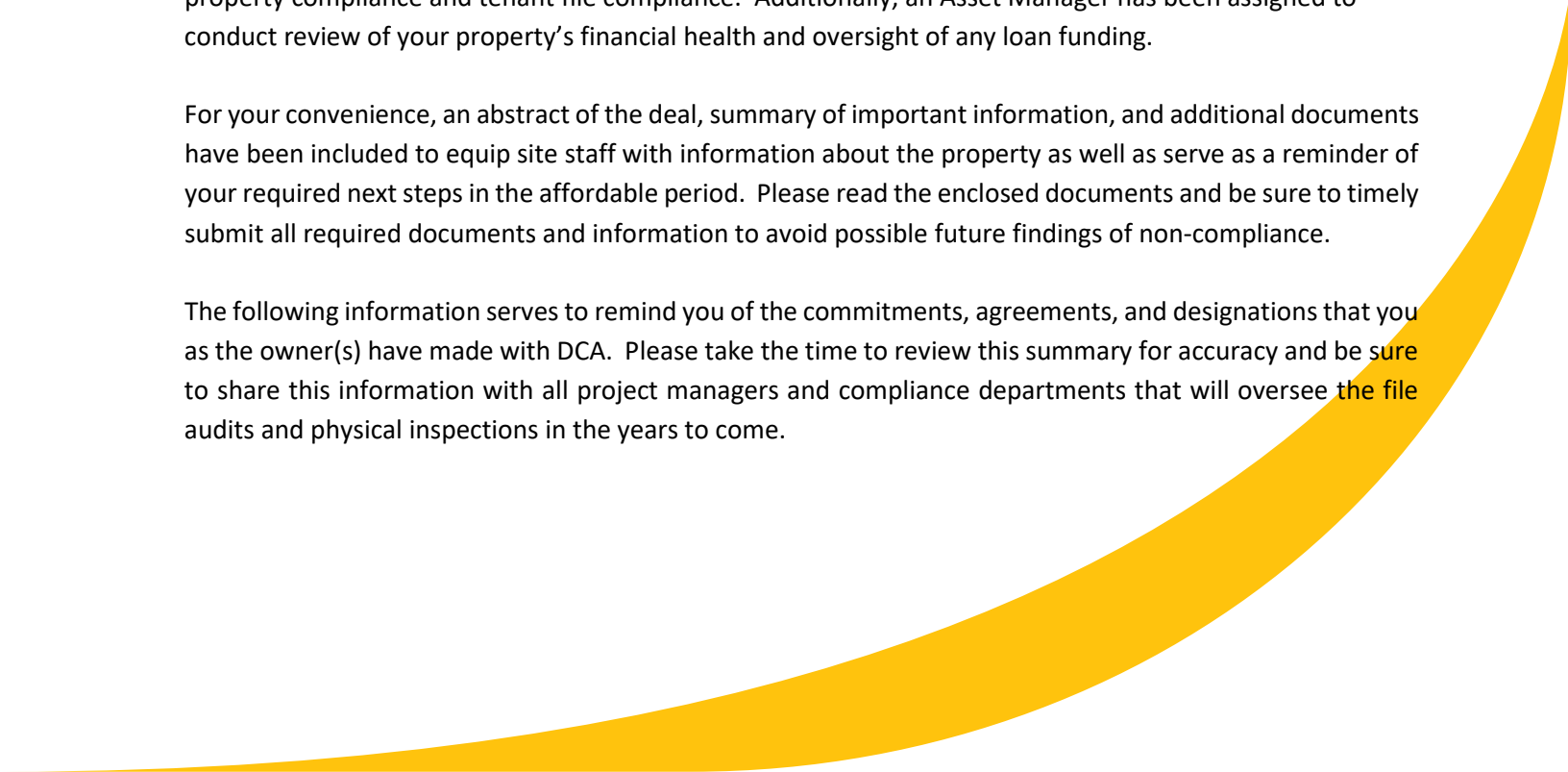
The Department of Community Affairs' Office of Portfolio Management (OPM) extends a congratulations and welcomes your property into the Georgia affordable housing program! Our office is committed to assisting Georgia Senior Apartments' transition into the compliance monitoring phase.

Your property is nearing the end of the construction phase, so we want to take the opportunity to introduce the Office of Portfolio Management and your points of contact as well as let you know what you can expect of DCA and what DCA expects of you. Our records indicate this property is managed by Georgia Affordable Housing Property Management. If you need to update this information now or in the future, please complete and submit the Management Change Notification (<http://form.jotform.com/61614962013147>). Failure to notify OPM of the management change could result in non-compliance.

OPM has assigned a compliance team to correspond with your management company regarding physical property compliance and tenant file compliance. Additionally, an Asset Manager has been assigned to conduct review of your property's financial health and oversight of any loan funding.

For your convenience, an abstract of the deal, summary of important information, and additional documents have been included to equip site staff with information about the property as well as serve as a reminder of your required next steps in the affordable period. Please read the enclosed documents and be sure to timely submit all required documents and information to avoid possible future findings of non-compliance.

The following information serves to remind you of the commitments, agreements, and designations that you as the owner(s) have made with DCA. Please take the time to review this summary for accuracy and be sure to share this information with all project managers and compliance departments that will oversee the file audits and physical inspections in the years to come.

A large, thick, yellow curved graphic element that starts from the bottom left and sweeps upwards and to the right, ending near the bottom right corner of the page.

At DCA, our mission is to preserve affordable housing for the State of Georgia. We look forward to your property joining our portfolio and working towards creating safe and affordable homes for our Georgia communities. If you have questions or comments regarding any of the attachments, please contact me at complianceonboarding@dca.ga.gov.

Respectfully yours,



Tarron Gibbs-Powell
Pipeline Administrator

POD A

PROPERTY COMPLIANCE REVIEW TEAM

COMPLIANCE OFFICERS

Henrietta Harmon
Compliance Officer
OPMPODA@dca.ga.gov

Imari Blackwell
Compliance Officer
OPMPODA@dca.ga.gov

ASSET MANAGER

Tricia Manning
Program Specialist
OPMPODA@dca.ga.gov



WELCOME TO DCA PORTFOLIO MANAGEMENT

Where we are partnering for success

Georgia Senior Apartments
111 Main Street
Macon, Georgia 31201

GA ID# 2020-001

Please contact your Pod Team for more information at: OPMpodA@dca.ga.gov



COUNTY: Bibb

FUNDING SOURCE(S): LIHTC

TENANCY: HFOP

TOTAL NUMBER OF UNITS: 90

- Market Units: 0
- Exempt Units: 0
- Tax Credit Units: 90

BUILDING IDENTIFICATION NUMBER(S) (BINS): GA-20-20000

AMENITIES PER THE LURC:

- Community Room
- On-site Laundry
- Fitness Center
- Computer Center
- Wellness Center

OTHER OWNER COMMITMENTS:

- Waived Qualified Contract process for an additional 5 years
- Must set-aside at least 10% of the restricted units to house persons with disabilities

SET ASIDES:

- 70 units at 60% AMI
- 20 units at 50% AMI

UTILITIES:

Water & Sewer:	Tenant Paid
Electric:	Tenant Paid
Gas:	Tenant Paid
Trash:	Owner Paid

UTILITY ALLOWANCE: DCA

PBRA: None

NON-PROFIT: None

RESIDENT SERVICES REQUIREMENTS

4 monthly services from 3 categories:

1. Social and Recreational
2. On-Site Enrichment Classes
3. On-Site Health Classes
4. Other services as previously approved by DCA

Changes to any items/property details listed above must be filed for approval through a formal written request to DCA. Contact your assigned Pod for details and instructions.



DCA COMPLIANCE MONITORING

Important Information To Know

COMMUNICATING WITH YOUR DCA TEAM

POD A

POD A will be your main point of contact. The POD consists of 2 Compliance Officers and 1 Asset Manager.

You may contact your Pod team at OPMPODA@dca.ga.gov

COMPLIANCE OFFICERS – Henrietta Harmon and Imari Blackwell

- Inspection questions
- Casualty Losses
- Annual Owner Certifications
- Reporting
- Utility Allowances
- Resident Concerns
- Training

ASSET MANAGER – Tricia Manning

- Financial reporting
- Reserves
- Loan performance

GETTING STARTED WITH DCA

PLACED IN SERVICE OR CERTIFICATES OF OCCUPANCY

Placed in Service notifications must be submitted to DCA within 30 days of the 1st building being placed in service, as part of the final Construction submission. The form can be found on the DCA website. Email the completed form to complianceonboarding@dca.ga.gov.

8609s

Copies of all final 8609s, with both Part I and Part II completed must to be sent to complianceonboarding@dca.ga.gov no later than when they are sent to the IRS.

AFFIRMATIVE FAIR HOUSING MARKETING PLAN

Affirmative Fair Housing Marketing Plan must be submitted to DCA before lease-up. If the property consists of HUD subsidized units, a HUD approved plan is required. Email the plan to complianceonboarding@dca.ga.gov.

REPORTING VIA MITAS

Once your Placed In Service form is received by DCA, you will receive notification of your access information and password for MITAS. Tenant data must be initially entered into MITAS within 30 days of receiving access and updated by the 10th of each month thereafter.

RESIDENT NOTICE

Please visit our website to print the most up-to-date version of the Resident Notice. This Notice must be either (1) posted on your bulletin board, (2) included in the lease package, or (3) tacked to the residents' doors on an annual basis.

GEORGIA HOUSING SEARCH

All properties must advertise on www.georgiahousingsearch.com, and include property details (bedroom sizes, property type, etc.) and pictures.

DCA COMMUNICATIONS

Bookmark www.dca.ga.gov and remember to sign up for the Compliance Newsletter Blast. To sign up or to view archived Blasts, visit our "Updates" page of the Compliance Monitoring section of the DCA website. The Blast is published twice per month. This is our main source of communication regarding policy changes and updates.

INSPECTIONS

The first inspection for your property is determined by the funding source, as follows:

- HOME properties must be inspected within 12 months of the Completion Date. After the completion date, properties funded with HOME are inspected every three (3) years.*
- Housing Tax Credit properties must be inspected within 24 months of the first building being Placed in Service. Thereafter, inspections occur every three (3) years.

DCA will select a different set of units and files for the inspections, which will represent 20% of the units and a separate 20% of files.

****Always remember:*** When a property is funded by multiple sources, the program with the more restrictive requirements prevails.

***RISK-BASED SCORING**

DCA performs annual, risk-based scoring for each property. Criteria considered in this scoring include:

- Occupancy
- Physical maintenance
- File audits
- DCR/Cash Flow
- Reporting
- Responsiveness to DCA emails and inquiries

Properties that score above an “A” or “B,” will benefit by having fewer files and units inspected during the subsequent inspection.

- A: 10% and 10%
- B: 15% and 15%

Additionally, HOME properties with poor risk-based scoring results may convert to an annual inspection cycle.

REPORTING

Since most properties are funded by a federal source, reporting is a key requirement of the program. Below are the minimum reporting requirements:

1. Annual:
 - a. Annual Owner Certification (AOC)
 - b. Audited Financial Statements
2. Monthly:
 - a. Tenant transaction reporting by the 10th
3. Other:
 - a. Quarterly Financials
 - b. Casualty Loss

CHANGES TO THE DEAL

To make a change to a material component of the deal, you must receive DCA approval.

Examples of changes that require DCA approval are:

Type of Change	Form
Management Company	Change in Management Request
Utility Allowance Methodology	Utility Allowance Methodology Change Request
Ownership	Project Concept Change
Amenity	Project Concept Change

811

The Owner has committed to participating in the 811 program and must set aside no less than 10% of the restricted units to house persons with disabilities.

- The unit mix will typically include more 1-bedroom units than 2- or 3- bedroom units
- The contract must be fully executed prior to the beginning of Lease Up
- The contract is a 20-year contract with a 30-Year Use Agreement.
- The specific rental rates and allowable security deposit amounts are determined by HUD
- Program Training will be made available to you

Contact Ilona Nagy at ilona.nagy@dca.ga.gov for assistance or, for immediate concerns, call (470) 345-5186

RESOURCES

- DCA Manuals – located in the Compliance Monitoring section of the DCA website
- DCA Qualified Allocation Plan – located in the Housing Tax Credit Program of the DCA website
- Industry Resources
 - <https://www.novoco.com/>
 - www.hudexchange.info/
 - AJ Johnson – <https://www.ajjcs.net/>
 - Nan McKay & Associates, Inc. – www.nanmckay.com
 - Spectrum Enterprise – www.spectrumlihtc.com
 - National Council of State Housing Agencies - <https://www.ncsha.org/>
 - Southeastern Affordable Housing Management Assoc. – www.sahma.org/
 - National Association of Home Builders – https://elearning.nahb.org/replays?_ga=2.73828122.946815269.1580226398-1269197587.1552484221
 - Fair Housing – www.fairhousinginstitute.com/

This document serves as a reminder of important dates, documents, and resources used during the Compliance and Affordable period. Please consult with your Compliance Department, Accountants, Tax Consultant, and/or Attorney, to ensure compliance with the DCA affordable housing compliance monitoring period.



DCA Onboarding Documents Checklist		Georgia Senior Apartments (2020-001)		
All documents should be submitted to complianceonboarding@dca.ga.gov unless otherwise notated and must be electronically submitted by the timeframe indicated.				
REQUIRED EMAIL SUBJECT INFO: When submitting documents, the subject line must contain the following : GA ID#, Project Name and the Type of document(s) being submitted (i.e., PIS Form, 8609, Mitas Upload Spreadsheet, etc.).				
	Document	Due Date	Email Address/Website Link	Already submitted to DCA? (if no, please submit by the due date)
<input checked="" type="checkbox"/>	1 RAC Worksheets for HUD 811 Contracting Process	Must be submitted to Ilona Nagy at ilona.nagy@dca.ga.gov within 60 days of lease-up.	ilona.nagy@dca.ga.gov	YES
<input type="checkbox"/>	2 Affirmative Fair Housing Marketing Plan	Must be submitted to DCA before lease-up and no later than within 30 days of the first building being placed in service.	complianceonboarding@dca.ga.gov	NO
<input type="checkbox"/>	3 Placed In Service Form - The form can be found on the Compliance Monitoring section of the DCA website. The link to the website is https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/compliance-monitoring	Must be submitted to DCA within 30 days of the first building being placed in service, as part of the final construction submission.	https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/compliance-monitoring	NO
<input type="checkbox"/>	4 List of HOME Units (For HOME funded properties only)	Must be submitted to DCA as part of the Placed In Service form submission	https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/compliance-monitoring	NA
<input checked="" type="checkbox"/>	5 Mitas Upload Spreadsheet - The spreadsheet can be found on the Compliance Monitoring section of the DCA website. The link to the website is https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/compliance-monitoring	Must be submitted to mitas@dca.ga.gov at least 30 days before lease-up.	https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/compliance-monitoring mitas@dca.ga.gov	YES
<input type="checkbox"/>	6 Average Income Internal Compliance Monitoring Policies and Procedures (only for properties with the Average Income election)	Must be submitted to DCA following the 8609 election for average income and prior to the first unit being leased.	complianceonboarding@dca.ga.gov	NA
<input type="checkbox"/>	7 8609 Parts I and II - Copies of completed and signed Parts I and II of the 8609.	Must be submitted to DCA no later than when they are sent to the IRS.	complianceonboarding@dca.ga.gov	NO

The Georgia Department of Community Affairs is committed to providing all persons with equal access to its services, programs, activities, education and employment regardless of race, color, national origin, religion, age, sex, familial status, marital status, or disability.