a disability requires an accommodation such as a modification to a DCA policy, DCA will provide such accommodation unless doing so would result in a fundamental alteration in the nature of the program or an undue financial and administrative burden. In such a case, DCA may recommend another accommodation that would not result in a financial or administrative burden.

K. ***Housing Rights for Victims of Domestic Violence, Dating Violence, Sexual Assault, and Stalking.*** An applicant for or tenant of housing assisted under a Georgia Housing Tax Credit or HOME Loan Program (hereafter referred to as a "covered housing program") may not be denied admission to, denied assistance under, terminated from participation in, or evicted from the housing on the basis that the applicant or tenant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, if the applicant or tenant otherwise qualifies for admission, assistance, participation, or occupancy. An incident of domestic violence, dating violence, sexual assault, or stalking shall not be considered a lease violation by the victim, nor shall it be considered good cause for an eviction.

If a tenant who is a victim requests an early lease termination, lease bifurcation from the abuser, or transfer to another unit because she/he is in danger, a covered housing program shall make every effort to comply with the request and shall not penalize the tenant. Each owner/manager of a covered housing program shall have an emergency transfer policy for victims seeking safety, which incorporates reasonable confidentiality measures to ensure that the owner or manager does not disclose the location of the dwelling unit of a tenant to a person that commits an act of violence or stalking against the tenant. An owner, manager, or landlord may request documentation from a victim before these protections are triggered. Any one of the following shall be considered adequate documentation: an affidavit signed by the victim under penalty of perjury; an affidavit or letter signed by a domestic violence service provider, attorney, or medical/mental health professional who assisted the victim; or a court or administrative record. This submission shall be confidential.

L. Screening Criteria

Although a criminal record is not a protected characteristic under the Fair Housing Act, criminal history-based restrictions on housing opportunities violate the Act if, without justification, their burden falls more often on renters or other housing market participants of one race or national origin over another. **All properties funded under Georgia multifamily affordable housing programs must have a clearly defined screening policy that establishes criteria for renting to prospective tenants that is not a violation of the Fair Housing Act.** This criterion includes reasonable and non-discriminatory policies around applicant income, employment requirements, and background checks. On April 4, 2016, HUD issued new regulations with regards to criminal background checks. Each property's screening policy should at a minimum, include the following:

Arrests records are not a valid reason to deny an applicant housing.

42 tax credit housing. A manager who has received, or will receive within 90 days, adequate program-specific training from experts recognized within the industry, is required for all developments. The Association reserves the right to accept any alternate system of controls and procedures that will provide a reasonable assurance relative to management capacity.

Any change in the management agent subsequent to reservation and throughout the extended use period must be approved in writing by the Association. Failure to secure such approval may result in forfeiture of the tax credit. The proposed management plan should include, but is not limited to, the following:

- On-site manager(s), if applicable;
- Evidence of successful completion of Section 42 Low-Income Housing Tax Credit training by on-site managers;
- Resident-Management relations;
- Owner-Management company arrangements;
- Maintenance personnel and procedures;
- Model units;
- Leasing agents;
- Units designated for staff;
- Social Services Programs, if applicable;
- Rent collection procedures & policies;
- House Rules;
- Copy of Affirmative Fair Housing Marketing Plan;
  - ✓Provision for staff training;
  - ✓Advertising; and
  - ✓ADA concerns.
- Termination of lease and eviction procedures;
- Written procedures for tenant eligibility screening;
- Copy of residential lease forms and applications proposed to be utilized for the development. Lease forms must contain Violence Against Women Act ("VAWA") protection provisions;
- Copy of tenant income certification form for determining resident eligibility; and
- Oversight and Compliance Agreement (if applicable or required by the syndication company).

advance notice to the Ownership Entity is not necessary for purposes of the inspection provisions set forth in the Treasury Regulations governing Section 42. The owner certifications and reviews of compliance reports shall be made annually. The physical inspection and tenant file reviews shall be made once every three years covering the Compliance Period under IRC Section 42(i)(1). IFA may require that certifications, reviews and inspections be made more frequently, provided that all months within each 12-month period are subject to certification. The reviews, audits and inspections shall continue through the length of the Extended Use Period.

9.14.4 Notice of Noncompliance. IFA will provide prompt written notice to the Ownership Entity of a Project if found to be out of compliance. The notice will describe the events of noncompliance and advise the Ownership Entity of the Tax Credit Project of the time period to correct the events of noncompliance.

9.14.5 Correction Period. The correction period shall not exceed 90 days from the date the notice of noncompliance is sent to the Ownership Entity. IFA may extend the correction period for up to six months, but only if IFA determines there is good cause for granting the extension. During the 90-day time period, or an extension thereof, the Ownership Entity shall supply any missing certifications and bring the Project into compliance with the provisions of IRC Section 42.

9.14.6 Notice to Internal Revenue Service. IFA will send a written notice to the Internal Revenue Service along with an IRS Form 8823 in the event of a finding of noncompliance by an Ownership Entity. Copies of the IRS Form 8823 and the Internal Revenue Service notice will be forwarded to the Ownership Entity.

9.14.7 Reserved.

9.14.8 Delegation of Monitoring. IFA may retain an agent or other private contractor (the "authorized delegate") to perform compliance monitoring. The authorized delegate shall be unrelated to the Ownership Entity of any building that the authorized delegate monitors.

9.14.9 Liability. Compliance with the requirements of IRC Section 42 is the responsibility of the Ownership Entity of the Project for which the Tax Credits are allowable. IFA's obligation to monitor for compliance with the requirements of IRC Section 42 shall not make IFA liable for an Ownership Entity’s noncompliance.

9.14.10 Violence Against Women Act (VAWA). Title VI of the 2013 VAWA Act, Safe Homes for Victims of Domestic Violence, Dating Violence, Sexual Assault, and Stalking, expanded the applicability of the ACT to the LIHTC program. VAWA protects both child and adult victims of domestic violence, dating violence, sexual assault and stalking. All LIHTC Owners and managers shall comply with the requirements of this Act and shall use HUD 91066, Certification of Domestic Violence, Dating Violence or Stalking and HUD 91067, Lease Addendum.

Period, if applicable, under IRC Section 42(i)(1). IFA may require that certifications, reviews and inspections be made more frequently, provided that all months within each 12-month period are subject to certification. The reviews, audits and inspections shall continue through the length of the Extended Use Period.

5.14.4 Notice of Noncompliance. IFA will provide prompt written notice to the Ownership Entity of a Project if found to be out of compliance. The notice will describe the events of noncompliance and advise the Ownership Entity of the Project of the time period to correct the events of noncompliance.

5.14.5 Correction Period. The correction period shall not exceed 90 days from the date the notice of noncompliance is sent to the Ownership Entity. IFA may extend the correction period for up to six months, but only if IFA determines there is good cause for granting the extension. During the 90-day time period, or an extension thereof, the Ownership Entity shall supply any missing certifications and bring the Project into compliance with the provisions of IRC Section 42.

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5.14.9 Liability. Compliance with the requirements of IRC Section 42 is the responsibility of the Ownership Entity of the building for which the Tax Credits are allowable. IFA's obligation to monitor for compliance with the requirements of IRC Section 42 shall not make IFA liable for an Ownership Entity’s noncompliance.

5.14.10 Violence Against Women Act (VAWA). Title VI of the 2013 VAWA Act, Safe Homes for Victims of Domestic Violence, Dating Violence, Sexual Assault, and Stalking, expanded the applicability of the ACT to Low Income Housing Tax Credit program. VAWA protects both child and adult victims of domestic violence, dating violence, sexual assault and stalking. All LIHTC owners and managers shall comply with the requirements of this Act and shall use HUD 91066, Certification of Domestic Violence, Dating Violence or Stalking and HUD 91067, Lease Addendum.

If the use of the sub-ranking score does not break a tie, the project requesting the lower amount of tax credits will be allocated credits in advance of other projects requesting higher amounts of credits. In the event that there are remaining tied projects requesting the same amount of tax credits, preference will be given to the project with the earliest application submittal.

8. Reservations Pursuant to Qualified Allocation Plan and Federal Regulations: The Corporation reserves the right to make, revise, rescind or withdraw any reservations according to the 2017 Qualified Allocation Plan and in accordance with published federal regulations, rulings, guidelines and notices.

9. Waiting List: All unfunded applications meeting minimum threshold will be placed in statewide rank order on the Corporation's approved waiting list for further Credit reservations as Credits become available in calendar year 2017. Any Credits returned in calendar year 2017 in accordance with the provision of Section 42(h)(3)(C)(iii) from a prior year allocation will be available to projects on the basis of their state wide rank order. The 2017 waiting list shall remain active until either the next funding cycle, next QAP is drafted and approved or at such time the Board deems the waiting list not in effect.

10. Corporation Credit Allocation: Notwithstanding any contrary statement or representation by the LHC, or any contrary understanding or belief by the applicant, no decision of the Corporation regarding the allocation of Credits shall be final until the applicant receives an IRS Form 8609 properly issued by the Corporation. Prior to the receipt of the IRS Form 8609 the Corporation may, in its discretion and at any time prior to the applicant's receipt of an IRS Form 8609, rescind or modify any allocation of Credit, if the Taxpayer or a Partner/Member of the Taxpayer has undertaken any action which is not consistent with the clear language of the QAP from which the Credit was allocated. The Forms 8609 will not be issued if the Taxpayer or a Partner/Member of the Taxpayer has been found to be noncompliant with any provision of federal, state, or local law or regulation (including the terms of the pertinent QAP).

11. Binding Arbitration: Any and all disputes concerning, but not limited to any process, reservation, requirement, recapture procedure or other that evolves under this QAP or funding rounds or initiatives, will be resolved via binding arbitration at the expense of the developer.

12. During the competitive process and funding rounds, individuals, entities, developers and their staff are prohibited from having any contact with LHC staff as well as LHC Board members regarding the competitive funding round. Any questions should be directed to qapcomments@lhc.la.gov. These restrictions will remain in effect until the contract(s)or applicants have been awarded and the protest period has past.

13. Housing Rights for Victims of Domestic Violence, Dating Violence, Sexual Assault, and Stalking: An applicant for or tenant of housing assisted under the LIHTC Program (referred to is this section as a "covered housing program") may not be denied admission to, denied assistance under, terminated from participation in, or evicted from the housing on the basis that the applicant or tenant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, if the applicant or tenant otherwise qualifies for admission, assistance, participation, or occupancy.

An incident of domestic violence, dating violence, sexual assault, stalking shall not be considered a lease violation by the victim, nor shall it be considered good cause for an eviction.

If a tenant who is a victim requests an early lease termination, lease bifurcation from the abuser, or transfer to another unit because she/he is in danger, a covered housing program shall make every effort to comply with the request and shall not penalize the tenant. Each owner/manager of a covered housing program shall have an emergency transfer policy for victims seeking safety, which incorporates reasonable confidentiality measures to ensure that the owner or manager does not disclose the location of the dwelling unit of a tenant to a person that commits an act of violence or stalking against the tenant. An owner, manager, or landlord may request documentation from a victim before these protections are triggered. Any one of the following shall be considered adequate documentation: an affidavit signed by the victim under penalty of perjury; an affidavit or letter signed by a domestic violence service provider, attorney, or medical/mental health professional who assisted the victim; or a court or administrative record. The submission shall be confidential. Refer to the Violence Against Women Reauthorization Act of 2013 for further information.

THE FINAL RANK ORDER OF AN APPLICATION DOES NOT CONSTITUTE ANY ENTITLEMENT TO A RESERVATION OF TAX CREDITS IF A PROJECT IS OTHERWISE NOT FEASIBLE OR NOT VIABLE OR FAILS TO SATISFY OTHER REQUIREMENTS UNDER THE QAP.

B. Tax- Exempt Bond Financing and 4 Percent Housing Credit

Credit for building financed by tax-exempt bonds subject to volume cap will be determined per Section 42(h)(4). If 50 percent or more of a project's aggregate basis of building and land are financed with tax exempt bonds, the project may receive a maximum 30 percent present value credit calculated against the project's qualified basis without causing a reduction in the state's annual credit authority. Applicants requesting to finance projects with tax-exempt bonds must complete a separate application and will be scored separately.

Applicants desiring to verify that a bond financed project satisfies QAP requirements, must submit the application and all documents electronically along with the non-refundable Application and analysis fees (and the Subsidy Layering Review Fee, if applicable) computed in accordance with the Non-Refundable Fee Schedule specified within this section and must be received prior to completing any review. Projects receiving an award of 4% LIHTCs will be subject to a 5% award fee at the time of the award.

Applications for bond-financed developments may be submitted at any time during the year. It is recommended any bond financed projects be submitted to the Corporation 45 days in advance of the meeting at which such project will be subject to approval by the Corporation's Board of Directors in accordance with the latest approved QAP.

While an award of 4% Credits is not competitive, LHC will verify that all projects have the appropriate development team in place, meet all threshold requirements, and meet LHC's underwriting requirements. LHC reserves the right to reject any application that fails to meet an appropriate level of quality in these areas. LHC is the final judge of eligibility for the amount LIHTC awarded to all tax-exempt bond financed developments. The deadlines indicated in the program calendar do not apply.

Cost.

SSS. "Total Development Cost Per Unit" means the quotient of the Total Development Cost divided by the total number of all units in the Project. A resident manager's unit that is not included in the Applicable Fraction will not be included in the total number of units for purposes of calculating the Total Development Cost Per Unit.

TTT. "UPCS" means the Uniform Physical Conditions Standards established by HUD pursuant to 24 CFR § 5.703, as may be amended.

UUU. "VAWA" means Title VI of the Violence Against Women Reauthorization Act of 2013, 42 USC Chapter 136, Subchapter III, Part M, and all associated regulations and guidance, as may be amended.

VVV. "Very Low Income" means income that is at or below 50% of the area median income as determined in accordance with Section 42(g) of the Code.

SECTION 2: HOUSING NEEDS AND PRIORITIES

A. **Consolidated Plan**. MaineHousing annually completes a statewide needs assessment as part of the Consolidated Plan. Based on that annual needs assessment, MaineHousing determines priorities in its housing delivery programs. MaineHousing will allocate Credit resources in a manner consistent with the needs assessment and priorities approved through the Consolidated Plan. The following needs are identified:

1. Increase the supply of affordable rental housing in the State;

2. Improve the quality of rental housing in the State;

3. Preserve and improve the quality of existing housing in the State; and

4. Help people in the State to attain housing stability.

B. **Housing Priorities**. In consideration of the housing needs identified above, MaineHousing has established the following housing priorities for allocation of the Credit:

1. Efficient use of the Credit and other MaineHousing resources, including Projects with the lowest Total Development Cost, to maximize the development of affordable rental housing in the State;

2. Increase the supply of affordable housing in the State, including housing for households with the lowest incomes;

households in units subject to the lower income targeting requirements (e.g. in LIHTC Project in which 100% of the units are Credit-eligible with 60% AMI, 50% AMI, 40% AMI and 30% AMI units, annual income certifications are required for the 50% AMI, 40% AMI and 30% AMI units). For a LIHTC Project financed or assisted under State or federal programs that require annual income certifications, the Owner must provide annual income certifications for each household occupying a Credit-eligible unit in the LIHTC Project.

For a LIHTC Project in which 100% of the units are Credit-eligible units, MaineHousing will allow a self-certification from each household for which an annual income certification is required under this subsection, except a third party verification of the household's income shall be required every 6 years during the affordability period, commencing on the date on which the first Qualified Building in the LIHTC Project is Placed in Service, and otherwise upon request by MaineHousing. The self-certification shall be in writing, shall indicate the size of the household and annual household income, shall include a certification from the household that the information is complete and accurate, shall indicate that third-party source documentation will be provided upon request by the Owner or MaineHousing and shall be witnessed.

9. The Eligible Basis and Qualified Basis of each Qualified Building at the end of the first year of the Credit Period.

10. The character and use of the nonresidential portion of a Qualified Building included in the Qualified Building's Eligible Basis (for example, tenant facilities that are available on a comparable basis to all tenants and for which no separate fee is charged for use of the facilities or facilities reasonably required by the LIHTC Project).

11. A determination of the student status of the resident household.

12. The tenant occupancy policies and procedures and lease in form and content acceptable to MaineHousing that comply with all applicable federal, State and local laws, including without limitation, Section 42 of the Code, federal and State fair housing and accessibility laws and VAWA, and all associated regulations and guidance.

13. All other disclosures to tenants, certifications and other records required by applicable local, State and federal laws and associated regulations and guidance.

These records shall be maintained for each Qualified Building throughout the Extended Use Period. These records shall be retained for at least 6 years

p. Compliance with VAWA, including without limitation, no applicant for tenancy or tenant was denied admission to or assistance under, terminated from participation in or evicted from the housing on the basis of being a victim of domestic violence, dating violence, sexual assault or stalking and no person was denied assistance, tenancy or occupancy rights to housing on the basis of criminal activity directly relating to domestic violence, dating violence, sexual assault or stalking engaged in by a member of the household of the tenant or any guest or other person under the control of the tenant, if the tenant or any affiliated person of the tenant is a victim or threatened victim of such domestic violence, dating violence, sexual assault or stalking pursuant to VAWA.

q. If the Owner received its Credit allocation from a portion of the State Ceiling set-aside for a LIHTC Project involving a Qualified Nonprofit Organization under Section 42(h)(5) of the Code, then a Qualified Nonprofit Organization materially participated in the operation of the LIHTC Project within the meaning of Section 469(h) of the Code; and

r. There has been no change in the ownership or management of the LIHTC Project.

2. Annually throughout the Extended Use Period, Owners must submit to MaineHousing certain information and data about the tenants in Credit-eligible units in each Qualified Building required by Section 42 of the Code for the prior calendar year, including household income; monthly rental payments; family composition; use of rental assistance under Section 8 and other similar assistance; the race, ethnicity, age and disability status of the members of the households; and all other occupancy information required by MaineHousing. The information and data shall be submitted to MaineHousing electronically and in the format required by MaineHousing to transmit data to HUD.

3. MaineHousing will review the tenant files of at least 20% of the Credit-eligible units in each LIHTC Project at least once every 3 years. For new LIHTC Projects Placed in Service, MaineHousing will complete a review of tenant records of 20% of the low income units at the LIHTC Project within 2 years following the year the last Qualified Building is Placed in Service. The tenant records to be reviewed will be selected randomly by MaineHousing. Notice of project selection, as well as the required timeframe for submission of details, will be provided by MaineHousing to the Owner in writing.

the maximum net developer fee allowed under the plan is capped at $750,000; (4) applying the project-based rental assistance scoring criteria to low-income units rather than all units in the project and establishing a minimum number of assisted units (not less than 4 units) that is required to qualify for points under the criteria to discourage developers from pledging one or two units of project-based rental assistance; (5) clarifying the resident service coordination requirement to reflect the current practice of requiring one hour for every five low-income units in the project and being more flexible about the number of days the resident service coordinator should be on site based on the needs of the tenant population; (6) defining the term "affordable housing" to clarify what is intended when the term is used throughout the selection criteria; (7) requiring the entity that will be the owner of the project to be legally formed at the time of application to avoid assignment of site control documents and funding commitments during the development; there is little cost associated with forming the owner and most applicants have been doing it before application; (8) requiring projects to comply with the applicable requirements of the Violence Against Women Act which was expanded to cover the federal Low Income Housing Tax Credit Program; (9) updating the housing priorities under the plan to reflect the priorities in the current consolidated plan; (10) clarifying that projects involving the gut rehabilitation of existing housing that has become functionally obsolete will be treated as adaptive reuse for purposes of the TDC cap, benchmark and scoring criteria; (11) clarifying that any land financed under any MaineHousing program, such as the Land Acquisition Program, and donated or transferred to an applicant for less than fair market value will not be eligible for points under the acquisition cost scoring criteria; and (12) other minor changes, clarifications, grammatical changes and formatting improvements.

FISCAL IMPACT OF THE RULE: The 2017 State ceiling of low-income housing tax credits is projected to raise approximately $29,500,000 of private investor capital. The private investor capital generated by the low-income housing tax credits will be used to develop affordable housing for low-income persons. The rule will not impose any costs on municipalities or counties for implementation or compliance.

EFFECTIVE DATE:

5. Mixed Income Development
6. Rural Set-Aside

The QAP has a heavy emphasis on location because strong locations that are proximate to a large amount of amenities can have significant benefits for residents. Among these benefits are the potential for enhanced quality of life, proximity to employment, and reduced transportation costs associated with living in walkable areas. Residents desire to live and work in locations where there is a high quality of life and where there are a multitude of opportunities to continue to better their current situation. Residents that are in need of affordable housing are no different in what they desire and affordable housing should be no different in what it offers them. It is for these reasons that the QAP intentionally focuses on areas of opportunity.

Additionally, On March 7, 2013, the Violence Against Women Reauthorization Act (VAWA) of 2013 was signed into law. The reauthorization contained several updates to the housing provisions including a number of legal obligations for owners and managers of rental properties funded by LIHTC. The Authority is committed to working closely with property owners to ensure onsite compliance and enforcement when necessary.

B. TIEBREAKERS

If, after evaluating projects based on the Scoring Criteria, two projects have identical scores, MSHDA will select between them according to this order of priority: lowest actual amount of credit per unit; highest actual Walk Score.

C. RE-EVALUATION PROCESS

Following completion of a competitive funding round, if an applicant believes there was an error made during the review process or that an application was not evaluated correctly, an applicant may contact MSHDA to have a specific portion of the application that was submitted re-evaluated. Any such request must be made to MSHDA in writing within 7 days following conclusion of a funding round. For purposes of this re-evaluation, MSHDA will not consider any additional documentation that was not provided with the application, but may consider information provided by an applicant intended to clarify portions of the application. MSHDA, in its sole discretion, will determine whether or not the re-evaluation of an application submission should warrant an award of LIHTC.

Subject to the requirements of Section 42 of the Code, the Restrictive Covenants and the Applicable QAP any other applicable restrictions, the Owner may sell, transfer or exchange the entire Project at any time. No portion of a building to which the Restrictive Covenants apply may be sold to any person unless all of such building is sold to such person. Prior to such sale, transfer or exchange, however, the Owner must notify in writing and obtain the written agreement of any buyer, successor or other person acquiring the Project or any interest therein that such acquisition is subject to the requirements of the Restrictive Covenants, the requirements of Section 42 of the Code and applicable Regulations, and the Applicable QAP. Such written agreement of the buyer, successor or other person acquiring the Project must be in the form required by MBOH, which agreement form is available on the MBOH website. Such form, executed by the buyer, successor or other person acquiring the Project must be submitted to MBOH prior to closing of the sale, transfer or exchange. The Board may void any sale, transfer or exchange of the Project if the buyer, successor or other person fails to assume in writing the requirements of this Agreement and the requirements of Section 42 of the Code.

Education Requirements

Persons responsible for qualifying tenants and verifying compliance (involved in tenant qualification and compliance) must be certified in LIHTC compliance by one of the Nationally-Recognized LIHTC Compliance Training Companies. Property managers and property Management Company personnel must complete a Nationally-Recognized LIHTC Compliance Training Company certification course, passing the test. For MBOH purposes, to maintain certification, the person must attend a class with a Nationally-Recognized LIHTC Compliance Training Company at least once every four years. For each of the other three years, all property managers and property Management Company personnel should attend annual MBOH compliance training. The property Management Company and site manager for an HC property must be trained and certified before the property is Placed in Service. New site managers hired for existing HC properties must be certified within their first year of employment. New property management companies hired for existing properties must be certified before they assume management of a property. On a case-by-case basis, MBOH may approve its compliance training as adequate training until such time as the next Nationally-Recognized LIHTC Compliance Training Company program is available. Training requirements must be met to maintain Qualified Management Company status.

Persons responsible for qualifying tenants and verifying compliance (involved in tenant qualification and compliance) must also attend Fair Housing training at least once every four years. The manager for a HC property must complete such training before the property is Placed in Service. New managers hired for existing HC properties must complete the training within their first year of employment.

Such Fair Housing training must include and cover the following subjects and requirements:

- Protected Classes;
- Accessibility requirements;
- Reasonable accommodation/modification;
- Applicant screening;
- Disparate impact;
- Domestic violence issues;
- Occupancy standards;
- Section 504; and
- Service Animals.

(g) Development status reports, in form and frequency as specified by NIFA, outlining the progress toward completion of the development or satisfaction of all requirements necessary to receive a Carryover Allocation Agreement or a final allocation of LIHTCs and AHTCs. The Quarterly Progress Report attached hereto as Exhibit B shall be used to submit such reports to NIFA by the 5th day following the end of each calendar quarter. Information requested by NIFA may include such items as zoning approvals, construction progress reports, site control documentation and cost analysis updates.

(h) If the owner of the proposed development intends to claim Historic Rehabilitation Tax Credits, NIFA will require evidence from the State Historic Preservation Office (SHPO) of the United States Department of the Interior National Park Service Part I approval of the historic rehabilitation of the development, if not previously submitted with the LIHTC Application.

(i) Exhibit 111.

(j) Each development owner must certify that the development will be in compliance with the Violence Against Women's Act, to include ensuring prospective applicants and tenants are provided with the Notice of Occupancy Rights Under the Violence Against Women Act.

(k) Any other documentation required by NIFA.

NOTE: Failure to submit the above requirements, and/or other conditions imposed by NIFA, by the required deadline, will result in late fees and could result in the revocation of the development's Conditional Reservation of LIHTCs and AHTCs. Extensions may be requested as set forth in Section 2.7.

12. REVOCATION.

NIFA may revoke a Future Binding Commitment, Conditional Reservation, Firm Commitment or LIHTC and AHTC allocation made to a developer/owner for any development. Revocation may occur at NIFA's sole discretion due to actions taken by the development's owner without NIFA's prior written approval, from the time of a Future Binding Commitment, Conditional Reservation, or Firm Commitment is issued and up to the placed-in-service date of the development, for any of the following reasons:

(a) Site change;

(b) Change in ownership—a change in the parties involved in the ownership entity (e.g., addition of a third party or removal of an individual/entity listed as part of the development ownership submitted in the LIHTC Application);

(c) Change in unit design, square footage, unit mix, number of units, number of residential buildings, etc.;

(d) Instances of curable non-compliance issues beyond the specified cure period on an applicant's existing LIHTC developments in any state; or

Applicants who have been convicted of, entered an agreement for immunity from prosecution for or pleaded guilty (including a plea of no contest) to a crime of dishonesty, moral turpitude, fraud, bribery, payments of illegal gratuities, perjury, false statement, racketeering, blackmail, extortion, falsification or destruction of records are ineligible to apply for LIHTCs and AHTCs. Applicants who have been barred from any other NIFA program, other state LIHTC programs or any federal programs are also ineligible to apply for LIHTCs and AHTCs. Applicants having an identity of interest with any barred entity may also not be eligible to apply for LIHTCs and AHTCs at the sole discretion of NIFA. Furthermore, NIFA reserves the right to amend or modify any of the program instructions or procedures contained within the QAP and LIHTC Application and may exercise such right at any time and without liability to any applicant or other party for their expenses incurred in the preparation of a LIHTC Application or otherwise.

As resource availability, project size, LIHTC and AHTC pricing and other circumstances warrant and to comply with the AHTC Act, NIFA reserves the right to make a disproportionate allocation of AHTC (when compared to the LIHTC award) or reduce such allocation of AHTC for a specific development at any time in the application and development process.

17. COMPLIANCE MONITORING.

During the 15-year Compliance Period as set forth in the Land Use Restriction Agreement (the "LURA"), NIFA, as part of this QAP, is required to adopt and adhere to compliance monitoring procedures which will: (i) monitor developments for noncompliance and (ii) notify the IRS of any noncompliance of which NIFA becomes aware of in accordance with Section 42(m) of the Code, Treasury Regulation §1.42-5 and any other applicable regulations. All development owners must enter into a LURA with NIFA, binding all parties to comply with Section 42 of the Code, Treasury Regulation §1.42-5 and any other applicable regulations, such as the Violence Against Women Act of 2013. Pursuant to the LURA, development owners (or the management agents thereof) are required to attend, on an annual basis, a compliance seminar sponsored by NIFA. In addition, development owners with items of noncompliance that have not been corrected in a timely fashion may be required to provide quarterly compliance reports to NIFA and may, in NIFA's sole discretion, be ineligible to receive future allocations of LIHTCs.

The following procedures outline NIFA's plans for compliance monitoring by development owners. Such procedures, together with the covenants and representations contained in the LURA (which form of LURA is part of the 2017 QAP) shall constitute the procedures for compliance monitoring by NIFA. (Capitalized terms used below and not otherwise defined shall have the meanings as set forth in the LURA).

17.1 TENANT INCOME CERTIFICATIONS.

Development owners shall maintain a file for each Qualified Tenant residing in the development (which shall be updated during each year of unit occupancy by the development owner). Each tenant file shall contain a copy of the rent record and a copy of such tenant's executed Application and Tenant Income Certification (a form of which is attached to the LURA) as well as supporting documentation, which is subject to independent investigation and verification by NIFA. Each tenant file shall be submitted to NIFA as set forth below or in such other form and manner as may be required by the applicable rules, regulations or policies now or hereafter promulgated by the Department of the Treasury or the IRS.

(b) A Phase I Environmental Site Assessment prepared by an unrelated third party professional. For developments for which rehabilitation will be performed, such report must include an assessment of the risks relating to environmental conditions including but not limited to lead-based paint, asbestos and radon.

(c) Each development owner must agree to provide complete annual operating data and federal income tax returns to NIFA on a timely basis.

(d) A Fair Housing Certification in the form attached hereto as Exhibit A signed by the development's Architect evidencing that, when constructed in accordance with the plans and specifications, the development will be in compliance with the design and construction requirements set forth in the Fair Housing Act and Americans with Disabilities Act.

(e) Development status reports, in form and frequency as specified by NIFA, outlining the progress toward completion of the development. The Quarterly Progress Report attached hereto as Exhibit B shall be used to submit such reports to NIFA by the 5th day following the end of each calendar quarter. Information requested by NIFA may include such items as zoning approvals, construction progress reports, site control documentation and cost analysis updates.

(f) If the owner of the proposed development intends to claim Historic Rehabilitation Tax Credits, NIFA will require evidence from the State Historic Preservation Office (SHPO) of the United States Department of the Interior National Park Service Part I approval of the historic rehabilitation of the development, if not previously submitted with the LIHTC Application.

(g) Each development owner must certify that the development will be in compliance with the Violence Against Women's Act, to include ensuring prospective applicants and tenants are provided with the Notice of Occupancy Rights Under the Violence Against Women Act.

(h) Any other documentation required by NIFA.

(i) Election of Applicable Percentage.

(j) Designation of Placed-In Service Date as effective date of Gross Rent.

NOTE: Failure to submit the above requirements, and/or other conditions imposed by NIFA, by the required deadline, will result in late fees and could result in the revocation of the development's 42(m) Letter of LIHTCs. Extensions may be requested as set forth in Section 2.14.

5. LIHTC REVOCATION.

NIFA may revoke 42(m) Letter LIHTC allocation made to a developer/owner for any development. Revocation may occur at NIFA's sole discretion due to actions taken by the development's owner without NIFA's prior written approval, from the time of 42(m) Letter is issued and up to the placed-in-service date of the development, for any of the following reasons:

limited second mortgage financing to enable such developments to take advantages of LIHTC available in connection with the issuance by NIFA of tax-exempt bonds. The owners of developments receiving secondary NIFA financing will be required to execute a Land Use Restriction Agreement ("LURA") which will be recorded as a restriction binding on any successor in title to the owner (through assignment, foreclosure or an instrument in lieu of foreclosure) to agree to repay or assume the outstanding balance of such secondary financing indebtedness to NIFA as a condition to an agreement by NIFA to execute a new LURA (a new LURA is necessary for the successor in title to claim any LIHTCs remaining in connection with the development).

All information submitted to NIFA will, to the extent permitted by law, be kept confidential and will not be available to any other applicant or third party. Applicants will be given their scoring results upon request and may receive the total scoring results of the other developments on an anonymous basis.

Applicants who have been convicted of, entered an agreement for immunity from prosecution for or pleaded guilty (including a plea of no contest) to a crime of dishonesty, moral turpitude, fraud, bribery, payments of illegal gratuities, perjury, false statement, racketeering, blackmail, extortion, falsification or destruction of records are ineligible to apply for LIHTCs. Applicants who have been barred from any other NIFA program, other state LIHTC programs or any federal programs are also ineligible to apply for LIHTCs. Applicants having an identity of interest with any barred entity may also not be eligible to apply for LIHTCs at the sole discretion of NIFA. Furthermore, NIFA reserves the right to amend or modify any of the program instructions or procedures contained within the QAP and LIHTC Application and may exercise such right at any time and without liability to any applicant or other party for their expenses incurred in the preparation of a LIHTC Application or otherwise.

9. LIHTC COMPLIANCE MONITORING.

During the 15-year Compliance Period as set forth in the Land Use Restriction Agreement (the "LURA"), NIFA, as part of this QAP, is required to adopt and adhere to compliance monitoring procedures which will: (i) monitor developments for noncompliance and (ii) notify the IRS of any noncompliance of which NIFA becomes aware of in accordance with Section 42(m) of the Code, Treasury Regulation §1.42-5 and any other applicable regulations. All development owners must enter into a LURA with NIFA, binding all parties to comply with Section 42 of the Code, Treasury Regulation §1.42-5 and any other applicable regulations, such as the Violence Against Women Act of 2013. Pursuant to the LURA, development owners (or the management agents thereof) are required to attend, on an annual basis, a compliance seminar sponsored by NIFA. In addition, development owners with items of noncompliance that have not been corrected in a timely fashion may be required to provide quarterly compliance reports to NIFA and may, in NIFA's sole discretion, be ineligible to receive future allocations of LIHTCs.

The following procedures outline NIFA's plans for compliance monitoring by development owners. Such procedures, together with the covenants and representations contained in the LURA (which form of LURA is part of the 2017 QAP) shall constitute the procedures for compliance monitoring by NIFA. (Capitalized terms used below and not otherwise defined shall have the meanings as set forth in the LURA).

(7) NDHFA will charge each property an annual fee to carry out the required monitoring. The fee is currently set at $50 per property, plus $35 per low-income unit. Properties with multiple buildings located in different towns (scattered sites properties) will be assessed a $50 per building fee, plus $35 per low-income unit. (Multiple buildings within the same town will be subject to a single $50 fee for all buildings in that town. Normal per unit fees will apply.) NDHFA reserves the right to adjust the annual fee. Additional fees may be assessed to a property determined to be in substantial noncompliance, to cover added costs of monitoring.

(8) Approximately 120 days before placing a project in service, a meeting to include the owner; individual(s) responsible for processing tenant income certifications and/or approving tenant files or management company; NDHFA compliance and development staff; and other providers of project funding which impose income or other restrictions on the property must be requested by the owner. The purpose of the meeting is to ensure all parties are aware of all applicable restrictions before lease up begins.

(9) Prior to issuance of the IRS Form 8609, which certifies an allocation of Credits, the owner and on-site managers will be required to attend or document that they have recently attended industry recognized training on management and compliance. In addition, if significant or repeated noncompliance events are discovered during the on-going compliance monitoring activities, further follow-up training will be required.

K. **Restriction:** No one project will be eligible to receive Conditional Reservations for more than an aggregate 25 percent of the NDHFA annual per capita allocation.

An exception to this limitation will be made to ensure maximum distribution of the tax credits:

(1) If during the regular allocation cycles, the only requests remaining are from applicants that have reached the 25 percent limit, or

(2) If, after the regular cycles, there are recaptured or unallocated tax credits, they may be allocated without regard to the 25 percent limitation.

L. **Discrimination:** All housing receiving tax credits must be open to all persons regardless of race, color, national origin, religion, creed, sex, disability, or familial status.

M. **ADA and 504:** Properties containing facilities that are available to the general public must meet the Americans with Disabilities Act (ADA) requirements and, if federal assistance is involved, must also comply with Section 504 of the Rehabilitation Act of 1973. The property must also comply with the Fair Housing Amendments Act of 1988.

N. **VAWA:** All housing receiving tax credits must comply with the provisions of the Violence Against Women Reauthorization Act of 2013 (VAWA 2013). Additional information about VAWA 2013 can be found in a document on the LIHTC page of NDHFA's website entitled, "The Violence Against Women Act of 2013", published by the National Housing Law Project.

O. **Limit on Volume:** The amount of credit authority that will be available for the forward commitment of 2017 Credits will be unknown until sometime after the September 30, 2016 cycle application deadline. Therefore the 2017 authority limit will be assumed until updated information is available. However, for informational purposes only, please note that North Dakota's tax credit authority for 2016 was $2,690,000. Only the first year of the 10-year credit period is counted against the limit. Properties with tax-exempt financing, which are subject to a separate volume limitation, are not counted against the state credit limit.

P. **Recapture:** Part of the credit will be subject to IRS recapture provisions, if the qualified basis at the close of any year is less than the amount of such basis at the close of the preceding taxable year, or if the minimum percentage of qualified low income units is not maintained for the full extended use period.

Q. **Reserve Accounts:** All properties will be required to maintain a replacement reserve account for the

The Agency will also review and monitor developments for compliance with required certification submissions. Owners must provide certification at least annually to the Agency, under penalty of perjury, through the Agency's on-line compliance reporting system, as to the following: the development meets the requirements of the elected minimum set-aside test; the applicable fraction, as defined in Section 42(c)(1)(B) of the Code, of each building in the development has not changed, or, if there was a change, a description of the change; owner has received the annual income certification from each low income resident along with supporting documentation; the low income unit is rent restricted under Section 42(g)(2) of the Code; all units are available to the general public and used on a non-transient basis and no finding of discrimination under the Fair Housing Act has occurred for the development; each building is suitable for occupancy pursuant to local health, safety and building codes and meets all habitability standards for the Tax Credit Program; the building's eligible basis pursuant to Section 42(d) of the Code has remained the same (or if there was a change, the nature of the change); and any resident facility in the building is available to all residents in the building on a comparable basis without a separate fee charged to the resident. Furthermore, owners must certify that no low-income resident of a Tax Credit property will be or has been evicted or otherwise had their lease terminated other than for good cause and owner must confirm that all leases state this affirmatively. **The Agency requires a copy of the form of lease with Agency's Lease Addendum to be submitted**. Experience as a victim of domestic violence alone may not constitute good cause for eviction under the terms of the lease (if other occupancy rules are met) and all applicable Violence Against Women Act provisions must be met. Owner must also certify that if a low income unit becomes vacant, reasonable attempts will be made to rent that unit to a qualified low income resident, and while that unit is vacant no units of comparable or smaller size may be rented to a non-qualified low income resident. If a low income resident's income rises above the limit established in Section 42(g)(2)(D)(ii) of the Code, all available units of comparable or smaller size in that building must be rented to an income qualified resident. Owner must also certify that an extended low income housing commitment, as described in Section 42(h)(6) of the Code, was in effect for all qualified low income buildings in the development. Owner must also certify that a unit lease has not been refused to a Section 8 applicant because the applicant holds a Section 8 voucher or certificate. Owner's certifications of these items must be submitted at least annually or with such greater frequency as may be required by the Agency. The Agency may adjust any and all of its compliance protocols as it deems appropriate throughout the compliance period and the extended use term covered by the Restrictive Covenant Agreement.

The Agency may review the information set forth on the certifications at any time for compliance with the Code. On-site inspections of all Tax Credit developments will be held from time to time, at the sole discretion of the Agency, for compliance with the certification requirements, habitability standards, rent records, lease provisions, supporting documentation and all record keeping requirements in the low income units. Physical inspections of all buildings and at least 20% of all low income units are performed at least once every three years. The Agency will determine which developments and which records it will inspect and how often such inspections will be conducted in its discretion. The Agency retains the right to perform on-site inspections at any time during the compliance period for any Tax Credit development or to conduct more frequent or more detailed site visits if the Agency deems it appropriate. As referenced above, the Agency may also require submission of ongoing data from each property regarding move-ins and vacant units.

Audited financial statements must be submitted annually to the Agency's Compliance Monitoring Department for all properties with twenty (20) or more units. If audited financial statements are not available, a compilation must be prepared and submitted to the Agency's Compliance Monitoring Department. (Applications for Tax Credits in any year may be rejected from organizations or individuals who have not submitted to the Agency the audited financial statements for a Tax Credit development for the preceding tax year.)

As required by the IRS, in the event the owner or the development does not comply with any of the provisions of the Code, the Agency will provide written notice to the owner that specifies a correction period that may not exceed 90 days, unless extended by the Agency in writing. Upon the expiration of the correction period set forth in the written notice to the owner, the Agency must file IRS Form 8823 "Low Income Housing Credit Agency Report of Noncompliance" ("IRS Form 8823") with the IRS to advise the IRS of the existence of an event of noncompliance with an explanation of the nature of the event and whether the owner has

domestic abuse, or by reason of association with members of any of these protected classes.

In addition to prohibiting discrimination in housing due to membership in a protected class, the federal fair housing act also imposes an obligation on recipients of federal housing assistance to administer programs in a way that affirmatively furthers fair housing. In its administration of the Tax Credit Program, Rhode Island Housing is committed to encouraging the location of affordable homes throughout the state, particularly in geographic areas that have not reached the state affordable housing goal. Rhode Island Housing's scoring system provides incentives to achieve that result.

In addition, in order to ensure that all potentially eligible residents of Rhode Island Housing-financed developments have a fair opportunity to gain admission to those developments, Rhode Island Housing requires that sponsors employ an open and fair process that affirmatively furthers affirmative fair housing opportunities. To that end, all homes financed by Rhode Island Housing must be available to the general public, must be marketed pursuant to an approved affirmative fair marketing plan and must be advertised on http://homelocatorri.net.

At a minimum, the affirmative fair housing marketing plan must include an analysis of those populations least likely to apply for housing in the area in which the development is located and a targeted marketing program to reach those populations. Such a program could include marketing in print or broadcast media targeted to such populations, outreach to organizations that serve those populations, and the like. In addition to the affirmative fair housing marketing plan, the housing must be distributed in accordance with an approved resident selection plan that is fair, open and transparent. The resident selection plan must specify the process and timetable under which applications will be accepted, local preferences for admission, if any, the policy for initial selection of residents if the number of qualified applicants exceeds the housing available, and the waiting list policy.

The Violence Against Women Reauthorization Act of 2013 and its implementing regulations afford certain protections to victims of domestic violence, dating violence, sexual assault, and stalking, who apply for or reside in federally assisted housing, including housing financed with low income housing tax credits. Rhode Island Housing requires that sponsors incorporate these protections into lease forms, tenant selection plans, and resident policies relating to unit transfers and changes to family composition. On an annual basis, owners will be required to certify compliance with all applicable requirements of the Violence Against Women Reauthorization Act of 2013.

13. All low-income units in the project were used on a non-transient basis except for permanent supportive housing for the homeless provided under Section 42(i)(3)(B)(iii) or single room occupancy units rented on a month-to-month basis under Section 42(i)(3)(B)(iv).

14. The project was continually in compliance with the Violence Against Women Reauthorization Act of 2013 and all applicable implementing regulations.

Additional Information as Required: The Owners of all low-income housing projects will also be required to submit to Rhode Island Housing information on tenant income, occupancy, and rent for each low-income unit, in the form and manner designated by Rhode Island Housing. Rhode Island Housing reserves the right to require Owners of all low-income projects to submit additional information as it deems necessary.

The 2008 Housing and Economic Recovery Act (HERA) included a provision directing state HFAs to collect and submit to HUD demographic and economic information on tenants living in LIHTC properties, including LIHTC projects in the Extended Use period. Rhode Island Housing requires Owners/Agents to upload and report tenant data monthly utilizing the Web Tenant Compliance (WTC) software which allows property managers to enter tenant information directly into a web-based compliance reporting system. The information is immediately uploaded to Rhode Island Housing's HDS (Housing and Development Software) database and is then transmitted directly to HUD.

C. Records Review

In accordance with Section 1.42-5(c)(2)(ii), all projects will be monitored for compliance by the end of the second calendar year following the year the last building in the project is placed in service. Subsequently, Rhode Island Housing will conduct a file review and Uniform Physical Conditions Standards (UPCS) inspection of all tax credit projects at least once every three years. In each of the projects, the tenant files of at least 20% of the low-income units will be reviewed in conjunction with a physical property and unit inspection of the same tenant's unit. Rhode Island Housing may elect to audit any higher amount if it deems appropriate.

The records review will include an examination of lease agreement and applicable addenda, the annual tenant income certification, the documentation the Owner has obtained to support that certification, and the rent record for each low-income tenant in at least 20% of the low-income units for the current year, prior year and the initial certification.

Rhode Island Housing reserves the right to perform a records review of any low-income housing project at least through the end of the compliance period and for

Violence Against Women and Justice Reauthorization Act of 2013 (VAWA): All owners and property managers must execute a lease addendum (HUD-91067) which provides the following protections:

1. The Landlord may not consider incidents of domestic violence, dating violence or stalking as serious or repeated violations of the lease or other "good cause" for termination of assistance, tenancy or occupancy rights of the victim of abuse.
2. The Landlord may not consider criminal activity directly relating to abuse, engaged in by a member of a tenant's household or any guest or other person under the tenant's control, cause for termination of assistance, tenancy, or occupancy rights if the tenant or an immediate member of the tenant's family is the victim or threatened victim of that abuse.
3. The Landlord may request in writing that the victim, or a family member on the victim's behalf, certify that the individual is a victim of abuse and that the Certification of Domestic Violence, Dating Violence or Stalking, Form HUD-91066, or other documentation as noted on the certification form, be completed and submitted within 14 business days, or an agreed upon extension date, to receive protection under the VAWA. Failure to provide the certification or other supporting documentation within the specified timeframe may result in eviction.

Village Center: As defined and designated by the Agency of Commerce and Community Development, Division for Historic Preservation and as provided for in 24 VSA Chapter 76A, this means the central area of a village or town. Only projects in those towns that have obtained this designation can meet this evaluation category.

Year 15 Policy: This policy: 1) outlines options available to owners of Housing Credit properties once they reach year 15 in their tax credit partnerships. Options include maintaining a development as affordable housing; selling or transferring ownership to an entity exercising a right of first refusal; or selling a development through the Qualified Contract Process; and 2) contains information about modified compliance monitoring requirements after year 15. This policy may be updated from time to time and can be found at http://www.vhfa.org/rentalhousing/.