

## **2009 DCA Qualified Allocation Plan General Questions and Answers Posting #2**

1. The language below is in the 2009 QAP regarding the Phase I. After reading it again, you could interpret it to mean that if your current Phase I is more than 6 months old, then you need to get a NEW one. For 4% deals that we're working on (that we started pre-2009 QAP), the idea has been to get an update; do you think that would still work?

"The Phase I (and Phase II where required) Environmental Study must have been conducted within six (6) months of the Application Submission. If an Environmental Study was completed prior to this six-month period, a copy of this earlier Environmental Study (and any others that are available) must be included in the Application along with a new Environmental Study."

**Response: Generally, if the original Phase I report is between one hundred eighty (180) days and one (1) year old at the time of Application submission it can be updated. An update is allowed in this circumstance when the Phase I was done according to the requirements of the ASTM 1527-05 standards and the current Environmental Manual, which adopts these standards. Under no circumstances may Phase I reports greater than one (1) year old be submitted to DCA, except as part of the review of previous environmental reports in Section 5.5.7 of the Phase I Report, even if an update for the Phase I is conducted. If the Phase I was done prior to this time period, then a new study that meets ASTM 1527-05 and the Environmental Manual must be conducted (i.e., Phase I Reports performed in accordance with ASTM Standards E 1527-97 or E 1527-00 may not be "updated" to meet ASTM 1527-05 requirements).**

**Please note that DCA reserves the sole right to require an update of any Phase I which is equal to or greater than one hundred eighty (180) days old at the time final approval of any Application is granted or at any time prior to commencement of construction if additional information regarding an environmental issue is discovered.**

**Please see the 2009 Environmental Manual, Section A, Phase I Requirements, Subsection Nine, which sets forth all DCA updating requirements for Phase I reports.**

2. Currently, there are several projects in various cities that are on DCA's waiting list for 2008 credits should a 2008 awardee not be able to syndicate their project. How will the waiting list projects affect the previous projects points for the 2009 round? If one on the waiting list projects received an allocation prior to the May 21<sup>st</sup> application deadline how would the previous projects points be treated for that particular municipality?

**Response: DCA will either award credits or release waiting list projects by April 16. The final list for previous project points will be published at that time.**

3. A Signature Community boundary can include multiple cities within a county. Will DCA allow a signature letter from each City to count for points?

**Response: Each community may issue only one letter for one project. If more than one letter is issued, no project in the community shall be awarded points. Although a project may be located in more than one area that is eligible for points**

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**under the DCA Community Initiatives section of the QAP, only one point will be awarded.**

4. If a project is an adaptive reuse with new construction, what will be the construction contingency required / allowed by DCA?

**Response:** If a project is an adaptive reuse with new construction, the construction contingency amount for the new construction portion must be at least 5% but no greater than 7% of the total new construction hard costs; if the adaptive reuse is historic rehab, the construction contingency amount for the historic rehab portion must be at least 10% but no greater than 15% of the historic rehab hard cost; if the adaptive reuse is not historic rehab, then the construction contingency amount for the rehab portion must be at least 7% but no greater than 10% of the rehab hard cost. The applicant should submit a breakout between new construction hard costs and rehab hard costs in the determination of the construction contingency.

5. In the scoring section on deeper targeting a project can receive points for agreeing to set aside a certain percentage of the total number of units at 50% AMI. In the case where a project receives a HOME loan from DCA does the percentage of units set aside at 50% AMI need to be over and above the requirements for Low HOME units or can the requirements for HOME set aside units be satisfied by the deeper targeting in the scoring section?

**Response:** Units utilized to meet HOME or NSP requirements may also be utilized for 50% AMI points.

6. When will DCA publish the list of previous projects and the jurisdictions where points can be awarded as has been done in previous years?

**Response:** April 16.

7. Does a site that contains a church that is no longer in use qualify as a grayfield site as it is a non-residential use?

**Response:** DCA cannot answer scoring questions in Q&A. However, a church would qualify as non-residential use. Please note that per Scoring section IV.F., in addition to meeting the criterion for non-residential vacant, abandoned, or 90% unused, the existing associated parking areas must be in excess of 25% of the proposed developed area of the site.

8. The QAP gives the following instructions for experience determinations- where can this form be located? "Requests for experience determinations may be submitted prior to Application in the sole and absolute discretion of the Applicant. For experience determinations, the Experience Submittal Form should be completed in accordance with the Performance Workbook"

**Response:** The Performance Workbook is available on DCA's website.

9. Is the 2009 Market Study Manual available at this time? If so where on the website can I locate it?

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**Response:** The 2009 Market Study Manual is available on DCA's website.

10. Can cultured stone be used on the exteriors in place of real stone or brick?

**Response:** Waivers for variances from any architectural standard in the Architectural Manual must be submitted at pre-application for final approval. DCA is not opposed to innovative materials if supporting documentation meets or exceeds industry and DCA's minimum quality standards.

11. Is the prohibition on stucco applicable if it is only used on decorative appointments on the exterior, ie gable facings?

**Response:** Purely decorative elements would typically be allowed to be stucco, subject to Step II design development document review by DCA's Architectural staff.

12. Flat roofs are prohibited by the manual. However, we are building in an historic area which has predominately flat roofs and we would like build a loft style building with flat roofs to match the surrounding architecture. Would DCA consider providing a waiver if we demonstrate this is the case?

**Response:** Please note the new guidance on flat roofs in the Architectural Standards manual page 10 of 24. There is some flexibility in roof profile for design context or the use of green building elements. A waiver request should be submitted at pre-application for final approval.

13. If we cannot get a waiver for flat roofs can we use metal roofs and get a waiver to allow the pitch of the roof to be lower than those outlined in the OAH Manual?

**Response:** There is some flexibility in roof profile for design context or the use of green building elements. A waiver request should be submitted at pre-application for final approval.

14. The City has a minimum parking ratio of 2 parking spaces per unit but they allow on-street parking in front of the proposed new construction to be counted in determining compliance. Will DCA accept on-street parking as well, if it is allowed by the City?

**Response:** DCA will typically defer to city zoning requirements. However, proof of such zoning requirements must be submitted in the application under the Threshold Zoning section.

15. In Exhibit A of the QAP Core, the Alternate Financing Deadline shows 8/15/09, which is a Saturday. Is this correct?

**Response:** It should be Monday, August 17, 2009 as stated in Threshold Criteria, page 4 of 49.

16. If a City and County government are consolidated, but the City limits do not encompass the entire County, can Previous Participation Points be taken in the County if the only projects that have been funded in the past three or four years are in the City.

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**Response:** If the project is located within the jurisdiction of the City, DCA will look at previously funded projects in that City. If the project is located in an unincorporated section of the County, then DCA will look at previously funded projects in the unincorporated area of the county.

17. Can one apply for DCA HOME funding AND NSP funding on the same project?

**Response:** Yes. However, DCA will be reviewing the project carefully to ensure that the project is not over subsidized. Please note that while requests for multiple funding sources is not prohibited, the risk analysis formulated by DCA may place double requests for funding at a competitive disadvantage.

18. Local HOME funding is not included in the Leveraging of Resources point category, but local CDBG funding and local NSP funding is. Is local HOME funding eligible or not eligible for points under the QAP Leveraging of Resources section?

**Response:** Only DCA HOME loans are eligible for points in the Leveraging Resources Section. HOME funds from other sources can be used in a project but are not eligible for points under the 2009 QAP.

19. Can an experienced Owner/Developer be an experienced consultant to an Owner/Developer with only one project, AND an experienced JV partner with a totally inexperienced Owner on another project, while doing its two projects under its own Owner cap.

**Response:** Yes. Applicants will be limited to direct or indirect Ownership interest as set forth in the Core Plan. Consulting, a third party relationship, is not considered a direct or indirect interest. Specifically, an Owner may partner or consult with an inexperienced unrelated entity for purposes of the inexperienced unrelated entity meeting DCA experience requirements pursuant to Threshold Experience requirements outside of its cap. The Owner is limited to one (1) additional project under this exception. The partnership with the inexperienced Owner on another project will be counted towards the cap as this is a direct ownership interest. If this project is submitted along with the other two projects proposed, then three projects will be evaluated under the cap.

20. What documentation will need to be submitted to substantiate that a community is a Stable Community?

**Response:** The criteria for these points are based on statistics found in the FFIEC Census Report (see web address in QAP). At a minimum, copies of the pertinent pages that prove the census tract in which the project is located meet the criteria should be included in the application. DCA would recommend that you summarize the information in the comment section of the Application.

21. Will the executed Program Orientation document along with the "EarthCraft Communities baseline worksheet and report" which will track decisions made during the orientation and organize next steps to enter into the EarthCraft Communities Program be sufficient for the Sustainable Communities points?

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**Response:** No, the Program Orientation phase does not make the project eligible for the points under Sustainable Communities. In order to get the 6 points for an EarthCraft Community, the OAH Application must include an executed Memorandum of Participation from EarthCraft. The Program Orientation process does make the project eligible for the 30% basis boost, provided increased costs/need for boost is documented. The difference in these two documents (Program Orientation and Memorandum of Participation) is a level of design consultation by EarthCraft and financial commitment by the developer.

22. What is the HOME Pre-Application Fee? Exhibit A and the Pre-Application Forms say \$500 for for-profit and \$1000 for non-profits.

**Response:** This is not correct. The fee is \$500 for each pre-application for HOME funds and must be submitted with the pre-application request. The only fee due on application day, May 21<sup>st</sup>, will be the tax credit fee.