

2012 DCA Qualified Allocation Plan
General Questions & Answers
Posting #6
June 8, 2012

1. Should applicants required to submit the HUD site and neighborhood standards forms in their application use the census tract that their project is located in based on the 2000 or 2010 census data?

Response: Applicants should use the 2010 census data.

2. The project is the first phase of redevelopment done in conjunction with the local PHA. The local PHA has less than 249 units and can use reserves from the Operating Fund to fund development activities. The City is contributing CDBG and HOME funds to the PHA for the project. The PHA is going to combine the funds received from the City with reserves from its Operating Fund as a source for development of the project. The combined funds will be greater than 5% of TDC. Will these funds be eligible for points under Leveraging of Resources?

Response: XV. *Leveraging of Resources* lists CDBG and HOME as qualifying sources (pp. 20-21 of 31) – the PHA may combine the funds from the City with the funds from its own funds to the project, however the City should make it clear the sources of the funds (and the project will need to meet any applicable city HOME and CDBG requirements). If the reserves from the PHA are unrestricted funds and PHA will use it to make a capital contribution to the project, such capital contribution from the PHA will be considered a “qualifying source” for purposes of Leveraging of Resources; if the use of the reserves is restricted, DCA does not have sufficient information to make a determination on whether it will be considered a “qualifying source” for purposes of Leveraging of Resources.

3. The project will be applying for the points under the Local Government Strategy for Neighborhood Rebuilding. Is there a narrative or any documentation that is required to be submitted in the application in addition to the meeting with the Local Government? If so, where is that documentation to be included?

Response: At the meeting we informed local government officials on the submission requirement for this scoring item. Yes, a 1- or 2-page narrative on the local government’s letterhead is required to be submitted along with any applicable support documentation in the application. It should be placed in TAB 30 (Other).

4. If the HUD Invitation to Submit is not available at the time of application, is the deadline for submission to DCA on July 13 or July 27, 2012?

Response: The deadline for submission is July 13, 2012.

5. If the project is using an FHA-insured loan, will DCA allow the HUD-required Working Capital and Initial Operating Deficit amounts to be included towards the total DCA Rent-Up Reserve and Operating Deficit calculations, respectively, as has been allowed in the past?

2012 DCA Qualified Allocation Plan
General Questions & Answers
Posting #6
June 8, 2012

Response: Yes, please include an explanation in the Applicant Comment section.

6. Under Tab # 8, the checklist asks for three years of audited operating statements. This appears to be an addition from last year's tab check list. As part of my pre-application qualification determination request, I submitted 2 years of financial statements. The financial statements were not required to be audited. The proposed ownership entity is a new entity with no history. Can you further clarify what we should include in tab # 8? If we already submitted 2 years of personal financial statements at pre-application what do we need to include in tab # 8? Are the statements required to be audited?

Response: These relate to currently operating projects proposed for rehabilitation. If they are preservation, they are required to submit audited operating statements, if not, owner certified.

7. Can you confirm the May 2012 rate is the applicable tax credit rate to use the in the applications? The QAP says, "the Applicable Credit Percentage for the month preceding the Application Submission deadline should be utilized for acquisition credits and new construction credits..." Since the June 2012 tax credit rate is actually published in May (the month preceding the application submission deadline), we just want to be certain the QAP is referencing the actual May 2012 rate as the applicable credit percentage for the month preceding the application submission deadline, and not the June 2012 rate that's published in May.

Response: The applicable credit percentage for May 2012 (published in April) should be utilized for acquisition credits and new construction credits.

8. We are planning an adaptive reuse of a house to turn it into a community building. I have had a PNA completed for the adaptive reuse but the residential portion of the property is new construction. Should I put the PNA behind TAB 21 for Adaptive Reuse on behind TAB 14 Rehabilitation Standards?

Page 5 of 29 of the application instructions has specific electronic file names required for the PNA. The number preceding the PNA is the same as the market study indicating TAB 31.

Response: Please put the PNA behind TAB 21 for Adaptive Reuse.

9. I received a "qualified with conditions" determination at pre-application under the Probationary Designation Capacity Building for Industry Professionals. Since I received a pre-application qualification determination, am I still required to submit in the application all the required attachments I had to submit with the pre-application request such as Evidence of full-time employment in the tax credit industry, material participation in at least 2 tax credit projects, complete resume, business plan, and

2012 DCA Qualified Allocation Plan
General Questions & Answers
Posting #6
June 8, 2012

documentation of liquidity or is it sufficient to only include the signed letter of project team qualification determination from DCA in Tab 3?

Response: *No, as long as there has been no change in the project or the organizational team information submitted, there is no need to resubmit it.*

10. Also in Tab 3 under Capacity Building for Industry Professionals, it indicates that I should include a completed release to allow DCA to perform a credit check but per a March 12th email from DCA I am not including it in the application. I will only send it if requested by DCA. Is that correct?

Response: *Yes that is correct.*

11. Must the accountant be identified in the full application and what do we need to provide from that accounting firm? If there is specific literature in the QAP or anywhere please identify it?

Response: *The accountant does not need to be identified at Application Submission.*

12. Per the 2012 QAP under Threshold on page 8 of 38, O. Operating Utility 4. a) suggests that the utility allowance should be established by the PHA that administers the Section 8 Program in the locality where the property is located. It goes on to add that the electric allowances may be calculated as outlined in section B (b. HUD utility schedule model) Page 9 of 38 begins by stating that for purposes of underwriting the 2012 Applications, only method (a) will be accepted for the purpose of completing the pro forma. This brings up the following questions:

- a. Can we do a HUD utility schedule model to determine electrical allowances to use in the application?
- b. Regardless of the answer to the above, are we allowed to use the utility allowance from the local PHA in the application?
- c. Will DCA provide a utility allowances for the various parts of the state, as you have in the past, for use in the application?
- d. Are we strictly limited to using the PHA allowance in the application?

Response: *For purposes of 2012 application underwriting if applicable, the HUD utility allowances (not the HUD UA model) must be used.*

If PHA allowances are used make sure the PHA administers Section 8.

If the 2012 Utility Allowances are released before the application deadline and you choose to use them please use the 2012 rents for consistency. If you are using the 2011 utility allowances you must use the 2011 rents. Applicants will not be penalized for using

2012 DCA Qualified Allocation Plan
General Questions & Answers
Posting #6
June 8, 2012

the 2011 utility allowances if the 2012 are released before application intake on June 14, 2012.

If the PHA does not administer the Section 8 program, its utility allowances cannot be used.

13. How are financial statements to be delivered to DCA. At the QAP meeting it was still being decided but they discussed the possibility of sealed envelopes marked "confidential" on the outside of each one.

Response: *All personal and company financial statements should be submitted in a sealed envelope marked "Confidential" – no electronic version needs to be submitted. Project financial statements related to the proposed project of the 2012 application are not considered confidential and, if applicable and if required, both the electronic version and hard copy must be submitted.*

14. Prior to the establishment of the qualifications for Environmental Professional (EP), DCA required that the environmental report be signed by a P.E. or P.G. (Professional Engineer or Professional Geologist). The Environmental Manual no longer states that the report must be signed by a PE or PG, but the 'Environmental Certification' and the 'Environmental Consultant Signature Page' still indicate that these documents should be signed and stamped by a PE or PG. We understand from conversations with DCA staff that the PE/PG signature and stamp are no longer needed, provided the report is prepared and signed by the EP. Please confirm that this is the case.

Response: *The guidance in the body of the environmental manual rules. The 'environmental certification' and the 'environmental consultant signature page' need only be signed by the Environmental Professional (as defined in the manual), not a Professional Engineer (PE) or Professional Geologist (PG).*

15. Can we use a general contractor and accountant from Tennessee that is both contiguous and reciprocal to Georgia for our development?

Response: *There is no requirement that an Applicant needs to use a Georgia accountant or general contractor or that these entities are in contiguous or reciprocal states.*

16. So in submitting the application and documents it reads PDFs must be created from original electronic document, not from a scanned piece of paper copy so the search function works. However just so I am clear..... for Example say it's the original letter for Sewer and water capacity with the original signature which will go in the original binder. Are we to then scan that document in to a pdf and put it in its place within the electronic copy or how is that to work? I just want to make sure those types of things are handled correctly. I would rather be sure and correct than guess on my own.

2012 DCA Qualified Allocation Plan
General Questions & Answers
Posting #6
June 8, 2012

Response: Please refer to the 2012 Electronic Core Application Instructions, Section II, B (page 4 of 29).

17. If you did not submit a performance workbook during the pre-app timeframe, does the performance workbook for the development need to be put on a separate flash drive when the full application is submitted and put it on the flash drive as the full application in the proper tab? Or do you only want it once in the full application flash drive?

Response: Please refer to the 2012 Electronic Core Application Instructions, Section II (page 3 of 29). One working virus free USB flash drive is required for application submission.

18. On the Application Tabs Checklist there is an asterisk next to “Tab 3-Project Participants.” According to the checklist, this asterisk denotes that “documentation submitted as part of the pre-application process does not have to be resubmitted provided there has been no change to the organizational structure.” Does this mean that Applicants do not need to resubmit the performance workbooks provided there is no change to the organizational structure? If so, will DCA just compute an Applicant’s compliance score based on the information provided in the performance workbook at pre-application?

Response: That is correct.

19. We are submitting a project in the 2012 round with a HUD 221d4 loan. Will DCA please confirm which date the HUD Invitation to Firm letter is due to DCA. Are they due July 13th, 2012 or July 27th, 2012?

Response: The deadline is July 13, 2012.

20. We have the opportunity to submit in a rehab deal for 2012 that was awarded an architectural waiver as part of the pre-application. However this waiver was submitted by another group.

My question is does this waiver go with the property meaning we can utilize this waiver for our submission.

Response: Yes, architectural waivers follow the project regardless of the applicant.

21. On the “Project Team TC Experience” Tab, the last Row “Date of Conversion”: Can you define “date of conversion” please?

Response: The date of conversion is the date the project reached stabilized occupancy.

22. I submitted a pre-application request for a project team qualification and compliance score determination. I received my qualification determination but I have not received a

2012 DCA Qualified Allocation Plan
General Questions & Answers
Posting #6
June 8, 2012

compliance score. Will I receive a notice of approved Performance Workbook and compliance score prior to application submission?

Response: *Compliance scoring is not done until the full application is submitted on June 14, 2012.*

23. Under the Threshold Criteria, Section XV. Site Information and Conceptual Site Development Plan Item B., it requested that the topographic contours at appropriate vertical intervals be included on the site plan. Are these contours to be the existing or the proposed contours? If they are to be proposed contours, can they be labeled as preliminary since at this stage of the application submission, the engineering for the cut and fill has not been completed?

Response: *The contours should be of the existing topography which makes the next question not applicable.*

24. Per item C., it is required that the finish floor elevations of each building be provided on the site plan. Do finish floor elevation need to be provided on the site plans? If they are required, can they be labeled as preliminary since at this stage of the submission since they are not engineered?

Response: *Yes, proposed finish floor elevations need to be provided on the site plan as it states in item C. We understand that these will be preliminary/proposed because the site has not yet been engineered.*