

2014 DCA Qualified Allocation Plan
General Questions & Answers
Posting #2
March 19, 2014

QAP Threshold - 1 Project Feasibility, Viability Analysis, and Conformance With Plan

1. Threshold Page 45 of 58. "The debt coverage ratio cannot drop below 1.20 for new construction (1.25 for rehabilitation) during the 15 year compliance Period, DCA HOME Loan term (if applicable) or Affordability Period, whichever is longer."

Question: Will DCR less 1.20 after the Compliance Period but before the end of the Affordability Period result in a Threshold failure?

Response: Yes, if there is a HOME loan the debt coverage ratio must stay in the guideline for the longer of the period of affordability or the term of the HOME loan.

QAP Threshold - 2 Cost Limits/ QAP Scoring - 15 Leveraging Of Public Resources

1. We are looking to build a 100 HFOP unit community. This project will have grant funding from a local government entity. Can we use the local government funding to go over the DCA cost limit?

Response: No, Appendix I, II Cost Limits states that project costs "cannot exceed the DCA per unit cost limitation unless the Applicant obtained funding from a foundation or other unrelated not-for-profit charitable organization..." A local government entity is not a foundation or a charitable organization.

QAP Threshold - 19 Architectural Design & Quality Standards

1. The core application does not discuss a requirement of a noise waiver in the Pre-Application Deadlines and Fee Schedule (page 32 of 35). However, the 2014 Pre-Determination/Waiver Submission Form Required Table of Contents lists Noise Waiver with a fee of \$1,500. Is a Noise Waiver required? We need an answer to this question ASAP since the pre-application information is due by March 19, 2014.

Response: No, we are not accepting noise waivers during the 2014 funding round.

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QAP Threshold - 20 Qualifications For Project Team (Performance)

1. Do you require that an owner applicant be a Georgia Entity? Does the entity need to be created as of the pre-application deadline or just the application deadline?

Response: No, DCA does not require that an owner applicant is a Georgia entity. The limited partnership and ownership entity are not required to be created at pre-application.

2. When qualifying a principal, does the supporting information regarding financial capability contain audits, bank statements or other financial information that have more than that individuals "wealth" included?

Response: In order to be eligible to receive Tax Credit resources under the 2014 QAP, the Project Team must provide documents relating to the participants' financial status documents to support financial solvency with the capacity to successfully complete the project, pay all costs associated with the development, and operate the property for the compliance period and extended use period. Only information pertaining to the Project Participant should be included in the final determination of financial capacity.

QAP Threshold - 21 Compliance History Summary

1. If you work in multiple states and have many projects that qualify your experience, are you required to provide all names of all projects or enough to meet the point criteria?

Response: Each Project Team Participant must submit a complete and correct DCA Performance Workbook, including the Compliance History Summary form. The Compliance History form must list all projects in which an entity or principal has participated in ownership and development in the State of Georgia and in any other state.

2. On the Performance Workbook under tab 6, it asks for occupancy info for existing properties.....do we need to list ALL of our 100 properties? Or can we just list the amount required in order to max out the points (which would be 10 properties)?

Response: Each Project Team Participant must submit a complete and correct DCA Performance Workbook, including the Compliance History Summary form. The Compliance History form must list all projects in which an entity or principal

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has participated in ownership and development in the State of Georgia and in any other state including the current occupancy rates.

3. #16 on the Compliance History Summary asks for No findings or LIHTC Findings. If a corrected 8823 is issued would that be considered a finding?

Response: Yes, if a corrected or uncorrected IRS form 8823 has been issued for your property, it should be noted on the Compliance History Summary as a finding.

4. The 2014 Performance Workbook no longer has a tab for the Management Questionnaire. Is the Management Questionnaire no longer required or was it inadvertently left off of the Excel workbook this year?

Response: The Management Questionnaire was removed from the Performance Workbook because it is not required for Qualification Determination of the Project Team. The Project Team includes the General Partner, Developer, and Principal(s). Management companies must be approved by Portfolio Management prior to the placed in service date.

QAP Scoring - 6 Sustainable Developments

1. Are the points awarded to applicants under this section are only awarded to applicants that apply under the flex pool and not in the rural pool?

Response: Sustainable Communities Certification points (3 points) are only available to Applications electing to compete in the Flexible Pool. Sustainable Building Certification points (2 points) are available to both Flexible and Rural Pool applicants.

DCA Manual – HOME

1. If a pre-application HOME consent is awarded to a development, and in the time since the pre-application submission the unit count for the proposed development had be reduced for whatever reason, what options are available to the applicant knowing that the principal amount of the HOME consent may be tied to the pro forma for a development that has since reduced its unit count? As long as the unit count/mix change is reasonable, is the applicant able to use the approved HOME consent and underwrite the application pro forma using the approved HOME loan amount?

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Response: While Applicants are not barred from changing a unit count between the issuance of HOME consent and Application submission date, DCA reserves the right to determine whether changes are significant and would necessitate changes to the original HOME consent determination.

DCA Manual - HOME

1. If we receive an allocation of credits and a HOME loan award, what happens if, by the time we close, we are able to get higher equity pricing? Will DCA reduce the HOME loan or the credits?

Response: If the higher equity pricing results in a project being over-sourced, the DCA HOME loan will be reduced.

Other

1. Are the Core Application tabs I-VII required for Tax Credit only Pre-applications? Or are they only required for projects seeking HOME funds.

Response: This information is required only for Applications seeking DCA HOME funding or a cost waiver.

2. During the prequalification process, if you fail to submit the correct information (you attempt but are told you missed something or additional information was needed); can that be submitted once you are notified or to you "fail" prequalification?

Response: DCA will send clarification requests to resolve minor issues like a missing document during the Pre-Application review period. If the Applicant cannot sufficiently respond during the Pre-Application review period, DCA allows for the full Qualification Determination request to be included with the full Application.