

2014 DCA Qualified Allocation Plan
General Questions & Answers
Posting #5
May 6, 2014

QAP Threshold - 2 Cost Limits

1. On page 10 of the Threshold Criteria section is the cost limits section. Are these per unit maximum costs the total development costs, which would include soft costs, or solely the hard construction costs on the project?

Response: They apply to total development costs (which include soft and hard costs), see 10 of 58, third paragraph: "The total development cost for the project at the time of the Application cannot exceed the DCA per unit cost limitations..."

QAP Threshold - 5 Market Feasibility (Market Study)/QAP Scoring - 17 Integrated Supportive Housing

1. Pursuant to the 2014 QAP, in order to be eligible for three (3) points for an Application proposing a property that agrees to accept Section 811 project based rental assistance or other government rental assistance, the Applicant must commit to up to 15% of the units for the purpose of providing integrated housing opportunities to a target population which includes individuals with mental illness, as defined in the Settlement Agreement between the State of Georgia and the Department of Justice (#1:10-CV-249-CAP) and to individuals eligible to participate in the Money Follows the Person program. In order to be eligible for these points, at least 15% of the total low-income units must be one bedroom units that are set at 50% AMI rent and income levels. Does this election need to be referenced in the market study? If so, what information is required by the market study analyst in reference to the election other than disclosing that the Applicant has committed to the 15%? Does demand need to be calculated for the targeted population?

Response: Yes, though the Applicant, if selected, will not be required to 'set aside' these units unless funding is available, the rent restriction for those one bedroom units must be reflected in the rent schedule and remain so for the extended use period. For that reason, the market study should reflect those units at 50% AMI and be able to support a market from the 50% AMI population, though not specifically for individuals with mental illness as defined in the settlement agreement.

QAP Threshold - 10 Site Zoning

1. Per the QAP, zoning must be in place prior to submission, is there ever an exception with this? We are working with a municipality to get rezoning, it will not

2014 DCA Qualified Allocation Plan
General Questions & Answers
Posting #5
May 6, 2014

be passed until after the QAP Application deadline. Would we be allowed to submit in this year's funding round?

Response: No, site zoning must be in place before the application deadline, June 5, 2014.

2. On the checklist, section 10, Zoning, 03: HOME Funds: See HOME/HUD environmental guidance.

Where is the HOME/HUD environmental guidance?

Response: It is on the website under environmental manuals. It is called the HUDHOME Enviro Quest Guide. The link is included below:

www.dca.ga.gov/housing/HousingDevelopment/programs/QAP2014docs.asp

QAP Threshold - 21 Compliance History Summary

1. We are requesting further clarification on the Compliance History Summary regarding DCA's response to Question #3 in the 2nd Q & A – Section #16 on the Compliance History Summary asks for either “no finding” or instances of LIHTC/HOME/etc. non-compliance. If all non-compliance issues have been corrected, would it still be appropriate to select “LIHTC NC” when none exists?

Our past understanding was that only instances of currently uncorrected non-compliance should be marked. Has DCA changed this and if so, how would DCA evaluate which 8823's remain uncorrected for compliance scoring purposes, since there is no place on the form to show that the 8823's were corrected during the cure period.

Can you also please confirm that only uncorrected 8823's affect compliance scoring?

Response: The purpose of the Compliance History Summary form is to show the scope of the audit performed and the result. If 8823 forms were issued in the audit, you must indicate the number of 8823 forms that were issued for the audit in the applicable NC category. “No Findings” should only be indicated if the audit resulted in no findings. DCA will conduct its own evaluation on the status of 8823s for projects within the state of Georgia and will rely on responses reported on the Multistate Release form to evaluate whether uncorrected 8823s exist for LIHTC projects in other states.

2014 DCA Qualified Allocation Plan
General Questions & Answers
Posting #5
May 6, 2014

Yes, only uncorrected 8823 forms issued will affect compliance scoring, which must be reported in the Performance Questionnaire.

2. In the Threshold Criteria in Appendix I and also identified in the 2014 Application Tabs Checklist, it states that the DCA Compliance History Form must be executed by the other State Housing Agencies pursuant to DCA Instructions. However, in the Instructions for the DCA Compliance History Form located in the Performance Workbook, it states that "Applicants no longer have to send this form to out of state agencies". There is a contradiction between the instructions and the requirements stated in the Threshold Criteria and the Application Checklist. Can you confirm whether the DCA Compliance History form needs to be submitted by the applicant to the other states for their execution or not?

Response: Per the instructions on the Multi-State Release form, the applicant must complete the form for each state in which each Applicant has participated in the Low-Income Housing Tax Credit program or HOME program. For each completed form, DCA will submit the form to the applicable state HFA.

QAP Threshold - 24 Additional HUD Requirements

1. I would like to confirm that the same requirements apply in 2014, as were confirmed by DCA during the 2013 round as it relates to HOME/HUD requirements. The Pre-Contract Agreement, Certification for Contract, Loans and Co-operative Agreements, Disclosure of Lobbying Activities, Applicant / Recipient Disclosure / Update Report, MBE / WBE Outreach Plan Guide form and the Affirmative Fair Housing Marketing Plan are required only for projects that are applying for DCA HOME funds, correct? Can you please confirm that these additional documents are not required for deals involving other non-DCA federal funds or PBRA?

Response: The additional documents listed above, with the exception of the Affirmatively Furthering Fair Housing Marketing Plan, are not required for deals involving other non-DCA federal funds or PBRA. However, projects which list HUD funds as a source of construction, including PBRA, if for new construction, are required to provide Site and Neighborhood Standards documentation, see 38 of 58 in Threshold - Additional HUD Requirements.

Each project selected for an award of credits must prepare and submit an Affirmatively Furthering Fair Housing Marketing Plan prior to the issuance of the 8609's. (pg 41 of 58, Threshold Criteria – Appendix I)

2014 DCA Qualified Allocation Plan
General Questions & Answers
Posting #5
May 6, 2014

QAP Scoring - 4 Community Transportation Options

1. Regarding Item "E" under this section: Does an already established on-call transportation service operated by a local 501(c)(3) in a rural area meet the definition of a "publicly operated/sponsored" transit service in order to qualify for points under this category? If not, would a resolution of sponsorship by the local jurisdiction help qualify the 501(c)(3) service to meet the requirements?

Response: Regarding Item E, no, local 501(c)(3) organizations offering transit service do not qualify under the definition of "publicly operated/sponsored" transit service. DCA would not accept a resolution of sponsorship to meet this requirement. However, DCA will accept non-profit transit service that is sponsored by the Local Government, where the Local Government provides financing for the non-profit to operate the transit service. Such sponsorship can be evidenced by a binding contract between the non-profit transit service operator and the local government with the understanding that the local government is ultimately responsible for the operation of the transit service.

QAP Scoring - 6 Sustainable Developments

1. If a site is a candidate for EarthCraft Communities points but wasn't identified until after the pre-application date, can the project still earn EarthCraft Communities points?

Response: No.

QAP Scoring - 15 Leveraging Of Public Resources

1. We have been approached by an unrelated NonProfit that is interested in promoting housing in their local community after they heard we were working on developing a low income housing community in their town. They would like to either Grant or Loan funds to help develop our community. Our question is if they make a grant or loan that meets all of the other requirements in Section XV. A of Appendix II; will these funds be eligible to count as leveraging dollars in the scoring of our application?

Response: No.

2. Under the Leveraging of Public Resources Scoring. 1. Qualifying Sources. If using historic tax credit proceeds do we include both the federal AND state amounts for scoring purposes under this category?

2014 DCA Qualified Allocation Plan
General Questions & Answers
Posting #5
May 6, 2014

Response: Yes.

QAP Scoring - 21 Workforce Housing Need

1. Section XXI of Appendix II - Workforce Housing (scoring criteria) of the QAP states “For the purpose of this category, Rural projects which are located within MSA boundaries must use the MSA threshold below, if applicable.”

My understanding is that this was designed to prevent sites designated as rural by USDA, but within a city’s MSA, from using the 3,000 job threshold as opposed to the 15,000 or 6,000 job threshold, for Atlanta and other metropolitan cities, respectively.

However, several counties are listed on Exhibit A as “Rural/ Non-Metropolitan Counties”, but for some reason are designated as MSA’s on DCA’s maximum rent charts, and are not part of a big or mid-sized city’s metro area. For example, Lamar county (with Barnesville as county seat), and Butts county (with the city of Jackson as county seat) are listed as county MSA’s.

My question, is do these require the 6,000 job threshold to be eligible for these points, or do they require just 3,000 jobs as is required in rural areas?

If counties like Lamar are treated as Metro counties (for this category) it would create a rather anomalous situation, in that Lamar County (with a population of 18,317) would be considered a stand-alone “urban” county (requiring 6,000 jobs for this category), while next door, Upson County (with a population of 27,153) would be considered a “rural” county (requiring only 3,000 jobs for this category).

Response: DCA will rely on HUD’s definition of Metropolitan Areas as utilized in DCA’s maximum rent charts.

Other

1. In the QAP it does not explain what the requirements for a draft developer agreement are. I’m just wondering if you have any specific requirements for that document, or if it could also be considered the Limited Partnership agreement? Or if maybe it’s what I would call the Management Agreement between the partnership and the management company. Feel a little lost on that one as it doesn’t even mention it in the QAP, it goes straight to Deferred Developer Fee.

Response: A Developer Agreement is between the Owner and the Developer, and while generally referenced in the Limited Partnership Agreement, is a

2014 DCA Qualified Allocation Plan
General Questions & Answers
Posting #5
May 6, 2014

separate document which sets out the responsibilities of each party and other terms and conditions of the agreement for services. The Management Agreement is similar in format, but addresses the agreement for services between the Owner and the Management Company.