

2014 DCA Qualified Allocation Plan  
General Questions & Answers  
Posting #8  
May 30, 2014

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

1. Can an applicant use any of the methods outlined as in the QAP as the utility allowance schedule in their 2014 application?

Appendix 1, Threshold Criteria, subsection 6 reads as follows: “Applications submitted under the 2014 QAP for Tax Credits only must use the PHA utility allowance set forth in section a) in their pro forma.” However the section then continues to list other program utility allowance methods acceptable to Treasury. (PHA, HUD Utility Schedule Model, or Local Utility Provider Estimates/Estimates or Based on Actual Usage, or Energy Consumption and Analysis Model.)

Further into the section, the following appears

“Minimum Documentation:

- Applicable PHA rent and Utility Allowance limits.”

By listing all appropriate and acceptable method of calculating utility allowances, and further clarifying that the minimum requirement is the PHA Utility Allowance, it gives the impression that any method allowed under the program by Treasury is acceptable to be used when submitting an application.

When contemplating the answer to this question we ask DCA to consider the following;

- A. Properties are now required to use the rents from the application during lease up, unless DCA approves otherwise.
- B. DCA has one of the greenest QAPs in the nation which leads to extremely energy efficient communities
- C. Actual consumption and Energy Consumption modeling allowances approved by DCA show reductions of 50% or more from DCA published allowances.
- D. Communities with little room to adjust rents based on market conditions weakens their financial stability.

*Response: For application purposes, if the project is not USDA assisted or HUD regulated, the applicant must use the DCA published utility allowances if DCA is the Section 8 administrator. If the local PHA is the Section 8 administrator, the appropriate jurisdiction's Section 8 utility allowances that are published by the local PHA must be used. The options for utility allowances listed in your question become available after the property is placed in service.*

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2. In DCA's instructions Applicants are directed to provide a tabs checklist which is a separate, standalone excel file from the core application both in the digital file and the paper file. However DCA has not yet provided this standalone checklist and when attempting to create this standalone checklist, by deleting the additional sheets within the core application project name formatting is lost. We had a similar issue last year with DCA issuing the standalone checklist the day the application was due to DCA. Is DCA able to provide a timeline for issuance of this year's standalone checklist?

*Response: This year's standalone Tabs Checklist has been posted to the 2014 Funding Round web page at:*

<http://www.dca.ga.gov/housing/HousingDevelopment/programs/QAP2014docs.asp>

3. On page 4 of 58 of Appendix 1, Threshold Criteria, under Utility Allowances, it states that rents and utility allowances must be effective for the same year. DCA just posted the new utility allowances that are effective in 2014. The 2014 Program Maximum Rents that are currently posted on DCA's website have three effective dates, only one of which has an effective date in 2014. This rent chart states the following:

*"60%, 50% & 30% LIHTC rents are calculated using 2014 HUD Section 8 Area Median Incomes effective 12/18/2013 , assuming 1.5 persons per bedroom. 60%, 50% & 30% HOME rents are calculated using updated 2014 HUD HOME Rents effective 5/1/2014, assuming 1.5 persons per bedroom, and 2014 HUD Fair Market Rents effective as of 10/1/13."*

Are applicants to use the most recently posted utility allowances that are effective for 2014 only if the 2014 HUD HOME rents are used which are also effective in 2014?

*Response: The OHF Program Maximum Rents are the effective rents intended for use by OHF in the 2014 application submission process. These rents have been updated recently, so please be sure to download the most recent version.*

### **QAP Scoring - 3 Desirable Activities/Undesirable**

1. In the "Environmental Manual" under Wetlands, jurisdictional wetlands or streams can be disturbed if appropriately permitted by US Army Corps of Engineers and submitted with corresponding evidence. If appropriately permitted, would such disturbance be considered an automatic point deduction

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under Competitive Scoring Criteria (III, 3) "Undesirable / Inefficient site activities / Characteristics" or would this be considered case specific??

*Response: DCA does not answer specific scoring questions during Q&A. The answer would be case specific based on whether it requires extensive mitigation and translates to a less efficient use of resources (QAP p. 5 of 30)*

**QAP Threshold - 6 Appraisals**

1. DCA requires that an appraisal be performed and included in the application when there is an Identity of Interest between the buyer and the seller. In a situation where there is an identity of interest but the land is being Ground Leased for a nominal amount and not sold is an appraisal still required?

*Response: No, an appraisal is not required.*

**QAP Threshold - 12 Public Water/Sanitary Sewer/Storm Sewer**

1. Do the letters that are required from utility companies, local governments, transportation entities or any other required letters, need to be addressed specifically to the 1) Applicant 2) the developer 3) or a specific person at GDCA?

*Response: They should be on the authorities letterhead and can be addressed to the Applicant entity or the general partner.*

**QAP Threshold - 13 Local Government Support And Community Engagement**

1. DCA requires local government support and community engagement as part of threshold in Appendix I - XIII. We received a support resolution from the local governing city council. The project was presented and discussed at the open city council meeting which was open to the public. We have support from the Mayor, the city government, and the local Chamber of Commerce office for the project. The site proposed for the project is already zoned multifamily so there is no need for public hearings for rezoning. Is that sufficient to meet the threshold criteria or do we still need to have additional public meetings and presentations with residents in addition to the presentation of the project at the public city council meeting in order to meet threshold?

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*Response: Please refer to minimum documentation for this specific Threshold section. DCA does not require more than one public meeting if minimum documentation requirements are met.*

**QAP Threshold - 15 Rehabilitation Standards**

1. The parcel of land we are purchasing has one occupied unit (total not a building with many units and one occupied) that is to be removed at the point of sale. With this scenario, is a "relocation plan" required for that occupied unit. The developer will never be in possession of the unit since it will be removed prior to our ownership.

*Response: Yes, a relocation plan is required.*

**QAP Scoring - 3 Desirable Activities/Undesirable**

1. Regarding the list of desirable activities/characteristics: Does any national merchandise store with a minimum of 50,000 square feet qualify for points as "big box general merchandise store" (for example: Belk's or Bass Pro Shop—both of which sell a variety of merchandise as opposed to Home Depot, Best Buy or Office Depot – which specialize in home improvement, electronics, and office supplies, respectively)?

*Response: On page 4 of 30, the QAP states a desirable activity/characteristic eligible for two points is a "National big box general merchandise store." Belk's, Bass Pro Shop, and the other stores mentioned above are not considered "National big box general merchandise" stores and will not be counted as such for scoring purposes. However, Retail/Clothing/Department stores may be eligible for one point.*

**QAP Scoring - 4 Community Transportation Options**

1. I have a question that is related to a previous question from Posting #5 - QAP Scoring - 4 Community Transportation Options. Regarding item 'E' under this section in the QAP, I would like some clarification. Does a private corporation transportation service provider that contracts with local county agencies for on-call public transportation services in multiple rural counties through the Rural Transit Assistance Program 5311 with Ga DOT qualify for the points under this section? The company has contracts in place with DCH, DHS, and GaDOT. These contracts provide public transportation as well as other specialized transportation needs to the counties. For public transportation in the county, the

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company contracts with a local county agency as a third party operator for the Ga DOT 5311 program in the area.

*Response: DCA will accept a transit service that is sponsored by the Local Government, where the Local Government is ultimately held accountable for the operation of the transit service. Appropriate documentation must be submitted.*

2. It may just be me but it seems to me that sometimes the answers you provide to some Q&A questions are guarded or shall I say very carefully worded and sometimes vague. I site as an example the answer you provided in Q&A Posting #7 pertaining to sidewalks or pedestrian walkways. For further clarification, please provide a definition of "established pedestrian walkway".

*Response: An existing paved walkway along the side of a street, sidewalk or a path designed and designated by local municipality or DOT for pedestrian use.*

### **QAP Scoring - 17 Integrated Supportive Housing**

1. There is some confusion for projects including 20% of units at 50% AMI due to HOME requirements as well as claiming 3 points by setting aside 15% of units to be 1BR under Scoring Section XVII Integrated Supportive Housing. On page 47 of 58 Threshold, DCA writes "projects with a multi-tiered rent structure must distribute the rents across unit sizes, types, and buildings." Does this mean we must distribute units that will be 50% of AMI evenly across all unit sizes? For instance, if we have a 100 unit project and have 15 1BR units at 50% AMI (as required to claim points under section XVII), do we also need 15 2BR and 15 3BR units to be restricted to 50% AMI?

*Response: DCA requires developments to distribute different rent restricted units across unit size, type, and buildings. We interpret this as saying developers must not concentrate all of one type of income restrictions to one type of unit size. DCA requires distribution of income restricted units but does not provide deal-specific guidance on the distribution.*

### **QAP Scoring - 20 High Performing School Zones**

1. We are utilizing the 2010/2011 CRCT scores for the elementary school near our proposed project. These scores are the most recently available CRCT scores for this school. The response to Q& A Posting #6, question #1 states that 2012-2013 CRCT scores are available at [https://usg.gosa.ga.gov/analytics/K12ReportCard\\_GeorgiaTests](https://usg.gosa.ga.gov/analytics/K12ReportCard_GeorgiaTests). However, the search function for this website does not work. If you try to select, School Year,

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School, School District or Academic Level to find CRCT results, the system just says "please wait" and never produces results. Could you also confirm that it is acceptable to use 2010-2011 scores if these are the most recently available scores?

*Response: The website is fully functional, please continue to re-try.*

**Electronic Core Application - DCA Underwriting Assumptions**

1. Can you provide clarification on the developer fee calculation when there is an identity of interest with the General Contractor? When reading the language in Appendix 1, it appears that it requires you to calculate the Developer fee of 15% off of the Total Development Cost (minus land, minus developer's fee, and minus Builder Profit). Is that Correct?

*Response: Yes, assuming the Total Development Cost is within DCA's cost limits. (see QAP, page 10 of 58)*

**Other**

1. We are preparing a 9% LIHTC application to submit this June. There will be no home funds, CDBG or other sources. Are Davis Bacon wages mandatory for this project?

*Response: Davis Bacon is triggered by Federal funding, Low Income Housing Tax Credits are not considered Federal funding.*