

2015 DCA Qualified Allocation Plan
General Questions & Answers
Posting #4
March 31, 2015

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

1. Has there been any consideration for projects that are applying for HOME (as a CHDO) to be able to update the project site plan, by adding additional land assemblage that were secured or controlled after the HOME March 19th deadline, but prior to the June Tax Credit submission? If this is not allowed it actually shorten the project preparation period for any project apply under the HOME program. Most projects get from the time the QAP is released until submission to perform all pre-development and due diligence items, but those projects requesting HOME receive a substantially less period to meet all the same requirements.

*Response: Yes only if there is no switch of the project site, if there is no change to the total # of units or unit mix, **and** if the HOME loan characteristics (such as fully amortizing) remain same as proposed in the HOME Consent application. In addition, if the land is added after the HOME Consent application submission, DCA will evaluate the reasonableness of the cost of the added land to the project.*

2. Can additional land be added to the original site plan submitted during the HOME pre-application prior to submitting for the Tax Credit program?

*Response: Yes only if there is no switch of the project site, if there is no change to the total # of units or unit mix, **and** if the HOME loan characteristics (such as fully amortizing) remain same as proposed in the HOME Consent application. In addition, if the land is added after the HOME Consent application submission, DCA will evaluate the reasonableness of the cost of the added land to the project.*

3. Is adding additional land and updating the unit mix allowed after the HOME pre-application, but prior to the HOME consent and prior to Tax Credit application submission deadline?

Response: Changes to the unit mix cannot be made after the HOME pre-application has been submitted.

QAP Threshold - 23 Eligibility For HOME loans Under The CHDO Set Aside

1. During the CHDO Technical Assistance session there was confusion about Attachment C-17 which pertains to 24 CFR 84.21 Financial Standards Certification/Documentation. Does this pertain to the non-profit that is applying for CHDO certification?

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Response: Yes. Based on 24 CFR Section 92.2 a Community Housing Development Organization will have standards of financial accountability that conform to 24 CFR 84.21, "Standards for Financial Management Systems".

2. Our Board Chair is a high school teacher for the Atlanta Public Schools. Would she, as an employee of the school district, be considered a governmental employee?

Response: Any board member, including one who is counted toward the maximum 1/3 limitation on public officials and government employees can serve as a board officer. To determine if the school is a governmental entity one would need to determine if the school is controlled by the city. If so, then the school employees are really part of the jurisdiction. For example, if the mayor appoints the school board and the "CEO" for the school district, the school would be considered a governmental entity. If the school district is controlled by a board elected independently of the city, then it's not one of the governmental entities HUD is focused on.

3. Can a new CHDO contract with the housing authority (presumably the PHA is creating this new CHDO) as a consultant during the first year and still meet the independence requirement?

Response: A CHDO may use a consultant in an advisory capacity. DCA recommends that a CHDO obtain legal counsel advice when the relationship between the CHDO, its parent entity and the consultant appears to be related. No related entity should have the effect or appearance of control over the CHDO. Per §92.2 CHDO definition paragraph (3), The CHDO may not be controlled by, nor under the direction of, individuals or entities seeking to derive profit or gain from the organization.

4. Can a teacher in the Atlanta Public School system be an officer or employee of a CHDO?

Response: The officers (including elected or appointed officials) or employees of a governmental entity may not be employees of a CHDO. See §92.2 CHDO definition paragraph (5).

5. If a W-2 is not available and only an employment contract is in place, what other documentation or evidence is needed to prove "staff" status for a CHDO?

Response: When determining staff status, DCA would look to the facts in each case. A main consideration of employee status will be the CHDO's right and ability to control or direct the individual's work and how it will be done. A W-2 is sufficient evidence of employee status, however when a W-2 is absent, please

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provide all related contracts and agreements which define the working arrangement. Consultants who are in an independent trade, business, or profession in which they offer their services to the general public are generally treated as independent contractors, not employees.

6. What determines if a CHDO is considered a recipient as noted in 24 CFR 84.21, "Standards for Financial Management Systems"?

Response: While a CHDO is not considered a recipient under 24 CFR 84.21, based on 24 CFR Section 92.2 a Community Housing Development Organization will need to have standards of financial accountability that conform to 24 CFR 84.21, "Standards for Financial Management Systems".

QAP Scoring - 15 Leveraging Of Public Resources

1. If a municipality owns land and sells it to us through their development authority and they are willing to finance the sale of the land to us with an interest rate below AFR can this loan qualify for leveraging of public resources points as long as the loan meets all additional requirements set forth in XV. Section A. of the QAP.

Response: Scoring cannot be determined during Q&A.

QAP Scoring - 19 Preservation Priority Points

1. How will DCA Portfolio Management select the one "high priority" property eligible to receive the 2 points under Preservation Priority Points? Is there an application process for this?

Response: Management's High Priority designation should submit the requested documents with the application materials on June 11, 2015. The instructions and priority factors considered for these points have been posted to the DCA website at:

<http://www.dca.ga.gov/housing/HousingDevelopment/programs/QAP2015docs.aspx>