

2016 DCA Qualified Allocation Plan
General Questions & Answers
Posting #4
April 5, 2016

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

1. In Appendix I, Threshold Criteria, it states:

viii. HUD letters by an authorized official from the Multifamily Housing Division stating that the application is under serious consideration and Lender Preliminary Commitments for HUD assisted projects under 221 (d) (3) or 221 (d) (4) program may be submitted with the Application, but final MAP Invitations must be submitted by the deadline noted on Exhibit A DCA Pre-application and Pre-Award Deadlines and Fee Schedule.

I have spoken with an authorized official from the Multifamily Housing Division at HUD and they will need to see a "Concept Meeting" package or application before issuing a "letter of interest" to DCA. The "Letter of Interest" typically gives the project the green light to proceed in the 221d4 process. There is a disconnect of the terminology between HUD and DCA.

Can you please confirm that the "letter of interest" terminology will satisfy the MAP Invitation, as they are essentially the same thing?

Response: DCA is looking for a Letter of Invitation (as stated in 4.2 D of the MAP guide) from HUD showing acceptance into the 221d4 process.

QAP Threshold - 19 Architectural Design & Quality Standards

1. What are the architectural standards in cases where existing residential units have tank less water heaters installed?

Response: Although there is no specific language related to tankless water heaters, all of the following sections must be taken into account, where applicable, regarding water heaters in new or existing projects:

- *2016 QAP, Appendix I, Threshold, Section XVII. Building Sustainability, Item G: Water heaters must comply with Energy Star Qualified Homes Version 3 National Program Requirements for Efficiency Factor.*
- *2016 Architectural Standards Manual, Section I, p. 13 of 17: In new construction and adaptive re-use projects, all water heater tanks must be placed in an overflow pan piped to the exterior of the building, regardless of location and floor level unless a primed p-trap is installed. The temperature and relief valve must also be piped to the exterior. Water heaters must be placed in*

2016 DCA Qualified Allocation Plan
General Questions & Answers
Posting #4
April 5, 2016

closets to allow for their removal and inspection by or through the closet door. Water heaters may not be installed over the clothes washer or dryer space.

- *2016 Rehabilitation Guide, Site Utilities – Special Considerations: Polybutylene Piping, p.12 of 29:
In all cases where polybutylene piping is identified on the property, an investigation must be conducted to adequately confirm the condition and performance of the plumbing system. The Consultant must document the investigation and provide an opinion on the system and whether or not the piping should be repaired or replaced. Particular note must be made of the condition of the fittings, and in all cases the last 3'-0" of the hot water lines from the water heater must be replaced with copper piping if this is identified as polybutylene piping.*

QAP Threshold - 20 Qualifications For Project Participants

1. DCA recently posted the updated Pre-Application Forms on the website however the instructions to the forms are unclear as to which items are required to be submitted. During the 2016 Application Workshop and as indicated on the 2016 Application Workshop Presentation PowerPoint page 76 of 99 1) Removed Credit Release Form and 2) Financial Reports would only be required upon request. The Instructions in the 2016PerformExperComplianceHistSummWkwbk indicated that a Credit Release is required and the 2016Pre-AppSubmissionAndHOMEConsent Submission Form and Checklist list both of these as items to be submitted. Can DCA Clarify which Items are "required"?

Response: Applicants must submit a completed Performance Workbook to include the Compliance Questionnaire, complete organizational chart, and Compliance History form. Applicants do not need to submit the credit release form, financial reports or most recent compliance audit information for each project with their Pre-Application workbook. The compliance audit information (letter of good standing from a Syndicator or HFA) for non-Georgia properties is not required at Pre-Application, however must be included in the Application Submission.

2. The QAP states on page 38 of 59 of the Compliance History Summary that the most recent compliance audit information should be provided for each project. Is this required? Our company will have approximately 180 deals so I want to make sure this needed as it doesn't state that in the Performance Workbook Instructions.

Response: Applicants do not need to submit the most recent compliance audit information for each project with their Pre-application Workbook. For Georgia properties, DCA already has this information. For Non-Georgia Properties, the required

2016 DCA Qualified Allocation Plan
General Questions & Answers
Posting #4
April 5, 2016

letter from a Syndicator or HFA that the property is in good standing is sufficient and must be included in the Application Submission.

QAP Threshold - 22 Eligibility for Credit under the Non-Profit Set Aside

1. There are two non-profits that own the general partner interest in the partnership that will own the proposed LIHTC project. Both of the non-profits are a qualified non-profit, defined as a 501(c)(3) organization, which are not affiliated with or controlled by a for-profit organization and both have included the fostering of low-income housing as a part of their exempt purpose. Both will materially participate in the project. However one of the qualified non-profits will own a 51% interest in the general partner interest and this qualified non-profit has the experience required to meet the DCA requirements of operating 5 or more successful tax credit projects completed after January 1, 2005. The other qualified non-profit has successfully owned and operated a tax credit project but would not meet the 5 project requirement and therefore will own 49% of the general partner interest. Both qualified non-profits will be active participants in the project and would share in the development fee but there will also be for-profit developers that will receive a percentage of the development fee. If the two non-profits combined share of the development fees received equals 55%, will the project qualify for the non-profit set aside, or does the qualified non-profit which possesses the experience, have to receive at least 51% of the development fee in order to qualify for the non-profit set aside?

Response: In the organizational structure noted above, Nonprofit A could stand alone to meet the nonprofit set-aside requirements so long as Nonprofit A received at least 51% of the developer fee. If Nonprofit A and Nonprofit B were being combined to meet the nonprofit set-aside requirements, then their interest in the developer fee would have to be at 100% because this is their percentage of ownership in the GP.

QAP Scoring - 3 Desirable Activities/Undesirable

1. If a paved pedestrian walkway to a desirable activity does not exist at the time of application, but will be built as part of a project's development plan, is this acceptable to DCA?

Response: If the off-site Paved Pedestrian Walkway is not in existence by Application Submission, Applicant must submit documents showing a construction timeline, commitment of funds, and approval from ownership entity of the land on which the Walkway will be built. A building permit for the Walkway is evidence of ownership approval.

2016 DCA Qualified Allocation Plan
General Questions & Answers
Posting #4
April 5, 2016

2. To be eligible for the Bonus Desirable Point for having 3+ Desirable Activities within 1-mile "walking distance" of the proposed site, does the walking distance have to be via Paved Pedestrian Walkway ("PPW")?

Response: Yes

3. If so, but no existing PPW exists at the time of the application, can one be built as provided for under Community Transportation Options?

Response: If the off-site Paved Pedestrian Walkway is not in existence by Application Submission, Applicant must submit documents showing a construction timeline, commitment of funds, and approval from ownership entity of the land on which the Walkway will be built. A building permit for the Walkway is evidence of ownership approval.

4. If the PPW can be built, can the development bear the cost of extending the PPW, so long as the extension is simply connecting to existing PPWs within the 1-mile path and is required to build by the local jurisdiction?

(Ex: PPWs exist 200' to the West and 700' to the East of the site's entrance...local jurisdiction will allow builder / developer to connect the PPWs within the highway's ROW)

Response: Yes the PPW cost can be included in the total development cost. The applicant should consult with their accountant to determine the proper treatment of any off-site improvement and its inclusion into eligible basis. For an off-site PP, the Applicant must submit documents showing a construction timeline, commitment of funds, and approval from ownership entity of the land on which the Walkway will be built.

QAP Scoring 6 – Sustainable Developments

1. We have found no requirements in the QAP or in the DCA QAP Workshop materials nor was it mentioned at the DCA workshop that an Earth Craft Site Analysis Packet was or is required to be submitted at Pre-Application on a project taking the 3 points for Earth Craft Communities. In the 2016 Core Application on Part IX A-Scoring Criteria tab the spreadsheet will not allow the applicant to claim the 3 points unless the applicant states that a Site Analysis Packet was submitted and reviewed by both DCA and Earth Craft Communities administrators at Pre-Application. We need guidance on this today as it will take our civil design team 3-5 days to prepare and the Pre-Applications are due on the 28th.

2016 DCA Qualified Allocation Plan
General Questions & Answers
Posting #4
April 5, 2016

Response: The EarthCraft Site Analysis Packet is not due to DCA at Pre-App and DCA will be adjusting the CORE App accordingly. However, please note the documents required at Application for Sustainable Communities require the applicant to invest resources into items such as the EarthCraft Site Analysis Packet much earlier than the application due date in order to have the required documentation completed on time.

The requirement for Sustainable Developments include the following due at the time of Application:

Documentation:

- *Copy of an executed EarthCraft Communities Memorandum of Participation for the development where the project is located, signed by the Applicant.*
- *Submit an active version of the draft scoring worksheet for the development illustrating compliance with the minimum score required under the program to obtain certification under the sustainable building program selected. This worksheet must include the comments from the EarthCraft design review.*
- *Certificate of Participation in DCA's Green Building for Affordable Housing Training Course.*
- *Performance Institute (BPI) Building Analyst or other equivalent energy audit certification. Rehabs only.*

QAP Scoring - 7 Stable Communities/QAP Scoring - 13 Rural Priority

We are evaluating a potential 9% application site that currently is one legal parcel with one street address, but split between two counties and two census tracts. Please confirm how DCA would evaluate/score the property in the following categories:

1. Rural set-aside eligibility and rural priority (one county is a rural county, the other is not)
2. Stable community points (the two census tracts differ in poverty % and public health classifications)
3. Do the specific locations of each building on the site matter?

Response:

1. *DCA will determine where the majority of units for all buildings in the project reside. The county or census tract with majority of units will determine the geographic designation of Rural or Flexible for the project. The total units of the project must remain at eighty or fewer total units in order to claim rural priority points.*
2. *DCA will determine where the majority of units for all buildings in the project reside. The census tract with majority of units will determine the demographics. Note that under the requirements of Stable Communities the applicant can also claim points*

2016 DCA Qualified Allocation Plan
General Questions & Answers
Posting #4
April 5, 2016

for being within a ¼ mile of a census tract with qualifying demographic data. The ¼ mile is measured as the driving distance and the site must also be receiving 13 points in Desirable Activates.

3. Yes based on 1 and 2 above.

QAP Scoring 17 – Integrated Supportive Housing

1. Is it possible for a property with 100% Sec 8 PBRA with a priority for disabled individuals to qualify for the 2 points for supportive housing if the Owner is willing to accept 811 qualifying tenants from DCA and meets the 10% 1-bdrm at 50% AMI requirement? It is assumed the Owner would accept the tenants referred by DCA under the 811 program, but use the existing Sec 8 Subsidy in lieu of the 811 RPA for rental assistance.

Response: The QAP does not limit the applicability of the points in Section A of Scoring Section XVII Integrated Supportive Housing based on tenancy or other project based rental assistance available. Therefore, properties with 100% Section 8 PBRA would still be eligible for the points, so long as the stated criteria are met regarding the minimum number of units and willingness to accept rental assistance for the purpose of providing integrated housing opportunities to Persons with Disabilities. Should DCA select a property awarded points in this section, the rental assistance and tenants referred to the property will be determined on a case by case basis.

QAP Other

Under Section 13.Financing Resources-HOME/TCAP Loans- F. Selection Criteria for Consent-1.Competitive Selection Criteria

1: Will general HOME experience count or only DCA HOME experience under b) tie-breaker?

Response: In the Rural pool tie-breaker the review will be only DCA HOME loan performance.

2: If a HOME project is less than 36 months old will "Verification of timely payment of all required payments for period of thirty six months", include those projects less than 36 months old?

Response: Yes verification of timely payments will include HOME properties less than 36 months old and should cover the applicable amount of time during which payments were required to be made.

2016 DCA Qualified Allocation Plan
General Questions & Answers
Posting #4
April 5, 2016

3. If all underwriting documentation cannot be obtained from the participating jurisdiction/state agency for non DCA HOME projects due to restrictions placed on the state agency by its legal department, will DCA accept verified information provided from alternative sources, such as CPA audits and actual copies of paid real estate tax receipts for the following:

1. Verification that loan is current.
2. Verification of timely payment of all required payments for period of thirty six months prior to January 1, 2016
3. Verification the property is currently owned by the Applicant
4. Verification all real estate taxes have been paid

Response: If a participating jurisdiction ("PJ") is unable to provide the documentation, the applicant should provide DCA with evidence that the PJ is unable to confirm the requested information. In this case, alternative documentation such as copies of audited or reviewed financial statements and real estate tax receipts can suffice as evidence that the HOME loan is current and timely payments have been made.