

2016 DCA Qualified Allocation Plan
General Questions & Answers
Posting #9
May 11, 2016

Electronic Core Application - 2 Development Team

1. Should the performance workbook be completed by the Developer, GP and ownership entities as well as the individuals that own them? There are only individual owners of each entity. The GP and ownership entity are newly formed. The certifying entity will be an individual member of the developer and GP.

Response: Please submit a performance workbook for all principal(s) and/or entities which will be part of the general partner entity and the development entity. All Project Team members will be required to complete the Performance Questionnaire, Compliance History and Workbook Certification tabs.

For those entities which legally have the required interest to meet experience requirements with Successful Tax Credit Projects (the Certifying Entity), they will need to additionally complete the Capacity and Experience Summary tabs. If the Certifying Entity is a single purpose entity, submit experience summary information for the principal(s).

QAP Threshold - Exhibit A: DCA Underwriting Policies

1. In cases where a proposed project involves the rehabilitation of a fully occupied property, where the rehabilitation will work around the existing residents and any relocation will be completely temporary, will DCA entertain a proposal with a rent-up reserve of less than the prescribed three months' worth of operating expenses, if a clear rationale can be presented? Is there a rule of thumb or preferred rationale that DCA would prefer to see in such cases?

Response: DCA will consider a lease up reserve for less than three months of operating expenses when an Applicant provides evidence that the required full three month rent up reserve is not needed.

QAP Threshold - 20 Qualifications for Project Participants

1. In the Tabs Checklist, it appears that unless we are submitting a tax credit application for a 4% bond deal, we do NOT have to include our Operating Agreement or documentation that the entity is able to do business in Georgia. Is that correct?

Response: Yes, correct.

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QAP Scoring - 3 Desirable Activities/Undesirable

1. For the April 5 Q&A regarding PPW, is a building permit the only acceptable form of ownership approval when the PPW is not in existence at the time of application?

Response: No a Building Permit is an example, but not the only acceptable form of ownership approval. 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.

**Per 2016 QAP, Appendix II, Scoring, Section IV. Community Transportation Options*

QAP Scoring - 15 Leveraging

1. Would "in-kind" contributions from a local City qualify for scoring under Scoring Section 15: Leveraging? Examples would be waiver of building permit fees, impact fees, etc.

Response: DCA will not allow points under scoring section 15 for waiver of municipal fees in the 2016 Round.

2. The application checklist under #37 Leveraging of Public Resources, Section C lists the following items:

- 03.01 Commitment of funds
- 03.02 Detailed source of funds
- 03.03 Amount of investment
- 03.04 Timeline for completion
- 03.05 Description and location of improvements on site map
- 03.06 Narrative that includes benefit specific to the tenant base.

Please confirm that those items are required ONLY in the case of Off Site Improvement, Amenity and Facility Investment and do not apply to the other funding sources listed under #37.

Response: Correct, the documents listed under Section C, as listed, are not required documents for loans/grants and/or ground leases.

3. The QAP states that, "Only loans that are for both construction and permanent financing phases will be considered for points in this section". On the Sources of Funds tab in the Core application, does the applicant need to show an additional conventional

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construction loan equal to the amount of the permanent loan in the Mortgage B line item? Or will listing one total conventional construction loan suffice if the same lender is utilized for the conventional construction financing?

Response: Please list all loans separately with required information on the Sources tab in the Application Workbook.