

2018 Q&A Posting #7 Revised

May 7, 2018

QAP Scoring-8 Revitalization/Redevelopment Plans

1. The QAP states that revitalization plans must not be over 5 years old to qualify for points as a URP. Is that 5 years from the initial date they were set up? Or from the last time the plan was amended. The plan in question was set up as a 10-year plan initially.

➤ DCA Response: The QAP states "Community Revitalization Plans considered current are those that are adopted on or after May 24, 2013, but no later than November 24, 2017." For purposes of determining the plan's age, DCA will use the later of the date of adoption or re-adoption/renewal, as laid out in the QAP, as the starting date and Application Submission as the final date. Applicants with plans older than five years are required to submit documentation as outlined in the QAP.

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2. Could you clarify why a Community Transformation Plan submitted in the 2017 round is specifically called out as eligible for points?

➤ DCA Response: DCA's intent with Scoring Section VIII. Revitalization/Redevelopment Plans is to recognize the investments communities have already made in their planning efforts. DCA identifies the Community Transformation Plan because it is exempt from the requirement to meet criteria (g): "Be officially adopted by a Local Government."

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3. If an Applicant does not claim points for a Redevelopment Plan, can points for offsite capital investment still be taken, assuming the area impacted by the improvement is within a .5-mile radius of the site and serves the tenant base?

➤ DCA Response: No. With respect to Scoring Section VIII. Revitalization/Redevelopment Plans, the 2018 QAP states that "Applicants must receive at least 3 points in A (sub-section Qualified Census Tract/Revitalization Plan) to be eligible to receive points in B (sub-section Off-Site Capital Investment" (Scoring, p. 19 of 46).

QAP Scoring-4 Community Transportation Options

4. Section IV Part B) Access to Public Transportation - #4 Rural Pool Application

- This particular subgroup allows for points to be awarded to “Rural Pool Applications demonstrating that a publicly operated/sponsored and established transit service (including on-call or fixed-route service) will provide a reliable and available transportation option to all residents of the development. If the rural transportation option is a fixed-route service, the stop must be within a 0.5-mile walking distance of the site. If the transportation option is on-call, the service must be available on-site.”
- QUESTION – the minimum documentation (copied below) doesn’t align with this particular method of scoring these points in the Rural Pool if the service is on-call only. What would DCA like to see as Minimum Documentation if an Applicant plans to submit for review a transportation service that is entirely on-call and meets all other requirements? There is no transit stop since services are on-call and “at the door” pickup is offered.
 - o Map showing the location of the transit stop in relation to the proposed development site and clearly indicating the site entrance(s) and pedestrian site entrance(s).
 - o Google Map walking routes must originate from geo-coordinates of the pedestrian site entrance or the nearest physical address and end at the transit stop.
 - o Photograph of the transit stop accompanied by description of the stop’s location (if applicable).
 - o Documentation of the following criteria must be included in a PDF of the webpage. The PDF must include the webpage URL. If the website does not include all criteria, a letter from the transit agency is required including all criteria listed below, as well as the phone number and email address of the transit service.

Cost of service

Relevant transit route(s)

Route schedule

- DCA Response: For Rural Applications only, the documentation required to evidence that on-call service meets the requirements as stated in the 2018 QAP Scoring Section IV. Community Transportation Options must evidence the following information:

The service must serve the public no less than 5 days per week

Cost of service

Relevant transit route(s)

Route schedule

If the Transit Agency website does not indicate all of the above items and therefore cannot be included in the PDF copies of the website pages, then a letter from the Transit Agency must provide the following information:

The phone number and email address of the Transit Agency contact

The service must serve the public no less than 5 days per week

Cost of service

Relevant transit route(s)

Route schedule

See the 2018 QAP Scoring Section IV. Community Transportation Options Qualified Allocation Plan - Scoring Pages 8 and 9 of 46.

QAP Scoring-17 Favorable Financing

5. The answer in Q&A #6 conflicts with the QAP that does not allow for any "Pass-through" funds, loans or grants.... Further the QAP says "...Applicant that engages in these actions will be subject to immediate disqualification...."

➤ DCA Response: DCA's response to QAP Scoring - 17 Favorable Financing Question 1 in Q&A #6 has raised additional questions by several applicants. DCA is providing this additional guidance to that question.

In addition to specific requirements for the financing, eligibility for points under this section is determined primarily by the nature of the funds (those funds listed under Section A) or by the entity providing the funds (Federal, State or Local Government) funds.

In the instant case, a Land Bank would not be considered a Local Government. Local Government is defined in the 2018 QAP Core Section 2 as "the controlling elected governing body of the local jurisdiction (as defined in the Charter) in which the property is located at the time of Application (e.g., city council if within the city limits, or county commission if in an unincorporated area)."

However, if the source of funds of the Land Bank's loan is one of the eligible sources listed in subsection A, 1-10, the loan may be eligible if all other requirements are met. DCA will also look at whether the source of funds is a "pass through" loan from a non-eligible source in determining point eligibility.

Applicants should be very specific in explaining why the property is eligible for points under the specific language of the QAP.

QAP Threshold-7 Environmental Requirements

6. In the HUD-HOME questionnaire required for projects applying in the Rural HOME set aside. These are applications for tax credit only and no HOME. However, HOME loans will be paid off with the proceeds?

➤ DCA Response: The HOME/HUD Environmental Questionnaire is only required for applicants applying for federal funds (i.e. not for tax credit only applications).

QAP Threshold Section 1-Project Feasibility (Market Units)

7. Page 6 of 64 of the Threshold Criteria, Appendix I states that any and all costs directly associated with developing unrestricted units must be covered by conventional or unrestricted financing resources. The percentage of market rate units must be less than or equal to the permanent financing loan to total development cost percentage. Are PJ HOME funds considered unrestricted financing?

➤ DCA Response: PJ HOME Funds are considered restricted financing given the HUD Regulation that govern all HOME funds require that each HOME assisted units require a maximum rent at the lesser of fair market rent for existing housing for comparable units in the area as established by HUD under 24 CFR 888.111; or a rent that does not exceed 30% of the adjusted income for a family whose annual income equals 65% percent of the median income for the area, as determined by HUD, with adjustments for the number of bedrooms in the unit. These funds are thus restricted by the rents that may be associated with them.

QAP Threshold-22 Eligibility For Credit Under The Rural HOME Preservation Set Aside

8. Applicants utilizing the Rural HOME Preservation Set Aside will have an existing HOME loan which will be paid off via acquisition/closing. The QAP states "Reducing or extinguishing the original HOME balance does not terminate the statutory and/or state mandated affordability restrictions which may be in place". Would relocation restrictions--which would normally apply to projects receiving a HOME loan--apply in this case?

➤ DCA Response: Generally, paying off an existing HOME loan would not terminate the restrictions placed on the property under the Land Use Restrictive Agreement. DCA's Relocation policy, per Threshold Section XXV, applies to all properties regardless of HOME loan status. URA (federal requirements) would also apply in this case, since current tenants would be living in HOME assisted units prior to possible relocation.