



2017 Q&A Posting #2

April 7, 2017

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

1. Can the unit count of a proposed development that was submitted for HOME Consent change between HOME Consent submission and full application submission?
 - The applicant may change the unit count from that listed in the HOME consent as long as the change does not negatively impact any of the competitive HOME scoring categories listed in Core Section 13 and the Application meets minimum required HOME units per subsidy layering and cost allocation assessments. Any change in unit count may, however, impact other pre-application decisions, such as qualification and waiver approval.

2. Page 5 & 6 of 61 within the 2017 QAP - Threshold 7. d) Tax Credit Buildings with no HOME - states "licensed engineer or qualified professionals providing this model must be approved by DCA prior to submission of the Model..." If we are planning to submit an application on May 25th for a tax credit only development and plan to use an Energy Consumption Model for our utility allowance within our application, how does the engineer performing the study/completing the model get approved by DCA prior to May 25th?
 - Any documentation required of the Applicant must be provided by May 1, 2017 in order for DCA to determine approval status and provide a response prior to Application Intake. Please refer to DCA Utility Allowance Methodology Change Requests at the following link:
http://www.dca.ga.gov/housing/HousingDevelopment/programs/downloads/A_HFDMain/Compliance/2017DCAUMethodChngProcess.pdf

3. The QAP is clear on the subject of effective dates of such items as income limits, rent limits, HUD FRMs, and cost limits. If something is posted after January 1, but has a retroactive application (such as FFY2017, which began October 1, 2016), would the applicant be in good standing by using that item? More specifically, the HUD 2017 FMRs became effective on October 1, 2016, although the HUD notice of the new FMRs is itself undated.

- Applicants must use standards that were in effect and available on January 1, 2017.

QAP Scoring - 3 Desirable Activities/Undesirable

4. If an unoccupied house is secured, would the presence of boarded up windows and doors cause an undesirable point deduction?
 - The presence of boarded up windows and doors would not automatically equate to an undesirable point deduction. If the property detracts from the area's physical appearance, diminishes living conditions and/or safety of the neighborhood, and decreases the marketability of the proposed sites, it may be considered for a point deduction under the 2017 QAP, Appendix II Scoring, Section III. C. Undesirable, Site Characteristics 1 (c).

QAP Scoring - 6 Sustainable Developments/QAP Threshold - 18 Architectural Design & Quality Standards

5. Do all Southface Green Building for Affordable Housing Webinar certifications need to be from 2017, or can an applicant use one for which he attended in 2016?
 - The certifications must be from 2017. The 2017 webinar is specific to the 2017 QAP.

QAP Threshold -7 Environmental Requirements

6. If a project was submitted to DCA in a previous year and received a letter from the Georgia Historic Preservation Division that the project will not impact historic properties, will DCA require the project to meet the current historic preservation requirements of a detailed literature review and intensive cultural resources survey?
 - For HOME applicants, an up-to-date Section 106 clearance, detailed literature review, and cultural resources survey will be accepted in place of new documentation.

QAP Scoring - 8 Transformational Communities

7. We have a question regarding the community quarterback role in this year's LIHTC applications. There is more than one project from our community seeking the housing tax credit, and our Downtown Development Authority is interested in serving as the community quarterback for both projects since they are located within the DDA

boundaries. We are aware that only one project could potentially get the credit, but the DDA is in support of both. Is this acceptable, or is it recommended that the community quarterback be associated with only 1 application?

- DCA will not advise as to whether a Community Quarterback may work with more than one Applicant. Instead, DCA recognizes that serving as a Community Quarterback requires a large degree of participation in the creation and implementation of the Community Transformation Plan, as discussed in the Scoring Guidance for Scoring Section VIII. Transformational Communities (available at the following link:
http://www.dca.state.ga.us/housing/HousingDevelopment/programs/downloads/A_HFDMain/FdgRd/2017/QAP/Guidance-ScoringSect8TransformationalCommunities.pdf)

A Community Quarterback must be prepared to fulfill this role for any and all Applicants it has partnered with as an entity.

8. This question pertains to the “Transformational Communities” requirements, and concerns the QAP Scoring Section VIII where in the second paragraph applicants may “build upon an existing Community Revitalization Plan (CRP) that meets DCA requirements.” Our community has a CRP Plan that has successfully met the DCA requirements for the last three years, as evidenced in part by our funding approvals for those three projects, two of which are adjacent to this year’s project. For those of us who have a 2016 DCA-approved CRP and who are submitting a Community Transformation Plan in 2017, is it permissible to document last year’s CRP approval instead of making the changes to it required by the 2017 QAP? Our Community Transformation Plan will clearly document how it “builds upon” the 2016 DCA-approved CRP, per the 2017 QAP requirements. We further understand and acknowledge that we cannot rely on the Community Revitalization Plan points if we don’t receive points under the Community Transformation Plan section. It appears that with the DCA “clerical correction” noted and discussed at the DCA Workshop, since there is no need for us to complete the Neighborhood Redevelopment Certification if we are instead submitting a Transformation Plan, then is it logical to conclude that there is no need to update the CRP to comply with the 2017 QAP requirements? If so, does DCA still want us to include the 2016 DCA approved CRP in this year’s application? Per our conversation with [DCA] after the QAP workshop, he responded that our understanding was correct, and that an updated CRP is not necessary in this case, but advised that we submit these questions to confirm.

- Verbal responses from DCA staff regarding QAP questions are advisory only and cannot be used as final policy. The QAP, DCA written guidance, and Q&A are the acceptable sources of guidance for the Competitive Round.

An Applicant submitting a Community Transformation Plan for a community

referencing an existing Community Revitalization Plan must demonstrate that the referenced, existing Community Revitalization Plan meets DCA standards as articulated in the 2017 QAP and discussed in the Scoring Guidance (http://www.dca.state.ga.us/housing/HousingDevelopment/programs/downloads/A_HFDMain/FdgRd/2017/QAP/Guidance-ScoringSect8TransformationalCommunities.pdf).

DCA's approval of any element of an application if any previous funding round does not constitute approval in future funding rounds. The Applicant must submit a copy of both the Community Revitalization Plan and the Community Transformation Plan, as well as all associated documentation for both plans, in the "Transformational Communities" tab of the Application.

Furthermore, DCA has created two Certificates for Applicants to use, depending on which type of Plan they submit. Those solely submitting a Community Revitalization Plan should submit a completed 2017 DCA Neighborhood Redevelopment Certification. Those submitting a Community Transformation Plan, regardless of whether it references an existing Community Revitalization Plan, should submit a 2017 Community Transformation Plan Certificate.

9. While we understand DCA's desire to have a more comprehensive plan to qualify for the Transformation Plan points, how can developers properly plan and execute according to DCA's desire when complete details have not yet been fully disclosed for a very detailed, lengthy process? It seems quite late in the process to issue "more detailed" scoring guidance when teams have already begun the process down a perceived path based on current interpretation of the QAP?
 - DCA has now published both the Scoring Guidance on Section VIII. Transformational Communities, as well as the 2017 DCA Neighborhood Redevelopment Certification and the 2017 Community Transformation Plan Certificate.

QAP Scoring- 9 Phased Development/Previous Projects

10. Exhibit B to Appendix II for the 2016 round listed prior projects. Then I searched the DCA published list of 2016 awards. With these data I searched for sites. Now I have been told that DCA awarded credits to a 2016 NonSelect. This renders one of my sites for 2017 not viable due to DCA picking a 2016 NonSelect. We do not object to the appeal award to the 2016 NonSelect. But just wish DCA could have told us.

- Per the Qualified Allocation Plan (QAP), Applicants can request that DCA reconsider a decision that resulted in the non-selection of an Application during the Appeal Process, which may result in an Application receiving an award. Thus, the Competitive Round may continue after the initial publication of the list of selects and nonselects. While DCA cannot provide a specific timeline for the publication of a final list, the agency will continue to make every effort to publish the most updated list once final decisions are made.

QAP Scoring - 16 Innovative Project Concept

11. With one of the State Priorities being Health Outcomes, why would Health Outcomes be removed from one of the Innovative Project Concept qualifications?

- Initiatives meant to improve Health Outcomes are no longer considered an Innovative Project Concept but instead an essential component of every property DCA funds.

QAP Scoring - 17 Integrated Supportive Housing

12. Are senior developments eligible to participate in the 811 Rental Assistance program?

- No. The HUD 811 PRA program is targeted to extremely low income (30% AMI) individuals' ages 18 to 61 years of age that have Serious and Persistent Mental Illness (SPMI) and are eligible for services under the Settlement Agreement or are eligible under the state of Georgia's Money Follows the Person (MFP) program.

QAP Threshold - 19 Qualifications for Project Participants

13. There seems to be a conflict between the CHDO HOME loan requirements and DCA's tax credit experience requirements: 1.) CHDO's must hold 100% GP interest in order to qualify for a HOME loan consent under the CHDO setaside (per HUD HOME regulations) 2.) The QAP states that the Certifying Entity must hold at least 20% GP interest to be eligible for a tax credit allocation. Many eligible CHDO's cannot meet the C.E. criteria. What is an acceptable structure for a CHDO that does not qualify as a C.E.?

- DCA may determine a proposed CHDO to be a qualified ownership entity or project team member if it meets HOME program requirements even though it does not meet DCA qualification (Experience) requirements. (QAP Core Section 13.D.1.e), page 22 of 45). To meet the requirement that "the Project Team must

demonstrate the qualifications necessary to successfully own, develop and operate a proposed tax credit project," DCA may require a Certifying Developer that does meet the DCA qualification (experience) requirements.

QAP Threshold - 26 Affirmatively Furthering Fair Housing

14. The QAP states "Each Applicant selected for an award of credits must prepare and submit an Affirmatively Furthering Fair Housing Marketing Plan." But, the instructions for the AFFHMP state that it only applies to "owners of HOME-assisted projects with five or more units." Should the AFFHMP instructions be changed so that it states that every Applicant must do this?

- As per the QAP Threshold Section XXV, all Applicants must submit an Affirmatively Furthering Fair Housing Marketing Plan, whether there is HOME funding or not.

Local Government Support/Community Engagement

15. In a GICH community, which is a city, can they write a letter for a deal in the county and vice versa?

- A GICH team can only write a letter for a proposed development within the specific boundaries of that GICH team.

Other

16. Given increasing property tax liabilities, decreasing debt amounts (as a result of increasing prop. taxes), and equity pricing drops, has DCA considered increasing the DDF limitation if the project can repay in 15yrs?

- DCA does not anticipate adjusting deferred developer fee thresholds and will keep DDF limitation at 50%.