

2014 DCA Qualified Allocation Plan
General Questions & Answers
Posting #7
May 15, 2014

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

1. For application purposes, are applicants required to utilize DCA's statewide utility allowance schedule, or can the HUD Utility Schedule Model be used?

Response: At Application Submission, the appropriate utility allowance must be utilized. If there is no 1) USDA, 2) HUD or 3) local PHA monitoring of the project, then DCA utility allowances must be utilized. Once the project is operational, if requested, a different eligible utility allowance may be utilized.

2. Also, if the project is requesting DCA HOME funds, does that change which Utility Allowance figures the applicant can utilize for application purposes?

Response: No.

3. If the HUD model can be used, and the applicant obtains the most current utility rates from the service providers of the proposed development, can the applicant prepare the HUD model with all backup calculations and rate schedules? Or, does the applicant have to use a licensed engineer or qualified professional approved by DCA prior to submission of the application as stated on page 4 and 5 of Appendix I Threshold Criteria of the QAP?

Response: At Application Submission, the appropriate utility allowance must be utilized. If there is no 1) USDA, 2) HUD or 3) local PHA monitoring of the project, then DCA utility allowances must be utilized. Once the project is operational, if requested, a different eligible utility allowance may be utilized.

4. Lastly, if the applicant cannot prepare the HUD model, what is the process for getting a licensed engineer or qualified professional approved by DCA (i.e. what is the timeline for / how long does it take getting one approved)?

Response: If an owner wants to change the method of calculating the utility allowance, there is a 90-day required notification period to permit residents the opportunity to review the proposed utility allowance change. This time frame may run concurrently with the written request submitted to DCA. DCA will review the request and provide a response within 45 days.

5. Last year, DCA clarified that the requirement for three years of audited operating statements in Tab 1 of the checklist refer to an existing project. Is this still the case?

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Response: Yes, it assumes that the request involves rehabilitation of the existing project.

QAP Threshold - 11 Operating Utilities

1. The QAP states: "To be considered "available" for the purposes of this section, all easements necessary for the utility providers to extend utilities to the property, and commitments from the utility providers to extend utilities to the property must be secured at the time of Application submission. Evidence of such easements and commitments from the utility provider must be included in the Application."

Does this mean that a commitment of extension is only required if an easement was necessary or is this two separate issues and a commitment of extension is required regardless of any easement required?

Response: A commitment for extension is required regardless of whether an easement is required. Please keep in mind that any charges for the off-site extension of utility services are not eligible for funding as project costs under the funding resources in the plan.

QAP Threshold - 20 Qualifications For Project Team (Performance)

1. We received a letter Qualifying our project without conditions. Does this mean we do not have to include section 18 XX. Qualification Determination and section XXI. Compliance History since we already submitted these requirements? We can include this signed letter in the hard copy of the application and a scan of the letter in the electronic version of the application, correct?

Response: Provided there is no change in your project team, only the signed qualification determination letter will be required at Application Submission.

2. In Tab 18 of the checklist you ask for documentation that organizational entities are registered to do business in GA. Does this mean that we need to register our proposed LP and LLC entities prior to receiving an award?

Response: No.

QAP Scoring - 3 Desirable Activities/Undesirable

1. In the desirable/undesirable section of scoring, category A is for a National big box general merchandise store. Would Dollar General qualify in this category?

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Response: No, The typical Dollar General store has 6,750 square feet of selling space and would not qualify under DCA's minimum requirement of 50,000 square feet of floor space to be considered as a "Big Box general merchandise store".

2. In section P of the same category, Day care services. Would a head start program qualify for points?

Response: Yes, a Georgia affiliated Head Start program would qualify.

QAP Scoring - 4 Community Transportation Options

1. IV Community Transportation Options B states "as within 800 feet of an entrance to the site that is accessible to pedestrians and connected by sidewalks or established pedestrian walkways to the transportation stop." Will a site whose entrance is within 400 feet of a transportation stop and connects to an established residential neighborhood without sidewalks, and whose residents use the neighborhood streets as walkways, qualify for the three (3) points?

Response: There must be established pedestrian walkways between the site entrance and the transportation stop.

QAP Scoring - 17 Integrated Supportive Housing

1. Three points are available for applications that agree to accept Section 811 project based rental assistance for up to 15% of the units. In order to be eligible for these points, at least 15% of the total low-income units must be one bedroom units that are set at 50% AMI rent and income levels. According to the HOME Manual, the Low HOME units must be distributed comparably across unit sizes. At the QAP workshop, the question came up as to whether the Integrated Supportive Housing units could also be the Low HOME units. Could DCA please clarify if it is acceptable to designate 15% of the total units as one-bedroom, 50% AMI for the Integrated Supportive Housing requirements, while also designating these same units as HOME units.

Response: It is DCA's policy to consider all low income units in a project funded in part with DCA HOME funds to be "HOME assisted" units. A minimum of twenty percent (20%) of HOME assisted units must be restricted to 50% AMI and commensurate rent levels (subject to the lower of HUD FMR, or tax credit rent restriction, if applicable). HOME assisted units or low income units cannot be

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concentrated in one building or one unit size. Section 811 eligible units can overlap with low HOME assisted units.

QAP Scoring - 20 High Performing School Zones

1. The QAP says that "A high performance school" has a higher percentage of students that either meet OR exceed standards in each grade and in each subject area than the state average for the corresponding grade and subject area, but it's not being scored that way in the application.

In your previous Q&A Posting #6 and in the core application score calculation section, you have to meet AND exceed standards in each grade. Isn't this contradictory to the QAP?

Response: The percentage calculations for the purpose of high performing school zones will include both the percentage of meet and the percentage of exceed.

3rd and 4th grade

Math State Average 45% Meets and 36% Exceeds

Math Local School 51% Meets and 27% Exceeds

In this example the high performing percentage at the State level will be $45\%+36\%=81\%$ while the high performing percentage at the Local level will be $51\%+27\%=78\%$. As the local high performing percentage does not exceed the state percentage, the property in the local area in the above example will not be eligible for this scoring category.

Electronic Core Application - DCA Underwriting Assumptions

1. Does DCA intend to publish updated Utility Allowances between now and May 15, 2014?

Response: They have been published. Although the effective date on the DCA published utility allowance is July 1, 2014, we encourage applicants to use them in their 2014 application with the 2014 rents that are already in effect.