

2010 DCA Qualified Allocation Plan
General Questions & Answers
Posting #5
May 6, 2010

1. Page 44 of 46 in the Threshold Section of the 2010 QAP states that all projects selected for funding (regardless of their tenancy) must demonstrate a willingness to initiate marketing of the units to special needs populations. Please confirm the only applicants responsible for submitting documentation in Tab 21 - Special Needs are those with a special needs tenancy characteristic. All others are only responsible for submitting a special needs marketing plan after being selected for funding and prior to receipt of 8609s.

Response: That is correct.

2. To receive the two points for a rural development, the QAP states that you must limit number of units built to less than eighty. Since most developers build projects that are divisible by four or six, is it possible that DCA intended this section to read eighty units or less?

Response: No, the language in the QAP states that only project with less than 80 residential units are eligible for 2 points.

3. Could you tell us when the 2009 cycle market studies will be posted (like previous years) or do the market analysts need to request them individually under GORA?

Response: The 2009 market studies have been posted on DCA's website and can be found at:
http://www/housing/HousingDevelopment/programs/OAH_GORAMarketStudies2009.asp

4. On page 5 (middle slide) of the 2010 QAP Application Workshop handout, it reads that there will be market study roundtables. Could you tell us where and when these roundtables will be held?

Response: No roundtables are planned at this time. DCA posted the market study manual and scoring for public comments. As part of the review process, DCA's staff had extensive discussions, including a roundtable meeting, with the 2010 approved market analysts. DCA has also included the development community in our discussions and incorporated some of these comments in the final version of the market study manual and scoring. As such, DCA feels there is no need to have a market study roundtable at this time.

5. The 2010 QAP indicates that applicants that do not need HOME funds for their proposed projects, and appear to be applying for HOME funds strictly to score points in the LIHTC competition, will not receive a consent for HOME funding in the pre-application phase. How will this "need" be determined?

2010 DCA Qualified Allocation Plan
General Questions & Answers
Posting #5
May 6, 2010

In this "need" analysis, will DCA consider a state-designated 30% basis boost if the project appears to be otherwise eligible for it (other than the presence of HOME funds)?

Response: If the applicant is requesting a lesser amount of tax credits than they are eligible for, based on the results of the Eligible Basis and the Gap methods, then DCA may determine that the project does not require HOME funds for construction or permanent financing, or as much as requested. This may also be the case if the proforma indicates that there is available net operating income sufficient to increase other debt to the maximum noted in the commitment.

Section 5D of the core Plan states that project that "Rural projects without DCA HOME as a source" are eligible for the boost. If the project is a historic rehab qualifying for such or demonstrates extraordinary financial circumstances which require the boost to ensure the continued feasibility of a project previously approved by DCA and not yet placed in service, the boost can be considered. A project meeting either of these criteria, but has HOME funds could only be considered on an exception basis, and may warrant a project specific inquiry.