

# **American Recovery and Reinvestment Act**

## **Q & A Nbr 1**

1. Is the Contract Addendum form available on DCA's website? It says to see the Federal Compliance Manual for additional info on this form. The Manual is not available on the website. If it is not available, when do you expect to post it?

**HUD has waived the relocation requirements for TCAP. Treasury has determined that the Exchange funds are not federal funds. Therefore, the federal relocation statute is not applicable. The Contract Agreement form which requires the disclosure of federal financing in every contract is not applicable. Therefore, applicants do not need to provide this form with their application. Please note that DCA relocation requirements remain in full force and effect.**

2. Things are progressing well but we decided we are going to apply for the TCAP funds in Round II. It is just a bit too tight to get all the necessary docs due on May 1 for Round I. We trust this does not jeopardize our chances of obtaining funds under this program. Is it OK for us to apply in Round II?

**Submissions that are materially incomplete will be returned to the applicant and they will have to resubmit in the next available round once they have completed their submission requirements. Processing will go much smoother if the submission is complete. While we anticipate that there will be sufficient funds for all three rounds, we cannot say with certainty until applications are received.**

3. In your documentation submission requirements there is a request for a current ALTA survey. Are there any certification requirements that must be listed on the survey?

**DCA has very specific requirements for preparation of the Alta survey. We have posted the requirements on our website.**

Also, there is a request for a current title report on the property. Do you want an endorsement to our existing owner's policy or a title date down or some other document?

**A current title report or an endorsement which covers all similar matters of record since the cover date of the previously issued report through to the new cover date is acceptable.**

4. How many projects have returned credits?

**Nine projects.**

5. How many folks plan to submit for Round I?

**One application was received in Round I.**

6. How many folks plan to submit for Round II (May 15)?

**We will not know until we receive the applications.**

7. If we have all information but can't submit until 3<sup>rd</sup> round, can we give you everything early?

# American Recovery and Reinvestment Act

## Q & A Nbr 1

Please do not submit information piecemeal. It will only make a very complex process more difficult. The one exception to this rule is that DCA encourages you to submit your updated Phase I and documentation for the NEPA release as soon as possible.

8. Has HUD issued guidance on environmental reviews?

Both HUD and Treasury have Recovery websites that post updates and questions. [www.recovery.gov](http://www.recovery.gov) also contains links to all information. DCA has posted summaries of changes in its OAH website as well. Project sites that have undergone a NEPA review and procedure should forward all information that was utilized to obtain the release of federal funds. It is our understanding that HUD will accept that release on applications for TCAP provided there is no change to the site or to the environment.

9. If we are already applying for EarthCraft Community certification, is that the same thing that Poly Tech is doing?

No. Poly Tech is not just looking at energy efficiency, but construction techniques, materials and specifications that include the certification techniques provided by EarthCraft. Poly Tech will provide you with suggestions and recommendations that will increase the long term financial feasibility of the project through sustainable overall construction techniques. They will give you guidance on project savings and costs for such items as solar systems, cisterns, window alternatives, building placement etc. Applicants are encouraged to meet the policy objectives of ARRA by considering improvements that might not have been possible in the original budget. Poly Tech will also be collecting long term data on the success rates of different methods of conservation and increased efficiency so that our industry can increase planning of future energy efficient designs. Recent increases in utility allowances coupled with higher taxes are a significant source of concern for the long term feasibility of the program.

10. What is the time frame for Poly Tech to complete their review?

Right now, the turn around is very fast. Going forward, it will be impossible for us to estimate as we do not know how many applications we will receive during each round.

11. After Poly Tech reviews them, do the plans then come back to us for changes?

Yes. Note that while recommendations for energy efficiency items are not required, DCA is hopeful that you will work with us to ensure that the projects constructed with ARRA are very efficient. One of DCA's challenges in implementing ARRA will be the project specific work that will clearly need to be completed for each application.

12. Will innovation costs be covered in total costs?

Unlike traditional tax credit allocation processes, developers and DCA will need to be flexible and adjust to required modifications on both sides. DCA is committed to this process. Innovations which add value to the project and accomplish the policy goals of DCA and ARRA will be considered.

## **American Recovery and Reinvestment Act Q & A Nbr 1**

13. After plans and specs are complete, how long will it take to get a Commitment?

**DCA will be giving first priority to ARRA projects. Our office expects to turn them around as quickly as possible.**

14. Does relocation apply, or is it just the HUD environmental?

**Although HUD has waived federal relocation requirements for TCAP, DCA program requirements remain in effect. Yes, relocation applies as these are federal fund. If you have questions, please contact Lynnette Watson at [lynnette.watson@dca.ga.gov](mailto:lynnette.watson@dca.ga.gov)**

15. What if we're shovel ready, but then want to make changes to be more energy efficient, will that negate our shovel ready status?

**We'll work with you as long as you are moving in a timely manor.**

16. If we've turned in credits, do we still include the allocation and compliance fee in our total cost budget?

**Yes. DCA is working to review allowable costs. However, at this time, you need to leave them in the budget.**

17. How do we structure TCAP if we have a longer affordability period associated with a USDA loan for the project?

**During underwriting, DCA will review other government funding sources and may allow an extended loan term.**

18. How will USDA react with respect to foreclosure rights if TCAP is taking a lien position?

**We currently do a parity loan when USDA is also funding the project. DCA has an excellent working relationship with USDA that should minimize this problem.**

19. Do we need to use the 08 core application tab checklist to put this submission together?

**No, we do need one complete, binder with a table of contents and tabs. If you have already submitted something (plans and specs, environmental, market update or waiver request) indicate so in the file. Also submit a CD of the revised 08 core application.**

20. What if we already have a Finding of No Significant Impact (FONSI)?

**If you have a federal environmental review approval that was performed when requesting some type of HUD funding, provide DCA with the documents that you provided for that approval, along with any additional supporting documentation via mail services-emails submittals will not be accepted. DCA will be reviewing these requests on a case by case basis. For more information, please refer to the summary update for DCA's environmental review. DCA has posted a summary of the HUD Q&A related to this issue on the website.**

## **American Recovery and Reinvestment Act Q & A Nbr 1**

21. Can Davis Bacon training have been completed over the past year?

**No. DCA needs to show GAO that applicants have completed a recent training. This training has been revised in response to the Act.**

22. Is the DCA time line on the web yet?

**A sample time line has been posted. If you have time line software that will also produce a comprehensive, detailed time line, that's okay to use. This time line will set the benchmarks for getting to construction from application submission.**

23. What is the Executed Contract Addendum?

**The contract addendum is no longer required because HUD waived statutory relocation requirements under its statutory authority.**

24. Have you received guidance on the Exchange program yet?

**Yes. However, there is some controversy on the guidance that has not yet been resolved.**

25. Do we know if debt service will be required on Exchange funds?

**At this time, Treasury has stated that exchange funds must be granted. However, it is not clear whether this guidance will be modified. DCA recommends that applicants concentrate on ensuring that the costs of development and operation are reasonable and accurate. DCA will work with each applicant to determine the appropriate funds available for each project.**

26. Can we submit an application showing Exchange funds for construction financing?

**Yes.**

27. If USDA is the only lender on the project (no syndicator).

**No. USDA is government debt but not considered DCA debt.**

28. When can a deal be submitted if it doesn't yet have the market update completed?

**DCA has published additional guidance in regard to this question. Please review our website.**

29. Will we consider waiving the requirement for a market update if there is less than 100% PBRA?

**We will consider a waiver for 100% PBRA projects.**

30. When will we get an answer on the market waiver?

# **American Recovery and Reinvestment Act**

## **Q & A Nbr 1**

Due to work volume, DCA cannot say with certainty when things will be completed. If it is delayed on our end, we will be sure that it doesn't create timing issues for the project as a whole.

31. Will you have another Q&A session after May 15<sup>th</sup>?

**Probably.**

32. What is the background on what you're asking for from the syndicator (proforma)?

**DCA will be working with the syndicator to ensure that there is some commitment on the project. Syndicators that have not reviewed numbers, reviewed materials, or asked questions will not be deemed to have expressed a real interest in the project.**

33. Are Applicants required to submit documents for the environmental review in one complete package or in separate submissions (piece meal) as the information becomes available to the Applicant?

**Applicants must submit all of the environmental required documentation in at one time.**

34. Are the 2008 returned credits the only ones available for Exchange?

**Projects that request exchange funds are not getting credits. They are receiving a grant. The credits are not longer applicable once they are returned. DCA will determine the appropriate amount of funds that should be granted to the project based on the total development costs. Applicants should ensure that all soft costs associated with normal tax credit development as well as the "unstated reserves" that are generally included in these budgets are removed from submitted applications. Applications should reflect actual, reasonable projected costs.**

35. If we are moving forward with our contractor, but have turned in our 2008 credits, are we still required to be finished by 2010?

**Yes.**

36. What is shovel ready?

**Shove ready is the ability to actually start construction. DCA will determine that you are "shovel ready" if you can prove you can close within thirty days of the dates listed in our application process.**

37. Will "Buy American" provisions be required?

**No. DCA has received guidance that these provisions are not applicable.**

38. Will there be Davis Bacon requirements on Exchange funds?

**Technically, no. However, exchange budgets should contemplate Davis Bacon wages paid. Many projects may also need TCAP which we know carries that requirement.**

## **American Recovery and Reinvestment Act Q & A Nbr 1**

39. Are there other HUD/HOME requirements that apply for TCAP funding?

Based on the guidance, the following cross cutting federal requirements apply:

- **Fair Housing Act** (42 U.S.C. 3601-19) and implementing regulations at 24 CFR Part 100 and the regulations at 24 CFR Part 107 (Equal Opportunity in Housing).
- **Title VI of the Civil Rights Act of 1964** (42 U.S.C. 2000(d)) (Nondiscrimination in Federally Assisted Programs) and implementing regulations at 24 CFR Part 1.
- **The Age Discrimination Act of 1975** (42 U.S.C. 6101-07) and implementing regulations at 24 CFR Part 146 "Nondiscrimination on the Basis of Age in HUD Programs or Activities Receiving Federal Financial Assistance."
- **Affirmatively Furthering Fair Housing**
- **Section 504 of the Rehabilitation Act of 1973** (29 U.S.C. 794) and implementing regulations at 24 CFR Part 8
- **National Environmental Policy Act and Related Laws** (Environmental review responsibilities) and implementing regulations at 24 CFR Part 58.
- **The Lead-Based Paint Poisoning Prevention Act and the Residential Lead Based Paint Hazard Reduction Act of 1992**
- **Davis-Bacon Prevailing Wages**
- **Anti-Lobbying" Restrictions**
- **The Drug-Free Workplace Act of 1988**
- **OMB Regulations and Circulars**

40. What are the reporting requirements?

The state is working on a central website to report project level progress, shouldn't be any more extensive than HOME.

41. How do we consider the competitiveness of pricing?

Obviously, the 85 cent standard is clear. However, if DCA determines that many projects have received higher credits, it will provide that information to you.

42. Who do we address the submissions to?

**Office of Affordable Housing  
ARRA Request for Funding**

## **American Recovery and Reinvestment Act Q & A Nbr 1**

43. Do we have to start from scratch if we are already working with DCA on a project?

**If you are working on additional credits, then continue with the process. If you are applying for ARRA funding you will need to submit a complete package as outlined in our processing guidelines.**

44. Will funds be available for bond deals?

**They are eligible. However, the 9% credit applications are first priority.**

47. Our project previously submitted a Phase I and II (reviewed and approved by DCA), entered into an agreement with GAEPD through the Brownfield program as required by DCA, and are in the process of mitigating all know hazardous materials. EPD has received and approved our corrective action plan. Work is continuing to get it removed from the HSI list. DCA has information on file from August 2007 regarding the receipt of a FONSI related to this site. Submittal of a new Phase I or II at this point would be costly and repetitive and bring no new information to the table. As this current action plan is a result of previous approvals and regulations, why require the recreation and resubmittal of extensive environmental documents? Such submittal seems illogical.

**HUD has issued guidance that previous NEPA releases can only be utilized if there has been no change to the site or to the environmental condition of the property. Applicant's that meet this standard will need to provide all information that was reviewed as part of the release. The environmental PE will need to provide a statement that there has been no change in the site or in the environmental impact to the site.**

48. Regarding the TCAP Application Process and Minimum Documentation Requirements, I would like a little clarification. If we will be shovel ready by July 1st for a 2008 LIHTC project, but at this time do not feel at this time that we will require TCAP funds, do we still need to submit the documentation per the May 1st Round I deadline anyway? Or can we choose to begin the process during Rounds II or III if we feel it is necessary at that time?

**If you do not anticipate the need for TCAP funds, please do not submit an application. As long as you are shovel ready and able to submit the required documentation, it can be submitted in a later round should the need for gap financing arise.**