

## 2019 Qualified Allocation Plan, Manuals, and Application Questions and Answers as of March 5, 2019

**1. Will you extend the Preliminary Application deadline for submission of architectural/construction/design materials?**

DCA has postponed the deadline to submit:

- Architectural Standards Waiver & Design Options Pre-approval Instructions
  - Optional Amenities Pre-approval Instructions Form
- until March 14<sup>th</sup>. All other Preliminary Application materials remain due on March 7<sup>th</sup>.

**2. Can an applicant use one Qualification Determination for more than one application and/or sites not yet finalized?**

An applicant may use a qualification determination for multiple sites (assuming the project team is identical for each) or sites which were "to be determined" (TBD) at pre-application. DCA is qualifying the Project Team and construction activity at Pre-App. If the size of the development and/or construction activity changes (e.g. complexity, scope), DCA will take a second look at full application. Please describe any multiple sites in the narrative. DCA considers a "TBD" site to indicate a typical 9% LIHTC project for the construction type designated and location. One Qualification Determination Fee is required per project team. A fee is not required for each potential site. Applicants are responsible for ensuring all necessary documentation is in tab 19 of the Full Application Submission.

**3. Several questions in the 2019 Performance Questionnaire result in a benign answer being classified as adverse. For example, "Sharing of Development Fee" is worded so that "Yes" is a normal response yet the Applicant is then required to submit a waiver request.**

DCA has revised the 2019 Performance Questionnaire. A waiver request is not required for SAE21, SAE22, or SAE23.

**4. If we are submitting more than one application, would it be easier to submit 2 performance workbook and 2 pre-app submission spreadsheets due to the linking between the pages? QD fee, HOME consent fee, if only 1 of these apps is requesting HOME Consent?**

For qualification determination review, a development team must only submit one pre-application to qualify the team as DCA is qualifying the team and construction activity during this phase.

**5. Which counties qualify for the 9% disaster rebuilding set-aside?**

At minimum, 80% of CDBG-DR funds available will be spent in the following zip codes: 31520, 31548, and 31705. The remaining funding, if available, will be utilized in zip codes of close proximity. DCA will publish a Notice of Funding Availability detailing the selection process. The selection of these awards will not follow the Competitive Round timeline.

**6. If an applicant elects the 40/60 set-aside within the HOME application, can that later change to income averaging within the final application in May?**

Yes.

- 7. The pre-app now contains a rent chart. Can rents and/or unit mixes change in the full application submitted in May?**

Yes.

- 8. Please say more about how the CHODO set-aside for HOME Loan consents will work in the 2019 round for 9% LIHTC applications?**

CHDOs are welcome to apply, but the Set-aside will not be available in the 2019 Competitive Round.

- 9. If a Project Team submits a QD for a site by the March 7<sup>th</sup> deadline and they are approved but later cannot submit the application, can the same Project Team submit an application for a different area even though a pre-app was not submitted for that new specific site?**

Yes, assuming the project team is identical for all, an applicant may use a qualification determination for sites which change from pre-application. However, at Application submission DCA will review any changes in the size, complexity, or scope of the development(s) that relate to the determination. Applicants are responsible for ensuring all necessary documentation is in tab 19.

- 10. Are financial statements required with the pre-app?**

Financial statements are required where listed in the QAP and applicable pre-application forms.

- 11. What documentation is necessary to provide for Exchange deals listed in the 2019 Pre-Application Performance Workbook on the Experience Summary tab?**

Since Exchange projects have no equity provider, the syndicator documentation is not applicable.

- 12. With respect to construction cost increases, how is DCA treating cost limits post award? If construction costs post-award cause a project to exceed cost limits, is that problematic if the deal otherwise works with no increase in credit amount, no increase in developer fee? Or will a post-award waiver be required (considered)?**

Where the proposed construction budget increases more than 10% from the Application, the owner must resubmit the project pro forma to DCA for approval. At the time a project team realizes project costs will exceed cost limits (regardless of the effect on LIHTC amount or developer fee), the team should file a "Request for Post Award Project Concept Amendment". This particular "Reason for Request" should be classified as "Other" and further specifics identified in provided blank space.

## 2019 Qualified Allocation Plan, Manuals, and Application Questions and Answers as of February 19, 2019

**1. How will the requirement to accept HUD 811 work with project-based rent assistance (PBRA) or Housing for Older Persons (HFOP)?**

HUD 811 and other PBRA can co-exist on the same property as long as both of the subsidies are not applied to the same unit/household. If all units are or will be covered under a PBRA contract, then the owner will not utilize DCA's HUD 811 funding. However, the requirement will apply if some units will not have assistance or the PBRA is not in place at lease-up (i.e., the Section 8 provider pulls back the offer to contract).

Properties using the HFOP designation must establish tenant selection policies allowing for HUD 811 tenants in 10% of the units. These units shall be made available to all eligible tenants and their households with no further age restrictions or targets. Owners may request a waiver from participating in HUD 811 based on compelling circumstances, for example if the local zoning ordinance specifically precludes all individuals under 55 years of age from living at that location.

**2. Can a property use multiple environmental certifications, such one for a new construction component and another for rehabilitation?**

Yes.

**3. Do awards made under the Rural HOME Preservation Set-Aside count as competitive for purposes of scoring under No Previous 9% Tax Credit Allocations for the Past Six Years?**

Yes.

**4. Does being in a Qualified Census Tract preclude an application from claiming Sections VI (Placed Based Opportunity and IX Stable Communities points so long as it does not claim points associated with Sections VII (Revitalization/Redevelopment Plans) and VIII (Community Transformation)?**

If an application does not claim points in either VII/VIII, it may claim points in VI/IX.

**5. Would a project using HUD 221(d)(4) underwritten to a DCR lower than the QAP minimum pass threshold under the Exhibit A "other government program funding requirements" language?**

Applicants must submit a waiver request for a lower DCR; a commitment for a (d)(4) loan alone would not be sufficient to approve. If applicable, the presence of units with PBRA would be relevant to DCA's consideration.

**6. For RAD appraisals, how should the As Is Value be determined?**

The As Is value assumes the removal of the public housing restrictions upon the transfer or sale of the property. The appraiser shall use the greater of the market rents (including market expenses) or rents based on Commitment to Enter Into a Housing Assistance Payments Contract. The market rents, supported by rent comparable, shall consider the subject's current condition.

## 7. Are there any typos in the QAP?

Yes, three have been identified so far:

- Core Section 15(D)(2) should read “one million ~~seven-eight~~ hundred thousand dollars (\$1,800,000) and/or...”
  - In Scoring Section 8 where it says “Each Project Team may submit only one Application for Scoring Section IX. Community Transformation” the reference should be to Section VIII instead.
- The last item in Scoring Section XVII(A)(2) should have a “p”.