

2010 DCA Qualified Allocation Plan
General Questions & Answers
Posting #6
May 20, 2010

1. In order to qualify for points under Section XI: Local Government Support – Resolution of Support, does the Local Jurisdiction have to document in their letter that they will make a contribution (either capital or lowering operating expenses) to the project in order to qualify for full points in this category (i.e. Loan, Waive Impact Fees, Tax Abatement/Exemption, etc)?

Response: No, the Local Jurisdiction does not have to make a financial contribution to the project to qualify for the Resolution of Support points.

2. Under Appendix I – Threshold Criteria it states that a financial commitment letter from applicant utilizing HUD/FHA funding needs a letter by an authorized official from the Multifamily Housing Division stating that the application is under serious consideration, but that final MAP Invitations must be submitted by July 30, 2010. Has the date for Final MAP Invitation been extended or does the applicant have to be awarded Final Invitation by July 30, 2010

Response: The notification to DCA of alternate financing awards has been extended to September 30, 2010. The QAP amendment can be located at http://www.dca.ga.gov/housing/HousingDevelopment/programs/documents/2010_QAP_Amendment.pdf

3. Our organization is a highly experienced affordable housing owner, developer and manager that meets the 2010 QAP's threshold experience requirements; however, because of the types of properties we have developed, own and manage, the (1) General Partner/Developer entity, (2) Principals and (3) Property Manager do not have any previous compliance/performance history for the funding programs that will be reviewed for purposes of calculating the compliance/performance score.

- For the 2010 competitive round, can an applicant receive up to 15 points for a higher compliance/performance score of a consultant, although the consultant is not utilized to meet DCA's experience requirements?
- Can the Property Manager receive a pass notification based on a consultant's compliance/performance score?
- Will this arrangement count against the consultant's maximum award limitation?

Response: Until DCA receives a completed performance workbook package, it cannot state with certainty what an applicant's compliance score will be. However, the following QAP provisions seem to be applicable to the facts presented:

- If neither the General Partner/Developer entity nor its Principals have previous compliance history, the Applicant will receive a compliance score of (10) in this section. However, the Applicant may elect to utilize a higher

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compliance score received by a partner or consultant that they are utilizing to meet DCA experience requirements.

- The Compliance score shall be determined by calculating the Compliance score for each entity and the Principals of the entity. The entity Compliance score shall be determined by averaging the compliance score of each entity and all principals who have Compliance history. Principals with no Compliance history do not need to be included in the calculation of the entity score.

4. The DCA Utility Allowances currently posted on the website are dated June 1, 2009. Does DCA anticipate posting updated Utility Allowances in June 2010 for use in HOME and Tax Credit Applications? I have been unable to locate the map that depicts which counties comprise the Northern, Middle or Southern Regions. Can you please direct me to where that map can be found or post it to the website with the Utility Allowances?

Response: The DCA Utility Allowance Regional Map is now posted with 2010 round information. Updated DCA Utility Allowances will be by June 1, 2010.

5. In Appendix II of the QAP, there are 3 points offered under Community Transportation Options for sites that are “located within ½ mile walking distance of a rapid rail transit station...” If a site is located within ½ mile walking distance of a MARTA bus stop that provides direct service to a MARTA rail station, is it still considered a rapid rail transit station?

Response: A MARTA bus stop is not considered a rapid rail transit station.

6. Is an appraisal required where there is an identity of interest, but the site will be ground leased to the partnership for a nominal amount?

Response: An appraisal will not be required with the application where there is a ground lease for a nominal amount and no other material upfront costs such as, but not limited to, option fees, pre-paid relocation costs, etc. “Material” is generally more than 1% of Total Development Cost, but is at DCA’s sole discretion. Section 5 of Appendix I requires that all selected tax credit only projects provide an appraisal on or before closing- see page 13 of 46.

7. For projects where there will be an operating subsidy, the Application Instructions state that original documentation detailing the source, amounts, and duration of the operating subsidy must be included. Could you please define what specific documentation is required here?

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Response: In order to accurately answer this question, DCA would need to know additional details regarding the operating subsidy.

8. Are the Additional HOME/HUD Requirements listed in the application attachments checklist only applicable to project seeking HOME Funds or are they applicable to projects receiving other forms of HUD assistance such as Project Based Section 8 Rental Assistance? Those requirements are:

Site & Neighborhood Standards Documentation
US Census Tract Documentation
Certification for Contracts, Loans and Co-Op Agreements
Disclosure of Lobbying Activities
Applicant/Recipient Disclosure/Update Report
MBE/WBE Outreach Plan Guide Form
Affirmative Fair Housing Marketing Plan

Response: They are applicable to all projects which receive HUD assistance that requires compliance with those requirements. While DCA does not approve compliance with HUD requirements for assistance not allocated by DCA, it will review those documents in determining whether the HUD financial commitments provided are firm.

9. In Section X of the 2010 Competitive Scoring Criteria of the 2010 QAP, the QAP states that "projects located in a rural area that have less than 80 residential units will receive 2 points." However, in Part IX-Scoring Criteria, Section 10 of the tax credit core application, the application notes that rural points can be claimed for developments in rural areas with 80 residential units or less. Can DCA please confirm if a development in a rural area with 80 units will be eligible to apply for the rural points?

Response: Only project located in a Rural area that have less than 80 residential units will receive 2 points. The Qualified Allocation Plan takes precedence over other DCA documents.

10. Regarding Local Government Support, if a development receives a resolution of support from the governing body of a municipality, is it also necessary to acquire a letter from the chief elected official outlining all the information required in the governing body resolution in order to be eligible for the Local Government Support points?

Response: In addition to the resolution of support the following items must also be included to receive 3 points under Resolution of Support:

- Evidence of Adoption of Resolution
- Letter from elected official (as specified in the local governments Charter) in DCA format

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- **Charter (if applicable)**

11. Can you describe what the HUD Priority Letter is and is this something the local HUD Office will provide?

Response: The HUD Priority Letter is provided by the local HUD office. Please consult the HUD office for a description of the letter.

12. Under the Additional Feasibility Documents section of the application checklist, what is considered sufficient documentation for the pro forma Real Estate Taxes to be included in the operating budget? Are you looking for an estimate from the local tax assessor's office or can this be an estimate created by the applicant using local millage rates, etc.?

Response: Threshold Section 1, C, Project Feasibility, states that Applicants are encouraged to provide support documentation for tax estimates. Projects that do not provide a reasonable estimate of operating costs will be determined to be infeasible. Examples of tax support are a copy of the most recent tax bill for an existing property or an estimate from the tax assessor for new construction projects other forms of support may be used as long as DCA can sufficient infer that the proposed tax estimate is accurate.

13. Is this Site Relocation Survey and the Relocation/Displacement Checklist the same item? Page 10 of the Relocation Manual Item 4 under the Required Application Documents, notes "The Site Relocation Survey (OAH Form L-1)" is required. Form L-1 is the Relocation/Displacement Checklist. I am assuming the relocation/displacement checklist is what you are looking for.

Response: No, the Site Relocation Survey (OAH L-11) and Relocation/Displacement Checklist are not the same forms. The 2010 Relocation and Displacement Manual Page 10, section 4 lists the required application documents. The Site Relocation Survey (OAH L-11) is required for all applications regardless if the property is occupied or unoccupied.

14. Please confirm the Special Needs Projects documentation only applies to applicants seeking a funding award from the Special Needs Set-Aside? Projects not applying for funding from Special Needs Set-Aside are not required to include these in their application. Those documents are listed in the application attachments as follows:

Marketing Plan for Special Needs Populations
Description of Access to Supportive Services, Transportation and Community Amenities
Identify Service Providers that can provide referrals to the project
Agreement to requirement to regularly contact local service provider

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Response: All projects selected for funding (regardless of their tenancy) must demonstrate a willingness to initiate marketing of units to special needs population. Each project selected for an award of credits must prepare and submit a Marketing Plan outlining how the project will market units to tenant with special needs. However, that marketing plan will not need to be provided until after the project is selected for funding. Special Need projects should project these documents in the application.

15. Can an applicant select more than (1) Set-Aside in their application?

Response: Yes, as long you qualify for the selected set-asides.

16. For Scoring Purposes, is a Resolution of Support different from a Community Support Letter or Letter of Support from the Mayor or Town CEO?

Response: For scoring purposes the resolution of support must be adopted by the Local Government (as defined in its charter).

17. On page 43 of Appendix I: Threshold Criteria of the 2010 QAP, it states: All projects, new construction and rehabilitation, must submit a DCA relocation survey which specifically addresses the development history and occupancy of the proposed project. Failure to complete the survey and include it in the Application will result in a Threshold failure.

Is the above-referenced survey a new form that will be included in the 2010 relocation manual? When can we expect the relocation manual to be released?

Response: Yes, the Site Relocation Form (OAH L-11) is a new requirement for all applicants. The form can be found in the 2010 Relocation and Displacement Manual currently posted on the DCA website.

18. On page 44 of Appendix I: Threshold Criteria of the 2010 QAP, it states: For credits projects, DCA will not allow permanent displacement of tenants if avoidable. If the Applicant anticipates displacing tenants, the Applicant must include in the Application a detailed displacement plan, which sets forth the specifics of the displacement include a projected budget and an explanation of efforts planned by the Applicant to mitigate the impact of the displacement. Any displacement of tenants will be subject to DCA's prior written approval.

Response: Applicants must make every effort to minimize displacement of existing tenants by adhering to Relocation and Displacement Policies as outlined in the 2010 manual.

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19. If we identify over-income tenants, how long in advance of the displacement should we seek DCA's approval – 60 days, 90 days, etc.?

Response: The project's detailed relocation plan and budget must reflect any displacement which may occur because of the rehabilitation. DCA will review and approve any displacement during the 2010 application review process prior to funding award announcements.

20. On page 4 of Appendix I: Threshold Criteria of the 2010 it states that HUD final MAP Invitations must be submitted by July 30, 2010. Since the application deadline was extended two months to July 22, 2010, what has the final MAP submission date changed to?

Response: The notification to DCA of alternate financing awards has been extended to September 30, 2010. The QAP amendment can be located at http://www.dca.ga.gov/housing/HousingDevelopment/programs/documents/2010_QAP_Amendment.pdf.

21. Section 16 – Physical Needs Assessment (rehab projects) of the 2010 Application Binder Tabs Checklist requires a) a resume of individual or company and b) three letters of recommendation (at least one should be from a Real Estate development or construction firm). Since in 2010 DCA now requires that the engineer be pre-approved, does the Applicant still need to submit this information about the engineer as part of the application?

Response: Neither resumes nor letters of recommendation will be required with the application submittal of the Physical Needs Assessments since all firms that perform Physical Needs Assessments are now required to be pre-qualified.