

2010 DCA Qualified Allocation Plan
General Questions & Answers
Posting #10
June 30, 2010

1. In the General Questions & Answers Posting #8, it states that, “The HUD/HOME questionnaire will only be required if the project has HOME, PBRA or other HUD funds in the financing structure.” Can you please define HUD funds?

Response: HUD funds are funds disbursed directly, or indirectly (as in HOME since DCA disburses the funds), from HUD. This would not include HUD insured loans, as HUD is the insurer only.

2. Can a single application request the full \$1,700,000 for 1 application?

Response: Yes.

3. On the list of Rural Areas from the USDA website, do the identified Rural Areas qualify for the State Designated Basis Boost?

Response: One of the three types of projects eligible for the state designated boost is “rural projects without DCA HOME as a source”. A project in a Rural area identified by USDA or in a Rural county that appears on Exhibit B of Appendix II but with DCA HOME as a funding source will not be eligible for the state designated boost. Please note that meeting one (or more) of the three criteria as listed on p. 14 of 2010 QAP Core under State Designated Basis Boost is only part of the requirements for the state designated basis boost; such application will also need to show that the boost is needed and that the project meets all of DCA’s underwriting and other criteria. For additional information on the state designated basis boost, please also refer to DCA’s answer provided to Question #7 in the General Questions and Answers Posting #9.

4. I am contacting you on behalf of my executive director, Mrs. Kim Lemish to see if DCA has a list of “qualified appraisers” that we can use to ensure that we are in compliance with DCA standards?

Response: If there is an identity of interest between the buyer and seller, DCA requires an appraisal that conforms to USPAP standards, and provides a separate land value, as well as the value of improvements. The appraisal must meet DCA guidelines (see webpage below), and if performed for another lender, DCA must have the right to rely on the conclusions therein. DCA is currently finalizing our contracts with appraisal firms that will be engaged to conduct appraisals for DCA in conjunction with HOME loan underwriting for projects that receive a HOME Consent and are selected for tax credits. We do not have a formal list of approved appraisers.

<http://www.dca.ga.gov/housing/HousingDevelopment/programs/QAP2010docs.asp>

See E. HOME- manuals for the appraisal guidelines.

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5. If we serve as co-developer or developer consultant with NO OWNERSHIP INTEREST in a project, do we meet the Maximum Ownership Interest Exception criteria as set out in Part 2 of the 'Maximum Ownership Interest Exception' of the 2010 QAP? If we do meet that criteria, then does that project that we are serving as Co-Developer or Developer Consultant count against our maximum cap of \$1.7MM?

Response: If you serve as a developer or co-developer of a project with no Ownership then you meet the Maximum Ownership Interest Exception criteria on page 38 of 56 of the QAP Core. You are only limited to one additional project under this exception and it does not count against your maximum cap of \$1,700,000.

6. Based upon current environmental site assessment, a No-Further-Action (NFA) will be requested regarding a UST Closure Report and a No-Listing status will be recommended in the Hazardous Site Response Program (HSRP) notification. We would like confirmation whether or not DCA will consider an application for funding if the NFA and No-Listing confirmation letters are not received by the applicant by the time the LIHTC application is submitted, and therefore not available to include in the application.

In addition, should the project receive LIHTC funding, would such letters be required prior to awarding of such funds?

Response: Yes, DCA will consider an application for the 2010 Competitive Funding Round if No-Further-Action (NFA) and the No-Listing confirmation letters are not available at application submission. The NFA letter must explain in detail what environmental issues were resolved and confirm that no adverse environmental impact exists. However, the Applicant must provide documentation in the application that the NFA and the No-Listing confirmation letters have been requested. Please be advised failure to adequately demonstrate that the UST will not have an adverse environmental impact may result in a threshold failure.

Yes, if the project is selected for LIHTC funding, DCA would require as a condition of funding that the NF And No Listing confirmation letters would have to obtained and submitted to DCA prior to the award of funds.