

2012 DCA Qualified Allocation Plan
General Questions & Answers
Posting #3
April 2012

Leveraging of Resources

1. Does a local Downtown Development Authority (DDA) qualify as a DCA approved lending source for Grants/Loans under the Leveraging of Resources section?

Response: If the funds that the government authority is lending or granting are directly or ultimately from a government or quasi government, it will generally be considered a qualifying source. However DCA cannot pre-approve the DDA funds as qualifying source as there is insufficient info is provided in the question.

Local Government/Non Profit Contribution

1. If the local government is donating the land (8 acres) for a nominal transfer fee (\$5000), will this score the same as a ground lease for one point or does local government have to ground lease property?

Response: No. Only ground leases are eligible for points under Section XV(B).

2. We are working with a site that can only be accessed through land that is currently owned by the local municipality. This parcel will also be utilized for some of the proposed residential units in addition to an access road. The municipality will give us a long term ground lease on this property. Will this qualify for the long terms ground lease point or does 100% of the project site have to be located on the ground leased parcel?

Response: No, this proposed structure would not qualify for the long term ground lease point. Section XV (B) refers to ground leases for the total project site.

Rehabilitation Standards

1. On page 20 of the Threshold Section it states “it is expected that all works scope items will propose a substantial gut rehabilitation where major systems are removed and replaced according to the Fannie Mae Expected Useful Life (EUL)Table. The Rehabilitation Guide states any items with an Effective Remaining Life of 15 years or less must be replaced as part of the work scope. Will DCA require a gut rehab on an existing project If the EUL of the existing building materials (without replacement) located behind the sheet rock meet the 15 year minimum EUL based on the Fannie Mae EUL Table or in the case of the PNA consultant determines in his/her professional opinion the building materials have a EUL of a minimum 15 years?

The Rehabilitation Manual and the QAP threshold section references the Fannie Mae Expected Useful Life Table. Are we to use the Fannie Mae Expected Useful life table or the EUL Table listed in the PNA forms folder on the DCA website? The EUL Table on the DCA website seems to have been edited and is more stringent on some of the useful

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life terms for some materials compared to the Fannie Mae Expected Useful Life Table I found on the Web.

Response: *DCA requires a gut rehabilitation absent a waiver approval. You are to use DCA's edited version of the Fannie Mae Expected Useful Life Tables on the DCA website. Additionally, the Rehabilitation Manual 10 of 30 states:*

It is incumbent upon the project team to provide adequate documentation substantiating the differences between the Effective Remaining Life as a calculated difference between Effective Useful Life and Age and the Evaluator's opinion of the remaining useful life.

Inadequate or inconclusive documentation of differences between the published Effective Remaining Life and the professional's opinion may be result in a Threshold failure.

Stable Communities/Redevelopment/Revitalization

1. DCA stated in the last Q& A that for the purpose of claiming Stable Communities points, applicants should use the census tract in which the proposed site was located as of the 2000 Census. Could DCA confirm that this means that when a site address is entered into the FFIEC Geocoding System (<http://www.ffiec.gov/geocode/>), the applicant should select **2011** for the Year before entering the site address? The Geocoding System requires that you enter a street address along with either a city and state OR zip code to obtain information and not a census tract.

Also, if an applicant expects to receive the 4 points for this scoring category and, if FFIEC releases the new 2010 Census information *prior to* the application submission date, and if this new information results in the Tract Income Level as "Moderate" whereas in prior years it had been "Middle", will DCA still allow data produced from the 2000 Census to be used when considering the four points for this scoring item?

Response: *Applicants seeking Stable Communities points should verify the census tract of the proposed site as of the 2000 census and then follow the link provided in the QAP (<http://www.ffiec.gov/census/>). DCA cannot confirm the use of other tools offered on the FFIEC website. The second question above was addressed in Q&A Posting #1.*

Undesirable/Inefficient Site Activities/Characteristics

1. On Page 8 of 31 of Appendix II, item g., the word extensive is used three times. In the event that an applicant has site characteristics that require any level of mitigation, it is unclear as to at what point one would interpret the mitigation to be extensive. Could DCA please provide more guidance on what extensive means so that applicants can determine, before submitting an application, that mitigation of a particular site characteristic would be acceptable to DCA?

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Response: *DCA analyzes the entire application pool for outliers in several categories. In this case, DCA seeks to identify projects where the proportion of site development costs to building and/or total development costs exceeds the average cost of other projects in the competitive round and in comparison with historical data. DCA would also expect to see high site development costs offset by lower land costs. Finally, the section referenced in this question is the Scoring section for undesirable characteristics. Please note that mitigation may be acceptable to DCA to pass Threshold, but DCA may determine that, in comparison with other projects in the round that offer similar project concepts, the project that requires costly mitigation is less desirable than the project that does not.*