

2012 DCA Qualified Allocation Plan  
General Questions & Answers  
Posting #2  
April 2012

**Desirables/Undesirables**

1. If the prospective site has a high voltage power line easement (with active lines) running along the border of the property, will DCA count against the undesirables? The heights of the poles are approximately 80 feet and no building will be within 80 of the base of any pole.

**Response:** *DCA does not score during Q&A. DCA cannot make this determination until the full application is received.*

2. We understand that noise and architectural waivers must have been submitted in a Pre-Application package. Given the relatively early date of the Pre-Application deadline, would DCA consider allowing noise and architectural waivers to be considered as part of the final application due on June 14th?

**Response:** *Yes, you may submit the waiver with the appropriate fee at application. However, you may risk Threshold failure if DCA does not approve the waiver request.*

**DCA Community Initiatives**

1. Can alumni participants from the DCA Georgia Initiative for Community Housing Communities issue letters for scoring item XIV DCA Community Initiatives along with current participants?

**Response:** *Yes. See Scoring (pg. 20 of 31) for documentation requirements.*

**Leveraging of Resources**

1. I hope you can help us understand the following: Pursuant to Draft Appendix II - Competitive Scoring Criteria - Draft 2012 Qualified Allocation Plan - page 21 of 30, please provide clarification of "Other funding sources approved at DCA's sole discretion". Does this include waivers of tap and impact fees by the City as this is a direct benefit to the development? TIF financing? Would loans from the local municipality to the project be considered? What is the process for obtaining DCA approval of a funding source?

**Response:** *Per the 2012 QAP, new loans or new grants from certain sources will be considered as qualifying sources for the purpose of scoring under "Leveraging of Resources". Loans from the local municipality to the project would be considered as potentially qualifying sources – please provide rate and terms for such loans for DCA's*

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*pre-approval for the scoring purposes of Leveraging of Resources. However, waivers of tap and impact fees are not considered loans or grants, as a result, it is not considered a qualifying source for this scoring category. As for Tax Allocation District (TAD) financing, the QAP specifically lists the Beltline Grant, a form of TIF, as a qualifying source eligible under the scoring category of the “Leveraging of Resources”. Applicants seeking to incorporate sources made available through TAD financing should provide more details, along with supporting documentation, to DCA in order to gain pre-approval.*

2. Leveraging of Resources  
A. Grants/Loan

Are Replacement Housing Factor Funds and Capital Fund Program funds from a PHA a DCA approved funding source in order to qualify for the points?

***Response:*** *For purposes of scoring under “Leveraging of Resources”, the Replacement Housing Factor Funds and/or Capital Fund Program funds from a PHA will be considered a qualifying source if the five required criteria as stated in the QAP (p. 20 of 31) are met.*

**Neighborhood Stabilization**

1. For single family scattered site applications submitted under the Neighborhood Stabilization provision, will DCA be able to allow the flexibility needed for single family acquisitions? If so, how? It will be prohibitive to have site control of 100% of the proposed units by the date of application.

***Response:*** *Applicants must acquire site control by Application date as set out in the QAP (Core pg 17 of 56). However, DCA will allow the submitted Application to be modified if additional units are acquired before December 31, 2012.*

**Nonprofit**

1. Scoring Criteria Section XII describes points that may be allocated to projects that are eligible for the non-profit set aside and demonstrate the best chance of success based on a list of criteria. A project is eligible to be in the non-profit set aside if it meets the criteria of the Code, one of which is that the non-profit sponsor must be at least a 51% member of the General Partner. We are considering a Joint Venture partnership in which there are two non-profit organizations in the General Partner, one of which is the majority partner (with at least 51% of the General Partner) and may meet the “success” criteria DCA lists in the QAP. While we understand that DCA will make final decisions about which projects may receive the Non-Profit points during its scoring review process, can DCA

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confirm that a joint venture in which the majority non-profit partner meets the “success” criteria, but the other non-profit partner potentially does not, will not prohibit the possible allocation of these points? To state in another way, can a joint venture that meets the meaning of the Code and has one partner that meets DCA’s success criteria (but not the other partner alone) be eligible for DCA’s consideration of these points?

**Response:** *The fact that the minority non-profit partner potentially does not meet DCA’s “success” criteria in and of itself will not disqualify a non-profit joint venture from the non-profit points.*

**Preservation**

1. Under Scoring Criteria XIX.B.1.b., DCA may award two points to an Application that has an award of government-awarded project based rental assistance for at least 30% of low-income units for a minimum of five (5) years. Does this mean that DCA could allocate points for a project where an existing HUD HAP contract is now in the middle of a 5-year term?

**Response:** *No, the contract must provide rental assistance for at least 5 years from the application deadline date in order to qualify for these points.*

2. In section XIX B (1)b of the scoring section of the 2012 QAP (page 30 of 31) it states:

Two (2) points will be awarded to an Application that has an award of government-awarded project based rental assistance for at least 30% of low-income units for a minimum of five (5) years. This percentage will be calculated based on the total residential units (common space employee units will not be included in the total residential units).

Does a project that has USDA RD rental assistance in place for more than five years already count towards meeting this requirement? If not, would a letter from USDA stating that the rental assistance is expected to continue on this project for at least five additional years meet this requirement? In the past, USDA has NOT given contracts that exceed the annual funding amount so it is unlikely that they will issue a five year contract to meet DCA’s requirement. However, once a funding of rental assistance is given, it is typically renewed on an annual basis. In our experience of more than 30 projects with USDA 515 funding and rental assistance, the only time that rental assistance has not been renewed is in the case of an RD 515 loan being paid out completely. Similar consideration should be given to HUD properties, which, even when receiving a 20 year HAP contract, they are subject to annual funding appropriations by that government agency.

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**Response:** *Regardless of how funds are appropriated, the rental assistance agreement or contract must agree to provide PBRA for a minimum of 5 years after the application deadline date. Rental assistance contracts which are issued and renewed on an annual basis will not meet the eligibility criteria for these points in the 2012 funding round. DCA will not accept a letter from USDA stating that rental assistance is expected to continue or that a one-year contract will be renewed.*

3. We are proposing to combine two contiguous family properties together. Both are currently financed with RD 515 loans and one of the properties is an expiring tax credit property. Will we be able to pursue this submission under the preservation set-aside (due to the expiring tax credit portion of the total project) and take its related points?

These properties, while constructed at different times, share common ownership and management and would benefit from similar rehab and combined operating feasibility.

**Response:** *No. For the project concept to remain eligible for the Preservation Set Aside, each existing property must qualify under one of the set aside criteria.*

### **Relocation**

1. We are considering an application where 100% of the units are covered by a HUD HAP contract. Would DCA require URA compliance for this project if there is no offsite displacement required (permanent or temporary) and there is no loss of affordable units? There are no other federal funds contemplated for this project.

**Response:** *DCA does not have the authority to determine applicability of the Uniform Relocation Act for non-DCA administered resources. The applicant will need to confirm with the HAP administrator whether URA compliance is required.*

### **Rural**

1. If we are submitting multiple applications which qualify for the Rural Points under Scoring Section XIII, please clarify whether we can claim the points in all applications and then DCA will designate which project will receive the final points based on other factors or if we have to select a specific project? If specific project selection is required and one of the applications falls out can the three points be re-designated to the remaining project?

**Response:** *An Applicant must designate rural points to only one project in which they have a direct interest. Failure by the Applicant to designate these points to qualified projects, or to incorrectly designate these points, will result in no points being awarded. Please see p. 19/31, 2012 QAP. Points may not be re-designated.*

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**Site Information and Conceptual Site Development Plan**

1. This year, the Conceptual Plans are required to have ‘existing topographic contours at appropriate vertical scale’ and ‘proposed finish floor elevations for each building’.

1. Are USGS 5’ contour maps considered appropriate or do they need to be more detailed at 2’ or even 1’?
2. If the project is a rehab, do ‘proposed finish floor elevations’ still apply? And if finish floor elevations are required, how accurate do they have to be at this conceptual phase?

**Response:** *DCA will seek to determine the severity of slopes on the site. The appropriate vertical interval is site specific. 1’ or 2’ intervals may be appropriate on a flat site. 5 to 10 feet may be appropriate for a severely sloped site.*

*Finish floor elevations are required for rehab. They should be accurate.*