

2013 DCA Qualified Allocation Plan
General Questions & Answers
Posting #1
March 11, 2013

DCA Manual - Accessibility

1. Typically our independent senior sites have included a notification device within the units. It consists of a pull cord and a notification light in the hallway. We have searched the QAP and the Architectural manuals and can't find that this is a requirement for senior projects. Can you elaborate on if it is a requirement for independent senior communities?

Response: There is no such requirement for independent senior communities.

Electronic Core Application - 5 Utility Allowances

1. We have been notified that beginning in 2012, all multifamily housing must be submetered for water. Is this DCA's understanding as well? <http://ratesandregulations.wordpress.com/2012/02/29/georgia-passes-legislation-requiring-submetering/> and <http://www.garivers.org/gawater/2010%20Legislative%20Session.htm>
Would DCA please comment?

Response: All new construction, multi-tenant projects are required by state legislation to sub-meter if permitted for construction after July 1, 2012.

QAP Threshold - 1 Project Feasibility, Viability Analysis, and Conformance With Plan

1. The current census tract data available through FFIEC or American Fact Finder is 2012 data. However, HUD has released the list of QCT/DDAs for 2013. If a project is located in a Census Tract that is newly listed on the 2013 QCT list, can the basis boost and points related to the QCT be claimed without also providing confirmation of the tract number in 2013? For example, a project is located in Census Tract 36.01 according to the 2012 FFIEC website. This tract is on the list of 2013 QCTs but not on the list of 2012 QCTs. Ideally the 2013 census tract data will be released prior to the application deadline, but if it isn't, the documentation that the project is located in Census Tract 36.01 will be from 2012 while the data showing that Census Tract 36.01 is a QCT will be from 2013. Will DCA allow the project to be considered a QCT?

Response: For documenting QCT eligibility, Applicants should use the 2013 data that has been released by HUD. Applicants should also use the "Comments" fields for any item that may require further explanation.

QAP Threshold - 17 Building Sustainability

1. When are the dates and location for the "Green Building for Affordable Housing Training Course"?

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Response: The Green Building for Affordable Housing Training Course will be offered in April or May. Please sign up for our email updates including training announcements by sending your contact information to hfdround2013@dca.ga.gov.

QAP Threshold - 22 Eligibility For Credit Under The Non-Profit Set Aside

1. For purposes of qualifying for the Non-Profit Set Aside under Section XXII of Appendix I Threshold Criteria, if the ownership is structured where the COMBINED interest of two qualified non-profits, equals 51% and one of those non-profits (which by itself owns less than 51%) is the managing partner of the GP, does this meet DCA's Threshold requirement that the non-profit own 51% of the general partner's interest and be the managing general partner?

Utilizing this same structure under Section XI of Appendix II, Competitive Scoring Criteria, assuming that the non-profit provides all of the information requested for scoring, would they be eligible to request that DCA consider them for the three points?

Response: All of the criteria required in the QAP must be met (see Appendix I, pg. 32-33) for a structure involving more than one non-profit entity partnering with a for-profit entity to be eligible for the Non-Profit Set Aside. In addition, the legal opinion should address non-profit set aside eligibility if the managing non-profit GP owns less than 50% of the GP interest. To be considered for Scoring, the documentation listed in Appendix II, page 15, must be submitted for each non-profit involved in the ownership.

QAP Scoring - 4 Community Transportation Options

1. For the 2013 Round, does Monday through Friday scheduled service still satisfy the requirement for “daily” bus service? If not, what is the new requirement?

Response: A bus schedule offering public transportation Monday-Friday will meet the daily requirement, if the service meets the eligibility criteria and documentation requirements of the QAP.

2. Does Park and Ride Rapid Bus Transportation with set routes and schedules with Bus stops around the perimeter of the Atlanta that connects to the Marta system count as public transportation? It is not local transportation but regional transportation. It is not a call service, it has set bus stops and schedules. Specifically it connects Jonesboro to Atlanta or Riverdale to Atlanta etc.

Response: Yes, public commuter bus services serving multiple communities may be eligible if the service meets the criteria of the QAP. Note that on-call transportation services do not meet the criteria required in the QAP.

3. Does the site of the referenced transportation stop need to have a sign in order to qualify as an “established public transportation stop”?

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Response: In its review of Applications seeking Community Transportation Options points, DCA will verify that the referenced transportation stop is an “established public transportation stop”, as evidenced by public transportation signage at the stop. If there is no public transportation signage at each of the stops, the Application should provide evidence showing how the transit authority has notified the public that public transportation is available at the transportation stops shown in the Application (see Appendix II, pg. 7-8 for criteria and documentation requirements).

QAP Scoring - 6 Sustainable Developments

1. Regarding State-Basis Boost request in the Pre-Application. Please provide a more complete explanation of extraordinary circumstances which further the policies of the QAP. Examples of previous requests might be helpful identifying extraordinary circumstances.

Response: Basis boost requests under the “extraordinary circumstances” provision should reflect specifically on the characteristics of the proposed transaction and project, and be unique from the circumstances of most Georgia affordable housing projects. Two examples of situations in which an extraordinary circumstance warranted approval of a (10%) State Designated Basis Boost are as follows:

1) the nature of the project in serving senior residents in a 'Medical Home Model' including a fulltime service coordinator to accommodate support services beyond that found in other senior affordable housing; the increase in building cost to accommodate these needs in order to offset the need for additional debt to cover additional building costs, and to provide greater financial feasibility with which to support the additional operating expense for a fulltime support service coordinator; and

2) the project accomplishes a substantial Inner City Revitalization by replacing deteriorated and obsolete housing with new amenity and services-rich housing, allows for the Preservation of Affordable Housing by replacing 191 of the original 200 units on site at the same rental rates for families as the original public housing, provides Exceptional Access to quality education, employment, services, recreation, and health services with its central location in a walkable and transit-oriented community, this is the third phase of a public housing replacement project, previous phases have been completed on time and leased up quickly, the housing authority is investing its own funds in the development, and the Applicant has provided sufficient support that the project meets DCA's overriding public policy objectives.

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QAP Scoring - 7 Stable Communities / Redevelopment / Revitalization

1. I want to know how can I get the Poverty Level out the FFIEC webpage. The scoring rule on s. VII.A says projects will get awarded points if they are located in a census tract that, according to the most recent FFIEC Census Report (<http://www.ffiec.gov/census/>) is:

- a) less than X% below Poverty level (see Income) and
- b) is designated Middle or Upper Income level (see Demographics).

So if we look at this page as example:

<http://www.ffiec.gov/census/report.aspx?year=2012&state=13&report=demographic&msa=12060>

The third column is "b", meaning it should say Middle or Upper to gain these points.

But for "a", I don't know where to find the poverty level. Do I have to calculate the poverty level with the fifth column? How do I calculate it? How do I know if the tract is 5% below Poverty level, or 10% below Poverty level...?

Response: Poverty level data can be found by clicking the "Income" link.

QAP Scoring – 8 Phased Development/Previous Projects

1. Please clarify the criteria for the two mile radius exemption for previous participation points in urban areas. Does the exemption apply to previously approved projects in any year or just those approved in previous cycle years four and five. For example, if there is only one previous approved project in a jurisdiction which was in 2009 can a new project that is located more than two miles away from that project claim these points?

Response: For point purposes, only those projects awarded in the last 4 or 5 DCA funding cycles would be considered. DCA will measure the 2-mile and 10-mile radius from the project street addresses of the previously funded developments. If the proposed project is greater than 2 miles from the urban development awarded within the last 4 funding cycles in the same jurisdiction, it would be eligible for points.

QAP Scoring - 14 Leveraging Of Resources

1. Under Section XIV. Leveraging of Resources, the QAP states that points will only be awarded for loans that are both construction and permanent financing. Does the amount of the construction loan have to equal the amount of the permanent loan? For example, if the City is willing to provide a \$750,000 in CDBG funds during construction, but only wants \$500,000 to stay in the deal as permanent financing, will this still qualify for points, assuming the loan is at or below AFR and the term of the perm loan is at least 10 years?

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Response: If all other conditions are met, the amount of the permanent financing would be used to determine the equivalent percentage of Total Development Cost in the point scale.

2. HOME is listed as an eligible source in Section XIV-Leveraging of Resources of the scoring. Is HOME from DCA eligible or does this refer to local HOME?

Response: If all other conditions are met, HOME from DCA or a different PJ would qualify.

3. Offsite improvement, amenity and facility. Is there any reason why the "unrelated party" could not be an unrelated investor or unrelated for profit developer?

Response: The QAP states "unrelated third party (foundation, trust, and/or government) investment of resources" specifically to eliminate the perception that there could be any 'side deal' or undisclosed relationship prompting the investment. Resources made available by unrelated investors or an unrelated for profit developer would not be eligible.

QAP Scoring - 19 Compliance / Performance

1. According to the Pre-Qualification information supplied by DCA on the DCA website, there are point deductions for occupancies below 87%. I am new to this State and have never seen this requirement anywhere before. In general, occupancy is a function of the economics of the marketplace, we have found that no matter who the management firm is, the deviance between market occupancy and property occupancy is no more than 2%-3%. In fact, one of the approved DCA market study analysts is putting together a report showing where HOME properties are located that have 85% occupancies and less.

Is there a mechanism to request a waiver for this requirement? In today's environment, I am aware of few developers that don't have at least a few underperforming properties in their portfolio. More importantly, the broader issue, as I would speculate, is that DCA wants to have comfort that the Sponsor can appropriately fund under its guaranties, and a cash flow analysis of the entire portfolio is what lenders and equity providers use to determine sponsorship strength in that regard anyway.

I don't understand the point of penalizing developers for being in markets that are soft, considering that there were third party market studies and a full array of financial feasibility analyses that were conducted by the State Agency and the lender and equity provider when the deal was done initially.

It would appear to me that in order to satisfy any DCA concern regarding developers on sustainability and ability to perform under the guarantee obligations, the issue is more of

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a macro concern than simply one if a small percentage of the developer's portfolio was performing at less than 87%.

So, in summary, is there a waiver that can be requested for this item?

Response: No, DCA will not consider waiver requests for this provision.