

2018 Q&A Posting #4

April 5, 2018

QAP Scoring - 3 Desirable/Undesirable Activities

1. A vacant property that previously contained a landfill, which has been closed for over 20 years, is within ¼ mile of the proposed development site. The former landfill property is vacant greenspace that is not in use, has undergone extensive environmental remediation for ground water and soils contamination and poses no risks to neighboring properties including the proposed housing development site. Question: Would the former landfill be considered an Undesirable Activity/Characteristic as it relates to scoring section III. B.?

➤ DCA Response: All Undesirable Activities will be reviewed and evaluated following the criteria as stated in the 2018 QAP Scoring Section III. Desirable/Undesirable Activities B. 1. a through e. on QAP pages 5 and 6 of 46.

DCA will consider mitigation to be performed by a third party that will remove the undesirable condition if it is scheduled to occur prior to September 1, 2018. Applicants will need to supplement their Application by providing evidence to DCA that the condition has been mitigated by September 1, 2018 (Applicants will not be notified prior to the deadline that this documentation should be submitted). This includes mitigation prior to application submission.

QAP Scoring - 13 Extended Affordability Commitment (Part A Waiver of Qualified Contract Right)

1. What strategy document(s) would DCA like to see as proof that the Applicant is willing to forgo the Qualified Contract “cancellation option”? Do these specific documents need to be provided or can Applicant simply submit a statement that they agree to the Waiver of Qualified Contract Right?

➤ DCA Response: The election to waive the right to request a qualified contract is contained within the Project Information and Scoring tabs of the core application.

QAP Scoring - 18 Integrated Supportive Housing (Part A Section 811 Rental Assistance)

1. Other than submitting our Application with 10% or more of total low income units as 1 bedrooms, what documentation is needed to provide ample proof that Applicant is “willing to accept Assistance set for 50% AMI tenants”? Note that the Scoring Appendix has no Minimum Documentation section for Part A, only for Part B. If what's under Part B is supposed to apply to Part A the question still stand as it's unclear how the Minimum Documentation under Part B would apply to Part A.

➤ DCA Response: All requirements in Part A of Integrated Supportive housing are met by providing information in the Core App Scoring tab. Applicant must agree to the following:

- 10% set aside
- 10% of the low income units in the proposed application be one bedroom units
- Willing to accept assistance set for 50% AMI tenants
- Accept the 30-year use restriction for all PRA units

QAP Scoring-8 Revitalization/Redevelopment Plans

1. Does DCA consider upgrade and replacement of city water lines for water quality improvement, increasing and replacement of sewer lines, repaving a current street, reconstruction of streets and sidewalk installation, as "targeted actions or expenditures" that would qualify for the off-site capital investment points? (Assuming they are outlined in the redevelopment plan, serve the tenant base and are within a .5 mile radius of the proposed site)?

➤ DCA Response: Improvements to city water or sewer lines, streets, and/or sidewalks are not classified as the "the development of parks, green space, shared amenities," or "recreational facilities." Therefore, these investments are only eligible for points under this sub-category if "they are specifically called out as a targeted, place-based component of a current and ongoing revitalization/redevelopment plan" (Scoring, p. 23 of 46). DCA will only consider the portion invested within a 0.5 mile radius of the proposed site for the awarding of points.

QAP Threshold- Exhibit A: DCA Underwriting Policies (Construction Hard Cost Financing)

1. The QAP states the following, "Construction Hard Cost Financing. HOME Loan funds must be used to finance acquisition, construction hard costs (site development, unit/building construction), and Contractor Services (General Requirements (exclusive of payment and performance bonds), Builders Overhead and Builder's Profit). Soft costs, acquisition costs and other project costs must be financed by other financing sources unless expressly approved by DCA."

As you can see, the statement is contradicting itself saying that acquisition cost must be covered by HOME funds in the first sentence but then saying that acquisition costs must be funded by other sources unless expressly approved by DCA. Please clarify whether HOME funds can be used to finance acquisition costs.

➤ DCA Response: HOME funds may not be used to fund acquisition costs.