

# 2018 QAP Workshop Q & A

March 30, 2018

1. Can you confirm that per Section 19-Evaluation of Competitive Applications of the Core, that all applications that are deemed complete are entitled to a complete threshold review, regardless of the self-score? If not, it would appear that this contradicts the Evaluation Process outlined in the QAP.
  - In cases where an Application falls below DCA's cut-off point, DCA relies on the Applicant self-score and Threshold responses to complete the Threshold review.
2. What will DCA do going forward to be more timely in releasing Application forms and documents to allow adequate time for participants to complete required documentation? 1 ½ weeks in NOT adequate time.
  - DCA welcomes comments and suggestions through [hfdround@dca.ga.gov](mailto:hfdround@dca.ga.gov).
3. Can scoring points be earned by using a long term ground lease from: (1) A non-profit entity other than a PHA? (2) A for-profit entity?
  - No, points are only available for ground leases from a local public housing authority or government entity.
4. Can points be earned by obtaining land contributed by a charity or non-profit entity?
  - No, points are only available for ground leases from a local public housing authority or government entity.
5. During the presentation for “Favorable Financing” it was stated the PHA’s cannot put funds in and receive points. We wanted to verify we heard this correctly. Even if the PHA funds are coming from HUD, these funds are still ineligible for points? This seems contradictory to the QAP language.
  - PHAs may provide funds into deals for points, so long as the PHA is not part of the Project Team and the funds meet all QAP requirements for points. If the PHA is a member of the Project Team, the funds provided by the PHA are not eligible for points under Favorable Financing.
6. How are Fannie Mae and Freddie Mac loans categorized? Do they qualify favorable financing?
  - These loans are not included as eligible funds under Favorable Financing.
7. Where do we get below AFR financing?
  - See Scoring Section XVII A. for a list of eligible funds.

8. The requirement for HOME funds to take a first position on flex deals poses an issue if doing market rate units and adding the required conventional perm debt. We do not believe there are conventional lenders willing to take a second position. Is there flexibility for the HOME debt to be in the second position?
  - The lien position of the HOME loan is not a requirement, but rather a competitive criteria under Section 13. Financing Resources – Home Loans.
9. What is the repercussion for changing the unit count and/or unit mix from what was listed in the pre-application? (Market studies will not be in/finalized until closer to final app deadline so are we forced to maintain the unit count or mix that was proposed in the pre-app?).
  - The Applicant is not required to maintain the same unit mix from pre-application to full Application.
10. If a consultant has less than 5% interest in a deal, they are not considered part of the “project team”; do they still need to be listed on the application? If so, where/how do we identify less than 5% such that it will not count against caps or priority point election?
  - Consultants with less than 5% interest in the project are not considered members of the Project Team for project participant qualification purposes (see 2018 QAP Core Section 2. Definition of Project Team). However, all consultants, regardless of percentage ownership, must be disclosed in the Application on the Project Team tab, as they are still Project Participants. Where a consultant is not considered a part of the Project Team, DCA will confirm that the consultant is not considered as such during the applicable review.
11. Can the number of market rate units vs. TC units change between Pre-app submission in March and the full application submission in May if the total units stay the same?
  - The Applicant is not required to maintain the same unit mix from pre-application to full Application.
12. In the HOME underwriting section of the QAP, it discusses underwriting projects with rents 10% below max rents to pass feasibility. In another section of the QAP, it states rents must be 10% less than max rents. These sections seem to conflict.
  - The HOME Underwriting Process section discusses sensitivity analyses conducted after a HOME Reservation Letter is provided, but before HOME Loan Closing. This section of the QAP does not apply to applications reviewed during the Competitive Scoring Round. Section 1 of Exhibit A to Appendix I discussing Operating Expense Waiver Requests. In order to receive a waiver for minimum operating expenses, rent projections must be at least 10% below the lower of market rate or tax credit maximum allowable limits. Per Threshold Section 1.6 Rents must be supported by the market study.
13. The Transmittal Form and Cost Reasonableness that Donna was discussing; is that for 2017 deals or 2018?
  - The 2018 Transmittal Form applies to Applications submitted under the 2018 QAP.

14. If you have a ground lease from a PHA, who is also a project team member, is it required to submit an appraisal?
- Per Threshold Section VI.B Applicant-Commissioned Appraisals, "DCA policy requires that the Applicant obtain an appraisal of the value of a property if there is an Identity of Interest between the buyer and the seller." While the land is leased, the long term nature of the lease is determined as a sale, and as such, an appraisal will be required due to the application's Identity of Interest between the buyer and seller.
15. Compliance history asks for "all" HOME experience, regardless of whether its currently owned. HOME consent asks for total # HOME deals developed and currently owned and says total # should reflect what's listed on the compliance history. Should HOME consent form reflect any/all HOME experience or only properties currently owned?
- The HOME Consent form should reflect any currently owned and developed HOME properties as well as all HOME experience."
16. Q & A Priority Points. Where 2 entities (a Non-profit and For-profit) are partnering; do both GP sponsors have to use their priority point OR can just the 51% non-profit partner utilize their priority point and the other partner use theirs on another project?
- No, Applicants may only be on one Project Team in which a Priority Point is claimed.
17. In the A/E Manual-"Submission Requirements", Sheet 3, Conceptual Site Plan-#1, last bullet: Are the "existing water and sewer utilities" those at the time of application or "assumed existing" when project construction begins?
- The existing water and sewer utilities referenced in the Architectural Manual are those that exist at the time of Application.
18. If an elementary school is split from K-2<sup>nd</sup> grade and 3<sup>rd</sup>-5<sup>th</sup> grade. Then the K-2<sup>nd</sup> grade is now coming up as N/A. This is because of changes in the accountability system at the state level. The required state tests, Georgia milestones are only given in grades 3-8. As a result, primary schools are unable to earn points for progress, achievement gap, or overall CCRPI score. Will grades 3-5 be counted as Elementary in that case?
- Applicants should provide all available CCRPI scores, including in cases where only partial scores are available. In the event the Applicant submits an alternate document to the minimum document, a thorough explanation of the usefulness of this alternate document should be entered into the appropriate scoring justification section.
19. Would the entire Beltline count for offsite improvements if the subject site is less than .5 miles from a section of it?
- DCA considers the portion of funds invested specifically within a .5 mile radius of site for points under Off-Site Improvements. It is the responsibility of the Applicant to provide evidence of the amount of investment within this radius.