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**2022 Housing Tax Credit Program**

**Questions and Answers**

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The pages that follow are DCA responses to questions pertaining to the Housing Tax Credit program.

# Part I: Overview

## Submitting Questions

Questions must be submitted through the online 2022 Housing Tax Credit program Q&A survey hosted on the “2022 QAP and Related Documents” webpage of the DCA website ([click here](https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/housing-tax-credit-program-lihtc/qualified-0/2022)).

* **Having issues using the online survey?** Please email hfdround@dca.ga.gov.
* **Concerned about the timing of DCA’s response?**
	+ At this time, DCA is prioritizing questions pertaining to the Pre-Application deadline and site selection. For all other questions, please expect at least two weeks to see a posted response.
	+ If you have concerns related to response timing, please email hfdround@dca.ga.gov
* **Have a project-specific question?** There is no separate option for “project-specific” questions. Currently, all questions go through the same approval and publication process.
* **Want to add context to a previously-submitted question?** DCA updates the Q&A postings based on what has been submitted through the online survey. To ensure your comment is considered, please do not email individual DCA staff. Instead, please submit your additional context through the online survey and reference the previously-submitted question.

## Deadline to Submit Questions

The deadline to submit questions is the later of the following two dates:

* Monday, April 25, 2022
* One week following the posting of the Emphasys application for 9% Credit application preparation

This deadline is to ensure that all applicants have sufficient time to react to posted DCA responses before the May 20application submission deadline.

After this deadline, DCA will only respond to questions pertaining to the mechanics of application submission (e.g., issues accessing the online application portal, Emphasys).

## Q&A Document Update Process

DCA will update the Q&A document in small, incremental response sets. As this will increase the number of updates to the document relative to prior years, DCA will not send an email notification each time the Q&A document is updated.

Please monitor the “Updated” date by the Q&A document on the DCA website to track when DCA has released additional responses. By default, the table below will be sorted such that the most recent responses are at the top.

## Navigating the Q&A Table

The below table, as posted to the DCA website, is sorted in descending order by date posted. If preferred, the document can also be sorted by category (in Microsoft Word, select the full table, select “Home” 🡪 “Sort”, under the Paragraph section).

In the window that pops up, select the following:

* The **Date** **Posted** column should be sorted by “Type: Date”
* The **Category** column should be sorted by “Type: Number”

Question categories are assigned a number for purposes of table sorting. Below are the category breakdowns in the Q&A table:

* 1-Core Plan
* 2-Threshold
* 3-Scoring
* 4-Compliance Appendix
* 5-Manuals
* 6-Emphasys Application Portal
* 7-Application Materials (Forms, etc.)
* 8-Post-Award Clarifications (for developments that have not yet received 8609s)
* 9-Other

Category numbers take the following form:

*[Category number]* ***.*** *[subsection #]*

For example, the 6th section of *Core Plan* is *9% Round Set Asides*. This section is numbered as “1.06” in the Q&A table.

## Log of Updates to this Q&A Document

This section provides a high-level description of changes made to the document from one version to the next.

|  |  |
| --- | --- |
| **Update** | **Changes** |
| 2/25/22 | * Initial document publication
* Posted first Q&A set
 |
| 3/3/22 | * New Q&A set posted
 |
| 3/7/22 | * New Q&A set posted
 |
| 3/8/22 | * New Q&A set posted
 |
| 3/9/22 | * New Q&A set posted
 |
| 3/10/22 | * New Q&A set posted
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# Part II: Question and Answer Table

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| --- | --- | --- |
| **Date****Posted** | **Category** | **Question and Answer** |
| 3/10/22 | 2.03Threshold;Tenancy Characteristics  | **Question**: Q22\_0309\_08Our proposed project is an acquisition rehabilitation that was originally built in 1985 with HUD 202 funds. It is not a PHA property. The current tenancy allows ages 62+ as well as those ages 18+ with physical disabilities. Based on our interpretation, this would be a project categorized as "Other" tenancy, which was confirmed by DCA Q&A released on 2/26/21 for the 2021 application. We plan to upload supporting documents that were requested at the 2021 pre-application to confirm the tenancy. Please confirm if anything else is needed at pre-application for the "other" category. **Answer**: 2021 Q&A response Q0223\_01 states:*“As part of the Pre-Application and Full Application, if the above-referenced property is eligible for the 9% Competitive Round, please select Tenancy “other.”* *Please provide any supporting documentation tied to the property which lists the above tenancy restriction for DCA review.”*DCA will request additional documentation during Pre-Application review if needed. |
| 3/10/22 | 2.03Threshold;Tenancy Characteristics | **Question**: Q22\_0310\_03 Our application proposes to rehabilitate an existing Housing Tax Credit property that is 75% family and 25% elderly. Our circumstances are: * We understand that per Q1222\_01 published 3/9/22, this application must indicate only one tenancy.
* Our plan is to select “Family tenancy,” and then if awarded, we would seek a Project Concept Change request to amend the LURC to be 100% Family.
* We will not be able to amend the LURC prior to Full Application (May submission) because we would not own the property until after it is awarded.

Do we need to receive any approvals for this during the Pre-Application stage, or can we submit the Full Application as is? We anticipate passing Threshold because we will “designate the proposed development as targeting **one**” tenancy as stated in **(Threshold Criteria) Tenancy Characteristics**. However, there will be a discrepancy between the proposed and existing tenancies.”**Answer**: * To pass **(Threshold Criteria) Tenancy Characteristics**, “*All Applicants must designate the proposed development as targeting one of the following tenancies.*”
* **(Core Plan) Definitions states:** “*‘Applicant’ means the General Partner*.”

Therefore, so long as the General Partner designates that the proposed development will target only one tenancy (in this case, Family), there is no QAP rule requiring a waiver at the Pre-Application stage. If awarded, the General Partner can pursue a Project Concept Change.  |
| 3/10/22 | 6.00 Emphasys | **Question:** Q22\_0310\_04Under the Fee Submission instructions, it says to label the envelope with “Pre-Application Fees for 2022PA-0\_\_\_.” Will we receive an application number after we submit through Emphasys?**Answer:**Yes, you will receive a Pre-Application number after you submit through Emphasys. |
| 3/10/22 | 7.00Application Materials | **Question:** Q22\_0310\_02Will you please confirm if the ASDO Waivers need to be submitted to the DCA office at pre-application in a physical binder and flash drive, or if for pre-application, everything is to only be submitted through Emphasys?**Answer:** Checks are the only part of the Pre-Application that should be submitted outside of Emphasys. The Pre-Application submission instructions state ([click here](https://www.dca.ga.gov/node/7804)):* “2022 Pre-Application documents must be submitted through Emphasys”
* “Fee payments will not be processed through Emphasys at this time”
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| 3/10/22 | 7.00Application Materials | **Question**: Q22\_0310\_01The fee submission instructions for pre-app says to mail the Credit Fee Submissions. Is it also an option to drop the check off at the Georgia Housing Finance Authority. If not, will the scanned copy of the properly executed check constitute a complete application, even if the mail delivers the check past the application deadline? The instructions for submitting the preapplication fee say to also submit a pdf of the submission summary tab. Can you confirm that you do want this one page submitted in electronic form on a thumb-drive versus a printed hard copy. Any specific labeling or packaging requirements for the thumb-drive? **Answer:** Responses to each of the above:* It is acceptable to drop the payment submission off at DCA in person in lieu of mail.
* If the check was mailed by the Pre-Application deadline, but the check submission is received by DCA after the deadline, that is acceptable.
* All electronic submissions should be submitted through the Emphasys Pre-Application. Please do not include a flash drive with your check submission.
* **For your physical check submission to DCA, please include a printed copy of the Submission Summary tab from the Supplemental Pre-Application workbook.**
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| 3/10/22 | 9.00Other | **Question**: **Q22\_0310\_15**I have an urgent question related to my Pre-Application since it’s the day of the deadline (Friday, March 11th). Should I still submit my questions through the online Q&A survey? **Answer**:Per the instructions at the top of this document (“**Concerned about timing…?**”), urgent questions can be submitted to hfdround@dca.ga.gov for immediate assistance.   |
| 3/10/22 | 9.00Other | **Question**: Q22\_03090\_05There is an option in the Pre-app to submit a Resyndication-LURC modification and project concept change request. Does this allow for properties applying for resyndication the ability to change the set asides in the LURC allowing for Income Averaging on an existing tax credit property? We find nothing in the QAP prohibiting this request.**Answer**: **DCA’s Income Averaging Policy**, subsection **B. DCA adopted requirements and interpretations** states the following: “*2. Resyndication: Projects with a recorded Housing Tax Credit Land Use Restrictive Covenant (LURC) are ineligible to change the set-aside election at resyndication. Only newly constructed buildings, separate from the original project, can elect the Average Income set-aside via a waiver request to DCA. New units/BINs must be treated as a multiple building project, by checking “Yes” on line 8b on the Form 8609.*”To view the Income Averaging Policy, ([click here](https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/compliance-monitoring) for DCA’s Compliance Monitoring homepage, visit the “Tax Credit” page, download “**DCA's Average Income Policy (updated 2021)**, and view subsection **B. DCA adopted requirements and interpretations**”). |
| 3/9/22 | 1.13 Core Plan; Submission Requirements And Award Limitations | **Question**: Q22\_0309\_03 I see that the *"*Rehabilitation Work Scope Form*"* is due at Pre-Application submission.**(Threshold Criteria) Rehabilitation Standards**, states the following in its discussion of this form: “DCA must be able to determine that the work scope addresses…All remediation issues identified in the Phase I Environmental Site Assessment.” Does this mean that the Phase I is required at Pre-Application submission?   **Answer**:  No, the Phase I is not required at Pre-Application. The above comment is asking about **(Threshold Criteria) Rehabilitation Standards** as it pertains to **(Core Plan) Application Submission Requirements**, subsection **A. Pre-Determinations and Waivers**, where it states: “*Applications proposing rehabilitation or Adaptive Reuse [must submit the] DCA Rehabilitation Work Scope Form.*”   The Rehabilitation Work Scope Form only needs to be completed insofar as it supports a Pre-Application request (primarily this refers to Architectural Standards waivers and Accessibility waivers). None of the “Pre-Determinations” listed in this section of Core Plan pertain to environmental remediation, therefore any portion of the Rehabilitation Work Scope Form pertaining to the Phase I need not be completed by the Pre-Application deadline.   |
| 3/9/22 | 1.13 Core Plan; Submission Requirements And Award Limitations | **Question**: Q22\_0309\_02 If we are not looking to be reviewed for Qualifications at Pre-Application Submission and do not plan to submit any waivers, what do we need to submit on March 11th?  **Answer**:  If you are not requesting a Pre-Application stage qualifications review under **(Threshold Criteria) Experience, Capacity, and Performance Requirements**, and none of the items that must be reviewed during the Pre-Application stage apply to your proposed development, then you are not required to submit anything by the Pre-Application deadline.   Please note that there are certain items that must be reviewed at Pre-Application that are neither waivers nor a qualifications review, for example the “Scattered Site Legal Opinion” and the “State basis boost” request listed under **(Core Plan) Submission Requirements and Award Limitations**, subsection **A. Pre-Determinations and Waivers**.   |
| 3/9/22 | 2.03Threshold;Tenancy Characteristics | **Question**: Q1222\_01 Can a project have both Family and Elderly tenancy, with a small portion of units set aside for Elderly?  **Answer**:  The QAP states in **Threshold, Tenancy Characteristics**:  “*All Applicants must designate the proposed development as targeting one of the following tenancies [Family, Senior (Elderly or Housing for Older Persons), Other].”*  Applicants must select one tenancy per application. Included in this question was the comment that “[This tenancy circumstance] is not contemplated within the current QAP but was common on some projects a few decades ago.” DCA has logged this public input for purposes of 2023 QAP policy development. |
| 3/9/22 | 2.20 Threshold;Experience, Capacity, and Performance Requirements for General Partner and Developer Entities | **Question**: Q22\_0309\_05  * Can you provide some examples of the "evidence" of full-time employment and material participation in successful Tax Credit projects that an MBE needs to provide to qualify under Probationary Participation. If the MBE developer gained experience as an employee at another development company, then the Partnership documents, etc. would not reflect their material contribution. Can the developer provide a letter from their prior employer?
* What type of evidence is acceptable to show that I have participated in successful Tax Credit deals? Some of my work was with another development company that I no longer work for. Will a letter from my prior employer be acceptable?

  **Answer**:  Please provide any evidence available to substantiate full-time employment and material participation. If DCA requires further evidence during the Pre-Application review, staff will reach out to solicit additional information.   |
| 3/9/22 | 2.25Threshold; Occupied Developments | **Question**: Q22\_0304\_45 Page 40 of the 2022 Relocation Manual says that the "Initiation of Negotiation" date for LIHTC-only developments is the date the Applicant executes the Limited Partnership Agreement. Can you please confirm this is the date of the Amended and Restated Agreement when the property is syndicated?  **Answer**:  Yes, this is the date of the Amended and Restated Agreement when the property is syndicated.  |
| 3/9/22 | 2.28Threshold;DCA Underwriting Policies | **Question**: Q22\_0309\_01 **(Threshold Criteria) DCA Underwriting Policies**: requirement **11. Distribution across Unit / Bedroom Sizes**: "a) Rent. Projects with a multi-tiered rent structure must distribute the rents across unit sizes, unit types and buildings. These units need not be fixed, but may float in the same way high HOME rent and low HOME rent units may float within a project so long as the units and interior amenities are comparable."   Can DCA confirm if this section is only applicable to Income Average unit mixes, or might it also apply to standard 40/60 deals as well?  For instance, if a 40/60 set-aside deal has x-number of units set aside at 60% AMI and x-number of units as market rate, would this distribution requirement apply, considering the combination of 60% units and market rate might be considered a "muti-tiered rent structure".  Likewise, considering a 40/60 set-aside deal that has elected deeper targeting to 58% overall, and has x-number of units at 60% AMI and x-number of units at 50% AMI, would the 60% and 50% units in this scenario be subject to this distribution requirement, as this might be considered a "multi-tiered rent structure"?    Is a Pre-Application waiver for Distribution Across Unit / Bedroom Sizes only necessary if the applicant is electing an Income Average set-aside and the unit mix difference between the proposed and exact units is not within 2 units?  **Answer**:  The above-referenced requirement for “Projects with a multi-tiered rent structure” only applies to applications electing the Average Income Set Aside. See DCA’s Average Income Policy for more information ([click here](https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/compliance-monitoring) for DCA’s Compliance Monitoring homepage, visit the “Tax Credit” page, download “**DCA's Average Income Policy (updated 2021)**, and view subsection **B. DCA adopted requirements and interpretations**”).  |
| 3/9/22 | 9.00Other | **Question**: Q1222\_01 Could a two-phase development, purchased as one project, be submitted for Credits as one project under one application, given the scoring is the same for both phases?  **Answer**:  Yes, assuming the combined application meets all applicable requirements in the QAP, combining both phases of a multi-phase development for one tax credit application is allowed.   Please also see the following QAP excerpts that may be applicable, depending on the circumstances:   * (**Core Plan**), **Eligibility of Certain Project Configurations**, subsection **A. Eligibility of Scattered Sites**
* **(Core Plan) 4% Federal Credit – Bond Financed Projects**, subsection **B. Application Restrictions:** For purposes of 4% Credit Applications, “Scattered site applications are only eligible for consideration if proposing rehabilitation of properties funded by USDA, a RAD conversion, or approved during the Pre-Application process.”
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| 3/8/22 | 2.20 Threshold;Experience, Capacity, and Performance Requirements for General Partner and Developer Entities | **Question**: Q22\_0307\_02 The development team is partnering with a public housing authority who owns multiple sites and land ready for redevelopment. The project team and construction type (new) have been identified. However, the final unit mix, site location is still being defined. The ownership structure (developer and GPs) is confirmed but the Proposed Ownership Entity and new GP entities specific to the deal have not been formed with Secretary of State. Can we submit a 2022 Pre-Application for Project Team Qualification Determination only?  **Answer**:  Yes. Project team qualification determinations are made by construction type. Therefore, if a project team is in finalized and the construction type is finalized, the project team can receive a full review for purposes of **Experience, Capacity and Performance Requirements For General Partner And Developer Entities** during the Pre-Application stage:   * **(Threshold Criteria) Experience, Capacity And Performance Requirements For General Partner And Developer Entities**: “*Project Teams may be reviewed for qualifications at Pre-Application or Application Submission. To receive a full Threshold review at Pre-Application under this section, Applicant must have the project team and construction type finalized by Pre-Application. If either is “To Be Determined,” DCA will not conduct a team qualifications review during the Pre-Application review phase.*”

 Further, “Project Team” is defined in (**Core Plan) Definitions** as “the General Partner, Developer, Consultant and the Principal(s) thereof for a proposed.” This definition does not require that an ownership entity specific to the proposed tax credit development be registered with the Secretary of State. Where asked to specify an ownership entity in a Pre-Application form, applicants can input “TBD.”  Therefore, provided none of the other options listed under **(Core Plan) Submission Requirements and Award Limitations**, subsection **A. Pre-Determinations and Waivers** applies to the application, the Project Team can submit a Pre-Application solely for purposes of receiving a qualification determination review under **Experience, Capacity, and Performance Requirements**.  |
| 3/8/22 | 2.25Threshold; Occupied Developments | **Question**: Q22\_0302\_03In the 2022 Supplemental Pre-Application workbook ([click here](https://www.dca.ga.gov/node/7804)), a Relocation Summary tab is included. The Instructions tab of this workbook includes the following related language: *"The Relocation Summary Form, for use only by applicants for Federal funding that have existing occupied residential buildings or businesses on the proposed site, is included in the excel workbook to be attached to your application on Emphasys."*Can DCA confirm if it is necessary to complete this section if there is relocation involved, but there is no Federal funding involved (ie HOME, CDBG, etc.)?**Answer**: The 2022 QAP states under **(Threshold Criteria) Occupied Developments**, “*All proposed developments with residents and non-residential tenants on-site since the earlier of pre-application, three months prior to Application Submission, and application for federal funds (if applicable) must meet the application and documentation submission requirements below and in the 2022 DCA Relocation Manual.*”For purposes of the 2022 Pre-Application process, all developments with structures onsite occupied by residents and non-residential tenants must complete the Relocation Summary tab, regardless of whether the application is for Housing Tax Credits only or also includes federal funding as a source. An updated version of the *2022 Supplemental Pre-Application* form has been posted to the DCA website ([click here](https://www.dca.ga.gov/node/7804)). |
| 3/8/22 | 2.28Threshold;DCA Underwriting Policies | **Question**: Q1025\_01Regarding DCA Underwriting Policies: why can 100% Project-Based Section 8 projects not be underwritten at a 1.15 if lender and investor approves?**Answer**: The above question is referencing the following requirement in **(Threshold Criteria) DCA Underwriting Policies, 7. Debt Coverage Ratio (DCR):** “As part of its financial feasibility analysis, DCA will require that developments with debt meet, at a minimum, a 1.20 debt coverage ratio for each year of the Compliance Period for new construction and 1.25 for developments involving rehabilitation”DCA does not adjust the underwriting standards outlined in the QAP based on lender or investor requirements, except in certain circumstances outlined in QAP. For example, from the same above-referenced section: “*DCA may waive its minimum debt coverage ratio for USDA 515 developments that clearly demonstrate feasibility, or reduce it to match other government program funding requirements provided that confirmation from the agency of the required DCR is included in their funding commitment.*”Please note that requirements differ for applications without debt (from the same section as above): *“Deals with no hard debt are allowed, but will be subject to additional scrutiny from DCA. Developments submitted with no hard debt will not have a DCR but will be required to undergo a subsidy layering review. This will be determined by a ratio of Effective Gross Income to Total Annual Expenses (including reserve for replacement). A ratio of 1.10 for new construction and 1.15 for developments involving rehabilitation is the minimum required to be considered feasible by DCA in Years 1-15.”*  |
| 3/8/22 | 2.28Threshold;DCA Underwriting Policies | **Question**: Q1025\_02 Regarding DCA Underwriting Policies: why are 100% Project-Based Section 8 projects subjected to a 7% vacancy requirement when given proof that they could be at a 5% vacancy?  **Answer**:  DCA has a Pre-Application process in which applicants can submit a waiver of underwriting policies (“0104 Underwriting Waiver” in the Emphasys Pre-Application).  The Pre-Application should include documentation to substantiate the request. |
| 3/8/22 | 2.28Threshold;DCA Underwriting Policies | **Question**: Q22\_0304\_06• Threshold - Underwriting: 11. Distribution across Unit / Bedroom Sizes:o "a) Rent. Projects with a multi-tiered rent structure must distribute therents across unit sizes, unit types and buildings. These units need not befixed, but may float in the same way high HOME rent and low HOME rentunits may float within a project so long as the units and interior amenitiesare comparable."o Can DCA provide unit/rent mix examples illustrating what might beconsidered acceptable and unacceptable as it relates to "Projects with amulti-tiered rent structure must distribute the rents across unit sizes, unittypes and buildings."?o If a unit/rent mix is submitted within the Rent Schedule & Summary tab ofthe Pre-Application Submission Form, will DCA provide a response to thePre-Application indicating if the distribution is acceptable or not. Ifdetermined unacceptable, I assume the applicant will have the opportunityto adjust the mix for what is submitted in the full application, is that correct?**Answer**: Regarding the request for an example and confirmation of whether a specific mix conforms with the policy: please note that the Revenue and Expenses tab of the Core Application has formulas built in to determine the equal distribution among the unit and bedroom sizes automatically. Per **Q0221\_02** published on 2/25/22, where helpful the most up-to-date Core Application can be used for purposes of a Pre-Application waiver request (see referenced Q&A for direct link). Equal distribution means the difference between the proposed and exact units is within 2 units. See DCA’s Average Income Policy for more information ([click here](https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/compliance-monitoring) for DCA’s Compliance Monitoring homepage, visit the “Tax Credit” page, download “**DCA's Average Income Policy (updated 2021)**, and view subsection **B. DCA adopted requirements and interpretations**”).DCA will accept pre-applications for waivers of this requirement. |
| 3/8/22 | 2.28 Threshold;DCA Underwriting Policies  | **Question**: Q22\_0304\_03In our underwriting model, we are meeting the DCR requirements, and a waiver is not required. If, prior to closing, USDA RD changes certain underwriting metrics during their underwriting approval process, it is understood that the owner would need to accept those changes. If any changes were required that make the project no longer meet the DCA DCR requirements, can you please confirm that DCA will work with the owner to accept these changes even though a waiver request is not submitted at pre-app?**Answer**: DCA requires a Pre-Application waiver request for any underwriting requirements that will not be met in the Full Application (May submission). DCA’s expectation is that all underwriting approved during the initial application review will be met at Final Allocation Application (8609 submission). DCA does not by default accept requirements imposed by third parties after a Full Application has been awarded. Absent seeing a specific waiver request with supporting documentation for the envisioned changes, DCA cannot provide further guidance. |
| 3/8/22 | 6.00Emphasys  | **Question**: Q22\_0304\_04On the pre-application checklist in the application on Emphasys, under 01 Waivers, there is an option to check yes or no for 0106 Income Averaging. If you select yes, there is a $1,500 fee due. I don't see in the QAP where there is a fee for income averaging, besides the monitoring fee, and I don't see where we need to request a waiver for income averaging. Is this line item asking if we are choosing income averaging, or am I misunderstanding the line item?**Answer**: Unless an Applicant is seeking a waiver for the DCA requirement that income limits be proportionately distributed among bedroom sizes, Applicants should not select this option. See DCA’s Average Income Policy for more information ([click here](https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/compliance-monitoring) for DCA’s Compliance Monitoring homepage, visit the “Tax Credit” page, download “**DCA's Average Income Policy (updated 2021)**, and view subsection **B. DCA adopted requirements and interpretations**”). |
| 3/7/22 | 2.20 Threshold;Experience, Capacity, and Performance Requirements for General Partner and Developer Entities | **Question**: Q0302\_01 I see that financials are not listed in the instructions of the pre-application workbook; however, upon reviewing the slides for the Emphasys tutorial financials are mentioned and there are examples of how to upload them.  Can you please confirm if financials are required to be submitted at pre-application? If so, what years and documentation type is acceptable?   **Answer**:  In the Pre-Application instruction slides ([click here](https://www.dca.ga.gov/node/7804) and select “2022 Pre-Application- Emphasys Submission Instructions”), one of the file-naming examples is “0303FinancialStmts”. This is an example for purposes of naming a financial statement if it is applicable to upload to Emphasys. However, financial statements are not required by default.   The 2022 QAP states under **(Threshold Criteria) Experience, Capacity, and Performance Requirements for General Partners)**, subsection **B. Requirements for Capacity (Certifying Entity)**:“*DCA may request information including but not limited to…financial statements…*”  Further, under the 2021 Q&A process, DCA provided the following guidance on this issue ([click here](https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/housing-tax-credit-program-lihtc/qualified-0/2021) and select “Q&A Instructions and DCA Responses”):   **Q0226\_03:** “Financial statements are not required at Pre-Application unless requested by DCA during the Qualification review.”   This 2021 guidance also applies to the 2022 Pre-Application process. |
| 3/7/22 | 2.25Threshold; Occupied Developments | **Question**: Q22\_0304\_02 On the Relocation Summary tab of the Supplemental Pre-Application workbook, the following cells do not allow entry. Will a new version of the form be released or should we just add responses in the comments section? Cells D13, D17, H22, and M22  **Answer**:  An updated version of the *2022 Supplemental Pre-Application* form has been posted to the DCA website ([click here](https://www.dca.ga.gov/node/7804)). Applicants are welcome to either use the updated form or add the relevant information into the comments box as proposed above.  |
| 3/7/22 | 2.25Threshold; Occupied Developments | **Question**: Q22\_0304\_05 We are planning an acquisition rehabilitation of a property, and the property is currently fully occupied. We are not planning on permanently displacing any residents. They all will be temporarily relocated for approximately 10-20 days while their unit is being rehabbed. Since they are leaving their unit for a short period of time and being temporarily relocated, will you please confirm that this is not considered an "in-place" rehab and a waiver is not required?  **Answer**:  Yes, this is not considered an "in-place" rehab and a waiver is not required.  Please see Q0223\_01 for additional discussion comparing “in-place rehab” circumstances and “temporary relocation.”  |
| 3/7/22 | 2.25Threshold; Occupied Developments | **Question**: Q22\_0302\_06On page 7 of the **2022 Relocation Manual** ([click here](https://www.dca.ga.gov/node/7818)), it states the following under General Information Notices:*"This notice must be provided between the ION Date and at least 15 days before initial submission to DCA of the application for federal funding or assistance."*Does "initial submission to DCA of the application" refer to the Pre-Application or the Full Application Submission?Further, the Multifamily LIHTC-Only Relocation Toolkit states the following (to view, [click here](https://www.dca.ga.gov/node/7818) and download the *Relocation Documents for Multifamily - LIHTC Only* zip folder):*"Submit General Information Notices (GIN) draft with Pre-Application."*Does this mean that DCA will be providing comments or approval of the draft GIN notices submitted at Pre-Application, and therefore the approved GINs will not be able to be distributed to residents until after DCA's approval and the earlier of the ION Date and at least 15 days before Full Application Submission?**Answer**: The "initial submission to DCA of the application" refers to the Full Application submission due in May.Yes, GIN notices require DCA approval during the Pre-Application stage. The approved GINs will then be distributed to residents at least 15 days before Full Application submission. |
| 3/7/22 | 2.25Threshold; Occupied Developments | **Question**: Q0223\_01In the multifamily LIHTC Relocation template, it says that if in-place rehab is expected you must submit a waiver at pre-application. On pg. 6, under the checklist, it says that certain tabs in the relocation workbook should be completed for the Permanent Displacement Waiver. Is this the same case for the in-place rehab waiver? Or is all that is required for in-place rehab, the waiver and the draft GIN?The document I’m referencing is “Toolkit.Multifamily-LIHTCOnly.pdf” in the downloadable folder, “Relocation Documents for Multifamily - LIHTC Only”, on the DCA website (under 2022 Federal Compliance & Relocation Manuals and Forms). **Answer**: First, please note that in most cases, Applicants reaching out to DCA about in-place rehabilitation waivers are actually conflating the terms “temporary relocation” and “in-place rehabilitation.” Please see the below distinctions:

|  |  |
| --- | --- |
| **Term** | **Definition** |
| Temporary relocation | Temporary relocation refers to when an occupant must occupy temporary shelter during the rehabilitation process for at least one overnight. |
| In-place rehabilitation | In-place rehabilitation is when the resident is not relocated. The resident spends the day away (e.g., in a community center), then returns to their unit that night. This is only possible if all rehabilitation for the unit can be completed in one day.  |

 Due to DCA’s construction requirements, true in-place rehabilitation rarely occurs. Further, in-place rehabilitation requires significant planning and logistics. This is why a relocation waiver is required for in-place rehabilitation. For applicants pursuing in-place rehabilitation as described above, the following waiver submission requirements apply ([click here](https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/housing-tax-credit-program-lihtc/application) to access all references Manuals and Forms):* Relocation and Displacement Plan including a Narrative describing how the In-Place Rehabilitation will occur and the provisions of what will be made available on a daily basis to residents who are waiting that day for their units to be rehabilitated.
	+ Please see description of In-Place Waiver Relocation Requirements on pages 16 and 17 of the DCA Relocation Manual.
	+ For relevant requirements, go to “*2022 Federal Compliance & Relocation Manuals and Forms*” on DCA website ([click here](https://www.dca.ga.gov/node/7818)) -- download “*2022 DCA Relocation Manual.pdf*” -- see section “*In-Place Rehab with Waiver*.”
* Updated Relocation and Displacement Workbook: Submit the Workbook based on the checklist below:
	+ Go to “*2022 Federal Compliance & Relocation Manuals and Forms*” on DCA website ([click here](https://www.dca.ga.gov/node/7818)) -- download “*Relocation Documents for Multifamily - LIHTC Only.zip*” -- “*Toolkit.Multifamily-LIHTCOnly.pdf” --* seesection *Relocation Workbook Checklist*, checklist associated with subsection *Pre-Application Submission.*
* Manually fill in the Pre-Application Relocation Summary tab.
	+ Go to “*2022 Pre-Application Forms*” -- download “*2022 Supplemental Pre-Application (includes Submission Summary tab for Fee Transmittal)*” -- see “*Relocation Summary*” tab.
* Written confirmation from federal agency (if applicable); and
* Any other supporting documentation.

The same tabs in the checklist on page 6 must be completed in the Relocation Excel Workbook for an In-Place Rehab Waiver. This completed waiver documentation is required along with a copy of the GIN Draft.  |
| 3/7/22 | 7.00Application Materials (Forms, etc.) | **Question**: Q22\_0304\_01 Do the fees paid at pre-application need to be paid by certified funds?  **Answer**:  In the 2022 Supplemental Pre-Application (under Pre-Application 2022 Pre-Application Forms, [click here](https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/housing-tax-credit-program-lihtc/application)), the **Fee Submission Instructions** require a “*properly executed check*.” DCA does not require fees to be paid by certified funds.   |
| 3/7/22 | 7.00Application Materials (Forms, etc.) | **Question**: Q0223\_04 On the 2022 Capacity Form of the Pre-Application, it states to list projects that have not yet finished construction and/or begun lease up.  In the 2022 Performance Workbook instructions, it states that the Capacity Form should include projects the Certifying Entity is participating in but have not completed leasing.    For a project that is currently leasing up, per the directions on the Capacity Form, the project would not be listed on this form because it has begun lease-up.  Per the Instructions, our project would be listed on this form because it has not completed leasing.  Could you please clarify which projects should go on the Capacity Form?  **Answer**:  The instructions referenced are the following:

|  |  |
| --- | --- |
| **Performance Workbook:** **Instructions for Capacity Form**  | **Performance Workbook:** **Capacity Form**  |
| “…list all affordable housing projects…[that] have not completed leasing.”   | “The Certifying Entity must list each affordable housing property currently [under review]… and/or any other multifamily development…that has not yet finished construction and/or begun lease up…”  |

 For purposes of a property that has placed in service and begun lease-up, in the above question, the applicant is interpreting the instructions on the right to mean, “list each affordable housing property…that has not yet finished construction and/or **[not yet]** begun lease up…” This is not a correct interpretation. In the form instructions, “not yet” only refers to “finished construction.”  Any property that has begun lease up but has not reached stabilized occupancy should be included on the Capacity Form.  |
| 3/7/22 | 7.00Application Materials (Forms, etc.)  | **Question**: Q22\_0302\_02A Rent Schedule & Summary tab is included in the Pre-Application Submission Transmittal form, which also indicates similar proposed unit mix information will need to be entered into the Emphasys Pre-App submission portal.Can DCA confirm if it is necessary to complete the Rent Schedule & Summary tab, as well as any other unit mix information to be requested in the Emphasys portal, at Pre-Application, if the applicant is not requesting any pre-application waivers?If it is necessary to provide this information at Pre-Application, can DCA clarify if this information can change between Pre-Application and Application Submission (ie; total units, bedroom mix, income targeting, proposed rents, utility allowances, or PBRA subsidy)?**Answer**: Where the Pre-Application requests unit mix information, it is for purposes of DCA staff assessing a waiver request related to this information. If your Pre-Application submission will not include a waiver request, then you do not need to complete those portions of the application requesting unit mix information (e.g., the *Rent Schedule & Summary* tab of the *2022 Supplementary Pre-Application*, [click here](https://www.dca.ga.gov/node/7804) to view).  |
| 3/3/22 | 1.13 Core Plan; Submission Requirements And Award Limitations | **Question**: Q0216\_03 Please confirm that the DCA Rehabilitation Work Scope Form is required for 9% Rehab Pre-Applications.   For context: The pre-application is due at the very early stages of pre-development and considering the volatility of the market, the Rehab Work Scope will not provide an accurate estimate of the costs for the rehab.  Additionally, GC's and sub-contractors will be reluctant to put a project out for pricing multiple times.  **Answer**: DCA has logged this public input for future consideration in our online QAP Public Input Survey ([click here](https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/housing-tax-credit-program-lihtc/qualified-0/2022) to provide additional input). However, for purposes of the 2022 Competitive Round, the QAP states:  **(Core Plan) Submission Requirements and Award Limitations**, subsection **A. Pre-Determinations and Waivers**: “*Applicants must submit the following requests with pre-applications…Applications proposing rehabilitation or Adaptive Reuse:…DCA Rehabilitation Work Scope Form*”   For more discussion about supporting documentation during the Pre-Application stage, please see Q&A posting **Q0216\_01**.  |
| 3/3/22 | 1.13 Core Plan; Submission Requirements And Award Limitations | **Question**: Q0216\_01My Physical Needs Assessment (PNA) will not be ready by the Pre-Application Deadline. Will my Pre-Application Submission package, which includes Architectural waivers, be rejected for failure to include a PNA? **Answer**: The QAP states the following in **Core Plan, Submission Requirements and Award Limitations, A. Pre-Determinations and Waivers**: “*Applicants must submit the following requests with pre-applications…Applications proposing rehabilitation or Adaptive Reuse:…Physical Needs Assessment report*…*All of the above-listed waivers must be submitted at the pre-application stage.*”All waivers must be submitted by the Pre-Application deadline. If DCA requires additional documentation to assess a waiver request and said documentation was not originally included in the Pre-Application submission package, DCA will request this documentation.  |
| 3/3/22 | 1.16Evaluation of 9% Tax Credit Competitive Applications | **Question**: Q0222\_03Will solely assisted USDA 515 properties be eligible for 9% tax credit funding under the current 2022 QAP?**Answer**: The QAP lists all 9% Competitive Round sub-determinations in **(Core Plan) Evaluation Of 9% Tax Credit Competitive Applications, D. Selection, 2. Sequence of Competitive Round Award Determinations**. These include:* Preservation Set Asides: RAD, Housing Tax Credit, and HUD-assisted properties
* New Supply competitions

However, DCA anticipates publishing a NOFA targeting USDA preservation with HOME funds this year, separate from the 9% Competitive Round. To receive updates regarding the NOFA, please subscribe to our email list ([click here](https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/housing-tax-credit-program-lihtc) and go to “Join our email list”). |
| 3/3/22 | 2.25Threshold;Occupied Developments | **Question**: Q0216\_02 It is likely that some of our market rate residents will not qualify for a tax credit unit after re-syndication and rehabilitation. Do we need to apply for a waiver during the Pre-Application stage?   **Answer**:  Yes. The QAP states:   **Threshold Criteria, Occupied Developments**: “*Applicants that foresee in-place rehabilitation or permanent displacement of residents or non-residential tenants must submit a waiver request at pre-application*.”  |
| 3/3/22 | 6.00 Emphasys Application Portal | **Question**: Q0302\_15On March 1st, the “DCA Housing Finance Updates” email blast stated that the Emphasys Pre-Application was posted, but at the bottom it also included the same email blast from the week prior indicating that DCA staff “are working to integrate the Pre-Application into Emphasys.” Please confirm the status of the Emphasys Pre-Application. **Answer**: In the March 1st email blast referenced, the inclusion of the prior week’s email notification about DCA staff “working to integrate the Pre-Application into Emphasys” was an error. The Emphasys Pre-Application was posted the week of February 25th.  |
| 3/3/22 | 7.00Pre-Application Form | **Question**: Q0223\_03 When reviewing the 2022 9% Pre-App Submission Instructions for Emphasys it references a form that I am not finding either on the website or part of the Performance Workbook. The file is called "Supplemental Pre-Application" and is supposed to be part of the "Submission Summary Tab". Is this not viewable until the Pre-Application is available in Emphasys?   **Answer**:  The Supplemental Pre-Application is posted to the DCA website on the 2022 Pre-Application Forms page, which can be found via the Application Manuals and Forms link on the Housing Tax Credit Program (LIHTC) webpage ([click here](https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/housing-tax-credit-program-lihtc/application)).  |
| 2/25/22 | 1.19Core Plan;DCA Pre-Application Fees and Deadline Schedules | **Question**: Q0201\_05When is the 9% Credits Pre-Application deadline? **Answer**: DCA has extended the 9% Credits Pre-Application deadline to Friday, March 11th, 2022. This extension applies to all 9% Credit deadlines previously listed as “3/4/22” in *Core Plan, Exhibit A: DCA Pre-Application Fees and Deadline Schedules*. |
| 2/25/22 | 1.19Core Plan;DCA Pre-Application Fees and Deadline Schedules  | **Question**: Q0201\_06When is the deadline for submitting a Full Application for consideration under the 2022 9% Credits Competitive Round? **Answer**: The “Application Submission” deadline for 9% Credit applications is May 20th, 2022. The term “Application Submission,” used throughout the QAP, refers to this date for purposes of the 9% Credits Competitive Round. See the “9% Deadline” column in *Core Plan, DCA Pre-Application Fees and Deadline Schedules* for all deadlines associated with the 9% Credits Competitive Round.  |
| 2/25/22 | 2.20Threshold; Experience, Capacity and Performance Requirements for General Partner and Developer Entities | **Question**: Q0218\_02 We were pre-qualified last year. Do we need to submit another pre-application for qualifications review this year or could we rely on last year’s qualified determination?  If the latter, do we just submit last year’s qualifications approval with our Full Application?   **Answer**: The 2022 QAP states in *Threshold Criteria, Experience, Capacity and Performance Requirements for General Partner and Developer Entities:** *Overview*:“DCA reviews the following four areas of the proposed Project Team: Experience, Capacity, Performance, Compliance History…”
* *C. Requirements for Experience (Certifying Entity)*: “A certifying entity that was deemed to meet experience requirements in 2021 is only exempt from submitting documentation of experience for the 2022 round. All other sections…of the performance workbook must be completed. Only those certifying entities that have received a determination letter of “Qualified” in the 2021 round will be deemed to qualify under grandfathering.”

 Applicants seeking Experience approval under “grandfathering,” as described above, can submit the letter received from DCA confirming qualifications approval for the 2021 Competitive Round. All other parts of the qualifications review must be submitted in full for the 2022 Competitive Round.  |
| 2/25/22 | 7.00Application Materials (Forms, etc.)  | **Question**: Q0221\_02 For certain Pre-Application waiver requests, we have to submit a draft Core Application. When does DCA anticipate posting the Core Application? Or can we use the most recent Core Application version available?   **Answer**:  Where a draft Core Application is needed for a Pre-Application submission, please utilize the most recent available, which at this time is the 2021 Core Application ([click here](https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/housing-tax-credit-program-lihtc/application) to view posted Application Manuals and Forms by year). |
| 2/25/22 | 9.00 Other;2021 QAP requirement  | **Question:** Q0218\_01Do we still need to submit a Cost Limit waiver at the Pre-Application stage? **Answer:** *Threshold Criteria, Cost Limits* was dropped from the 2021 QAP. Therefore, there is no cost limit requirement to waive under the 2022 QAP.  |