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**2022 Cost Increases NOFA**

**Questions and Answers**

Published July 1, 2022

The pages that follow are DCA responses to questions pertaining to the Cost Increases NOFA.

# Part I: Overview

## Submitting Questions

* **Q&A survey**: Questions must be submitted through the online 2022 Cost Increases NOFA Q&A survey ([click here](https://www.dca.ga.gov/node/7944)). If you are having issues with the survey, please email hfdround@dca.ga.gov.
* **Have a project-specific question?** There is no separate option for “project-specific” questions. All questions go through the same approval and publication process. If your question includes information that you want to ensure is confidential, please explain in your survey entry.
* **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 related to scoring is **Tuesday, July 12**.
* For questions unrelated to scoring received after July 12:
	+ DCA will prioritize responding to technical application submission questions (e.g., difficulty with the Emphasys portal).
	+ DCA cannot guarantee a response to questions about NOFA policy if received after July 12.

## Q&A Document Update Process

* For Selection Criteria questions, frequently asked questions, or questions deemed of high importance, DCA will post responses on the NOFA website in this document. For all other questions received, DCA staff will respond directly to those submitting questions over email.
* DCA will update this Q&A document in small, incremental response sets. [Click here](https://DCAQAP.formstack.com/forms/cost_increases_nofa_q_a_notifications_email_list_survey) to receive an email notification each time this Q&A document is updated.

## 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” à “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-DCA NOFA Requirements
* 2-HOME and NHTF Federal Requirements
* 3-Selection Criteria
* 4-Application Materials (technical questions regarding Emphasys and forms)
* 5-Other

## 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.

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| **Update** | **Changes** |
| 7/1/22 | * Initial document publication
* Posted first Q&A set
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# Part II: Question and Answer Table

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| --- | --- | --- |
| **Date****Posted** | **Category** | **Question and Answer** |
| 7/1/22 | 1DCA NOFA Requirements | **Question ID: 978798967** In our initial Tax Credit Application, the DCA Utility Allowance schedule was utilized. Will we be required to update the Utility Allowances to the HUD Utility Schedule model for the submission on July 18th? Or will we be permitted to update these post-award and prior to lease-up?  **Answer**:  Please submit the best estimate possible regarding utility allowances for purposes of the July 18th deadline. If the utility allowances used in the NOFA application do not reflect a completed HUD Utility Schedule Model, this update will be required during the DCA underwriting process.    |
| 7/1/22 | 1DCA NOFA Requirements | **Question ID:** From my read of the application requirements, DCA is expecting certain 3rd party documents that cannot be secured by the July 18deadline.   Is DCA looking for all 3rd party documents to be submitted with the application? Or is evidence that we have engaged these 3rd parties sufficient, while the actual reports can be submitted later once received?   **Answer**:  The below 3rd party documents must be submitted by August 1:   * Updated construction bids
* Third-Party Front-end analysis of construction costs

 DCA will post submission instructions soon for any documents finalized after the NOFA application deadline.   |
| 7/1/22 | 1DCA NOFA Requirements | **Question ID: 978199042** With the NOFA and providing an updated proforma to the DCA, should we use current rents as proposed rents at date of submission are no longer valid for these deals?  **Answer**:  Please use the most up-to-date information possible for this application, including the most current rent information.  |
| 7/1/22 | 1DCA NOFA Requirements | **Question ID: 978668122** Is the funding available for those 2020 PAB allocations where the LOD is received but construction has not yet begun because of construction cost increases?  **Answer**:  The development described in this question has received 4% credits (based on receiving an LOD), has not yet started construction, and the question implies a funding gap due to construction cost increases. Therefore, the development is eligible for this NOFA. From the NOFA:   *“Eligible developments must meet all the following requirements:* * *Developments previously awarded Housing Credits (9% or 4%)*
* *Developments that have not yet started construction*
* *Developments that have already started construction are eligible under this NOFA if HOME or NHTF was already a source of funds for the development.*
* *Developments that are facing a funding gap due to construction cost increases”*
 |
| 7/1/22 | 1DCA NOFA Requirements | **Question ID: 980211951\_02** Is there a limit to how many applications can be submitted for one company?  **Answer**:  No, there is no per-company application limit.   |
| 7/1/22 | 1DCA NOFA Requirements | **Question ID: 980993158** Our development cannot afford to take on more debt, but we do need gap financing. How much leniency will DCA have regarding the default loan terms listed in the NOFA?   **Answer**:  If the development cannot afford fixed loan repayment, then please request cash-flow contingent repayment and have the Core Application reflect this. As stated in the NOFA, “Applications reflect the Project Team’s initial proposal for the DCA loan and may reflect less stringent loan repayment terms than the [default terms] for either HOME or NHTF (e.g., a lower interest rate, cash-flow contingent repayment).”   If DCA disagrees with the proposal, then DCA underwriters will reach out to the development team to discuss during application review before making a final determination.   The default loan terms in the NOFA are not a mandate but represent the ceiling for periodic payment, interest rate, etc. that DCA would impose.   |
| 7/1/22 | 3Selection Criteria  | **Question ID: 980211951\_01** I saw where there was a mention of choosing one application for "top priority". How would we go about making this selection?  **Answer**:  Development teams submitting multiple applications are free to assign the Priority Point to whichever application they choose. DCA does not have guidelines about which types of applications should be prioritized.   DCA’s only role will be to confirm that the applicant with effective control did not assign this point to multiple applications under the NOFA. Please review the Priority Point scoring section in the NOFA and QAP definition of “effective control” to understand how DCA will assess whether an application will be associated with a particular development entity for purposes of this section.   |
| 7/1/22 | 4Application Materials | **Question ID: 980211951\_03** If the project we are wanting to submit a NOFA application for is a 2020 application, do we use the 2020 core app spreadsheet to submit the revised/updated information, or would we use the current (2022) core app spreadsheet?  **Answer**:  Applicants do not need to start a new Core Application. Please use the original Core Application from the previous 9% or 4% credit application, updated for purposes of this NOFA.   |