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**2022 Housing Tax Credit Program**

**Questions and Answers**

Published February 25, 2022

Updated September 15, 2022

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) and select “Submit a Question”).

* **Having issues using the online survey?** Please email [hfdround@dca.ga.gov](mailto:hfdround@dca.ga.gov).
* **Concerned about the timing of DCA’s response?** 
  + If you believe a question is time sensitive and should be prioritized for publication, please indicate this in your submission.
  + If you have already submitted your question and are concerned about DCA’s response timing, please email [hfdround@dca.ga.gov](mailto:hfdround@dca.ga.gov).
* **Have a project-specific question?** There is no separate option for “project-specific” questions. All questions go through the same 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 for 4%/Bonds Competitive Round

* The deadline to submit questions for purposes of the 4%/Bonds Competitive Round is **Friday, September 30, 2022**.
* This deadline is to ensure that all applicants have sufficient time to react to posted DCA responses before the application 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.
* 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.

## Note on Q&A Posted for Purposes of 2022 9% Round

This document includes only Q&A relevant to the 2022 4%/Bonds Round. This includes certain Q&A postings that specifically reference the 9% Round, but for which DCA staff determined that the response has the potential to impact certain 4%/Bonds applications.

## 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 - Core Plan
* 2 - Threshold
* 3 - Scoring
* 4 - Compliance Appendix
* 5 - Emphasys Application Portal
* 6 - 4%/Bonds Round Application Requirements and Procedures
* 7 - 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** |
| 9/15/22 | * New Q&A set posted |
| 9/13/22 | * New Q&A set posted |
| 9/7/22 | * Changes to **Part I. Overview** above:   + Added subsection **Note on Q&A Posted for 2022 9% Round**   + Category changes under subsection **Navigating the Q&A Table**:     - Added: “4%/Bonds Round Application Requirements and Procedures”     - Deleted: “Manuals”       * This impacted only Q&A: **0725\_HFDR-1**       * All other questions pertaining to manuals have up to this point been posted under the associated QAP section category. * Changes to **Part II: Question and Answer Table** below:   + New Q&A set posted   + Removed the following Q&A postings:     - Q&As only applicable to the 2022 9% Round     - Q&As clarifying “Flexible Share” requirements   + Flagged Q&As that reference the 9% Round but contain information relevant to 4%/Bonds applications. |
| 8/31/22 | * New Q&A set posted |
| 8/5/22 | * New Q&A set posted |
| 7/27/22 | * Updated **Part I. Overview,** subsection **Deadline to Submit Questions for 4%/Bonds Competitive Round**:   + Posted 4%/Bonds Competitive Round Q&A submission deadline * Updated **Part I. Overview**, subsection **Navigating the Q&A Table**:   + Added category “8” for questions about 4%/Bonds Competitive Round Administration * Updated **Part II: Question and Answer Table**:   + First Q&A set posted for purposes of the 4%/Bonds Competitive Round. |

# Part II: Question and Answer Table

| **Date**  **Posted** | **Category** | **Question and Answer** |
| --- | --- | --- |
| 9/15/22 | 1.10  Core Plan;  4% Federal Credit – Bond Financed Projects | **Question ID:** 995414261\_2  Scattered Site - We are applying for 4% credits for two rehabilitation properties. One project is a RAD conversion and the other is a 202 building.    Per the Application Restrictions on p. 12 of the "Core" section, the scattered site is only eligible for consideration if proposing rehabilitation of properties funded by USDA, RAD Conversion, or pre-approved during Pre-Application process.    Will these projects qualify here since one is a RAD Conversion, or is it disqualified because the 2nd property is not a RAD conversion?    **Answer**:  The *“…or approved during the Pre-Application process”* language primarily is intended for when DCA accepts Pre-Applications prior to the competitive round for purposes of allowing special circumstances. Under the 2022 4%/Bonds Competitive Round, there is no DCA review of special circumstances prior to the competitive round.    Scattered site applications are allowed under the 4%/Bonds Competitive Round, provided all requirements under **(Core Plan) Eligibility of Certain Project Configurations**, subsection **A. Eligibility of Scattered Sites** are met. Further, as stated in this subsection, for purposes of requirements and points eligibility, *“Each site must meet all applicable Threshold and Scoring criteria.”* |
| 9/15/22 | 1.12  Core Plan;  Eligibility of Certain Project Configurations | **Question ID:** 995841793  When submitting a scattered site project, should each project have a separate Excel Core Application or should they be combined in one?    **Answer**:  Scattered site developments should utilize only one Excel Core Application. |
| 9/15/22 | 2.02  Threshold Criteria;  Project Feasibility, Viability Analysis & Conformance with Plan | **Question ID:** 999018344  Will the Core Application that is due with the Competitive Review proposal in October require a full development budget and operating pro forma completed in accordance with GHFA's underwriting parameters?    If so, to what degree will GHFA allow changes to the numbers from one stage (Competitive Review) to another (Full Application), understanding that in the best of circumstances, there will be a lag of at least six to eight months, which in the current economic environment could see quite a bit of change - for good or bad?   **Answer:**  For the first question: DCA understands that the development budget estimates will need to be updated between the Competitive Review Submission and the Full Application. This is why, per **(Threshold Criteria) Applicability of Threshold Criteria**, applicants will not be strictly held to the standards of **Project Feasibility** at the time of the Competitive Review Submission.    If selected under 2022 4%/Bonds Round, the applicant will be required to pass all **Project Feasibility** requirements as part of the Full Application submission.    However, applicants should not expect to be able to increase the bonds requested, as tax-exempt bonds are, for the time being, a scarce resource. Filling out the development budget and pro forma at the Competitive Review stage is to ensure DCA underwriters have information to work with in assessing whether the estimates and assumptions underlying the bonds request are reasonable and realistic. |
| 9/15/22 | 2.07  Threshold;  Environmental Requirements | **Question ID:** 1006350748  We are preparing our 4% Competitive Review Submission.    We understand that certain environmental reports are required by the 10/14/2022 deadline, but we are not clear whether a complete Asbestos, Lead, and Radon Report are required at that time, or whether providing evidence that they have been engaged and are underway would be sufficient.    We would be able to submit the Phase I ESA, Noise Study, 50-Year Chain of Title, and Lien Search requirements by the 10/14/2022 deadline.  But the timing to obtain an Asbestos, Lead, and Radon Report is 60 days out, so we would have those separate reports shortly after the 10/14/2022 deadline.    **Answer**:  According to the DCA Environmental Review Manual, the asbestos survey, lead inspection and radon report are required to be included in Phase I ESA at the time of application. Providing only evidence that these reports have been engaged and are underway would not be sufficient and would be considered an incomplete environmental report for the application.  For more information on “incomplete document” penalties, please review **(Scoring Criteria) Application Completeness**. |
| 9/15/22 | 2.20  Threshold;  Experience, Capacity, and Performance Requirements | **Question ID:** 998963315\_2  Since there is no pre-application for the 4% credits, do we need a Qualified Determination from DCA?    One of our projects received a Qualified Determination from DCA when submitting for 9% applications. For the 4% round, we are submitting a separate application for a different property. Both teams are the same except the borrower entity is a single purpose entity, therefore different for the projects.    We will be using the Qualified Determination from DCA for the first project. Are we approaching this correctly?   **Answer**:  The Competitive Review Submission due October 14th must include documentation to meet all requirements for **(Threshold Criteria) Experience, Capacity, and Performance Requirements for General Partners and Developer Entities**.You do need a qualification determination from DCA for purposes of the 2022 4%/Bonds Competitive Round. Please review “Required Documents” in the Competitive Round Announcement ([click here](https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/housing-tax-credit-program-lihtc/qualified-0/2022)).    For the second question: subsection **B. Requirements for Capacity** is project specific. This section states that capacity is assessed by looking at the applicant’s track record regarding “similar developments considering size, complexity and scope.”    Assuming that the size, complexity, or scope varies between the two developments (e.g., the unit count for the 4%/Bonds Round application will be larger than what was approved for the 9% application), then please re-submit all documentation, include the QD letter received from DCA for purposes of the 2022 9% Round, and for purposes of the 4%/Bonds Round DCA will conduct the subsection **B. Requirements for Capacity** review. |
| 9/15/22 | 3.02  Scoring Criteria;  Applicability of Scoring Criteria | **Question ID:** 996606345\_2 There are differing point values between the 9% and 4% scoring categories but within each category there is no guidance on how those points are discounted from 9% to 4%, for example: the max score for community transportation for a 9% deal is 6 points however the max points for a 4% is only 4 and there is no guidance as to what is and is not applicable to account for the 2 point difference within the QAP. I have similar questions about: Desirable/Undesirables, Quality Education, Revitalization/Redevelopment Plans, Stable Communities, Community Designations, and Favorable Financing.  **Answer**:  **(Scoring Criteria) Applicability of Scoring Criteria** states: This means that applicants can claim points in a section for any option that they qualify for, but the number of points that contribute to the application score for purposes of the 4%/Bonds Competitive Round will be limited by the maximum listed in the table.  While there are point limitation differences between 9% and 4% applications for certain scoring sections, there is otherwise no difference in how a 9% application or a 4% application would be prepared for the same scoring section.  The below examples compare two hypothetical 4%/Bonds Round applications:   * The 4% maximum for **Community Transportation Options** is 4 points. Suppose two applications claim points under subsection **A. Transit-Oriented Development**. One application is 0.25 miles from a transit hub and the other is 1 mile from a transit hub. Both will only receive 4 points. * The 4% maximum for **Desirable/Undesirable Activities** is 12 points. Suppose one application claims 18 points under this section and another 12 points. Both will only receive 12 points. * The 4% maximum for **Quality Education Areas** is 2 points. Suppose for two applications, both have qualifying schools serving all grades K-12. One application is family tenancy and the other HFOP tenancy. Both will only receive 2 points. |
| 9/13/22 | 2.02  Threshold Criteria;  Project Feasibility, Viability Analysis & Conformance with Plan | **Question ID:** 966591811  Pages 5-6 of the QAP's Threshold section state:    **8. Project Based Rental Assistance (PBRA)/Rental Assistance Demonstration Program (RAD):**  *Projects with PBRA that have less than ten years remaining from Application Submission Date, must be underwritten within the maximum tax credit rents and/or HOME rents, as applicable. (All units with High HOME rents and PBRA must be underwritten at the maximum HOME rent).*    Looking at a 100% Section 8, acquisition/rehab property (4% w/TEBs), a common strategy is to go through a Chapter 15 (post-renovation) mark-up-to-market (MU2M) process through HUD, while applying for LIHTCs and securing the TEBs. The post-renovation MU2M results in higher rental subsidy from HUD, thus allowing more permanent debt, thus increasing the amount of rehab that can be carried out. The MU2M also results in a new 20-year HAP contract being placed on the property. From a LIHTC perspective, the units are still restricted at 60% AMI, or a lower percentage if chosen.    Given the QAP language, I am not clear if DCA would underwrite the projected MU2M rents for a property with less than 10-years remaining on the current HAP contract. Depending on market, being limited to maximum LIHTC rents could dramatically decrease the amount of rehab able to be performed.   **Answer:**  At baseline, per **(Threshold Criteria) Project Feasibility**, subsection A.8, *“Projects with PBRA that have less than ten years remaining from Application Submission Date, must be underwritten within the maximum tax credit rents and/or HOME rents, as applicable.”*    If selected under the Competitive Review process, DCA would be open to waiving this requirement given the applicant’s circumstances provided we receive a letter from HUD providing assurances of comparable stringency to the “Template HUD Letter for RAD / Section 18 Blends” ([click here](https://www.dca.ga.gov/node/7805)). |
| 9/13/22 | 2.02  Threshold Criteria;  Project Feasibility, Viability Analysis & Conformance with Plan | **Question ID:** 1001139876\_2  DCA received the following two related questions:     1. In the 9/7 Q&A **Question ID: 995414261**, DCA states *"Applicants still must complete the underwriting model in the Excel Core Application, and for that purpose applicants should use the most accurate and up-to-date information available to them."* However, the QAP states, "*Rents in effect as of January 1, 2022, must be used.”* Can DCA clarify for the 4% bond round if applicants should use 2021 data which would meet the QAP Guidelines or 2022 data which would meet DCA's Q&A response? 2. Can the 2022 income limits be used? The way the QAP is written, it refers to using the 2021 limits as those were in effect on 1/1/22.   **Answer:**  The policy *“Rents in effect as of January 1, 2022”* does not apply to the 2022 4%/Bonds Competitive Round. The above-referenced provision exists to ensure a level of consistency when **(Threshold Criteria) Project Feasibility** is evaluated during the competitive review process, which is the case for the 9% Competitive Round. Per **(Threshold Criteria) Applicability of Threshold Criteria**, the competitive review process for the 4% round does not involve a strict Project Feasibility review.    Please use the best and most up-to-date information available to you when completing the underwriting model in the Excel Core Application. Please review **Question ID: 999018344** for more detail regarding the role of the underwriting model in the 2022 4%/Bonds competitive review process. |
| 9/13/22 | 2.25  Threshold Criteria;  Occupied Developments | **Question ID:** 1001263496  While looking over the Relocation Workbook, the HH Date and Rent Rolls section has a drop down with type of form used. The options are TIC, HUD 50059, and the DCA HH Data Form. Does this mean we have the option to use any of the 3 forms to verify household data?   **Answer:**  Yes.  You can use the Tenant Income Certification (TIC), HUD 50058/50059, or the DCA Household Data Form to verify household information in your submitted relocation information. |
| 9/13/22 | 3.16  Scoring Criteria;  Internet Access | **Question:** Q22\_0427\_02  I noticed in the QAP that for Rehabs it is allowing 2 points for internet access.  If we are not in the Atlanta Metro can we not qualify for those points?  Otherwise all Atlanta Metro rehab deals will have a 2 point advantage over everything else just for being in one of those 4 counties, which doesn't seem correct.    **Answer:**  The sentence, “This section only applies to proposed developments in the Atlanta Metro Pool” in **(Scoring Criteria) Internet Access** only applies to the 9% New Supply competition, for which geographic pools result in separate sub-competitions.    Per **(Scoring Criteria) Applicability of Scoring Criteria,** scoring criteria is “specific to” the various sub-competitions (e.g., 9% New Supply vs 4% New Supply). This section does not permit that applicability of a Scoring section could be restricted to one application but open to another within the same competition.    As the above-referenced limitation only applies to the 9% New Supply competition, for purposes of the 4%/Bonds Round, all applications are eligible to claim points under Internet Access, regardless of construction type or location. |
| 9/13/22 | 6.00  4%/Bonds Round Application Requirements and Procedures | **Question ID:** 1001000976  For the DCA 2022- 4% Competitive Round, will applications not selected have to reapply in the next round? If so, is there a round expected to open in 2023 and if so, when?    **Answer**:  At this time, DCA does expect to have a 2023 4%/Bonds Competitive Round. DCA is not able to provide a more specific timeframe expectation at this time.    Applicants not selected under the 2022 4%/Bonds Competitive Round would need to re-apply next year. |
| 9/13/22 | 6.00  4%/Bonds Round Application Requirements and Procedures | **Question ID:** 996606345  Will DCA have HOME Funds, NHTF, CDBG, or any other "soft" money available for projects in this round?    **Answer:**  DCA will not have any “soft funding” available for the 2022 4%/Bonds Competitive Round. |
| 9/13/22 | 6.00  4%/Bonds Round Application Requirements and Procedures | **Question ID:** 998191155  Do we receive a pre-app number via Emphasys before submitting materials for Competitive Review? "Pre-Application Submission" is listed after "Competitive Review Submission" in the Application Submission Timeline provided in the Competitive Round Announcement, so I'm confused what the process is.    **Answer:**  Applicants will not receive a Pre-Application number as part of their Competitive Review Submission. Each application DCA receives will be assigned a unique ID. The Competitive Review Submission will have a unique ID, and applications selected under the Competitive Review Process will receive a unique Pre-Application ID and a unique Full Application ID. |
| 9/7/22 | 2.02  Threshold Criteria;  Project Feasibility, Viability Analysis & Conformance with Plan | **Question ID:** 995414261  Rent 4% Competitive Round: Under the **QAP Threshold Section II Project Feasibility, Viability Analysis & Conformance with Plan, subsection 6. Rent** - The rents used must be put into place as of January 1, 2022. Our building is a 202 PRAC. We are going through the process of a RAD for PRAC conversion which would increase our rents, but this increase is not in effect yet. Can we use the rent we will receive as a result of the RAD for PRAC conversion that is determined by HUD?  **Answer:**  The policy in question is the following:  **(Threshold Criteria) Project Feasibility**,subsection **6. Rents**: “Rents in effect as of January 1, 2022, must be used.”  First, please note that per **(Threshold Criteria) Applicability of Threshold Criteria**, the section **Project Feasibility** is not a requirement for purposes of 4% Competitive Review. Applicants still must complete the underwriting model in the Excel Core Application, and for that purpose applicants should use the most accurate and up-to-date information available to them.  Second, please note that the QAP policy in question is referring to rental income for programs with a rent limit (e.g., the 60% AMI Housing Credit rent limit). The “in effect as of January” requirement does not apply to rental income based on PBRA. Please see **(Threshold Criteria) Project Feasibility**, subsection **8. Project Based Rental Assistance (PBRA)/Rental Assistance Demonstration Program (RAD)** for more information. |
| 9/7/22 | 2.07  Threshold Criteria;  Environmental Requirements | **Question ID:** 995019203  Environmental: HUD/HOME Questionnaires:  - The HUD/HOME Questionnaire ([click here](https://www.dca.ga.gov/node/7817)) states that this form should be completed for applications seeking HOME/HUD (Federal) funding. Can DCA confirm if HUD/HOME Questionnaire are required for projects involving any of the following? If you would, please respond to this question as it relates to each individual subsidy/source.  - PBV (HCV)  - TPV (Tenant Protection Vouchers)  - RAD (PBV or PBRA)  - ACC  - PHA funds (either Capital Funds or recycled/repurposed developer fees)  **Answer:**  The HUD/HOME Questionnaire need not be included with the tax credit application for purposes of any of the above-listed resources. The Questionnaire is required for purposes of assessing eligibility for those resources, and the Housing Credit administering team within DCA (the Housing Finance and Development Division) does not administer any of the above-listed resources. |
| 9/7/22 | 2.10  Threshold Criteria;  Site Zoning | **Question ID:** 998174910 Can you guide me as it relates to zoning? For example, I have a potential site that has a special zoning\* that allows for multifamily land use. Is this acceptable to DCA for purposes of tax-exempt bonds?  *\* (specific zoning designation included in original question, but DCA staff removed from question for publication purposes)*  **Answer:**  DCA does not pre-approve whether specific circumstances meet requirements under Threshold Criteria or Scoring Criteria through Q&A. If a particular QAP policy is unclear, please re-submit the question highlighting which QAP policy needs to be clarified for you to understand whether your zoning designation will qualify. |
| 9/7/22 | 3.05  Scoring Criteria; Desirable/Undesirable Activities | **Question ID:** 993260153  This question pertains to the Scoring Criteria for Desirables/Undesirables. Can I use the same Fire and Rescue station for both (p) Community Assets Fire Station and (f) Medical Care Provider? This station has Fire /Rescue Service and EMS.  **Answer:**  No, the QAP states: *“Each building/entity/location will be assigned to only one (1) desirable category, with the exception of an amenity under (a), (c) or (l) below, which may be assigned to up to two (2) desirable categories.”*  Please see Q&A **Q22\_0503\_01b** for guidance on entities qualifying under the Medical Care Provider desirable category. |
| 9/7/22 | 3.05  Scoring Criteria; Desirable/Undesirable Activities | **Question ID:** 993260153\_2  Would a UPS Customer Center qualify for the scoring category of Community Assets – Post office? UPS Customer Service centers offer similar services as the U.S. Postal Service offices.  **Answer:**  DCA provided the following guidance for a similar question regarding the 2021 QAP (see 2021 Q&A **Q0204\_01**). This guidance still holds for purposes of the 2022 QAP:  “The 2021 QAP list of Desirable Activities specifies post office. Post offices are branches of a public agency that administers mail. UPS and FedEx are not considered post offices.” |
| 9/7/22 | 3.17  Scoring Criteria;  Minority- and Women-Owned Business Engagement | **Question ID:** 996163925 To claim points in the Minority and Women Owned Business Engagement section, the Qualified Business must be certified under one of the programs approved and posted to the DCA website. Where can I find the list of the DCA approved programs; I have not been able to locate this list on DCA's website?  **Answer**:  For more information on the DCA Minority- and Women-Owned Business Engagement Policy, including a list of qualifying certification programs, please click on “*DCA Minority- and Women-Owned Business Engagement Policy”* posted on the “[2022 QAP – Scoring Documents and Data Overview](https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/housing-tax-credit-program-lihtc/qualified-0-0)” webpage. |
| 9/7/22 | 6.00  4%/Bonds Round Application Requirements and Procedures | **Question ID:** 993170019  DCA received several questions related to clarifying Competitive Review Submission requirements, paired with their answers below.  **Answer:**   1. *Has an updated checklist been distributed for the 2022 4% application?*    * DCA will not be publishing a checklist for purposes of the 2022 4%/Bonds Round. For purposes of meeting QAP requirements, applicants should be reviewing the relevant QAP sections, especially the “Minimum Documentation” lists.    * If necessary, any other supplementary documents related to the 4%/Bonds Competitive Round will be requested directly in Emphasys. 2. *Can DCA clarify what is required for the Competitive Review Submission? It appears to me that the submission requirements for the Competitive Review Submission are the same as a full application.*    * A Competitive Review Submission and a Full Application are not the same. A Competitive Review Submission meets all requirements for applicable Scoring Criteria, but only a select number of Threshold Criteria must be met. If selected under the Competitive Review process, at a later date the applicant submits a Full Application that meets all Threshold Criteria (see **QID 1001945883\_2** for a timeline discussion).    * The requirements for what must be included in the Competitive Review Submission are posted in the **Competitive Round Announcement** under “Competitive Review Submission Requirements” ([click here](https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/housing-tax-credit-program-lihtc/qualified-0/2022)).    * Applicants seeking greater clarity on the Competitive Review Submission requirements should submit a follow-up Q&A indicating which listed requirements are unclear. 3. *Has the window passed to submit a Competitive Review Submission including Scoring items and select Threshold items?*     * The **Competitive Round Announcement** also states, under “Application Submission Timeline,” that the Competitive Review Submission deadline is Friday, October 14, 2022. 4. *Below is a list of the documents we plan to submit to meet all applicable Threshold Criteria. Can you please confirm that these are the correct ones?*     * Absent seeing the full context of the development, DCA is not able to confirm through Q&A whether a proposed set of documents will be sufficient to pass a particular Threshold section. Applicants are responsible for reviewing the QAP sections themselves to understand what documentation will be required to pass a Threshold section.    * If a specific QAP policy is ambiguous, or if given the development’s circumstances it is not clear how a particular QAP policy should apply, then please submit a new question highlighting the ambiguity. |
| 9/7/22 | 6.00  4%/Bonds Round Application Requirements and Procedures | **Question ID:** 1001945883\_2 Below are a series of questions related to **(Core Plan) 4% Federal Credit – Bond Financed Projects**, subsection **A. 4% Credit Review Process**.  **Answer:**  **Question 1:** This section states “*Applications selected under the competitive process will receive DCA consent to submit a full Pre-Application within 40 days.*” Is this 40 days from October 14th deadline that we will receive consent to submit a full pre-application? So by November 23rd we will know if we are allowed to submit a full pre-application?   * The above interpretation is not correct. When DCA has completed staff reviews of Competitive Review Submissions, DCA will issue consent to submit a Pre-Application to high-scoring applications. Upon receiving this consent notice, the 40-day clock starts. * For example, if on January 1 you are notified to proceed with submitting a Pre-Application within 40 days, you must submit your Pre-Application by February 10th.   + The above dates are for illustrative purposes only. DCA cannot speak to how long the Competitive Review process will take, and so we cannot provide any guidance on what these exact dates may be.   **Question 2:** How soon after the developer submits the pre-application will DCA provide the "Pre-Application Clearance Letter"?   * How long it takes DCA staff to review a Pre-Application depends on how many items listed under **(Core Plan) Submission Requirements and Award Limitations**, subsection **A. Pre-Determinations and Waivers** apply to the development. A New Supply application with no waivers will be reviewed more quickly than a Preservation development with 20+ architectural waivers. * Further, DCA does not know to what extent 2023 9% Competitive Round seasonal processes will overlap with post-award 2022 4%/Bonds Competitive Round processes. This may delay a Pre-Application Clearance Letter.   **Question 3:** How soon after the developer receives the "Pre-Application Clearance Letter" will DCA issue the consent to apply for LODs with a Full Application Submission?   * The Pre-Application Clearance Letter is just Pre-Application approval. Per the “Application Submission Timeline” detailed in the **4%/Bonds Competitive Round Announcement** ([click here](https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/housing-tax-credit-program-lihtc/qualified-0/2022)), immediately upon receiving Pre-Application approval, the applicant will have 60 days to submit a Full Application.   **Question 4:** *What is the expected timeline for DCA to review the Full Application submission and issue a LOD?*   * The answer is similar to question 2 above. This depends on the complexity of the Full Application and the extent to which 4%/Bonds Round reviews overlap with other seasonal processes, including but not limited to the 9% Competitive Round. |
| 8/5/22 | 2.15  Threshold Criteria;  Rehabilitation Standards | **Question ID:** 0725\_HFDR-1 I have questions regarding the QAP standards for a rehabilitation.   1. Do rehab projects applying for a 4% tax credit need to have a minimum of $25,000/interior unit in hard costs? 2. Assuming that it is required for 4% deals, I have two follow-up questions:    1. Is contingency included in this?    2. Does this apply for a Section 8 deal. That is, are any waivers possible?   I am referring to the following requirement in the **Rehabilitation Guide** of the **2022 Architectural Manual**:  *“Hard costs eligible for this minimum “dwelling unit” per unit hard cost minimum requirement shall be limited to interior dwelling unit improvements and dwelling unit envelope work items that directly impact the quality of life of the resident (i.e., windows, entry doors, unit insulation, balconies, and patios only). Exterior wall cladding and roofs of residential structures, site improvements, common building systems, community building improvements, new community buildings, maintenance facilities, other common use structures, interior amenities, exterior amenities and other similar items ARE NOT eligible to count towards the $25,000 “dwelling unit” per unit hard cost minimum.”*  **Answer:**  Question #1 answer – Yes, the minimum “dwelling unit” per unit hard cost budget is $25,000 for all properties proposing rehab.  Question #2a answer – No, the minimum “dwelling unit” per unit hard cost budget of $25,000 does not include contingency.  Question #2b answer – Yes, this also applies for Section 8 deals. Waivers are applicable per the guidance provided in both 2022 QAP and Architectural Manual – Rehabilitation Guide ([click here](https://www.dca.ga.gov/node/7815)).  Please see 2022 QAP and applicable Rehab Standards in Architectural Manual for full disclosure of work scope requirements and definition of “dwelling unit” along with guidance for allowable waivers for deals including a rehab component. DCA will not waive the minimum hard costs of $25,000 per dwelling unit requirement. |
| 7/27/22 | 1.10  4% Federal Credit – Bond Financed Projects | **Question ID:** 987916432  I am preparing an application to submit a portfolio of properties for purposes of the 4%/Bonds Competitive Round (more than 10 properties). Given the higher upfront costs associated with portfolio developments, is there any leniency in relaxing certain requirements for portfolio applications?    **Answer:**  Most “portfolio” applications are not eligible under the 2022 4%/Bonds Competitive Round. For purposes of this Q&A, a “portfolio” application refers to a proposed development for which:   * The application does not meet all requirements under **(Core Plan) Eligibility of Certain Project Configurations**, subsection **A. Eligibility of Scattered Sites** * Upon completion, each building’s 8609 form is not associated only one “project” (federal definition).     Any individual application must either be a single-site application or qualify as a “scattered site.” Thus, the only allowable type of “portfolio” application would be a portfolio development consisting of no more than 2 or 3 separate applications (see **(Core Plan)** **C. Additional Requirements for 4% Credit Applications** for application limit information).    Even for the above 2- or 3-site portfolio application instances, please note that **(Core Plan) 4% Federal Credit – Bond Financed Projects**, **B. Application Restrictions** requires that “Each Application must be associated with one bond issuance.” |
| 6/3/22 | 3.23  Scoring Criteria;  Compliance Performance | **Question**: Q22\_0526\_01  Is the below QAP excerpt true? It seems unfair and a steep penalty.    **(Scoring) Compliance Performance, A. Calculation of Point Deductions, 1. Significant Adverse Events (SAE):**    *“A five (5) point deduction for the occurrence of each SAE for which a waiver was granted or renewed including but not limited to:*     |  |  | | --- | --- | | ***SIGNIFICANT ADVERSE EVENT*** | ***LOOK BACK PERIOD (FROM APPLICATION SUBMISSION DATE)*** | | *A Fair Housing investigation by any government agency on any Affordable Housing property which resulted in a lawsuit (regardless of the outcome), a negotiation for settlement, and/or a settlement agreement* | *10 Years”* |     **Answer**:  Yes, under the 2022 QAP, the above-described event is considered a Significant Adverse Event and would result in a five point deduction if it occurred within the indicated look back period.    To provide feedback regarding this provision for purposes of future QAPs, please submit through the year-round [QAP Public Input Survey](http://dcaqap.formstack.com/forms/yearround_qap_survey). |
| 5/27/22 | 2.02  Threshold Criteria;  Project Feasibility, Viability Analysis & Conformance with Plan  (also 2.14 Threshold; Community Service Facilities) | **Question**: Q22\_0525\_19  The Revenues & Expenses tab of the Core Application does not have a line for commercial space square footage. How should commercial space square footage be reflected in the Excel Core Application?    **Answer**:  **(Threshold Criteria) Project Feasibility** subsection **2. Income** states that for purposes of ancillary income, “income from commercial space…will not be considered.” Therefore, commercial space square footage should not be reflected on the *Revenues and Expenses* tab.    Applicants proposing a commercial space that qualifies as a Community Service Facility for purposes of **(Threshold Criteria) Community Service Facilities** should review the documentation requirements for that section. For all other types of commercial spaces, applicants can detail the square footage and any other relevant information in the “Applicant Comments and Clarifications” box of the *Uses of Funds* tab in the Excel Core Application. DCA underwriters may request additional information regarding commercial spaces through the clarifications process. |
| 5/27/22 | 2.02  Threshold Criteria;  Project Feasibility, Viability Analysis & Conformance with Plan  (also 2.06 Threshold; Appraisals) | **Question**: Q22\_0520\_05a  We are proposing an urban infill/mixed use/mixed-income development with significant commercial space required due to codes - No minimum parking requirement. We have several questions related to the planned parking and commercial components:   * 1. Non-Required Parking for Affordable Units: We would like to build parking because we think some (but not all) tenants may desire parking. This parking would be available at an additional cost to affordable tenants. Can we include costs or income associated with this parking into our model?   2. Non-Required Parking for Market Units: To achieve market rents we'd also like to build parking which would be available at an additional cost to market rate tenants. Can we include costs or income associated with this parking into our model?   3. Non-Required Commercial Parking: We expect additional parking demand from the required commercial component of our project (as well as from our urban neighbors). Can we include costs or income associated with this parking into our model? * If we are not allowed to incorporate these components into our application model, can we instead condo these components so that neither the costs nor the income is included in our model? * If so, what information should we provide on the condoed out components? * Do you have any required method for allocating land costs across the component of the development included in our application and the condoed out component? Is a pro rata allocation based on land area acceptable?   **Answer**:  **Parking income**: Regarding the inclusion of parking income as a source of revenue in the application’s financial model, **(Threshold Criteria) Project Feasibility**, subsection **2. Income** states that income from fees (including parking fees) cannot be included in the model (“*[For] Rental income plus ancillary income…income from…fees…will not be considered*”).  **Parking for affordable units**: Regarding the inclusion of development costs for parking intended to serve affordable units, DCA does not have a position that is different from IRC Section 42.  **Parking for commercial and market units**: Regarding the inclusion of development costs for parking intended to serve market units or commercial spaces, these costs should not be included in the development budget.   * As stated in **(Threshold Criteria) Project Feasibility**, the intent of DCA staff’s underwriting review is to ensure that the “housing credit dollar amount allocated to a project not exceed the amount that DCA determines is necessary for the financial feasibility of the project and its viability as a qualified low-income housing project through the credit period.” * Therefore, except where the QAP states otherwise (e.g., subsection **10. Market Units** relating to the costs and expenses associated with market units), line items that do not directly support or reflect the development or operations of the low-income housing should not be included in the *Uses of Funds* or *Revenues & Expenses* tabs of the Excel Core Application. * Please provide a description of the portions of the development not included directly in the budget of the application (e.g., in the comments box of the *Uses of Funds* tab). If DCA staff determine that the financial and market feasibility of the low-income housing development is dependent on activities not included in the model (e.g., a commercial space), DCA may request additional information through the clarifications process.   **Non-required parking**: This question includes the statement that the local government does not require any parking. Please note that even if the local government does not require parking for residential units, DCA will assess whether the proposed level of parking for all restricted and unrestricted residential units is appropriate given market feasibility considerations.  **Requirements for allocating land costs**: The answer to this question depends on the specifics of the development. Applicants should allocate costs proportionally and describe the methodology for doing so in detail so that DCA underwriters can replicate it. If DCA staff determine upon reviewing the development information that an adjustment to the methodology is required, DCA staff will reach out to the applicant through the clarifications process.   * Please also note that, per **(Threshold Criteria) Appraisals**, “DCA may also commission an appraisal for a tax credit only project in order to confirm that the proposed purchase price is reasonable and the valuation assumptions within the application are valid.” |
| 5/27/22 | 2.08  Threshold Criteria;  Site Control | ***This Q&A references the 9% Round but includes information relevant to 4%/Bonds applications.***  **Question**: Q22\_0517\_04  Our site control is in the form of a legally binding contract.  Do we also need to include a warranty deed from the current property owner, or does having the legally binding contract fulfill the site control requirement?  **Answer**:  (May 27, 2022 update)  On May 24, 2022, DCA responded to this question, stating that a settlement statement or warranty deed from the current property owner is required. DCA then received a follow-up question, stating that the response was incorrect given the QAP language. Internal discussion covered the following:     * The original response is consistent with both the language and intent of the Minimum Documentation requirements listed under **(Threshold Criteria) Site Control**. * However, in the past applicants have misunderstood this requirement. During the 2021 9% Competitive Round, so many applicants misunderstood this requirement that the requirement was not enforced. * The QAP language did not change from the 2021 QAP to the 2022 QAP to clarify this provision. * For the many applicants who did not receive a missing documentation notice during the 2021 9% Competitive Round, this is functionally a change in policy that was issued one week before the 2022 9% Competitive Round deadline.     Therefore, for purposes of the 2022 9% Competitive Round, DCA will not require a settlement statement or warranty deed by default. Please note that the primary purpose of this requirement is to help DCA underwriters assess how the land should be valued given how long the property has “been in the control of the Applicant or a related party” (see **(Threshold Criteria) Appraisals** for more information). DCA reserves the right to request evidence to confirm this through the clarifications process during the 2022 9% Competitive Round.    Below is the original answer, posted May 24, 2022:  *Per* ***(Threshold) Site Control,*** *in addition to the legally binding contract, a settlement statement or warranty deed from the current property owner must be submitted.*    *Minimum Documentation:*  *• Settlement statement or warranty deed from current property owner*  *• Warranty Deed; legally binding Contract; or legally binding, long-term Ground Lease or Option*  *• Legal description*  *• Evidence of RFP selection* |
| 5/27/22 | 2.13  Threshold Criteria;  Required Amenities | **Question**: Q22\_0518\_04  Regarding appliances, please confirm that a 100% Section 8 covered property would be considered a "HUD property," and therefore not be required to add dishwashers.    **Answer**:  For purposes of this subsection, a property for which 100% of units have PBRA originating from HUD would be considered a “HUD property.” |
| 5/27/22 | 2.25  Threshold Criteria;  Occupied Developments | **Question**: Q22\_0519\_09  We submit our GIN notice at Preapp and got approval by DCA. Since then, the single tenant on a month to month lease has moved off the property. Do we still need to submit to DCA for relocation? We are planning too just want ask before we do.    **Answer**:  For properties with 100% proposed tax credit funding, relocation submission and supporting documentation (including move out records) to explain the situation is recommended to ensure passage of **(Threshold Criteria) Occupied Developments** without complication. If the program has Federal Funds on it (ie. HOME, PBRA Subsidies, RAD, etc), then a full relocation submission should be submitted to ensure all Uniform Relocation Act (URA) processes were followed. |
| 5/27/22 | 3.05  Scoring Criteria;  Desirable/Undesirable Activities | **Question**: Q22\_0519\_01  On the Desirable Activities Certification form, Undesirable tab, do we include a site that might fit the description of an undesirable, but will be mitigated?  Even though I indicate that there's supporting documentation that it will be mitigated, and therefore, no point deductions made, the spreadsheet still automatically deducts those points?  Should I just leave that site off (to avoid automatic point deduction) and provide an explanation?  Or partially fill it out (by not including distance), so that it doesn't deduct points?    **Answer**:  In the Undesirable Site Certification, applicants should include and fill out all fields associated with any Undesirable activities/characteristic located within a radius of 0.25 miles of the proposed site. The Undesirable Site Certification will reflect a deduction, but per **(Scoring) Desirable/Undesirable Activities, B. Undesirable/Inefficient Site Activities/Characteristics, 2. Exceptions to Undesirable Deductions,** “The point deduction will not apply if the Applicant has knowledge at the time of Application that an undesirable activity/characteristic is temporary and that a change or mitigation will remove it as set forth [in the subsection].” Minimum Documentation for this section includes: “Evidence of mitigation of undesirable activity/characteristic from the third party responsible for the mitigation by the date noted [in subsection B.2. Exceptions to Undesirable Deductions].” Documentation submitted should provide sufficient evidence that the requirements of this subsection have been met. |
| 5/27/22 | 3.15  Scoring Criteria;  Extended Affordability Commitment | **Question**: Q22\_0520\_08  The following two questions received are related:   * With regards to the **(Scoring) Extended Affordability Commitment**, the checklist notes that a "copy of the strategy documents meeting the QAP requirements" is required as evidence. What strategy documents does this refer to? * Under the **(Scoring) Extended Affordability Commitment, B. Resident Ownership** the minimum documentation says "Documents meeting the above requirements." Is there any specific format that DCA wants to see this in? Does it need to be executed? Are you just looking for a document that states the applicant is willing to do these items?     **Answer**:  This item listed on the Tabs Checklist refers to the Minimum Documentation listed under B. Resident Ownership: “Documents meeting the above requirements.”   DCA does not have a required format for this minimum documentation. The submitted documentation does not need to be executed. |
| 5/27/22 | 3.17  Scoring Criteria;  Minority- and Women-Owned Business Engagement | **Question**: Q22\_0519\_08  We are working with a minority business developer to build capacity and remove barriers in line with the objectives of the DCA Minority- and Women-Owned Business Engagement Policy.  The minority business partner applied for MBE/DBE certification; however, the process takes up to 90 days for approval.  Would you temporarily accept an application confirmation in lieu of the certification?  We will submit the actual certification as soon as it is received.  Thank you.    **Answer**:  For option **B. Project Team Eligibility**, “Certifications from eligible programs for development team members” is a Minimum Documentation requirement. Therefore, the certification is required for purposes of 2022 Competitive Round application review. Per the *2022 Minority- and Women-Owned Business Engagement Policy* ([click here](https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/housing-tax-credit-program-lihtc/qualified-0-0)):    *“A. For purposes of receiving a maximum of (2) points in the Engagement Commitment and Reporting section: All Minority and Women-Owned Businesses included on the report must be certified by Final Allocation Application submission.*    *B. For purposes of receiving a maximum of (2) points in the Project Team Eligibility section: All Minority and Women-Owned Businesses being confirmed as a part of the Project Team should be certified as of the date of the initial application submission.”*    Minority- and Women-Owned Businesses included in the application for purposes of claiming points under **(Scoring) Minority- and Women-Owned Businesses** must be certified as of the date indicated in the subsection under which the applicant is claiming points. |
| 5/27/22 | 3.21  Scoring Criteria;  Favorable Financing | **Question**: Q22\_0517\_02  We are working on a project for which the local government is providing funds to the local housing authority for all of the costs for the project site acquisition and demolition of the existing building on the project site, and the housing authority will then ground lease the property to the LIHTC partnership at a nominal cost. The housing authority is also a member of the general partner of the LIHTC partnership.   * Since the LIHTC partnership will not be paying costs for acquisition and demolition, can you please confirm that these acquisition and demolition costs and the associated sources (funds from the local government) should or should not appear on the Sources and Uses tabs in the Core Application? * If not, is there somewhere else in the Application that we should describe the local government funds (source) and the acquisition and demolition costs (uses) for the site? We will be claiming these local government funds for points under the Favorable Financing section of the QAP.   **Answer**:   * The nominal cost of the ground lease should be reflected in Part V – Revenues & Expenses Tab (VI. Ground Lease Payment) of the application. * Only costs paid by the LIHTC partnership should be reflected in the *Uses of Funds* tab of the application. * All necessary information can be provided in the Favorable Financing section of the Excel Core Application (comments section) and application binder (for documentation). |
| 5/24/22 | 2.06  Threshold Criteria;  Appraisals  (also 2.28 Threshold; DCA Underwriting Policies) | ***This Q&A references the 9% Round but includes information relevant to 4%/Bonds applications.***  **Question**: Q22\_0516\_01  In the Threshold part of the QAP, in Section VI. Appraisals it states that properties controlled by a related party for a period of five (5) years or less will be valued at the acquisition cost at the time the related party obtained initial site control.  Under the DCA Underwriting Policies section of the QAP it states that Properties which have been in the control of the Applicant or a related party for a period of three (3) years or less from Application Submission will be valued at the cost at the time the related party obtained initial site control.     1. Can DCA confirm which time period applies to applications for 9% credits only?      1. Can DCA also confirm that in the case of a phased development where the Applicant obtained site control for all the phases simultaneously and within the appropriate time frame (3 or 5 years, per the answer to the first question) the Applicant does not require an appraisal if it is simply allocating the current phase's share of the acquisition costs paid to the third party?     **Answer**:   1. When there is an identity interest between the buyer and seller, DCA will carefully scrutinize the sales price of land between related parties to ensure that the value has not been inflated.  The provision in **(Threshold) Appraisals, Applicant-Commissioned Appraisals** applies:     *“For purposes of generating tax credits:*   * *For 9% Credit Applicants, properties which have been in the control of the Applicant or a related party for a period of five (5) years or less will be valued at the acquisition cost at the time the related party obtained initial site control.”* * *For 4% Credit Applicants, properties which have been in the control of the Applicant or a related party for a period of three (3) years or less will be valued at the acquisition cost at the time the related party obtained initial site control.*      1. Please see DCA’s response to question **Q22\_0404\_01** posted to the *2022 Questions and Answers* document on 4/14/22.  An appraisal is not required for phased developments that are allocating the current phase’s share (within 5 years of acquisition) of the acquisition costs paid to the third party.  The site control minimum documentation would be required. |
| 5/24/22 | 2.09  Threshold Criteria;  Site Access | **Question**: Q22\_0518\_02  Is the **(Threshold) Site Access** section applicable to rehabs?    **Answer**:  Yes, per the QAP: “All sites proposed for development must provide a specified entrance that is legally accessible by paved roads.” |
| 5/24/22 | 3.02  Scoring Criteria;  Applicability of Scoring Criteria | **Question**: Q22\_0520\_01  The table in **(Scoring) Applicability of Scoring Criteria** shows that preservation projects can't receive any points under sections IV-XIV, even though that is not explicitly stated under each section. Will you please confirm that this is correct and that it also means that no items on the checklist in these sections are required for preservations?    **Answer**:  **(Scoring Criteria) Applicability of Scoring Criteria** states “Application evaluation will comprise separate competitive rankings based on scoring criteria specific to each of the following,” one separation being “New Supply or Preservation.”    Applications are only eligible to receive points in Scoring Criteria applicable to their designated competitive ranking (e.g., New Supply, HUD Preservation Set Aside, etc.), as indicated in the Applicability of Scoring Criteria table. Applicants are not required to complete a form or fulfill Minimum Documentation requirements for sections that do not apply to the competition the application is applying under. |
| 5/24/22 | 3.10  Scoring Criteria;  Stable Communities | **Question**: Q22\_0518\_02  How can we confirm the Life Expectancy Rate for our 2020 Census Tract?    **Answer**:  There is no Life Expectancy data available for 2020 Census Tracts. The Life Expectancy data has not been updated by the CDC and is therefore based on 2010 Census Tracts. Applicants may claim points based on the data for their site’s 2010 Census Tract. |
| 5/19/22 | 2.02  Threshold Criteria;  Project Feasibility | ***This Q&A references the 9% Round but includes information relevant to 4%/Bonds applications.***  **Question**: Q0728\_01  We perform utility allowance studies for clients and were recently asked if we’ve been “approved" by DCA to provide this service, for purposes of **(Threshold Criteria) Project Feasibility**, subsection **Operating Utility Allowance (UA)**. How can I verify this?    **Answer**:  The below excerpts are from DCA’s “Utility Allowance Methodology Change Requests” policy ([click here](https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/compliance-monitoring/utility-allowances)). The below-referenced documents can be submitted with the full application for purposes of the Competitive Round and do not require pre-approval.    *“DCA may approve a UA based on an energy and water and sewage consumption and analysis model (ECM) prepared by a properly licensed engineer, or qualified professional. The owner and qualified professional must also certify that the model complies with all requirements and takes into account specific factors including, but not limited to, unit size, building orientation, design and materials, mechanical systems, appliances, and characteristics of the building location.*    *If the ECM report is completed by a qualified professional that is not a properly licensed engineer, the request must include the qualifications and experience of the qualified professional in providing energy consumption utility allowance reports for a minimum of 2 years.*    *Required Documents for Unlicensed Engineer or Other Qualified Professional*  *Additional Information:*     1. *Description of the firm’s or energy professional’s experience compiling energy consumption models for use in residential multifamily properties for a minimum of 2 years* 2. *Resumes of staff responsible for completing the utility report* 3. *Certifications and licenses relevant to the development and implementation of an energy consumption model (e.g. Professional Architect license, Certified Energy Manager or similar designation)* |
| 5/19/22 | 2.28  Threshold Criteria;  DCA Underwriting Policies | **Question**: Q22\_0511\_15  What does the following sentence mean regarding green building consultant fees and developer fee limits? Is this sentence a holdover from a prior QAP that no longer applies, since developer fees are now based on unit count, not costs?    *“The maximum allowable Developer fee includes Consultants' fees for each project. DCA will allow a limited exception and not include Consultant fees for the purpose of obtaining green building certifications in the Developer fee calculation.”*    **Answer**:  The above referenced policy, from **(Threshold Criteria) DCA Underwriting Policies**, still holds. It states that green building consultant fees can be disregarded for purposes of confirming that the sum of developer fees, consultant fees, etc. are under the **Developer Fee Amounts** listed in this section. This is why in the Core Application, “Green Building Consultant Fees” is listed under “Professional Services,” not contained within the “Consultant’s fee” line item. |
| 5/19/22 | 3.04  Scoring Criteria;  Deeper Targeting | **Question**: Q22\_0413\_15  Deeper Targeting - B. New PBRA: This section states the applicant must provide a Commitment for PBRA executed by authorized regulatory agency.  If the new PBRA is a HUD source administered by a Public Housing Authority, can DCA confirm if a commitment from the Public Housing Authority will suffice, even if final HUD approval will be provided after the application submission deadline?    **Answer**:  DCA requires evidence of HUD approval where HUD is the authorized regulatory agency for the PBRA. For purposes of RAD/Section 18 blends, applicants can request HUD’s signature for the template letter posted to the DCA website, approved by both HUD and DCA (see **Q22\_0418\_15**). |
| 5/19/22 | 3.05  Scoring Criteria;  Desirable/Undesirable Activities | **Question**: Q22\_0503\_01b  Does a chiropractic clinic qualify as a medical care provider? Our site is serving seniors and we believe the clinic will certainly address some of their medical needs, but we wanted to confirm.    **Answer**:  This question pertains to where **(Scoring Criteria) Desirable/Undesirable Activities**, subsection **A. Desirable Activities** lists “Medical care provider (e.g. clinic, physician/dental office)” as an option under “Medical Care.”  Health care professions that are licensed under the Georgia Medical Board or a board associated with the Secretary of State will qualify ([click here](https://consumer.georgia.gov/consumer-topics/health-care-professionals) to view health care professions licensed under each). This list is intended to be a safe harbor, not all encompassing, for purposes of this Desirable Activities option.    “Chiropractors” is on the Secretary of State list, so a chiropractic clinic would qualify.    Please note that the QAP uses the term “clinic” under this option, and thus an establishment associated with a profession on the above lists would only qualify if it is accessible by residents directly for health care services. For example, an emergency medical technicians training facility would not qualify, even though the profession is on the above-referenced list. |
| 5/19/22 | 3.16  Scoring Criteria;  Internet Access | **Question**: Q22\_0317\_01  In the section **(Scoring) Internet Access**, it states that 1 point could be awarded for high-speed internet/broadband service for each unit or 2 points for high-speed internet/broadband service for each unit if the service will be Wi-Fi. Does this mean that each unit has to be wired for the capability to access free high-speed internet/broadband or WiFi? Please provide the specifications for what is expected out of this scoring item.    **Answer**:  Applicants claiming points in this section are making a commitment to fully subsidize the cost of high-speed internet/broadband service for residents in all units, which is defined in **(Threshold) Architectural Design and Quality Standards** as having “the capability to transmit at a rate of not less than 25 megabits per second in the downstream direction and at least 3 megabits per second in the upstream direction to end users.”    This requires applicants to:    1. Ensure each unit has the capability to access high-speed internet/broadband service (Wi-Fi if claiming 2 points); and 2. Pay for the operating costs of residents having free access to high-speed internet/broadband service in each unit.     The Core Application prompts applicants claiming points in this section as follows:     * Revenues & Expenses tab: input the projected expenses of paying for internet * Scoring Criteria tab: Describe how the estimate was derived and reference any supporting documentation |
| 5/16/22 | 2.17  Threshold Criteria;  Building Sustainability | **Question**: Q22\_0510\_02  Can you confirm that the minimum standards listed below are applicable for both new construction and rehabilitation projects?   * Obtain a sustainable building certification * Low VOC interior wall/ceiling/finishing * Energy STAR certified appliances     **Answer**:  **(Threshold) Building Sustainability, Sustainability Standards** states that “all dwelling units at all projects must comply with the requirements of this section. Historic properties may apply for a waiver when compliance means loss of historic character-defining features and finishes.” |
| 5/16/22 | 3.05  Scoring Criteria;  Desirable/Undesirable Activities | ***This Q&A references the 9% Round but includes information relevant to 4%/Bonds applications.***  **Question**: Q22\_0503\_01a  Can applicants submit evidence of more than one business that would qualify for points in a particular category? For example, if there are two restaurants within a similar radius of our site, can we submit information for each? We realize only one could ultimately be counted, but in this current environment we are concerned about the possibility that one would have to shut its doors by the time DCA conducted its review.  **Answer**:  DCA provided the following guidance for a similar question during the 2021 9% Competitive Round (see 2021 Q&A **Q0201\_06**). This guidance still holds for purposes of the 2022 9% Competitive Round:  “An establishment that an applicant certifies is operational as of the Application Submission deadline...will qualify for points under this section. This certification is covered by the relevant clauses in the “Applicant Certification Letter” required for all applications and requires no separate actions specific to this section. Relevant clauses are below:  *‘I understand that, in the event an allocation (or an allowance) for LIHTCs was obtained with false information supplied to the Georgia Department of Community Affairs ("DCA"), DCA will recapture the LIHTCs or request that the IRS deny tax credits to the Applicant entity. Also, a supplier, including the developer or owner, who knowingly provides false information will be barred by DCA from program participation for a period of five (5) years from the date the false information was discovered, in accordance with a Memorandum of Understanding between the Internal Revenue Service and the Georgia Housing and Finance Authority.’  ‘I understand that any misrepresentations, which includes fraudulent, negligent, and/or innocent, in this Application or supporting documentation may result in a withdrawal of tax credits and/or HOME loan by DCA, my (and related parties) being barred from future program participation, and notification of the Internal Revenue Service and/or HUD.’* |
| 5/16/22 | 3.10  Scoring Criteria;  Stable Communities | **Question**: **Q22\_0510\_15**  I am having trouble figuring out how to get scoring information for a specific census tract. How can I get assistance for this?    **Answer**:  Please review **Q22\_0419\_03**. If you still are unable to confirm the information you're seeking for a specific census tract, please feel free to submit the census tract through our Q&A survey ([click here](https://dcaqap.formstack.com/forms/2022_taxcredit_questions)) with the issue you're having. |
| 5/16/22 | 3.10  Scoring Criteria;  Stable Communities | **Question**: Q22\_0429\_02  If my application’s 2010 Census Tract is associated with multiple 2020 Census Tracts according to the *2010 to 2020 Census Tract Relationship File* posted to the DCA website on 4/20/22, may I claim points using any of the associated 2020 Census Tracts?    **Answer**:  No, applicants will not receive points related to a Census Tract that does not include the proposed development. Applicants are responsible for identifying their proposed development’s 2010 Census Tracts (where applicant is using 2018 or 2019 data) and 2020 Census Tracts (where applicable is using 2020 data).    A 2010 Tract may be associated with multiple 2020 Tracts, and vice versa, as some 2010 Tracts were split into multiple 2020 Tracts, and other 2010 Tracts were combined into one 2020 Tract. The *2010 to 2020 Census Tract Relationship File* is solely intended to assist applicants in understanding how Census Tracts have changed from 2010 to 2020 and may not be used to claim points for a Census Tract which does not include the proposed development.    DCA has also added “2010 Census Tracts” and “2020 Census Tracts” layers to the *Housing Tax Credit Properties Map* posted to the 2022 QAP Scoring Documents and Data page of the DCA website ([click here](https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/housing-tax-credit-program-lihtc/qualified-0-0)), allowing applicants to identify their proposed development’s Census Tract by entering the property location in the search bar. See the response to question **Q22\_0419\_03** added to the *Q&A Instructions and DCA Responses* document on 4/21/22 for detailed instructions. |
| 5/11/22 | 2.02  Threshold Criteria;  Project Feasibility, Viability Analysis & Conformance with Plan | **Question**: Q22\_0426\_03  How/where do we find the DCA published utility allowances that should be used in the 2022 applications?    **Answer**:  See **(Threshold) Project Feasibility, Viability Analysis & Conformance with Plan, Operating Utility Allowance (UA)** and the *DCA Utility Allowance Map* to determine which method(s) and Utility Allowance schedule(s) applies to your application.    The *DCA Utility Allowance Map* and *DCA Utility Allowance Schedule* are posted to the Rental Housing Development – Compliance Monitoring page of the DCA website ([click here](https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/compliance-monitoring/utility-allowances)). |
| 5/11/22 | 2.02  Threshold Criteria;  Project Feasibility, Viability Analysis & Conformance with Plan  (also 3.04 Scoring; Deeper Targeting) | **Question**: **Q22\_0418\_15**  Our proposed development plans to utilize the RAD/Section 18 blends opportunity for our rent structure. HUD does not provide a commitment for the non-RAD PBV HAP contract until all other financing is in place, including the tax credit award.    How can applicants meet documentation requirements under the QAP for **(Threshold Criteria) Project Feasibility** and **(Scoring Criteria) Deeper Targeting** in this circumstance?    **Answer**:  Applicants can submit the following documentation for purposes of both **Threshold** and **Scoring**:    * A signed letter from HUD confirming that the development will be eligible for the RAD/Section 18 blends rent structure, pending a review of the overall financing plan. * HUD has provided to DCA a template letter that applicants can send to HUD for signature confirming HUD’s approval of the development, the PHA’s and Owner’s decision regarding how many years the anticipated PBV contract will last, etc. This letter can be submitted as documentation in the application. * The template HUD letter is posted to the DCA website under: “Application Manuals, Forms, and Scoring Documents” / “Other Manuals and forms” / “Template HUD Letter for RAD-Section 18 Blends” ([click here](https://www.dca.ga.gov/node/7805)). * Please note that HUD requires at least 7 business days to sign and return a PDF copy of the letter. * Evidence from HUD’s website substantiating which Fair Market Rents (FMRs) are applicable to the proposed development. * A brief description of how the rents in the Core Application are derived from the FMRs (e.g., the following statement would suffice: “Non-RAD PBV rents are based on 110% of the FMRs”). |
| 5/11/22 | 2.12  Threshold Criteria;  Public Water/Sanitary Sewer | **Question**: Q22\_0419\_01  In PUBLIC WATER/SANITARY SEWER under minimum documentation states : ""Letter(s) of commitment from verifiable public water/sanitary sewer authority that includes project name, address, or parcel ID and confirms that utilities will be available.""||The 2022 QAP was modified to add ""of commitment"" implying that DCA is now requiring a commitment of water/sanitary sewer (W/S) availability from local W/S authorities.  Local W/S authorities, especially larger ones will not issue a ""commitment"" of availability of W/S services due to the time lag between the issuance of the letter and the issuance of building permits which can be 18-24 months.  ||A commitment is asking the local W/S authority to commit to availability at some point in the future which most authorities will not do.||Historically, DCA has required W/S sewer availability letters which state required W/S infrastructure is available to the development site.||Will letters that confirm W/S availability without language stating the letter is a commitment pass threshold in this section?|    **Answer**:  The above-referenced edit, to include the word “commitment,” was not intended to substantively change this documentation requirement.    **(Threshold) Public Water/Sanitary Sewer** provides the following examples of the type of “letter(s) of commitment” that should be requested from the verifiable public water/sanitary sewer authority: “letters from public water/sanitary sewer authority, copies of easements necessary for water and sewer authorities to extend water and sewer to the property.”  Per this QAP section, “letters from the local public water and sewer authorities must document the availability of the existing public water and sewer service to the site”.  Therefore the “Letter(s) of commitment” as requested in minimum documentation refers to the documentation of the availability of existing public water and sanitary sewer. |
| 5/11/22 | 2.17  Threshold Criteria;  Building Sustainability | **Question**: Q22\_0129\_01  Regarding (**Threshold) Building Sustainability, A. Sustainability Standards, 2. Measured duct and building envelope leakage**, the QAP states that performance testing must be performed on a *"sampling of units...utilizing RESNET-approved performance testing methodologies..."*.    Does this mean the RESNET sampling procedures must be followed or just the procedures for individual unit testing?    **Answer**:  RESNET procedures must be followed for individual unit testing.  In the parenthesis within the same sentence, DCA defines the “sampling of units” to use as including “one of each unit type in its various configurations within the property”. |
| 5/11/22 | 3.05  Scoring Criteria;  Desirable/Undesirable Activities | **Question**: Q22\_0504\_01  In **(Scoring) Desirable/Undesirable Activities, Undesirable/Inefficient Site Activities/Characteristics, Exceptions to Undesirable Deductions**, what is the definition of the word “site control” in the below bullet point?   * *Mitigation by the Applicant or a Local Government must be completed by the placed in-service date.*   + *Applicants must provide documentation of the site control and resources to complete the mitigation.*   **Answer**:  Documentation of site control to complete the mitigation of an undesirable activity/characteristic should show either of the following:   * there is explicit authorization from the owner of the undesirable to perform the mitigation, or * there is a legal right for the entity performing the mitigation (e.g., Applicant, owner of the undesirable) to perform mitigation by the date(s) indicated in the QAP. |
| 5/11/22 | 3.07  Scoring Criteria;  Quality Education Areas | **Question**: Q22\_0427\_01  In **(Scoring)** **Quality Education Areas**, school district maps showing the site location and full attendance zone boundaries, published by an official school district source, are required.  In past years for this scoring category, we provided attendance zone maps obtained from greatschools.org.  Is it acceptable to use the attendance zone boundary maps from greatschools.org?    **Answer**:  Per this section in the 2022 QAP, “Maps must be published by official school district source.” Maps from greatschools.org will not qualify. However, per the QAP, “If the school district map is unavailable or unobtainable, a letter from a school district representative evidencing that the proposed site is within the school district boundaries (must include the project location).” |
| 5/6/22 | 2.06  Threshold Criteria;  Appraisals | **Question**: Q22\_0422\_01  For our proposed project, the Applicant will enter into an Option for a Ground Lease at a nominal value with the local housing authority, which owns the land and will also serve as one of the General Partners and developers in the project. Although there is an identity-of-interest, the ground lease will be conveyed at a nominal value, so in previous years DCA has not required an appraisal to justify the land value. Could DCA please confirm that this still holds true for 2022?  **Answer**:  The 2022 Appraisal Manual states ([click here](https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/housing-tax-credit-program-lihtc/application)):  *“Land values are required for all appraisals except when a ground lease will be in place and the rent will be a nominal amount of $100 or less. If there is an upfront payment, the land value will be required.”*  DCA will not require an appraisal to justify the land value where a ground lease will be in place and the rent will be $100 or less. Also please note that if the ground lease is structured such that a large upfront payment is required, then it will be considered similar to acquisition and an appraisal will be required. Applications without an appraisal that include an upfront payment greater than the nominal amount may fail **(Threshold Criteria) Appraisals**. |
| 5/6/22 | 2.15  Threshold Criteria;  Rehabilitation Standards | **Question**: Q22\_0414\_01  The 2021 Application Tabs Checklist included an item for "Architect Rehab Work Scope Certification Statement" in the Rehab Standards Tab. Will this be included in the 2022 Application Tabs Checklist for submittal with the Tax Credit Application? If so, is there a form document that the applicant should use, or should the project architect simply draft his own statement on his own letterhead indicating review of the Work Scope?  **Answer**:  Yes, the Architect Rehab Work Scope Certification Statement is a Minimum Document under **(Threshold Criteria) Rehabilitation Standards** and is included in the 2022 Application Tabs Checklist for submittal with the 2022 application. At this time, DCA does not have an official form or document for the applicant to use and requires the project Architect to draft his or her own statement on letterhead. |
| 4/27/22 | 3.17  Scoring Criteria;  Minority- and Women-owned Business Engagement | **Question**: Q22\_0221\_08  XVII. Minority and Women Owned Business Engagement.||DCA has a separate policy document about this scoring item that references multiple NAICS codes that can be listed on a MBE/WBE's certification to qualify for points.  Some of these include construction, real estate, finance & insurance, architectural services, land development agencies, redevelopment authorities, etc. ||Within this scoring section of the QAP, it states that the QB must conduct business in housing or real estate, evidenced by the respective NAICS codes. The separate policy document states the QB must show intent to regularly conduct business related to the housing finance, housing development, affordable housing and property management industry by listing at least one of the following NAICS codes on the certification when the application is submitted.    These statements seem to conflict with one another (something the QB must do vs something the QB intends to do).  Could you provide more clarity regarding this issue?    **Answer**:  The language comparison referred to in this question is the following:     * (QAP) “QB conducts business in housing or real estate” * (Policy Statement, [click here](https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/housing-tax-credit-program-lihtc/qualified-0-0)) “[QB] must show intent to regularly conduct business related to [housing or real estate]…”     Where there is a conflict in language between the QAP and another document, the QAP holds. However, in this instance DCA does not believe this represents a language conflict. A QB that “conducts business in housing” will also “[intend] to regularly conduct business related to housing.”    Regardless of which sentence is referenced, both documents convey that what DCA staff will be confirming is the NAICS code. Specifically, as stated in the Policy Statement, that the QB “*[listed] at least (1) of the following North American Industry Classification System (NAICS) codes on the certification when the application is submitted…*” |
| 4/27/22 | 3.17  Scoring Criteria;  Minority- and Women-owned Business Engagement | **Question**: Q22\_0411\_15  Regarding Minority-and Women-owned Business Engagement: the minimum expenses to minority- and women-owned “Qualified Business” (QBs) is 5% of total construction hard costs. Can the sum of multiple contracts to QBs that are each less than 5% meet this requirement, or does at least one QB contract need to involve at least 5% worth of expenses?  **Answer**:  The QAP states that the project team must “Engage QBs in the development or operation of the proposed property in amounts equal to approximately 5% of total construction hard costs…”    The QAP states that “amounts” (plural) must reach 5%. Therefore, the expenses paid can be cumulative. For example, if three QBs are each paid 2% of total construction hard costs each, the 6% cumulative amount would meet the minimum 5% requirement in the QAP. |
| 4/27/22 | 3.17  Scoring Criteria;  Minority- and Women-owned Business Engagement | **Question**: Q22\_0425\_15  The QAP states under **(Scoring Criteria) Minority- and Women-Owned Business Engagement**, subsection **A. Engagement Commitment and Reporting** that owners can “Engage QBs in the development or operation of the proposed property… as certified by the Independent Auditor Report in the Final Allocation Application.”    Operational expenses will not be included in the baseline independent auditor report, since it is not a development cost. Are contracts to QB management companies for operational expenses eligible under this section?    **Answer**:  For any expense that is allowable under this section but not by default included in the baseline independent auditor report included with the Final Allocation Application for 8609s, applicants can have the expense verified by an independent auditor and include that evidence in the Final Allocation Application. Such expenses to management companies are eligible. |
| 4/22/22 | 3.17  Scoring Criteria;  Minority- and Women-owned Business Engagement | **Question**: Q22\_0408\_01  In question Q22\_0216\_08, DCA states that the QAP does not disallow subcontractors when taking points under Section XVII of the scoring section.  We are glad to hear this.  The NAICS code for subcontractors typically used in multifamily construction is 238.  This code is not listed on DCA's list of codes that will be considered to accept certification.  We would like DCA to verify that NAICS code 238, defined as "performing specialized construction work on multifamily housing and other residential buildings, generally on a subcontract basis" is a code that will qualify an applicant to claim points in this section.    Some examples of NAICS codes that pertain to subs in the LIHTC industry are: 238110 Poured Concrete Foundation Contractors; 238130 Framing Contractors; 238140 Masonry Contractors; 238150 Glass and Glazing Contractors; 238160 Roofing Contractors; 238170 Siding Contractors; 238220 Plumbing, Heating and Air-Conditioning Contractors. None of these codes are currently listed in DCA's Minority-and Women-Owned Business Engagement Policy, therefore, we want to make sure we understand what is allowed.    **Answer**:  The *DCA Minority- and Women-Owned Business Engagement Policy* has been updated to include businesses with NAICS codes which fall under 238 – the Specialty Trade Contractors subsector. The updated policy has been uploaded to the Scoring Documents and Data page of the DCA website ([click here](https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/housing-tax-credit-program-lihtc/qualified-0-0)). |
| 4/21/22 | 3.06  Scoring Criteria;  Community Transportation Options | **Question**: Q22\_0330\_02  BACKGROUND: Section VI. Community Transportation Options, subsection B defines a transit hub as "a station that has three or more bus routes, rail options, and/or other affordable mass transit options". In prior rounds, points have been awarded for various types of transit hubs (e.g. a rail station with 2+ connecting bus lines or a single bus stop serving 3+ bus lines). In the 2021 Q&A, answer Q0226\_06 notes that the QAP does not define the term station, suggesting DCA retains some discretion as to what constitutes a "station". My question is intended to further clarify with a more specific example.  QUESTION: Could a series of bus stops in very close proximity constitute a station? For example, a series of 3 distinct MARTA bus stops in downtown Hapeville are within a ~725 foot walk of each other. Compare the proximity of these stops to MARTA's Lindbergh Center Transit Station in Atlanta. Lindbergh's two bus loops are separated by an ~825 foot walk (~100 feet farther apart than the series of bus stops in Hapeville). Could the series of bus stops in downtown Hapeville constitute a station/transit hub, given that they are in closer proximity than the bus loops of Lindbergh Station?  **Answer**:  Section VI. Community Transportation Options, **subsection A** defines a transit hub as “a station that has three or more bus routes, rail options, and/or other affordable mass transit options.”   * “A station” refers to a single location.   + The 2021 Q&A referenced asked whether a station requires a “large structure.” In the context of that question, DCA’s response was intended to affirm that, for example, a single bus stop with three intersecting bus routes would not be disqualified due to its lacking a “large structure” often associated with the term “station.”   + A series of bus stops in close proximity do not operate at a single location and therefore do not constitute a transit hub. * Please note that the QAP qualifies transit hubs based on the number of transit routes at a station, not stops or loops. This question compares an area with three nearby bus stops to a station with two bus loops, neither of which confirms how many routes operate at any of the physical locations. Therefore, the question does not contain sufficient information to assess whether either circumstance qualifies under this section. |
| 4/21/22 | 3.10  Scoring Criteria;  Stable Communities | **Question**: Q22\_0419\_03  When looking at the updated DCA Health and Economic Indicators table, I am unable to find the census tract that a site is located in. The census tract is shown on the 2019 tabs and life expectancy tabs but does not appear on the 2020 tabs of the spreadsheet. Can you please clarify as to why the census tract does not appear?  **Answer**:  Census Tracts are updated once per decade, following the Decennial Census. The 2020 Census data is based on the Census Tracts, as defined by the 2020 Decennial Census. The Census Bureau published a file showing relationships between 2010 and 2020 Census Tracts, which DCA has uploaded to the Scoring Documents and Data page of the DCA website ([click here](https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/housing-tax-credit-program-lihtc/qualified-0-0)).  To help applicants understand how Census Tracts have changed, DCA has added layers to the Housing Tax Credit Properties Map showing 2010 Census Tracts and 2020 Census Tracts. You may identify your site’s new Census Tract number and associated values for Stable Communities Health and Economic Indicators data through the following steps:   1. Open the Housing Tax Credit Properties Map ([click here](https://georgia-dca.maps.arcgis.com/apps/View/index.html?appid=f40de6a6f3ca455988ccb28f25c8a80e)) 2. Enter your site’s address or coordinates in the search bar      1. Click on the site location 2. Click the arrows in the pop-up box to find the 2020 Census Tract number      1. Click the arrows to find 2020 Stable Communities data     If you are unable to identify your site’s 2020 Census Tract following the above steps, please submit the site’s address or coordinates through the Q&A Survey. |
| 4/21/22 | 3.17  Scoring Criteria;  Minority- and Women-owned Business Engagement | **Question**: Q22\_0221\_06  If Applicant takes points for **Scoring, Minority- and Women-Owned Business Engagement, A. Engagement Commitment and Reporting**, and is able to get several QBs certified as MBE/WBEs by the Final Allocation Application, and attempts to reach the 5% of total construction hard costs requirement, but reaches an amount less than 5%, has the Applicant still met the scoring requirement, as long as this is explained in a report at Final Allocation Application?    **Answer**:  Yes. DCA will assess compliance with this commitment based on meaningful attempts to reach the 5% threshold and a complete, detailed report submitted with the 8609 application.    Examples of how DCA will assess “meaningful attempts” include, but are not limited to:   * the extent of outreach efforts to engage QBs described and evidence substantiating these efforts; * comparison of successes between Engagement Reports submitted within the same geographic area. |
| 4/14/22 | 2.06  Threshold Criteria;  Appraisals | ***This Q&A references the 9% Round but includes information relevant to 4%/Bonds applications.***  **Question**: Q22\_0404\_01  Can you please clarify if an appraisal is required to be submitted with Application Submission for a 9% new construction submittal or is an appraisal required if our project receives an award?    **Answer**:  **(Threshold) Appraisals** indicates the following instances in which Applicants must submit an appraisal at Application Submission:   * Application is claiming acquisition credits for existing structures * Application has an Identity of Interest between the buyer and seller * Includes seller that is a member of the proposed Project Team, including a limited partner     During review, before closing, or upon closing, DCA may commission an appraisal or require submission of an appraisal commissioned by a lender or a DCA-approved appraiser. |
| 4/14/22 | 2.15  Threshold Criteria;  Rehabilitation Standards | **Question**: Q22\_0314\_01  Paragraph B of **(Threshold) Rehabilitation Standards** requires a Physical Needs Assessment and Capital Reserve Study completed by a DCA-qualified consultant. Can you please direct me to a list of the qualified consultants posted on the DCA website?  **Answer:**  DCA does not have a list of qualified consultants posted to our website. Per the 2022 QAP, a “Qualified Consultant” is any individual who meets the experience requirements and qualifications as notated in the **2022 Rehabilitation Guide**, section **5. Physical Needs Assessments**, subsection **A. “Qualified Consultant.”** The report must include a certification that the report was prepared by an individual who meets the above-listed experience requirements and qualifications to be considered a Qualified Consultant. |
| 4/14/22 | 2.17  Threshold Criteria;  Building Sustainability | **Question**: Q1221\_01  **(Threshold) Building Sustainability, C. DCA Building Sustainability** requires applicants to complete DCA’s virtual Building Sustainability training. Who is required to obtain the training and certificate, and how can that person obtain the training and certificate?    **Answer**:  Applicants (defined as “the General Partner” in the QAP) must complete DCA’s virtual Building Sustainability training.    The training is posted to the DCA YouTube page ([click here](https://www.youtube.com/watch?v=VozXGGf8Ueg&t=503s)).  Please note, the YouTube video will not generate a Certificate of Participation.  Applicants will certify completion of the training in the Building Sustainability section of the Core Application, which will also include a link to the Building Sustainability training video linked above. |
| 4/14/22 | 3.06  Scoring Criteria;  Community Transportation Options | **Question**: Q22\_0330\_02  **(Scoring) Community Transportation Options, A. Transit-Oriented Development** defines a transit hub as "a station that has three or more bus routes, rail options, and/or other affordable mass transit options". In prior rounds, points have been awarded for various types of transit hubs (e.g. a rail station with 2+ connecting bus lines or a single bus stop serving 3+ bus lines). In the 2021 Q&A, answer Q0226\_06 notes that the QAP does not define the term station, suggesting DCA retains some discretion as to what constitutes a "station". My question is intended to further clarify with a more specific example.  Could a series of bus stops in very close proximity constitute a station? For example, a series of 3 distinct MARTA bus stops in downtown Hapeville are within a ~725 foot walk of each other. Compare the proximity of these stops to MARTA's Lindbergh Center Transit Station in Atlanta. Lindbergh's two bus loops are separated by an ~825 foot walk (~100 feet farther apart than the series of bus stops in Hapeville). Could the series of bus stops in downtown Hapeville constitute a station/transit hub, given that they are in closer proximity than the bus loops of Lindbergh Station?  **Answer**:  While the term station is not more specifically defined in the QAP, it does refer to transit lines operating at a single overarching location.  Further, the example described above (three bus stops) would, on its own, be insufficient to qualify as a transit station under the QAP definition.  A series of bus stops in close proximity does not constitute a transit hub. |
| 4/14/22 | 3.17  Scoring Criteria;  Minority- and Women-Owned Business Engagement | **Question**: Q22\_0221\_05  In DCA's *DCA Minority- and Women-Owned Business Engagement Policy* document, one of the categories of the NAICS codes that deems a QB as certified is Public Administration. Does this mean public entities such as a redevelopment authority, land development agencies, building standards agencies, etc. can be MBE/WBEs?    **Answer**:  DCA does not qualify or disqualify specific types of organizations from participation. DCA staff will assess whether the QB meets all requirements listed in the QAP.    If the question above is intended to refer to whether such organizations are eligible to receive certifications under the certification programs listed in the posted *DCA Minority- and Women-Owned Business Engagement Policy* ([click here](https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/housing-tax-credit-program-lihtc/qualified-0-0)), then please direct the question to the programs themselves. DCA is not able to provide guidance about non-DCA programs. |
| 4/14/22 | 3.21  Scoring Criteria;  Favorable Financing | **Question**: Q22\_0304\_08  If a City agrees to sell a property it owns to a developer for less than the appraised value of the property, can the difference between sale price and appraised value be counted as a City government grant to the project?    **Answer**:  No. Reducing the cost of a line item in the development budget does not constitute a grant. |
| 4/14/22 | 3.24  Scoring Criteria;  Integrated Supportive Housing | **Question**: Q1124\_01  At the 2022 QAP Workshop, DCA indicated that **(Scoring) Integrated Supportive Housing**, option **D. DCA Section 811 Commitments: Prior Performance** would be scored such that everybody gets the 2 points by default, and only if there was a prior performance issue related to the “Property requirements” bullets listed in the QAP under this section would DCA deduct the two points.     1. For some applicants, DCA has never reached out to the owners about 811 contracting even if they took the points. And some applicants did not apply under prior QAPs and thus never had the opportunity to take the points. Are these applicants also eligible for these two points by default under the 2022 round?      1. DCA also stated at the Workshop that if staff identified any issues, they would communicate these issues to the owners during the Pre-Application phase and owners would have the opportunity to correct these issues before a point penalty is applied. Since this was conveyed verbally at the Workshop, I’m confirming that this is in fact the case.     **Answer**:  To the first question: yes, all applicants will receive the 2 points under option D. by default.    To the second question: DCA has completed its review of 811 agreement “Prior Performance.” Staff identified issues that under a subsequent competitive round may result in a points penalty. However, all issues identified occurred prior to the 2022 QAP being finalized. Therefore, under the 2022 Competitive Round, DCA will not deduct any points under this section.    DCA is in the process of communicating with owners about the issues identified, so that they can be aware of the points penalty risk in the future. |
| 4/14/22 | 3.26  Scoring Criteria;  Affordability Loss Risk | **Question**: Q22\_1119\_01  I have a question regarding the requirement that if we are to use HUD PBRA rents, it needs to have at least 10 years remaining and how it may affect the scoring section under **(Scoring) Affordability Loss Risk**.    **Answer**:  From the 2022 QAP Workshop slides: “[Affordability Loss Risk] is, by design, expected to impact the rankings in different set asides in different ways. This is the primary reason for having distinct set asides by preservation type (e.g., scoring RAD and existing Housing Tax Credit properties separately).”    The *Affordability Loss Risk Form* (under Scoring Documents and Data, [click here](https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/housing-tax-credit-program-lihtc/qualified-0-0)) covers three criteria for ranking. Again, from the QAP Workshop slides, “For certain set asides, it may even be the case that an individual [criterion] does not result in meaningful variation between applications.” In these instances, point determinations will be based on the other ranking criteria. |
| 4/7/22 | 2.07  Threshold Criteria; Environmental Requirements | **Question**: Q22\_0330\_01a  In regard to the Environmental Manual: Asbestos - Section 7 requires that an asbestos survey must be performed on all buildings scheduled for rehabilitation. Since asbestos was banned in 1989, there is no chance that a property built after 1989 would contain asbestos. In our case, the buildings were placed in service is 2008; is a visual survey sufficient by the Environmental Professional or does actual sampling need to be performed? The cost to sample for asbestos is not warranted.  **Answer**:  The asbestos ban regulation issued by EPA in 1989 was overturned by the court and therefore only applies to a few specific asbestos-containing materials. EPA’s National Emission Standard for Hazardous Air Pollutants (NESHAP) requires an asbestos survey prior to any renovation or demolition regardless of the date of construction. The residential structures, or the portion of the structures that will be demolished or renovated, must be thoroughly inspected for the presence of asbestos, including Category I and Category II non-friable ACM. |
| 4/7/22 | 2.20  Threshold Criteria;  Experience, Capacity and Performance Requirements for General Partner and Developer Entities | **Question**: Q22\_0323\_01  I am hoping to get clarity on the Certifying Entity responsible for meeting **(Threshold Criteria) Experience, Capacity and Performance Requirements for General Partner and Developer Entities, C. Requirements for Experience**.” Can qualifying projects be outside of Georgia?    **Answer**:  Yes, the requirements for experience (certifying entity) in the above-listed subsection can be met with Housing Tax Credit developments in any state. |
| 4/7/22 | 3.17  Scoring Criteria;  Minority- and Women-Owned Business Engagement | **Question**: Q22\_0216\_08  The QAP states in **Scoring, Minority- and Women-Owned Business Engagement, A. Engagement Commitment and Reporting**:    *“Applicant commits to:*   * *Engage QBs in the development or operation of the proposed property in amounts equal to approximately 5% of total construction hard costs as certified by the Independent Auditor Report in the Final Allocation Application.”*     If the General Contractor employs sufficient qualified subcontractors who meet the NAICS requirements, and these subcontractors perform 5% or more of the audited hard construction costs, would the project then meet the criteria of A. Engagement Commitment and Reporting and receive the two points?    **Answer**:  The QAP does not disallow subcontractors. Therefore, expenses paid to subcontractors that otherwise meet all QAP requirements under this section related to QBs are eligible to contribute towards the 5%. For example, if a General Contractor is not a QB, but three of the subcontractors are, then the expenses paid to the three subcontracting QBs are allowable expenses for contributing to the 5%. |
| 4/7/22 | 3.17  Scoring Criteria;  Minority- and Women-Owned Business Engagement | **Question**: Q22\_0223\_05  Can non-profits qualify as a WBE/MBE?    **Answer**:  DCA does not impose any boundaries around eligibility other than what is explicitly stated in the Minority- and Women-Owned Business Engagement Policy posted to the DCA website under *Scoring Documents and Data* ([click here](https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/housing-tax-credit-program-lihtc/application)).    Organizations interested in the certification programs should review the information posted on each program’s website and where anything is unclear, please direct those questions to the certification programs. DCA is not able to clarify policies for non-DCA programs. |
| 4/5/22 | 2.07  Threshold Criteria; Environmental Requirements | **Question**: Q22\_0329\_02  We are working on an acquisition rehabilitation, and we received Phase I ESA, dated 5/13/21. We are engaging an update for the report since it will exceed 6 months prior to the firm application. Does DCA require that we also receive an updated noise assessment and STC Calculation & STraCAT Analysis?    **Answer**:  Per the DCA 2022 Environmental Manual, Noise Assessment must be completed within one hundred eighty (180) days before Application submission (P.27). An updated complete noise assessment including STC Calculation, STraCAT Analysis & 10-year roadway projections is required. |
| 4/5/22 | 2.07  Threshold Criteria; Environmental Requirements | **Question**: Q22\_0330\_01b  In regard to the Environmental Manual: Cultural Resources Survey - Section 12.3. states that "For all projects, if no literature/records review/report (literature review) or Phase I Cultural/Historic Resources Survey (Phase I survey) has been completed in the project area/APE in the last five years, it will be necessary, at a minimum, to conduct a literature review of the APE to determine if historic resources or archaeological sites are present."  Since this is part of the Historical Section, would you please confirm that this only applies to properties that are over 50 years old? In our case, we are preparing to renovate an existing project placed in service in 2008 with no new construction proposed.    **Answer**:  No, the Cultural Resources Survey is a minimum document required for the S106 and GEPA review process and is required for all properties regardless of their age and construction activity. Although the proposed development is the renovation of an existing building that is less than 50 years old, therefore not considered a historic building, there could be other historic properties (archaeological and historic) located within the proposed project’s area of potential effect (APE). Historic Preservation Division will review the S106/GEPA applications and determine if the project, as proposed, will have any adverse effects on any historic properties located in the APE. |
| 4/5/22 | 3.07  Scoring Criteria;  Quality Education Areas | **Question**: Q22\_0318\_01  With regards to Section VII. Quality Education Areas and the Option C - Scoring Data published on 2/14, we are noticing instances where the same school will show up in multiple rows with different CCRPI data. Can you explain how we differentiate the school data and what data should be used when scoring sites that fall in a school zone that is showing different data for the same school?    **Answer**:  This typically occurs when the Department of Education (DOE) has changed the identifying information for a particular school from one year to the next. In such instances, applicants are encouraged to do the following:    * Confirm the score for each year by referencing the original DOE data for a given year. * [(2018 and 2019 data) “College and Career Ready Performance Index”](https://www.gadoe.org/CCRPI/Pages/default.aspx) * [(2015 through 2017 data) “Archived CCRPI Data Files”](https://www.gadoe.org/CCRPI/Pages/-Archived-CCRPI-Data-Files.aspx?) * Report the school and associated evidence to DCA through the Q&A process. This allows the applicant to confirm whether DCA staff agree with the applicant's assessment prior to the application submission deadline. * Submit evidence with your tax credit application for any year(s) that a CCRPI score is incorrectly or inconsistently represented in “Option C-Scoring Data.xlsx”.     The above instructions are from *Quality Education Areas, Scoring Instructions* posted previously to the DCA website ([click here](https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/housing-tax-credit-program-lihtc/qualified-0-0)). |
| 4/5/22 | 3.21  Scoring Criteria;  Favorable Financing | **Question**: Q22\_0331\_01  Project Specific Question:  Will the following qualify for the 4 Favorable Financing Points under 2022 QAP Scoring Section XXI?||1. City grants/loans [\_\_\_\_\_\_\_\_\_\_\_\_\_] to the City Housing Authority for the purpose of lending the funds to the Applicant under Scoring Section XXI.A. The City Housing Authority would serve as the conduit lender since the actual City is limited under Georgia law on its ability to make loans directly (whereas the City can make loans through its authorities)…*[remainder of question removed]*    **Answer**:  First, please note that per *Part I: Overview* of this Q&A document, DCA does not have a separate process for project-specific questions. All questions are addressed publicly.    We have included the portion of the question above that asks: “Do Public Housing Authorities qualify as a ‘local’ entity for purposes of subsection **A. Qualifying Sources for Favorable Financing**, option 11. Other Federal, State, or local grant funds or loans?”   * The answer to this question is, “Yes. PHAs qualify as a ‘local’ entity for purposes of option 11.”     The remainder of the question did not seek clarification about DCA policy. Rather, the question is seeking confirmation that specific circumstances will qualify for points. DCA does not pre-approve the eligibility of specific circumstances through the Q&A process. If there is a QAP provision that is unclear given your circumstances, please re-submit the question including both the QAP provision in question and an explanation of what is ambiguous about the QAP language. |
| 3/31/22 | 3.05  Desirable/Undesirable Activities | **Question**: Q22\_0107\_01  Regarding (**Scoring Criteria) Desirable/Undesirable Activities**, subsection **A. Desirable Activities, 2. Eligibility** option (b): “Retail/clothing/department store (full range of clothing/household items).”    What is defined as a “household item?”    **Answer**:  “Household item” is defined more specifically. Because of this, the descriptor “full range” is more important for purposes of determining eligibility for stores that sell general merchandise that would be considered “household items.”  For example:   1. A store that focuses on one type of merchandise would not qualify under this option, except for clothing because it is stated explicitly in the QAP. 2. An example of a store that has been approved as selling a “full range” of household items in the past is Family Dollar. 3. An example of a store that has been denied eligibility is a gas station with a convenience store (denied due to the limited range of merchandise sold).   As stated in **(Scoring Criteria) Documentation and Justifications**, “Applications must explain any alternate document to a minimum document.” If it is not self-evident for your proposed establishment, please include supporting documentation and elaborate in the comments section. |
| 3/31/22 | 3.17  Scoring Criteria;  Minority- and Women-owned Business Engagement | **Question**: Q22\_0328\_01  Per the QAP’s definition of “Related Parties,” I am a Related Party to a qualified developer. **(Scoring Criteria) Minority- and Women-Owned Business Engagement** states that one of the requirements of a “Qualified Business” (QB) is:    “*QB is not a Related Party to an individual or entity that meets the requirements under Requirements for Experience (Certifying Entity).*”    At the QAP Workshop, DCA staff told me that if I receive Probationary approval during the Pre-Application process, then I would still be eligible as a QB under this Scoring section. I am confirming this through the Q&A process, since this was just verbal guidance.    **Answer**:  The above-referenced guidance provided by DCA staff at the 2022 QAP Workshop was incorrect. As stated in the above QAP excerpt, if you are a Related Party to a qualified developer, this will disqualify your otherwise Qualified Business for purposes of **Minority- and Women-Owned Business Engagement**, even if you meet all other QB requirements.    All applicants should be reminded that you cannot rely on any verbal statements from the QAP Workshop for purposes of application preparation. If you need to rely on verbal guidance, please submit it for confirmation through this Q&A process. [Click here](https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/housing-tax-credit-program-lihtc/qualified-0-1) to review the full disclaimer. |
| 3/31/22 | 3.21  Scoring Criteria;  Favorable Financing | ***This Q&A references the 9% Round but includes information relevant to 4%/Bonds applications.***  **Question**: Q22\_0104\_01  The local government has committed to providing the infrastructure for the development of affordable housing on a future LIHTC project.  It is a two phase project that will require roads, stormwater lines, water lines, sidewalks, etc.  The total cost of the infrastructure is approximately $4,000,000; or approximately $2,000,000 per phase based on the layout.  However, due to the configuration of the site, it would be impractical and inefficient to build the infrastructure in phases.   * Would DCA consider allowing the construction of all the infrastructure in one phase of development and then assigning costs to Phase I and to Phase II in order to be eligible to score points under Favorable Financing for its share of the improvements that were completed with the first phase? * Would the provision of the funding in two separate funding documents aid DCA in making this approval to cover two phases? * Can DCA support this concept to develop all the infrastructure at one time and assign costs per phase to meet the Favorable Financing scoring requirements. * This funding source will qualify under “11. Other Federal, State, or local grant funds or loans.”     **Answer**:  The local government would indeed need to provide multiple funding documents so that DCA staff can confirm how much is attributable to the phase 1 application. Assuming all Favorable Financing requirements are met and the applicant details the methodology for proportionally allocating costs between each phase, then the phase 1 amount would be allowable for purposes of Favorable Financing under the 2022 9% Competitive Round.    However, DCA cannot provide any guidance about whether the costs attributable to phase 2 will be allowable under Favorable Financing in a future application, because that would be clarifying policy for a future QAP. DCA can only provide guidance related to the 2022 QAP. |
| 3/31/22 | 3.27  Scoring Criteria;  PBRA Contracts | **Question**: **Q22\_0307\_01**  Would an applicant be eligible for points under **(Scoring Criteria) PBRA Contracts** if the PBRA would be conditional upon receipt of a Credit award, but the PBRA contract would be in effect on or before the units are placed in service?    **Answer**:  Assuming all other requirements related to the associated PBRA agreements are met (e.g., requirements listed in **(Threshold Criteria) Project Feasibility)**, such PBRA contracts would be eligible for points under **(Scoring Criteria) PBRA Contracts**. The contracts being conditional on a tax credit award is not a disqualifying factor. |
| 3/22/22 | 1.12  Core Plan;  Eligibility of Certain Project Configurations  (also 1.10 Core; 4% Federal Credit) | **Question**: Q22\_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.” |
| 3/22/22 | 3.08  Scoring Criteria;  Revitalization/Redevelopment Plans | **Question**: Q22\_0302\_04  Regarding **(Scoring Criteria) Revitalization/Redevelopment Plans**, subsection **A. Revitalization Plan/Qualified Census Tract**, to be eligible for the “One (1) additional point [for] Local Government …financial commitment to advancing the CRP”, does the investment have to be located within a 0.5-mile radius of the proposed site, considering to be eligible for at least 1 point under subsection B. Third-Party Capital Investment, the investment would need to be within a 0.5-mile radius of the site?    **Answer**:  The QAP states:    *“Applications eligible for the above points are also eligible for any or all of the following:*   * ***One (1) additional point*** *if the Local Government demonstrates financial commitment to advancing the CRP in the form of funds raised, funds allocated, tax incentives, or local government fee waivers. Funds raised or allocated are only eligible for this point if the amount would be eligible for at least one (1) point under subsection* B. Third-Party Capital Investment*.”*     To be eligible for this point, just the amount of funds raised or allocated must be eligible for at least one (1) point under subsection *B. Third-Party Capital Investment*. The Local Government financial commitment must advance the CRP but is not required to occur within 0.5-mile radius of the proposed site. |
| 3/9/22 | 2.03  Threshold Criteria;  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 Criteria;  Experience, Capacity, and Performance Requirements for General Partner and Developer Entities  (also 3.17 Scoring; Minority- and Women-Owned Business Engagement) | **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 | 2.25  Threshold Criteria;  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 | 2.28  Threshold Criteria;  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**”). |
| 3/8/22 | 2.25  Threshold Criteria;  Occupied Developments | **Question**: Q22\_0302\_03  In 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 | 2.28  Threshold Criteria;  DCA Underwriting Policies | **Question**: Q1025\_01  Regarding 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 | 2.28  Threshold Criteria;  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 | 2.28  Threshold Criteria;  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 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."  o Can DCA provide unit/rent mix examples illustrating what might be  considered acceptable and unacceptable as it relates to "Projects with a  multi-tiered rent structure must distribute the rents across unit sizes, unit  types and buildings."?  o If a unit/rent mix is submitted within the Rent Schedule & Summary tab of  the Pre-Application Submission Form, will DCA provide a response to the  Pre-Application indicating if the distribution is acceptable or not. If  determined unacceptable, I assume the applicant will have the opportunity  to 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 Criteria;  DCA Underwriting Policies | **Question**: Q22\_0304\_03  In 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. |
| 3/7/22 | 2.20  Threshold Criteria;  Experience, Capacity and Performance Requirements for General Partner and Developer Entities | **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 | 2.25  Threshold Criteria;  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 | 2.25  Threshold Criteria;  Occupied Developments | **Question**: Q0223\_01  In 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. |
| 3/3/22 | 2.25  Threshold Criteria;  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*.” |
| 2/25/22 | 2.20  Threshold Criteria;  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. |