

# 2020 Q&A Posting #4

May 26, 2020

## QAP Threshold – 1 Project Feasibility, Viability Analysis, and Conformance with Plan

1. Under Section 11. Commitments, a), the QAP states "Original" executed preliminary commitments for all financing must be submitted with the Application. Please clarify original. Is DCA requiring a hard copy of these commitments with original signatures to be submitted in the physical folder along with fees, etc. on May 21?

➤ DCA Response: All documents should be submitted on a flash drive. No hard/physical copies. Please note the application deadline has been extended.

See the "2020 Application Tabs Checklist (4-29-20)" located here: <https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/housing-tax-credit-program-lihtc/2020-qualified>

2. On page 3 of Threshold, the QAP states that balconies and patios should be included in calculating Residential Square Footage. The Architectural Standards manual states that patios and balconies should not be included. Please clarify how Residential Square Footage should be determined for the application.  
➤ DCA Response: Please follow the 2020 QAP's calculation.

3. The 2020 QAP states that "Applicable rents and utility allowances, in effect as of January 1, 2020, must be utilized in the Application and market study." The only documents we can locate on the DCA website are from 2018. Can DCA direct us to the most recent documents that should be utilized for the 2020 applications?

➤ DCA Response:

[The 2020 Utility Allowance North Schedule is located here.](#)

[The 2020 Utility Allowance South Schedule is located here.](#)

[The Utility Allowance Map is located here.](#)

[For the rents use Novogradac's rent and income limit calculator.](#)

## **QAP Threshold – 4 Required Services**

The proposed project is an existing property originally built with HUD 202 funds in the 1980s. The property management company has serviced the property since it was placed in service then and will continue to service the project post-rehab. Currently, the following services are being offered at the property; under the direction of the activities committee, which consists of the residents:

- Weekly bingo
- Monthly game night
- Monthly movie night
- Monthly resident dinner
- Quarterly birthday celebrations

We will meet the requirements to provide at least 4 services from the 3 categories noted in the QAP. There are 114 units at the property (113 revenue units and 1 non-revenue manager's unit).

The question is since there are existing activities that meet part of the requirement and the property manager has already reached out to agencies that may sponsor the other activities to hopefully provide at no cost, do we still have to include a full-time activities manager in the operating budgets? The property has been successful with working with the residents and local community in the past to get as much of the services donated as possible. Since the property has a HUD HAP contract (and will continue to do so post-rehab) and the property naturally has higher than usual operating expenses due to the age of the property, the operating budget is very tight. Please advise.

➤ DCA Response:

Section III. Required Services states –

B. Additional Policies Related to Services

1. A full-time activities manager will be allowed in the operating budgets for properties that are 100 units or more.

Section III. Does not state a requirement.

## **QAP Threshold – 7 Environmental Requirements**

Under Environmental Requirements, Section B. - Environmental Site Assessment, 2. Additional Requirements, the QAP states, "Evidence of the commencement of the 8-Step process must be submitted no later than the date noted in Exhibit a DCA Pre-Application Deadlines and Fee Schedule." I do not see this date on the fee schedule regarding commencement. I do see the date of 8/30/20 where it notes Evidence of 8 step process completion. Is DCA referring to this date related to the requirement for commencement, in oppose to completion? Or is there a separate deadline for commencement?

➤ DCA Response: Commencement of the eight-step process is due June 18, 2020 per the Core Application Document Checklist.

## **QAP Scoring – 3 Desirable/Undesirable Activities**

The desirable/undesirable worksheet is not calculating the score for schools (line 31 of the excel sheet). The formula has been input wrongly.

Separately, when some of the lat-long coordinates are entered, the cell turns pink/red. What is this indicative of? It suggests an error, but the coordinates are correct.

➤ DCA Response: A revised 2020 Desirable/Undesirable Certification form has been posted to the DCA website at the link below.

<https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/housing-tax-credit-program-lihtc/2020-qualified>

## **QAP Threshold – 5 Market Feasibility**

With regard to projects selected for a Rural HOME set aside, given that an existing HOME project is and has been fully operational, is a market study a threshold requirement?

➤ DCA Response: Yes. A market study which meets the requirements of the 2020 QAP and 2020 Market Study Manual is required for all developments.

A market study analysis is also specifically called out in IRS Section 42 before any allocation of credits can be made.

## **QAP Threshold – 12 Public Water/Sanitary Sewer/Storm Sewer**

Does this Threshold item require that the actual connection point(s) to water and sewer be located within the boundaries of the proposed site? If so, and if a sewer manhole is located outside the boundaries of the site, and within the ROW adjacent to the proposed site, does the applicant need to obtain a commitment from the local sewer authority to extend the sewer service from the manhole to the site?

➤ DCA Response: Per the 2020 QAP, the Public Water/Sanitary Sewer/Storm Sewer threshold requires all easements necessary to extend the existing water and sewer services to the project and commitments from the water and sewer authorities to extend the existing water and sewer services to the property must be secured at the time of Application Submission.

Yes, evidence of the easements and commitments from the water and sewer authorities must be included in the Application if needed to extend services to the property for the project.

## **QAP Threshold – 24 Occupied Developments**

In the Relocation Manual, it appears that a GIN notice and proof of delivery is required within 30 days of Award Announcement and not as a requirement at initial application. However, there is a template titled as I06\_2021ihtcginfor\_occupantsattieofapplict in the 2020 Federal Compliance & Relocation Manual and Forms section. The language on the template under paragraph one also notes that " \_\_\_\_\_ (property name) has received funding approval for renovation:" which interprets as a post-award requirement and not at initial application. This item is also noted as an item on the standalone checklist under 24 10. Please confirm whether this form is required at application submission (which on checklist stated as due by July 31, 2020).

➤ DCA Response: The published 2020 DCA Application Submission Checklist is incorrect. Item #10 General Info Notice for Occupants Notice and proof of delivery is required within 30 days of Award Announcement and is not due July 31, 2020.

## **QAP Scoring – 5 Enriched Property Services**

Will the executed 2019 MOU, LOI or services agreements for the Preventative Health Care services and the Healthy Eating Initiative services with the partners contributing the services be acceptable as the minimum documentation under the 2020 QAP?

➤ DCA Response: There is no date in the QAP that the MOU must be executed by, however, DCA will not pre-score for any scoring sections.

## **QAP Scoring – 7 Revitalization/Redevelopment Plans**

One of our sites is in a low-income census tract. The local government supports a Community Revitalization Plan. Can the required 'public engagement' be a Zoom, WebEx or other video call widely advertised?

➤ DCA Response: Face to face public engagement is not mandated as a requirement in the QAP. All other stated requirements must be met in order to earn points in this section.

## **QAP Scoring – 9 Stable Communities**

In regards to the applicable points under Enterprise Community Partners Opportunity360, I have come across several census tracts that, for 2020's data, they receive a numeric score for the Economic Security subsection but no data has been published for the Health and Well-Being subsection. My question is, if no data has been published for 2020 under one of the two subsections, can we use the last data published?

➤ DCA Response: Applicants may qualify for points based on either the 2019 or 2020 data.

Applicants may not "mix and match" data from 2019 and 2020.

## **QAP Scoring – 13 Previous Projects**

DCA's Previous Project Table instructions say that Applicants should use the LIHTC Properties Map on the DCA website to determine eligibility. We are evaluating sites and were wondering how DCA will treat 9% allocations missing from the map or not located in the correct municipality. For example, we saw Water's Edge (2005-044, located at 417 Barton Drive) in Forest Park, GA is not on the LIHTC Properties Map. For previous project scoring, how will DCA treat properties that are missing from the map or not located in the correct municipality on the map?

➤ DCA Response: If an applicant feels there is a mistake that affects only the applicants ability to claim points in this section, the applicant can include additional supporting documentation, as necessary.

## QAP Scoring – 16 DCA Community Initiatives

1. Some GIHC communities will not allow any support letters to be issued prior to an authorizing vote from the City Council. Many communities are also struggling to determine the appropriate procedures to reopen public meetings in the absence of statewide guidance. Will DCA extend the deadline for the GIHC support letter to July 31 in order to account for varying community GIHC requirements by matching the DCA deadline for City confirmation of GIHC support?

➤ DCA Response: Applicants are to follow the submission dates listed in the posted 2020 Application Tabs Checklist located at the following link.

<https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/housing-tax-credit-program-lihtc/2020-qualified>

2. A developer is asking for a GICH letter of support from the City of Fairburn. I am a little confused about how many letters should be provided. Should I provided two letters...one letter form the GICH primary contact person and one from the City (with the Mayor's signature)? What is the minimum documentation required?

➤ DCA Response: The 2020 Qualified Allocation Plan is located on DCA's website here:

<https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/housing-tax-credit-program-lihtc/2020-qualified>

Please see section XVI. DCA Community Initiatives for minimum documentation requirements

## QAP Scoring – 17 Favorable Financing

Many forms of favorable financing come from public funds that require public meetings to award. Neighborhood public meetings continue to be cancelled through May and some groups are not able to conduct their meetings remotely, which makes it impossible to award public funds by June 18 even for applications which were on schedule and under review prior to the COVID-19 shutdowns which began in March. Further, the QAP already provided 47 days additional time from the application submission deadline for notification of delayed financing awards. Will DCA extend the deadline for favorable financing commitments to July 31 to account for public meeting cancellations?

➤ DCA Response: Please follow the submission dates listed in the posted 2020 Application Tabs Checklist located at the following link.

<https://www.dca.ga.gov/safe-affordable-housing/rental-housing-development/housing-tax-credit-program-lihtc/2020-qualified>

## Income Averaging Policy

1. Can DCA provide more specific guidance regarding the "parity" expectations for applications involving income averaging? In the 2019 Core Application, for example, the Revenues & Expenses tab has a note saying "Equal distribution means percentages greater than zero across each row are within a range of 1% high to low." If this will again appear in the 2020 Core App, can DCA explain in more detail what this 1% range means? Will DCA be posting an income averaging policy for the 2020 round or should we assume that the policy for the 2019 round is still in effect?

➤ DCA Response: The Income Averaging Policy located here on DCA's website is the current policy: [https://www.dca.ga.gov/sites/default/files/incomeaveragingpolicy\\_0.pdf](https://www.dca.ga.gov/sites/default/files/incomeaveragingpolicy_0.pdf)

The language as follows in the 2019 Core App: "Equal Distribution means percentages greater than zero across each row are within a range of 1% high to low" and is being replaced in the 2020 core app with the following: "Equal distribution means the Difference between the Proposed and Exact units is within 2 units - unless Pre-Approved otherwise by DCA."

The 2020 Core app flags the difference between the proposed bedroom count (e.g. 1br at 80% AMI) and an exact unit count which would equal an exact proportional distribution – see Part VI-Revenues and Expenses. Any difference greater than a 2-unit difference would be flagged as not being proportionally distributed per the policy.

## Qualification Determination

Along with our Qualification Determination letter, we received another letter from DCA confirming the unit mix proposed in our Pre-Application abided by DCA's income averaging policy. The Qualification Determination requires the applicant to include a fully executed copy of the QD in the application. The applicant is to sign off on the following statement, " There have been no changes in the Project Team, project site or structure since the initial determination." If the bedroom mix on the application differs from the mix proposed at pre-application (but still maintains an overall property AMI equal to or less than 58%), does DCA view this as a change in structure since the initial determination?

➤ DCA Response: If the unit mix changes from pre-application, this does not constitute a change for purposes of Qualification Determination.

Please note – if the unit mix changes – DCA's pre-approval of the unit mix for income averaging will be void. As noted in the income averaging Pre-App feedback letters, income limits must be proportionately distributed among bedroom sizes (other than two units or less per AMI Band). The new unit mix in the application must abide by this policy

## Other

1. With the new extension can meeting minutes on action items such as rezoning and public hearings reflect dates after June 18 but prior to July 31 or is the extension simply more time to collect letters and all materials need to be dated before June 18?
  - DCA Response: Minimum documentation must be dated/submitted prior to the dates indicated in the tabs checklist and meet the requirements of each specific QAP section.
  
2. If the applicant has all documents in their possession by the June 18th submission deadline, can we submit all items including those that are not required until July 31st submission deadline?
  - DCA Response: Yes, you can submit all documents on June 18th.

Please note that any document with an extended due date of July 31, 2020 that is submitted to DCA on June 18, 2020, may not be resubmitted to DCA after June 18, 2020.