

Requested Waivers/ Questions / Clarifications

On Neighborhood Stabilization

1. How should applications for the Neighborhood Stabilization initiative be assembled and submitted?
Answer: To receive consideration, applicants must submit a complete project information package in both a 3-ring binder and electronically on a removable storage device (CD or USB flash drive). The package should be clearly organized and labeled according to the 11 criteria listed in CORE, page 17 of 56. For criterion #11 (“Other documentation...), applicants may specify certain QAP restrictions that would need to be addressed in order for the project concept to proceed.

2. Would the 30% basis boost for rehabilitation apply if the homes are located in a QCT or DDA?
Answer: Yes, any property (single family or multifamily) located in a QCT or DDA is automatically eligible for the 30% basis boost.

3. Can 4% bond financing be used under the Neighborhood Stabilization initiative? If we were to pursue a Bond Financed Project would the time frames and regulations as outlined in this section apply? We are concerned about the length of the time frames due to how vacancy leads to the destabilization of neighborhoods.
Answer: Yes, 4% bond financing can be used under the Neighborhood Stabilization initiative. If so, the usual timeframe applicable to 4% credit applications will apply.

4. The QAP requires “a definition of the neighborhood boundary.” Can you clarify how you would define this definition of neighborhood boundary? Also, could we define a neighborhood boundary as encompassing multiple neighborhoods?
Answer: Applications must demonstrate how the proposed boundary constitutes a single neighborhood. DCA will not consider any application which targets sites across multiple local government jurisdictions.

5. The QAP states that the “targeted neighborhood” should be “part of a larger community revitalization plan, along with evidence of local government financial support and/or financial support from private institutions or foundations.” Can you please advise as to what you might consider “support”?
Answer: Financial support would be project development funds such as grants or “soft debt” from the local government or a charitable foundation or non-profit neighborhood association. DCA will consider other forms of support that contribute to the stabilization of the neighborhood area.

6. Our business model requires that a community center be associated with a portfolio of scattered-site single-family affordable rental homes within a 5-7 mile radius. The actual number of properties varies, but the community center could serve a range of properties between 150-250 units. This community center is where we would offer Required Services.
Will this type of situation meet the Threshold Criteria?
Answer: DCA will not require a typical community building. However, it will require, at minimum, a leasing office, centrally located, and dedicated to these properties. You may submit a plan on how best to achieve this in Tab #11 of the pre-application package (see Answer #1 above).

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7. Will DCA allow the Market Study to be done on the neighborhoods proposed in the project rather than each individual home? If each individual home requires its own market study, this could become cost prohibitive.

Answer: Applicants must submit one market study which evaluates the project as a whole. DCA will provide further guidance on market study expectations for an applicant approved to submit a full application under this initiative.

8. The QAP requests an as-is appraisal on all scattered-site projects. Our company has found that appraisals which take into value as-is value (market rate at time of purchase), renovated value (market rate at completion of renovation), and income based (utilizing actual or proposed rental income based on some agreed upon vacancy rate), is the only way to obtain the truest value of the foreclosed home that has been renovated and then rented. Would DCA allow these types of appraisals to be created and then utilized to fulfill this requirement?

Answer: The QAP does not require an appraisal for all scattered-site projects. Projects that do require an appraisal (ex. identity of interest between buyer and seller of land, applicants for HOME funds) should submit an appraisal prepared in accordance with the DCA Appraisal Guide.

9. The QAP calls out that for Scattered-Site projects, those environmental requirements must be met for each non-contiguous parcel. In talking with environmental engineers, they have felt that the engineer might be able to create an environmental study where they are willing to assume the liability and insure the safety of the sites without performing individual testing and creating an individual report for each site. In essence, one common report would be created that would cover all of the properties included in the scattered-site project. Would DCA consider this acceptable if the engineering firm had a positive history with LIHTC and DCA projects and insured the site safety per the requirements for the parcels utilized in the project?

Answer: As much of the environmental screening is extremely site specific, an individual report must be created for each non-contiguous parcel. The requirements may be streamlined once DCA is able to review the project concept.

10. The QAP outlines operating utilities at each site. This is not an issue for foreclosed homes in our experience although it might need to be re-done per new construction requirements. Would a single letter from the utility company listing all of the properties in a scattered-site project suffice for this requirement rather than one individual letter per property?

Answer: Yes.

11. Our scattered-site model incorporates a community center for between 150-250 homes, located at a maximum of a 5-7 mile radius. Additionally, each home has either a front or rear covered porch, and washer & dryers in each unit. Does this meet the Standard Site Amenities criteria?

Answer: DCA will not require a typical community building. However, it will require, at minimum, a leasing office, centrally located, and dedicated to these properties. You may submit a plan on how best to achieve this. A porch and washer and dryer equipment (not just hook-ups) included in at no cost to the tenant would meet the Threshold requirements for "exterior gathering areas" and "on-site laundry".

12. Can DCA please clarify on additional Site Amenities required for scattered-site projects?

Additional Site Amenities as defined in the Amenities Guidebook will not be required. However, DCA will prioritize applications that show convenient access to desirable amenities such as parks, schools, or senior centers, depending upon targeted tenancy. In addition, DCA will prioritize projects that provide substantial investment in security upgrades for each home.

13. The QAP refers to needing a Physical Needs Assessment (PNA) for rehabilitation projects. Does DCA consider scattered-site foreclosure homes with renovation a rehabilitation project? If yes, how will the PNA be performed?
Answer: A Physical Needs Assessment conducted in accordance with the QAP and Rehabilitation Manual must be performed for each building to remain. Each PNA must contain a narrative that describes the existing property condition, analysis of Remaining Useful Life, and Capital Reserves Replacement study.
14. How will DCA require a scattered-site foreclosure project to comply with accessibility standards?
Answer: DCA expects that all accessibility requirements outlined in the QAP and Accessibility Manual are applicable. At minimum, 5% of the total project unit count must be accessible to the mobility-impaired and 2% for the hearing/sight impaired per UFAS standards. There must be roll in showers in some of these units as directed by the QAP. The plans must be reviewed by a qualified accessibility consultant and each accessible unit must be inspected by a qualified accessibility consultant. Senior tenancy projects must provide the single family equivalent to Fair Housing accessibility. It is the responsibility of the owner to ensure that the project meets all federal accessibility standards applicable to this type of property.
15. Will these design standards apply to all homes individually in a scattered-site foreclosure project?
Answer: Threshold section XVIII. ARCHITECTURAL DESIGN & QUALITY STANDARDS is applicable to each individual home.
16. Few- if any- companies with tax credit experience have experience in scattered-site single-family rentals as outlined. How will DCA evaluate the lack of true scattered-site single-family management experience from qualified tax-credit companies?
Answer: DCA will require that proposed project teams demonstrate a record of positive Tax Credit experience as well as strong asset management experience with Single Family Scattered Site Rentals of similar type and size.