2016-2017

QUALIFIED ALLOCATION PLAN

DRAFT II

Office of Planning, Preservation and Development | **Wednesday, April 8, 2015**

OHIO **HOUSING** FINANCE AGENCY

To Our Partners and Stakeholders,

Last month marks the release of the first draft of the 2016-2017 Qualified Allocation Plan. The primary focus of this draft was to capture a number of new directions for the program, such as being the first two year QAP to allow our partners to better plan for proposed housing developments, shifting the calculation of developer fees away from project cost, and utilizing policy based pools that align with the Ohio Housing Finance Agency's Annual Plan and which utilize individual scoring and selection processes.

We are pleased to release to the public our second draft of the Qualified Allocation Plan. This draft is a result of feedback with partners and stakeholders and reflects a significant amount of time spent thinking about the best selection process for choosing applications in an ever increasing competitive environment. OHFA intends to expand upon this draft with a third draft in May and final draft in June.

Here are a few of the things on our mind as we continue to refine the QAP:

Selection Process

The selection process has been significantly revised from the first draft. Many of the changes are a result of engagement with our partners, while other changes reflect new data or better align with our Annual Plan.

There are many thoughts in the mind of anyone formulating a highly competitive process. The most important of which is to create a system that prioritizes good housing policy, while also being able to clearly differentiate applications.

The proposed scoring system in this draft tries to address both of those issues, and will continue to evolve as we process all of the comments and ideas we receive from our partners.

Performance Assessment System

OHFA is often asked to determine the performance level of an organization during our Experience and Capacity reviews. In order to be more effective, the agency is looking at creating a central system that will accomplish this through an evidence based approach. The current thought is to create a system similar to the 8823 used by the IRS. All OHFA offices would then issue an OHFA performance letter for violating certain requirements. This could include changing ownership entities without notifying the Office of Program Compliance, failing to make payments to OHFA for fees or loans, failing to submit operating or tenant data, and so forth.

This information would be used during experience and capacity reviews to see where persistent problems are, from the application submission and review to the lifecycle of the tax credit development. Additional information will be included in the next draft.

Developer Fee

We received many comments related to the Developer Fee. We are spending some time reviewing all comments, our cost certification database, and considering which policy pools to incentivize with bonus developer fees and how much to incentivize them. Additionally, we are looking at possible developer fee incentives for non-profit CDCs that are participating in applications in their local area, and tying a bonus developer fee to our proposed performance assessment system. We plan to release a draft of the Multifamily Underwriting Guidelines with the next draft of the QAP.

As we push forward with the refinement of the QAP, we will continue to offer opportunities to meet publicly and discuss housing policy. The following dates are remaining opportunities to collaborate and provide input on proposed changes to the 2016-2017 Qualified Allocation Plan.

Wednesday, April 15, 2015
1:00PM
Public Hearing
Ohio Housing Finance Agency
57 E. Main Street Columbus, Ohio 43215

Friday, April 24, 2015
11:00AM
Public Forum
Ohio Department of Transportation Auditorium
1980 West Broad Street Columbus, Ohio 43223

In addition to these opportunities, a formal written comment period will be observed through Thursday, April 30, 2015. Comments may be directed to 2016QAPMailbox@ohiohome.org. We encourage you to reflect on this draft of the QAP and submit comments you believe will improve the QAP and further the goals outlined in OHFA's annual plan.

We look forward to partnering with you to open the doors to an affordable place to call home.

Respectfully submitted,

Andrew Bailey
Director of Planning, Preservation and Development

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PURPOSE

The Housing Tax Credit program, also known as the Low-Income Housing Tax Credit or LIHTC program, is a federal tax incentive designed to increase the supply of quality affordable rental housing. Created through the Federal Reform Act of 1986 and governed by Section 42 of the Internal Revenue Code (IRC Section 42), the Housing Tax Credit program assists with the financing of development costs for eligible rental housing projects involving new construction, rehabilitation, or acquisition with rehabilitation. As the allocating agency for the Housing Tax Credit program in the State of Ohio, the Ohio Housing Finance Agency (OHFA) has facilitated the development of more than 100,000 affordable rental units since 1987.

Section 42 requires that state allocating agencies develop a Qualified Allocation Plan (QAP) for the distribution of housing tax credits within its jurisdiction. The QAP describes policies and procedures for the allocation of housing tax credits to affordable rental housing developments that address state housing needs and priorities. The QAP is subject to modification or change, pending developments in federal, state, and OHFA policy.

To comply with all Section 42 and other program requirements, OHFA recommends that applicants seek experienced legal and accounting advice. Additionally, many terms used in the QAP are defined in Section 42 or in related IRS regulations. Applicants should also refer to these materials for their proper interpretation.

OHIO HOUSING NEEDS AND PRIORITIES

On an annual basis, OHFA releases the Ohio Housing Needs Assessment, prepared by the Office of Affordable Housing Research and Strategic Planning. The Ohio Housing Needs Assessment collates statewide data on housing occupancy, quality and affordability to examine housing needs among low and moderate income households and populations with special needs. Data presented include both primary and secondary sources, largely five-year estimates from the most current U.S. Census Bureau American Community Survey (ACS). The most current report is published on the OHFA website at http://www.ohiohome.org/housingneeds15.pdf.

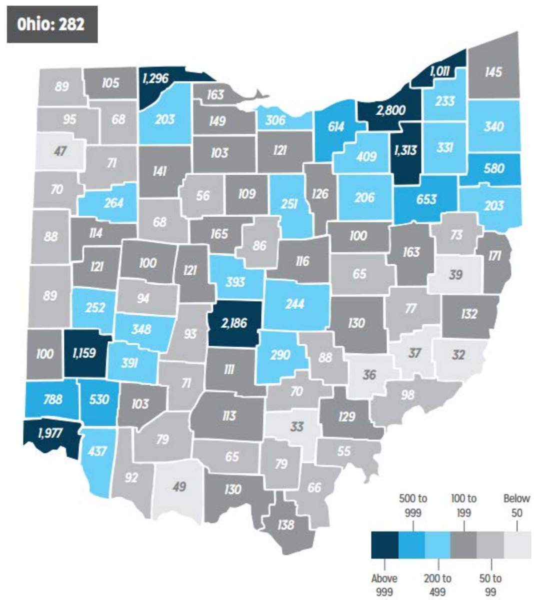
Priority housing needs identified in the assessment and also reflected in the 2016-2017 QAP include:

- Creating new affordable rental housing opportunities for low and moderate income households including a range of housing choices in markets throughout the state;
- Promoting housing opportunities for populations with special and underserved needs, including persons with disabilities, extremely low income, homelessness and veterans;
- Improving neighborhoods through community and economic development;
- Preserving existing affordable housing properties, including units with federal subsidies; and
- Advancing livability standards to promote a healthy environment for residents.

Distribution of credits for the production of new family , senior and non-urban housing, preservation of existing affordable housing, neighborhood and community revitalization and permanent supportive housing are based on housing needs referenced in the assessment.

Population

The 2010 decennial census counted 11,536,504 residents in Ohio. This total represented a 1.6 percent increase from 2000, with 34 of 88 counties losing population over this period. Many counties in central Ohio showed growth (Delaware County, 58.4 percent) as opposed to counties in western and northeast Ohio that sustained population loss (Cuyahoga County, -8.2 percent). Density also varied widely by county, ranging from 32 people per square mile in Monroe County to 2,800 in Cuyahoga. Overall, more than 1,300,000 residents lived alone, comprising 29 percent of all households statewide.



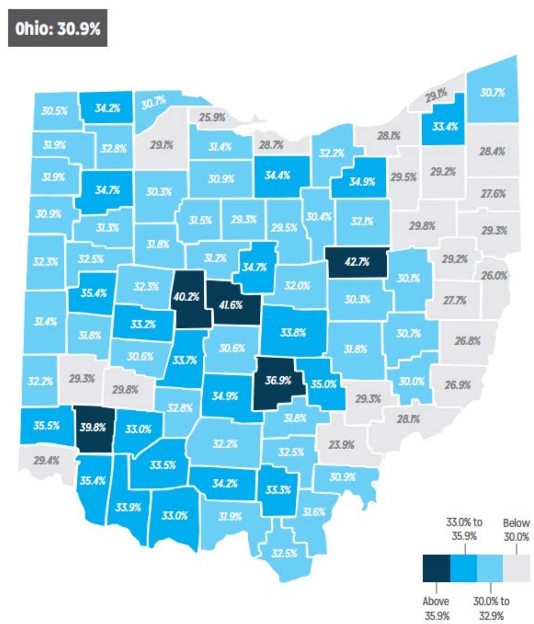
Source: Census 2010 Complete SF - 1

Figure 1. People per Square Mile, 2010

Households of Families and with Children

In 2010, the average household in Ohio consisted of two or more people and more than one-third of households were comprised of families with children. The largest households were in mid-sized counties with the smallest found along the eastern border of the state where median age was higher. Poverty rates among children were higher than the general population with nearly one in four living in poverty. Child poverty was most persistent in southern Ohio with rates in many of these counties indicating nearly one in three children in poverty.

Figure 2. Percent of Households Consisting of Families with Children, 2010

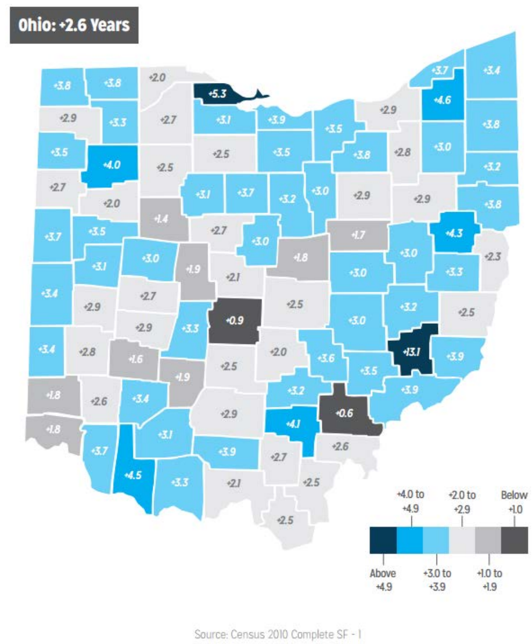


Source: Census 2010 Complete SF - 1

Households with Older Adults

Median age, which varied across the state, was highest in rural counties on the eastern border. Between 2000 and 2010, rural populations generally aged faster than urban and suburban regions, with an increase in median age of three or more years, as compared to the state average of 2.6 years. The proportion of Ohioans aged 65 and older also increased during this time from just over 1,500,000 in 2000 to 1,622,015 in 2010. Since 1950, the proportion of residents aged 65 and older has steadily increased - a trend that will likely accelerate as baby boomers reach retirement age.

Figure 3. Change in Median Age, 2000-2010



Households with Special and Underserved Needs

Nearly one in seven Ohioans lived with a disability and 24 percent of those reporting a disability lived below the poverty line. In counties where persons with disabilities comprised a higher share of the population, those reporting a disability were more likely to experience poverty. SSI recipients, who are among the lowest income households statewide, were heavily concentrated in the southern counties of the state. The 2014 Out of Reach Report shows that the gap between affordable rent and income levels range from $119 for the average renter wage earner to $504 for an SSI recipient in Ohio.

A total of 12,325 people were counted as homeless in Ohio in January 2013, representing a decrease of nearly 12 percent from 2012. While the incidence of chronic and family homelessness declined overall, veteran homelessness increased by 10 percent statewide. Nearly half of veterans represented in the annual point-in-time count lived in Cuyahoga and Franklin counties.

Housing Stock, Occupancy and Vacancy

The 2008-2012 ACS counted 5,124,503 housing units statewide. One in nine (568,794) were vacant. Of the rest, just more than two-thirds (3,098,283) were owner-occupied, while the remainder (1,457,426) were rented. Homeownership rates statewide ranged from a low of 56 percent in Franklin County to 86 percent in Geauga County. Most housing units were detached single-family (3,510,021, or 69 percent) and less than one in ten were in a building containing ten or more units, largely in urban areas. Of all vacant properties, nearly half (258,965) were categorized by ACS as “other vacant indicating properties in foreclosure or otherwise abandoned.

Federal Rental and Operating Subsidies

The U.S. Department of Housing and Urban Development (HUD) partners with owners of private multifamily housing to make units affordable to low income households. HUD provides mortgage subsidies to assist private owners with the financing of development costs in conjunction with rental and other assistance that may be fixed to a property or tenant. Assisted properties agree to use restrictions targeting occupancy to income eligible households. In Ohio, there are 1,568 active multifamily properties with HUD rental assistance representing 99,220 units.

The USDA Rural Development (RD) began the Section 515 program in 1963. The direct loan and project based rental subsidy program has been instrumental in serving the mission to provide multifamily rural rental housing that is affordable to low and moderate income families, seniors and persons with disabilities. In recent years production of new 515 units has dramatically decreased. There are currently 381 properties in need of preservation, composed of 14,367 units (8,710 of which have rental assistance) in Ohio. The 515 portfolio faces many challenges, the most critical being the maturation of many 515 loans which results in the loss of vital rental subsidies.

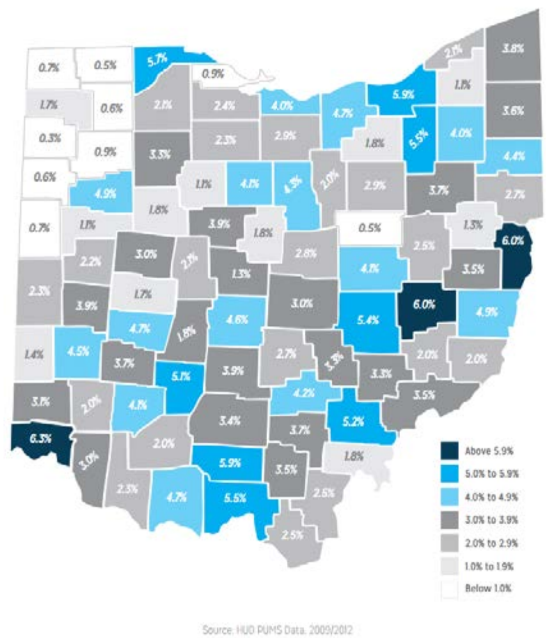


Figure 4. Households Subsidized by HUD Rental Assistance Programs

APPLICATION PROCESS

All applications to the Housing Tax Credit program, including requests for competitive (nine percent) and non-competitive (four percent) housing credits, must be submitted to the Office of Planning, Preservation & Development and received on the respective dates listed in the program calendar. If applying for competitive housing credits, applicants must complete the DevCo Online Application and the 2016-2017 Affordable Housing Funding Application (AHFA), to be made available on the OHFA website, by the dates listed in the program calendar. If applying for non-competitive housing credits, applicants must complete the 2016-2017 AHFA by the dates listed in the program calendar. The AHFA and supporting documentation must be submitted in electronic format in accordance with the document submission procedure. For additional instructions on electronic submission requirements, applicants may also refer to the 2016-2017 AHFA.

The preferred method of contact for questions regarding the application process is via email to 2016QAPMailbox@ohiohome.org.
General contact information for the Agency is as follows:
Ohio Housing Finance Agency
Office of Planning, Preservation & Development
57 E. Main Street
Columbus, Ohio 43215

Telephone: (614) 466-0400
Website: www.ohiohome.org

A. Competitive 9% Process

The proposal application for competitive tax credits consists of the pre-application, where applicable, the DevCo online application and the 2016-2017 AHFA, including all supporting documentation indicated in the AHFA. Applications must be submitted no later than the dates indicated in the program calendar to be considered for selection.

Competitive Application Limitations
OHFA will evaluate the experience and capacity of the development team, which will include without limitation the applicant and/sponsor, management agent, architect, general contractor and consultants. The following criteria will be considered in evaluating the applicant's experience and track record.

a. Financial capacity to construct and operate the proposed project;
b. experience developing and managing communities similar to the proposed project;
c. record of completing affordable housing developments within the required time frames;
d. management team experience marketing and leasing affordable housing units; and
e. compliance with the requirements of the Housing Tax Credit program, and other programs administered by OHFA.

The result of this review will be used to determine the number of applications that can be submitted in the 2016-2017 allocation years. Consideration may be made for applicants who do not meet the above criteria but will partner with a development team or consultant with experience in the housing tax credit program. Unless otherwise noted or approved by OHFA review staff, new applicants/developers will be limited to two applications and one award. Applicants and developers with previous experience may submit applications to the extent outlined below.

a. Five (5) or more affordable housing developments placed in service; up to six (6) applications may be submitted
b. Four (4) affordable housing developments placed in service; up to five (5) applications may be submitted
c. Three (3) affordable housing developments placed in service; up to four (4) applications may be submitted
d. Two (2) affordable housing developments placed in service; up to three (3) applications may be submitted
e. One (1) affordable housing development placed in service; up to two (2) applications may be submitted

No more than $2,000,000 of the per capita volume may be awarded to any one developer and/or general partner. No more than $1,000,000 shall be awarded to any one development.

Developers and/or general partners awarded an allocation of competitive housing tax credits for multiple proposals and exceeding the limit will be given five business days to select which proposals will move forward. If the developer and/or general partner elects not to make a decision, the proposal with the lowest credit request will be removed from consideration.

Pre-Application

Applicants seeking to compete in specific pools or for specific points under a category must submit a pre-application. This requirement applies to the following areas:

a. Applicants submitting a proposal in the infill development or local initiatives pools
b. Applicants submitting a proposal for senior housing that includes healthcare options
c. Applicants submitting a proposal for points under innovation
d. Applicants submitting a proposal for family housing in an area of opportunity

Pre-applications must be submitted in the form of a letter of intent by the deadline indicated in the program calendar. The applicant's statement must identify the location of the proposed development and the characteristics most applicable to the criteria for which consideration will be sought. Applicants must also specify the type of construction and an approximate number of units. Only one pre-application may be submitted for each proposed development. OHFA will issue a notice to proceed following its review of pre-applications by the date indicated in the program calendar. The notice to proceed will not guarantee eligibility of points in the proposal application as threshold and competitive selection requirements must also be satisfied.

Community Housing Development Organization (CHDO) Certification

Any applicant seeking to participate in a development as a state-certified CHDO must submit a **CHDO Certification and Operating Grant application** by the deadlines indicated in the program calendar. OHFA will certify these organizations in advance of the 2016-2017 Housing Tax Credit allocation rounds. While an organization may certify and meet the requirements of a CHDO, OHFA will make the final determination as to whether the applicant meets the definition of owner, sponsor and developer for a specific proposal at the time of application. If awarded an allocation of housing credits, OHFA will require evidence from the syndicator that the organization has capacity to provide all guarantees required for the 15 year compliance period at final application. Questions and correspondence regarding CHDO certification may be directed to Deborah Leasure at dleasure@ohiohome.org.

Requests for Exceptions

Any request for an exception to specific program requirements referenced in the threshold review section of this guideline must be submitted in advance of the proposal application by the date indicated in the program calendar. OHFA will consider requests and issue decisions, also by the date indicated in the program calendar. Exceptions will be considered only for those items specifically identified in the allocation plan. Requests for exceptions to specific underwriting requirements, as outlined in the **Multifamily Underwriting Guidelines**, must be submitted with the proposal application.

Public Notification and Comment

Applicants must send public notification letters to local government officials prior to the proposal application deadline. Outreach to the community regarding proposal applications is also encouraged. OHFA will accept public comments about proposal applications at any time, and will consider public comments during the review process until the deadline indicated in the program calendar.

Proposal Summaries

Proposal summaries containing basic information about each proposal application must be completed by the applicant in a format specified in the AHFA. Proposal summaries for all applications will be posted to the OHFA web site. Additional application materials will not be made available to the public until OHFA has announced the results of the competitive selection process.

Site Visits

OHFA will conduct a site review to evaluate and determine the suitability of a prospective site for housing development for all new proposals. Proposed developments that competed in the 2015 housing tax credit allocation year but not awarded an allocation of tax credits may retain points from the previous site visit. OHFA will only conduct a new site visit if the applicant is proposing single family infill development or if the characteristics of the development and site amenities have changed.   If a prospective site is deemed unsuitable based on the site review, the application will be removed from further consideration.

The applicant must provide a detailed map clearly depicting the physical location of the site and all roads leading to the site. Up to two representatives of the applicant who are familiar with the proposal application are encouraged to accompany OHFA staff to answer any questions. The applicant may request in advance that additional representatives be present if necessary and acceptable to OHFA. Applicants for scattered-site developments must be available to provide a tour of the sites and surrounding areas. All site visits will be scheduled at a time convenient to OHFA review staff.

Cost Containment

Once proposal applications have been received and are sorted by pools, OHFA will implement a cost containment measure to remove developments with high costs that appear to be outliers from other applications submitted for each pool.
Any proposal application that is two or more standard deviations from the mean of the pool for both total development cost per affordable unit and total development cost per square foot will be removed from further consideration.
OHFA will exclude assumed debt from calculations on existing rental unit developments.

Scoring

To distinguish the highest ranking applications for each pool, OHFA will first complete a competitive review of proposal applications according to the scoring criteria established for each pool. Applicants must submit proper evidence for applicable criteria and will be held to all commitments if the proposed development is awarded an allocation of tax credits.

OHFA will complete a threshold review of the highest ranking proposal applications to ensure that required items have been submitted and are complete and correct. In accordance with OHFA policy and state and federal requirements, OHFA will also perform a financial underwriting analysis to ensure that developments awarded housing tax credits receive the minimum amount of subsidy necessary to develop cost-effective, financially viable, and sustainable affordable housing developments.

Proposal applications that are selected for an award of housing tax credits will continue to the final application stage.

Final Application
A DevCo online application and AHFA will be distributed to applicants awarded an allocation of housing tax credits in the competitive selection process. The application must be completed and submitted with all required supporting documentation by the deadline in the program calendar.
OHFA will perform a threshold review of final applications to ensure that required items have been submitted and are complete and correct, and a financial underwriting analysis to ensure that all underwriting requirements are met. Applicants will have an opportunity to correct deficiencies and address issues found during the threshold review and underwriting stages. OHFA will contact the applicant with any questions during this process. Developments that receive additional gap financing administered by OHFA will be presented to the OHFA Board for consideration of these resources.

B. Non-Competitive 4% Process

Developments receiving tax-exempt bonds that finance over 50 percent of the total aggregate basis may apply for an award of non-competitive or four percent housing tax credits. Applicants seeking such an award must submit all items necessary to meet the threshold review requirements, although the deadlines indicated in the program calendar do not apply.

While an award of four percent housing tax credits is not competitive, OHFA will verify that all developments have the appropriate development team in place, meet all threshold requirements, and meet OHFA's underwriting requirements. OHFA reserves the right to reject any application that fails to meet an appropriate level of quality in these areas. OHFA is the final judge of eligibility for the amount of housing tax credits awarded to all tax-exempt bond financed developments.

OHFA will accept applications on a quarterly basis in accordance with dates listed on the OHFA website. All applicants that intend to submit an application for non-competitive housing tax credits must contact the Agency at least 45 days prior to the application submission date to establish a time to meet with review staff. OHFA may waive this requirement for experienced partners upon request.

If public notification requirements have been met and all threshold deficiencies have been corrected, OHFA may take up to six weeks to review an application and issue 42m letter of eligibility. The letter will be issued when all requirements are satisfactorily completed.

Development-specific conditions will be listed in the housing tax credit (42m) letter of eligibility.
In addition to the requirements indicated above, the applicant must also meet the following requirements:

a. For locally issued bonds (non-OHFA), the inducement resolution or final approval resolution of the issuer is required. In addition, a letter from the bond underwriter indicating the anticipated interest rate, term, and amortization of the bonds must be submitted.

b. OHFA reserves the right to require a legal opinion stating that the development is eligible to receive an allocation of housing tax credits pursuant to Section 42(h)(4) of the Internal Revenue Code (IRC).

c. A representative of the developer or management company must meet with the OHFA Program Compliance Office within six months following issuance of the 42m letter of eligibility to review management practices and establish a timetable for the placed-in-service review.

The minimum underwriting requirements outlined in the **Multifamily Underwriting Guidelines** will apply to four percent housing tax credit developments; however the owner has the option to elect the housing tax credit rate during the month in which the bonds are issued or the month the development is placed-in-service. Please note that the rate election period is tied to the month the notice of issuance indicates. If a development closes in escrow, the rate election applies to that month, not when the final closing occurs. Furthermore, if a bond closes in escrow and does not make a rate election in that month, the credit rate utilized will be the credit rate applicable at the time and for the month in which each building is placed-in-service. Please note that the owner has up to five days following the month in which the bonds are issued to notify OHFA of the rate election, otherwise the month the development is placed-in-service will be used.

C. 2016 Housing Tax Credit Program Calendar

Deadlines reflected in the program calendar apply to the competitive selection process and are subject to change based on the quantity of applications received. Applicants submitting a proposal for an allocation of non-competitive housing tax credits should refer to the program calendar on the OHFA website.

DATES	APPLICANT	OHFA
Tuesday, September 1, 2015		2016-2017 AHFA and application materials posted to the OHFA website
Monday, September 14, 2015	2016 Affordable Housing Funding Training, location to be determined	
Tuesday, September 15, 2015		Enterprise Green Communities Training (Tentative)
Friday, October 16, 2015	Deadline for submission of the following: Applications for CHDO certification and pre-applications for competitive scoring	
Monday, November 2, 2015	Innovation meetings begin	
Friday, December 4, 2015	Deadline to submit requests for exceptions	Innovation meetings end
Friday, December 18, 2015		Notices to proceed, determination of eligibility for innovation points and CHDO certification issued for all pre-applications

Friday, January 8, 2016	Deadline to commission market studies, innovation meetings conclude	Decisions issued for exceptions to program requirements
Friday, January 15, 2016	DevCo online application opens	
Thursday, February 18, 2016	Deadline to submit proposal applications	Consideration of public comments begins
Friday, February 26, 2016		Proposal summaries posted to the OHFA website
Tuesday, March 1, 2016	Competitive scoring, underwriting and site visits begin	
Friday, April 15, 2016		Consideration of public comments ends
Friday, April 29, 2016	Site visits conclude	
Tuesday, May 10, 2016		Notice of preliminary scores and underwriting issues sent to applicants
Friday, May 20, 2016	Deadline to respond to preliminary scores and underwriting issues	
Wednesday, June 15, 2016		Final results of competitive scoring released and presented to the OHFA board
Friday, June 17, 2016		Binding reservation agreements and notice of threshold deficiencies issued
Monday, June 20, 2016	Next steps and debriefing meetings begin	
Friday, June 29, 2016	Deadline to return binding reservation agreements	
Friday, July 3, 2016	Deadline to submit all cures for threshold deficiencies	
Friday, August 26, 2016	Next steps and debriefings conclude	
Thursday, September 1, 2016	Deadline to disclose any changes from proposal to final application	
Thursday, September 22, 2016	Deadline to submit final applications	

Friday, December 16, 2016	Final date for issuance of carryover agreements	

D. Threshold Requirements for 9% Proposal Applications

Any request for an exception to specific program requirements referenced in this section must be submitted in advance of the proposal application by the date indicated in the program calendar. OHFA will consider requests and issue decisions, also by the date indicated in the program calendar. Exceptions will be considered only for those items specifically identified in this section.

Meets Section 42 Requirements
The proposal application must meet all requirements set forth in Section 42 of the Internal Revenue Code (IRC) of 1986, as amended and all relevant U.S. Department of the Treasury regulations, notices, and rulings.

Complete and Organized Application
The DevCo online application, AHFA and all required materials must be submitted no later than the date indicated in the program calendar. The AHFA and supporting documents must be submitted on a compact disc, organized and formatted according to the index provided with the application. Proposal applications must be complete and consistent with all supporting documentation. An original signature of a representative of each general partner/managing member is required in the program certification section of the application and must be submitted in its original, paper form. Any proposal applications that are incomplete, inconsistent, and/or illegible will be removed from consideration.

Application Fee
An application processing fee will be invoiced after all proposal applications are received. This fee will be assessed based on the number of proposal applications submitted in the competitive funding round by any given developer, general partner, managing member or any other authorizing entity as follows: First application: $2,000. Second application: $3,000. Third application: $4,000. Fourth application: $5,000.

Additional applications will be assessed a $6,000 fee per application. Application fees are payable at the time of application and must be tendered before preliminary scores are released by the Agency.

Extended Use Agreement
All developments must commit to an extended use period of a minimum of 30 years of affordability at the time of application. If an allocation of housing tax credits is awarded, the owner must file a Restrictive Covenant (provided by OHFA) which waives the right of the owner to petition OHFA to have the extended use period terminated (as described in Section 42 of the IRC).

Proposal Summary
All applicants must complete the proposal summary tab, which is located in the AHFA. The proposal summary will be posted on the OHFA website for public review and comment no later than the date indicated in the program calendar.

Scoring Workbook

All applicants must complete the OHFA scoring workbook tab, which is located in the AHFA. Proposal applications that do not include a scoring workbook at the time of submission will be removed from consideration.

Evidence of Site Control

If the current owner is a general partner or limited partner in the development, the applicant must submit copies of the executed and recorded deed(s) at the time of application.

If the current owner is not a general partner or limited partner in the development, then evidence of site control must be submitted. Acceptable forms of site control include, but are not limited to, a purchase contract, a purchase option, or a long-term lease agreement (for a minimum of 35 years). If parcels will be purchased from a city land bank, a copy of the final city council resolution approving the transfer of all applicable sites may be submitted as evidence of site control; a copy of a city resolution or city council ordinance approving the legal description and transfer of all applicable sites will also be accepted.

If parcels will be purchased from a county land bank, a letter from the board of control or a designated official approving the transfer of all applicable sites may be submitted as evidence of site control. Evidence of site control may not expire until a reasonable period following the scheduled announcement date for housing tax credit awards. All option agreements relating to the transfer of a site must be included in the application.

OHFA reserves the right to require, as needed, additional documentation that evidences proper site control.

Scattered-Site Developments

All sites in an application for a scattered site development may only serve one primary market area. Scattered site developments must have at least 35 percent of the sites under control at the time of application. A development qualifies as scattered site if there are 10 or more sites and 50 percent or less of the sites are contiguous. OHFA reserves the right to reduce eligible basis when issuing a Carryover Allocation Agreement if the minimum site control percentage required at application is not maintained. Applicants submitting a proposal application which includes scattered sites located in multiple counties or scattered throughout a county must provide a detailed map clearly identifying the location of all buildings and parcels under ownership or control and otherwise considered for the application.

Zoning

The applicant must submit evidence that all sites are currently zoned for the proposed use in the form of a valid building permit or a letter from the local municipality stating that the current zoning will permit the proposed development.

For jurisdictions with no zoning regulations in effect, a letter from the jurisdiction stating so is required.

Evidence must be dated within one year of the proposal application due date.

Market Study

A market study conducted by an OHFA-approved market study professional must be submitted with the proposal application. Refer to the **OHFA Market Study Standards** for requirements, and to the program calendar for applicable deadlines.

Supportive Services Plan

Developments receiving an allocation of housing tax credits are required to provide service coordination to the resident population and/or linkages to information and resources appropriate to the population. Applicants must provide evidence of a salaried or in-kind service coordinator on-site, contiguous or accessible to the proposed development at the time of application. A supportive service plan must also be submitted and shall detail the following processes:

a. Assessing the needs of residents and developing a plan for service delivery;
b. providing information and referrals to residents on state, federal and local resources; and
c. monitoring and evaluating service delivery and reassessing as necessary.

Permanent Supportive Housing
In addition to the aforementioned requirements, applicants receiving an allocation of housing tax credits for the development of PSH must address the following items. A plan submitted to a local Continuum of Care or other entity may also be submitted for consideration at application.

a. The population to be served and the experience the support provider has serving that population.
b. How the success of the supportive services plan will be evaluated; the formal and informal methods that will be used to evaluate the success of the development in meeting the individual needs of the residents, as well as addressing overall issues of homelessness; and how this information will be conveyed to OHFA and other organizations.
c. How the physical design of the building(s), the development site and location will enhance the lives of residents specific to their particular needs.
d. How residents will be offered assistance in applying for Medicaid and other benefits to ensure the individuals' health needs are met.
e. How residents will be linked to services not directly offered by the on-site service provider.
f. The source of funding for the services and how the development plans to sustain supportive service provisions over the life of the compliance period.

Preliminary Architectural Plans
Preliminary architectural plans must be submitted at proposal application and follow all requirements outlined in the design requirements section of the allocation plan. All preliminary architectural plans will be reviewed for approval by OHFA's staff architect.

Design and Construction Features Agreement
All proposal applications must include an executed Design and Construction Features Agreement. A copy of the Design and Construction Features Agreement must be printed on the reverse side of preliminary architectural plans. A template form will be made available on the OHFA website.

Phase I Environmental Site Assessment (ESA) or Mini-Phase I (MP-1)
A Phase I Environmental Site Assessment (ESA) must be submitted for all single-site proposals. Scattered- site developments may submit either a Mini-Phase 1 or a full Phase I ESA for all sites represented in the application. Applicants must submit a Phase I ESA that was completed or updated by the author within one year prior to the application deadline for housing tax credits. OHFA reserves the right to reject any sites indicated to have environmental problems or hazards.

Developments receiving a reservation will be required to have a Phase I ESA valid in accordance with the most current ASTM standard. One of the following is acceptable:

a. A Phase I ESA report dated within 6 months of the funding announcement.
b. If the Phase I ESA report is dated between 6 months and one year prior to the funding announcement, submit an update to the report dated within 6 months of the funding announcement.
c. If the Phase I ESA report is dated over one year prior to the date of the funding announcement, submit a new and complete Phase I ESA report.

Green Standards
OHFA requires that all applicants meet the green building standards outlined in the **2015 Enterprise Green Communities Criteria** and successfully achieve program certification for the proposed development. The criteria are a comprehensive set of building standards specifically designed to help affordable housing developers deliver healthy and efficient homes. For more information about the 2015 Enterprise Green Communities Criteria please visit www.greencommunitiesonline.org. Instructions for submission for Green Communities Certification and other reference will be made available on the OHFA website.

Applicants may substitute Leadership in Energy & Environmental Design (LEED) Certification by the U.S. Green Building Council or National Green Building Standards (NGBS) by the National Association of Homebuilders to meet this requirement.

Applicants must indicate which certification and level they are seeking at application. Developments will be notified of deficiencies to the green standards at the time of notification for other threshold deficiencies.

If awarded an allocation of housing tax credits, developments seeking Enterprise Green Communities certification must enroll the project for PreBuild approval in the Enterprise Green Communities portal prior to final application and submit PreBuild approval with final application. Enterprise Green Communities requires 30 days to review and approve projects.

If seeking LEED certification, the certification checklist must be submitted with the final application to evidence that certification will be achieved.

If seeking NGBS certification, the scoring spreadsheet and proof of registration by a certified verifier, including the unique project identification number, must be submitted with the final application to evidence that certification will be achieved.

Evidence of final certification with Enterprise Green Communities, LEED or NGBS will be required upon completion of construction and prior to request for form 8609.

Project Capital Needs Assessment and Scope of Work

Proposal applications for the rehabilitation of existing housing units and adaptive reuse of buildings not originally constructed as housing must submit a capital needs assessment and scope of work for all buildings represented in the proposal. The assessment must conform to the standards outlined in the OHFA **Capital Needs Assessment Standards**. OHFA will use this assessment to determine whether the costs indicated in the proposal application are appropriate to the level of rehabilitation required.

Public Notification

The public notification process for local elected officials must be completed and evidence of completion must be provided at time of proposal application.

The applicant must notify, in writing, certain officials from:

a. The political jurisdictions in which the development will be located; and
b. Any political jurisdiction whose boundaries are located within one-half mile radius of the development's location.

The officials to be notified include:

a. The chief executive officer and the clerk of the legislative body for any city or village (i.e. mayor and clerk of council);
b. The clerk of the board of trustees for any township;
c. The clerk of the board of commissioners for any county;
d. State Representative(s);
e. State Senator(s).

The applicant must use the OHFA letter template and include all information requested. The notification must state the applicant's intent to develop housing using OHFA funding. The notification must be in writing and sent via certified mail, return receipt requested. Submit a copy of the stamped post office receipt (return receipt not required) for certified mail and copies of notification letters with your proposal application.

Scattered-site developments must complete the public notification process for all sites represented in the application when the proposal application is submitted, and again for all sites in the development prior to issuance of a Carryover Allocation Agreement, and no later than November 3, 2016.

Applicants are encouraged to contact appropriate local government officials prior to submitting an application to inform them of the details of their housing proposal.

Notifications to Statewide Accessibility Organizations

Applicants must notify the applicable statewide accessibility group at the time of application that accessible housing is being proposed. Applicants must further agree to accept referrals for potential residents, and consider design recommendations for the property. If the proposed development is awarded an allocation of housing tax credits, notification must take place again when the development is placed into service. Copies of correspondence between the applicant and accessibility group must be submitted to evidence these requirements at application. A list of statewide accessibility groups will be made available on the OHFA website.

Utility Allowance Information
Utility allowance information must be submitted for all proposal applications that is consistent with Section 42 of the IRC, IRS Regulation 1.42-10 and OHFA's Utility Allowance Policy. Please refer to the **OHFA Utility Allowance policy** for information on methods available for calculating utility allowances.

E. Threshold Requirements for 9% Final Applications

OHFA will conduct a threshold review of the final application to determine if it is complete, contains all necessary forms and supporting evidence, and meets minimum program requirements. After a review of all threshold requirements, OHFA will offer the applicant an opportunity to correct any deficiencies.

Complete and Organized Application
The DevCo online application, AHFA and all required materials must be submitted no later than the date indicated in the program calendar. The AHFA and supporting documents must be submitted on a compact disc, organized and formatted according to the index provided with the application. Final applications must be complete and consistent with all supporting documentation. An original signature of a representative of each general partner/managing member is required in the program certification section of the final application and must be submitted in its original, paper form. Any final applications that are incomplete, inconsistent, and/or illegible will be rejected.

Changes from Proposal
All changes to the development must be disclosed prior to submitting the final application no later than the date indicated in the program calendar, and will be reviewed by OHFA on a case-by-case basis. Substantive changes may be permitted at the discretion of the Director of Planning, Preservation and Development, or their designee. Substantive changes include, but are not limited to, changes in ownership or development team, the development's physical structure or site(s) (except scattered- site developments), special needs populations, and all items affecting competitive scoring.

Conditional Financial Commitments
All non-OHFA construction and permanent financing, grants, equity sources and deferred fees or expenses shall be conditionally committed at the time of final application. An executed conditional commitment letter for all sources must be submitted. A conditional financing commitment must contain, at a minimum: the amount of the financing, and the interest rate, term and amortization period or repayment terms of a loan.

Applicants seeking funding from a local government, Federal Home Loan Bank, or other public or quasi-public funding source that does not issue a funding decision prior to the Housing Tax Credit final application deadline must substitute a letter of application or letter of intent from the funding source. A conditional equity commitment must contain, at a minimum, (a) the amount of Housing Tax Credit equity (net and gross), (b) the pay-in schedule for the equity, (c) the cents per Housing Tax Credit dollar factor used, and (d) the amount of historic equity (if any).

OHFA reserves the right to verify any financial commitment(s) and to require a legal opinion indicating whether the development's sources should or should not affect the development's eligible basis and/or Housing Tax Credit percentage.

OHFA reserves the right to request that the applicant provide a backup plan for any source that may not appear to be conditionally committed.

Community Outreach

Applicants must submit a community outreach plan at the time of final application demonstrating notification to residents, businesses, local governments, and other community stakeholders of the planned development. The plan may include involving local elected officials, police and fire departments, community development corporations, non-profit community organizations and groups, or posting notices in libraries or other public places where residents may congregate. Social media, design charrettes, or traditional notices in local papers are examples of methods to target the community.

Developments that competed in the 2015 Housing Tax Credit funding cycle may choose to resubmit the community outreach plan in 2016. Applicants that choose this option must conduct an additional meeting with the local government and general public between proposal and final application and provide evidence that this meeting has occurred.

Applicants must provide documentation and evidence that the outreach plan has been completed at final application. In addition to the plan, include copies of any written notices or announcements placed or published, sign-in sheets from informational meetings and support letters from community groups and contacts established through the outreach process.

Affirmative Fair Housing Marketing Plan

An Affirmative Fair Housing Marketing Plan is required for all developments. Applicants that have a property with project based Section 8, HUD Section 236 or USDA contracts may submit a current, approved Affirmative Fair Housing Marketing Plan provided. OHFA, HUD and USDA require that the plan be updated every five years; therefore, if the plan's current approval date is within six (6) months of expiration, submit the current plan along with supporting documentation that demonstrates that an updated plan has been submitted to HUD or USDA for renewal.

The applicant must complete an Affirmative Fair Housing Marketing Plan (Form PC-E45) if no other plan is in place. All items on the form must be completed correctly including all attachments. The instructions for the completion of the plan (Form PC-E44) and reference materials are located on the OHFA website.

The applicant must include on the form a description of the outreach, marketing, and advertising methods used in order to affirmatively market the development. A separate plan is required for each census tract in which the development is located.

If assistance is needed, or there are questions regarding the Affirmative Fair Housing Marketing Plan, contact Rachel Grass, Office of Program Compliance at (614) 644-7592 or rgrass@ohiohome.org.

Design and Construction Features Agreement

All final applications must include an executed Design and Construction Features Agreement. The most current Design and Construction Features Agreement template will be made available on the OHFA website.

Ohio Housing Locator

The owner and/or property manager of all Housing Tax Credit properties funded under this allocation plan will be required to list their properties in the Ohio Housing Locator at www.OhioHousingLocator.com, the OHFA-sponsored statewide affordable housing database, as soon as the units are placed in service. It is the responsibility of the owner and/or property manager to update their listings on an annual basis.

Additional Rent Restrictions

Applicants must select one of the following elections based on the location of the proposed development:

1. A minimum of forty percent (40%) of the low-income units affordable to households with incomes at or below fifty percent (50%) of Area Median Gross Income (AMGI) (developments located in urban or suburban pool areas); or
2. A minimum of thirty-five percent (35%) of the low-income units affordable to households with incomes at or below fifty percent (50%) of AMGI (developments located rural pool areas)
3. All units affordable to households with incomes at or above 60% of AMGI (required for lease purchase developments only)

Consistency with Housing Development Assistance Program Funding

Developments seeking funding through the Housing Development Assistance Program (HDAP) must meet the following requirements in addition to the requirements of the Additional Rent Restrictions category:

1. A minimum of forty percent (40%) of the units must be occupied by households at or below fifty percent (50%) of AMGI for developments located in a Participating Jurisdiction (PJ). The HDAP/HOME- assisted units cannot exceed the HUD Low- and High-HOME rent for the county where the development will be located. If the development is located in a non-participating jurisdiction, a minimum of thirty-five percent (35%) of the units must be occupied by households at or below fifty percent (50%) of AMGI, with rents for the HDAP/HOME-assisted units at the HUD Low- and High-HOME rent.
2. Completion of the HDAP section in the AHFA.
3. The applicant must comply with all requirements described in the most recent HDAP Guidelines.
4. A development that receives HOME funds must comply with all HOME program rules, including the environmental review process.
5. A sole for-profit applicant that receives Ohio Housing Trust funds must comply with State Prevailing Wage requirements.
6. In order to receive HDAP funding, the applicant must select one of the following elections:

    a. A minimum of five percent (5%) of the units occupied by and affordable to households with incomes at or below thirty-five percent (35%) of AMGI (developments located in non-Participating Jurisdictions); or

b. A minimum of ten percent (10%) of the units occupied by and affordable to households with incomes at or below thirty-five percent (35%) of AMGI (developments located in Participating Jurisdictions).
c. These units may be included as part of the requirements of the Additional Rent Restrictions category.

Eighty Percent (80%) Completed Architectural Plans and Specifications
The applicant must submit a one-half sized set of drawings including Civil, Landscape, Architectural, Mechanical, Electrical and Plumbing. These drawings should be certified by the development architect to be eighty percent (80%) or better complete, and follow all requirements outlined in the Design Requirements section of the QAP. All architectural plans will be reviewed for approval by OHFA's staff architect.

Appraisal
An as-is appraisal of the proposed development site(s) must be submitted. All appraisals must meet OHFA's appraisal standards and requirements as outlined in the Multifamily Underwriting Guidelines.

Phase I Environmental Site Assessment (ESA)
A Phase I Environmental Site Assessment (ESA) must be submitted for all final applications. If a full Phase I ESA was submitted with the proposal application, one need not be resubmitted with the final application. The report(s) must comply with current OHFA standards. The owner must submit a narrative that addresses any issues raised in the report(s). OHFA reserves the right, in its sole discretion, to reject any sites indicated to have environmental problems or hazards. The Phase I ESA must have been completed or updated by the author within one (1) year prior to the application deadline for housing tax credits.

Single Family Infill Development
All units must be affordable to households with incomes at 60 percent of Area Median Income (AMI) and to buyers with incomes meeting housing tax credit eligibility requirements at the end of 15 years. The owner must certify at the time of application that a housing inspection from an independent third party approved by OHFA will be provided to the buyer at no cost and that any corresponding issues will be addressed before the home is transitioned to the buyer at year 15. Prior to sale of a lease purchase home at year 15, the owner must also notify the Office of Program Compliance through submission of the lease purchase sales transaction form at least 90 days prior to sale. The form will be made available on the OHFA website.

Federal Tax Identification Number (FTIN)
Evidence that a Federal Tax Identification Number (FTIN) has been obtained for the ownership entity must be submitted.

Legal Description(s)
A legal description of each parcel that will be included in the development must be submitted at application. The description(s) must include the street address and permanent parcel number of each parcel.

Green Standards

OHFA requires that all applicants meet the green building standards outlined in the **2015 Enterprise Green Communities Criteria** and successfully achieve program certification for the proposed development. The criteria are a comprehensive set of building standards specifically designed to help affordable housing developers deliver healthy and efficient homes. For more information about the 2015 Enterprise Green Communities Criteria please visit www.greencommunitiesonline.org.

Instructions for submission for Green Communities Certification and other reference will be made available on the OHFA website.

Applicants may substitute Leadership in Energy & Environmental Design (LEED) Certification by the U.S. Green Building Council or National Green Building Standards (NGBS) by the National Association of Homebuilders to meet this requirement.

Applicants must indicate which certification and level they are seeking at application. Developments will be notified of deficiencies to the green standards at the time of notification for other threshold deficiencies.

If awarded an allocation of housing tax credits, developments seeking Enterprise Green Communities certification must enroll the project for PreBuild approval in the Enterprise Green Communities portal prior to final application and submit PreBuild approval with final application. Enterprise Green Communities requires 30 days to review and approve projects.

If seeking LEED certification, the certification checklist must be submitted with the final application to evidence that certification will be achieved.

If seeking NGBS certification, the scoring spreadsheet and proof of registration by a certified verifier, including the unique project identification number, must be submitted with the final application to evidence that certification will be achieved.

Evidence of final certification with Enterprise Green Communities, LEED or NGBS will be required upon completion of construction and prior to request for form 8609.

Performance Benchmarking
Applicants receiving an award of housing credits must enroll all buildings in the Energy Star Portfolio Manager and agree to collect and report energy and water consumption data for 100 percent of the total market rate and affordable units over a period of 15 years. OHFA must be authorized to have access to this data.

Relocation Plan (Existing Rental Units Only)
Applicants must submit a narrative that details tenant relocation during the construction period. The narrative should identify the method of relocation, a cost breakdown, and identify whether tenants will be displaced. If the proposed development includes HDAP funding, refer to the Housing Credit Gap Financing section for additional requirements.

Authorization to Release Tax Information
Applicants must include a completed **Authorization to Release Tax Information Form** for each entity that will have ownership of the project (whether during construction and/or after construction

completion). OHFA will use this to determine if any organization with an ownership interest in the proposed project has any outstanding tax liens with the State of Ohio.

F. Threshold Review for 4% Applications

OHFA will conduct a threshold review of all four percent applications to determine if it is complete, contains all necessary forms and supporting evidence, and meets minimum program requirements. After a review of all threshold requirements, OHFA will offer the applicant an opportunity to correct any deficiencies.

The required threshold criteria include all criteria listed in the competitive proposal and final application threshold sections, with the following exceptions:

a. The fee for applicants requesting 4% housing tax credits is $2,000.
b. 4% housing tax credit developments that do not utilize the Bond Gap Financing program do not need to meet the Additional Rent Restrictions or Consistency with HDAP Funding threshold requirements.
c. While OHFA strongly encourages the inclusion of green standards, OHFA will waive this requirement for 4% housing tax credit developments that can demonstrate a financial need.
d. OHFA may allow additional time for 4% housing tax credit developments to submit 80% complete architectural plans, however, a review period of at least 60 days is necessary between the submission of 80% plans and the issuance of a 42m letter of eligibility.

G. Compliance with Multifamily Underwriting Guidelines

In accordance with OHFA policy and Section 42(m) of the IRC, OHFA will perform a financial underwriting analysis for the highest scoring applications to ensure that developments are awarded the minimum amount of subsidy necessary to finance a cost-effective, financially viable, and sustainable affordable housing development.

Applicants must meet all of the requirements in the most current **Multifamily Underwriting Guidelines**. The underwriting process and standards are designed to ensure that OHFA awards the minimum amount of subsidy necessary for the development of cost-effective, financially viable, and sustainable affordable housing developments. Developments will be subject to the following financial evaluations: Competitive housing tax credits (9%) - Developments proposed for the competitive 9% Housing Tax Credit round will undergo a financial underwriting analysis to determine if they are eligible to continue in the competitive scoring process, a complete underwriting analysis at final application prior to issuing a Carryover Allocation Agreement, and an additional underwriting analysis at the time the development is placed-in-service and requests IRS Form(s) 8609.

Non-Competitive housing tax credits (4%) - All developments applying for 4% Tax Credits (with or without OHFA gap financing) will undergo a complete underwriting analysis at application prior to issuing a 42m letter of eligibility and an additional underwriting analysis at the time the development is placed-in-service and requests IRS Form(s) 8609.

H. 2015 Basis Boost Policy

Developments located in a qualified census tract (QCT) as defined by reference to IRC Section 42 are eligible for an allocation of credits based on up to 130% of the eligible basis for new construction or rehabilitation. The following projects may also be considered for the 130% basis boost:

a. Developments in the new production pools that earn 10 points for family, senior or non-urban development priorities.
b. Developments in the preservation pools that earn 20 points for state preservation priorities.
c. Developments in the Permanent Supportive Housing pool that earn 25 points for Continuum of Care priority.
d. Developments in the infill development pool that earn 10 points for asset building characteristics.
e. Developments in the local initiatives pool that receive 10 points for local initiatives priorities

The basis boost policy may be subject to change if Congress elects to extend the fixed 9% rate.

I. Limits on Housing Development Assistance Program Funds (HDAP)

Developments proposed in the Permanent Supportive Housing pools, or located in a non-urban county, may request up to $300,000 in Ohio Housing Trust Funds.

Applications in all pools that will meet HOME set-aside requirements may request up to $600,000 in HOME funds. To qualify for the HOME set-aside, the development must be owned, developed or sponsored by a non-profit housing development organization that will certify as a state-certified CHDO and that is the 100 percent General Partner (LP) or 100 percent Managing Member (LLC) of the partnership and developing in their service area.

Developments that are lease-purchase will not qualify for an award of HDAP.

Based on demand and funding availability, OHFA reserves the right to change limits on HDAP for individual applications.

HOUSING POLICY POOLS

The annual per capita credit allocation will be distributed among the following allocation pools. After reserving the majority of the credits in each pool based on the results of the competitive scoring process, OHFA will select a final application that does not exceed the remaining credits in the pool. If there is no application that meets this criterion, the remaining credits in the pool will be distributed to the Strategic Initiatives pool. OHFA will determine the allocation pool in which each proposal application will compete.

A. New Unit Production

Family Housing:

Approximate Funding Target: $3,000,000
Maximum per application: $1,000,000
Proposal applications involving the production of new affordable units for households in families, and not restricted to seniors aged 55 and older, will be considered in the family housing allocation pool. A family housing development may be available to all income eligible households.

Set-Aside: Family Housing in an Area of High-Opportunity
A set-aside for allocation to a minimum of one family housing development in a high-opportunity census tract, as defined by reference to the Opportunity Index, will be administered by OHFA.

Senior Housing:

Approximate Funding Target: $3,000,000
Maximum per application: $1,000,000
Proposal applications involving the production of new affordable units restricted to seniors aged 55 and older will be considered in the senior housing allocation pool.

Non-Urban Housing Development:

Approximate Funding Target: $3,000,000
Maximum per application: $1,000,000
Proposal applications involving the production of new affordable housing units in non-urban counties will be considered in the non-urban housing pool. New developments sited in an eligible jurisdiction, as shown in the geographic definitions section, may apply and compete to the extent of the pool.

B. Preservation of Affordable Housing

HUD Rental Subsidy Preservation:

Approximate Funding Target: $3,500,000
Maximum per application: $1,000,000
Proposals involving acquisition and substantial rehabilitation of multifamily housing developments receiving project based rental assistance or operating subsidies through a program administered by HUD will be considered in the HUD rental subsidy allocation pool.

Rural Asset Preservation:

Approximate Funding Target: $2,500,000
Maximum per application: $700,000
Proposals involving acquisition and substantial rehabilitation of multifamily housing developments receiving project based rental assistance or operating subsidies through a program administered by USDA-RD will be considered in the rural asset preservation allocation pool.

Other Preservation:

Approximate Funding Target: $1,500,000
Maximum per application: $700,000
OHFA will consider proposals to substantially rehabilitate existing affordable housing or units that have not previously operated as affordable rental housing in the other preservation pool. Selection

consideration will be given to applicants demonstrating the commitment of a federal, state or other rental subsidies.

C. Permanent Supportive Housing

Approximate Funding Target: $4,000,000
Maximum per application: $1,000,000
Proposed developments serving populations defined in the Interagency Council on Homelessness and Affordable Housing Permanent Supportive Housing Policy Framework may seek consideration in the PSH pool. A minimum of 50 percent of all units must have a commitment for rental subsidy that covers the difference between 30 percent of the resident's income and the fair market rent for the unit. Additionally, the majority general partner(s) must be a nonprofit organization with experience in developing, owning and managing supportive housing for the homeless or formerly homeless, and individuals and families with special needs. Competition in the PSH pool will be limited to developments demonstrating support from the applicable Continuum of Care evidenced by a letter of support.

HUD Designated Continuums of Care:
Akron/Summit County, Cincinnati/Hamilton County, Cleveland/Cuyahoga County, Columbus/Franklin County, Dayton/Montgomery County and Toledo/Lucas County may submit up to two proposal applications for consideration of an award. The applicable CoC must clearly indicate the rank of each proposal (primary, secondary, or otherwise) in the required letter of support at the time of application.

Set-Aside: Balance of State and Smaller CoCs
A set-aside for allocation to a minimum of one PSH development in all other areas of the state will be administered by OHFA.

D. Neighborhood and Community Revitalization

Infill Development (New Construction Only):

Approximate Funding Target: $1,500,000
Maximum per application: $750,000
Proposals involving new construction of detached single-family homes intended for eventual resident ownership will be considered in the infill development pool. To be eligible for competition in this pool, a prospective development must be recognized by the applicable unit of government as assisting in the stabilization of a neighborhood or target area by demolishing or redeveloping properties and/or sites that have been foreclosed, abandoned and which constitute blight. Only prospective developments located in an urban county, as defined in the geographic definitions section of the allocation plan, shall be eligible for consideration in the infill development allocation pool.

Local Initiatives:

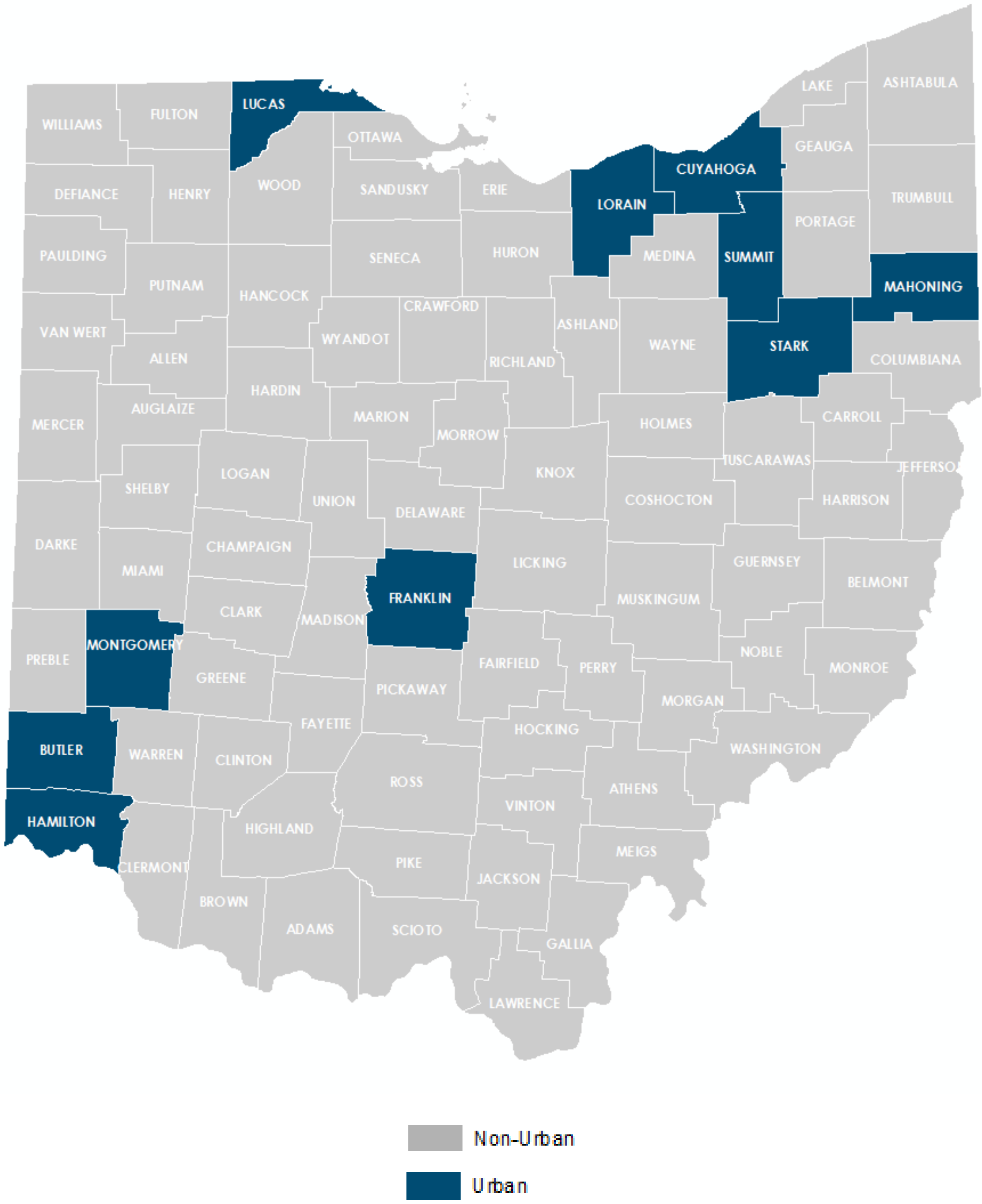
Approximate Funding Target: $4,000,000
Maximum per application: $1,000,000
Proposals for developments that will serve a key role in a comprehensive or large-scale community development effort may seek consideration in the local initiatives pool. To be eligible for competition in the local initiatives pool, the prospective development must be recognized as contributing to a community, economic development or neighborhood plan formally approved by the applicable unit of government. Applicants must further demonstrate support from a municipal, county or regional

government in the form of past investments and new commitments of resources. Additionally, the proposed development cannot be the first component in the comprehensive effort and must also provide for a mix of land uses and housing types, including market rate housing.

E. Strategic Initiatives

Proposals that address priority housing needs evidenced in the Ohio Housing Needs Assessment may be considered for an award of housing tax credits in the strategic initiatives pool. Applications evidencing local support, meeting a quantifiable need, and targeting areas left underserved through the competitive selection process will be given priority selection consideration. Credits remaining in all other pools will be distributed to the strategic initiatives pool and allocated to eligible developments.

F. Geographic Definitions



COMPETITIVE CRITERIA

The point values for scoring criteria are unique to each allocation pool to account for policy considerations. Please refer to the competitive scoring chart or scoring workbook for point values by allocation pool.

Because of the highly competitive nature of the 9% Housing Tax Credit program, an application must achieve at least 70 points to be considered for an award of housing tax credits.

A. Open Criteria

Applicants may seek consideration for the following criteria in multiple pool designations.

1. Innovation

Applicants to any pool may seek five (5) points for innovation. Applicants must submit notice in the form of a letter of intent by the deadline indicated in the program calendar. OHFA will consider pre-applications for innovation and schedule a conceptual meeting with select applicants based on the qualities of the proposed development. The purpose of this meeting is to facilitate an opportunity for the applicant to provide an overview of the overall development plan and the innovative concept, including the process for designing the goals and strategies for implementation, and the involvement of any partners outside of the development team.

As part of its review of innovative concepts, features, or ideas specified in the pre-application OHFA will give consideration to the following:

- Resident and/or community impact, including economic and social outcomes
- Reasonableness of all assumptions incorporated into the proposal (ability to secure funding commitments, current zoning status and/or site control, and operating costs)
- Potential for replication
- Effect on total development costs

Points will be awarded to a maximum of five (5) developments at the discretion of the Agency. Applicants earning points for innovation and awarded an allocation of housing tax credits must implement the feature or element proposed at the time of application. Requests for changes following the determination of eligibility for points will not be considered. Proposals will be further subject to the threshold and competitive selection requirements for the pool in which the application will be evaluated.

2. Development Priority

Applicants to any pool may receive five (5) points for local development priority. An executed letter of priority at application signed by the appropriate chief administrative officer must be submitted at the time of proposal.

The cities of Cincinnati, Cleveland, and Columbus may select up to three (3) priority designations. Akron, Dayton, and Toledo may select two (2) designations. All other local municipalities may select up to one (1) priority designation.

3. Retroactive Performance Benchmarking

Applicants may receive five (5) points for sharing energy and water consumption data collected through the Energy Star Portfolio Manager for previous projects awarded OHFA funding in the past five years preceding the application deadline for the 2016 competitive funding round. OHFA must be authorized to have access to this data and the applicant must agree to keep the data updated throughout the compliance period.

B. New Unit Production

Applicants proposing construction of new affordable units for family and senior households may compete for an allocation of housing tax credits in one of three sub-pools for new unit production: (1) family housing, (2) senior housing and (3) non-urban housing.

Competitive Scoring Criteria	Total Available Points
1. Local Partnerships	15
2. State Development Priorities	15
3. Land Uses	20
4. Financial Characteristics	15
5. Income Targeting	10
6. Family, Senior or Non-Urban Housing Priorities	10
7. Innovation	5
8. Development Priority	5
9. Retroactive Performance Benchmarking	5
Total	**100**

1. Local Partnerships - Up to Fifteen (15) Points Available

OHFA will prioritize developments that secure and maintain a broad and inclusive coalition of local partners with ongoing capacity and a high-level of commitment to assist with the implementation of the project.

A. Local Service Provider

Ten (10) points will be awarded to proposals demonstrating a commitment by an experienced local or regional service provider(s) to deliver comprehensive services to residents of the proposed development. All service providers must have a history of serving the targeted area and/or population and be located on-site, contiguous or accessible to the development. Comprehensive shall mean three or more of the following eligible service programs:

Family Housing	Senior Housing	Non-Urban Housing
▪ Early childhood education ▪ Before and/or after school care, for the duration of the school year ▪ Educational assistance programs ▪ Financial literacy, credit counseling or other education ▪ Health promotion, nutrition or wellness ▪ Job training, search and/or placement assistance	▪ Assistance with daily living needs ▪ Financial literacy, credit counseling or other education ▪ Health promotion, nutrition or wellness ▪ Housekeeping for resident units ▪ Meals ▪ Monitored life safety systems	▪ Early childhood education ▪ Before and/or after school care, for the duration of the school year ▪ Educational assistance programs ▪ Financial literacy, credit counseling or other education ▪ Health promotion, nutrition or wellness ▪ Job training, search and/or placement assistance ▪ Meals ▪ Assistance with daily living needs ▪ Monitored life safety systems

Applicants must evidence this requirement in the threshold supportive service plan, detailing the specific services to be provided and identifying partnerships with qualified service agencies. Applicants must also submit a contractual agreement or Memorandum of Understanding outlining the specific services, methods of delivery, and terms of the partnership(s).

B. Local Partners

Five (5) points will be awarded to proposals including one of the following:

a. The development will include a local (office headquarters within 15 miles) non-profit community housing development organization or community development corporation that has placed in service at least one housing tax credit development in the last five years. The organization must have at least 51 percent general partnership interest in the ownership of the proposed development. The applicant must reflect the minimum ownership percentage in their application.
b. The development will include a Metropolitan Housing Authority (MHA) or Public Housing Authority (PHA) that has 51 percent general partnership interest in the ownership of the proposed development.
c. Prior to application, the development team has implemented a community outreach plan that allows for the participation of area residents and stakeholders in the conception of the proposal

and makes use of input and feedback to define project characteristics and features. Outreach plans will be evaluated on the comprehensiveness of the applicant's approach and whether it is appropriate for the project type and location. Applicants should submit a narrative summarizing key outreach activities and supporting documentation demonstrating the involvement of community members throughout the pre-development process.

d. The development will be located in a community with an identified need for affordable housing for family households. Applicants must provide a letter of support from the applicable unit of government and a needs assessment or plan updated or approved within the past three years. The plan must delineate the target area or site and be submitted at the time of application.
e. The development will be owned and sponsored by an organization that has certified as a state designated Community Housing Development Organization (CHDO).

2. State Development Priorities - Up to Fifteen (15) Points Available

OHFA will prioritize developments that expand affordable housing opportunities in active housing markets and encourage redevelopment in areas with a need of investment.

OHFA will award five (5) points to proposals the demonstrate one of the following state development priorities, up to a total of fifteen (15) points:

a. Developments involving the adaptive re-use of previously non-residential buildings or redevelopment of multifamily housing in which 100 percent of the units are in vacant and/or foreclosed building(s).
b. Developments located in a local reinvestment area and that will obtain the granting of tax abatement, energy retrofit funds, or tax increment financing from the local government. The applicant must submit a letter from the municipal planning or economic development department that confirms the eligibility of the development for the incentive. Applicants must reflect the operating support that will result in the permanent financing structure or pro forma at the time of application.
c. Developments located in or contributing to a historic district. Evidence must be submitted in the form of a plan promoting new development and/or conservation of structures with historic or architectural value within the target area.
d. Developments located in a county showing job growth among low and moderate wage earners. A list of eligible counties will be made available on the OHFA website.
e. Developments that will be a subsequent phase of a successful housing tax credit development. The existing phase(s) must be contiguous to the proposed development and have maintained an average occupancy of at least 96 percent over the past two years.
f. Developments located in a county with no less than two percent of households experiencing one or more housing problems, as defined by reference to Comprehensive Housing Affordability Strategy (CHAS) data. Households with housing problems include those that (i) occupy substandard units, (ii) are overcrowded, and/or (iii) have a cost burden of greater than 30 percent of annual median income for gross housing costs.
g. Developments located in a census tract where the median family income from the 2008-2012 ACS is 60 percent or more of the county's current median family income.
h. Developments located within a ½ mile of significant economic development of at least $10,000,000 that will be completed in the next five years. Investments may include retail, new

infrastructure, or other real estate development. Maintenance and related activities, such as resurfacing of roads, will not qualify under this criterion.

i. Developments that result in the creation of new affordable housing units by combining new construction with portability of existing federal subsidies for at least 50 percent of the affordable units.

3. Land Uses – Up to Twenty (20) Points Available

OHFA will prioritize developments sited in proximity to community improvements and amenities that expand quality of life.

A. Positive Land Uses

Up to ten (10) points will be awarded to proposals located in proximity to positive land uses and amenities.

Points will be awarded based on the proposed developments distance or proximity to positive land uses and amenities.

Eligible amenities are specified in the chart of approved primary and secondary amenities. Distances should be calculated as linear distances within Google Maps. OHFA may give consideration to developments that are within 500 feet of an amenity. Scattered site developments must reference the most central site.

Urban Counties	▪ Ten (10) points will be awarded to developments within a 0.25-mile linear distance of at least three amenities, including a minimum of two primary amenities, or a 0.5-mile linear distance of at least six amenities, including a minimum of three primary amenities. ▪ Nine (9) points will be awarded to developments within a 0.25-mile linear distance of at least two amenities, including one primary amenity or a 0.5-mile linear distance of at least four amenities, including a minimum of two primary amenities. ▪ Six (6) points will be awarded to developments within a 0.25-mile linear distance of at least one primary amenity or a 0.5-mile linear distance of at least three amenities, including a minimum of one primary amenity.
Non-Urban Counties	▪ Ten (10) points will be awarded to developments within a 0.5-mile linear distance of at least four amenities, including a minimum of two primary amenities or a 1-mile linear distance of at least seven amenities, including three primary amenities. ▪ Nine (9) points will be awarded to developments within a 0.5-mile linear distance of at least three amenities, including two primary amenities, or a 1-mile linear distance of at least six amenities, including two primary amenities. ▪ Six (6) points will be awarded to developments within a 0.5-mile linear distance of at least two amenities, including at least one primary amenity, or a 1-mile linear distance of at least five amenities, including a minimum of one primary amenity.

Eligible Positive Land Uses and Amenities:

	Retail	Services	Public Facilities
Primary	▪ Farmer's market or community garden ▪ Full service supermarket with fresh produce ▪ Pharmacy	▪ Child care ▪ Hospital, medical clinic ▪ Adult or senior care (licensed)	▪ Community recreation center or park owned and maintained by local government ▪ Educational facility or college ▪ Government office serving the public ▪ K-12 school ▪ Police or fire station ▪ Public library ▪ Social services center ▪ Senior center
Secondary	▪ Clothing or department store ▪ Restaurant, café or other service	▪ Laundromat or dry cleaner ▪ Bank	▪ Cultural arts facility ▪ Place of worship

B. Proximity to Detrimental Land Uses

OHFA will award ten (10) points to developments where there is no detrimental land use adjacent to the site of the proposed development. Detrimental land uses will be those deemed at OHFA's sole discretion and verified by completion of a site visit. Final determination will be based on nuisance or otherwise adverse conditions such as high levels of noise, noxious odors, or incompatible uses.

4. Financial Characteristics – Up to Fifteen (15) Points Available

OHFA will prioritize developments that demonstrate an efficient use of credits and that leverage other resources.

A. Credits per Unit

OHFA will award up to ten (10) points to proposed developments based on the Housing tax credits requested per unit. This will be calculated by dividing the total credit amount requested by the total number of units.

- Ten (10) points will be awarded to proposals with $19,000 credits per unit and below
- Nine (9) points will be awarded to proposals with $19,001-$20,000 credits per unit
- Eight (8) points will be awarded to proposals with $20,001 - $21,000 credits per unit
- Seven (7) points will be awarded to proposals with $21,001 credits per unit and above

B. Other Financial Resources

Proposals that leverage at least 10% of the total development cost by utilizing any of the below categories will be awarded five (5) points. Equity from the sale of housing tax credits, deferred developer fee, and other OHFA gap financing (excluding the Multifamily Lending Program) will not be considered as leverage. The leverage must be reflected in the permanent financing and pro forma at the time of application.

5. Income Targeting – Up to Ten (10) Points Available

OHFA will prioritize developments that target households with special needs including extremely low-income and persons with disabilities.

OHFA will award five (5) points to developments that meet one of the following:

a. A minimum of 20 percent of the units will be occupied by and affordable to households at or below 30 percent of Area Median Income (AMI) and the development is located in an urban area.
b. A minimum of 10 percent of the units will be occupied by and affordable to households at or below 30 percent of Area Median Income (AMI) and the development is located in a non-urban area.

OHFA will award an additional five (5) points to developments that agree to be considered for an award of Section 811 and have no other rental subsidy, or that will contain project based rental assistance from another State of Ohio Agency.

Family Housing

Developments competing for funding under the family housing sub-pool will be scored according to the following criteria. Points will be awarded at the sole discretion of the Agency. Single family lease purchase developments, which will compete in the single family infill development pool, are not eligible for competition in the family housing allocation pool.

6. Family Housing Priorities – Up to Ten (10) Points Available

Five (5) points will be awarded to proposals demonstrating one of the following family housing characteristics. Proposals that meet multiple criteria may earn up to ten (10) points:

a. Developments in which at least 25 percent of the total affordable units are three or more bedrooms.
b. Developments in which at least 25 percent of the units will be offered on a preferential basis to households with a person aged 55 and older, and with children. The development must offer supportive services appropriate for residents of all ages.
c. Developments located within the boundary lines of an elementary school, junior high or middle school, high school, K-12 charter school or alternative school accessible to the resident population and rated “B” or better by the Ohio Department of Education, defined by reference to the most current Performance Index Ratings and Value-Added Progress Rankings.

d. Developments sited in an area of moderate to high opportunity, defined by reference to the Opportunity Index to be made available on the OHFA website. Determination for points under this criterion will be determined through a pre-application.
e. Developments without project based rental assistance that will achieve at least a 15% average rent advantage. This must be evidenced in the market study submitted at application.

Family Housing Tie-Breakers:

1. Developments that receive points for innovation.
2. Developments that meet at least three categories under Family Priorities.
3. Developments with the greatest average rent advantage.
4. Developments with the highest number of affordable units.
5. Lowest amount of housing credits per affordable unit.

Senior Housing

Developments competing for funding under senior housing will be scored according to the following criteria. Points will be awarded at the sole discretion of the Agency.

7. Senior Housing Priorities – Up to Ten (10) Points Available

Five (5) points will be awarded to proposals demonstrating one of the following senior housing characteristics. Proposals that meet multiple criteria may earn up to ten (10) points:

a. Developments that will be the subsequent phase of an aging community for independent older adults.
b. Developments in which at least five (5) percent but not greater than 25 percent of the total units in the proposed development will include two or more bedrooms and be offered on a preferential basis to households with need for a live-in caregiver.
c. Developments offering several continuing care models on-site or in a campus setting, enabling residents to transition from independent to assisted living units as their needs change. Services must include enhanced health care options, including provision of at least one Medicaid-funded service and assist in delaying transfer to higher levels of care.
d. Developments located in a county with a median age exceeding the statewide average. A list of eligible counties will be made available on the OHFA website.
e. Developments located in a local municipality without affordable housing for senior households. This must be evidenced in the market study submitted at application.
f. Developments without project based rental assistance that will achieve at least a 15% average rent advantage. This must be evidenced in the market study submitted at application.

Senior Housing Tie-Breakers:

1. Developments that receive points for innovation.
2. Developments that meet at least three categories under Senior Priorities.
3. Developments with the greatest average rent advantage.
4. Developments with the highest number of affordable units.
5. Lowest amount of housing credits per affordable unit.

Non-Urban Housing

Developments competing for funding under non-urban housing will be scored according to the following criteria. Points will be awarded at the sole discretion of the Agency.

8. Non-Urban Housing Priorities – Up to Ten (10) Points Available

Five (5) points will be awarded to proposals demonstrating one of the following characteristics. Proposals that meet multiple criteria may earn up to ten (10) points:

a. Developments located in one of the 32 Appalachian counties as designated in the Appalachian Regional Development Act of 1965. The development must also be located in a low-population county, as defined in the allocation plan.
b. Developments located in the following counties which have been most impacted by shale drilling activity: Belmont, Carroll, Columbiana, Guernsey, Harrison, Jefferson, Monroe and Noble.
c. Developments located in an underserved county. A list of eligible counties will be made available on the OHFA website.
d. Developments which will account for at least 40 percent of affordable housing in the primary market area upon completion, as indicated in the market study.
e. Developments contributing to a main street district and involving the adaptive reuse of previously non-residential buildings. Applicants must also earn points for criteria 'a' under state development priorities.
f. Developments that will result in the extension of transit coverage or on-call services to areas not served by transit options.
g. Developments without project based rental assistance that will achieve at least a 15% average rent advantage. This must be evidenced in the market study submitted at application.
h. Developments located in a local municipality without affordable housing. This must be evidenced in the market study submitted at application.

Non-Urban Housing Tie-Breakers:

1. Developments that receive points for innovation.
2. Developments that meet the greatest number of non-urban housing priorities.
3. Developments with the greatest average rent advantage.
4. Developments with the highest number of affordable units.
5. Developments located in a non-urban county that has received the lowest number of competitive housing credits over the past five allocation years (non-urban housing only).
6. Lowest amount of housing credits per affordable unit.

C. Preservation of Affordable Housing

Applicants preserving existing affordable housing may seek consideration in one of three sub-pools for preservation of existing affordable housing: (1) HUD Rental Subsidy Preservation, (2) Rural Asset Preservation, and (3) Other Preservation. The following points apply to all preservation sub-pools.

Competitive Scoring Criteria	Total Available Points
1. Local Partnership	10
2. State Preservation Priorities	20
3. Financial Characteristics	20
4. Income Targeting	10
5. HUD, Rural and Other Preservation Priorities	25
6. Innovation	5
7. Development Priority	5
8. Retroactive Performance Benchmarking	5
Total	**100**

1. Local Partnerships - Up to Fifteen (15) Points Available

OHFA will prioritize developments that secure and maintain a broad and inclusive coalition of local partners with ongoing capacity and a high-level of commitment to assist with the implementation of the project.

A. Local Service Provider

Ten (10) points will be awarded to proposals demonstrating a commitment by an experienced local or regional service provider(s) to deliver comprehensive services to residents of the proposed development. All service providers must have a history of serving the targeted area and/or population and be located on-site, contiguous or accessible to the development. Comprehensive shall mean three or more of the following eligible service programs based on sub-pool in which the development is competing:

- Assistance with daily living needs
- Financial literacy, credit counseling or other education
- Health promotion, nutrition or wellness
- Housekeeping for resident units
- Job training, search and/or placement assistance
- Meals
- Monitored life safety systems
- Transportation
- Early childhood education
- Before and/or after school care, for the duration of the school year
- Educational assistance programs

Applicants must evidence this requirement in the threshold supportive service plan, detailing the specific services to be provided and identifying partnerships with qualified service agencies. Applicants must also submit a contractual agreement or Memorandum of Understanding outlining the specific services, methods of delivery, and terms of the partnership(s).

B. Local Partners

Five (5) points will be awarded to proposals including one of the following:

a. The development will include a local (office headquarters within 25 miles) non-profit community housing development organization or community development corporation that has placed in service at least one housing tax credit development in the last five years. The organization must have at least 51 percent general partnership interest in the ownership of the proposed development. The applicant must reflect the minimum ownership percentage in their application.
b. The development will include a Metropolitan Housing Authority (MHA) or Public Housing Authority (PHA) that has 51 percent general partnership interest in the ownership of the proposed development.
c. The development will be located in a community with an identified need for the preservation of existing housing. Applicants must provide evidence in the form of a community sponsored plan or needs assessment plan updated or approved within the past three years. The plan must delineate the target area or site and be submitted at the time of application.
d. The development will be owned and sponsored by a community-based housing development organization that has certified as a Community Housing Development Organization (CHDO) by the State of Ohio.

2. State Preservation Priorities – Up to Fifteen (20) Points Available

OHFA will prioritize developments that preserve existing units of affordable housing at risk of no longer being affordable.

Five (5) points will be awarded to developments that meet one of the following characteristics. Proposals that meet multiple criteria may earn up to fifteen (15) points.

a. The development will be completed in two phases, one of which will be a 4 percent housing tax credit development, and will meet and certify through the Enterprise Green Communities or National Green Building standards. The development may include only one building or multiple buildings located on continuous parcels. Applicants must certify at the time of application that they will achieve green certification without request for waivers from any mandatory criteria or specifications. Commitment to completing a 4 percent phase must be evidenced by submission of a proposal for the 4 percent housing tax credit phase with the competitive application.
b. Developments in which a financially troubled asset will be acquired by an applicant who will serve as the owner/manager for the entire period of compliance. The applicant must submit documentation describing the troubled asset and those steps which will be taken to put the asset back into productive use. Additionally, the applicant must demonstrate at least a 6 year history of good ownership/management of housing tax credit developments in Ohio.
c. Developments that have been maintained through good management but contain major components that are past their effective useful life. Major components shall refer to the following: structural integrity, building envelope, roof and site drainage, plumbing and sanitation systems, mechanical systems, electrical systems, elevators, and parking. The applicant must submit a narrative describing the management history, the components that need replacing, and a history of the use of the project’s replacement reserves. OHFA will

determine this score in part by a site visit to verify the overall condition of all buildings in the proposed development as well as the critical needs identified and supported in the Capital Needs Assessment. The proposed development cannot have undergone substantial rehabilitation in the last 20 years.

d. Developments that have been acquired by the applicant for the purpose of rehabilitation and for which the as-is condition does not meet Uniform Physical Condition Standards (UPCS) and/or the most current REAC score endangers sustained operations under a federal assistance program. Dwelling unit and common area inspection findings must include three or more life threatening health and safety deficiencies. The applicant must submit a Compliance Disposition Enforcement (CDE) or other corrective plan approved by the authorizing agency demonstrating an effort to bring the project in compliance and evidence that the physical needs of all buildings exceed available reserves. The applicant must also submit a narrative describing the management history, efforts to obtain funding, and use of the project's replacement reserves. OHFA will determine eligibility for points under this criterion in part by a site visit to verify the overall condition of all buildings in the proposed development as well as the critical needs identified and supported in the Capital Needs Assessment.

e. The development is located in a county in which the average market rent for comparable multifamily rental housing is at least 25 percent higher than the average maximum rent for housing tax credit units occupied by households with incomes at or below 60 percent of area median income. The applicant should include a letter from the market analyst supporting this conclusion.

f. The development accounts for at least 30 percent of affordable housing in the primary market area, as indicated in the market study (see threshold requirements). Applicants must include a letter from the market analyst indicating the percentage and referencing the page(s) in the study that support this conclusion.

g. The development is located in a county experiencing job growth among low and moderate wage earners. A list of eligible counties will be made available on the OHFA website.

h. The development is able to command market rents evidenced by comparison to comparable local market rate units and amenities and physical vacancy of 3 percent or less. The applicant should include a letter from the market analyst supporting these conclusions.

i. The development is located in a census tract where the median family income from the 2008-2012 ACS is 60 percent or more of the county's current median family income.

3. Financial Characteristics – Up to Twenty (20) Points Available

OHFA will prioritize developments that demonstrate an efficient use of credits and that leverage other resources.

A. Credits per unit

OHFA will award up to ten (10) points to proposed developments based on the Housing tax credits requested per unit. This will be calculated by dividing the total credit amount requested by the total number of units.

- Ten (10) points will be awarded to proposals with $11,000 credits per unit and below
- Nine (9) points will be awarded to proposals with $11,001-$12,000 credits per unit
- Eight (8) points will be awarded to proposals with $12,001 - $13,000 credits per unit

- Seven (7) points will be awarded to proposals with $13,001 credits per unit and above

B. Other Financial Resources

Proposals that leverage at least 10% of the total development cost by utilizing any of the below categories will be awarded ten (10) points. Equity from the sale of housing tax credits, deferred developer fee, existing acquired debt, and other OHFA resources (excluding the Multifamily Lending Program) will not be considered as leverage.

4. Income Targeting – Up to Ten (10) Points Available

OHFA will prioritize developments that target households with special needs including extremely low-income and persons with disabilities.

OHFA will award up to ten (10) points for those developments that meet the following:

a. A minimum of 30 percent of the units will be occupied by and affordable to households at or below 30 percent of area median income and the development is located in a participating jurisdiction.
b. A minimum of 20 percent of the units will be occupied by and affordable to households at or below 30 percent of area median income and the development is located in a non-participating jurisdiction.

HUD Rental Subsidy Preservation

Developments competing for funding in the HUD Rental Subsidy Preservation sub-pool will be scored according to the following criteria. Points will be awarded at the sole discretion of the Agency.

5. Rental Subsidy – Up to Fifteen (15) Points Available

OHFA will award up to fifteen (15) points to developments that preserve a rental subsidy administered by HUD. Points will be awarded based on the following:

a. Fifteen (15) points will be awarded to developments in which 85-100 percent of the affordable units have project based rental subsidy, will be offered on a preferential basis to voucher holders, or preserve at least 50 subsidized units will also be eligible for points under this criterion.
b. Thirteen (13) points will be awarded to developments in which 70-84 percent of the affordable units have project based rental subsidy, will be offered on a preferential basis to voucher holders, or preserve at least 40 subsidized units will also be eligible for points under this criterion.
c. Ten (10) points will be awarded to developments in which at least 50 but no less than 69 percent of the affordable units have project based rental subsidy, will be offered on a preferential basis to voucher holders, or preserve at least 30 subsidized units will also be eligible for points under this criterion.

7. Maturation Risk – Up to Ten (10) Points Available

Ten (10) points will be awarded to developments at risk of loan or mortgage maturation that will result in expiration of use restrictions and loss of rental subsidy within five years. Evidence must be provided at the time of application in the form of an expiring contract including eligibility dates and/or loan documents that describe the ability to pre-pay the financing and any required approvals and penalties. OHFA may seek additional guidance from HUD to determine maturation risk.

HUD Rental Subsidy Tie-Breakers:

1. Developments that receive points for innovation.
2. Developments with a HUD mortgage that will mature or be eligible for prepayment in the next year.
3. Developments with the greatest number of rent subsidized units.
4. Lowest amount of housing credits per affordable unit.

Rural Asset Preservation

Developments competing for funding in the Rural Asset Preservation sub-pool will be scored according to the following criteria. Points will be awarded at the sole discretion of the Agency.

8. Rental Subsidy – Up to Fifteen (15) Points Available

OHFA will award up to ten (10) points to developments that preserve a rental subsidy administered by HUD. Points will be awarded based on the following:

a. Fifteen (15) points will be awarded to developments in which 80 percent of the affordable units have project based rental subsidy or will be offered on a preferential basis to voucher holders.
b. Thirteen (13) points will be awarded to developments in which 60 percent of the affordable units have project based rental subsidy or will be offered on a preferential basis to voucher holders.
c. Ten (10) points will be awarded to developments in which at least 40 but no less than 25 percent of the affordable units have project based rental subsidy or will be offered on a preferential basis to voucher holders.

9. Maturation Risk

Five (5) points will be awarded to developments at risk of 515 loan maturation and a transition event that will result in expiration of use restrictions and loss of rental subsidy within five years. Evidence must be provided at the time of application in the form of an expiring contract including eligibility dates and/or loan documents that describe the ability to pre-pay the financing including any required approvals and penalties.

10. USDA Priority

Five (5) points will be awarded to those developments which the Ohio USDA Rural Development office designates as a priority for preservation. The Ohio USDA Rural Development office may designate two projects for priority points. Applicants must include an executed priority letter at the time of application for points under this criterion.

Rural Asset Preservation Tie-Breakers:

1. Developments that receive USDA priority points.
2. Developments with the largest number of units with USDA Rural Development subsidy.
3. Lowest amount of housing credits per affordable unit.

Other Preservation

Developments competing for funding in the Other Preservation sub-pool will be scored according to the following criteria. Points will be awarded at the sole discretion of the Agency.

11. Rental Subsidy

OHFA will award up to twenty-five (25) points to developments that preserve rental and operating subsidies provided by a federal, state or local entity. Points will be awarded based on the following:

a. Twenty-five (25) points will be awarded to developments in which 85-100 percent of the affordable units have project based rental subsidy, will be offered on a preferential basis to voucher holders, or preserve at least 50 subsidized units.
b. Twenty-four (24) points will be awarded to developments in which 70-84 percent of the affordable units have project based rental subsidy, will be offered on a preferential basis to voucher holders, or preserve at least 40 subsidized units.
c. Twenty (20) points will be awarded to developments in which at least 50 but no less than 69 percent of the affordable units have project based rental subsidy, will be offered on a preferential basis to voucher holders, or preserve at least 30 subsidized units.
d. Twenty-five (25) points will be awarded to existing housing tax credit properties past their initial 15 year compliance period and that have at least a 20% average rent advantage. The rent advantage should be included in the submitted market study.

Other Preservation Tie-Breakers:

1. Developments that receive points for innovation.
2. Developments with the greatest number of affordable units with rental subsidies.
3. Lowest amount of housing credits per affordable unit.

D. Permanent Supportive Housing

Proposal applications serving populations defined in the Interagency Council on Homelessness and Affordable Housing Permanent Supportive Housing Policy Framework may seek consideration in the Permanent Supportive Housing (PSH) pool. A minimum of 50 percent of all units must have a commitment for rental subsidy that covers the difference between 30 percent of the resident's income and the fair market rent for the unit.

Developments competing for funding in the PSH pool will be scored according to the following criteria. Points will be awarded at the sole discretion of the Agency.

Competitive Scoring Criteria	Total Available Points

1. Local Partnership	25
2. Continuum of Care Priority	25
3. Land Use	20
4. Financial Characteristics	20
5. Innovation	5
6. Retroactive Performance Benchmarking	5
Total	**100**

1. *Local Partnerships - Up to Twenty (25) Points Available*

OHFA will prioritize developments that secure and maintain a broad and inclusive coalition of local partners with ongoing capacity and a high-level of commitment to assist with the implementation of the project.

A. Local Service Provider

Ten (10) points will be awarded to proposals demonstrating a commitment by an experienced local or regional service provider(s) to deliver comprehensive services to residents of the proposed development. All service providers must have a history of serving the targeted area and/or population and be located on-site, contiguous or accessible to the development. Comprehensive shall mean three or more of the following eligible service programs:

- Assistance with daily living needs
- Before and/or after school care, for the duration of the school year
- Community mental health or counseling services
- Early childhood education
- Educational assistance programs
- Financial literacy, credit counseling or other education
- Health care coordination
- Health promotion, nutrition or wellness
- Housekeeping for resident units
- Job training, search and/or placement assistance, including employment services
- Life skills training
- Meals
- Monitored life safety systems
- Transportation

Applicants must evidence this requirement in the threshold supportive service plan, detailing the specific services to be provided and identifying partnerships with qualified service agencies. Applicants must also submit a contractual agreement or Memorandum of Understanding outlining the specific services, methods of delivery, and terms of the partnership(s).

B. Local Partners

Fifteen (15) points will be awarded to proposals including two of the following:

a. The development will include a local (office headquarters within 25 miles) non-profit community housing development organization or community development corporation that has placed in service at least one PSH development in the last five years. The organization must have at least 51 percent general partnership interest in the ownership of the proposed development. The applicant must reflect the minimum ownership percentage in the application.
b. Prior to application, the development team has established a Memorandum of Understanding with the applicable CoC to admit referrals from a coordinated entry system and will target adults and families experiencing chronic homelessness. Applicants must submit a contractual agreement or Memorandum of Understanding outlining the specific services, methods of delivery, and terms of the partnership(s).
c. Prior to application, the development team has implemented a community outreach plan that allows for the participation of area residents and stakeholders in the conception of the proposal and makes use of input and feedback to define project characteristics and features. Outreach plans will be evaluated on the comprehensiveness of the applicant's approach and whether it is appropriate for the project type and location. Applicants should submit a narrative summarizing key outreach activities and supporting documentation demonstrating the involvement of community members throughout the pre-development process.
d. The development will be located in a community with an identified need permanent supportive housing. Applicants must provide evidence in the form of a community sponsored plan or needs assessment plan updated or approved within the past three years. The plan must delineate the target area or site and be submitted at the time of application.

2. Continuum of Care Priority - Up to Twenty-Five (25) Points Available

OHFA will award twenty-five (25) points to proposals identified as the highest priority of the applicable Continuum of Care (COC). The Ohio Balance of State CoC, representing 80 rural counties in Ohio, is the applicable CoC for the balance of state.

3. Land Uses – Up to Twenty (20) Points Available

OHFA will prioritize developments sited in proximity to community improvements and amenities that expand quality of life.

A. Positive Land Uses

Up to ten (10) points will be awarded to proposals located in proximity to positive land uses and amenities.

Points will be awarded based on the proposed developments distance or proximity to positive land uses and amenities.

Eligible amenities are specified in the chart of approved primary and secondary amenities. Distances should be calculated as linear distances within Google Maps. OHFA may give consideration to developments that are within 500 feet of an amenity. Scattered site developments must reference the most central site.

Urban Counties	▪ Ten (10) points will be awarded to developments within a 0.25-mile linear distance of at least three amenities, including a minimum of two primary amenities, or a 0.5-mile linear distance of at least six amenities, including a minimum of three primary amenities. ▪ Nine (9) points will be awarded to developments within a 0.25-mile linear distance of at least two amenities, including one primary amenity or a 0.5-mile linear distance of at least four amenities, including a minimum of two primary amenities. ▪ Six (6) points will be awarded to developments within a 0.25-mile linear distance of at least one primary amenity or a 0.5-mile linear distance of at least three amenities, including a minimum of one primary amenity.
Non-Urban Counties	▪ Ten (10) points will be awarded to developments within a 0.5-mile linear distance of at least four amenities, including a minimum of two primary amenities or a 1-mile linear distance of at least seven amenities, including three primary amenities. ▪ Nine (9) points will be awarded to developments within a 0.5-mile linear distance of at least three amenities, including two primary amenities, or a 1-mile linear distance of at least six amenities, including two primary amenities. ▪ Six (6) points will be awarded to developments within a 0.5-mile linear distance of at least two amenities, including at least one primary amenity, or a 1-mile linear distance of at least five amenities, including a minimum of one primary amenity.

Eligible Positive Land Uses and Amenities:

	Retail	Services	Public Facilities
Primary	▪ Farmer's market or community garden ▪ Full service supermarket with fresh produce ▪ Pharmacy	▪ Hospital ▪ Medical clinic	▪ Community recreation center or park owned and maintained by local government ▪ Educational facility or college ▪ Government office serving the public ▪ Police or fire station ▪ Public library ▪ Social services center ▪ Transit stop offering regular service
Secondary	▪ Clothing or department store ▪ Restaurant, café or other service	▪ Bank ▪ Laundromat or dry cleaner	▪ Cultural arts facility ▪ Place of worship

B. Proximity to Detrimental Land Uses

OHFA will award ten (10) points to developments where there is no detrimental land use adjacent to the site of the proposed development. Detrimental land uses will be those deemed at OHFA's sole discretion and verified by completion of a site visit. Final determination will be based on nuisance or otherwise adverse conditions such as high levels of noise, noxious odors, or incompatible uses.

4. Financial Characteristics -- Up to Twenty (20) Points Available

OHFA will prioritize developments that demonstrate an efficient use of credits and that leverage other resources.

A. Credits per unit

OHFA will award up to ten (10) points to proposed developments based on the housing tax credits requested per unit. This will be calculated by dividing the total credit amount requested by the total number of units.

- Ten (10) points will be awarded to proposals with $15,000 credits per unit and below
- Nine (9) points will be awarded to proposals with $15,001-$16,000 credits per unit
- Eight (8) points will be awarded to proposals with $16,001 - $17,000 credits per unit
- Seven (7) points will be awarded to proposals with $17,001 credits per unit and above

B. Other Financial Resources

OHFA will award points to those developments that leverage additional resources. Equity from the sale of housing credits, deferred developer fee, and other OHFA resources (excluding the Multifamily Lending Program) will not be considered as leverage. Proposals that meet multiple criteria may earn up to ten (10) points.

Permanent Supportive Housing Tie-Breakers:

1. Developments located in an urban county that did not receive a PSH award in the prior year.
2. Developments that serve at least 50 percent chronically homeless.
3. Lowest amount of housing credits per affordable unit.

E. Neighborhood and Community Revitalization

Applicants proposing new production or preservation of existing affordable housing as a part of a comprehensive neighborhood, community or economic development plan or strategy may seek consideration in one of two allocation pools: (1) Single-Family Infill Development and (2) Local Initiatives.

Competitive Scoring Criteria	**Total Available Points**
1. Local Partnerships	20
2. Land Uses	20
3. Financial Characteristics	15
4. Infill Development/Local Initiative Priorities	30
5. Innovation	5
6. Development Priority	5
7. Retroactive Performance Benchmarking	5
Total	**100**

1. Local Partnerships - Up to Twenty (20) Points Available

OHFA will prioritize developments that secure and maintain a broad and inclusive coalition of local partners with ongoing capacity and a high-level of commitment to assist with the implementation of the project.

A. Local Service Provider

Single-Family Infill Development

Five (5) points will be awarded to proposals demonstrating a commitment by an experienced local or regional service provider(s) to deliver comprehensive services to residents of the proposed development.

Comprehensive shall mean financial literacy and credit counseling and in-person homebuyer counseling and education, including maintenance and home repair. All service providers must have a history of serving the targeted area and/or population and be located on-site, contiguous or accessible to the development.

Applicants may earn up to five (5) additional points for providing two or more added services.

- Before and/or after school care, for the duration of the school year
- Early childhood education or daycare
- Educational assistance programs
- Health promotion, nutrition or wellness
- Job training, search and/or placement assistance

Local Initiatives
Ten (10) points will be awarded to proposals demonstrating a commitment by an experienced local or regional service provider(s) to deliver comprehensive services to residents of the proposed development. All service providers must have a history of serving the targeted area and/or population and be located on-site, contiguous or accessible to the development. Comprehensive shall mean three or more of the following eligible service programs based on sub-pool in which the development is competing:

- Assistance with daily living needs
- Before and/or after school care, for the duration of the school year
- Early childhood education
- Educational assistance programs
- Financial literacy, credit counseling or other education
- Health promotion, nutrition or wellness
- Housekeeping for resident units
- Job training, search and/or placement assistance
- Meals
- Monitored life safety systems
- Transportation

Applicants must evidence these requirements in the threshold supportive service plan, detailing the specific services to be provided and identifying partnerships with qualified service agencies. Applicants must also submit a contractual agreement or Memorandum of Understanding outlining the specific services, method of delivery, and terms of the partnership(s).

B. Local Partners

Five (5) points will be awarded to developments including one of the following. Up to ten (10) points will be awarded to proposals meeting at least two criteria:

a. The development will include a local (office headquarters within 15 miles) non-profit community housing development organization or community development corporation that has placed in service at least one housing tax credit development in the last five years. The organization must have at least 51 percent general partnership interest in the ownership of the proposed development. The applicant must reflect the minimum ownership percentage in their application.

b. Prior to application, the development team has implemented a community outreach plan that allows for the participation of area residents and stakeholders in the conception of the proposal and makes use of input and feedback to define project characteristics and features. Outreach plans will be evaluated on the comprehensiveness of the applicant's approach and whether it is appropriate for the project type and location. Applicants should submit a narrative summarizing key outreach activities and supporting documentation demonstrating the involvement of community members throughout the pre-development process.
c. The development will be owned and sponsored by an organization that has certified as a state designated Community Housing Development Organization (CHDO) and will not earn points for criteria a.
d. The development has received a letter of support from a city or county land bank. The letter of support should outline any partnerships between the land bank and the proposed development, and include reference to any resources provided to the development by the land bank.

2. Land Uses – Up to Twenty (20) Points Available

OHFA will prioritize developments sited in proximity to community improvements and amenities that expand quality of life.

A. Positive Land Uses

Up to ten (10) points will be awarded to proposals located in proximity to positive land uses and amenities.

Points will be awarded based on the proposed developments distance or proximity to positive land uses and amenities.

Eligible amenities are specified in the chart of approved primary and secondary amenities. Distances should be calculated as linear distances within Google Maps. OHFA may give consideration to developments that are within 500 feet of an amenity. Scattered site developments must reference the most central site.

Urban Counties	▪ Ten (10) points will be awarded to developments within a 0.25-mile linear distance of at least three amenities, including a minimum of two primary amenities, or a 0.5-mile linear distance of at least six amenities, including a minimum of three primary amenities. ▪ Nine (9) points will be awarded to developments within a 0.25-mile linear distance of at least two amenities, including one primary amenity or a 0.5-mile linear distance of at least four amenities, including a minimum of two primary amenities. ▪ Six (6) points will be awarded to developments within a 0.25-mile linear distance of at least one primary amenity or a 0.5-mile linear distance of at least three amenities, including a minimum of one primary amenity.

Non-Urban Counties	
Non-Urban Counties	▪ Ten (10) points will be awarded to developments within a 0.5-mile linear distance of at least four amenities, including a minimum of two primary amenities or a 1-mile linear distance of at least seven amenities, including three primary amenities. ▪ Nine (9) points will be awarded to developments within a 0.5-mile linear distance of at least three amenities, including two primary amenities, or a 1-mile linear distance of at least six amenities, including two primary amenities. ▪ Six (6) points will be awarded to developments within a 0.5-mile linear distance of at least two amenities, including at least one primary amenity, or a 1-mile linear distance of at least five amenities, including a minimum of one primary amenity.

Eligible Positive Land Uses and Amenities:

	Retail	Services	Public Facilities
Primary	▪ Farmer's market or community garden ▪ Full service supermarket with fresh produce ▪ Pharmacy	▪ Adult or senior care (licensed) ▪ Child care ▪ Hospital, medical clinic	▪ Community recreation center or park owned and maintained by local government ▪ Educational facility or college ▪ Government office serving the public ▪ K-12 school ▪ Police or fire station ▪ Public library ▪ Social services center
Secondary	▪ Clothing or department store ▪ Restaurant, café or other service	▪ Bank ▪ Laundromat or dry cleaner	▪ Cultural arts facility ▪ Place of worship ▪ Senior center

B. Proximity to Detrimental Land Uses

OHFA will award ten (10) points to developments where there is no detrimental land use adjacent to the site of the proposed development. Detrimental land uses will be those deemed at OHFA's sole discretion and verified by completion of a site visit. Final determination will be based on nuisance or otherwise adverse conditions such as high levels of noise, noxious odors, or incompatible uses.

3. Financial Characteristics - Up to Fifteen (15) Points Available

OHFA will prioritize developments that demonstrate an efficient use of credits and that leverage other resources.

A. Credits per unit

OHFA will award up to ten (10) points to proposed developments based on the housing tax credits requested per unit. This will be calculated by dividing the total credit amount requested by the total number of units.

- Ten (10) points will be awarded to proposals with $19,000 credits per unit and below
- Nine (9) points will be awarded to proposals with $19,001-$20,000 credits per unit
- Eight (8) points will be awarded to proposals with $20,001 - $21,000 credits per unit
- Seven (7) points will be awarded to proposals with $21,001 credits per unit and above

B. Other Financial Resources

Proposals that leverage at least 10% of the total development cost by utilizing any of the below categories will be awarded five (5) points. Equity from the sale of housing credits, deferred developer fee, and other OHFA resources (excluding the Multifamily Lending Program) will not be considered as leverage.

Single Family Infill Development

Proposals involving new construction of detached single-family homes intended for eventual resident ownership will be considered in the single family infill development allocation pool. This pool is designed to stabilize and improve neighborhoods through targeted homeownership investments with developments serving as a catalyst for market recovery.

Developments must be located within the boundaries of a clearly defined area targeted for revitalization and within a quarter mile radius. Applicants must provide evidence in the form of a community sponsored plan updated or approved within the past three years. A letter from the municipal planning department detailing the specific development, how it will further revitalization, and other current and future investments in the area should also accompany the application. A map depicting all sites represented and considered for the development must also be submitted at application.

A detailed description of the homeownership strategy including the following should be submitted at proposal:

a. An ownership exit strategy that incorporates a valuation estimate or calculation of purchase price at the time of sale;
b. a supportive service plan detailing the nature and frequency of services to be provided, including homeownership counseling, education and training;
c. a minimum amount of funds to be set-aside by the owner to assist the resident in the purchase; and
d. how eligible tenants will be identified and offered a right of first refusal.

In addition to the aforementioned requirements, applicants must demonstrate that the design and configuration of all units will meet building and zoning code requirements. Developments that will not include contiguous parcels must address the treatment of any blighted parcel that will be adjacent to a site considered or included in the application.

Developments competing for funding will be scored according to the following criteria. Points will be awarded at the sole discretion of the Agency.

4. Infill Development Priorities – Up To Thirty (30) Points Available

OHFA will prioritize developments that expand affordable housing opportunities in active housing markets and encourage redevelopment in areas with a need of investment.

A. Infill Development Characteristics

Five (5) points will be awarded to proposals demonstrating one of the following characteristics. Proposals that meet multiple criteria may earn up to ten (10) points:

a. Developments located within ½ mile of significant economic investment of no less than $5,000,000 that will be completed between 2012 and 2017.
b. Developments that include land left underutilized in the development of an unsubsidized market rate project or that are located within ½ mile of market rate development including an equal or greater number of newly constructed and/or renovated single family homes completed within the past five years.
c. Developments in which at least 25 percent of the sites will include vacant sites that were acquired through a county land bank utilizing OHFA's Neighborhood Initiative Program (NIP).
d. Development in which a member of the development team has invested at least $2,000,000 in community services or revitalization efforts in the last three years. Prior housing tax credit projects will not count towards this criterion.

B. Asset Building Characteristics

Five (5) points will be awarded to proposals demonstrating one of the following characteristics. Proposals that meet multiple criteria may earn up to ten (10) points:

a. Developments that include capitalized prefunded replacement reserves in the amount of $2,500 per unit, set aside in an escrow and matched over 15 years, to cover major capital expenditures prior to transitioning the home to a buyer at year 15.
b. Developments that include a microenterprise program and development training for residents.
c. Developments that will report rent payments to credit bureaus over a period of 15 years.
d. Developments that utilize an established Individual Development Accounts (IDA), matched over 15 years, for all residents. A current list of IDA participants can be found here: http://www.ohiocdc.org/index.php/participant-listing.html.

C. Development Team Experience and Capacity

The development team must demonstrate sufficient capacity to develop, complete, maintain and operate a single family infill development. OHFA will consider the experience and capacity of the development team in its review of proposals including without limitation, the developer, general contractor, architect, management company, and service coordinator. Points for the below criteria will be determined in part through an evaluation of the applicant's experience and track record and by recommendation from the OHFA Office of Program Compliance.

Five (5) points will be awarded to proposals demonstrating one of the following characteristics. Proposals that meet multiple criteria may earn up to ten (10) points.

a. The developer and/or project sponsor has developed one or more successful lease purchase communities, evidenced by an average occupancy rate of 90 percent or greater over the past ten years.
b. The management company has experience marketing and leasing one or more lease purchase communities, evidenced by an average occupancy rate of 90 percent or greater over the past ten years.
c. The owner and/or sponsor controls one or more lease purchase communities and can demonstrate disposition of no less than 50 percent of eligible units to income-qualified buyers over the past ten years.

Single Family Infill Development Tie-Breakers:

1. Developments that receive points for Innovation.
2. Developments that leverage the greatest amount of land bank resources.
3. Developments which receive 20 points under Infill Development Priorities.
4. Developments leveraging the greatest amount of additional resources.

Local Initiatives

Proposals for developments that will serve a key role in a comprehensive or large-scale community development effort may seek consideration in the local initiatives pool. To be eligible for competition in the local initiatives pool, the prospective development must be recognized as contributing to a community, economic development or neighborhood plan formally approved by the applicable unit of government. Applicants must further demonstrate support from a municipal, county or regional government in the form of past investments and new commitments of resources. Additionally, the proposed development cannot be the first component in the comprehensive effort and must also provide for a mix of land uses and housing types, including market rate housing.

5. Local Initiatives Priorities – Up to Thirty (30) Points Available

OHFA will prioritize developments that expand affordable housing opportunities in active housing markets and encourage redevelopment in areas with a need of investment.

Ten (10) points will be awarded to proposals demonstrating one of the following development strategies. Proposals meeting three or more criteria may earn up to 30 points.

a. Developments located in a reinvestment area eligible for granting of tax abatement, energy retrofit funds, or tax increment financing that supports a reduction in operating expenses. The applicant must submit a letter from the municipal planning or economic development department that confirms eligibility of the development for the incentive. Applicants must reflect the operating support in the permanent financing structure or pro forma at the time of application.

b. Developments located in or contributing to a main street or historic district. Evidence must be submitted in the form of a plan promoting new development and/or conservation of structures with historic or architectural value within the target area.
c. Developments located within a ½ mile of significant economic development of at least $10,000,000 that has been completed. Investments may include retail, new infrastructure, or other real estate development. Maintenance and related activities, such as resurfacing of roads, will not qualify under this criterion.
d. Developments that are part of a multiphase revitalization effort, one of which will be a 4 percent housing tax credit development. The development may include only one building or multiple buildings located on continuous parcels. Commitment to completing a 4 percent phase must be evidenced by submission of a proposal for the 4 percent housing tax credit phase with the final application.
e. Developments that are part of a city or county sponsored workforce development strategy. The proposal must demonstrate a clear, proximate link to area job growth, employers or a major employment center, including financial and other support.
f. Developments that are part of a mixed-used and transit-oriented development effort, demonstrating a clear and proximate link to existing and planned mass-transit stations. Applicants must submit evidence in the form of a map showing distance to existing and planned transportation nodes and facilities.
g. Development in which a member of the development team has invested at least $2,000,000 in community services or revitalization in the last three years. Prior housing tax credit projects will not count towards this criterion.
h. Applications that are part of a HUD Choice Neighborhood award. The application must include funds from the Choice Neighborhood grant.

Local Initiatives Tie-Breakers:

1. Developments that receive points for innovation.
2. Developments that receive points for development priority.
3. Developments that receive points for criteria e or h under local initiatives priority.
4. Developments with the highest number of total affordable units.
5. Lowest amount of housing credits per affordable unit.

F. Scoring Reassessments

All applications that receive a reservation of housing tax credits will be reassessed for scoring at final application and again at 8609. If changes to the scoring would have resulted in not receiving an award of housing tax credits, one of the following penalties will be processed at the full discretion of the Agency:

a. Cancellation of the reservation of housing tax credits;
b. Removal from a position of Good Partnership for a period of one year;
c. Reduction in the amount of applications the partners may submit or receive in the next funding cycle(s);
d. A reduction in the developer fee in an amount to be determined by OHFA.

DESIGN REQUIREMENTS

It is OHFA's intent to provide affordable housing that is durable, energy efficient, healthy, and cost effective across all programs administered by the Agency. The following requirements are intended to result in lower operating and maintenance costs and ensure that those in need of affordable housing are provided with a safe, clean, and durable home in which to live.

All developments financed with assistance from OHFA must meet the OHFA design guidelines. Additional design requirements may be applicable if competitive points are awarded for specific design elements.

Deviations from OHFA standards are discouraged, and applicants may only request exceptions where specified. Any requests for an exception to specific requirements must be submitted to OHFA by the date indicated in the Program Calendar. Since awards are based on the development proposed at preliminary submittal, exceptions after an award has been made will only be considered for truly extenuating circumstances.

A. Submittal Requirements

Preliminary Submissions

Competitive applications must include preliminary drawings that are 11x17 ("half size") and the following items:

1. A cover sheet with the name of the development, members of the development team, drawing index, building areas and code information;
2. A site plan;
3. A landscape plan;
4. A floor plan with dimension, room designations and proposed finishes;
5. Exterior elevations with material notations;
6. Typical wall sections;
7. Drawings and specifications for HVAC or similar items in the scope of work.

Preliminary drawings must be submitted as paper and/or electronic (both PDF & DXF) with a copy of the executed Design and Construction Features Agreement printed on the reverse side. Developments including existing rental units must also submit an existing units history narrative at application. The narrative should address the history of all buildings represented in the proposal, including without limitation any rehabilitation or capital improvements completed.

Final Submissions

Applicants to the competitive and non-competitive housing tax credit programs must submit 80% complete permit sets at the time of final application. Sets must show compliance with the preliminary submittal, including the Design and Construction Features Agreement.

80% plans must be submitted in PDF format (separate PDF files for drawings and specifications) that includes all site plans, dimensioned floor plans, elevations, wall sections, structure, finishes, details and mechanical plans. A copy of the final executed Design and Construction Features Agreement must be printed on the reverse side of all 80% plans. Additionally, each development must have dimensioned floor plans submitted in DXF or DWG AutoCAD R-14 format and an 11x17 plan hard copy (dimensioned floor plans only).

B. OHFA Square Footage Calculation

All multifamily developments must use BOMA (Building Owner Management Association) Multifamily Standards using the "gross method". Single-family developments must use BOMA "Gross Area Measurement Standards". All square footages must be calculated and certified in the Affordable Housing Funding Application (AHFA) by the Architect of Record.

C. Minimum Development Standards

Requests for exceptions to minimum development standards may only be submitted for the following requirements: (1) common area restrictions, (2) minimum unit size – new units only, (3) parking requirements, (4) single room occupancy, and (5) visitability. All requests for exceptions must be submitted to OHFA by the date indicated in the program calendar. The OHFA staff architect will review requests and make a recommendation to managers who will issue a final determination, also by the date indicated in the program calendar.

Bedroom Requirements

Requirements for bedrooms shall apply to all new construction and adaptive reuse developments. OHFA will evaluate proposals including rehabilitation of existing units to ensure that bedrooms are large enough to provide adequate living space.

1. For a one-bedroom unit, the bedroom must be at least 120 square feet.
2. For a two-bedroom unit, the master bedroom must be at 120 square feet, and the second bedroom must be at least 110 square feet.
3. For a unit with three or more bedrooms, the third and fourth bedrooms must be at least 100 square feet.
4. Bedrooms must have walls and doors separating them from adjacent space to be considered as bedrooms. Any room shall be considered as a portion of the adjoining room when at least one-half of the area of the common wall is open and unobstructed.

Common Area Restrictions

The maximum common area (including required circulation) in any development is 20 percent of the total gross building square footage. Dedicated program space is excluded from this calculation. Such spaces include counseling spaces for adults and children, wellness areas, day care, etc. Spaces that would not be considered dedicated program space include libraries, fitness areas, computer rooms, common meeting space, etc. Existing rental housing units are exempt from this criterion. OHFA will consider exception requests for this requirement.

Additional Requirements for New Construction and Adaptive Reuse

1. Single-site multifamily developments must provide a parking lot with concrete curbs or wheel stops and at least one parking space for each unit in the development. Exceptions to this

requirement may be permitted on a case-by-case basis for developments located in dense urban areas, or for developments serving the elderly or permanent supportive housing populations.

2. Each bedroom must be at least seven (7) feet in each direction, and contain a closet in addition to the minimum square footage.
3. Minimum unit sizes (residential living space) are as follows, inclusive of the above bedroom sizes.

Efficiency Units:	Exceed 450 S.F.
1-Bedroom Units:	Exceed 650 S.F.
2-Bedroom Units:	Exceed 850 S.F.
3-Bedroom Units:	Exceed 1,000 S.F.
4-Bedroom Units:	Exceed 1,200 S.F.

4. OHFA will not fund developments that contain single-room occupancy units. OHFA will consider exception requests for this requirement for PSH projects.
5. Developments including new units must provide a bathroom or half bath on the main floor with clear floor space of 30 inches by 48 inches.
6. Proposals for PSH may contain one-bedroom units that are 540 square feet or larger. OHFA will also consider developments which meet HUD minimum property standards. Applicants may request consideration through the exception request process.
7. OHFA reserves the right to limit the size of units during the application review process.
8. Three-bedroom units must contain at least one and a half bathrooms and units with four or more bedrooms must contain at least two full bathrooms.
9. New construction proposals must include new appliances.

Additional Requirements for Single-Family Homes

1. Single-family homes must contain three or more bedrooms.
2. Single-family homes must include washer/dryer hook-ups;
3. Single-family homes must include adequate storage for the residents.

Additional Requirements for Senior Housing Developments

1. Proposals for senior housing are required to have all units with no more than two (2) bedrooms and no more than one and one-half (1½) baths.
2. Proposals for senior housing are required to have all buildings with only one story unless an elevator is provided.

Visitability

Requirements for visitability shall apply to all developments financed with OHFA resources.

1. **No step entrance:**
Provide at least one "no step" entrance into the unit. The required "no step" entrance shall be accessed via an accessible route (driveway, sidewalk, garage floor, etc.). Ramps that extend out into the front or back yards are usually not the appropriate solution. OHFA can provide technical assistance or referral to appropriate resources at the applicant's request.
2. **Doors/Openings:**

All doors and openings shall have a minimum net clear width of thirty-two (32) inches. For developments involving new construction, doors must be solid core. For developments involving rehabilitation of existing units, solid core doors are also required unless otherwise approved by OHFA through the exception request process.

3. **Bathroom/Half Bath:**
   Provide a bathroom or half bath on the main floor with clear floor space of thirty (30) inches by forty-eight (48) inches.

If the applicant feels that some or all of the development's proposed buildings will be unable to meet the visitability requirements due to topography, other site/design limitations or existing unit conditions, the applicant must complete Form **PPD-E01** for reconsideration of visitability requirements by the date indicated in the program calendar. The OHFA staff architect will identify recommendations and /or make a determination as to whether one or more requirements should be waived.

Universal Design Requirements

OHFA values developing housing designed to be used by all. This concept is generally referred to as Universal Design. The definition of Universal Design, developed by the Center for Universal Design*, and adopted by OHFA is, "the design of products and environments to be usable by all people, to the greatest extent possible, without the need for adaptation or specialization."

All units developed with OHFA financed with OHFA resources will be designed to meet the following principles of Universal Design. Applicants submitting proposals for an award of funding must submit designs addressing the following principles and a narrative detailing the Universal Design features to be included in proposed development. The narrative, which is a component of the Design and Construction Features Agreement, should be accompanied by a list or matrix organized by room and functional area (such as hallway, stairway, and general circulation.) A template for the list and/or matrix will also be made available in the Design and Construction Features Agreement.

OHFA staff will work with each applicant to help achieve maximum application of Universal Design principles. Any features that will not comply with this policy must be disclosed in the Universal Design narrative at the time of application and will be reviewed by the OHFA staff architect. Applicants must receive design approval from OHFA before proceeding with the implementation of a proposal.

Principles of Universal Design:

1. Equitable Use:
   The design does not disadvantage or stigmatize any group of users.

2. Flexibility in Use:
   The design accommodates a wide range of individual preferences and abilities.

3. Simple, Intuitive Use:
   Use of the design is easy to understand, regardless of the user's experience, knowledge, language skills, or current concentration level.

4. Perceptible Information:

The design communicates necessary information effectively to the user, regardless of ambient conditions or the user's sensory abilities.

5. Tolerance for Error:
   The design minimizes hazards and the adverse consequences of accidental or unintended actions.

6. Low Physical Effort:
   The design can be used efficiently and comfortably, and with a minimum of fatigue.

7. Size and Space for Approach & Use:
   Appropriate size and space is provided for approach, reach, manipulation, and use, regardless of the user's body size, posture, or mobility.

Additional Requirements

Conformity to Fair Housing Requirements:

1. All newly constructed units developed under OHFA guidelines shall be designed to comply with the Fair Housing Act (FHA) - even those units not covered by the Act.
2. Units that are being rehabilitated shall be designed to incorporate all required features to the greatest extent possible, including visitability, Universal Design and green standards.
3. In a two or more story single-family house or townhome, all floors must be designed in accordance with criteria three through seven, as identified below. To be clear, this means that all bathrooms, kitchens, hallways, doors, light switches, electrical outlets, thermostats and other environmental controls must conform to those requirements.

Compliance with the Fair Housing Act Calls for Seven Basic Design and Construction Requirements:

1. An accessible building entrance on an accessible route.

   All units must have at least one no-step entrance and be on an accessible route. An accessible route means a continuous, unobstructed path connecting accessible elements and spaces within a building or site that can be negotiated by a person with a disability who uses a wheelchair, and that is also safe for and usable by people with other disabilities. An accessible entrance is a building entrance connected by an accessible route to public transit stops, accessible parking and passenger loading zones, or public streets and sidewalks.

2. Accessible common and public use areas.

   Developments must have accessible and usable public and common-use areas. Public and common-use areas cover all parts of the housing outside individual units. They include -- for example -- building-wide fire alarms, parking lots, storage areas, indoor and outdoor recreational areas, lobbies, mailrooms and mailboxes and laundry areas.

3. Usable doors (usable by a person in a wheelchair).

All doors that allow passage into and within all premises must be wide enough to allow passage by persons using wheelchairs.

4. Accessible route into and through the dwelling unit.

   There must be an accessible route into and through each unit. This includes all hallways, stairways and doorways.

5. Light switches, electrical outlets, thermostats and other environmental controls in accessible locations.

   Light switches, electrical outlets, thermostats and other environmental controls must be in accessible locations.

6. Reinforced walls in bathrooms for later installation of grab bars.

   Reinforcements in bathroom walls must be installed, so that grab bars can be added when needed.

7. Usable kitchens and bathrooms.

   Kitchens and bathrooms must be usable - that is, designed and constructed so an individual in a wheelchair can maneuver in the space provided.

POST AWARD

A. BINDING RESERVATION AGREEMENT

After OHFA has determined the proposal applications that will receive a reservation of Housing tax credits, a Binding Reservation Agreement will be sent to the contact person indicated in the proposal application. The original Binding Reservation Agreement and Election Statement must be signed and notarized by an authorized representative of the ownership entity during the month the agreement was issued. The original Binding Reservation Agreement and Election Statement, a reservation fee equal to six percent (6%) of the reservation amount, and any additional documentation indicated in the agreement must be returned to OHFA by the date indicated in the program calendar. The amount of Housing tax credits and other OHFA resources reserved to a proposal may not increase after the initial reservation.

All applications that receive a reservation of housing tax credits will be reassessed for scoring at final application and again at 8609. If changes to the scoring would have resulted in not receiving an award of housing tax credits, one of the following penalties will be processed at the full discretion of the Agency:

1. Cancellation of the reservation of housing tax credits;
2. Removal from a position of Good Partnership for a period of one year;
3. Reduction in the amount of applications the partners may submit or receive in the next funding cycle(s);

4. A reduction in their developer fee from 5% to 50% of the developer fee presented in the Proposal Application.

OHFA will discuss options with the development partners; however, the final decision will be at OHFA's sole discretion. OHFA will take into consideration the level of participation and the number of successful projects the owner and/or developer has delivered in prior years.

B. Waiting List

Proposal applications that do not receive an award will be placed on a waiting list for Housing tax credits that become available via returns or in the national pool later in the year.
Housing tax credits that are reserved and later returned during the same calendar year will be put back into the same allocation pool. The next highest scoring proposal in that allocation pool will be funded, provided there are sufficient credits available. Any other available credits will be distributed according to the order of the waiting list.
If an applicant returns the entire award of credits for their proposal, then all other OHFA funds awarded to that proposal must also be returned. OHFA will contact applicants on the waiting list when Housing tax credits become available, and will set a deadline for the applicant to respond to any offer.

C. Next Steps and Debriefing Meetings

OHFA will schedule an individual next steps meeting with each applicant that receives a reservation of Housing tax credits. The purpose of this meeting is to review the requirements for the final application, and work with applicants to schedule the threshold review, underwriting review and presentation of the proposal to the OHFA Board for consideration of any gap financing or other funding sources in addition to Housing tax credits.
OHFA will also schedule an individual debriefing meeting with applicants that did not receive a reservation of Housing tax credits and wish to discuss the results. These meetings will be scheduled upon request at specific dates and times during the period indicated in the program calendar.

D. Development Changes

All development changes require OHFA approval and will be reviewed by OHFA on a case-by-case basis. OHFA reserves the right to reduce or revoke a reservation of Housing tax credits if changes are made without prior approval, or if applicants fail to complete a development as approved. A new application, processing fee, public notification letters and competitive review may be required if any development characteristics change. New owners with no previous experience in the Housing Tax Credit program must contact the Office of Program Compliance prior to consideration by OHFA.
Failure to inform OHFA of any changes in the applicant's situation or development structure at any time may cause the application to be rejected or the Housing Tax Credit reservation to be revoked.
OHFA may allow the admission of an additional general partner after Housing tax credits are awarded in order to address a related-party loan issue. A letter from the owner's legal counsel that adequately explains the need for this action must be submitted, and a letter signed by both the new general partner and the controlling general partner must be submitted to confirm the following:

1. The new general partner will own no more than twenty-four percent (24%) of the general partner shares;
2. The new general partner will not materially participate in the development;
3. The new general partner will gain little or no financial benefit from the development; and

4. The new general partner will not count the development toward their experience in future funding applications to OHFA.

OHFA will review and issue a decision for each request on a case-by-case basis. Approval of the OHFA Board may also be necessary for developments that received financing from the HDLP and HDAP programs in addition to Housing tax credits.

E. OWNERSHIP AND/OR MANAGEMENT CHANGES

Changes in owner and/or management companies that occur after a development has placed-in-service must be approved by OHFA Program Compliance. The owner must request approval from the Office of Program Compliance by written request to the assigned compliance analyst no later than 60 days prior to terminating the services of the current management company or sale of the property. Owners will be required to submit the request in accordance with OHFA's Ownership and Management Company Change Policy, to be made available on the OHFA website. To ensure the proposed company or owner is sufficiently qualified to manage and/or operate a housing tax credit development in Ohio and in accordance with applicable state and federal requirements, a representative of the proposed management company must submit evidence of an active Ohio Brokers License in accordance with 4735.022 of the Ohio Revised Code. Any request for consideration of a management company who does not meet this requirement will be denied. Owners who fail to provide 60-day notice of an owner or management company change may further be subject to a fine of $500 and removal from a position of good partnership with the Agency.

F. SPECIAL ALLOCATION

An owner of a development with a Housing Tax Credit allocation that is unable to proceed resulting from actions by unrelated parties (including, but not limited to, local governments or property owners) may seek a special allocation of Housing tax credits in the current year. An applicant must meet the following requirements to request a special allocation:

1. The applicant must have received an allocation of competitive Housing tax credits from OHFA in a previous year. The owner must have returned the allocation to OHFA, or OHFA must have revoked the allocation prior to the required placed-in- service date.
2. The underlying reason for the inability of the development to proceed must relate to actions by unrelated parties that affect the purchase of the site, plan approval or building permit issuance.
3. The applicant must obtain either a final legal judgment in favor of the owner or a settlement among the parties that will enable the development to proceed. OHFA legal counsel will determine if these requirements are met.
4. The applicant must complete a current year application and request OHFA Board consideration to obtain a special allocation of Housing tax credits. The amount of the new Housing Tax Credit allocation may not exceed the amount of the previous allocation. OHFA staff will review the application to ensure that all current threshold and underwriting criteria are met. Any monetary damages received that are related to the development, less direct costs of litigation apportioned between damages that are related and unrelated to the development, must be pledged to the development. Consideration and approval of changes to the development are at the complete and sole discretion of OHFA staff.

5. A request for a special allocation must be submitted no later than three (3) years after the previous allocation was returned or revoked.

Requests that meet these requirements will be presented to the OHFA Multifamily Committee and the OHFA Board for consideration. OHFA has no affirmative obligation to grant approval to any development seeking relief.

Applicants must pay the $2,000 application fee upon request of the special allocation.

G. Placed-in-Service Relief

OHFA will consider granting relief to applicants that are unable to meet their placed-in-service deadline due to circumstances outside their control that could not be reasonably anticipated before the initial application date. The following requirements must be met:

1. The applicant must submit a formal request outlining reasons that the placed-in-service deadline cannot be met. A request may be submitted after September 1 and no later than November 30 of the year of the placed-in-service deadline.
2. The applicant must agree to return their Housing Tax Credit allocation to OHFA prior to the placed-in-service deadline.
3. Significant progress toward completion of the construction and/or rehabilitation of the development must be demonstrated at the time the request is submitted. OHFA will use 75% completion as a general guideline when judging significant progress toward completion.

If the request is approved, then a new Housing Tax Credit allocation will be granted in the following calendar year, and the placed-in-service deadline will be extended for up to one year. OHFA reserves the right to levy a reservation fee for the new Housing Tax Credit allocation.

H. Carryover Allocation

All developments must meet the carryover allocation requirements described in Section 42 of the Internal Revenue Code (IRC) and in Treasury Regulation 1.42-6.
A Carryover Allocation Agreement will be issued to recipients of a competitive award of Housing tax credits by the end of the calendar year in which credits were awarded. Items must then be submitted by the carryover submission deadline indicated in the Binding Reservation Agreement. All forms and instructions are available on the OHFA web site. The following items must be submitted:

1. Completed OHFA Carryover cost certification forms signed by a representative of the owner and by the accountant or attorney who prepared the forms. A paper copy of the forms with original signatures of the owner and preparer is required, along with an electronic copy in Excel format the forms must evidence that the “10% test” required by Section 42 of the IRC has been met.
2. The development owner must, at a minimum, acquire all property or have entered into a long-term leasehold agreement. Acquisition must be evidenced by a copy of a recorded deed or recorded long-term lease (or memorandum of lease) for each site.
3. Any additional conditions indicated in the binding reservation agreement with a performance date by the carryover submission deadline.

A carryover allocation agreement is considered to be binding and will give the applicant twenty-four (24) months from the end of the year of allocation to complete the development and place the units in service. OHFA reserves the right to add conditions or require follow-up items in the carryover agreement that must be met before OHFA will issue 8609 forms to the owner.

I. Housing Tax Credit Eligibility (42m) Letter for 4% Credits

After OHFA has determined that the proposal application meets the threshold and underwriting requirements, a 42m letter of eligibility and Election Statement will be sent to the contact person indicated in the application.
The original 42m letter of eligibility must be signed by an authorized representative of the ownership entity, and returned by the deadline indicated in the letter with a reservation fee equal to 6% of the reservation amount, and any additional documentation indicated in the letter.
The original Election Statement must be completed and signed by an authorized representative of the ownership entity, and returned to OHFA no later than the fifth calendar day following the end of the month in which the bonds are closed.
Tax-exempt bond-financed developments will not receive a Carryover Allocation Agreement, but the owner must follow all 8609 Form request procedures and any conditions outlined in the 42m letter of eligibility, which will include the following items:

1. The applicant must submit a legal description of each parcel that will be part of the development by the date specified in the Eligibility Letter. The description(s) must include the street address and permanent parcel number of each parcel.
2. The applicant will have 24 months from the end of the year in which the 42m letter of eligibility is issued to meet the placed-in-service requirements of the Housing Tax Credit Program.

J. Gross Rent Floor Election

In accordance with Revenue Procedure 94-57, the Internal Revenue Service will treat the gross rent floor described in Section 42 of the Internal Revenue Code (IRC) as taking effect on the date OHFA initially allocates tax credits to a project. The allocation date is the date that a Carryover Allocation Agreement is issued, or, if a project is financed with tax-exempt bonds, the date that a Housing Tax Credit 42m letter of eligibility is issued.
However, the IRS will treat the gross rent floor as taking effect on a building's placed in service date if the building owner designates that date, and informs OHFA no later than the date on which the building is placed in service. If an owner wishes to designate the placed in service date for the gross rent floor, the Gross Rent Floor Election form must be completed and submitted to OHFA before any building is placed in service. If this form is not received, or if it is received after the placed in service date of any building in a project, then the gross rent floor will take effect on the date OHFA initially allocates tax credits to the project.

K. Construction Monitoring and Reports

The owner and/or developer is required to submit quarterly summary reports at minimum detailing progress with construction or rehabilitation projects to OHFA Project Administration staff. The primary purpose of submitting quarterly summary reports is to monitor the progress of developments financed with assistance from OHFA and to ensure that all agreements between OHFA and the developer/owner are met. OHFA shall be notified and receive copies of any change orders prior to execution or other documentation altering the approved design, contract work scope and/or completion date.

The quarterly summary report of construction activities must verify the construction start date, the current percentage of completion, and provide an estimated completion or placed-in-service date as outlined in the OHFA Construction Monitoring Quarterly Report form. At OHFA's discretion, photographic evidence of construction activities may be requested in more frequent intervals to assure quality of work and site safety.

L. Development Completion Stage / 8609 Request

Upon development completion, the owner must notify OHFA of the placed-in-service date of each building and submit the following items to request 8609 Forms. The request is required to include a paper copy of the cost certification forms with original signatures of the owner and preparer, along with an electronic copy in Excel format. All other items must be submitted on a compact disc (CD) in PDF format. All forms and instructions are available on the OHFA web site. Forms that are out of date, altered or modified will be rejected. The following items must be submitted:

1. Completed OHFA Owner's Cost Certification forms with original signatures of the owner and the independent accountant who prepared the forms. The accountant will be required to conduct a complete audit of the development costs. The required audit language is included on the forms.
2. Completed OHFA Contractor's Cost Certification forms with original signatures of the owner and general contractor.
3. Final Certificate of Occupancy for each building from the issuer of the building permits. Certificates of completion or similar information from the owner will be accepted for rehabilitation developments if certificates of occupancy are not issued. Temporary Certificates of Occupancy are required if the dates on such certificates will be used as the placed-in-service dates for the buildings. OHFA reserves the right to conduct a site visit of a property to verify completion before issuing Forms 8609 to the owner.
4. All permanent financing sources (except for the first or primary mortgage) must be closed before the 8609 Forms are issued. An executed promissory note that includes the amount, interest rate, term, and amortization or repayment terms of the loan must be submitted for each source. In lieu of a note for the first or primary mortgage, a firm financing commitment signed by the lender and owner within thirty (30) days of the request for the 8609 Forms may be submitted. Supporting documentation must be submitted for financing sources where a note is not available (such as accrued interest or existing reserves).
5. Final limited partnership agreement executed by the limited and general partners. The agreement must include all equity amounts and the pay-in schedule for the equity.
6. A copy of the executed and recorded Restrictive Covenant (issued by OHFA), and a copy of an executed and recorded Consent of Recorded Lienholder form from each non-OHFA lending source with a mortgage filed on the property prior to the recordation of the OHFA Restrictive Covenant.
7. A check for payment of the appropriate compliance-monitoring fee, made payable to "Ohio Housing Finance Agency".
8. Evidence that the individual(s) responsible for final approval of resident files, or the site manager or leasing consultant who processes the Tenant Income Certifications, has attended the OHFA Tax Credit Compliance Training within six (6) months prior to the placed-in-service date for the first building completed. Attendance at the compliance training must have occurred no more than two years from the date of application for housing tax credits.

Compliance trainings offered by other organizations (e.g. Quadel Consulting) will not be accepted. Additionally once the project is placed in service and has received 8609s, a representative of the owner and/or management company representative attend the OHFA Tax Credit Compliance Training every two years.

9. Evidence that the owner or property manager has conducted a placed-in-service meeting with the OHFA Office of Program Compliance. The placed-in-service meeting is an opportunity to ensure all parties responsible for compliance with a development are aware of regulatory responsibilities. This meeting must occur approximately 6 months and no less than 3 months before a development places in service.
10. Evidence that written notification was submitted to the OHFA Office of Program Compliance within fifteen (15) days of the placed-in-service date of the building (or last building in a multiple building development).
11. Completion of the final Energy Efficiency Certification form for the year of allocation (applicable to allocations through 2010). Evidence of final certification with Enterprise Green Communities or LEED is required.
12. Narrative describing any material changes to the development since time of application.

The request for 8609 Forms must be submitted by the date listed in the Carryover Allocation Agreement. An extension of this deadline may be granted by OHFA upon request. However, any extension will not apply to payment of the compliance monitoring fee.

Requests for 8609 Forms and corrections or clarifications to previous submissions are reviewed in the order submitted. OHFA will issue 8609 Form(s) up to ninety (90) days after a complete request has been submitted. An incomplete or insufficient request will not be processed until all items are submitted, which may result in a delay of the 8609 Form issuance. The closeout process for any Housing Development Assistance Program funds awarded to the development must also be completed before 8609 Forms are issued. Any corrections or clarifications requested by OHFA must be submitted within three (3) months or a resubmission fee of $250 will be charged. OHFA reserves the right to defer processing Form 8609 requests that are received during a future competitive funding round.
Building Identification Numbers (BIN) are assigned to each building by OHFA after a request for 8609 Forms is submitted. Applicants must contact OHFA in writing with any requests to assign BIN to individual buildings prior to that time.

DEVELOPMENT TEAM

The Development Team consists of the General Partner(s), Developer and Property Management Company. OHFA will evaluate each organization individually, and will evaluate the team as a whole. OHFA will determine whether the team is acceptable based on the criteria outlined below. A team found to be unacceptable will not be eligible for an award of OHFA resources.

A. Individual Organizations in the Team

Each organization will supply information in the Affordable Housing Funding Application (AHFA) that describes the affordable housing properties placed in service, under construction and under review by OHFA in which they have been an owner, developer or property manager, and the number of applications in which they will be a member of a development team that will be submitted for consideration. They will also document the roles that each organization will be assuming in the development process. If a state-certified Community Housing Development Organization (CHDO) is a team member, the CHDO will document how the proposed development furthers their mission to provide housing to eligible residents in their service area. The CHDO will also supply information documenting the housing development experience of individuals in the organization. Lastly, each member of the team will disclose to OHFA any organizational financial issues that will adversely impact this development should they be selected.

General Partner and Developer Characteristics:

1. Past experience developing affordable housing using OHFA programs. Properties presently in service and those under construction will be considered, and the quality and success of previous developments will be taken into account. OHFA will also consider location and experience in the geographic areas to be served, experience with the type of housing product proposed, and the past working relationships of the proposed development and ownership partners.
2. Other affordable housing development experience using government funded programs, including existing properties and those under construction.
3. The development capacity of the organization to complete construction of all current developments on time and within program requirements and application commitments.
4. The financial capacity of the developer/general partner to ensure that construction will be completed on time and that work will be guaranteed for quality. All guarantees must be provided by the developer/general partners.
5. The organization must conduct business with OHFA according to the Good Partnership policy.

Property Management Company Characteristics:

1. The company must currently be a member of the National Affordable Housing Management Association (NAHMA), the Midwest Affordable Housing Management Association (MAHMA), Council for Rural Housing & Development of Ohio (CRHDO), or Council for Affordable & Rural Housing (CARH).
2. A representative of the company must have earned one of the following certifications: Housing Tax Credit Certified Professional (HCCP) sponsored by the National Association of Home Builders; Specialist in Housing Tax Credit Management (SHCM) sponsored by NAHMA; or equivalent certification from a nationally recognized consultant or association, including, but not limited to, TheoPro Compliance & Consulting Inc., Quadel Consulting or Spectrum Seminars.
3. The company must have managed at least five Housing Tax Credit and/or federally-subsidized developments (each consisting of at least ten (10) units) for at least one (1) year each; or must have managed two (2) Housing Tax Credit developments (each consisting of at least ten (10) units) for at least three (3) years each.
4. All developments currently managed by the company must not have any uncured Forms 8823. Exceptions may be granted on a case-by-case basis for 8823 events that are not the fault of the company, such as a casualty loss, or non-compliance issues that are inherited from the prior property manager.
5. Management companies with no prior experience with an OHFA property will be evaluated by the information contained in their completed OHFA Management Company Capacity Review Survey. Management companies with prior OHFA experience will be evaluated in

part on information contained in the Property Status Report generated from the Office of Program Compliance.

6. Past experience managing affordable housing using OHFA programs. The quality and success of previous developments will be taken into account. OHFA will also consider location and experience in the geographic areas to be served, experience with the type of housing product proposed, and the past working relationships of the proposed development team members.
7. Other affordable housing management experience using government funded programs.
8. The company must conduct business with OHFA according to the Good Partnership policy.
9. A representative of the company has an active Ohio Broker's License in accordance with 4735.022 of the Ohio Revised Code.

B. The Team as a Whole

The following criteria will be used to evaluate the team as a whole for the proposed development:

1. Development history: OHFA will review the experience of the development team with the housing type, location or type of geographic area, and scope of the development being proposed. Developments financed by OHFA, tax credit developments in other states, and other types of affordable housing in any state will be considered.
2. Sufficient documentation of the specific roles of each member of the team. If a team member is a CHDO, documentation which indicates that the CHDO maintains effective development control during the development process. Effective development control is demonstrated when the CHDO is the sole owner of the development, or, if not the sole owner, the CHDO has an agreement with the owner or the partners to allow it to make key decisions with regards to the selection, financing, improvement, management, and disposition of the development.
3. Present capacity: OHFA will review all developments that the team members presently have in development and determine whether there is sufficient capacity to successfully complete all developments in development and any new development awards in a timely and efficient manner. The amount of resources awarded to a particular team may be limited based on OHFA judgment of capacity.
4. Good Partnership: OHFA will evaluate the degree to which the development team members have acted in accordance with the Good Partnership policy in all phases of current and previous development efforts.
5. Financial strength: The financial capacity of the team as a whole will be reviewed and must be found acceptable.
6. Outstanding financial obligations: All financial obligations to OHFA must be current. Any delinquent obligations of any team member may disqualify the team from competing for an award.

OHFA will use information submitted with the application and other reasonable sources available to make all determinations, including reports and opinions of other public funding sources. OHFA reserves the right to place additional restrictions on development team members, limit the number of awards, applications or amount of resources available to a development team, and limit awards due to identities of interest between organizations applying for OHFA funding.

C. New Developers and/or General Partners

New Developers and/or General Partners that have not previously worked with OHFA will be limited to one award of competitive housing credits. New Developers and/or General Partners will not be able to apply for additional awards of competitive credits until their first OHFA development has received its 8609.

COMPLIANCE & MONITORING GUIDELINES

Introduction

The monitoring process determines if a property is complying with requirements of the Internal Revenue Code (IRC). The Housing Tax Credit monitoring process is outlined in IRC Section 42, IRS Regulation 1.42-5, the QAP, the OHFA Compliance Handbook, and other OHFA policies.

Compliance with the requirements of the IRC is the sole responsibility of the owner of the building for which the Housing Tax Credit was allocated.

The term "extended use period" shall be defined as: "Beginning on the first day in the 15-year compliance/period and ending no earlier than 15 years after the close of the compliance period." (See Internal Revenue Code Section 42(h)(6)(D) for more information).

This definition shall apply to any references of "extended use period" made in the 2016-2017 Qualified Allocation Plan.

Monitoring Process

Housing Tax Credit projects are required to comply with the following, in addition to other requirements described in guidance published on the OHFA web site.

1. All residents must be income qualified, adjusted for family size prior to moving into the unit. Units must be rent restricted as provided for in the IRC. All units allocated Housing tax credits must be safe, decent and sanitary housing units complying with local building, health, safety, and zoning codes.
2. Before placing the project in service, the owner/agent must schedule a "placed-in-service meeting" with the OHFA Program Compliance Analyst assigned to the project to discuss the lease up of the tax credit project. This meeting must be scheduled within six but no less than three months prior to the placed-in-service date. OHFA will attempt to combine placed in service meetings when an owner/agent is placing several projects into service within the same general time period. OHFA may elect to waive this requirement.
3. Prior to the placed-in-service date, the owner/agent individual(s) responsible for final approval of resident files or the site manager/leasing consultant who processes the Tenant Income Certifications for buildings receiving 8609 Forms will be required to attend the OHFA Tax Credit Compliance Training within the previous six (6) months. Attendance at the Compliance Training must have occurred no more than two years from the date of application for housing tax credits. Compliance trainings offered by other organizations (e.g. Quadel Consulting) will not be

accepted. Additionally once the project is placed in service and has received 8609s, a representative of the owner and/or management company must attend the [OHFA Tax Credit Compliance Training](#) every two years.

4. Within fifteen (15) days of placing the last building in service, the project owner must forward a letter to the OHFA Program Compliance Analyst assigned to the project indicating the date on which the last building was placed in service. Based on this communication, the project will be preliminarily scheduled for a lease-up monitoring visit.
5. The owner of a Housing Tax Credit project must keep records for each qualified low-income building in the project for each year of the compliance and extended use period. These records must include but are not limited to the following for each building in the project:
    a. The total number of residential rental units in the building (including the number of bedrooms and the size in square feet of each residential rental unit);
    b. The percentage of residential rental units in the building that are low-income units;
    c. The rent charged on each residential rental unit in the building (including any utility allowances);
    d. The number of occupants in each low-income unit;
    e. The unit vacancies in the building and information showing when, and to whom, the next available units were rented;
    f. The annual income certification of each low-income resident per unit (if applicable);
    g. Annual student status certification;
    h. Demographic information;
    i. Documentation to support each low-income resident's income certification. Resident income is calculated in a manner consistent with the determination of annual income under Section 8 of the United States Housing Act of 1937 ("Section 8"), not in accordance with the determination of gross income for federal income tax liability;
    j. The eligible basis and qualified basis of the building at the end of each year of the credit period, compliance and extended use periods; and
    k. The character and use of the non-residential portion of the building included in the building's eligible basis under IRC Section 42(d).
6. The owner of a Housing Tax Credit project is required to retain the records described in Item 5 above for the entire period of extended use.
7. The owner is responsible for reporting to OHFA annually through the DevCo online system. The reporting process currently requires the submission of an Annual Owner Certification and resident and project data using the XML upload or housing credit software (e.g. Yardi)   as well as other reports and certifications necessary to evidence compliance with any gap financing provided through an OHFA program. OHFA requires owners of properties in Extended Use to also submit the Annual Owner Report and both existing and new resident tenant data. Owners of properties financed solely with Ohio Housing Trust Funds must submit the Annual Owner Report and tenant data. New projects or those in lease-up phase must submit an Annual Owner Report if one or more residents were income qualified during the reporting year. If a property

was sold at any time during a reporting year, the owner/property management company that was in place at the time of sale is responsible for completing and submitting the Annual Owner Report and tenant data for that reporting year.

When completing the owner certification, the owner is certifying that, for the preceding 12-month period, the owner met the following requirements:

a. The 20-50 test under IRC Section 42(g)(1)(A), or the 40-60 test under section 42(g)(1)(B), whichever minimum set-aside test was applicable to the project; and if applicable to the project, the 15-40 test under sections 42(g)(4) and 142(d)(4)(B) for "deep rent skewed" projects;

b. There was no change in the applicable fraction (as defined in section 42(c)(1)(B)) of any building in the project, or that there was a change, accompanied by a description of the change;

c. The owner has received an annual income certification from each low-income resident, as appropriate, and documentation to support that certification; or, in the case of a resident receiving Section 8 housing assistance payments, the statement from a public housing authority described in paragraph (b)(1)(vii) of this section;

d. Each low-income unit in the project was rent-restricted under Section 42(g)(2);

e. All units in the project were for use by the general public and used on a non-transitional basis (except for transitional housing for the homeless provided under Section 42 [i][3][B][iii]);

f. Pursuant to requirements under Treasury Regulation 1.42-5, the buildings and low-income units were suitable for occupancy, taking into account local health, safety, and building codes, and the State or local government unit responsible for making local health, safety, or building code inspections did not issue a violation report for any building or low-income unit in the project. If a violation report or notice was issued by the governmental unit, attach a statement summarizing the violation report or notice or a copy of the violation report or notice to the annual certification and state whether the violation has been corrected.;

g. There was no change in the eligible basis (as defined in Section 42[d] of any building in the project, or if there was a change, the nature of the change (e.g. a common area has become commercial space, or a fee is now charged for a resident facility formerly provided without charge);

h. All resident facilities included in the eligible basis under Section 42(d) of any building in the project, such as swimming pools, other recreational facilities, and parking areas, were provided on a comparable basis without charge to all residents in the building;

i. If a low-income unit in the project became vacant during the year, that reasonable attempts were or are being made to rent that unit or the next available unit of comparable or smaller size to residents having a qualifying income before any units in the project were or will be rented to residents not having a qualifying income;

j. If the income of residents of a low-income unit in the project increased above the limit allowed in Section 42(g)(2)(D)(ii), the next available unit of comparable or smaller size in the building was or will be rented to residents having a qualifying income;

k. The owner has not refused to lease a unit in the project to a Section 8 applicant because the applicant holds a Section 8 voucher or certificate;

l. No finding of discrimination under the Fair Housing Act has occurred for the project (a finding of discrimination includes an adverse final decision by HUD, an adverse final decision by a substantially equivalent state or local fair housing agency, or an adverse judgment from a Federal court);

m. For the preceding 12-month period, no residents in low-income units were evicted or had their tenancies terminated other than for good cause and no gross rents were increased other than permitted under Section 42; and

n. An extended low-income housing commitment as described in Section 42(h)(6) was in effect. OHFA reserves the right to adjust the above requirements according to changes in federal regulations.

8. OHFA requires that the owner of a Housing Tax Credit project annually certify the residents' incomes and assets using the form(s) specified by OHFA. Projects that are 100% occupied by qualified low-income households may discontinue recertifications as described in Section 42 of the Internal Revenue Code.

9. The Office of Program Compliance will review resident files and conduct physical inspection of the buildings, common areas and units throughout the 15-year compliance period and Extended Use Period. OHFA has the right to perform on-site inspections of any low-income housing project through the end of the Extended Use Period. Buildings receiving new allocations of credit will be inspected no later than the end of the second calendar year following the year the last building in the project is placed in service. Some of the factors that determine the frequency and the number of units and buildings inspected include the type of funding in the property, whether the property is in Extended Use, whether the property is on OHFA's Watch List, changes in ownership or management company, scores compiled through an internal Risk Assessment, systemic non-compliance issues from past inspections, and resident complaints. Properties may be inspected every year or some may have inspections every three years. Pursuant to Treasury Regulation 1.42-5(c)(2)(ii)(B), at least once every three years, OHFA will conduct on-site inspections of all buildings in the project, and for at least 20 percent of the project's low-income units, OHFA will inspect the units and review the low-income certifications, the documentation supporting the certifications, and the rent records for the tenants in those units.

10. The owner/property management company will receive written notice of the inspection generally 30 days prior to the date of the inspection. The owner/property management company is responsible for ensuring all requested pre-inspection documentation (e.g. current rent roll) is submitted no later than 10 days from the date of the OHFA's notice of the scheduled review. Owners/property management companies that fail to timely submit the requested pre-inspection information may be subject to placement on OHFA's Multifamily Watch List and/or in Not in Good Partnership status unless an extenuating circumstance prohibits the timely submission. OHFA will provide prompt written notice to the owner (generally 15 business days after the inspection) if of the inspection findings. If the project is found not in -compliance, he owner will have up to 60 days from the date of the notification to correct any non-compliance issues found and give a written response to OHFA of corrective actions taken. OHFA may, with good cause, extend the correction period for up to six months.

    a. During the correction period, an owner must correct any non-compliance and provide evidence to OHFA of such corrections.

11. When OHFA identifies instances of non-compliance, it is required to file Form 8823, "Low-Income Housing Tax Credit Agencies Report of Non-Compliance" with the IRS no later than 45 days after the end of the correction period, and no earlier than the end of the correction period, whether or not the non- compliance is corrected. Form 8823 will be issued in accordance with the Uniform Physical Conditions Standards (UPCS) even if the physical non-compliance is corrected on the date of the inspection or the correction period. OHFA must explain on Form 8823 the nature of the non-compliance or failure to certify (reference 26 CFR Par. 2. 1.42-5 [e][3]). In addition to notifying the IRS of non-compliance, OHFA may place the project on its Multifamily Watch List or consider the owner or manager not in good standing with OHFA programs.
12. Compliance with the requirements of Section 42 of the IRC is the responsibility of the owner of the building(s) for which the tax credit is claimed. OHFA's obligation to monitor for compliance does not make OHFA liable for owner/agent non-compliance.
13. If OHFA is unable to serve notice on the property owner by mail and/or telephone during the compliance and extended use periods as defined by the IRS, OHFA will consider the property out-of-compliance and will notify the IRS by filing Form 8823, or take other appropriate action such as designating the project and its owner/agent as not in good standing with the Agency. Please note that OHFA will maintain one contact person per project. The owner/agent will agree upon the contact person and notify OHFA immediately of any change.
14. OHFA requires Housing Tax Credit owners to pay a one-time compliance monitoring fee. The fee amount for projects receiving a reservation in 2016 will be $900 per unit. This policy may be reevaluated in program year 2017.
15. OHFA reserves the right to charge the owner and/or management company for costs incurred as the result of compliance reviews conducted outside of the normal inspection cycle.
16. It is the responsibility of the owner and its agents to ensure that the property management agent has all documents and information necessary to meet all rent, income, or other requirements attached to all sources of funding used to develop the project. Such documents may include, but are not limited to, the Housing Tax Credit restrictive covenant(s), Housing Development Assistance Program (HDAP) restrictive covenant, and the gap financing agreement.
17. Compliance requirements are communicated to owners and managers of Housing Tax Credit projects through the OHFA web site, training sessions, email updates, and other means such as the Agency newsletter. Owners and managers are expected to consult these and other resources to ensure they are up-to-date regarding policies and procedures established by OHFA.
18. Changes in owner and/or management companies that occur after a development has placed-in-service must be approved by OHFA Program Compliance. The owner must request approval from the Office of Program Compliance by written request to the assigned compliance analyst no later than 60 days prior to terminating the services of the current management company or sale of the property. Owners will be required to submit the request in accordance with OHFA's Ownership and Management Company Change Policy, to be made available on the OHFA

website. To ensure the proposed company or owner is sufficiently qualified to manage and/or operate a housing tax credit development in Ohio and in accordance with applicable state and federal requirements, a representative of the proposed management company must submit evidence of an active Ohio Brokers License in accordance with 4735.022 of the Ohio Revised Code. Any request for consideration of a management company who does not meet this requirement will be denied. Owners who fail to provide 60-day notice of an owner or management company change may further be subject to a fine of $500 and removal from a position of good standing.

HOUSING CREDIT GAP FINANCING

A. Purpose

The Housing Credit Gap Financing (HCGF) guidelines are intended to explain the state and federal rules that govern the use of Housing Development Assistance Program (HDAP) funding when coupled with competitive and non-competitive housing credits.

B. State & Federal Funding Requirements

Where these guidelines do not provide specific information with respect to underwriting criteria, the Ohio Housing Finance Agency (OHFA) will first seek guidance in the statutes that govern the funds being used. For HOME funds, OHFA will refer to the Code of Federal Regulations that governs the use of HOME dollars. For OHTF funds, OHFA will refer to Ohio Revised Code §174 as well as the Code of Federal Regulations governing the use of OHTF funds used to meet the HOME "Match" requirement.
It is the responsibility of the owner/developer/borrower and any of its employees, agents or sub-contractors in doing business with OHFA to adhere to and comply with all Federal Civil Rights legislation inclusive of the Fair Housing Laws, Section 504 of the Rehabilitation Act of 1973, the Americans With Disabilities Act as well as any state and local Civil Rights legislation along with any required related codes and laws. Should OHFA not specify any requirements, such as design, it is none the less the owners responsibility to be aware of and comply with all non-discrimination provisions relating to race, color, religion, sex, handicap, familial status, and national origin. This includes design requirements for construction or rehabilitation, Equal Opportunity in regard to marketing and tenant selection and reasonable accommodation and modification for those tenants covered under the Laws. OHFA has provided a brief guide to federal accessibility requirements.

C. Reporting Requirements

The recipient of the HDAP funds will be responsible for compliance with applicable implementation, reporting, file and physical inspections, and record keeping requirements associated with the federal HOME dollars, OHFA, and State requirements.

D. Types of Funding Available

HDAP will use the following resources for providing financial assistance to eligible projects:

1. HOME Investment Partnerships Funds: Federal regulations relating to environmental review, federal wage rates, federal accessibility, federal acquisition and relocation laws [URA and Section 104(d)], long-term affordability, etc. apply.

2. Ohio Housing Trust Fund (OHTF): The Ohio Housing Trust Fund provides funding to HDAP projects predominantly serving low- to moderate-income households with incomes at or below 50% of the area's median income. The OHTF gives preference to those projects that benefit households with incomes at or below 35% of the area median income for the county in which the project is located, as established by the U.S. Department of Housing and Urban Development (HUD). Applicants receiving an award of OHTF dollars may be subject to State of Ohio Prevailing Wage Rate rules.

Funds will be awarded in the form of a loan or a grant. Applicants receiving an award of are subject to approval from the OHFA Board.

OHFA will award HOME and Trust Fund dollars based on the need to meet set-asides specific to each funding source and based on the source most appropriate for the applicant/project. Applicants that have compelling reasons to request a specific source of funding can do so in a separate letter sent to the attention of the Affordable Housing Programs Manager prior to the submission of their housing credit application. However, OHFA may or may not be able to honor the request for a specific type of funds.

E. Reporting Requirements

The recipient of the HDAP funds will be responsible for compliance with applicable implementation, reporting, file and physical inspections, and record keeping requirements associated with the federal HOME dollars, OHFA, and State requirements.

The recipient of the HDAP funds will be responsible for compliance with applicable implementation, reporting, file and physical inspections, and record keeping requirements associated with the federal HOME dollars, OHFA, and State requirements. . Refer to the Compliance Monitoring Guidelines section of this document for specific compliance requirements.

In accordance with the 2013 Final Home Rule{ 24 CFR 92.210)}, OHFA must review and approve rents for each HOME-assisted rental project each year to ensure that the project complies with the HOME limits and do not result in undue increases from the previous year. In the pre-2013 Rule, OHFA was required to approve initial rents, then provide the published maximum HOME rents to project owners, and examine reports submitted by owners that report the rents and occupancy data of all HOME-assisted units on an annual basis. OHFA will require owners to certify on an annual basis what HOME rent will be used at the subject property. HOME rent certifications must be submitted to OHFA Program Compliance, specifically the compliance analyst assigned to the property.

For projects awarded HOME funding after January 24, 2015, OHFA will approve an individual utility allowance an annual basis in accordance with the 2013 Final Home Rule {&24CFR 92.252}. Owners must submit a utility allowance request by using either the HUD Utility Schedule Model or a utility allowance methodology as described in OHFA’s Utility Allowance Policy (Utility Allowance Policies and Procedures).

F. Rental Development Eligibility

All applicants must act as a general partner or sole owner of the project <u>during the construction phase</u>.

Ineligible Projects

If any construction or construction related activity is initiated, prior to a commitment through HDAP and receipt of all appropriate clearances (i.e. environmental review, if applicable), the entire project may be ineligible for funds.

Projects that have previously received an award of HDAP funds through OHFA or the Office of Community Development (OCD) may not be eligible for additional HDAP funds. Applicants must contact OHFA prior to submitting an application for additional HDAP resources.

Eligible Uses

HDAP resources may only be applied in the development budget toward non-related party acquisition, hard costs associated with new construction or rehabilitation, and developer fees associated with the proposed development.

	Eligible	Ineligible
Uses	The following development budget line items are permitted: a. Acquisition (non-related party only) b. Demolition (not applicable for preservation projects) c. On-site improvements construction and/or renovation costs including construction fee items, construction contingency, and contractor overhead and profit (excluding costs associated with construction of commercial property) d. Furnishings and appliances e. Architectural and engineering fees f. Developer fees and developer overhead g. Consultant fees h. Legal fees	i. Costs associated with creating market rate housing and/or commercial spaces j. Single family lease purchase developments k. Free-standing, non-residential buildings l. Infrastructure dedicated back to the local municipality

Multifamily Tax-Exempt Bond Program

If HDAP funds are available for projects funded with Multifamily Tax-Exempt Bonds, OHFA will issue a Request for Proposals (RFP) that will outline the application requirements and selection criteria. Except as noted in the RFP, these HDAP guidelines will apply to the Multifamily Tax-Exempt Bond Projects.

G. PROJECT REQUIREMENTS

Financing Terms

Applicants that appropriately evidence status as a not-for-profit can request either a grant or loan from HDAP. However, OHFA reserves the right to award either a loan or a grant based on the financial underwrite of the project. Applicants should refer to the OHFA website for a definition of cash flow.

Loan Terms and Criteria

- Up to a 2% interest rate;
- Loan will mature at the end of the affordability period. The affordability period is defined as the minimum term required in 24 CFR Part 92 plus an extended affordability period imposed by OHFA – total term will be up to 40 years. If RD or HUD is involved as a direct lender, not a guarantor, the total term will be up to 45 years. The affordability term must agree with the loan term.
- Collateral will be a subordinate mortgage position. OHFA prefers a second or shared second position. If a lower position is necessary, the applicant should indicate so in the application along with an explanation and supporting documentation.

Year 1 is calculated from the date all close-out documentation is approved by OHFA.

- Loans will be made to the HDAP Recipient as the project's general partner, managing member or equivalent. The HDAP Recipient may loan the HDAP funds to the project. If the project has more than one general partner/managing member (or equivalent), OHFA reserves the right to determine which will be the HDAP Recipient.
- OHFA will consider alternate terms prior to the approval of the award by the OHFA Board.

If the property is sold prior to loan maturity, OHFA may require that all or a pro-rated amount of the outstanding principal and interest become due and payable.

OHFA reserves the right to allow for the forgiveness of all or a portion of the outstanding debt if, at the end of the 30-year loan period, OHFA determines that the property has been maintained as a safe, decent, and sanitary affordable housing project (as defined by the Uniform Physical Conditions Standards or current standards used in the OHFA Program Compliance Office) throughout the term.

Eligibility for Grant Funding:

To be eligible for a grant, the following criteria must be met:

- A grant has been requested by the HDAP recipient,
- The controlling general partner, managing member or equivalent (HDAP recipient) is a 501(c)(3) or 501(c)(4) – a 25% owner will not qualify for a grant,
- At least 20% of the units in the project will be affordable to and occupied by households earning at or below 35% of the AMGI, and
- The HDAP Recipient cannot loan the HDAP funds to the project.

For housing credit projects that request a direct grant of HDAP funds, the HDAP funds may be included in eligible tax credit basis if the HDAP funds are a general partner's capital contribution and provided that the project can provide a tax-opinion certifying the funds as part of eligible basis. The project must still meet all of the above noted requirements to be eligible for a grant. However, when considering eligibility for a grant, OHFA will apply the regulations governing the funds awarded (HOME or OHTF) when considering how the HDAP-recipient passes the award onto the project.

OHFA reserves the right to award either a loan or a grant based on the financial analysis of the project.

Environmental Reviews and Project Eligibility

OHFA will conduct a supplemental Environmental Review for all projects receiving HDAP funds. Projects are not permitted to begin construction prior to the completion of the environmental review process and the issuance of a funding agreement. In addition, projects receiving Federal HOME dollars may not acquire the site prior to completion of the Part 58 HOME Environmental Review.
Projects that do begin any construction or construction related activity prior to the issuance of a funding agreement and receipt of all appropriate clearances (i.e. environmental review clearance, if applicable), at a minimum, the project will be subject to the following penalty:

- HOME-funded projects: The funding agreement will be rescinded. OHFA cannot guarantee the availability of other funds to fill the gap.
- OHTF-funded projects: The project may request to keep the award of funds. However, the recipient must provide a letter detailing the reasons construction began prior to the completion of the ER process; the applicant must detail what measures will be taken to ensure this does not happen with future projects and request that OHFA not rescind the OHTF award.

The Multifamily Committee of the OHFA Board will review all requests either to change the source of the HDAP award, or to keep the award of OHTF dollars if construction begins prior to the completion of the environmental review process. If approved, the recipient will not be able to draw HDAP funds until construction has been completed. The Multifamily Committee may choose to impose additional requirements or restrictions.

Regardless of the funding source, OHFA reserves the right to take further action if the recipient violates this restriction on future projects, or has violated this restriction on prior projects.
All projects will be subject to an environmental review conducted by the Ohio Housing Finance Agency (either a Part 58 or similar review), regardless of source of funds committed to the project. OHFA will allocate $1,000 per project funded with HOME funds for the publication of the environmental review Public Notice.

Rehab Standards

Developments that involve the rehabilitation of structures must adhere to the Office of Community Development (OCD) Residential Rehab Standards (RRS) or other standard approved by OCD. Refer to OCD's website for the RRS Handbook.

Site and Neighborhood Standards for New Construction Projects

New construction projects will need to meet the site and neighborhood standards found in 24 CFR 983.6.

Lead-Based Paint Strategy

All projects must adhere to the Department of Development's Lead-Based Paint Guidelines (found in the annual Consolidated Plan). All projects that involve the demolition and/or renovation of structures built prior to 1978 must submit a lead-based paint strategy that includes the following:

1. Indicate whether or not the property (ies) has (have) been tested for lead-based paint.
2. If the units/buildings have been tested, describe the test results. If the project has not been tested, describe how you derived an estimated cost for testing and confirm that these costs were incorporated in the project's development budget.
3. Describe how the cost to treat lead-based paint will be covered by the project budget, and how you estimated the cost to treat lead-based paint.
4. Describe the availability of licensed lead testers, contractors and workers in your area, and if there is a shortage of licensed personnel, how might that effect the construction of your project regarding timeline and what strategies will you use to find licensed personnel.

For the Department of Development's Lead-Based Paint Guidelines, please contact the Office of Community Development (OCD) at 614-466-2285.

Appraisals

All projects that include any acquisition costs in the pro forma will be required to submit an "as-is" appraisal that supports those costs. Appraisals must meet OHFA's requirements and must be submitted with the final application submission. The purchase price should be less than or equal to the appraised value. If the purchase price is greater than the appraised value, the applicant must explain why. OHFA reserves the right to limit funding of acquisition costs to the appraised value of the site.

Projects that do not provide an appraisal prior to the approval of the HDAP award will be required to provide it prior to closing the HDAP.

Appraisals cannot be more than six (6) months old at the time of application. If the applicant submits the appraisal to meet a closing condition, the appraisal cannot be more than six (6) months old when received by OHFA.

Uniform Relocation Act Relocation Standards

1. Relocation Forms:

   All applicants must supply the "Real Property Acquisition and Relocation Certifications and Voluntary Acquisition Forms" for the project as follows:

   a. All HDAP applicants must submit a completed URA Attachment "Questionnaire on Acquisition, Relocation and Demolition."
   b. For all projects involving acquisition (if the project shows acquisition costs for buildings in the project budget, this must be completed), the applicant must submit a completed URA Attachment "Real Property Acquisition and Relocation Certifications."
   c. For all projects involving acquisition, i.e. development budget reflects acquisition costs for buildings in the project, the applicant also must complete URA Attachment L "Sample Voluntary Acquisition Form" for each seller of land and/or building acquired for

use in the project and must retain these completed forms with original signatures on file, for review by OHFA staff.

Each application will be reviewed for compliance with Ohio Department of Development Relocation Policies, the Uniform Relocation and Real Property Acquisition Policies Act of 1970 and Section 104(d) of the Housing and Community Development Act. Any non-compliance issues will be brought to the attention of the applicant and must be resolved prior to execution of the HDAP funding agreement.

2. Relocation Plan:

   All projects, regardless of funding source, that involve the rehabilitation of (an) existing occupied unit(s) must submit a Relocation Plan. If the project receives federal funds, the plan must meet the requirements set forth in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.

   The Relocation Plan submitted with the HDAP application must address the following:

   a. During renovation, residents will: (1) stay in place, (2) be temporarily relocated within the project, (3) be temporarily relocated off-site, (4) Be permanently relocated. The applicant may choose a strategy that includes a combination of (1)-(4).
   b. If some or all residents will stay in place, the applicant must describe the rehabilitation items to be completed and strategies to complete those items without requiring resident relocation.
   c. If residents will be temporarily relocated or permanently relocated, the applicant must describe what resources are anticipated to be needed to accomplish the relocation (including the applicant's basis for estimates for the cost of relocation), the notices that will be provided to residents, how the applicant will staff relocation activities, and source of funds to cover the cost of relocation activities.

For the additional questions on relocation, please contact the Office of Community Development at 614-466-2285.

Affirmative Marketing Plan

OHFA must ensure that all funded projects are affirmatively marketed. A <u>completed</u> Affirmative Fair Housing Marketing Plan <u>with required attachments</u> must be submitted in the HDAP application.

Wage Rate Compliance

The applicant will be responsible for compliance with state and federal wage rates that may be applicable to the project. Appropriate wage rates need to be factored into the applicant's construction budget. Questions regarding the applicability of state prevailing wages should be referred to Department of Commerce (Wage & Hour Bureau) at 614-644-2239. The number of HOME-assisted units in the project will determine the applicability of federal wage rates for the project. Twelve or more HOME-assisted units trigger federal Davis-Bacon wage rates. Questions regarding the applicability of federal prevailing wage (Davis-Bacon) should be referred to the Office of Community Development at 614-466-2285.

Rent Requirements

HDAP Restricted Units:

Developments located in PJ areas must show:

a. that at least 40% of the development's affordable units must be occupied by and affordable to families at or below 50% AMI for the entire affordability period.
b. that a minimum of 10% of units will be affordable to and occupied by households at or below 35% of area median income.

Developments located in Non-PJ areas must show:

c. that at least 35% of the development's affordable units must be occupied by and affordable to 50% AMI households for the entire affordability period.
d. that a minimum of 5% of units will be affordable to and occupied by households at or below 35% of the area median income.

HDAP Assisted Units:

All projects will be required to maintain HDAP-Assisted Units, which are determined by the amount of HDAP provided, the 221(d)(3) limits, and the costs to develop the unit.
Affordable units are defined as units that are affordable to households at or below 60% of the AMGI Projects with federal project-based subsidy on the greater of a) at least 50% of the units or b) the number of restricted and assisted units will set rents (with utilities) as allowed by that project-based assistance. Existing tenants may not be displaced to achieve the minimum percentage of occupancy by very low-income households. Occupancy in up to 60% of the development by households with higher incomes is to occur over time; at turnover, units may be leased to higher income households.

Exception to Rent Restrictions (50% rents and High and Low HOME Rents):

Units that have project-based rental assistance with units that are occupied by families below 50% of the AMGI and pay no more than 30% of their adjusted income toward rent and utilities are exempted from the rent restrictions associated with the Low HOME Rents and Restricted Units at 50% AMI. Project-based rent assisted units can charge up to the contract rent prescribed by their project-based rental assistance contract. However, these projects must still comply with the occupancy requirements that accompany the restricted and assisted units in (1) and (2) above. Should the project-based assistance contract be discontinued, the project will then be required to comply with the restricted rent (50% AMI) and High and Low HOME Rent requirements.

H. POST AWARD

Loan Closing Requests

OHFA will enter into a Funding Agreement with the HDAP-Recipient and Limited Partnership. Once the Funding Agreement has been signed by all appropriate parties, the HDAP-Recipient may formally request a closing of the HDAP.

A template closing checklist and closing procedures are available on the OHFA website.
The template checklist does not include any project-specific closing conditions determined during the underwriting process. Project-specific closing conditions will be detailed in the Funding Agreement. OHFA requires a minimum of 30 days to complete its review once all of the required checklist items have been received.

Subsequent Changes

The HDAP-Recipient is required to notify OHFA immediately and request approval of any changes that occur in the project at *any time after project approval through the affordability period*. Such changes include, but are not limited to, changes in the development team (developer, general contractor, sales agent/management entity, etc.); changes in the number of units or unit mix; changes to the target population; etc.

The request should be sent to:

Ohio Housing Finance Agency
Office of Planning, Preservation and Development
57 East Main St., 4th Floor
Columbus, OH 43215

OHFA reserves the right to assess fees for the following:

Amendments to a funding agreement:	$ 500 per request
Extensions of a funding agreement:	$ 500 per extension
Reinstatement of an expired funding agreement:	$1,000

Project Administration and Drawing HDAP

A Guide to Drawing the HDAP has been created to assist applicants as they work with OHFA staff during the construction phase. This document may be found on the Project Administration page of the OHFA website.