

Corrections to the 2005 Qualified Allocation Plan (QAP)

1. The Ohio Housing Finance Agency (OHFA) has found that Exhibit Q of the 2005 QAP contains three errors. The corrections are as follows:

a. The Family Penetration rate for the Dayton Vandalia submarket is 25.1%, which is higher than the statewide average of 9.68%. Therefore, family properties located in this submarket are not eligible for points in the Low Penetration Rate category (competitive criterion # 20). The Affordable Housing Funding Application (AHFA) has been updated to account for this error.

b. The Family Penetration rate for the Youngstown Southeast submarket is 9.3%, which is below the statewide average of 9.68%. Therefore, family properties located in this submarket are eligible for points in the Low Penetration Rate category (competitive criterion # 20). The AHFA has been updated to account for this error.

c. The Senior Penetration rate for Fayette County is 5.3%. Therefore, senior properties located in this county are eligible for points in the Low Penetration Rate category (competitive criterion # 20). All applications will be updated by the OHFA upon receipt to account for this error.

An updated Market Criteria Data Table is available on the OHFA web site.

2. The first sentence of the Low Market Vacancy Rate category (Item 19 on Page 40 of the 2005 QAP) contains a typographical error. The sentence is hereby corrected as follows: "Projects located in counties or submarkets that have an average vacancy rate for market rate projects equal to or less than the statewide average will receive one point".

Questions and Answers

3. *When will the 2005 Rent & Income limits be released?*

The U.S. Department of HUD is expected to issue the 2005 Rent & Income Limits during the first quarter of 2005. The OHFA will then release Version 2.0 of the AHFA containing the new limits. Applications may be submitted using Version 1.0 of the AHFA. These applications will be updated by the OHFA upon receipt. All applicants will be given the opportunity to correct any underwriting errors caused by the use of the previous limits.

4. *How can I determine whether a site is located in a Qualified Census Tract (QCT)?*

The web site for the U.S. Census Bureau (<http://www.census.gov/main/www/cen2000.html>) may be used to determine in what census tract a property is located. This information should then be compared to the list of 2005 Qualified Census Tracts in Exhibit D of the QAP.

5. Will a letter from a city stating that it is acquiring sites via eminent domain satisfy the site control requirements?

The site control requirements are very specific and do not include exceptions for eminent domain. There is also a risk that the applicant may not be able to acquire the property by the Carryover deadline. Therefore, eminent domain will not qualify as site control for the purpose of meeting threshold requirements.

6. *Are the developer fee percentage and combined fee percentage calculated using the eligible basis before or after adjusting it to meet the HUD 221(d)(3) mortgage limits?*

The fee percentages are calculated using “total eligible basis”, which does not include any adjustments (federal grants, historic rehabilitation credit, HUD 221(d)(3) cost adjustments, etc.).

7. *The QAP defines a site as a parcel with an assigned permanent parcel number (PPN) as it exists at application. We have several contiguous parcels that we intend on consolidating into one parcel. In order for this to count as one site, would we have to complete the consolidation process and have a new PPN assigned by the application deadline?*

If you intend to combine multiple sites into one larger site, we will accept this as one site even if the new PPN is not yet assigned. Please submit documentation from the title company, auditor’s office, etc. indicating that the sites will be combined and that the assignment of a new PPN is in process. It would also be prudent to include a brief narrative with your application describing the situation. Enter these sites in only one row on the site roster page in the application so that it will be calculated as one site.

8. *The QAP allows up to 10% of eligible basis for a Community Service Facility. A group has approached us about adding a significant community senior center as a part of our elderly project. However, we are having difficulty determining how to do this in the AHFA. The 221(d)(3) limits don't permit much of this additional cost to be included in eligible basis.*

We have not provided for an exception from the threshold limits on total project cost and total eligible basis when a Community Service Facility is included in a project. So unfortunately, the cost of the entire project may not exceed 100% of the 221(d)(3) limits per unit. The cost of the center should be included with the other project costs in Section B of the AHFA.

9. *We are reducing the number of units in some of our rehabilitation buildings. When we represent the project in our public notification letters, we are showing the number of units that are proposed and not the current number of units. Is this appropriate or should we include a reference to the previous unit configuration?*

You are only required to include the proposed number of units in the new configuration.

10. *May in-kind contributions to a project be counted as eligible basis?*

Any services that are provided as in-kind contributions may not be included in eligible basis.

11. *If a purchase agreement in the name of the general partner entity may be assigned to another party, and a letter from the general partner is submitted that assigns the purchase agreement to the housing credit applicant, will this be acceptable for site control?*

In situations like this, we prefer to see an assignment agreement between both parties (the general partner entity and the applicant). Also, please specify any compensation passing between the two parties.

12. *For the energy efficiency certification (ODOD Form 001), should our contractor's estimate be the total cost of the higher efficiency items, or the difference between the cost of a lower efficiency item versus the higher efficiency upgrade?*

The total cost of the higher efficiency items must be used in the estimates.

13. *Does OHFA have any requirements regarding the environmental remediation of a site?*

We do not have any specific requirements regarding environmental remediation of sites. We suggest that you follow accepted industry practices and comply with any federal, state and local ordinances.

14. *The local Consolidated Plan does not currently address rehabilitation of existing rental units. Can I request that the Ohio Department of Development complete the Certification of Consistency with Local Housing Plans (ODOD Form 004)?*

OHFA will consider a project to be consistent with the local housing plan if the project does not contradict such plan. If rehabilitation of rental units is not addressed, then you should be able to secure certification from a local official on ODOD Form 004.

15. *A senior property must contain at least 20 universal design features to qualify for competitive points. Can this be any combination of structural and non-structural features?*

This may include any combination of universal design features. Please note that you must have at least six structural and six non-structural features to qualify for points in the Additional Universal Design Features category.

16. *One of the requirements for Permanent Supportive Housing is a commitment for rental subsidy for at least 50% of the units. Does this subsidy have to be project-based or may it be tenant-based? May an operating subsidy for supportive services be classified as rental subsidy for this category?*

The rental subsidy required in this category must be project-based assistance. Other forms of subsidy cannot be considered as rental subsidy if they are specifically designated for other purposes, such as supportive services.

17. *We are negotiating a purchase agreement that will include a number of extension periods so that the agreement will not expire before 120 days after the application date. A deposit of funds into escrow is required each time we request an extension. Will this type of agreement meet OHFA site control requirements? Are we required to evidence that funds are available to make the escrow deposits?*

The purchase agreement that you have described will be sufficient to meet our site control requirements. You must provide evidence that funds are available to make the applicable escrow payments.

18. *The first section of the form used to elect Universal Design Features (ODOD Form 001) is entitled "Entrances". How does OHFA define "Entrances"? Specifically, do these pertain to the entrance of the building, the unit, or both?*

These items apply to both exterior entrances (building or unit) and interior entrances (unit). However, some items apply to exterior entrances only, such as covered entryway, movement sensor light controls, and high-visibility address numbers.

19. *We plan to develop single-family homes on scattered sites. May we identify the boundaries of our project (i.e. First Street to the north, Fifth Street to the south, West Street to the west and East Street to the east) in our letters of support?*

Identifying the boundaries of a scattered site project as you have described is acceptable for the Other Local Support category. Please keep in mind that public notification letters must contain each specific address and/or permanent parcel number that will be under control in your application. These may be indicated in the body of the letter or in an attachment to the letter.

20. *What is the definition of "cooktop with staggered burners" found in the Universal Design section of ODOD Form 001?*

Staggered burners are not set in a straight line, so that the user will not have to reach across the front burner to stir the contents of a pot on the back burner. You could also think of "staggered" burners as being placed in a diagonal pattern on the cooktop rather than in a square pattern.

21. *If a Community Service Facility will be constructed as part of a project, may this facility be used to provide supportive services to the residents?*

Yes, a Community Service Facility may be used to provide these services.

22. *Do letters of support need to indicate each particular type of financing sought? Do the letters need to include specific information about the special needs population?*

Letters of support must indicate that the project will be affordable housing, and must mention the special needs population to be served. The specific OHFA programs to be utilized are only required in the public notification letters.

23. *Does the use of concrete parking blocks constitute a parking lot with concrete curbs?*

No, the use of concrete parking blocks will not meet this threshold requirement.

24. *Must the ownership entity (Limited Partnership or LLC) of a project be formed before an application is submitted?*

No, the actual ownership entity does not have to be formed at the time of application.

25. *May we send two Public Notification letters to two county commissioners in one envelope and use the same certified mail receipt for each letter?*

No. Please notify each applicable public official with an individual certified letter.

26. *A general partner meets the CHDO requirements but is not currently certified. When must a general partner be certified to receive points in the CHDO Owner category?*

A general partner must be a state-certified CHDO at the time of application to qualify for these points.

27. *Are the HUD 221(d)(3) cost limits for elevator buildings used if the building in question has a single elevator, even if that elevator does not service every unit?*

Yes, a residential building with an elevator qualifies for the higher HUD 221(d)(3) cost limits.

28. *Can you clarify the Universal Design option that the wiring for high-speed Internet access data connections be networked from the units back to a central location?*

The data connection in each unit should be connected as a network to one single location, similar to a network of computer terminals in an office setting. This will allow the residents to share one internet connection and reduce the cost of high-speed Internet access.

29. *A developer wishes to build townhouses for families that would become condominiums after the 15-year compliance period. What is the position of OHFA regarding this type of housing?*

The 2005 QAP is silent regarding this issue, so OHFA would accept the application and would indicate on the Restrictive Covenant that it is a lease purchase project if requested by the applicant. The application will not qualify for points in the Lease-Purchase category.

30. *For purposes of evidencing site control at the time of application, will an agreement to enter into a ground lease be acceptable, or will an entire ground lease be required?*

An executed lease agreement and recorded memorandum of ground lease are required as evidence for this avenue of site control. An agreement to enter into a ground lease or an option to lease are insufficient to meet our requirements.

31. *A developer holds a purchase option stating that at closing, they have the right to designate any entity to be the property owner. If such developer submits a corporate resolution to transfer the property to the partnership at closing, will this be sufficient for site control?*

The purchase option between the current owner (seller) and the developer (purchaser), in which the purchaser may designate the grantee, may be coupled with a corporate resolution from such developer designating the grantee as a to-be-formed limited partnership.

32. *If the owner of the land will be a general partner or special limited partner in the Limited Partnership that will own the project, is a deed evidencing their ownership all that is necessary to evidence site control? Is a majority ownership interest in the Limited Partnership required?*

Site control by a member of the ownership entity must be evidenced to meet threshold requirements, so such a deed will be sufficient. The member who owns the property may be a general partner or special limited partner, and is not required to hold a majority ownership interest.

33. *Is there a required minimum interest rate for Deferred Developer Fee or is a rate of 0% acceptable to OHFA?*

We do not have any requirements regarding the interest rate for deferred developer fee. A rate of 0% is acceptable.

34. *Does OHFA require the Interest Reduction Payment (IRP) to be decoupled from an existing HUD Section 236 agreement prior to applying for Housing Credits?*

The decoupling will not be required prior to application due to cost and paperwork issues. The decoupling must then be completed if a reservation of credits is awarded.

35. *If a scattered-site project is located in two municipalities in the same county, are 35% of the sites in each municipality required to be under control at application?*

We have no requirement that a certain percentage of sites be located in each municipality for a scattered-site project located in two municipalities. The 35% site control requirement would simply apply to the entire project.

36. *We plan to create a new general partner entity consisting of two existing organizations. This entity will hold 49% of the general partner ownership interest. Will the experience of both organizations be counted for points in the General Partner Housing Experience category?*

No. A minimum 49% ownership interest must be held by one development organization for the experience of that general partner to be counted for competitive points.

37. *Has the OHFA developed specific objective guidelines for their judgment of appeals to the market categories in competitive review, or will these decisions be more subjective and based upon argument(s) presented by the market analyst?*

We have not created any review guidelines at this time. Each project will be judged on a case-by-case basis since there may be many unique factors to consider for each proposal and/or submarket. Applicants will also have an opportunity to appeal the decisions of OHFA staff.

38. *If a project received the top ranking from the applicable Continuum of Care in 2004, will the project qualify for the first tie-breaker in the PSH Pool? What is the timeframe for receipt of information from the local Continuum of Care?*

Any project that was ranked # 1 by the local Continuum of Care prior to June 1, 2005 will receive preference in the first tie-breaker in the PSH Pool, including those ranked # 1 in 2004. The date indicated in this paragraph is also incorrect. Item 2a on Page 43 should read as follows:

“The project is the top ranked project by the applicable Continuum of Care or if there is more than one number one ranked project in a local jurisdiction, then OHFA must receive prior to June 1, 2005, a letter from the local Continuum of Care Coordinator designating the project the local community prioritizes for tax credit financing.”

39. *If the local zoning authority requires a conditionally permitted use, do the applicable conditions have to be met prior to the application deadline?*

Any conditions indicated in the zoning letter may be met after the application deadline. The conditions must be included in the letter for our information.

40. *A development entity is owned by a group of developers who collectively have completed 20 Housing Credit properties. Will this development entity qualify for the tie-breaker criterion of 20 or more projects allocated housing credits after 1992?*

This type of combined development entity will not qualify for this tie-breaker. The QAP indicates that only the experience of one entity will be considered.

41. *May one proposed housing development be submitted as two different applications, one with a sole for-profit owner and one with a non-profit organization as a partner?*

The OHFA will permit a parcel of land or an existing building to be included in only one application during a funding round.

42. *A contiguous site is defined as “two or more sites that share common boundaries, and cannot be separated by vacant or developed land, railroad tracks, rivers, creeks, etc.”. Are two sites separated by a roadway considered to be contiguous sites?*

Sites that are separated by a roadway of any size will not be considered to be contiguous sites.

43. *How will the OHFA define the term “special needs population” for the purpose of the market study and the resolutions of support?*

A “special needs population” is defined as permanent supportive housing for the homeless, senior housing, housing for persons with a developmental disability, or housing for persons with severe and persistent mental illness. Family housing will not be considered to be a special needs population, however you may choose to indicate “family housing” in a resolution of support if you wish.

44. *May an applicant select the Allocation Pool in which their project will compete?*

No. Each application will be assigned to an allocation pool by the OHFA based on the characteristics of the project. Unsuccessful applicants in the target and geographic pools will compete in the general pool.

45. *May an applicant elect to make commitments that total to more than 75 points in Part I of the competitive scoring?*

Yes. The applicant must submit proper evidence of each item and will be held to all commitments if their application receives an award of housing credits.

46. *We are submitting an application that was unsuccessful last year. Will the items submitted in the previous application be acceptable evidence of competitive points for this year?*

No. All evidentiary items must be submitted in the current application. The OHFA will not reference applications from past years to make scoring determinations.

47. *Applications for properties located in some of the “Watch Areas” may be eligible for ten points in the market criteria (Part III of competitive review). Is this a compelling reason for the OHFA to approve of such developments?*

The competitive point items for vacancy, penetration and household growth apply to an entire county or submarket and therefore should not be relied upon for this purpose. Information about these items as they apply to the market area of a specific project may be used to support development in that area.

48. *The general partner experience section of competitive review indicates that “projects must consist of five or more units” to be counted toward the experience points. However, the tie-breaker scenario for Geographic Pools B and C is silent regarding this issue. Please clarify whether a minimum number of units is required for the tie-breaker.*

A project must consist of five or more units to be considered under any of the experience tie-breakers.

49. *We are preparing an application for permanent supportive housing that will also serve persons with severe and persistent mental illness. A separate supportive service plan is required for each of these populations. Are we required to submit two service plans with our application?*

No. Permanent supportive housing (PSH) projects that will also serve persons with severe and persistent mental illness (SMI) may submit one supportive service plan that includes all features of the service plan for PSH. The services covered under the PSH plan must be “consistent with the population being served”, i.e. persons with SMI in this case. The unit set-aside requirements and the support letters described in the service plan for SMI must also be included.

50. *May senior housing units meet the definition of a “rowhouse” described in Item 5C of the tie-breakers for Geographic Pool A (Page 46 of the QAP)?*

Senior units may be designed as rowhouses to meet the definition that you have referenced. Please note that the project and the units must meet all of the requirements of the Senior Housing category on Page 32 of the 2005 QAP.

51. *May we submit one housing credit application for two apartment complexes located in the same city and county? If so, is the application eligible for the 130% basis adjustment of one building is in a Qualified Census Tract (QCT) and the other is not?*

The OHFA will permit this type of application if the complexes will be owned by the same entity (LP or LLC). All of the documentation (e.g. public notification letters, market study, financial commitments, etc.) in your application must be structured to account for both properties.

If only one building is located in a QCT, the basis adjustment will apply only to that building. Indicate the percentage of buildings located in a QCT in Item 2G on the Housing Credit worksheet of the AHFA.

52. *The competitive review presentation at the 2005 Housing Funding Training indicated that a minimum of 10% of the units in a project must be set-aside at the lowest income band in the rental structure to be considered in the capture rate calculation for the Market Study Criteria (competitive criterion # 24). Will an exception be made for projects located in non-Participating Jurisdictions that elect to have 5% of the units occupied and affordable to households with incomes at or below 35% of area median income?*

Yes. The OHFA will allow an exception to the “10% rule” for those projects that elect the rent and income restriction that you referenced.

53. *Who is responsible for establishing the Davis Bacon wage rates in a given area? Does the federal, state or local government set these rates?*

The Ohio Department of Commerce has this responsibility at the state level, and the U.S. Department of Labor is responsible at the federal level. The wage rates and modification of the initial annual wages are updated periodically.

54. *A general partner with a 49% ownership share has developed more than ten affordable housing properties but has no Housing Credit experience. Is this entity eligible for the maximum ten points in the General Partner Experience category?*

No. An entity must have completed at least five housing credit projects, three of which must be located in Ohio, to receive the maximum score of ten points in this category. A maximum of five other affordable housing properties developed with public funds may also qualify for points (see Item 16B on Page 47 of the QAP). The entity that you referenced is eligible for up to five points, and additional points may be awarded based on the housing credit experience of another general partner with a minimum 49% ownership share in the project.

55. *Is an Appraisal or Capital Needs Assessment required with a Housing Credit application that proposes to rehabilitate an existing building?*

These items are not required with an application for competitive Housing Credits. A capital needs assessment (for all rehabilitation projects) and appraisal (if seeking acquisition credits) will be required later in the year if credits are awarded. A capital needs assessment must be submitted with the initial application only if you are seeking non-competitive credits for a project financed with tax-exempt bonds.

56. *Our application will consist of units located in more than one local jurisdiction. May the resolution of support in each jurisdiction refer only to the number of units located in that particular jurisdiction? May each site be referred to by a different name in each resolution?*

Each resolution may indicate only the maximum number of units to be developed in that particular jurisdiction. Each site may be referred to by a different name in each resolution, as long as the location is clearly identified and is consistent with the other application materials.

57. *The second paragraph of the Allocation Pools section of the QAP (Section D, Page 24) indicates, "OHFA will enforce the maximum credit caps as projects are reserved credits in each pool." Does the term "maximum credit caps" refer to the maximum amount available in each pool, or to the maximum amount awarded to each organization?*

This statement refers to the caps placed on organizations, which are outlined in the Maximum Credit Cap section of threshold review (Item 11 on Page 17).

58. *A project with units located in multiple submarkets will be designated to the submarket with the highest percentage of units in the project for the purpose of the tie-breakers, and the market points (Part III of competitive review) will be prorated based on the percentage of units in each submarket. What will happen if these percentages change after reservations are issued?*

The tie-breakers will not be affected if the percentage of units in each submarket is changed. However, if the market points or any other scoring items are reduced, this may result in a reduction or revocation of a Housing Credit reservation pursuant to the Project Changes section of the QAP (Page 63).

59. *We are proposing to build single-family homes on scattered sites that do not have room for a two-car garage. What information must be submitted to the OHFA in order to secure a waiver of this requirement?*

Submit a formal letter explaining the need for an exception from the two-car garage requirement, a list of all lots that may be included your initial application for which this exception is needed, and evidence of the dimensions of each lot. This information must be submitted to the OHFA no later than February 15, 2005. Any lots added to your project following reservation will be reviewed by the OHFA at a later time (prior to the Carryover deadline).

60. *The fourth tie-breaker for the Rural Development pool (Item 1D on Page 43 of the QAP) indicates preference for a general partner or developer "...that has developed and owns or owns at least 20 or more projects..." Please confirm whether this reference is correct.*

This sentence contains a typographical error. The first sentence of this paragraph should read as follows: "Preference is given to projects with a general partner or developer - only the experience of one entity will be considered - that has developed and owns or **owned** at least 20 or more projects (can include out-of-state) allocated housing credits after 1992 and are placed in service with 8609 Forms (or for Ohio projects, a complete request for 8609 Forms has been submitted at least a month prior to the application deadline)".

61. *When does information to support a "challenge" under the Special Market Condition category (competitive criterion # 22) have to be submitted to the OHFA?*

Evidence for this competitive category may be submitted with the application no later than March 17, 2005.

Questions added since February 8, 2005:

62. *When must an applicant submit a request to waive underwriting standards?*

A request to waive any of the underwriting standards may be submitted as part of the application.

63. *If a development contains sites in multiple submarkets, which will apply for the purpose of the watch areas?*

The market analyst must address the potential impact of any units located in a watch area. The impact may be minimal if there are only a few sites in a watch area.

64. *If a municipality requires a minimum age of 62 years for a senior property, may this be included in a Resolution of Support?*

This addition to the resolution of support is acceptable. Please note that the OHFA will only require that at least one member of each household be age 55 years or older.

65. *May a developer submit applications for multiple projects within the same market area? The projects may contain similar attributes and the same development team members. Based on the tie-breaking criteria it is unlikely that all applications will be funded, and in fact the developer does not expect to receive housing credits for all applications. Are there different standards for scattered-site projects?*

An entity that submits an application for housing credits must follow through with all representations made in the application regardless of the funding outcomes for other applications the entity has submitted. Each application submitted must consist of a legitimate stand-alone development proposal. The OHFA does not consider projects that are artificially divided or duplicate projects on adjacent or nearby sites as legitimate development proposals. These applications are prepared only to manipulate the competitive scoring and tie-breaking criteria and do not meet the intent of the allocation priorities described in the 2005 QAP. Therefore, the OHFA will reserve the right to combine applications for projects located in close proximity to each other and sharing similar attributes, such as project type, population served, construction style, and/or development team members. This aggregation policy is based on the OHFA practice of combining applications under the maximum credit cap criterion as described on Page 18 of the 2005 QAP.

The OHFA will assign combined applications a single project tracking number and a single random number to be used in the tie-breaking criteria. In addition the developer will be required to demonstrate that the combined project will be financially feasible and is supported by the local community, if the applicant is claiming Local Government Support points. The conclusions in the market study must be updated based on the new total number of units. Other documents, such as zoning documents, public notification letters, or consolidated plan certification, may also need to be updated due to the consolidation. If the OHFA determines that it is appropriate to combine applications in this manner, then the applicant(s) must either submit the updated documents described above or elect to withdraw one or more of the duplicate applications. An election to withdraw an application(s) must be in writing and signed by all applicants who signed the original application(s).

The following example illustrates how the OHFA may combine housing credit applications:

Developer X submits the following applications (all projects will be owned by partnerships with the same general partners or parent organizations):

1. Multifamily apartments, 50 units, 5 units set-aside for the MR/DD population.
2. Multifamily apartments, 50 units, 5 units set-aside for the SMI population.
3. Multifamily apartments, 50 units, 100% senior population.
4. Single family homes, 25 homes.
5. Single family homes, 25 homes.

Projects 1, 2, and 3 are located on adjacent sites. The single family homes in Projects 4 and 5 will be located within one mile of the other projects and are located in the same market area.

In this example, the OHFA would combine Projects 1 and 2 and consider them as one 100-unit proposal. These applications, although not identical, contain enough common traits to raise concerns regarding the legitimacy of the applications. Projects 4 and 5 would also be combined into one 50-unit proposal since the sites are in the same market area. OHFA will assign the combined applications a single project tracking number and a single random number to be used in the tie-breaking criteria. Project 3 will be considered separately since it did not share as many common traits with the other applications.

In addition to combining applications, the OHFA will prohibit applications that receive a reservation of housing credits from later adding land or sites from other projects that were proposed in 2005, did not receive a reservation of credits, and were located in the same county or, for the eight largest counties, the same submarket. This policy will apply to single-site and scattered-site projects.

The purpose for the “35% site control” rule for scattered site projects was to enable developers of these projects to compete with single site developments, since in many instances it takes more time to get multiple sites under control. The purpose was **not** to allow organizations to spread many sites over multiple applications. This is a reason why the OHFA is applying the policy described in the paragraph above to scattered site applications. Based on the applications received this year, the OHFA may review the “35% site control” rule and determine whether it should be adjusted or eliminated in future allocation plans.

Finally, applications consisting of buildings in multiple jurisdictions without good reason, unusual development team combinations, and design features that hurt the long-term sustainability of a project will also run the risk of receiving a negative staff recommendation for the approval of HDAP funding. The OHFA strongly encourages applicants to increase their focus on creating the best affordable housing projects possible.

66. *Are housing credit syndicators or lenders subject to the user or organization credit cap limitations on Pages 17 and 18 of the 2005 QAP? Many syndicators and lenders provide technical assistance services to applicants before and after submission of the housing tax credit applications. These services can range from preparation of financial projections, clerical assistance in assembling the application package, ordering market studies, and assistance in obtaining other sources of financing. These activities are distinct from the actual development activities related to the property and are often provided at minimal or no charge to the project. Further, syndicators and lenders often change from time of application to partnership closing.*

The user and organization credit caps have never applied to housing credit syndicators or lenders in the past, and pursuant to the requirements of the 2005 QAP, the OHFA will not apply these caps to housing credit syndicators or lenders unless it can be shown that such organization is in the position of a general partner or exercises day to day management and control of a project in a position similar to a general partner. Unlike criteria for development team members, there are no incentives or preferences contained in the QAP for using specific private funding sources. Choosing the best sources of financing for a project is a business decision for the developer and owner of a project. The OHFA believes that artificially capping the participation of syndicators and lenders may limit an owner’s ability to put together the best financial package for a project.

67. *Our project falls outside of the city limits and is seeking a resolution of support from the township trustees. May we also obtain a letter from the president of the township trustees to receive four points in the Other Local Support category?*

No. The letters of other local support must be from the applicable individuals or organizations listed in the QAP.

68. *The description of the Preservation Pool on Page 27 of the 2005 QAP indicates that “the maximum score for a PSH project is 94”. Please clarify this item.*

This sentence contains a typographical error. This sentence should read: “Therefore, the maximum score for a Preservation project is 94”.

69. *We may be requesting an exception for the use of window air conditioners. Is a single air conditioning unit sized to cool the volume of space acceptable? Is there other information that the OHFA will require in these cases?*

A single window air conditioning unit to cool part or all of an apartment may be acceptable if you evidence that such unit is capable of cooling the space. A third-party professional HVAC contractor must certify that the air conditioning unit will be adequate for the area being served. The contractor should consider the size of the rooms, the layout of the apartment (open vs. rooms with doors), and any other significant factors. Please note that the cost of maintaining the air conditioning units must be accounted for in the operating budget, and the air conditioning units must be energy efficient

70. *The category Market Study Criteria (competitive criterion # 24) requires the capture rate of income-qualified households in the market area to be less than 7%. Is the capture rate open to all households or limited to renter households?*

The market analyst must generally use income qualified renter households for the capture rate calculation. However, for senior properties, we will allow the analyst to use both income qualified renter and owner households if they can provide a reasonable argument to use both in the particular market area.

71. *The Minimum Project Standards (threshold criterion # 17) require multifamily properties with between 76 and 150 units to provide at least two full time (at least 20 hours per week) on-site management staff. Does maintenance staff count toward this requirement? Will one staff member working 40 hours per week meet this requirement?*

A minimum of two on-site management staff (each with at least 20 hours per week) are required for this type of property. Maintenance staff are not counted toward this requirement.

72. *One of the tie-breakers in the preservation pool gives preference to applications with the highest percentage of total project costs spent on rehabilitation. How will this percentage be calculated?*

The rehabilitation hard construction cost percentage in Cell D429 on the Proforma worksheet of the 2005 AHFA will be used to determine the result of Item 4C in the preservation pool tie-breakers.

73. *We are planning to apply for housing credits, loan program financing and HDAP financing. Are each of these sources required to appear in the public notification letters? Is HDAP considered to be OHFA financing?*

Yes, all of these OHFA programs (including HDAP) must be indicated in the public notification letters. The loan program is now known as the Housing Development Loan Program (HDLP).

74. *An applicant plans to develop a multifamily senior property and single-family homes on a single existing parcel. Two applications will be submitted but the land will not be divided prior to the application deadline. May the applicant demonstrate site control using one option in both applications, or are two separate options required?*

One option will be acceptable for this situation. Please clearly indicate in each application what portion of the land is intended for that particular project.

75. *We are planning to resubmit an application from last year and have a market study dated March 12, 2004. If we submit our application prior to March 12, 2005, will the market study qualify as less than one year old and meet OHFA requirements?*

A market study must have been completed or updated on or after March 18, 2004 to meet the one-year requirement. Please note that additional items have been added to the market study section of the QAP for 2005.

76. *The preservation pool is divided into two parts based on the geographic pool definitions. Will a sole for-profit general partner receive preference in both parts of this pool?*

The preservation pool will be divided into two pools based on the geographic pool definitions as indicated on Page 27 of the 2005 QAP. Therefore, each of these preservation pools will have a separate tie-breaker, and a sole for-profit owner will receive preference in the tie-breaker for each of these pools.

77. *Is an applicant required to submit a Phase I Environmental Review (ER) at the application deadline if applying for both Housing Credits and HDAP financing?*

No. This item will be requested by the OHFA for the HDAP program if the applicant receives a reservation of housing credits.

78. *Athens County has been classified as a Difficult Development Area (DDA). How will this affect the eligible basis and competitive scoring of projects located in that county?*

A project located anywhere in Athens County is eligible for the 130% eligible basis increase in 2005 since the county is designated as a DDA. When completing the AHFA, indicate that the sites are in a QCT when entering the credit calculation on the Housing Credit worksheet.

The location points (competitive criterion # 14) will only be available to projects located in Qualified Census Tracts (QCT). The QAP specifies this preference and precludes awarding these points to a project in a DDA.

79. *Are replacement reserves included as an expense by the OHFA when calculating the debt coverage ratio (DCR)?*

Replacement reserves are not included to calculate the hard debt coverage ratio, but are included to calculate the overall DCR. Please note that a project must be able to obtain a hard DCR of 1.15 and fully fund replacement reserves for each year during the 15-year compliance period.

80. *Are applicants required to submit color photographs of their sites?*

Color photographs of the project site(s) and surrounding areas are required for the market study, but do not have to be submitted in any other section of your application.

81. *The description of the preservation pool includes a requirement that “documentation from HUD” must be submitted to evidence an expiring Section 8 HAP contract (Item 4A on Page 26 of the 2005 QAP). May an applicant submit documentation from the Contract Administrator for a particular project to evidence the assistance and length of the contract in order to qualify for the preservation pool?*

Yes, we will accept a letter from the Contract Administrator as evidence of the existence and length of the Section 8 assistance.

82. *May an acquisition and rehabilitation of an existing building also have newly constructed units added to the building?*

A rehabilitation project may have a newly constructed component; however if newly constructed units are added to a preservation property, then that project cannot compete in the Preservation Pool.

83. *Are a supportive services budget and service coordinator required to receive points in the Family Supportive Services category?*

Yes. The requirements are described in Exhibit I of the 2005 QAP (Pages 89-92).

84. *If a CHDO owns 51% of the general partner interest, a second organization owns 48.9% of the general partner interest, and a third owns 0.1% of the general partner interest, will the CHDO points be awarded under Part II of the competitive scoring? Will the experience of the second organization be counted in the general partner experience category?*

A CHDO that owns 51% of the general partner interest and meets all other requirements will qualify for the CHDO points. Any general partner must own a minimum of 49% of the general partner interest to qualify under the experience category.

85. *The QAP requires architectural plans on paper no larger than 8 ½” by 14”. However, most architects work on 11” by 17” paper for preliminary plans, which fits very well in an application binder if folded. Will you consider allowing plans printed on 11” by 17” paper?*

Yes, architectural plans on 11” by 17” paper may be submitted. Please fold these in half so that they are approximately 11” by 8 ½” and fit completely into the application binder.

86. *The Ohio-based Development Team category (competitive criterion # 15 on Page 37) indicates, “all entities must certify to OHFA that they have had their principal offices located in Ohio since December 31, 2001”. Is a signed certification required from each party, or will a narrative indicating all substantive information about each general partner or developer be sufficient?*

A narrative similar to your description will be acceptable to meet this certification requirement. Each general partner must certify that all items in the application binder are true and complete in Section D (Program Certification), so a separate signature is not required for this item.

87. *To calculate the minimum common space for a Senior Housing property, does the “total residential square footage” include the square footage of common hallways?*

Yes, square footage of common hallways may be included. This percentage is calculated using the common space floor area and total residential floor area entered in the AHFA.