

## Questions and Answers

### *Questions added since February 23, 2005:*

**88.** *Since many projects in the preservation pool are likely to compete in the tie-breaker, will OHFA set guidelines for fees such as contractor profit, contractor overhead, and general requirements? I believe that a goal of the new QAP is to keep the playing field level, however this looks like an area where a company could minimize certain fees in order to maximize the ratio of rehabilitation hard construction costs to total project costs.*

The OHFA expects all relevant professional fees, project reserves and other soft cost items to be included at amounts that are reasonable and are consistent with industry standards, program guidelines and averages from past and present applications. All soft cost items that are usual and customary for the rehabilitation of a Housing Credit property must be included in the proforma and properly identified as soft cost items. All costs relating to building acquisition must be accounted for in an appropriate manner.

The hard construction cost line items in the proforma section of the application must only include costs for those items that are depreciable with the building. The OHFA reserves the right to review, on a case-by-case basis, the proforma of any applicant and request a breakdown of the hard construction cost line items, which must be consistent with the scope of work for the rehabilitation. If the OHFA identifies items in the hard construction budget that should be identified as soft costs, then the application will be rejected.

An applicant with a fixed price contract in which all construction costs are designated as hard costs must estimate soft cost allocations from that contract and include those estimates as soft costs in the proforma section of the application. Any application without a soft cost allocation will be rejected. The Reservation and Carryover Agreements will include details regarding the hard construction cost percentage for any preservation project that receives an award of credits based on this tie-breaker. The initial breakdown between hard construction costs and soft costs may not vary beyond a reasonable amount from the actual costs indicated in the final cost certification. Any significant changes in the costs must be thoroughly explained before 8609 Forms will be issued. The OHFA reserves the right to reduce or revoke the Housing Credit allocation and/or other OHFA financing based on the costs indicated in the final cost certification.

Finally, developers or owners who are found to have manipulated the initial budget listed in the proforma section of their application in order to gain an advantage in the tie-breaking criteria will be placed in a “not in good standing” status with all OHFA programs.

**89.** *When entering rent elections in Section 7 of the Housing Credit worksheet in the AHFA, should the minimum percentages or the actual percentages be used?*

Enter the minimum percentage for any rent or income election under the Housing Credit or HDAP program. If the number of units in the project changes in the future, then the percentages will remain the same.

**90.** *Are color photographs of all sites required for the market study of a scattered-site project?*

For a scattered-site project, color photographs of at least five (5) sites or at least 10% of the total number of sites in the project must be included (whichever number is greater). The photographs submitted should reflect the various streets or neighborhoods in which the project sites are located.

**91.** *Are employee units included in the calculations for rent restricted units in the Housing Credit or HDAP programs?*

Employee units classified as common space are not considered in these calculations. Follow the guidelines on Page 39 of the AHFA:

- Low-income units are considered for the housing credit rent elections;
- Rental residential units are considered for the housing credit minimum set-aside and the HDAP occupancy & affordability requirements.

**92.** *Please confirm whether the ODOD Program Certification and a resolution authorizing submission are required from each general partner in a project.*

An original signature on the ODOD Program Certification is required from each general partner. The HDAP program also requires a letter from the recipient stating that they have read and will abide by the 2005 HDAP Guidelines, and a copy of corporate resolution of recipient evidencing the authority of the “authorized signer” to sign legal documents.

**93.** *The CHDO tie-breaker in the geographic pools limits the preference to organizations that have developed and/or own nine or fewer housing credit projects in Ohio. Will an 8609 request submitted prior to the application deadline count in this tie-breaker?*

The OHFA will consider all projects placed-in-service on or before December 31, 2004 to determine whether a CHDO has developed and/or owned nine or fewer housing credit projects in Ohio for the purpose of Sections 5(a)(i) and 6(a)(i) of the tie-breaking procedures affecting all geographic pools and the general pool. All housing credit allocations made by the OHFA through December 31, 2002 must be accounted for with either a request for 8609 Forms; a request for an extension of the 8609 deadline that also indicates the project is placed-in-service; or a notice that credits will be returned to the OHFA.

**94.** *Does the OHFA require that grab bars be installed in bathrooms for senior properties, or will grab bar blocking be sufficient?*

Grab bar blocking must be installed within the walls in the bathrooms of senior properties to meet the requirements of the QAP. The actual grab bars may be installed at a later time if requested by the resident of an individual unit.

**95.** *The Ohio-Based Development Team category requires principal owners to evidence that they have filed Ohio income tax returns since 2001. Does OHFA need copies of returns or is it acceptable to provide confirmation from our accountant that returns have been filed?*

Please provide a letter as described below to certify to the tax return requirement. Do not submit your actual tax returns since the contents of your application will be public records upon submission.