

Frequently Asked Questions

2014 Qualified Allocation Plan

Final Update 2/12/2014

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Helpful Hints for Navigating the FAQ

OHFA will include the most recent updates to the FAQ at the very beginning of the document. Previously answered questions have been organized by topic.

Where possible, OHFA has also provided a page number reference to allow people to find relevant information in the 2014 Qualified Allocation Plan.

One quick shortcut is to press control + f on your keyboard. This will allow you to search for a specific word or phrase.

Submission Questions

Q: Would OHFA accept a USB drive instead of a CD?

A: No. OHFA is looking into options for allowing USB drives in 2015, but our current intake software will not process file folders from a USB drive.

Q: The AHFA says to include a check or money order, but the FAQ says projects will be invoiced. I want to make sure that we should not include a check or money order.

A: Do not include a check or money order. This is an error in the AHFA. OHFA will invoice projects.

Most Recent Answers

Q: OHFA issued a constant contact stating that projects seeking the \$500k in HOME funds for gap financing must have a state certified CHDO with 100% ownership of the general partnership interest. Is there any flexibility with this? If not, can we still apply for the OHTF for \$350k?

A: Due to recent changes in federal rules regarding the HOME program, OHFA will not be able to award HOME funds to any project where the CHDO is not 100% owner of the general partnership or managing member interest. Additionally, the CHDO must have full decision making capability. Unfortunately OHFA does not have the authority to be flexible with this rule. Projects may still apply for the \$350k in Ohio Housing Trust Funds.

Q: How will fees be charged for the HDL loan? Should we capitalize the application, loan servicing, and closing fee in our development budget?

A: Yes. All fees should be capitalized. OHFA will assess the loan servicing fee for each year the loan is outstanding, including construction. **OHFA will defer repayment for up to two years if the loan is used during construction. OHFA will not assess interest during the construction period.**

Q: In the Workforce Housing Initiative, developments may choose to have 100% of their units at 60% AMI, but may not apply for HDAP. If we want to do lower income targeting, can we still apply for HDAP?

A: Yes.

Q: Does the Design and Construction Features agreement need to be executed by all parties since it is a draft document?

A: No. The document does need to be filled out in its entirety, but will not need to be executed until final application. The current version is a draft, and a final version will be released prior to the deadline for the final application. More information will be outlined during Next Steps meetings.

Q: For Preservation Characteristic Priority 1d, how will OHFA determine the 20 year mark from the last substantial rehab or construction?

A: The 20 year mark will be determined based on the documentation and evidence submitted by the applicant. Possible documentation could include the final Certificate of Occupancy or the project's 8609.

Q: If a project is over the cost index, what do applicants need to provide to justify their cost?

A: A narrative which must include any multipliers that may be applicable as well as any other justifications for being over the cost index.

Q: If we are proposing a lease-purchase project, do we need to commit to the extended use period even if our units will transition to homeownership at year 15?

A: Yes. Some homes may not sell at year 15 and will need to remain affordable rental property.

Q: What income and rent limits should we use in our application? The maximum rents in the AHFA seem to be 2013.

A: OHFA will underwrite to the 2014 income and rent limits. Several counties experience declines or increases in rent levels. These can be accessed here:
http://www.ohiohome.org/compliance/incomelimits_LIHTC14.pdf

Application Process (8-11)

Site Visits – p9

Q: How does OHFA want applicants to identify their sites for the site visit? Should applicants provide more than what is detailed on page 8 of the QAP.

A: OHFA staff must be able to locate the site using the map provided. Therefore, nearby intersections or landmarks should also be noted, especially in rural areas.

Cost Containment – p9

Q: The QAP states that OHFA will exclude assumed debt from calculations of existing unit projects for the purpose of cost containment. Does this include seller notes?

A: No. This will include existing federal assumed debt, such as HUD or RD programs.

Allocation Pools (12-14)

New or Existing Units – p12

Q: The 2014 QAP states that OHFA will determine the allocation pool in which proposals that combine new and existing units will compete. How will OHFA make the determination?

A: As a general rule, OHFA will place any proposal that contains new units in the New Units pools; however, OHFA may also consider the ratio of new to existing units in the proposal.

Threshold Reviews (15-20)

Complete and Organized Application–p15

Q: How will OHFA know that an applicant has commissioned a market study?

A: On January 10, 2014 OHFA will contact all of the market study providers identified on the Preferred Market Study Provider List (website). Each provider will be asked to send OHFA a list of market studies they have been commissioned to complete for OHFA. This list will be sent to OHFA no later than January 15, 2014 and will include the project name, applicant, city/county, and the type of construction (new construction, rehab, adaptive reuse). OHFA will not make this list public until the award results have been released.

Q: Where should we include the scanned copy of the Program Certification file on our CD?

A: Label the file as Program Certification and include it on the application CD. The original should be included with the CD.

Q: Please clarify which original signature documents are required to be in the folder for original signature documents?

A: Any document that requires a signature or has a signature line should be included in the folder for original signature documents. These include ~~but are not limited to~~ the Program Certification, Architect Certification, Design and Construction Features Agreement, ~~and Local Priority Letter and Tax Release Authorization forms~~. The Tax Release Authorization form will be submitted with final applications and must include an original signature.

Q: There seems to be some confusion about two forms: Tax Release Authorization and the Related Party Transaction. Can you clarify when those two forms need to be submitted?

A: Both forms are required with the final application. They do not need to be completed and submitted with the Proposal Applications due on February 20, 2014.

Q: When are Notifications to Statewide Accessibility Organizations due? And where do they go in the proposal or application?

A: The Notification to Statewide Accessibility Organizations will be due with the final application. Further information will be provided during the next steps meetings.

Application Fees-p15

Q: When are application fees due?

A: Application fees for 9% Proposal Applications will be invoiced. Application fees for 4% HTC and OHFA issued bonds should be included with an application.

Zoning-p16

Q: OHFA has stated waivers won't be available to demonstrate zoning after application due date in February. If a site allows multi-family use as a conditional use, must the conditional use permit be approved prior to February 20th? If a density variance is required, must this be approved before February 20th?

A: The site must be properly zoned for the proposed multifamily residential use at the time of application; this includes but is not limited to conditional use permits and variances.

Q: Will OHFA reconsider its decision on allowing projects to compete if zoning variances are required?

A: To clarify, OHFA does require that sites be appropriately zoned for the type of project and density. If variances are required for local zoning review (e.g. Setback), OHFA will not require those be approved with the proposal submission.

Q: Can zoning letters be dated 12 mos. of the application date?

A: ~~Zoning must be dated within one year of the application date.~~ OHFA will accept zoning letters dated January 1st, 2013 and after.

Supportive Services Plan – p16-17

Q: For the Supportive Services Plan threshold requirement, can applicants use the service commitment letters from last year, so long as they are dated after January 1, 2013?

A: Applicants may use these letters in the Supportive Services Plan, but these letters will not be counted for any scoring criteria unless they have been updated.

Phase I Environmental Site Assessment – p18

Q: For a Phase I ESA, will you require the ASTM 1527-13 standard for the February 2014 round? Your environmental review requirements cover all the material to meet the ASTM 1527-13, but due to the recentness of the EPA ruling on ASTM 1527-13 your review requirements do specify the new ASTM standard.

A: The new standard is dated November 7, 2013 and must be implemented within one year. OHFA will allow projects participating in the 2014 competitive housing credit round to use either the new ASTM standard or the standard identified in the QAP.

Green Standards – p18

Q: Since applicants do not need to pursue green standard certification until final application, will waivers regarding green standards also be submitted during final applications?

A: Yes. Waivers may not be available for all items and final applications will be expected to comply with their chosen standard.

Q: How should applicants plan for exception request to Enterprise Green Criteria since these are not submitted until awards have been announced?

A: OHFA will work with Enterprise to evaluate exception requests. However, applicants must be aware of the possibility that an exception request may not be granted.

Q: Where do applicants indicate which Green Standard will be used in developing projects (page 18)?

A: Please use the Design and Construction Features Agreement. There is a question on page 2 which addresses this.

CNA-p19

Q: On page 19 of the QAP, it is stated that the assessment must conform to the standards outlined in the Design and Development Standards section of the QAP, where is this?

A: This was an error. The [Capital Needs Assessment Standards and EUL Schedule](#) is a separate document that is posted to the website.

Professional Reports-p15-24

Q: For projects that submitted applications in 2013, will OHFA require new reports for market studies, ESA phase I reports, and CNAs?

A: The professional report (i.e. Market Study, ESA phase I, CNA) must have been completed or updated by the author within one year prior to the application deadline. OHFA will not accept updates to a previously updated report.

9% Competitive Selection (25-37)

Community Outreach - p26

Q: If there was a change in unit count from last year's application, and an applicant maximized the Community Outreach score, are they able to re-submit the plan submitted last year and keep the maximum score?

A: Yes, however the change in unit count must be indicated in the public meeting required before final application. Notification should also be provided to those entities that were contacted in the previous year.

Local Support - p27

Q: For support letters, it says in the QAP that letters dated between January 2013 and February 2014 will be accepted, however, in the scoring workbook it says between January 2014 and February 2014.

A: This is an error in the workbook. Use the QAP definition.

Q: If there are multiple providers of services and each provider will provide a few services to the project, to attain the points for Local Service Agency, are you required to get an MOU for ALL of the entities mentioned in the supportive services plan or just one?

A: OHFA will evaluate the services provided by the local service agency that is entering into an MOU with the development. OHFA will ensure that comprehensive services for the proposed population are being provided and that not just one service is being offered. If more than one service provider is necessary, than additional MOUs will need to be submitted.

Local Development Priority-p27-28

Q: Regarding the Form of Government spreadsheet posted on the OHFA website, we noticed incorrect information. For instance, the City of Portsmouth as of Jan 1 will be a City Manager style of government. Additionally, we noticed some cities, villages, towns were omitted.

A: For instances where an applicant finds an error or a missing municipality in the Ohio Cities and Villages Form of Government spreadsheet, applicants may submit evidence of the correct form of government with their application.

Q: On the letter for the Local Development Priority there is a line for “address etc.”. This is located under the name of the elected official. Is this for the address of the proposed project or for the elected official?

A: Please provide the address of the elected official.

Q: We recently had a concern from a City Manager regarding the Local Development Priority Letter and the fact that it states “Local Elected Official.” We noted her job title and asked the City Manager to cross out “Elected” and initial next to it.

A: OHFA will allow this for City Managers or Township Administrators.

Location Based Characteristics p29

Q: Radius Map for Local Economic Development (item #13 in the AHFA Instructions) – What point categories are associated with the radius map? Should the map be highlighting something specific relating to one of the point categories, such as Location Based Characteristics or Development Characteristics Priority?

A: This item refers to Location Based Characteristics (New Units Only) 2g. page 29 QAP. Applicants may submit any map they choose that effectively identifies the site, the ½ mile radius, and the location of significant economic investment.

Development Characteristic Priorities-p29-30

Q: For Development Characteristics Priorities 3d, 3e, and 3f, what documentation is required to obtain points?

A: To be eligible for points under 3d, 3e, and 3f, applicants should follow the language for each criterion. For example, 3d requires a commitment letter for the source indicated.

Q: Please define adjacent as it applies to determining if a new project can be considered a subsequent phase under Location Based Characteristics.

A: To be considered adjacent all parcels of land must share a border or point, exclusive of easements, right-of-ways, or thoroughfares (i.e. streets).

Q: How will OHFA define item 3h in regard to existing senior campuses?

A: To be considered a currently existing senior campus there must be existing services and/or healthcare options, as well as other housing options (i.e. assisted living) aside from the proposed HTC development. To demonstrate that a proposal meets this criteria, applicants should submit a letter from the owner of the existing services and housing detailing that residents of the HTC proposal will be able to access the current services and housing that are available.

Q: Will OHFA count tax abatements as local development subsidy (3f. Development Characteristic Priorities)?

A: No.

Market Characteristics-p32

Q: If an amenity exists but is not listed in the Google database, what documentation should the development team provide?

A: Applicants should note amenities that do not appear in the Google database on their proximity map. OHFA staff will verify the amenity during the site visit.

Areas of Distinction-p33-34

Q: If an applicant incorporates one of the innovative housing features that were awarded points in 2013, will it be considered for innovative points in the 2014 round?

A: No. While unsuccessful applications that were awarded innovative points in 2013 will still be considered for innovation in 2014, only the original presenter of the idea will be considered.

Q: Please define “minimal impact on development costs” as it is used in the description of Innovative Housing in the Areas of Distinction section of the QAP.

A: Costs related to the innovative feature element should not cause the project to exceed the established limits imposed (Cost Index). Applicants should detail the costs associated with the innovative feature in enough detail to demonstrate the idea has been well planned and the financing has been seriously considered. Developers may want to include a description of the cost both with and without the feature, explaining why the feature is considered to have only a minimal impact on the development costs.

Q: If an applicant is not selected under one of the Areas of Distinction but is still successful in receiving a reservation of Housing Tax Credits, will the applicant be required to meet the applicable criteria?

A: OHFA is willing to allow projects to reconsider these selections, on a case-by-case basis with compelling reasons. Applicants will be asked to submit a formal request prior to their Next Steps Meeting.

Preservation Characteristic Priorities-p35-36

Q: On page 35 of the QAP, item 1b. "Developments that account for at least 30% of the total available affordable housing units in the PMA. The applicant must submit information from their market analyst describing the available affordable housing in the area." What is considered affordable housing? TC only? TC, RA, HUD?

A: OHFA will include all HUD and RD subsidized properties as well as all projects funded through OHFA’s housing credit program (includes the Tax Credit Exchange and Tax Credit Assistance Programs) for the target population.

Q: What does OHFA consider a significant risk of market conversion?

A: Risk of market conversion could be demonstrated by showing that affordability restrictions have expired, has historically strong occupancy, the property is in good physical condition, market rate housing is in demand in the PMA, and affordable rents are below market rate rents in the PMA.

Hard Construction per Unit – p36

Q: Please confirm the definition of “hard construction” as it relates to the scoring category.

A: The definition of “hard construction” is contingent on the approval of the Multifamily Underwriting Guidelines. As proposed, the definition will include the following budget items: construction, on-site improvements, construction contingency, and furnishing and appliances.

Credit Limits-p37

Q: How does OHFA determine that a developer or general partner is “Ohio-based” for the purpose of the Credit Limits on Page 37 of the 2014 QAP?

A: A developer or general partner must have its corporate headquarters located in in Ohio to be considered “Ohio-based” for the purpose of the Credit Limits on Page 37 of the 2014 QAP.

Q: Does the \$2m limit per developer count against your limit if you’re just the consultant?

A: The QAP specifies general partners and developers, which does not include consultants. OHFA reserves the right to evaluate consultants to determine the actual role they play in the development team.

Tie-Breakers-37

Q: How will OHFA apply the elevator boost (adjusters for the cost index) for projects that include a multifamily structure with an elevator as well as additional units that do not have an elevator? Will the boost be pro-rated or weighted?

A: OHFA will apply the boost to the entire project. It will not be pro-rated or weighted in any way.

Design Requirements (38-43)

Existing Units History Narrative – p38

Q: Under the 9% preliminary submissions, it states that, existing unit developments must also submit an existing units history narrative, but it does not appear to be included in the checklist. Where should this be submitted, and what information would you like to see included in this narrative?

A: The Existing Units History Narrative was erroneously excluded from the application checklist and Design and Construction Features Agreement. Applicants should submit this narrative with the Design and Construction Features Agreement as a pdf. The narrative should include the history of the project itself, including but not limited to any rehab or capital improvements done over the history of the project.

Minimum Development Standards - 39

Q: Page 39 of the QAP provides the requirements for bedroom sizes. However, it does appear these requirements apply to both new and existing units. Do these requirements apply to all units?

A: These requirements apply only to new units. However, OHFA will evaluate existing units to ensure that spaces identified as bedrooms are large enough to accommodate at least a twin bed and a dresser.

Universal Design Requirements - 41

Q: The QAP mentions a “narrative” regarding Universal Design Requirements. Is a separate narrative required for Universal Design or is completion of the Design and Construction Features Agreement sufficient to communicate Universal Design intentions?

A: Applicants should only complete the Design and Construction Features Agreement. Further guidance will be given during Next Steps regarding Universal Design.

Development Team (49-51)

Q: Do management companies with prior OHFA experience need to submit anything for the Experience and Capacity Review component?

A: Yes. Please refer to page 50 of the QAP for a complete list. This documentation should also be submitted as item #32.

Q: The Development Experience tab on the AHFA has language indicating that organizational charts should be submitted. Should applicants include an extra pdf on the application disk labeled “organizational_charts.pdf”?

A: Yes.

Multifamily Underwriting Guidelines

Q: In the final Underwriting Guidelines that came out there was no mention that Seller Notes would not be allowed on 9% deals. Is that correct? Can you have a seller Note on a 9% deal if the purchase price is supported by an appraisal?

A: Seller notes will not be permitted in the calculation of housing credit basis in 9% HTC deals.

Housing Development Loans

Q: Will HDL funds be available for applicants in the 2014 HTC round?

A: Applicants submitting proposals for the 2014 HTC round may request Housing Development Loans (HDL). The following limits will apply:

HTC Request	HDL Amount
\$751k – \$1 Million	up to \$3 Million
\$501k – \$750k	up to \$2.5 Million
500k and below	up to \$2 Million

Q: Is there going to be a form like last year's "2013 HDLP Application" that applicants should submit with their proposals on Feb. 20? Or is filling out the AHFA sufficient?

A: Applicants may indicate their request for an HDL loan on the transmittal page of the application. Successful applicants will be given more direction during Next Steps meetings.