

John R. Kasich Governor of Ohio | Sean W. Thomas Executive Director

57 East Main Street | Columbus OH 43215

DATE: February 9, 2018

TO: All Prospective 2018 Housing Tax Credit Applicants

FROM: Planning, Preservation & Development, Ohio Housing Finance Agency

RE: Summary of Known AHFA Issues and Corrections

Summary of Known AHFA Issues and Corrections

The following is a list of all known bugs in the 2018 Affordable Housing Funding Application (AHFA). With the exception of two competitive scoring matter, none of these materially affect underwriting and scoring and will therefore be corrected in future versions of the AHFA. Please note that all applicants must use the AHFA with the 12.20.17 Release Date listed in the top left corner of the Instructions tab; all prior versions will populate 2017 rent limits, not the current 2018 limits.

For the competitive scoring issues, which are explained below, developers may either (1) request an immediate correction by emailing their working AHFA to QAP@ohiohome.org or (2) submit their AHFA as-is and OHFA will correct the issue after submission. Both are highly technical and do not impact document submission requirements.

Competitive Scoring Workbooks (Corrections Available Before or After Submission)

- The convenience-only “Set Aside” designation contained in cell C8 is not functioning. Please reference cell C25 on the Project Details tab to identify whether a set-aside was selected.
- **CORRECTION AVAILABLE:** ELI Targeting is calculating eligibility for points based on the number of all units instead of number of affordable units. If there are market rate units, this may undercount eligibility. OHFA staff will manually calculate eligibility. Developers may request an immediate correction by emailing a copy of their working AHFA to QAP@ohiohome.org, if OHFA staff makes a pre-submission correction, it will be noted in the top left corner of the Instructions Tab. If a manual correction is not made before submission, it will be corrected on the back-end. As with all competitive scoring criteria, underwriting staff will confirm tiebreaker eligibility based on the totality of information contained in the application.
- **CORRECTION AVAILABLE:** The “TDC per Net Rental Square Foot” calculation contained in the second tiebreaker is calculating eligibility based on an incorrect cell reference (it pulls from gross square foot instead of net rentable square foot). Developers may request an immediate correction by emailing a copy of their working AHFA to QAP@ohiohome.org, if OHFA staff makes a pre-submission correction, it will be noted in the top left corner of the Instructions Tab. If a manual correction is not made before submission, it will be corrected on the back-end. As with all competitive scoring criteria, underwriting staff will confirm tiebreaker eligibility based on the totality of information contained in the application.

Instructions Tab (Advisory Only)

- The AHFA text says that three site visit folders are required. This is incorrect, per the Qualified Allocation Plan (QAP), only one site visit folder is required.

- In the Document Submission Requirements section, item #4 in the document list requires submission of the DCFA. Please be advised that this is not a separate form, it is embedded within the AHFA. The only submission requirement for this items is to complete the tab labeled “DCFA & Architectural”.
- In the Document Submission Requirements section, item #18 in the document list requires submission of a Housing Credit Gap Funding Application. This is not a separate application, it is embedded within the AHFA. The only submission requirement for this items is to complete the tab labeled “HDL+Gap+MLP”.

Proposal Summary Tab (Advisory Only)

- The “Operating Expense per Unit” (M62) is pulling from the wrong cell. Please disregard and instead look on the Budget & Costs tab.
- The Construction Financing Sources section is omitting all “Other” categories. Please disregard and instead look on the Budget & Costs tab.
- The Permanent Financing Sources section identifies two categories as “Soft Financing 1/2”, these are not necessarily soft financing, just “Other” categories. Please disregard and instead look on the Budget & Costs tab.
- The Housing Credit Request section is pulling from incorrect cells. Please disregard and instead look on the Housing Credit tab.
- The Operating Expenses per Unit section is pulling from incorrect cells. Please disregard and instead look on the Budget & Costs tab.

Project Details Tab (Advisory Only)

- Please be advised that if cell F8 is selected, the applicant *must* have a customized AHFA. This indicates that they appealed the census tract’s Opportunity Rating, if they do not get a customized AHFA, the competitive scoring will not correctly calculate the opportunity rating of their census tract and may result in them losing otherwise eligible points.
- Please be advised that if the project has more than 40 buildings, the developer was permitted to request an AHFA with a “Scattered Site Expansion” that added more cells to the “Site & Building Acquisition Information” section (Cells A72 et al.). If there are more than 40 buildings, please manually ensure that all acquisition dates meet IRS place-in-service requirements.

Budget Tab (Advisory Only)

- If the applicant selects “yes” on cell G377 regarding Part 1 approval, they’re unable to enter the approval date or # of historic units because the cells are locked. Until correction, applicants may enter this information into the open narrative cell located at C370.
- The “Other” description cells in the Construction Cost Detail (starting at D391) are locked. Applicants are instructed to use the open narrative box at C370 if they need to describe.
- Per the QAP, Conditional Financial Commitments are due at Final Application, not Proposal.

Housing Credit Tab (Advisory Only)

- The “Previous HTC Deduction” automatically backs out any amount entered in cells C199-C201 on the Project Details tab. Developers should not fill out those sections of the Project Details tab if they are outside the 15 year compliance period. Underwriters will confirm that any deductions under this section are necessary.
- For non-competitive proposals, the boost calculations are awarding discretionary boost which is not permitted in the 4% program. Developers seeking these resources will have access to a corrected AHFA prior to the next submission window.

Cashflow Tab (Advisory Only)

- The convenience-only “Housing Credits Requested” section (H111-K112) is pulling from the wrong section. Please reference the Housing Credits tab instead of relying on that information.

- The deferred developer fee amortizes over a 30 year period. This is the calculation the AHFA has always used, but was not always readily identifiable because of formula errors that previously concealed it. As in the past, underwriting staff will continue to work with developers to review this section on a case-by-case basis.

HDL+Gap+MLP (Advisory Only)

- The Housing Development Loan fee may be submitted with the Final Application, not Proposal.
- Please be advised that the prevailing wage calculation is only an estimate. Applicants must confirm applicability with the Department of Commerce and/or legal counsel. In particular, applicants may wish to consider the nonprofit status of any parent organization to the general partnership.