Introduction

The Housing Credit Program (also known as the Low-Income Housing Tax Credit or LIHTC Program) is a federal income tax incentive program designed to increase the supply of quality affordable rental housing by assisting with the financing of development costs. Since 1987, the Ohio Housing Finance Agency (OHFA) has used the Housing Credit Program to facilitate the statewide development of over 85,000 affordable rental units.

Section 42 of the Internal Revenue Code (IRC) is the federal statute governing the Housing Credit Program. The Qualified Allocation Plan (QAP) contains OHFA's procedures and policies for the distribution of Ohio's allocation of Housing Credits. Many terms used in the QAP are defined in Section 42 or in related IRS regulations, and readers are referred to these materials for their proper interpretation. OHFA strongly encourages all applicants to seek experienced legal and accounting advice in order to comply with all Housing Credit Program requirements.

The QAP may be subject to change, pending developments in federal and state legislative requirements and/or OHFA policy.

Guiding Principles

OHFA's Multifamily Programs are designed to create financially and physically sustainable affordable housing by distributing resources through a transparent allocation process that addresses the mandates of the law, the needs of our primary customers and which respects the interests of our stakeholders. Primary customers include low- and moderate-income residents, the development community, and owners of existing Housing Credit properties.

These principles will guide the allocation of resources for all projects funded through OHFA. While these policies relate to OHFA programs in general, a specific policy might not directly relate to a given funding source. As an example, single-family homeownership is an ineligible use in the LIHTC program, but a core product of the Housing Development Gap Financing Program. The statements are not listed in any particular order; rather, the priority of each policy is reflected in the particular allocation process.

OHFA will allocate resources to proposals that promote the policies and goals indicated in the following policy statements and are determined to be in the best interest of the citizens of the State of Ohio.

Types of Housing and Location

- OHFA supports the development of four types of housing: apartments for families; apartments for seniors[1]; single-family lease-purchase[2] (rental units for the first 15 years) and single-family homeownership.[3]
- OHFA will allocate tax credits and other funding sources to achieve a balanced distribution of resources based on geography, population served, and historic investment. OHFA will use its sole discretion in determine if it needs to override the balance to serve areas of greatest need when necessary.

[1] Senior housing is defined as having, at any given time, eighty percent (80%) of the units occupied by households with at least one member age fifty-five (55) or older. The remaining twenty percent (20%) of the units are for continued occupancy of previously age-qualified households. If the project is federally subsidized, OHFA will defer to the senior definition of the applicable program.

[2] Lease-Purchase projects will be limited to new construction in conjunction with strategic revitalization plans. Applicants wishing to develop lease-purchase housing in other areas or proposing to rehabilitate existing housing must seek prior approval before the proposal is submitted to OHFA.

[3] Single-family homeownership is not financed using the LIHTC Program.

- OHFA will allocate tax credits and other funding sources to preserve existing affordable housing that is in need of rehabilitation and has Section 8 or equivalent federal rental assistance contracts.[4]
- OHFA supports Permanent Supportive Housing as stand-alone developments or typical multifamily or senior developments that include a percentage of Permanent Supportive Housing units.
- OHFA supports proposals that demonstrate collaboration with local units of government.
- OHFA supports the re-development of vacant properties in areas of the state most impacted by the foreclosure crisis.
- OHFA supports the development of affordable housing in all areas of need including areas within a Qualified Census Tract and Difficult Development Areas.
- OHFA supports development in new markets where no previous product development has taken place.
- OHFA supports developments that are partially funded by Historic Preservation Tax Credit programs.

Types of Subsidy

- OHFA supports proposals that leverage substantial federal, state, local or Public Housing Authority or other development subsidies, such as the USDA Rural Development Section 515 program, HUD Choice Neighborhoods program and the HUD Section 811 program.
- OHFA supports the development of projects that will serve very low- and extremely low-income populations and/or provide rental subsidy for the residents.

Project Characteristics

- OHFA supports developments that demonstrate a sustainable market.
- OHFA will assess project and unit amenities for durability as well as utility.
- OHFA supports Visitability – the three features of which will be incorporated into all newly constructed properties, and wherever possible in rehabilitation properties.
- OHFA supports designs which promote usability for all (Universal Design) in all new construction and rehabs.
- OHFA supports developments that meet the latest Enterprise Green Communities Criteria.
- OHFA supports amenities and design which distinguish a development from the competition.
- OHFA will require the development of proposals that meet our Minimum Financial Evaluation Process and Standards. OHFA will also consider project costs of a reasonable level when evaluating proposals.

Development Team Characteristics

- OHFA supports development teams with significant capacity, a solid track record of partnership with the agency and a history of success developing the type of affordable housing proposed.
- OHFA supports developments in which the majority owner or managing member is a state-certified Community Housing Development Organization (CHDO) and the proposed project is located in the established service area of the CHDO.
- OHFA supports development teams with a strong financial base.
- OHFA supports development teams with the ability to meet key responsibilities in a timely and efficient manner. Included in the Development team are the general partners, developers, and property manager.

[4] Data provided by the Ohio Preservation Compact will be one of the factors used to determine the prioritization of allocations for this type of preservation.

- Development teams will also be evaluated on any outstanding financial obligations with OHFA. The staff will evaluate the repayment histories of all loans extended to previous projects as well as payments of all other fees due to OHFA.
- OHFA supports the endeavors of community-based non-profit housing organizations to develop housing in their service area.
- **Proposed policy statement**: "OHFA values development team members that are certified as a Minority Business Enterprise (MBE) or a Woman Business Enterprise (WBE) by the State of Ohio. OHFA encourages MBE or WBE participation in the construction or soft-cost related services performed on projects funded with OHFA resources."

Management Company Characteristics

OHFA supports management companies (both for-profit and non-profit) that:

- have a proven record of maintaining compliant Low Income Housing Tax Credit (LIHTC) communities, as well as other types of affordable housing.
- take an active role in the apartment community and are committed to providing rental homes and apartments that are safe, decent, and promote a good quality of life for the residents.
- understand the populations they serve by creating effective partnerships to provide the services necessary for sustaining and enhancing the well-being of the residents.
- are accessible and responsive to the needs of their residents, employees, vendors, investors, and OHFA.
- strictly adhere to all local, state, and federal Fair Housing and landlord-tenant laws, and are particularly committed to ensuring their apartment communities are accessible to mobility and sensory impaired residents and their guests.
- have a well-articulated and measurable plan for self-monitoring and maintaining the tax credit compliance of the property.
- are properly qualified to manage ***residential*** property in all states in which the company operates.
- promote employee development through licensure, sponsoring membership in professional organizations, ongoing continuing education and affordable housing training.
- are financially stable and take seriously their fiduciary responsibility to the owner.
- use the most up-to-date technology to manage and market their apartment communities.
- place an emphasis on the orderliness and security of their record keeping system to ensure the safety and security of private, sensitive information found within tenant files and databases.

Good Partnership

OHFA requires that any developer, owner, syndicator and/or management company must perform their responsibilities in a spirit of good partnership and conduct business according to the following principles:

- Accountability: A participant must demonstrate responsibility for the execution and administration of the tasks undertaken.
- Timeliness: Information must be submitted within established timeframes for each project.
- Professionalism: Information submitted must be organized, concise, complete, accurate, true and current. Participants are expected to communicate in a respectful manner with OHFA staff.
- Collaboration and Cooperation: A participant must collaborate with OHFA in a mutually cooperative spirit to achieve the common goal of providing affordable housing in Ohio.

- Responsiveness/Communication: A participant will always provide prompt notification of issues, concerns or any other matters that affect a project and will immediately communicate to OHFA any modification, change or amendment sought.

A participant failing to follow these principles will be subject to review by OHFA. OHFA will, in its sole and absolute discretion, determine the appropriate measures to be taken – which will range from counseling to prohibition from participation in any OHFA program.

Description of the Housing Credit

The Housing Credit was created by Congress in 1986, replacing earlier federal tax incentives for the development of affordable rental housing. Housing Credits are used to offset an individual or corporation's federal income tax liability. The amount of Housing Credit received can be subtracted on a dollar-for-dollar basis from the taxpayer's respective tax liability.

The Housing Credit is received each year for 10 years - the time period that the taxpayer claims the Housing Credit on his/her federal income tax return. The owner must maintain income and rent restrictions continuously for a total period of 30 years.

Section 42 of the IRC requires OHFA to ensure that the amount of Housing Credits awarded to a project is the minimum amount necessary for its financial feasibility from the development stage through the project's compliance period. OHFA completes this designated task by underwriting every development that receives Housing Credits.

Eligible Uses of the Housing Credit

The Housing Credit can be used to finance the cost of acquiring, rehabilitating, and/or constructing residential rental housing to be occupied by low- to moderate-income individuals and families.

The Housing Credit Program is not available for any of the following facilities: hospitals, nursing homes, sanitariums, lifecare facilities, assisted living, employer housing, mobile homes and student housing.

Calculation of the Housing Credit

Costs that are directly associated with the development of the units at a property become its **eligible basis**.

The **applicable fraction** multiplied by the eligible basis becomes the **qualified basis** for the property. The applicable fraction is defined as the lesser of the **unit fraction** or the **floor space fraction**:

Number of low-income units	Total floor space of low-income units
Total number of units	Total floor space of all units
=	=
Unit Fraction	***Floor Space Fraction***

The applicable **Housing Credit percentage** is used to determine the annual Housing Credit amount by multiplying it by the total qualified basis. The IRS publishes the Housing Credit percentages, which fluctuate from month to month.

Application Process for 9% Housing Credit Applications

All applications for the Housing Credit Program must be submitted to the Office of Planning, Preservation & Development; OHFA; 57 East Main Street; Columbus, Ohio 43215. Applications must be received no later than 4:00 p.m. on the respective dates listed in the program calendar. Applicants must use the 2013 Affordable Housing Funding Application (AHFA) available on the OHFA web site at www.ohiohome.org, which will be available by July 18, 2012. All applications and supporting documentation must be submitted in digital format according to the Document Submission procedure posted at http://www.ohiohome.org/lihtc/application.aspx. See the instructions in the 2013 AHFA for details on electronic submissions.

Please note that OHFA is contemplating two potential timelines for the 2013 Housing Credit Program in this draft of the QAP, one version with a November application deadline, and an alternate version with a January application deadline. A program calendar for each timeline is included in the next section of this document. The same application process is proposed in either timeline. One calendar will be selected following the public comment period for inclusion in the final version of the 2013 QAP.

The application review process will consist of two stages: a proposal application and a final application.

Proposal Application Stage

The Proposal application consists of 2013 Affordable Housing Funding Application (AHFA) and all supporting documentation indicated in the AHFA.

Requests for Exceptions

Any request for an exception to specific program requirements must be submitted in advance of the Proposal application by the date indicated in the Program Calendar. OHFA will consider such requests and issue decisions within one week of the application deadline. Exceptions will be considered only for those items specifically identified in these guidelines.

Public Notification and Comment

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

OHFA will post the proposal narratives for all applications on its web site for public consumption shortly after the application deadline. This narrative containing basic information about the proposal will be completed by the applicant in a format determined by OHFA. All other application materials will not be available to the public until OHFA has announced the results of the proposal application stage.

Site Visits

OHFA will conduct a site visit to gather information that will be used to help evaluate applications. The applicant must clearly mark the physical location of the site and provide a detailed map that depicts the roads leading to the site. Up to two representatives of the applicant who are familiar with the housing proposal 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 projects must be available to provide a tour of the sites and neighborhoods. All site visits will be scheduled at a time convenient to OHFA review staff.

Application Review

OHFA will perform a threshold review of Proposal 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 and that the amount of Housing Credits is the minimum amount necessary for the financial feasibility of the property from the development stage through the project's compliance period.

Applicants will have an opportunity to correct deficiencies and address issues found during the threshold review and underwriting. Changes to the development team members and the location of the proposed housing will not be permitted during the correction period.

Applicants that successfully meet threshold and underwriting requirements will be considered in the competitive selection process. OHFA will contact the applicant with any questions during this process. Applications that are selected for an award of Housing Credits will continue to the full application stage.

Final Application Stage

A final AHFA will be distributed to applicants that receive an award of Housing Credits in the proposal stage. This 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 and that the amount of Housing Credits is the minimum amount necessary for the financial feasibility of the property from the development stage through the project's compliance period.

Applicants will have an opportunity to correct deficiencies and address issues found during the threshold review and underwriting. OHFA will contact the applicant with any questions during this process. Developments that receive gap financing or other OHFA funding in addition to Housing Credits will be presented to the OHFA Board for consideration of these other sources.

Program Calendar with November application deadline (*subject to change based on number of proposals submitted*)

Date	Applicants	OHFA	Public Comment
Wednesday, July 18, 2012		2013 AHFA and application review worksheets released	
Tuesday, August 21		2013 Affordable Housing Funding Training held in Columbus	
Thursday, October 18	Deadline to commission market studies		
Thursday, October 18	Deadline to submit requests for exceptions to specific program requirements		
Thursday, November 8		Decisions issued for exceptions to specific program requirements	
Thursday, November 15	Deadline to submit proposal applications		Consideration of public comments begins
Monday, November 19		Proposal narratives posted on web site	
Monday, December 3		Threshold review and underwriting begins	
Monday, December 3	Site visits begin		
Thursday, December 6	Deadline to submit market studies		
Thursday, January 24, 2013		Notice of threshold and underwriting issues sent to applicants	
Monday, January 28		Competitive scoring begins	
Thursday, February 7	Deadline to respond to threshold and underwriting issues		
Friday, February 15	Site visits conclude		
Monday, March 4			Consideration of public comments ends
Wednesday, April 3		Results of competitive scoring released	
Wednesday, April 3		Binding reservation agreements issued	
Wednesday, April 10		Results presented to Multifamily Committee of OHFA Board	
Monday, April 15	Next steps and debriefing meetings begin		
Wednesday, April 17		Results presented to OHFA Board	
Tuesday, April 30	Deadline to return binding reservation agreements		
Friday, May 24	Next steps and debriefing meetings conclude		
Thursday, June 27	Deadline to submit final applications		
Wednesday, December 18		Carryover allocation agreements issued	

Alternate Program Calendar with January application deadline (*subject to change based on number of proposals submitted*)

Date	Applicants	OHFA	Public Comment
Wednesday, July 18, 2012		2013 AHFA and application review worksheets released	
Tuesday, August 21		2013 Affordable Housing Funding Training held in Columbus	
Thursday, January 3, 2013	Deadline to commission market studies		
Thursday, January 3	Deadline to submit requests for exceptions to specific program requirements		
Thursday, January 24		Decisions issued for exceptions to specific program requirements	
Thursday, January 31	Deadline to submit proposal applications		Consideration of public comments begins
Monday, February 4		Proposal narratives posted on web site	
Monday, February 11		Threshold review and underwriting begins	
Monday, February 11	Site visits begin		
Thursday, February 14	Deadline to submit market studies		
Thursday, March 21		Notice of threshold and underwriting issues sent to applicants	
Monday, March 25		Competitive scoring begins	
Thursday, April 4	Deadline to respond to threshold and underwriting issues		
Friday, April 12	Site visits conclude		
Tuesday, April 30			Consideration of public comments ends
Thursday, May 30		Results of competitive scoring released	
Wednesday, June 3		Binding reservation agreements issued	
Wednesday, June 12		Results presented to Multifamily Committee of OHFA Board	
Monday, June 10	Next steps and debriefing meetings begin		
Wednesday, June 19		Results presented to OHFA Board	
Friday, June 28	Deadline to return binding reservation agreements		
Friday, July 19	Next steps and debriefing meetings conclude		
Thursday, August 29	Deadline to submit final applications		
Wednesday, December 18		Carryover allocation agreements issued	

Allocation Pools

The annual per capita credit allocation will be divided into the following allocation pools:

1. Permanent Supportive Housing (approximately $4,000,000)
    a. Approximately $3,250,000 for developments located in the cities of Akron, Cincinnati, Cleveland, Columbus, Dayton and Toledo.
    b. Approximately $750,000 for developments located in all other areas of the state.
2. Existing Rental Units Pool (approximately $8,500,000)
    a. Approximately $3,500,000 for developments in urban areas.
    b. Approximately $2,500,000 for developments in suburban areas.
    c. Approximately $2,500,000 for developments in rural areas.
3. New Rental Units Pool (approximately $8,500,000)
    a. Approximately $4,000,000 for developments in urban areas.
    b. Approximately $3,000,000 for developments in suburban areas.
    c. Approximately $1,500,000 for developments in rural areas.
4. Strategic Initiatives Pool (remainder of the annual credit allocation)

OHFA will determine the allocation pool in which each proposal will compete. Credits not awarded in any pool, or geographic area within the pool, will be distributed in the Strategic Initiatives pool. Geographic definitions for urban, suburban and rural areas can be found below.

Permanent Supportive Housing (PSH)

Proposals must serve a population defined in the Permanent Supportive Housing Policy Framework, and at least 50% of the units must have a commitment for rental subsidy that covers the difference between 30% of the resident's income and the established rent for that unit.

The majority general partner(s) must be non-profit organizations with experience in developing, owning, or managing supportive housing for the homeless or special needs individuals/families.

A maximum of one award will be made to proposals that do not serve the homeless or those at-risk of homelessness.

Existing Rental Units Pool

This pool is intended for proposals to renovate existing housing units. This includes proposals that competed in the Preservation Pool in previous years, except for developments that create new units while preserving existing subsidies (such as HOPE VI, Choice Neighborhoods, or the use of Section 8 portability), which will compete in the New Rental Units pool. OHFA will determine the allocation pool in which proposals that combine new and existing units will compete.

New Rental Units Pool

This pool is intended for proposals to create new rental units. Adaptive re-use developments, which create new rental units from a building that previously was not designed as housing, will be placed in this pool. OHFA will determine the allocation pool in which proposals that combine new and existing units will compete.

Strategic Initiatives Pool

Proposals that do not receive an award of credits in the other pools will be considered in this pool. The remainder of the annual credit allocation will be awarded at the sole discretion of OHFA to proposals that address the policies outlined in this QAP and that meet the spirit of OHFA's mission.

Geographic Definitions

Urban Areas (Cities)	Suburban Areas (Counties)	Rural Areas (Counties)	
Akron	Butler	Allen	Knox
Canton	Clark	Adams	Lawrence
Cincinnati	Clermont	Ashland	Logan
Cleveland	Cuyahoga	Ashtabula	Madison
Columbus	Delaware	Athens	Marion
Dayton	Fairfield	Auglaize	Meigs
Lorain	Franklin	Belmont	Mercer
Mansfield	Geauga	Brown	Monroe
Springfield	Greene	Carroll	Morgan
Toledo	Hamilton	Champaign	Morrow
Warren	Lake	Clinton	Muskingum
Youngstown	Licking	Columbiana	Noble
	Lorain	Coshocton	Ottawa
	Lucas	Crawford	Paulding
	Mahoning	Darke	Perry
	Medina	Defiance	Pike
	Miami	Erie	Preble
	Montgomery	Fayette	Putnam
	Pickaway	Fulton	Ross
	Portage	Gallia	Sandusky
	Richland	Guernsey	Seneca
	Stark	Hancock	Scioto
	Summit	Hardin	Shelby
	Trumbull	Harrison	Tuscarawas
	Union	Henry	Van Wert
	Warren	Highland	Vinton
	Wood	Hocking	Wayne
		Holmes	Williams
		Huron	Washington
		Jackson	Wyandot
		Jefferson	

Threshold Review of Proposal Applications

OHFA will conduct a threshold review of the proposal 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 errors.

The threshold criteria are as follows:

1. Meets Section 42 Requirements

The project must meet all the 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.

2. Complete and Organized Application

The Affordable Housing Funding Application (AHFA) and all required materials must be submitted on a compact disc, organized and formatted according to the index provided with the application. 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 applications that are incomplete, inconsistent, and/or illegible will be rejected.

3. Application Fee

An application processing fee must be submitted with the application. This fee will be assessed based on the number of 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.

4. Extended Use

All projects must commit to an extended use term of a minimum of thirty (30) years of affordability. If an allocation of Housing Credits is received, the owner must file a Restrictive Covenant (provided by OHFA) which waives the right of the project to petition OHFA to have the extended use term (as described in Section 42 of the IRC) terminated.

5. Narrative

All applicants must complete and submit the OHFA Narrative Form for Housing Credit Applications.

6. Evidence of Site Control

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

If the current owner is not a general partner or limited partner in the project, 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 (minimum of 35 years in length).

If parcels will be purchased from a city land bank, a copy of the final city council resolution approving the transfer of all applicable lots may be submitted as evidence of site control.

Evidence of site control may not expire until a reasonable period of time following the scheduled announcement date for Housing 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.

A scattered-site project is required to have at least thirty-five percent (35%) of the sites under control. A project qualifies as scattered-site if there are ten (10) or more sites AND no more than fifty percent (50%) of the sites are contiguous. OHFA reserves the right to reduce basis at Carryover if the minimum site control percentage at application is not maintained at Carryover.

7. Zoning

The applicant must obtain a letter from the local municipality stating that the site(s) is properly zoned for the proposed multifamily residential use.

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

Applicants may request an exception to the zoning requirements if requested in advance of the Proposal by the date indicated in the Program Calendar. The applicant must effectively demonstrate a good faith effort to secure proper zoning before the announcement of Housing Credit awards in order to remain eligible for funding.

8. Market Study

A market study conducted by an OHFA-approved market study professional must be submitted with the application. (Link to OHFA market study requirements)

9. Supportive Services Plan

Senior Housing

Applicants proposing housing that sets aside one hundred percent (100%) of the units for households containing at least one (1) person who is age fifty-five (55) years or older are required to provide an experienced service coordinator, evidence of service coordinator salary or an in-kind service agreement, and a supportive service plan containing services that are appropriate for the population.

Family Housing

Both multifamily developments (non-senior) and single-family lease purchase proposals must provide the following services: providing referrals to local jobs programs; counseling residents as to available educational and training programs that can secure one’s place in the workforce or enhance the likelihood of advancement; credit counseling and consultation; and referrals to day care, after school, and health care / wellness programs. Applicants will be required to submit a supportive service plan containing specific services and demonstrating linkages with local services agencies.

Lease Purchase

In addition to the supportive services requirement for family housing, proposals for single-family lease purchase homes must have a viable homeownership strategy for residents who inhabit the units during the compliance period. The strategy must incorporate an exit strategy, calculation of the estimated purchase price for the resident, homeownership counseling, and a minimum amount of funds set-aside by the owner to assist the resident in the purchase.

Permanent Supportive Housing

Applicants proposing permanent supportive housing must provide a supportive service plan. A plan submitted to a local Continuum of Care or other entity may be submitted. The plan should address the following items:

a. The population being served by the proposal and the experience the support provider has serving that population.

b. How the supportive service plan will address the needs of the specific population.

c. 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.

d. How the physical design of the building(s), the project site and location will enhance the lives of residents specific to their particular needs.

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 project plans to sustain supportive service provisions over the life of the compliance period.

10. Preliminary Architectural Plans and Minimum Project Standards

Preliminary architectural plans must be submitted and follow all requirements outlined in the Design and Project Standards section of the QAP. All preliminary architectural plans will be reviewed for approval by OHFA's staff architect. (Link to Design and Project Standards section of QAP)

11. 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 projects may submit either a Mini-Phase 1 (Link to OHFA MP-1 requirements) or a full Phase I ESA. OHFA reserves the right 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 Credits.

12. Capital Needs Assessment and Scope of Work

Proposals for the rehabilitation of existing housing units or the adaptive reuse of a building must submit a capital needs assessment and scope of work. The assessment must conform to the standards outlined in the Design and Project Standards section of the QAP. OHFA will use this assessment to determine whether the costs indicated in the application are appropriate considering the rehabilitation needs of the project.

13. Public Notification

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

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

a. The political jurisdictions in which the project will be located; and
b. Any political jurisdiction whose boundaries are located within one-half mile of the project'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 (Link to public notification template) and include all information requested. The notification must state the applicant's intent to develop a project 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 application.

Scattered-site projects must complete the public notification process for sites under control when the Proposal is submitted, and again for all sites in the project prior to issuance of a Carryover Allocation Agreement, and no later than November 1, 2013.

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

14. Utility Allowance Information

Utility allowance information must be submitted that is consistent with Section 42 of the IRC and IRS Regulation 1.42-10.

15. Communication with local CHDO

All applicants must communicate with the state-certified Community Housing Development Organization(s) (CHDO) for the service area in which a development is proposed. Submit evidence that a "good faith" demonstration that appropriate communication with the local State-Certified CHDO has occurred.

Minimum Financial Evaluation for 9% Housing Credits

Proposals must comply with the most current OHFA Affordable Housing Underwriting Guidelines. During the competitive 9% round, OHFA will conduct a Minimum Financial Evaluation to determine if a proposal can continue in the competitive process. Proposals that cannot meet the underwriting requirements will not be considered for an award of credits.

The Minimum Financial Evaluation will consist of the following:

Credit Calculation

Tax Credit Percentage – OHFA will review the tax credit percentage to ensure that it complies with IRC Section 42.

Eligible Basis – OHFA will review the eligible basis indicated in the application. All non-eligible costs will be deducted from eligible basis. OHFA may require a legal opinion at the applicant's expense for any items that are not clearly eligible under Section 42 of the IRC and applicable IRS guidance as determined by OHFA.

Basis Boost – Projects located in a qualified census tract (QCT) are eligible for an allocation of credits based on up to one hundred thirty percent (130%) of the eligible basis for new construction or rehabilitation. The following projects may also be considered for the 130% basis boost:

- Projects located in a high-income census tract.
- Rural new construction projects located in a HUD non-participating jurisdiction.

Development Financing

Equity Rate – OHFA will evaluate the equity commitment pricing provided by the syndicator or investor. OHFA reserves the right to require adjustments to pricing based on comparable, historical, and/or current market conditions and trends as a condition of a proposal moving forward in the competitive process.

Financing Terms – OHFA will underwrite the proposed financing based upon current market norms for the product type, development area and current market conditions as determined by OHFA.

Development Budget

Total Project Costs - OHFA will evaluate the reasonableness of costs by comparing the development budget for each proposal with development budgets from current proposals of similar projects, cost data collected from final cost certifications, and the most recent HUD 221(d)(3) mortgage limits. OHFA reserves the right to require justification for any line item. If an adequate justification suitable to OHFA is not provided, OHFA at its sole discretion will reduce a line item or remove a proposal from further consideration.

Income and Expenses

Rental Income – All Applications awarded Tax Credits are subject to OHFA's subsidy layering proforma test which requires that the 15-year average Debt Coverage Ratio (DCR) be between 1.1 and 1.4.

Utilities – Utility allowance information must be submitted with the proposal that is consistent with Section 42 of the IRC and IRS Regulation 1.42-10.

Developer/Investor Contributions – Any contributions to the project by any project partner that is underwritten must be in writing, guaranteed by the contributor, and cannot be reduced after Binding Reservation.

OHFA will evaluate all other income, expense and reserve items to make sure they comply with the most current OHFA Affordable Housing Underwriting Guidelines.

Reserves

Standard Reserves – Standard project reserves, including replacement reserves and operating reserves, must comply with the most current OHFA Affordable Housing Underwriting Guidelines.

Additional Reserves – If any additional reserves are used, the applicant must provide an explanation of how reserves are calculated and any relevant documentation. All reserves must remain in the project for the entire 15 year compliance period unless used for a legitimate project based expense.

Competitive Selection Process

Applicants that successfully meet threshold and underwriting requirements will be considered in the competitive selection process, which will consist of five areas:

1. Local Collaboration
2. Project Characteristics
3. Economic Characteristics
4. Market Characteristics
5. Rehabilitation Characteristics (*Existing Rental Units Pool only*)

OHFA will contact the applicant with any questions during this process. The applicant must submit proper evidence of each item elected and will be held to all commitments if their application receives an award of housing credits.

Local Collaboration (25 points)

A maximum of 20 points will be awarded for the following items:

Community Outreach 5 points

Community outreach is your method of notifying the community of your upcoming development before you have made application to OHFA. It must address the nature of the development, its location, its design and how the residents and businesses in the area will be notified. It could include involving local elected officials, Community Development Corporations, Community Housing Development Organizations and community groups, or posting notices in libraries or other public places where residents may congregate. Social media, design charettes, or traditional notices in local papers are examples of methods to target your message. Your plan will be evaluated on the comprehensiveness of your approach.

- Zero (0) points will be awarded for either no attempt at community outreach or one that is considered by the reviewer to be ineffective.
- Three (3) points will be awarded for a plan that effectively communicates your housing proposal.
- Five (5) points will be awarded for a comprehensive community outreach strategy that includes opportunities for input and collaboration.

Local Development Plan or Selection Process 5 points

Three (3) points will be awarded for a local development plan that meets the following requirements:

- The plan has been adopted by the legislative or executive body responsible for the location of the proposal.
- The plan must call for development of affordable housing in the specific area in which the proposal will be located.
- The plan must have been adopted no more than five (5) years prior to the housing credit application deadline, and cannot have been superseded or replaced by another plan for the area.

Five (5) points will be awarded for a local development plan that also meets these requirements:

- The plan must call for the particular type of development proposed in the application, including multifamily rental, senior rental, or permanent supportive housing.

Five (5) points will be awarded if the proposal is the result of the developer's response to a priority development initiative of a local government entity (municipality, township or county). The selection of the developer must have been made by the local government entity through a competitive process.

Support of Municipal or Township Officials 5 points

Three (3) points will be awarded for one of the following:

- A letter of support for the proposal from the Mayor of the municipality. A letter of support from the City Manager will be considered if the municipality does not have a Mayor.
- A letter of support from a majority of the City or Village Council members, or from a majority of the Township Trustees.

Five (5) points will be awarded if both of the above items are evidenced.

Local CHDO or MHA Participation 3 points

Three (3) points will be awarded if one of the following has a general partnership interest of at least 25%:

- A state-certified Community Housing Development Organization (CHDO) for the location of the proposal.
- The Metropolitan Housing Authority (MHA) for the location of the proposal.

Local Service Agencies Participation 3 points

Zero (0) points will be awarded if there is no plan comprehensive service plan fro the residents.

One (1) point will be awarded if the applicant indicates a commitment of local service providers to provide comprehensive services to the residents.

Three (3) points will be awarded if in addition to the service plan, the source of funding for the services is identified, and how the applicant plans to sustain supportive service provisions over the life of the compliance period is successfully articulated.

Support of County Officials 2 points

Two (2) points will be awarded for a letter of support for the proposal from a majority of the County Commissioners.

A maximum of 5 points will be awarded for the following item:

Local Priority 5 points

Five (5) points will be awarded to each proposal that is identified by the Mayor of a city or village, or by the Trustees of a township, as a priority for development. OHFA will survey to each applicable locality after the application deadline for this information. The cities of Cincinnati, Cleveland and Columbus may select up to three (3) priorities; the cities of Akron, Dayton and Toledo may select up to two (2) priorities; and all other locations may select one (1) priority.

Project Characteristics (20 points)

A maximum of 20 points will be awarded for the following items:

Extremely Low-Income Units 4 points

Four (4) points will be awarded for one of the following:

- A minimum of ten percent (10%) of the units will be occupied by and affordable to households at or below thirty percent (30%) of Area Median Income (AMI) for proposals in Participating Jurisdiction (PJ) areas.
- A minimum of ten percent (10%) of the units will be occupied by and affordable to households at or below thirty percent (30%) of AMI for proposals in non-Participating Jurisdiction (non-PJ) areas.

Innovative Housing 4 points

OHFA will award up to four (4) points at its sole discretion based on innovative attributes of the proposal. Concepts must be original ideas, able to serve as a model for future affordable housing developments, and be replicated in any area of the state. The applicant must submit a narrative that demonstrates how the proposal fits this category. The range of possible scores will be zero, one, two, three, or four points. Examples of concepts that will be considered include:

- Unique features that benefit the population to be served.
- Developments that serve a mixed-income population.
- Mixed-use developments (residential combined with commercial).
- Developments that address an urgent need in the community.

New Markets 4 points

Four (4) points will be awarded to proposals located in a Primary Market Area (PMA) where no previous development has taken place using OHFA multifamily program funds for the population to be served (senior or family).

Two (2) points will be awarded to proposals located in a PMA where no development has taken place using OHFA multifamily program funds awarded ten (10) years prior to the housing credit application deadline for the population to be served (senior or family).

Previous Application for 9% Housing Credits 4 points

Four (4) points will be awarded to a proposal that was previously submitted as an application for competitive 9% housing credits under the 2012 QAP. The location and development team must be the same as proposed in the 2012 application.

Appalachian County 2 points

One (1) point will be awarded if the proposal is located in one of the 32 Appalachian Counties as designated in the Appalachian Regional Development Act of 1965.

Two (2) points will be awarded if the proposal is located in an Appalachian County that is also one of the Rural Areas as defined in the Allocation Pools section of this QAP.

High-Income Census Tract 2 points

Two (2) points will be awarded for proposals located in a high-income census tract. The median household income for each census tract is divided by the median household income for the county where it is located, resulting in an income ratio for the census tract. A high-income census tract has an income ratio of 150% or more. A list of qualifying census tracts is attached.

Excellent School District (family properties only) 2 points

Two (2) points will be awarded to family proposals located in a school district rated as either excellent or excellent with distinction by the Ohio Department of Education for the 2010-2011 school year.

Historic Tax Credits 2 points

Two (2) points will be awarded to proposals that will utilize federal historic tax credits as permanent financing. All buildings in the proposal must qualify for the federal historic tax credit.

Lease-Purchase 2 points

One (1) point will be awarded for a lease-purchase proposal with units strategically located to promote neighborhood revitalization, by developing on infill lots concentrated on blocks in close proximity to each other, or the redevelopment of entire blocks.

Two (2) points will be awarded if the criteria above are met, and the applicant demonstrates a viable purchase strategy for the end of the 15-year compliance period.

Significant Federal or State Funding 2 points

One (1) point will be awarded if 10% or more of the total development costs are from federal or state resources that are new to the development and unrelated to OHFA.

Two (2) points will be awarded if 20% or more of the total development costs are from federal or state resources that are new to the development and unrelated to OHFA.

Qualifying sources are the USDA Section 515 program, HUD Choice Neighborhoods grants, MHA Capital Funds, and State Historic Tax Credits.

Vacant Property Redevelopment 2 points

Two (2) points will be awarded to proposals in which all sites involve the redevelopment of vacant properties in areas impacted by foreclosure.

One (1) point will be awarded to proposal in which at least 50% of all sites involve the redevelopment of vacant properties in areas impacted by foreclosure.

Economic Characteristics (30 points)

A maximum of 30 points will be awarded for the following items:

OHFA Resources per Unit 5 points

OHFA resources requested will be calculated as: (Annual Tax Credits Requested * 10 * 0.85) + HDAP dollars requested. If HDAP dollars are requested, the minimum amount is $250,000. Proposals will be compared and ranked in each allocation pool according to the amount of OHFA resources requested per unit.

Applications ranked in the top 20% (lowest amount of resources requested) in each pool will receive 5 points; applications ranked in the second 20% will receive 4 points; applications ranked in the third 20% will receive 3 points; applications ranked in the fourth 20% will receive 2 points; and applications ranked in the bottom 20% will receive 1 point.

OHFA Resources per Bedroom 5 points

OHFA resources requested will be calculated as: (Annual Tax Credits Requested * 10 * 0.85) + HDAP dollars requested. If HDAP dollars are requested, the minimum amount is $250,000. Proposals will be compared and ranked in each allocation pool according to the amount of OHFA resources requested per bedroom.

Applications ranked in the top 20% (lowest amount of resources requested) in each pool will receive 5 points; applications ranked in the second 20% will receive 4 points; applications ranked in the third 20% will receive 3 points; applications ranked in the fourth 20% will receive 2 points; and applications ranked in the bottom 20% will receive 1 point

OHFA Resources per Gross Residential Square Foot 5 points

OHFA resources requested will be calculated as: (Annual Tax Credits Requested * 10 * 0.85) + HDAP dollars requested. If HDAP dollars are requested, the minimum amount is $250,000. Proposals will be compared and ranked in each allocation pool according to the amount of OHFA resources requested per gross residential square foot.

Applications ranked in the top 20% (lowest amount of resources requested) in each pool will receive 5 points; applications ranked in the second 20% will receive 4 points; applications ranked in the third 20% will receive 3 points; applications ranked in the fourth 20% will receive 2 points; and applications ranked in the bottom 20% will receive 1 point

Total Cost per Unit 5 points

OHFA is developing a cost index for different types of housing proposals using average costs from 2012 competitive Housing Credit applications based on construction type (new construction, rehabilitation, historic and lease-purchase); population served (family, senior and PSH); and geographic designation (urban, suburban or rural). **The cost index will be released on Friday, June 1, 2012**.

Proposals will be compared to the cost per unit amount designated by OHFA based on construction type, population served and geographic designation, and points will be awarded as follows:

- Total development cost per unit at least 2% less than OHFA amount: 1 point.
- Total development cost per unit at least 4% less than OHFA amount: 2 points.
- Total development cost per unit at least 6% less than OHFA amount: 3 points.
- Total development cost per unit at least 8% less than OHFA amount: 4 points.
- Total development cost per unit at least 10% less than OHFA amount: 5 points.

Total Cost per Bedroom 5 points

Proposals will be compared to the cost per bedroom amount designated by OHFA based on construction type, population served and geographic designation, and points will be awarded as follows:

- Total development cost per bedroom at least 2% less than OHFA amount: 1 point.

- Total development cost per bedroom at least 4% less than OHFA amount: 2 points.
- Total development cost per bedroom at least 6% less than OHFA amount: 3 points.
- Total development cost per bedroom at least 8% less than OHFA amount: 4 points.
- Total development cost per bedroom at least 10% less than OHFA amount: 5 points.

Total Cost per Gross Residential Square Foot **5 points**

Proposals will be compared to the cost per gross residential square foot amount designated by OHFA based on construction type, population served and geographic designation, and points will be awarded as follows:

- Total development cost per gross residential square foot at least 2% less than OHFA amount: 1 point.
- Total development cost per gross residential square foot at least 4% less than OHFA amount: 2 points.
- Total development cost per gross residential square foot at least 6% less than OHFA amount: 3 points.
- Total development cost per gross residential square foot at least 8% less than OHFA amount: 4 points.
- Total development cost per gross residential square foot at least 10% less than OHFA amount: 5 points.

Market Characteristics (25 points)

A maximum of 15 points will be awarded for the following items:

Capture Rate **5 points** **(*All pools <u>except</u> the PSH Pool*)**

Capture rate is defined as the number of units proposed divided by number of income-eligible renter households in the Primary Market Area (PMA). The capture rate from the market study for each application will be compared and ranked in each allocation pool. Proposals serving senior and family populations will be compared and ranked separately.

Applications ranked in the top 20% (lowest capture rates) for each population in each pool will receive 5 points; applications ranked in the second 20% will receive 4 points; applications ranked in the third 20% will receive 3 points; applications ranked in the fourth 20% will receive 2 points; and applications ranked in the bottom 20% will receive 1 point.

Penetration Rate **5 points** **(*All pools <u>except</u> the PSH Pool*)**

Penetration rate for LIHTC Units is defined as the number of existing LIHTC units in the PMA divided by number of income-eligible renter households in the PMA. The penetration rate from the market study for each application will be compared and ranked in each allocation pool. Proposals serving senior and family populations will be compared and ranked separately.

Applications ranked in the top 20% (lowest penetration rates) for each population in each pool will receive 5 points; applications ranked in the second 20% will receive 4 points; applications ranked in the third 20% will receive 3 points; applications ranked in the fourth 20% will receive 2 points; and applications ranked in the bottom 20% will receive 1 point.

Occupancy Rates **5 points**

Occupancy rate is defined as the overall occupancy rate for comparable LIHTC and market-rate properties in the PMA. Points will be awarded based on the occupancy rate reported in the market study as follows:

- Occupancy rate of 97% or higher: 5 points.

- Occupancy rate of at least 95% and less than 97%: 4 points.
- Occupancy rate of at least 93% and less than 95%: 3 points.
- Occupancy rate of at least 91% and less than 93%: 2 points.
- Occupancy rate less than 91%: 1 point.

Number of PSH Units Needed 5 points (PSH Pool only)

The number of Permanent Supportive Housing units needed according to the Continuum of Care for each proposal will be compared and ranked. The proposal with the highest number of units needed will be ranked the highest.

Applications ranked in the top 20% in the PSH pool will receive 5 points; applications ranked in the second 20% will receive 4 points; applications ranked in the third 20% will receive 3 points; applications ranked in the fourth 20% will receive 2 points; and applications ranked in the bottom 20% will receive 1 point.

Percentage of PSH Units Needed 5 points (PSH Pool only)

The percentage of Permanent Supportive Housing units needed is defined as the number of units needed, divided by the sum of the number of existing units plus the number of units needed, according to the Continuum of Care for each proposal. Proposals will be compared and ranked according to this percentage, and the proposal with the highest percentage will be ranked the highest.

Applications ranked in the top 20% in the PSH pool will receive 5 points; applications ranked in the second 20% will receive 4 points; applications ranked in the third 20% will receive 3 points; applications ranked in the fourth 20% will receive 2 points; and applications ranked in the bottom 20% will receive 1 point.

A maximum of 10 points will be awarded for the following items:

Market Quality Score 10 points

OHFA will award up to ten (10) points at its sole discretion based on market attributes for the proposal. The range of possible scores will be zero, two, four, six, eight, or ten points. The following items will be considered:

- Positive site attributes that are a benefit to the residents.
- Minimal impact on existing LIHTC projects.
- Local employment / economy factors.
- Exceptional demand or need for the type of housing proposed.
- Areas impacted by disaster or significant market change up to one (1) year prior to the housing credit application deadline.
- Part of a multi-phase development with demonstrated demand for the units.

Rehabilitation Characteristics (25 points) (Existing Rental Units Pool only)

A maximum of 10 points will be awarded for the following items:

Major Mechanical Systems 2 points

This characteristic includes, but is not limited to: HVAC, PTAC, Ductless Split Systems, Boilers, and Water Heaters.

Points will be awarded as follows:

- Zero (0) points awarded for mechanical systems that have no failure or need for replacement.
- One (1) point awarded for mechanical systems that clearly demonstrate system failure or obsolescence.
- Two (2) points awarded for mechanical systems that clearly demonstrate system failure or obsolescence, and will be replaced with a high efficiency system.

Replacement of Roofs 2 points

This characteristic includes, but is not limited to: Roof Membrane, Roof insulation, Shingles, Roof Sheathing/Deck, Flashings, Copings, Vents, Vent Boots, Roof Access, Gutters, and Downspouts.

Points will be awarded as follows:

- Zero (0) points awarded for roofs that have no failure or need for replacement.
- One (1) point awarded for roofs that clearly demonstrate system failure or obsolescence.
- Two (2) points awarded for roofs that clearly demonstrate system failure or obsolescence, and will be replaced with a 30-year durable system with a non-prorated warranty for major materials and components.

Replacement of Building Exteriors 2 points

This characteristic includes, but is not limited to: Exterior finishes, Windows, and Exterior Doors.

Points will be awarded as follows:

- Zero (0) points awarded for building exteriors that have no failure or need for replacement.
- One (1) point awarded for building exteriors that clearly demonstrate system failure or obsolescence.
- Two (2) points awarded for building exteriors that clearly demonstrate system failure or obsolescence, and will be replaced with a 30-year durable system with a non-prorated warranty for major materials and components.

Unit Plans and Floor Plans 2 points

This characteristic includes rehabilitation criteria for accessibility, visitability, universal design, and floor plan efficiency.

Points will be awarded as follows:

- Zero (0) points awarded for unit plans and floor plans that do not meet visitability standards per OHFA requirements.
- One (1) point awarded for unit plans and floor plans that meet visitability standards per OHFA requirements.
- Two (2) points awarded for unit plans and floor plans that meet visitability standards per OHFA requirements, and are economically renovated to increase efficiency and usability.

Quality of Existing Structure 2 points

This characteristic includes, but is not limited to: Foundations, Walls, Floors and Roofs.

Points will be awarded as follows:

- Zero (0) points awarded for existing structures that will last for at least 30 years without additional repairs.
- One (1) point awarded for existing structures that will last for at least 30 years without additional substantial repairs.
- Two (2) points awarded for structures that are substantially more durable such as masonry, load bearing or steel frame.

A maximum of 5 points will be awarded for the following items:

Primary Priority of HUD or USDA 5 points

Five (5) points will be awarded to each proposal that is identified by the state HUD office or by the state USDA Rural Development office as a primary priority for development. OHFA will survey each applicable office after the application deadline for this information. Each office may select up to five (5) developments as a primary priority.

Secondary Priority of HUD or USDA 3 points

Three (3) points will be awarded to each proposal that is identified by the state HUD office or by the state USDA Rural Development office as a secondary priority for development. OHFA will survey each applicable office after the application deadline for this information. Each office may select up to five (5) developments as a secondary priority.

A maximum of 5 points will be awarded for the following item:

Scope of Work for Rehabilitation 5 points

This characteristic includes a comparison of the scope of work to the development budget. The scope of work will be reviewed by OHFA and should agree with the project budget reflected in the AHFA. Projects will not be awarded points for for insufficient or inflated scopes of work or development budgets. OHFA staff will also analyze the appropriateness of the proposed scope of work based on site visits to the project.

A maximum of five points will be awarded as follows:

- Zero (0) points awarded if the scope of work is not appropriate or does not coincide with the development budget.
- Three (3) points awarded if the scope of work and development budget appears appropriate based on comparison and OHFA site visits.
- Five (5) points awarded if the scope of work and development budget appear appropriate based on comparison and OHFA site visits, and the project meets UPCS standards.

A maximum of 5 points will be awarded for the following item:

Urgent Physical Need for Preservation 5 points

The applicant must evidence that there is an urgent physical need and ability to proceed with the rehabilitation. A maximum of five points will be awarded as follows:

- Zero (0) points awarded if there is no urgent physical need for rehab.
- Three (3) points awarded if there is an urgent physical need for rehab, the ability to proceed, and the project has been responsibly been maintained.
- Five (5) points awarded if there is an urgent physical need for rehab, the ability to proceed, the project has been responsibly been maintained, and there is a life safety issue as confirmed by OHFA inspection. (Life safety issues include, but are not limited to: site water standing for more than 48 hours; retaining walls failing; sink holes; mechanical system failure; electrical system failure beyond the ability of replacement reserves to repair.)

Tiebreakers

In case of a tie score between two or more applications in an allocation pool, the following methods will be used to determine the highest ranking applications:

1. Most underserved region based on the amount of credits awarded to higher scoring projects in the pool.
2. Most underserved county based on the amount of credits awarded to higher scoring projects in the pool
3. Population (family or senior) not served by a higher scoring project in the pool (does not apply to the PSH pool).
4. Proposals located in a Primary Market Area (PMA) where no previous development has taken place using OHFA multifamily program funds (does not apply to the PSH pool).
5. Quality of Services Plan and Sponsor History Serving the Population (PSH pool only).
6. Lowest amount of housing credits requested per unit.

High-Income Census Tracts

Proposals with **100%** of their sites located in the following census tracts are eligible for competitive points under the Project Characteristics category. The median household income for each census tract is divided by the median household income for the county where it is located, resulting in an income ratio for the census tract. A high-income census tract has an income ratio of 150% or more. Calculations are based on data from the US Census Bureau's 2010 Decennial Census and the Small Area Income and Poverty Estimates (SAIPE) program.

County & Tract	Median Household Income 2010	Ratio
Allen County $41,196		
Tract 108 Allen	62,627	152%
Tract 120 Allen	99,500	242%
Tract 121 Allen	64,931	158%
Ashtabula $38,762		
Tract 10.01 Ashtabula	63,504	164%
Tract 10.02 Ashtabula	67,000	173%
Butler $54,359		
Tract 110.02 Butler	83,156	153%
Tract 110.03 Butler	82,180	151%
Tract 111.10 Butler	86,702	159%
Tract 111.11 Butler	81,914	151%
Tract 111.12 Butler	137,898	254%
Tract 111.16 Butler	118,314	218%
Tract 111.17 Butler	83,007	153%
Tract 111.18 Butler	128,882	237%
Tract 111.20 Butler	84,933	156%
Tract 111.21 Butler	99,265	183%
Tract 111.25 Butler	97,177	179%
Tract 111.27 Butler	86,328	159%
Tract 111.28 Butler	92,344	170%
Tract 111.29 Butler	102,689	189%
Tract 111.31 Butler	107,083	197%
Clark $40,254		
Tract 20 Clark	78,417	194%
Tract 22 Clark	68,958	170%
Tract 23.01 Clark	63,454	157%
Tract 26.05 Clark	65,552	162%
Tract 28 Clark	62,309	154%
Tract 30.01 Clark	63,476	157%
Tract 32 Clark	64,306	159%
Clermont $56,628		
Tract 403.01 Clermont	118,203	209%
Tract 403.02 Clermont	117,955	208%
Tract 403.03 Clermont	119,464	211%
Tract 406 Clermont	86,820	153%
Tract 414.06 Clermont	106,250	188%

Cuyahoga $41,407		
Tract 1236.01 Cuyahoga	62,792	152%
Tract 1301.03 Cuyahoga	100,116	242%
Tract 1301.04 Cuyahoga	90,714	219%
Tract 1301.05 Cuyahoga	62,804	152%
Tract 1301.06 Cuyahoga	65,946	159%
Tract 1311.02 Cuyahoga	103,409	250%
Tract 1311.03 Cuyahoga	84,904	205%
Tract 1342.03 Cuyahoga	75,313	182%
Tract 1351.03 Cuyahoga	72,500	175%
Tract 1351.04 Cuyahoga	100,754	243%
Tract 1351.05 Cuyahoga	95,893	232%
Tract 1351.06 Cuyahoga	105,306	254%
Tract 1361.01 Cuyahoga	67,663	163%
Tract 1361.02 Cuyahoga	83,690	202%
Tract 1361.03 Cuyahoga	83,750	202%
Tract 1381.05 Cuyahoga	64,659	156%
Tract 1413 Cuyahoga	72,813	176%
Tract 1414 Cuyahoga	94,100	227%
Tract 1416.01 Cuyahoga	64,559	156%
Tract 1417 Cuyahoga	66,944	162%
Tract 1521.01 Cuyahoga	73,472	177%
Tract 1531.03 Cuyahoga	63,287	153%
Tract 1531.04 Cuyahoga	63,172	153%
Tract 1551.01 Cuyahoga	103,320	250%
Tract 1551.02 Cuyahoga	67,841	164%
Tract 1561.01 Cuyahoga	65,417	158%
Tract 1561.02 Cuyahoga	77,112	186%
Tract 1601 Cuyahoga	82,179	198%
Tract 1701.02 Cuyahoga	69,390	168%
Tract 1702.01 Cuyahoga	67,026	162%
Tract 1731.05 Cuyahoga	68,620	166%
Tract 1741.03 Cuyahoga	67,560	163%
Tract 1741.04 Cuyahoga	69,111	167%
Tract 1741.05 Cuyahoga	73,209	177%
Tract 1742.03 Cuyahoga	80,083	193%
Tract 1751.05 Cuyahoga	73,388	177%
Tract 1751.06 Cuyahoga	101,076	244%
Tract 1752.01 Cuyahoga	67,396	163%
Tract 1761 Cuyahoga	70,116	169%
Tract 1776.09 Cuyahoga	65,461	158%
Tract 1791.01 Cuyahoga	148,701	359%
Tract 1791.02 Cuyahoga	166,989	403%
Tract 1801.03 Cuyahoga	82,763	200%
Tract 1811 Cuyahoga	87,098	210%
Tract 1812.03 Cuyahoga	63,816	154%
Tract 1821.04 Cuyahoga	71,250	172%
Tract 1821.05 Cuyahoga	63,867	154%
Tract 1821.06 Cuyahoga	63,472	153%
Tract 1832 Cuyahoga	226,597	547%
Tract 1833 Cuyahoga	144,821	350%
Tract 1834.01 Cuyahoga	98,897	239%
Tract 1835.02 Cuyahoga	97,500	235%
Tract 1836.06 Cuyahoga	64,841	157%
Tract 1841.03 Cuyahoga	131,894	319%

Tract 1841.05 Cuyahoga	88,646	214%
Tract 1841.08 Cuyahoga	111,083	268%
Tract 1851.04 Cuyahoga	63,340	153%
Tract 1861.03 Cuyahoga	74,142	179%
Tract 1861.04 Cuyahoga	75,441	182%
Tract 1861.05 Cuyahoga	84,375	204%
Tract 1861.07 Cuyahoga	85,213	206%
Tract 1862.01 Cuyahoga	68,838	166%
Tract 1862.02 Cuyahoga	99,659	241%
Tract 1862.03 Cuyahoga	90,862	219%
Tract 1862.05 Cuyahoga	86,518	209%
Tract 1862.06 Cuyahoga	104,634	253%
Tract 1871.03 Cuyahoga	68,105	164%
Tract 1871.04 Cuyahoga	78,026	188%
Tract 1871.05 Cuyahoga	83,438	202%
Tract 1871.06 Cuyahoga	67,389	163%
Tract 1891.05 Cuyahoga	67,620	163%
Tract 1891.07 Cuyahoga	63,924	154%
Tract 1891.08 Cuyahoga	89,643	216%
Tract 1891.11 Cuyahoga	67,214	162%
Tract 1891.12 Cuyahoga	96,451	233%
Tract 1905.03 Cuyahoga	87,500	211%
Tract 1905.04 Cuyahoga	77,167	186%
Tract 1923 Cuyahoga	65,625	158%
Tract 1928 Cuyahoga	76,484	185%
Tract 1929 Cuyahoga	78,625	190%
Tract 1941 Cuyahoga	70,068	169%
Tract 1943 Cuyahoga	78,319	189%
Tract 1945 Cuyahoga	141,364	341%
Tract 1949 Cuyahoga	112,386	271%
Tract 1958 Cuyahoga	115,688	279%
Tract 1959 Cuyahoga	66,196	160%
Tract 1960 Cuyahoga	66,905	162%
Tract 1963 Cuyahoga	130,690	316%

Delaware $85,628		
Tract 114.12 Delaware	155,234	181%
Tract 114.21 Delaware	134,429	157%
Tract 114.23 Delaware	151,250	177%
Tract 115.60 Delaware	129,833	152%
Tract 117.40 Delaware	137,083	160%

Erie $43,935		
Tract 406 Erie	95,909	218%
Tract 418 Erie	71,375	162%

Fairfield $55,805		
Tract 304 Fairfield	85,291	153%
Tract 306 Fairfield	86,081	154%
Tract 328 Fairfield	96,667	173%
Tract 329 Fairfield	93,613	168%
Tract 330 Fairfield	104,471	187%

Franklin $47,621		
Tract 1.20 Franklin	81,696	172%
Tract 2.10 Franklin	75,294	158%
Tract 2.20 Franklin	96,524	203%

Tract 62.20 Franklin	74,792	157%
Tract 62.30 Franklin	76,058	160%
Tract 62.36 Franklin	162,708	342%
Tract 63.10 Franklin	111,825	235%
Tract 63.21 Franklin	103,636	218%
Tract 63.23 Franklin	93,594	197%
Tract 63.40 Franklin	94,444	198%
Tract 63.91 Franklin	130,089	273%
Tract 63.92 Franklin	129,545	272%
Tract 63.93 Franklin	79,271	166%
Tract 63.94 Franklin	74,554	157%
Tract 64.30 Franklin	82,464	173%
Tract 65 Franklin	127,826	268%
Tract 66 Franklin	90,931	191%
Tract 67.10 Franklin	75,517	159%
Tract 67.21 Franklin	107,014	225%
Tract 68.10 Franklin	72,216	152%
Tract 69.10 Franklin	89,722	188%
Tract 69.50 Franklin	99,531	209%
Tract 70.41 Franklin	75,125	158%
Tract 71.93 Franklin	94,571	199%
Tract 72.01 Franklin	77,396	163%
Tract 72.03 Franklin	101,806	214%
Tract 72.07 Franklin	75,577	159%
Tract 72.09 Franklin	85,054	179%
Tract 72.10 Franklin	125,705	264%
Tract 73.93 Franklin	93,854	197%
Tract 73.94 Franklin	138,365	291%
Tract 74.27 Franklin	82,468	173%
Tract 74.92 Franklin	85,423	179%
Tract 74.94 Franklin	78,323	164%
Tract 79.21 Franklin	78,192	164%
Tract 79.22 Franklin	74,679	157%
Tract 79.51 Franklin	82,409	173%
Tract 79.52 Franklin	79,663	167%
Tract 80 Franklin	87,019	183%
Tract 84 Franklin	86,607	182%
Tract 89 Franklin	73,883	155%
Tract 90 Franklin	131,875	277%
Tract 91 Franklin	101,792	214%
Tract 93.90 Franklin	75,938	159%
Tract 97.40 Franklin	82,925	174%
Tract 97.51 Franklin	78,404	165%
Tract 97.52 Franklin	72,672	153%
Tract 104 Franklin	141,139	296%
Tract 105 Franklin	90,039	189%
Tract 106.01 Franklin	107,313	225%
Tract 106.02 Franklin	78,125	164%

Greene $52,056		
Tract 2105 Greene	103,581	199%
Tract 2106.01 Greene	83,634	161%
Tract 2106.03 Greene	112,854	217%
Tract 2201 Greene	107,598	207%
Tract 2801.02 Greene	79,957	154%

Hamilton $46,359		

Tract 45 Hamilton	107,625	232%
Tract 47.01 Hamilton	100,260	216%
Tract 48 Hamilton	130,341	281%
Tract 49 Hamilton	81,910	177%
Tract 51 Hamilton	79,700	172%
Tract 204.04 Hamilton	88,977	192%
Tract 205.02 Hamilton	70,818	153%
Tract 205.04 Hamilton	78,500	169%
Tract 206.01 Hamilton	77,572	167%
Tract 207.07 Hamilton	86,955	188%
Tract 208.02 Hamilton	71,966	155%
Tract 211.01 Hamilton	82,315	178%
Tract 211.02 Hamilton	81,731	176%
Tract 212.01 Hamilton	99,239	214%
Tract 213.02 Hamilton	82,826	179%
Tract 213.03 Hamilton	72,181	156%
Tract 214.21 Hamilton	78,235	169%
Tract 221.01 Hamilton	75,172	162%
Tract 223.02 Hamilton	76,238	164%
Tract 224 Hamilton	74,815	161%
Tract 226.01 Hamilton	113,843	246%
Tract 226.02 Hamilton	70,288	152%
Tract 231 Hamilton	101,071	218%
Tract 233 Hamilton	122,016	263%
Tract 235.01 Hamilton	103,984	224%
Tract 239.01 Hamilton	75,611	163%
Tract 239.02 Hamilton	109,295	236%
Tract 240.02 Hamilton	73,529	159%
Tract 241 Hamilton	73,581	159%
Tract 242 Hamilton	85,795	185%
Tract 243.01 Hamilton	82,407	178%
Tract 243.21 Hamilton	82,904	179%
Tract 243.22 Hamilton	134,293	290%
Tract 244 Hamilton	154,177	333%
Tract 248 Hamilton	79,671	172%
Tract 249.02 Hamilton	108,262	234%
Tract 250.01 Hamilton	73,250	158%
Tract 250.02 Hamilton	80,060	173%
Tract 251.01 Hamilton	106,902	231%
Tract 251.02 Hamilton	70,829	153%
Tract 251.04 Hamilton	208,804	450%
Tract 260.01 Hamilton	85,391	184%
Tract 268 Hamilton	99,125	214%
Tract 273 Hamilton	101,172	218%

Lake $52,854		
Tract 2027 Lake	84,068	159%
Tract 2035 Lake	80,446	152%
Tract 2051 Lake	97,097	184%
Tract 2064 Lake	84,875	161%

Licking $51,247		
Tract 7562.02 Licking	80,760	158%
Tract 7577 Licking	85,074	166%

Lorain $50,092		
Tract 102 Lorain	83,079	166%

Tract 131 Lorain	87,755	175%
Tract 132 Lorain	78,591	157%
Tract 501 Lorain	76,957	154%
Tract 807 Lorain	75,361	150%
Tract 974 Lorain	101,167	202%

Lucas $39,200		
Tract 13.01 Lucas	84,676	216%
Tract 45.04 Lucas	78,262	200%
Tract 63 Lucas	60,350	154%
Tract 70.02 Lucas	64,621	165%
Tract 76 Lucas	110,327	281%
Tract 82.01 Lucas	69,670	178%
Tract 82.02 Lucas	88,116	225%
Tract 82.03 Lucas	68,173	174%
Tract 83.01 Lucas	65,530	167%
Tract 83.02 Lucas	77,188	197%
Tract 89.01 Lucas	74,700	191%
Tract 89.02 Lucas	71,327	182%
Tract 90 Lucas	95,983	245%
Tract 91.01 Lucas	97,936	250%
Tract 92.01 Lucas	97,806	250%
Tract 92.02 Lucas	89,074	227%
Tract 93 Lucas	81,641	208%
Tract 94 Lucas	63,550	162%
Tract 96 Lucas	64,667	165%
Tract 97 Lucas	66,920	171%
Tract 98 Lucas	64,965	166%
Tract 99 Lucas	59,050	151%

Madison $48,295		
Tract 402.01 Madison	96,979	201%
Tract 410 Madison	184,444	382%

Mahoning $38,205		
Tract 8110.02 Mahoning	74,476	195%
Tract 8115 Mahoning	64,561	169%
Tract 8119.02 Mahoning	74,740	196%
Tract 8121 Mahoning	65,960	173%
Tract 8122 Mahoning	63,995	168%
Tract 8126.03 Mahoning	69,009	181%
Tract 8127 Mahoning	60,392	158%

Marion $41,314		
Tract 105 Marion	64,967	157%

Medina $63,582		
Tract 4080.02 Medina	98,953	156%

Miami $41,195		
Tract 3501 Miami	75,275	153%
Tract 3653.02 Miami	83,643	170%

Montgomery $40,885		
Tract 101 Montgomery	132,284	324%
Tract 102 Montgomery	80,725	197%

Tract 203 Montgomery	87,096	213%
Tract 206.02 Montgomery	68,125	167%
Tract 401.01 Montgomery	84,444	207%
Tract 401.02 Montgomery	108,684	266%
Tract 401.03 Montgomery	74,167	181%
Tract 402.01 Montgomery	91,500	224%
Tract 402.03 Montgomery	66,019	161%
Tract 403.03 Montgomery	85,720	210%
Tract 403.05 Montgomery	123,750	303%
Tract 403.06 Montgomery	91,985	225%
Tract 404.01 Montgomery	65,823	161%
Tract 404.06 Montgomery	121,712	298%
Tract 501.05 Montgomery	63,343	155%
Tract 903.03 Montgomery	83,672	205%
Tract 903.04 Montgomery	66,591	163%
Tract 1001.02 Montgomery	66,642	163%
Tract 1101 Montgomery	77,396	189%
Tract 1102.01 Montgomery	90,798	222%
Tract 1201.01 Montgomery	70,286	172%
Tract 1201.02 Montgomery	76,000	186%
Tract 1301.01 Montgomery	62,266	152%
Tract 1601 Montgomery	63,864	156%

Portage $49,287		
Tract 6003.01 Portage	74,101	150%
Tract 6003.02 Portage	86,386	175%

Richland $41,462	**$ 41,462**	
Tract 20 Richland	62,698	151%
Tract 21.02 Richland	64,643	156%
Tract 22 Richland	67,258	162%

Stark $42,805		
Tract 7109 Stark	64,355	150%
Tract 7111.11 Stark	66,070	154%
Tract 7111.12 Stark	73,844	173%
Tract 7111.21 Stark	82,158	192%
Tract 7111.22 Stark	67,105	157%
Tract 7113.11 Stark	74,643	174%
Tract 7113.12 Stark	87,500	204%
Tract 7114.02 Stark	71,139	166%
Tract 7114.11 Stark	96,563	226%
Tract 7115.02 Stark	66,397	155%
Tract 7121.12 Stark	75,303	176%
Tract 7122.01 Stark	68,235	159%
Tract 7122.02 Stark	69,730	163%

Summit $45,768		
Tract 5072.03 Summit	69,591	152%
Tract 5301.01 Summit	87,691	192%
Tract 5301.03 Summit	80,767	176%
Tract 5306.04 Summit	85,990	188%
Tract 5306.05 Summit	69,028	151%
Tract 5306.06 Summit	89,681	196%
Tract 5307 Summit	93,641	205%
Tract 5308 Summit	69,231	151%

Tract 5311.03 Summit	69,224	151%
Tract 5323.01 Summit	121,618	266%
Tract 5323.02 Summit	75,694	165%
Tract 5325.01 Summit	96,944	212%
Tract 5325.02 Summit	78,516	172%
Tract 5326 Summit	81,477	178%
Tract 5327.01 Summit	80,299	175%
Tract 5327.03 Summit	73,889	161%
Tract 5327.05 Summit	84,745	185%
Tract 5327.08 Summit	78,148	171%
Tract 5329.01 Summit	73,571	161%
Tract 5331.01 Summit	133,750	292%
Tract 5331.02 Summit	122,188	267%
Tract 5332 Summit	113,542	248%
Tract 5335.01 Summit	98,091	214%
Tract 5335.02 Summit	82,286	180%
Tract 5340 Summit	81,964	179%
Tract 5341 Summit	158,482	346%

Trumbull $40,389		
Tract 9330.01 Trumbull	82,703	205%

Union $63,233		
Tract 506.01 Union	107,813	171%

Warren $67,172		
Tract 309 Warren	112,321	167%
Tract 319.03 Warren	119,356	178%
Tract 320.04 Warren	106,860	159%

Wood $49,344		
Tract 206.02 Wood	108,108	219%
Tract 212 Wood	82,027	166%

The following counties had *No* tracts with median income greater than 150% of county median:

Adams	Darke	Hocking	Morrow	Scioto
Ashland	Defiance	Holmes	Muskingum	Seneca
Athens	Fayette	Huron	Noble	Shelby
Auglaize	Fulton	Jackson	Ottawa	Washington
Belmont	Gallia	Jefferson	Paulding	Wayne
Brown	Geauga	Knox	Perry	Williams
Carroll	Guernsey	Lawrence	Pickaway	Wyandot
Champaign	Hancock	Logan	Pike	
Clinton	Hardin	Meigs	Preble	
Columbiana	Harrison	Mercer	Putnam	
Coshocton	Henry	Monroe	Ross	
Crawford	Highland	Morgan	Sandusky	

Ohio Housing Finance Agency 2013 Affordable Housing Funding Application **0**

2013 Competitive Score Sheet

PROJECT DETAIL

Proposal Name	0
Competitive Pool	#VALUE!
Tracking Number	

Local Collaboration

	Points Awarded	Points Possible
Community Outreach		5
Local Development Plan or Selection Process		5
Support of Municipal or Township Officials		5
Local CHDO or MHA Participation		3
Local Service Agencies Participation		3
Support of County Officials		2
Local Priority		5
Total	**0**	**25**

Project Characteristics

	Points Awarded	Points Possible
Extremely Low-Income Units		4
Innovative Housing		4
New Markets		4
Previous Application for 9% Housing Credits		4
Appalachian County		2
High-Income Census Tract		2
Excellent School District (family properties only)		2
Historic Tax Credits		2
Lease-Purchase		2
Significant Federal or State Funding		2
Vacant Property Redevelopment		2
Total	**0**	**20**

Economic Characteristics

	Points Awarded	Points Possible
OHFA Resources per Unit		5
OHFA Resources per Bedroom		5
OHFA Resources per Gross Residential Square Foot		5
Total Cost per Unit		5
Total Cost per Bedroom		5
Total Cost per Gross Residential Square Foot		5
Total	**0**	**30**

Market Characteristics

	Points Awarded	Points Possible
Market Data Score *(Capture Rate, Penetration Rate, Occupancy Rates)*		15
Market Quality Score		10
Total	0	**25**

Rehabilitation Characteristics

Existing Rental Units Pool only

	Points Awarded	Points Possible
Major Mechanical Systems		2
Replacement of Roofs		2
Replacement of Building Exteriors		2
Unit Plans and Floor Plans		2
Quality of Existing Structure		2
Primary Priority of HUD or USDA		5
Secondary Priority of HUD or USDA		3
Scope of Work for Rehab		5
Urgent Physical Need for Preservation		5
Total	**0**	**25**

Competitive Score Summary

	Points Awarded	Points Possible
Local Collaboration	0	25
Project Characteristics	0	20
Economic Characteristics	0	30
Market Characteristics	0	25
Rehabilitation Characteristics	0	25
Total	**0**	**125**

Comments:

Award Process for 9% Housing Credit Applications

Binding Reservation Agreement

After OHFA has determined which proposals will receive a reservation of Housing Credits, a Binding Reservation Agreement will be sent to the Contact Person indicated in the 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 Credits and other OHFA resources reserved to a proposal may not increase after the initial reservation.

Waiting List

Proposals that do not receive an award will be placed on a waiting list for Housing Credits that become available via returns or in the national pool later in the year.

Housing 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 Credits become available, and will set a deadline for the applicant to respond to any offer.

Next Steps and Debriefing Meetings

OHFA will schedule an individual Next Steps meeting with each applicant that receives a reservation of Housing 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 Credits.

OHFA will also schedule an individual debriefing meeting with applicants that did not receive a reservation of Housing 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.

Project Changes

All project 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 Credits if changes are made without prior approval, or if applicants fail to complete a project as approved. A new application, processing fee, public notification letters and competitive review may be required if any project characteristics change. New owners without experience in the Housing 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 project structure at any time may cause the application to be rejected or the Housing Credit reservation to be revoked.

OHFA may allow the admission of an additional general partner after Housing 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 project;
3. The new general partner will gain little or no financial benefit from the project; and
4. The new general partner will not count the project 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 projects that received financing from the HDLP and HDAP programs in addition to Housing Credits.

Special Allocation

An owner of a project with a Housing 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 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 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 project 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 project 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 Credits. The amount of the new Housing 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 project, less direct costs of litigation apportioned between damages that are related and unrelated to the project, must be pledged to the development. Consideration and approval of changes to the project 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 project seeking relief.

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 Credit allocation to OHFA prior to the placed-in-service deadline.

3. Significant progress toward completion of the construction and/or rehabilitation of the project 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 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 Credit allocation.

Threshold Review of 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 errors.

The threshold criteria are as follows:

1. Complete and Organized Application

The Affordable Housing Funding Application (AHFA) and all required materials must be submitted on a compact disc, organized and formatted according to the index provided with the application. 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 applications that are incomplete, inconsistent, and/or illegible will be rejected.

2. Project Changes

All changes to the project must be disclosed at submission of final application, and will be reviewed by OHFA on a case-by-case basis. Substantive changes will not be permitted, including, but not limited to, changes in ownership or development team, project physical structure, project site(s) (except scattered-site projects), special needs population, and any items affecting competitive scoring.

3. 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 Credit 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 Credit equity (net and gross), (b) the pay-in schedule for the equity, (c) the cents per Housing 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 project's sources should or should not affect the project's eligible basis and/or Housing Credit percentage.

4. Affirmative Fair Housing Marketing Plan

An Affirmative Fair Housing Marketing Plan is required for all properties. Applicants that have a property with project-based Section 8, HUD Section 236 or USDA contracts may submit their **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 project. A **separate plan** is required for each census tract in which the project is located.

If assistance is needed, or there are questions regarding the Affirmative Fair Housing Marketing Plan, contact Arthera Burgess, Office of Program Compliance at (614) 995-0306 or aburgess@ohiohome.org.

5. Ohio Housing Locator

The owner and/or property manager of all Housing 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.

6. Additional Rent Restrictions

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

a. A minimum of sixty percent (60%) of the low-income units affordable to households with incomes at or below fifty percent (50%) of Area Median Gross Income (AMGI) (projects located in urban or suburban pool areas); or

b. A minimum of forty percent (40%) of the low-income units affordable to households with incomes at or below fifty percent (50%) of AMGI (projects located rural pool areas, except for the counties listed in Item c. below); or

c. A minimum of thirty percent (30%) of the low-income units affordable to households with incomes at or below fifty percent (50%) of AMGI (projects located Belmont, Lawrence, or Washington Counties).

7. Consistency with HDAP Funding

Projects 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:

a. A minimum of forty percent (40%) of the units must be occupied by households at or below fifty percent (50%) of AMGI for projects 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 project will be located. If the project 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.

b. Completion of the HDAP section in the AHFA.

c. The applicant must comply with all requirements described in the most recent HDAP Guidelines.

d. A project that receives HOME funds must comply with all HOME program rules, including the environmental review process.

e. A sole for-profit applicant that receives Ohio Housing Trust funds must comply with State Prevailing Wage requirements.

f. In order to receive HDAP funding, the applicant must select one of the following elections:

   i. 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 (projects located in non-Participating Jurisdictions); or

   ii. 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 (projects located in Participating Jurisdictions).

   These units may be included as part of the requirements of the Additional Rent Restrictions category.

8. 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 project architect to be eighty percent (80%) or better complete, and follow all requirements outlined in the Design and Project Standards section of the QAP. All architectural plans will be reviewed for approval by OHFA's staff architect.

9. Appraisal

An as-is appraisal of the project site(s) must be submitted. All appraisals must meet OHFA's Appraisal Submission Guidelines. (Link to guidelines)

10. Phase I Environmental Site Assessment (ESA)

A Phase I Environmental Site Assessment (ESA) must be submitted for all proposals. 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. (Link to Phase I requirements) 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 Credits.

11. Federal Tax Identification Number (FTIN)

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

12. Legal Description(s)

A legal description of each parcel that will be part of the development must be submitted. The description(s) must include the street address and permanent parcel number of each parcel.

Final Application Underwriting

Final applications must comply with the most current OHFA Affordable Housing Underwriting Guidelines. At Final Application, OHFA will conduct a full underwrite of the project.

The final application underwrite will consist of the following:

Application Comparison

The final application will be compared to the original Proposal for consistency. Please refer to the Project Changes section for information regarding any changes made to the AHFA between Proposal and Final Application.

Credit Calculation

Eligible Basis – Any item questioned by OHFA at Proposal and not resolved prior to Final Application must include a written legal opinion from a qualified tax credit attorney.

Acquisition Basis – Calculation of the acquisition basis will be compared to the appraisal submitted with the final application. The appraisal must conform to OHFA's appraisal guidelines.

Development Financing

Equity Commitment – OHFA will re-evaluate the equity commitment provided by the syndicator or investor including the proposed terms, conditions, pricing, and pay-ins proposed as required by Section 42 of the IRC. OHFA may require adjustments based on comparable, historical, and/or current market conditions and trends.

Financing – Final commitments for each funding source must be submitted with the Final Application. OHFA will evaluate the terms of each funding source. OHFA, at its sole discretion, may require a change in the terms of any funding source which OHFA determines will cause unnecessary or excessive subsidy to be required for a project.

Development Budget

Total Project Costs – OHFA will re-evaluate the reasonableness of costs by comparing the development budget for each application with the development budget submitted at Proposal, development budgets from current applications of similar projects, and cost data collected from final cost certifications. OHFA reserves the right to require justification for any line item. Additionally, any line item which is increased by 5% or more or any total project budget increasing by 3% or more from proposal to Final Application will be considered a substantial change and will be subject to the Project Changes section of this QAP.

Land Costs – Land costs in the Final Application must be supported by an appraisal conforming to OHFA's appraisal guidelines.

Hard Construction Costs – OHFA will review all hard construction budgets and compare to the scope of work and 80% architectural plans. OHFA reserves the right to require justification for any line item. OHFA may at its own discretion conduct its own cost estimate or review for any line item, group of line items or total construction budget for any costs it deems unreasonable. OHFA may also employ a third party to conduct this cost estimate or review.

Income and Expenses

Rental Income – All Applications awarded Tax Credits are subject to OHFA's subsidy layering proforma test which requires that the 15-year average Debt Coverage Ratio (DCR) be between 1.1 and 1.4. Applications that contain any form of project based rental subsidy may be subject to a more thorough Subsidy Layering Review requiring additional documentation at Final Application.

Developer/Investor Contributions – Written guarantees for any contributions to the project by any project partner must be submitted with the final application.

Reserves

Standard Reserves – Standard project reserves, including replacement reserves and operating reserves, must comply with the most current OHFA Affordable Housing Underwriting Guidelines.

Additional Reserves – If any additional reserves are used, applicant must provide a written guarantee that reserves will remain in the project for the entire 15 year initial compliance period unless used for a legitimate project based expense.

Carryover Allocation

All projects 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 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 project 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 project 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.

Project Completion Stage / 8609 Request

Upon project 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 project 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. These forms are required for any project that received funding from the Tax Credit Assistance Program (TCAP) or Tax Credit Exchange program (TCE), and any project that received a reservation of tax credits in 2010 or later.

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 projects 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.

9. Evidence that the owner or property manager has conducted a placed-in-service meeting with the OHFA Office of Program Compliance.

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 project).

11. Completion of the final Energy Efficiency Certification form for the year of allocation (if applicable).

12. Narrative describing any material changes to the project 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 project 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.

Application Process for 4% Housing Credits

Projects receiving tax-exempt bonds that finance over 50% of the project's total aggregate basis may apply for an award of 4% Housing 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 4% Housing Credits is not competitive, OHFA will verify that all projects have the appropriate development team in place, meet all threshold requirements, and submit to OHFA's underwriting process. OHFA reserves the right to reject an 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 Credits awarded to all tax-exempt bond financed projects. Project-specific conditions will be listed in the Housing Credit Eligibility (42m) Letter.

In addition to the requirements indicated above, the applicant must also meet the following requirements:

1. 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.
2. OHFA reserves the right to require a legal opinion stating that the project is eligible to receive an allocation of Housing Credits pursuant to Section 42(h)(4) of the IRC.
3. A representative of the developer or Management Company must meet with OHFA Program Compliance staff within six months following issuance of the letter of eligibility to review management practices and establish a timetable for the placed-in-service review.

The Minimum Financial Evaluation Process and Standards outlined in these guidelines will apply to bond-financed projects, however the owner has the option to elect the Housing Credit rate during the month in which the bonds are issued or the month the project is placed-in-service. Please note that the rate election period is tied to the month the notice of issuance indicates. If a project 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 project is placed-in-service will be used. Applications for bond-financed properties may be submitted at any time during the year. If public notification requirements have been met and any threshold deficiencies have been corrected, OHFA may take up to six weeks to review an application and issue an Eligibility Letter. The Eligibility Letter will be issued when all requirements are satisfactorily completed.

Threshold Review of Applications for 4% Housing Credits

OHFA will conduct a threshold review of the 4% 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 errors.

The threshold criteria are as follows:

1. Meets Section 42 Requirements

The project must meet all the 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.

2. Complete and Organized Application

The Affordable Housing Funding Application (AHFA) and all required materials must be submitted on a compact disc, organized and formatted according to the index provided with the application. 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 applications that are incomplete, inconsistent, and/or illegible will be rejected.

3. Application Fee

An application processing fee must be submitted with the application. The fee for applicants requesting 4% Housing Credits for projects financed with tax-exempt bonds is $2,000.

4. Extended Use

All projects must commit to an extended use term of a minimum of thirty (30) years of affordability. If an allocation of Housing Credits is received, the owner must file a Restrictive Covenant (provided by OHFA) which waives the right of the project to petition OHFA to have the extended use term (as described in Section 42 of the IRC) terminated.

5. Narrative

All applicants must complete and submit the OHFA Narrative Form for Housing Credit Applications.

6. Evidence of Site Control

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

If the current owner is not a general partner or limited partner in the project, 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 (minimum of 35 years in length).

If parcels will be purchased from a city land bank, a copy of the final city council resolution approving the transfer of all applicable lots may be submitted as evidence of site control.

Evidence of site control may not expire until a reasonable period of time following the scheduled announcement date for Housing 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.

A scattered-site project is required to have at least thirty-five percent (35%) of the sites under control. A project qualifies as scattered-site if there are ten (10) or more sites AND no more than fifty percent (50%) of the sites are contiguous. OHFA reserves the right to reduce basis at Carryover if the minimum site control percentage at application is not maintained at Carryover.

7. Zoning

The applicant must obtain a letter from the local municipality stating that the site(s) is properly zoned for the proposed multifamily residential use.

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

Applicants may request an exception to the zoning requirements if requested in advance of the Proposal by the date indicated in the Program Calendar. The applicant must effectively demonstrate a good faith effort to secure proper zoning before the announcement of Housing Credit awards in order to remain eligible for funding.

8. Market Study

A market study conducted by an OHFA-approved market study professional must be submitted with the application. (Link to OHFA market study requirements)

9. Supportive Services Plan

Senior Housing

Applicants proposing housing that sets aside one hundred percent (100%) of the units for households containing at least one (1) person who is age fifty-five (55) years or older are required to provide an experienced service coordinator, evidence of service coordinator salary or an in-kind service agreement, and a supportive service plan containing services that are appropriate for the population.

Family Housing

Both multifamily developments (non-senior) and single-family lease purchase proposals must provide the following services: providing referrals to local jobs programs; counseling residents as to available educational and training programs that can secure one’s place in the workforce or enhance the likelihood of advancement; credit counseling and consultation; and referrals to day care, after school, and health care / wellness programs. Applicants will be required to submit a supportive service plan containing specific services and demonstrating linkages with local services agencies.

Lease Purchase

In addition to the supportive services requirement for family housing, proposals for single-family lease purchase homes must have a viable homeownership strategy for residents who inhabit the units during the compliance period. The strategy must incorporate an exit strategy, calculation of the estimated purchase price for the resident, homeownership counseling, and a minimum amount of funds set-aside by the owner to assist the resident in the purchase.

Permanent Supportive Housing

Applicants proposing permanent supportive housing must provide a supportive service plan. A plan submitted to a local Continuum of Care or other entity may be submitted. The plan should address the following items:

a. The population being served by the proposal and the experience the support provider has serving that population.

b. How the supportive service plan will address the needs of the specific population.

c. 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.

d. How the physical design of the building(s), the project site and location will enhance the lives of residents specific to their particular needs.

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 project plans to sustain supportive service provisions over the life of the compliance period.

10. Preliminary Architectural Plans and Minimum Project Standards

Preliminary architectural plans must be submitted and follow all requirements outlined in the Design and Project Standards section of the QAP. All preliminary architectural plans will be reviewed for approval by OHFA's staff architect. (Link to Design and Project Standards section of QAP)

Applicants requesting 4% Housing Credits for projects financed with tax-exempt bonds must submit prints certified by the project architect to be at least 80% complete or better with their application. OHFA may permit additional time for bond applicants to submit this item, however, a review period of at least 60 days is necessary between the submission of 80% plans and the issuance of a Housing Credit Eligibility (42m) Letter.

11. 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 projects may submit either a Mini-Phase 1 (Link to OHFA MP-1 requirements) or a full Phase I ESA. OHFA reserves the right 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 Credits.

12. Capital Needs Assessment and Scope of Work

Proposals for the rehabilitation of existing housing units or the adaptive reuse of a building must submit a capital needs assessment and scope of work. The assessment must conform to the standards outlined in the Design and Project Standards section of the QAP. OHFA will use this assessment to determine whether the costs indicated in the application are appropriate considering the rehabilitation needs of the project.

13. Public Notification

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

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

a. The political jurisdictions in which the project will be located; and
b. Any political jurisdiction whose boundaries are located within one-half mile of the project'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 (Link to public notification template) and include all information requested. The notification must state the applicant's intent to develop a project 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 application.

Scattered-site projects must complete the public notification process for sites under control when the Proposal is submitted, and again for all sites in the project prior to issuance of a Carryover Allocation Agreement, and no later than November 1, 2013.

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

14. Utility Allowance Information

Utility allowance information must be submitted that is consistent with Section 42 of the IRC and IRS Regulation 1.42-10.

15. 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 Credit 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 Credit equity (net and gross), (b) the pay-in schedule for the equity, (c) the cents per Housing 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 project's sources should or should not affect the project's eligible basis and/or Housing Credit percentage.

16. Affirmative Fair Housing Marketing Plan

An Affirmative Fair Housing Marketing Plan is required for all properties. Applicants that have a property with project-based Section 8, HUD Section 236 or USDA contracts may submit their **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 project. A **separate plan** is required for each census tract in which the project is located.

If assistance is needed, or there are questions regarding the Affirmative Fair Housing Marketing Plan, contact Arthera Burgess, Office of Program Compliance at (614) 995-0306 or aburgess@ohiohome.org.

17. Ohio Housing Locator

The owner and/or property manager of all Housing 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.

18. Additional Rent Restrictions

One hundred percent (100%) of the low-income units must be affordable to households at or below 60% of AMGI for all applicants requesting 4% Housing Credits for projects financed with tax-exempt bonds.

19. Consistency with HDAP Funding

Projects 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:

a. A minimum of forty percent (40%) of the units must be occupied by households at or below fifty percent (50%) of AMGI for projects 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 project will be located. If the project 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.

b. Completion of the HDAP section in the AHFA.

c. The applicant must comply with all requirements described in the most recent HDAP Guidelines.

d. A project that receives HOME funds must comply with all HOME program rules, including the environmental review process.

e. A sole for-profit applicant that receives Ohio Housing Trust funds must comply with State Prevailing Wage requirements.

f. In order to receive HDAP funding, the applicant must select one of the following elections:

   i. 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 (projects located in non-Participating Jurisdictions); or

   ii. 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 (projects located in Participating Jurisdictions).

   These units may be included as part of the requirements of the Additional Rent Restrictions category.

20. Appraisal

An as-is appraisal of the project site(s) must be submitted. All appraisals must meet OHFA's Appraisal Submission Guidelines. (Link to guidelines)

21. Federal Tax Identification Number (FTIN)

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

22. Legal Description(s)

A legal description of each parcel that will be part of the development must be submitted. The description(s) must include the street address and permanent parcel number of each parcel.

Underwriting of 4% Housing Credit Applications

Final applications must comply with the most current OHFA Affordable Housing Underwriting Guidelines. At application, OHFA will conduct a full underwrite of the project which will consist of the following:

Credit Calculation

Tax Credit Percentage – OHFA will review the tax credit percentage to ensure that it complies with IRC Section 42.

Eligible Basis – OHFA will review the eligible basis indicated in the application. All non-eligible costs will be deducted from eligible basis. OHFA may require a written legal opinion from a qualified Tax Credit attorney at the applicant's expense for any items that are not clearly eligible under Section 42 of the IRC and applicable IRS guidance as determined by OHFA.

Acquisition Basis – Calculation of the acquisition basis will be compared to the appraisal submitted with the application. The appraisal must conform to OHFA's appraisal guidelines.

Development Financing

Equity Rate – OHFA will evaluate the equity commitment provided by the syndicator or investor including the proposed terms, conditions, pricing, and pay-ins proposed as required by Section 42 of the IRC. OHFA may require adjustments based on comparable, historical, and/or current market conditions and trends.

Financing Terms – Final commitments for each funding source must be submitted with the Final Application. OHFA will evaluate the terms of each funding source. OHFA, at its sole discretion, may require a change in the terms of any funding source which OHFA determines will cause unnecessary or excessive subsidy to be required for a project.

Development Budget

Total Project Costs – OHFA will evaluate the reasonableness of costs by comparing the development budget for each application with development budgets from recent applications of similar projects, and cost data collected from final cost certifications. OHFA reserves the right to require justification for any line item and will reduce a line item if a justification suitable to OHFA is not provided.

Land Costs – Land costs in the application must be supported by an appraisal conforming to OHFA's appraisal guidelines.

Hard Construction Costs – OHFA will review all hard construction budgets and compare to the scope of work and 80% architectural plans. OHFA reserves the right to require justification for any line item. OHFA may at its own discretion conduct its own cost estimate or review for any line item, group of line items or total construction budget for any costs it deems unreasonable. OHFA may also employ a third party to conduct this cost estimate or review. OHFA will deny any application which contains costs that OHFA, at its sole discretion, deems unreasonable.

Income and Expenses

Rental Income – All Applications awarded Tax Credits are subject to OHFA's subsidy layering proforma test which requires that the 15-year average Debt Coverage Ratio (DCR) be between 1.1 and 1.4. Applications that contain any form of project based rental subsidy may be subject to a more thorough Subsidy Layering Review requiring additional documentation.

Utilities – Utility allowance information must be submitted with the proposal that is consistent with Section 42 of the IRC and IRS Regulation 1.42-10.

Developer/Investor Contributions – Any contributions to the project by any project partner that is underwritten must be in writing, guaranteed by the contributor, and cannot be reduced after issuance of the 42M Letter. Written guarantees for such contributions must be submitted with the application.

OHFA will evaluate all other income, expense and reserve items to make sure they comply with the most current OHFA Affordable Housing Underwriting Guidelines.

Reserves

Standard Reserves – Standard project reserves, including replacement reserves and operating reserves, must comply with the most current OHFA Affordable Housing Underwriting Guidelines.

Additional Reserves – If any additional reserves are used, applicant must provide a written guarantee that reserves will remain in the project for the entire 15 year initial compliance period unless used for a legitimate project based expense.

Award Process/Eligibility (42m) Letter Issuance

After OHFA has determined that the proposal meets the threshold and underwriting requirements, an Eligibility (42m) Letter and Election Statement will be sent to the Contact Person indicated in the application.

The original Eligibility Letter 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 projects will not receive a Carryover Allocation Agreement, but the owner must follow all 8609 Form request procedures and any conditions outlined in the Eligibility Letter, 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 Eligibility Letter is issued to meet the placed-in-service requirements of the Housing Tax Credit Program.

Project Completion Stage / 8609 Request

Upon project 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 project 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. These forms are required for any project that received funding from the Tax Credit Assistance Program (TCAP) or Tax Credit Exchange program (TCE), and any project that received a reservation of tax credits in 2010 or later.

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 projects 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.

9. Evidence that the owner or property manager has conducted a placed-in-service meeting with the OHFA Office of Program Compliance.

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 project).

11. Completion of the final Energy Efficiency Certification form for the year of allocation (if applicable).

12. Narrative describing any material changes to the project 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 project 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.

DESIGN REQUIREMENTS

It is OHFA's intent to provide affordable housing that is durable with reduced energy consumption, is cost effective over many years, and will result in lower operating and maintenance costs, so as to provide those in need of affordable housing safe, clean and durable housing in which to live. These requirements intend to promote 30 year minimum durable materials and energy efficiency.

All projects must use OHFA definitions and OHFA area calculation methods to submit data.

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 your proposed development, exceptions after an award has been made will only be considered for truly extenuating circumstances.

It is the architect's responsibility to use the applicable building code (RCO, OBC, OPC, OMC, NEC, NFPA) and life safety standards.

Please reference OHFA web site for links to HUD Fair Housing guidelines, ADAAG, Enterprise Green, BOMA, IEEC, ASHRAE.

DEFINITIONS

Definitions shall include Chapter 2 of the current Residential Code of Ohio (RCO).

1. **RESIDENTIAL MINIMUM DESIGN STANDARDS** shall be per RCO chapter 3. Minimum Room sizes shall be per RCO 304 & 305. While market standards might dictate larger room sizes, these will be the required minimum requirements.
2. **CONSTRUCTION NARRATIVE –** A document written by the Architect that describes the construction type, thermal efficiencies and mechanical systems. This can be achieved with a bullet point narrative or wall section drawing and identifies building structure/envelope, insulation method and "R" values, window and door "U" values, durable envelope and interior finish materials, lighting concept and HVAC and water heater type and efficiencies.
3. **AREA CALCULATIONS**: shall be per Business Owners and Managers Association (BOMA @ http://www.boma.org/Pages/default.aspx) guidelines for multifamily residential and BOMA gross Area standards for single family houses. Area calculations categories submitted to OHFA shall include: **gross construction area**, **net rentable tenant common areas, Common area hallways**, **support areas**, **Mechanical Areas**, **accessory spaces**
4. **FF & E (furnishings, fixtures and equipment)** movable furnishings, appliances
5. **ACCESSORY STRUCTURES**: any structure not attached to the primary structure. These structures are detached garages, detached offices, mechanical sheds etc. and gross construction area will be a separate item from the main structures gross construction area/ square footage. (note: single family house with attached garage is considered as a house, and not a house with an accessory structure garage)
6. Those that conform to Enterprise Green Communities standards.
7. **DURABLE MATERIALS:** these materials include 30 year life cycle or longer for exterior building materials that require minimal maintenance.
8. **UNIVERSAL DESIGN**: Universal design requirements are referenced as Exhibit ()
9. **VISITABILITY**: Three design elements which allow for basic access: A no step entrance accessed via an accessible route (driveway, sidewalk, garage floor, etc.). (All doors and openings shall have a minimum net clear width of 32 inches. A bathroom or half bath on the main floor with clear floor space of 30 inches by 48 inches.

SUBMITTALS

Architectural Drawings

Preliminary drawings 11x17 ("half size") including: cover sheet (with project title, development team, drawing index, building areas and code information), site plan, landscape plan, floor plan with dimension, room designations and proposed finishes, exterior elevations with material notations, typical wall section. Also include drawings and specifications for HVAC or similar items in the scope of work. Preliminary drawings must be paper and electronic (both PDF & DXF).
80% plan set will be required after project selection and 100% permit set will be required prior to construction.

80% and 100% permit set must be submitted in PDF (separate PDF files for drawings and specifications) format that includes all site plans, dimensioned floor plans, elevations, wall sections, structure, finishes, details and mechanical plans. Additionally, each project must have dimensioned floor plans only submitted in DXF or DWG Autocad R-14 format and 11x17 plan hard copy (dimensioned floor plans only). All 80% and permit sets must show compliance with preliminary submittal, Enterprise Green Communities and Universal Design features. The Universal Design narrative must be included on the construction documents.

For Rehabilitation Developments –Universal Design Narrative and Enterprise Green Communities, and a **detailed narrative** of the past history of the project that includes the name of the property management company(s) during the past ten years, previous owners, related party relationships, past local, state or federal resources invested in the project, a list of capital expenditures over the past two years, obvious design flaws, and any significant events that have led to the projects current need for a rehab (i.e. fire, natural disaster).

- For new construction or adaptive reuse to residential housing developments – Site Evaluation, Construction narrative, a Universal Design narrative, and Enterprise Green Communities.

OHFA Architectural Standards

OHFA Square Footage Calculation:

For multi-family projects use **BOMA** (Building Owner Management Association) "MULTI FAMILY STANDARDS". For single family free standing units use BOMA "GROSS AREA MEASURMENT STANDARDS" All square footages shall be calculated & certified by the Architect of Record.

Area measurement categories (excerpt from BOMA, see publication as noted above for complete definitions and measuring methods. The publication can be purchased at http://www.boma.org

- Gross building area (AKA gross construction area) is building area including balconies but not patios (sidewalks and patios are site concrete flat work).
- Net rentable is unit area + balconies + tenant storage
- Common area: Hallways
- Common area: stairway, elevator, public toilet rooms, laundries, lobbies, community rooms, storage
- Support areas: offices
- Mechanical Areas: mechanical room(s), janitors closets, supply closet
- Open space (stair, elevator, shaft areas)

- Accessory structure(s) area: free standing Laundries, community buildings, garages, etc. (does not include gazebos – see patio and outside area below)
- Patio and Outside gathering areas attached to building are amenities that are encouraged and considered in the selection process, but are not included as part of the area calculations.

Note: stair, elevator and shaft areas are only counted on ground floor and this area is subtracted from the gross on each floor above or below ground level.
The Gross Method (called BOMA Method A) generally measures unit gross area including:
• The full thickness of exterior enclosing walls a unit
• The full thickness of walls between a unit and adjacent common areas
• Half the thickness of demising walls between a unit and adjacent units.
Within the boundaries of construction gross area (the building perimeter), assign all floor area to one of the following seven classes of space:
• Living Units (net rentable)
• Common Area (calculate common area hallways separately)
• Common Area Hallways
• Limited Common Area (private balconies, roof terraces, porches, decks, etc.)
• Storage Unit (separate tenant and building storage areas for OHFA use)
• Restricted Headroom (within living units with less than 7')
• Major Vertical Penetration
• Structured Parking
Do not omit any space within the building perimeter or include any space outside the building perimeter. Any floor area may be included in only one class of space. Space classes may not overlap and there should be no gaps between adjacent space classifications. Space classifications are the same for Methods A (unit gross area) and Method B (unit net area).

Minimum Project Standards

Each bedroom in new construction or adaptive reuse units must be at least seven (7) feet in each direction, and contain a closet in addition to the RCO 70sf. minimum square footage.

A. The following are the suggested market minimum square footage requirements:

i. In one-bedroom units, the bedroom is recommended to be at least one hundred twenty (120) sf.

ii. For a two-bedroom unit, the master bedroom is recommended to be at least one hundred twenty (120) square feet and the second bedroom at least one hundred ten (110) square feet.

iii. The third and fourth bedrooms in a unit must have at least one hundred (70) square feet.

iv. Bedrooms must have walls and doors separating them from adjacent space to be considered 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.

v. Typical recommended market unit size (residential living space) for new construction and adaptive reuse projects are as follows: COMBINE WITH "A" ABOVE.

- SRO Units: Exceed 250 Square Feet (S.F.)
- 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.

OHFA reserves the right to limit the size of units during the application review process.

B. Single-family homes must:

- Have one room at 120 sf. and bedrooms must be a minimum of 70 sf. (this is RCO code minimum and in all probability does not meet market standard minimums as required else ware in this QAP)
- Contain three (3) or more bedrooms;
- Include washer/dryer hook-ups
- full basement
- two off street parking spaces.

C. Single-family homes market standard optional items: real estate comp study for houses with-in 1000' radius of proposed site shall be the comparable market.

- Market optional a two-car garage, or provide a one-car garage and a full basement; A basement containing at least two hundred (200) square feet with ceilings at least seven (7) feet high and may not be used as bedrooms.
- Market optional dishwashers with Include garbage disposals
- Existing rehab units are exempt from basement and can have a waiver for off street parking.

OHFA may permit exceptions to these requirements on a case-by-case basis.

D. Bathrooms:

i. 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, and <u>the full bath must contain a ADA compliant shower.</u>

ii. In all new construction units, three-bedroom units must contain at least one and a half (1½) bathrooms and units with four (4) or more bedrooms must contain at least two (2) full bathrooms.

iii. 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.

E. The <u>maximum common area (including required circulation)</u> in any type of project is twenty percent (20%) of total gross building square footage.

Existing housing units are exempt from this criterion.

F. All new construction units will incorporate the following Universal Design elements which constitute "visitability":

i. 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.

ii. Doors/Openings: All doors and openings shall have a minimum net clear width of thirty-two (32) inches. All doors must be solid core.

If the applicant feels that some or all of the project's proposed buildings will be unable to meet the visitability requirements due to topography or other site/design limitations, complete Form PPD-E01 Reconsideration of Visitability Requirements. The <u>OHFA architect</u> will be in contact to work out solutions or will make a determination of whether to waive one or more of the visitability requirements.

G. Universal Design

All developments must be compliant with OHFA Universal Design requirements. See Exhibit () (unchanged from last year)

H. A single-site multifamily project must provide a parking lot with concrete curbs or wheel stops and at least one (1) parking space for each unit in the project. Exceptions to this requirement may be permitted on a case-by-case basis for projects located in dense urban areas, or for projects serving the elderly or permanent supportive housing populations.

I. Proposals for Senior Housing are required to have all buildings with only one (1) story unless an elevator is provided

J. All new construction units must be provided with energy efficient heating and air conditioning systems and follow the requirements of Enterprise Green Communities

K. Each unit must provide a refrigerator and stove in good working order. New construction must include new appliances.

Requests for exceptions may be submitted only for items specifically noted above. All requests for exceptions must be submitted to OHFA by the date indicated in the Program Calendar. OHFA will evaluate each project on a case-by-case basis and staff decisions will be final.

Exhibit ( )

2013 Qualified Allocation Plan (QAP)

UNIVERSAL DESIGN Requirements

OHFA values developing housing designed to be used by all. This concept is generally referred to as Universal Design, and is also known as Inclusive Design, Aging-in-Place and Design for All

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."

General Requirements

All units developed with OHFA resources will be designed to meet the following principles of Universal Design. Applicants submitting proposals must submit designs addressing the following principles and a narrative detailing how the proposal meets these principles. ***The narrative must also summarize all of the universal design features that are being proposed. The summary should be in the form of a list or matrix, by room and functional area (such as hallway, stairway, general circulation.) The narrative should also indicate that all of the features will be present in all of the units in the development or state the reasons why there are exceptions to this.***

OHFA recognizes that not all Universal Design principles can be incorporated into every proposal. OHFA staff will work with each applicant to help achieve maximum application of Universal Design principles.

Applicants must receive design approval from OHFA on these principles before receiving OHFA resources on a given 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. **Copyright 1987 Center for Universal Design, School of Design, State University of NC, Raleigh*

Additional Requirements

Conformity to Fair Housing Requirements

- 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***.
- Units that are being rehabbed shall be designed to incorporate these features to the extent possible.
- *In a two or more story single family house or townhome, all floors must be designed in accordance with 3 through 7 below. To be clear, this means that all bathrooms, kitchens, hallways, doors, light switches, electrical outlets, thermostats and other environmental controls, regardless of the floor on which they are located, 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.

Notifications to Statewide Accessibility Organizations

Applicants must also notify the appropriate statewide accessibility group, which are identified on the OHFA website, at the time of application that accessible housing is being proposed, agree to accept referrals for potential residents, and agree to receive design suggestions for the property. Such notification must take place again when the project is placed into service. Copies of correspondence between the applicant and accessibility group must be submitted to evidence these requirements.

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.

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.

The following criteria will be considered when making a determination regarding individual general partners and developers:

- 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.
- Other affordable housing development experience using government funded programs, including existing properties and those under construction.
- The development capacity of the organization to complete construction of all current projects on time and within program requirements and application commitments.
- 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.
- The organization must conduct business with OHFA according to the Good Partnership policy.

The following criteria will be considered when making a determination regarding the property management company:

- The company must currently be a member of the National Affordable Housing Management Association (NAHMA) or the Midwest Affordable Housing Management Association (MAHMA).

- A representative of the company must have earned one of the following certifications: Housing Credit Certified Professional (HCCP) sponsored by the National Association of Home Builders; Specialist in Housing 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.

- The company must have managed at least five housing 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 credit developments (each consisting of at least ten (10) units) for at least three (3) years each.

- 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.

- 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.

- 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.

- Other affordable housing management experience using government funded programs.

- The company must conduct business with OHFA according to the Good Partnership policy.

The Team as a Whole

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

- 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 project being proposed. Projects financed by OHFA, tax credit projects in other states, and other types of affordable housing in any state will be considered.

- 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 project control during the development process. Effective project control is demonstrated when the CHDO is the sole owner of the project, 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 project.

- Present capacity: OHFA will review all projects that the team members presently have in development and determine whether there is sufficient capacity to successfully complete all projects in development and any new project 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.

- 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.

- Financial strength: The financial capacity of the team as a whole will be reviewed and must be found acceptable.

- 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.

Underwriting Guidelines

In accordance with OHFA policy and Section 42(m) of the IRC, OHFA will perform several underwriting evaluations on all projects that request an award of Housing Tax Credits and/or OHFA Gap Financing. Each evaluation will consist of a review of the credit calculation, financing sources, development budget, income and operating expenses, and a 15-year cash flow analysis. 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 projects. Projects will be subject to the following financial evaluations:

1. Projects proposed for the competitive 9% Tax Credit round, will undergo a minimum financial evaluation to determine if they are eligible to continue in the competitive process.
2. All projects will undergo a complete underwriting review at Final Application prior to issuing a Carryover Allocation Agreement or Letter of Eligibility.
3. All projects will undergo an additional underwriting review at the time the project is placed-in-service and requests IRS Form(s) 8609.
4. Any project that experiences significant changes after approval of funding or requests additional resources from OHFA will undergo a full financial review at the time each change is made. **(Refer to Project Changes Section)**

The following guidelines shall apply to all projects requesting any OHFA subsidy unless otherwise noted.

I. Credit Calculation

The amount of the Housing Credits and OHFA Gap Financing reserved will not increase after the first minimum financial evaluation.

A. **Eligible Basis** - OHFA will review the estimated eligible basis. All non-eligible costs will be deducted from the basis. OHFA may require a legal opinion for any items that are not clearly eligible under Section 42 of the IRC and applicable IRS guidance. OHFA reserves the right to require additional information to clarify any issues regarding eligible basis.

B. **Acquisition Basis** - For competitive 9% credit projects, OHFA will limit acquisition basis to building value less any Seller Note in the Sources. The building value is determined by the lesser of the agreed upon purchase price or the building value calculated from an approved 'as-is' appraisal value (as-is property value less land value). For tax-exempt bond projects, OHFA may permit Seller Notes to be included in the building's acquisition value, on a case by case basis. The acquisition eligible basis cannot exceed the value of the property at or before the date of acquisition (the date of acquisition equals the date the deed or lease is recorded) as determined by the as-is appraisal of the property that complies with OHFA's Appraisal Guidelines.

C. **Tax Credit Percentage** – The tax credit percentage will be determined according to IRC Section 42. The rate valid at application must be used to determine the credit request. The rate may then be locked the month the Binding Reservation Agreement is issued for competitive 9% credits or the month bonds are issued for tax-exempt bond projects.

D. **Basis Boost** – Projects located in a qualified census tract (QCT), rural new construction proposals located in a HUD non-participating jurisdiction, and proposals located in a high-income census tract are eligible for an allocation of credits based upon one hundred thirty percent (130%) of the qualified basis for new construction or rehabilitation.

II. Sources and Uses of Development Funds

A. **All Sources and Uses Identified** - All categories must be identified, including financing, acquisition, construction, contingencies, reserves, developer fees and other soft costs. Applicants should contact OHFA for instructions on how to account for any unusual cost items.

B. **Sources and Uses Match** - The project's total sources must always equal the total project cost. If the sources exceed the costs, OHFA will reduce any OHFA Gap Financing and/or Housing Credit amount so that sources equal uses.

C. **Equity Commitment** - OHFA will evaluate the Equity Commitment provided by the syndicator/investor including the proposed terms, conditions, pricing, and pay-ins as required by Section 42 of the IRC. OHFA may require adjustments based on comparable, historical, and/or current market conditions and trends.

D. **Financing**

  1. **Commitments** – If applicant has not received conditional or final commitments at time of proposal, OHFA will underwrite the proposal based upon market norms for the product type, development area and current market conditions.
  2. **Terms** – Balloon payments will not be permitted during the initial or extended compliance period.

E. **Deferred Developer's Fee** –Applicants must show that the deferred developer's fee can be paid in full from project cash flow within the first fifteen (15) years. Any unpaid or deferred balance after Year 10 will be deducted from the housing credit eligible basis. Interest and fees are not permitted on deferred developers fees.

III. Development Budget

OHFA will evaluate the reasonableness of costs by comparing the development budget for a project with budgets from current applications for similar projects, cost data collected from final cost certifications, a review of the eighty percent (80%) completed architectural plans, and the most recent HUD 221(d)(3) mortgage limits. Additional due diligence will be performed on any line item that is significantly higher than current applications for similar projects. Developer must provide additional information on any line item at OHFA's request. OHFA will reduce a line item if an adequate justification is not provided and/or a cost substantially exceeds a reasonable, objective industry standard.

A. **Total Project Costs** – Total project costs will be evaluated on a per unit, per bedroom and per square foot basis as outlined above. Projects may be subject to any cost caps imposed by the specific program to which application is made.

B. **Land Costs** - The cost of the land for new construction projects must be justified by an appraisal that meets OHFA's Appraisal Scope and Guidelines. The cost of land is determined by the lesser of the agreed upon purchase price or the land value calculated from an approved 'as-is' appraisal.

C. **Hard Construction Costs -** Hard Construction Costs for the above are defined as the total of on-site development costs and hard construction (rehabilitation, new construction, commercial, fee items, furnishings and appliances) cost line items. The OHFA architect and/or a third party may be used to review the scope and specifications of any project to determine the appropriateness of the construction hard cost budget.

  1. **Construction Interest** - The maximum amount of the estimated Construction Loan Interest allowed in eligible basis is equal to one year of Construction Loan Interest (Construction Loan Amount multiplied by the Construction Loan Interest Rate). Exceptions will be considered for projects that can justify a potentially longer construction period. (If not locked, we will use Wall Street prime).
  2. **Construction Contingencies** - should be based on Developer and General Contractor experience, project type, and underwriting of other budget items. The maximum hard

cost contingency is from 3% for new construction and 6% for rehab projects. The maximum soft cost contingency is 2.5%. Unused contingency may have a negative impact on qualified basis and ultimately reduce tax credits, unless the project has adequate excess basis.

   a. Recommend 2.5% New Construction (Calculated on all hard items minus GC, OH, Profit)
   b. Recommend 5% for rehab (Calculated on all hard items minus GC, OH, Profit)
   c. Prefer letter of credit instead of Contingency?

3. **Contractor's Cost Limits**

   Once the maximum amount of the Contractor Fee is determined after the final application underwriting review , this amount cannot be increased if costs are higher but is also not required to be decreased if final hard construction costs are lower than estimated. In addition, if there are hard construction cost savings identified in the final cost certification, these savings will be shared among the contractor, developer, and OHFA and may be added to the maximum Contractor Fee and Developer Fee amounts. For related party contractor-developer entities, the cost savings will be divided fifty percent (50%) to the contractor-developer and fifty percent (50%) to OHFA. For third-party contractors, the cost savings will be divided thirty-three percent (67%) to the contractor/developer team, and thirty-three percent (33%) to OHFA. OHFA's share may be taken as cash, used to reduce the project's Gap Financing award or a reduction of credits. Owners must contact OHFA prior to the request for IRS Form(s) 8609 to create a plan for the use of cost savings.

   Contractor Cost Limits are as follows:

   a. Contractor Fee = six percent (6%) of hard construction costs.
   b. Contractor Overhead = two percent (2%) of hard construction costs.
   c. General Requirements = six percent (6%) of hard construction costs.
   d. Once the maximum amount of the Contractor Fee is determined after the second minimum financial evaluation for competitive 9% credit projects and first minimum financial evaluation for tax-exempt bond projects, this amount cannot be increased if costs are higher but is also not required to be decreased if final hard construction costs are lower than estimated.

D. Soft Costs – New Definition of Soft Costs including syndication expenses and asset management fees.

1. **Soft Cost Limits** - Total Professional Soft Costs cannot exceed twenty percent (20%) of the total project cost. Soft Costs include only the following: Architectural Fees, Survey Costs, Engineering fees, Appraisal, Market Study, Environmental Report, Rent-up / Marketing; Title & Recording; Legal; Accounting Fees; Developer's Fee & Overhead; Consultant Fees; Organizational Fees; and Syndication Expenses. OHFA has the discretion to add other fees/costs listed in the Other line item to the calculation as appropriate. Tax-exempt bond projects will be granted a waiver of this requirement if a reasonable justification with supporting documentation is provided.

E. Developer Fees

1. The following items will be included in the calculation the maximum Developer Fee: all application or development consultant fees, construction management fees, guarantee

fees, developer asset management fee and any financing fees charged by the developer. OHFA, at its sole discretion, may add other fees to the calculation as appropriate.

2. Maximum Fee - Developer fee and overhead and any consultant fees cannot exceed the sum of :
    a. Fifteen percent (15%) of total rehabilitation and new construction eligible basis; and,
    b. Five percent (5%) of total acquisition eligible basis.

IV. Income and Expense Analysis

OHFA will evaluate the reasonableness of costs by comparing the operating expense budget for a project to operating budgets from current applications of similar projects, comparable properties in the developer's or syndicator's/investor's portfolio, the appraisal, and OHFA's operating survey data. Additional due diligence will be performed on any line item that is significantly higher or lower than current applications for similar projects. Developer must provide additional information on any line item at OHFA's request. OHFA will reduce or increase a line item if an adequate justification is not provided and/or a cost is substantially above or below a reasonable, objective industry standard. OHFA will provide the operating survey data on its website for owners to use as a guideline.

A. **Income/Expense Escalations** - OHFA will assume an annual income increase of two percent (2%) and an annual expense increase of three percent (3%). Exceptions will be permitted for properties in which operating subsidy is provided by HUD or the local public housing authority to guarantee break-even operations at the property.

B. **Rental Income** – Rents must conform to IRC Section 42 and any other applicable OHFA guidelines.
    1. Rental operating subsidies should be valued only if project-based and for the full investment term.
    2. Discuss Subsidy Layering OHFA is designated to perform Subsidy Layering Reviews (SLR) on projects that propose to use Section 8 Project Based Voucher (PBV) Housing Assistance Payments with housing credits. See the OHFA SLR Guidelines for details.

C. **Commercial Income** – Income from commercial space will not be considered in a cash flow analysis nor contributed towards meeting the DCR requirements.

D. **"Other income"** – Fees and other income such as laundry/parking must be reasonable and comparable to other properties within the region and developer's portfolio, and must be voluntary to the tenant (e.g., do not underwrite rent late fees and other charges). Recurring and defensible items only - must be documented and will be considered on a case by case basis.

E. **Vacancy -** OHFA will assume a seven percent (7%) vacancy rate to calculate the effective gross income. Applicants of existing projects with HAP Contracts, existing vouchers or preservation projects may request a rate of five percent (5%) if they can document a history of strong occupancy rates.

F. **Utilities** - Utility allowances must conform to Section 42 of the IRC and IRS Regulation 1.42-10. OHFA will require documentation of the utility allowance with the proposal application for 9% credits and the full application for 4% credits.

G. **Real Estate Tax Exemptions, PILOTs and Abatements** – Will only be considered during underwriting if tax instrument is by right or final, in writing or has completed the legislative process. (Binding to the granting entity). Adjustments will be made for items that expire prior to 15 years.

H. **Property Management Fees** will be compared to other projects and must be at market rate.

I. **Investor Expenses** - Reasonable investor/syndicator asset management fees will be permitted as either a capitalized development cost or a "soft" operating expense repaid from available cash flow, after amortizing permanent mortgages before deferred developer fee and soft loan repayments. (Refer to new definition cited in soft cost section.)

J. **Hard debt Coverage** - The minimum acceptable Hard Debt Service Coverage Ratio (DCR) is 1.20 for the first year of stabilized operations. (1.5 Max) The project must maintain a DCR above 1.1 during the entire fifteen (15) year compliance period. For projects with no hard debt, the projects must maintain an income to expense ratio above 1.1 during the entire fifteen (15) year compliance period. Exceptions may be made for Rural Development projects that demonstrate a legitimate need.

K. **Developer Contributions, Commitments and Guarantees** – Developer commitments to project operating expenses must be in writing and enforceable.

V. Reserves

A. **Operating Reserves** - The minimum Operating Reserve for a project is four months of the first stabilized year's projected operating expenses, hard debt service payments, and replacement reserve contributions and the maximum is nine months of the first stabilized year's projected operating expenses, hard debt service payments, and replacement reserve contributions. OHFA will consider a waiver of this requirement if a reasonable justification with supporting documentation is provided.

1. Stay in place for the duration of the 15-year investment hold period, or releases should be subject to Investor consent.

B. **Replacement Reserves** - OHFA's minimum replacement reserve amounts by product type are:

1. Senior New Construction = $250 per unit.
2. Family / PSH New Construction = $350 per unit.
3. Single Family Homes = $300 per unit.
4. Senior Rehabilitation = $350 per unit.
5. Family / PSH Rehabilitation = $400 per unit.
6. Capitalized Prefunded Replacement Reserves are not permitted for new construction projects.

~~OHFA will consider a waiver of this requirement if a reasonable justification with supporting documentation is provided.~~

C. **Lease-up Reserve** Not permitted, must be counted in Rent-up marketing project costs.)

D. **Reserve Releases** – Reserves must remain with project entire 15 Years (unless used for a legitimate project expense.) If it inures to the developer, it must count towards developer fee by an applicable fraction of the term (i.e. if 5 year reserve, 2/3 will count toward developers fee.) or used to repay OHFA.

Monitoring Guidelines

Introduction

The monitoring process determines if a property is complying with requirements of the Internal Revenue Code (IRC). The Housing Credit monitoring process is outlined in IRC Section 42, IRS Regulation 1.42, 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 Credit was allocated.

Monitoring Process

Housing Credit projects are required to comply with the following, in addition to other requirements described in the OHFA Compliance Handbook.

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 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. 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. Please refer to the OHFA website at www.ohiohome.org to register for this training.

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 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 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 in the form and manner that OHFA specifies. The reporting process currently requires the submission of an owner certification, resident and project data, as well as other reports and certifications necessary to evidence compliance with any gap financing provided through an OHFA program. 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. Each building in the project was suitable for occupancy, taking into account local health, safety, and building codes;

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 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. The owner/agent should consult the OHFA Compliance Handbook for additional guidance.

9. OHFA has the right to review resident files throughout the 15-year compliance period and the 15-year 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. OHFA will provide prompt written notice to the owner of a Housing Credit project if OHFA does not receive the required certification or discovers through inspection, review, or any other manner that the project is in non-compliance. The 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.

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

10. When OHFA identifies certain instances of non-compliance, it is required to file Form 8823, “Low-Income Housing 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. 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]).

11. 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.

12. 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.

13. OHFA requires Housing Credit owners to pay a one-time compliance monitoring fee. The fee amount for projects receiving a reservation in 2013 will be $900 per unit.

14. 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.

15. 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 Credit restrictive covenant(s), Housing Development Assistance Program (HDAP) restrictive covenant, and the gap financing agreement.

16. Compliance requirements are communicated to owners and managers of Housing Credit projects through the OHFA Program Compliance Handbook 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.

17. Changes in Management Company that occur after the project has placed-in-service must be approved by OHFA Program Compliance. The owner must apprise Program Compliance of the proposed change 60 days prior to terminating the services of the current management company. OHFA may require the proposed management company to fill out a due diligence questionnaire to ensure the proposed company is sufficiently qualified to manage a Housing Credit project in Ohio.