2012 Ohio Housing Finance Agency QUALIFIED ALLOCATION PLAN

OHIO HOUSING FINANCE AGENCY

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JOHN R. KASICH
GOVERNOR
STATE OF OHIO

August 31, 2011

Douglas A. Garver, Executive Director
Ohio Housing Finance Agency
57 East Main Street
Columbus, Ohio 43215

Re: Governor's Designation of the Ohio Housing Finance Agency

Dear Mr. Garver:

Please accept this letter as my formal notification that, in accordance with Ohio Revised Code Section 175.06, I hereby designate the Ohio Housing Finance Agency to serve as the housing credit agency for the State of Ohio and perform all responsibilities of a housing credit agency pursuant to Section 42 of the Internal Revenue Code and similar applicable laws.

If you have any questions regarding this letter or need additional information, please do not hesitate to contact my office at (614) 466-3555.

Sincerely,

John R. Kasich
Governor of Ohio

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I. General Program Information

A. Introduction

The Housing Tax Credit Program (also known as the Low-Income Housing Tax Credit Program (LIHTC)) is a tax incentive program designed to increase the supply of quality affordable rental housing. These federal income tax credits offset the building acquisition, new construction, or substantial rehabilitation costs for rental housing developments. Since 1987, the Ohio Housing Finance Agency (OHFA) has used the Housing Tax Credit Program to facilitate the development of more than 83,000 affordable rental housing units in Ohio.

The Internal Revenue Service (IRS) regulations for the Housing Tax Credit Program can be found under Section 42 of the Internal Revenue Code (IRC). It is the responsibility of the applicant to be knowledgeable of Section 42 of the IRC, regulations and administrative documents (rulings, notices, and procedures), and all relevant materials published by the IRS. OHFA strongly encourages all applicants to seek experienced legal and accounting advice in order to comply with all Housing Tax Credit Program requirements.

The Qualified Allocation Plan (QAP), described under Section 42(m) of the IRC, contains OHFA's procedures and policies for the distribution of the state's allocation of Housing Credits. The QAP may be subject to change, pending developments in federal and state legislative requirements and/or OHFA policy.

B. 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 for which the taxpayer claims the Housing Credit on his/her federal income tax return. The owner must maintain income and rent restrictions continuously for 15 years - this is the compliance period. Additionally, the owner must enter into an extended use period of an additional 15 years by filing a Restrictive Covenant on the project with the County Recorder where the project is located.

The taxpayer may claim the Housing Credit beginning either with the taxable year in which the building is placed-in-service, or in the following year at the owner's election (or OHFA's determination, if necessary). The allocated Housing Credit amount taken by the taxpayer is based on the portion of the building occupied by low-income residents at the end of the first year of the Housing Credit period.

C. Federal Program Requirements

The following are brief descriptions of the federally-mandated program requirements. The list does not include all rules and requirements, and is subject to modification based on federal and state legislative changes. Applicants should refer to Section 42 of the IRC for more information.

Income Targeting. A project qualifies for the Housing Credit if at least 20% of the project is occupied by households with incomes at or below 50% ("20/50" projects) of the Area Median Gross Income

(AMGI), or at least 40% of the project is occupied by households with incomes at or below 60% ("40/60" projects) of the AMGI. The AMGI limits are published annually by the U.S. Department of Housing and Urban Development (HUD). Incomes are adjusted by household size. OHFA has provided the income limits by Ohio county (see Exhibit A attached hereto and made a part hereof by reference).

Rent Restriction on Units. The rent limits are based on the income limits and the number of bedrooms in a unit. Rent subsidies paid on behalf of the resident (such as Section 8 program payments) and overage defined by the U.S. Department of Agriculture (USDA) Rural Development (RD) 515 program are not included in gross rent calculations. Gross rent includes a utility allowance for the utilities paid by the resident, and any non-optional charges.

In order to assure the units are rented at the specified level elected at application, OHFA requires owners to file a Restrictive Covenant in the County Recorder's office where the project is located. The Restrictive Covenant details the restrictions on rent, as well as the term of affordability. Furthermore, the Restrictive Covenant also includes restrictions on the income levels the project is targeting per the election the owner selects at the time of the application.

Utility allowance information is obtained from HUD or the public pousing authority (PHA) in the county where the project is located, or based upon any policies and procedures established by OHFA. Please refer to Treasury Regulation 1.42-10 for more information. For a USDA RD 515 project, the utility allowance can be obtained from the Rural Development office.

Extended Low-Income Use. Income and rent limitations must be maintained for a minimum period of fifteen (15) years and through the extended use period, which is an additional 15 years. Project owners must enter into an extended low-income use agreement with OHFA.

IRS Revenue Ruling (2004-82) indicates that residents of a project that received Housing Credits may not be evicted without good cause, as defined herein below. OHFA intends to enforce this restriction along with all other IRS compliance regulations. The definition of "good cause" may be found at 24 CFR § 247.3 of the Code of Federal Regulations.

Safe, Decent, & Sanitary Housing. All projects must meet applicable building codes promulgated by the Ohio Board of Building Standards and local governmental agencies.

"No More Credit Than Necessary". Section 42 of the IRC mandates that state housing finance agencies ensure the amount of Housing Credits awarded to a project is the minimum amount necessary for the project to be placed-in-service as affordable rental housing. OHFA completes this designated task by underwriting every project receiving Housing Credits.

Civil Rights Compliance. It is the responsibility of the owner/developer/borrower and any of its employees, agents or sub-contractors in doing business with OHFA to adhere to, and comply with, all Federal Civil Rights legislation, inclusive of the Fair Housing Laws, Section 504 of the Rehabilitation Act of 1973, and the Americans With Disabilities Act, as well as any state and local Civil Rights legislation along with any related codes, statutes and laws. Should OHFA not specify any requirements, such as design, it is nonetheless the owners' responsibility to be aware of, and comply with, all non-discrimination provisions relating to race, color, religion, sex, handicap, familial status and/or national origin. This includes, but is not limited to, design requirements for construction or rehabilitation, Equal Opportunity in regard to marketing and resident selection and reasonable accommodation and modification for those residents covered under the codes, statutes and laws.

D. Eligible Uses of the Housing Credit

The Housing Credit can be used to offset the cost of acquiring, substantially rehabilitating, and/or the new construction of residential rental housing to be occupied by low- to moderate-income individuals and families. These units must be available to the general public and have initial leases of six months or longer.

Costs to develop the low-income units become the building's eligible basis. The Housing Credit can be allocated to common areas as long as these facilities are provided to all residents without additional fees or charges. It is important to note that units created solely for occupancy by the manager, maintenance personnel and/or security guard are considered common space.

The applicable fraction multiplied by the eligible basis becomes the project's qualified basis. The applicable fraction is defined as the lesser of (a) the number of low-income units divided by the total number of units (unit fraction), or (b) the amount of low-income unit square footage divided by the total amount of residential unit square footage (floor-space fraction). Low-income units are defined as units occupied by households with incomes at or below 50% or 60% of AMGI, depending on the minimum set-aside selected by the owner.

The applicable Housing Credit percentage (commonly referred to as the 9% and 4% Housing Credit rate) is the percentage used to determine the annual Housing Credit amount by multiplying it by the total qualified basis. The Housing Credit rate for 9% applications is locked at 9% for properties that are placed into service by December 30, 2013. The Housing Credit rate on 4% credits fluctuates from month to month (the IRS publishes the new rates monthly). A recipient of 4% Housing Credits may "lock-in" the Housing Credit rate upon entering a Binding Reservation Agreement with OHFA, or use the rates in effect at the date each building is placed into service.

The following types of projects are eligible for Housing Credits:

- **Acquisition/Substantial Rehabilitation.** Housing Credits are available for the acquisition and substantial rehabilitation of a building. The 4% Housing Credit rate is applied to any eligible acquisition basis. Generally, the 9% (or 4%, in certain circumstances, including projects financed with tax-exempt bonds) Housing Credit rate is applied to the substantial rehabilitation basis. Generally speaking, to qualify for the acquisition credit the property cannot have been placed-in-service within 10 years prior to acquisition, except properties substantially assisted, financed or operated under federal or state housing programs. There are a number of additional situations where a transfer may not be considered a new placed-in-service event for the purpose of the acquisition credit, such as certain transfers after foreclosures or transfers to qualified non-profit corporations. A building is not considered to be placed-in-service at any time that no party is claiming depreciation on a building, such as a vacant building or building that is not usable for its intended purpose. To be eligible for an acquisition credit, the new buyer or any related entity must have less than a 50% common interest with the seller (including any proposed investor) and the building must be sold to the seller and not contributed.
- **Substantial Rehabilitation Only.** The Housing Credit may be claimed on the basis of costs incurred for the substantial rehabilitation of a property without claiming credit on the acquisition basis of the project.
- **New Construction.** Housing Credits at the 9% (or 4%, in certain circumstances) Housing Credit rate are available for the eligible costs to construct a new building or buildings.

Ineligible Costs: Certain project costs are not subject to inclusion into eligible basis upon which the Housing Credits are derived. These include:

1. Commercial Building Costs
2. Land
3. Permanent Financing Fees
4. Reserves
5. Off-Site Improvements
6. Syndication Expenses (including legal, accounting, and bridge loan interest)
7. Any expense that cannot be depreciated with the building
8. OHFA Application, Reservation, & Compliance Fees
9. In-kind contributions to a project

This list is not inclusive of all costs that may be ineligible for Housing Credits. Please refer to Section 42 of the IRC for more information.

The Housing Credit is not available for any of the following facilities: hospitals, nursing homes, sanitariums, lifecare facilities, assisted living, employer housing, mobile homes and student housing. Factory-made housing that is permanently fixed to real property may qualify for the Housing Credit. Congregate care facilities may be eligible if the “additional supportive services” are provided to the resident as a voluntary option and the resident is not charged mandatory fees for those services. Please refer to Section 42 of the IRC for more information as to eligibility for Housing Credits.

The costs of constructing or rehabilitating a community service facility (such as a daycare building) located in a qualified census tract may be included with the eligible basis of a Housing Credit project. These additional costs cannot exceed 25% of the eligible basis on the first $15,000,000 of a project, with 10% thereafter. All community service facilities that are part of the same qualified project shall be treated as one facility. A community service facility must be designed to serve primarily individuals, not necessarily residents of the project, whose incomes are 60% or less of the AMGI. Please refer to IRS Revenue Ruling 2003-77 for more information.

II. Policy Statements

OHFA will utilize all of its multifamily funding programs 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.

OHFA developed the following policy statements through input and feedback from OHFA Board members, program stakeholders, and primary customers, as well as through the expertise of our staff and available research and data regarding affordable housing needs in Ohio. These policy statements will guide the award 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 allocation process.

OHFA will award 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.

1. **Types and Locations of Housing**

   a. OHFA supports the development of four broad types of housing: Multifamily apartments; senior housing[1]; single-family homeownership and single-family rental homes with a lease-purchase model.[2]

   b. OHFA values a balanced distribution of resources based on geography, population and historic investment. Consideration will be given to distribute resources throughout various geographic regions of the state when possible and areas of greatest need when necessary, as determined in OHFA's sole discretion.

   c. While OHFA recognizes the need to create new housing units in some areas of the state, this goal must be tempered by maintaining existing affordable units currently in service. Therefore, OHFA values the preservation of existing affordable housing that is in need of rehabilitation and has Section 8 or equivalent federal rental assistance contracts. OHFA will leverage the data provided by the Ohio Preservation Compact in prioritizing preservation awards.

   d. OHFA supports Permanent Supportive Housing (PSH) for the homeless (and other populations with special needs) as stand-alone developments or developments that foster integrated housing through the Section 811 program.

   e. The need for strategic cooperative investment is critical considering the scarce nature of affordable housing development resources. OHFA therefore values proposals that demonstrate collaboration with local units of government, which may include contributing to neighborhood revitalization plans or other local development plans, use of local development subsidy, or constructive interaction with community planning and development representatives.

   f. OHFA will follow the recommendations of the Ohio Foreclosure Prevention Task Force by valuing the re-development of vacant properties in areas of the state most impacted by the foreclosure crisis.

   g. OHFA values the development of affordable housing in all areas of need including areas within a Qualified Census Tract and Difficult Development Areas.

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[1]Senior housing is defined as having, at any given time, 80% of the units occupied by households with at least one member age 55 or older. The remaining 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 promulgated by the applicable federal 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.

h. OHFA values developing in new markets where no previous product development has taken place.

i. OHFA values projects that access the Federal Historic Preservation Tax Credit program.[3]

2. **Types of Subsidy**

a. As the need for affordable housing is constant and resources to develop such housing are scarce, OHFA values assisting properties that leverage substantial federal, state, local or Public Housing Authority (PSA) or other development subsidies, such as the USDA Rural Development Section 515 program, HUD Choice Neighborhoods program, HUD Section 811 program, and the HOPE VI program.

b. OHFA values the development of projects that will serve very low- and extremely low-income populations and/or provide rental subsidy for the residents.

3. **Project Characteristics**

a. As strong market demand is essential to successful housing development, OHFA will evaluate the strength of the market area, including vacancy rates, penetration rates, capture rates, and the condition of existing or recently approved projects funded by OHFA. Projects that do not demonstrate a sustainable market will not be considered for funding.

b. As OHFA values sustainable development, multifamily projects need to remain competitive in the market for the life of the compliance period; OHFA will assess project and unit amenities for durability as well as utility.

c. OHFA values Universal Design in new construction as well as rehabilitation. Visitability guidelines shall be incorporated into all newly constructed properties, and wherever possible in rehabilitation properties.

d. In order to create sustainable development by building healthier, more environmentally responsible communities, OHFA supports the development of properties that meet the 2011 Enterprise Green Communities Criteria.

e. As innovation and creativity are critical to meeting the changing demands of the consumer, OHFA encourages amenities which distinguish a development from the competition. These amenities will be evaluated based on appropriate cost and the tangible benefits provided for the residents and/or the housing.

f. 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.

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[3]Projects are eligible if the building(s) is/are individually listed in the National Register of Historic Places as long as the application is accompanied by proper documentation indicating such. If the building(s) is/are not individually listed in the National Register, the project applicant must have submitted a Part 1 application ("Evaluation of Significance") and received a recommendation for approval by the Ohio Historic Preservation Office. Applicants must submit their complete Part 1 application to the Ohio Historic Preservation Office no later than 30 days prior to the Proposal submission deadline. In addition, to be eligible for this category, one of the project's General Partners (or the General Contractor) must provide evidence of having successfully completed and placed-in-service at least one other historic property. OHFA will consider projects with the State Historic Tax Credit as well, if the applicant can provide evidence of the award prior to announcement of Housing Credit awards.

4. **Development Team Characteristics**

   a. OHFA values 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.

   b. OHFA values projects in which the majority owner/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.

   c. OHFA values development teams with a strong financial base.

   d. OHFA values 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.

   e. Development teams will also be evaluated on any prior and/or 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 and monies due to OHFA.

   f. OHFA supports the endeavors of community-based non-profit housing organizations to develop housing in their service area.

5. **Management Company Characteristics**

   a. OHFA values management companies (both for-profit and non-profit) that have a proven record of maintaining compliant LIHTC communities, as well as other types of affordable housing.

   b. OHFA values management companies that 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.

   c. OHFA values management companies who understand the populations they serve and do so by creating effective partnerships to provide the services necessary for sustaining and enhancing the wellbeing of the residents.

   d. OHFA values management companies that are accessible and responsive to the needs of their residents, employees, vendors, investors, and OHFA.

   e. OHFA values management companies that 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.

   f. OHFA values management companies that have a well-articulated and measurable plan for self-monitoring and maintaining the compliance of the property.

   g. OHFA values management companies that are properly qualified under the applicable laws to manage residential property in all states in which the company operates.

   h. OHFA values management companies that promote employee development through licensure, sponsoring membership in professional organizations, ongoing continuing education and affordable housing training.

i. OHFA values management companies with financial stability that embrace their fiduciary responsibility to the owner.

j. OHFA values management companies that use the most up-to-date technology to manage and market their apartment communities.

k. OHFA values management companies that 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.

III. Good Partnership

OHFA requires that any developer, owner, syndicator and/or management company must perform their responsibilities in a spirit of good partnership in order to develop, construct, manage and/or own a project which benefits from any program administered by OHFA. For purposes of OHFA's determination thereof, "good partnership" means that a participant demonstrates: (i) financial responsibility and accountability, (ii) character and (iii) general efficacy, each in a capacity sufficient to command the confidence of both the Ohio developmental/financial community and OHFA, and each in a manner which is transparent, honest and efficient with respect to OHFA's programs and staff.

In furtherance of OHFA's goal to provide affordable housing to the low- and moderate-income residents of Ohio, OHFA requires that a participant exercise each of the aforementioned three core values with respect to each and every OHFA project to ensure that such participant may maintain its participation within the OHFA guidelines:

1. **Responsibility**

    a. **Accountability:** A participant must demonstrate responsibility for the execution and/or administration of the assumed tasks undertaken in connection with a particular OHFA project.

    b. **Timeliness:** Information must be submitted by a participant to OHFA and/or any ancillary agency or office affected by an OHFA project within established timeframes for each project.

2. **Willingness to Partner**

    a. **Professionalism:** Information must be submitted by a participant to OHFA in a manner that is organized, concise, complete and accurate, as certified by the participant, to be knowingly true and current as of the date thereof. Participants are expected to communicate in a respectful manner with OHFA staff and vice versa.

    b. **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, as evidenced by each and every project of which the participant and OHFA are a part.

3. **General Efficacy**

    a. **Responsiveness/Communication:** A participant shall always provide prompt notification of issues, concerns or other matters that affect a project (as approved by OHFA), and shall immediately communicate to OHFA any modification, change or amendment which the participant reasonably believes may affect the program (as approved by OHFA).

A participant that conducts business in such a manner that is consistent with these aforementioned values will be considered to have a good partnership with OHFA. A participant that, through its procedures and practices, demonstrates that it is not working under the same aforementioned value system, will be subject to review by OHFA. OHFA shall, in its sole and absolute discretion, determine the appropriate measures to be taken on a case-by-case basis in order to ensure that such non-conforming participants are fully aware of OHFA's mission and its unconditional commitment to these shared values as they apply to its projects. Such measures may include (i) placing a participant in a temporary audit position within OHFA's programs until such time that OHFA determines that such participant may successfully take part in subsequent projects; or (ii) placing a participant's partnership in abeyance for a period of time determined by OHFA, at OHFA's sole discretion.

IV. Application Process

A. Instructions

All application materials for each allocation phase of the 2012 Housing Credit year 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 (unless the project is financed with tax-exempt bonds). Applicants must use the 2012 Affordable Housing Funding Application (AHFA) available on the OHFA web site at www.ohiohome.org, which will be available by August 31, 2011. 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 2012 AHFA for details on electronic submissions.

The application review process will consist of three stages:

1. **Experience and Capacity**

   OHFA will conduct a review of the experience and capacity of potential general partners, developers and management companies prior to submission of Housing Credit applications for individual proposals. The result of this review will determine whether an organization may participate in the upcoming program year.

The following items must be submitted in order for OHFA to conduct the experience and capacity review of general partners and developers:

a. A completed Experience & Capacity Review Application Form, which includes a narrative describing the experience of the organization with regard to the development of subsidized and/or affordable housing; a summary of projects that have been completed, are under construction, and are proposed for the 2012 round; and for CHDO organizations, a narrative describing how proposed projects will further their mission.

b. A full organizational chart, staff roster, and resumes of key development staff within the organization, focusing on their affordable housing development experience.

c. The most recent audited financial statements for the organization. If an organization is not required to prepare audited financial statements, then statements that have been reviewed or compiled by a third-party accountant may be submitted. The most recent internally prepared financial statements are acceptable only if audited, reviewed or compiled statements are not available.

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

a. 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.

b. Other affordable housing development experience using government funded programs, including existing properties and those under construction.

c. The development capacity of the organization to complete construction of all current projects on time and within program requirements and application commitments.

d. 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.

e. The organization must conduct business with OHFA according to the Good Partnership policy in order to participate in the Housing Tax Credit Program.

The following items must be submitted in order for OHFA to conduct the experience and capacity review of management companies:

a. A brief narrative describing the experience of the organization with regard to the management of subsidized and/or affordable housing, including the number of projects and units currently managed, and any projects and units that the organization anticipates managing within the next 24 months.

b. The applicant must list and describe all of the projects that this firm has managed and/or anticipates managing in the next 24 months.

c. A full organizational chart, staff roster, and resumes of key management staff within the organization, focusing on their affordable housing management experience.

d. A completed Management Company Capacity Review Survey.

The following criteria will be considered by OHFA when making a determination:

a. 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 and ownership partners.

b. Other affordable housing management experience using government funded programs.

c. The organization must conduct business with OHFA according to the Good Partnership policy in order to participate in the Housing Tax Credit Program.

Approval to participate in the 2012 allocation round does not constitute a guarantee of any level of funding. OHFA will use information submitted by the organization and other reasonable sources available to make these determinations, including reports and opinions of other public funding sources. OHFA reserves the right to place additional restrictions on applicants, limit the number of awards, applications or amount of credits available to an organization, and limit credit allocations due to identities of interest between organizations applying for Housing Credits.

Experience & Capacity applications may be submitted beginning on August 22, 2011 and no later than October 17, 2011. Each applicant will be notified of OHFA's determination approximately 30 days after their application is submitted. Submission of this application early in the process will ensure that a determination is issued well in advance of the proposal deadline.

Response period: In order to ensure the highest possible standard of accuracy, thoroughness and service, applicants will have until up to 7 days after notification to provide a written response to any factual discrepancies in the review. OHFA will then review the response, make any adjustments deemed necessary and appropriate, and provide a final decision within 14 days after receipt of the response.

2. Proposals

Proposals must be submitted by the dates indicated in the Program Calendar and will consist of the following items:

a. 2012 Affordable Housing Funding Application (AHFA)

b. Application fee

c. Narratives describing the proposed development

d. Evidence of site control

e. Zoning

f. Market study

g. Evidence of Management Company Standards

h. Supportive service plan

i. Preliminary plans & specifications

j. Phase I Environmental Site Assessment (ESA) or Mini-Phase I ESA as appropriate

j. Scope of Work and Capital Needs Assessment (rehabilitation of existing housing units only)

l. Universal Design Plan[4]

m. 2011 Enterprise Green Communities checklist

Proposal Meetings: OHFA will require representatives of each applicant to meet at OHFA's offices located at 57 E. Main Street, Columbus, OH 43215 to discuss their individual proposals. These meetings will take place beginning in January 2012 and ending in March 2012, with each meeting structured and scheduled for up to one hour.

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[4]Plan must be drafted by the project architect.

Prior to each meeting, OHFA staff will review the proposal for threshold, selection and underwriting criteria. The applicant will be informed of any deficiencies and other questions or issues regarding the proposal approximately three weeks before the meeting. The applicant will then have two weeks to submit corrections and responses. OHFA will then forward questions and discussion topics in advance of the meeting based on the review and applicant responses. A list of required attendees will also be forwarded at that time and may include the following:

a. Developer
b. Housing Development Assistance Program (HDAP) Recipient
c. Management Company
d. Consultants
e. Architect
f. All members of the Ownership Entity
g. Market Analyst
h. Representative from the local Continuum of Care (for Permanent Supportive Housing proposals)
i. OHFA Program Representatives

If the applicant would like to include parties not designated on this list, then a request and explanation must be submitted for OHFA approval.

Site visits: OHFA may conduct a site visit in order to gather information that will be used to help evaluate the applications in each allocation pool. The applicant must clearly mark the physical location of the project site and provide a detailed map that depicts the roads leading to the site so that OHFA staff may easily conduct a site visit. Up to two representatives of the applicant who are familiar with the housing proposal are encouraged to accompany OHFA staff on the site visit in order to describe how the proposal meets the selection criteria and to answer any questions that staff may have. 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.

Site visits will occur as determined to be necessary before final awards are announced. All site visits will be scheduled at a time convenient to OHFA review staff.

Waiver requests: Any requests for an exception to specific program requirements must be submitted to OHFA in advance of the proposal by the date indicated in the Program Calendar. OHFA will consider all such requests at one time and will issue decisions within one week of submission. Exceptions will be considered only for those items specifically identified in these guidelines.

Communication with local CHDO: OHFA expects all developers, including CHDOs developing outside their service area, to communicate with local State-Certified CHDOs in order to secure the best outcome for the service area in which a development is proposed. We request a “good faith” demonstration that appropriate communication with the local State-Certified CHDO has occurred be included in the narratives describing the proposed development.

Discussions with stakeholders: OHFA will contact representatives of local governments and the state HUD and RD offices during the review period to discuss their development priorities and availability of financing for Housing Credit Proposals. This information may be considered in the selection process.

3. Selection Process

Part I: Required Categories

Each proposal will receive a rating for each criterion in the following three categories. An “A” rating will be given when a proposal is considered to best meet a criterion; a “B” rating will be given when a proposal is considered to meet a criterion in an acceptable manner; and a “C” rating will be given when a proposal is considered to have not met a criterion. (An “A” rating will be given in a category only if each lettered criterion in such category has received an “A”.) A proposal that receives a “C” rating for any criterion will not qualify for Part II of the Selection Process.

Project Functionality: OHFA will determine the appropriate rating for each proposal based on the following criteria. Applicants will have the opportunity to adjust their design during the review period.

a. Layouts and square footage of buildings and units and amenities that are appropriate for the development, and are designed to be used by all. Refer to the Universal Design Requirements in Exhibit I for guidance.

b. Scope and materials that are appropriate for the geographic area and population to be served.

c. Topography and scale that is compatible with the surrounding neighborhood.

d. Aspects of the site and surrounding area that are likely to make the project more successful (e.g. more likely to attract and keep responsible tenants, maintain cash flow and sustain long-term viability) for the target population, including visibility of the property, vehicular and pedestrian access to the site, environmental issues at or near the site, and adjacent or nearby uses that are incompatible with residential development. Any single feature may or may not be preferred universally among all areas, populations and housing types.

Development Team (general partners, developers and property manager): OHFA will determine the appropriate rating for each development team based on the following criteria.

a. **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.

b. **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 2012 tax credit awards in a timely and efficient manner. The amount of 2012 tax credits awarded to a particular organization may be limited based on OHFA judgment of capacity.

c. **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.

d. **Financial Strength:** The financial capacity of each general partner and developer will be reviewed during the Experience & Capacity Review, and must be found acceptable to be eligible for an “A” or “B” rating in the Development Team category.

e. **Outstanding Financial Obligations:** All financial obligations to OHFA must be current as of the Proposal deadline to be eligible for an "A" or "B" rating in the Development Team category. Any delinquent obligations must be resolved during the review period to remain eligible for funding.

Green Communities: Each applicant is required to register their proposal for Enterprise Green Communities Certification at www.greencommunitiesonline.org, and complete all required items for this stage of the development process, including the "Project Overview" and "Intended Methods" documentation. The 2011 Enterprise Green Communities Criteria Checklist must also be completed and a copy submitted to OHFA with the proposal application.

Representatives of Enterprise will review each proposal during the review period and a determination will be made in conjunction with OHFA. A determination that Certification will be achieved will result in an "A" rating in this category. A determination that Certification will not be achieved will result in a "B" rating in this category.

Proposals located in municipalities that offer tax abatement for achieving LEED Certification may substitute this certification if such tax abatement will be obtained for the development. The appropriate LEED Certification checklist must be submitted with the proposal to evidence that Certification will be achieved.

Evidence of final certification with Enterprise Green Communities or LEED will be required upon completion of construction.

Part II: Ranking and Scoring Categories

The proposals will be ranked and a score awarded in each of the following categories according to the percentage values indicated. An explanation of the ranking and scoring decisions will be available upon announcement of Housing Credit Awards.

Local Collaboration

This category is worth 30% in the Geographic Pools, 20% in the Preservation Pools, and 40% in the Permanent Supportive Housing (PSH) Pool.

Applicants that demonstrate collaboration with local units of government will receive preference. This may be demonstrated by development of proposals that contribute to a community revitalization plan or other local development plan (not including a Consolidated Plan or Comprehensiv Housing Improvement Strategy (CHIS)). Applications will be ranked and scored in each Allocation Pool based on how well the proposal contributes to the plan. The location of the proposed project, population to be served, type of construction, age of the plan, and OHFA revitalization plan evaluation criteria will be considered. Applicants may also evidence that final approval of the local planning and zoning authorities has been obtained at the time of application.

Proposals in the PSH Pool will be judged based on the ranking and support of the local continuum of care. The highest ranked project of each continuum will receive an equal score in this category.

Economic Characteristics

This category is worth 30% in the Geographic Pools, 30% in the Preservation Pools, and 20% in the Permanent Supportive Housing Pool.

Applicants that demonstrate economic characteristics that provide tangible benefits to the project or the residents will receive preference. This may be demonstrated by one or more of the following criteria (listed in order of priority):

a. Use of development subsidy from local, state or federal government sources as permanent financing.

b. Development of single-family lease-purchase homes with a viable homeownership strategy for the residents.

c. Use of substantial operating subsidy in the project budget.

d. Securing tax abatement for the project.

e. Use of historic tax credits as permanent financing.

f. Re-development of vacant properties in areas impacted by foreclosure.

Applications will be ranked and scored in each Allocation Pool based on how well the proposal meets this category. An applicant may commit to more than one of these criteria, however the application may be rejected if the resulting proposal is not considered to be a viable housing development in the opinion of OHFA.

Any commitments made in this category that are not completed will be considered when evaluating the general partners and developers on future applications under the Good Partnership policy.

Market Criteria

This category is worth 30% in the Geographic Pools, 5% in the Preservation Pools, and 30% in the PSH Pool.

Applicants that demonstrate a strong market for their development will receive preference. Applications will be ranked and scored in each Allocation Pool by evaluating the following criteria for the Primary Market Area (PMA) of the proposal:

a. Depth of Market (lower percentage is desirable)

   i. Capture Rate: Subject units divided by number of income-eligible renter households.

   ii. Penetration Rate for LIHTC Units: Existing LIHTC units divided by number of income-eligible renter households.

   iii. Penetration Rate for LIHTC and Subsidized Units: Total of existing LIHTC units and subsidized units divided by number of income-eligible renter households.

b. Rent Evaluation (higher percentage is desirable)

   i. Rent Advantage vs. Achievable Market Rent: Overall weighted average market-rent advantage for the proposed project.

   ii. Rent Advantage vs. Maximum Allowable LIHTC Rent: Overall weighted average maximum allowable LIHTC rent advantage for the proposed project.

   iii. Rent Value vs. Fair Market Rents: Percentage of total proposed units below Fair Market Rents.

c. Occupancy Rates (higher rate is desirable)

   i. Comparable LIHTC Properties: Overall occupancy rate of all comparable LIHTC properties.

   ii. All LIHTC and Subsidized Properties: Overall occupancy rate of all LIHTC and subsidized properties.

   iii. Comparable Market-Rate Properties: Overall occupancy rate of all comparable market-rate properties.

   iv. Overall Occupancy: Overall occupancy rate of all LIHTC, subsidized and market-rate properties.

Proposals in the PSH Pool will be ranked and scored by comparing the number of units available to the need for additional units in the jurisdiction of the local continuum of care, and by the timing of previous awards of OHFA resources to develop permanent supportive housing in the area.

OHFA will review the PMA in each market study and reserves the right to reject the proposed PMA if it is deemed unreasonable based on standards of the National Council of Affordable Housing Market Analysts (NCAHMA).

Very Low-Income/Rental Subsidy

This category is worth 10% in the Geographic Pools and in the PSH Pool, and is not applicable in the Preservation Pools.

Preference will be given for one of the following: (i) in Participating Jurisdiction (PJ) areas, a minimum of 20% of the units occupied by and affordable to households at or below 35% of AMI; (ii) in non-PJ areas, a minimum of 10% of the units occupied by and affordable to households at or below 35% of AMI; or (iii) rental subsidy dedicated to at least 20% of the units, with a firm commitment from the subsidy provider.

Any commitments made in this category that are not completed will be considered when evaluating the general partners and developers on future applications under the Good Partnership policy.

Need for Rehabilitation

This category is worth 40% in the Preservation Pools, and is not applicable in the Geographic Pools and the PSH Pool.

Applications will be ranked and scored in the Preservation Pools according to the greatest need for rehabilitation. Items that will be reviewed to make this determination include:

a. Need for replacement of major mechanical systems.

b. Need for replacement of roofs.

c. Floor plans that are obsolete for the proposed use.

d. Structural issues in need of repair, including exterior building facades and issues related to water infiltration or mold.

e. Immediate issues affecting the health and safety of the residents.

f. Major system failures or design flaws that are not maintenance issues.

g. Scope of work that is appropriate based on the capital needs assessment and the condition of the property.

h. Other issues related to the design, structure or condition of the property.

Acquisition Cost

This category is worth 5% in the Preservation Pools, and is not applicable in the Geographic Pools and the PSH Pool.

Proposals will be ranked by comparing the acquisition cost per square foot to the average acquisition cost per square foot for other proposals in the current competitive funding round for similar types of housing, and an appropriate score will be awarded based on this ranking. The amount of any existing non-amortizing debt (payment from cash flow or deferred repayment) on the property that is assumed by the purchaser will be deducted from the acquisition cost.

Ranking and Scoring Percentages

Pool:	Geographic	Preservation	PSH
Category			
1. Local Collaboration	30%	20%	40%
2. Economic Characteristics	30%	30%	20%
3. Market Criteria	30%	5%	30%
4. Very Low-Income/ Rental Subsidy	10%	n/a	10%
5. Need for Rehabilitation	n/a	40%	n/a
6. Acquisition Costs	n/a	5%	n/a
Total	100%	100%	100%

Part III: Tiebreakers

In case of a tie score between two or more proposals in an allocation pool, the highest number of "A" ratings awarded in Part I of the Selection Process will be used to determine which proposal is funded.

Part IV: Achievement of Minimum Targets and Guidelines

Proposals will be ranked in each pool according to their score from Part II, and the highest-ranking proposals will receive an award up to the amount of credits available in each pool. However, the rankings may be adjusted and a lower ranked proposal funded so that the following minimum targets and guidelines may be met.

a. A minimum of 10% of the total credits available must be awarded to owners that qualify for the non-profit set-aside.

b. A minimum of 25% of the Population Credit available will be awarded to proposals that will serve a family population.

c. A minimum of 25% of the Population Credit available will be awarded to proposals that will serve a senior population.

d. A minimum number of awards will be made to proposals whose majority owner is a State-Certified CHDO in order for OHFA to meet the CHDO set-aside for the HDAP gap financing program.

e. A minimum of 10% of the Population Credit available will be awarded to proposals located in a PMA where no previous development has taken place using OHFA multifamily program funds.

f. An effort will be made to select a geographically equitable distribution of projects, based on the number of households at or below 60% of AMI in each region.

g. OHFA will consider the communicated priorities of local governments, the regional HUD offices, and/or the state RD office.

h. OHFA will consider total project costs and investment of its resources that are reasonable in an effort to produce at least 2,000 units of affordable housing in the competitive Housing Tax Credit Program.

i. OHFA reserves the right to limit the amount of tax credit awards to any organization in order to achieve an equitable distribution of resources among development partners. Participation as a general partner, developer or general contractor will be considered.

Restricted Areas

A new construction application may not be eligible for a Housing Credit allocation if OHFA awarded an initial allocation of credits to another project that is still in its compliance period (generally fifteen (15) years prior to the present year's allocations) in the same PMA and serving the same population.

Applicants should contact Kevin Clark, OHFA Administration Manager, with any questions regarding the possibility that the desired market area may be restricted, or if an LIHTC project is under construction in an urban area.

The number of income-eligible households in the PMA will be a factor to determine whether the application is eligible for funding. Other factors may include, but are not limited to, vacancy and penetration rates in the PMA, population to be served by the proposed project, condition and age of the existing housing stock, and whether the previous project has been placed-in-service and/or fully leased. OHFA may also reject an application if an existing project presently in service in the PMA has occupancy difficulties due to market conditions.

Final Applications

OHFA staff will conduct a threshold review for the final application. In addition, each application will be subject to the Minimum Financial Evaluation Process based on the final proforma submitted with this application.

B. Program Calendar (Subject to change based on number of proposals submitted)

August 2011	
22	Window for submission of Experience & Capacity applications opens[5]
31	2012 AHFA available
October 2011	
17	Final deadline for submission of Experience & Capacity applications
20	Deadline to commission market studies
20	Deadline to submit requests for exceptions to program requirements
27	Decisions issued on exceptions to program requirements
November 2011	
17	Housing Credit Proposal deadline
December 2011	
8	Deadline for submission of Market Studies
January 2012	
3	Housing Credit Proposal Meetings begin
March 2012	
15	Housing Credit Proposal Meetings end
April 2012	
11	Announcement of Housing Credit Awards
11	Binding Reservation Agreements Issued
30	Deadline to return Binding Reservation Agreements and submit evidence of Public Notification
July 2012	
19	Final Application deadline
December 2012	
28	Final date for issuance of Carryover Allocation Agreements

[5] *Decisions will be rendered on a rolling basis.*

V. Allocation Process

A. Allocation Pools

OHFA has divided the state's annual per capita credit allocation into the following pools:

1. Permanent Supportive Housing (PSH)
2. Preservation Pools
3. Geographic Pools
4. Maximizing Outcomes Pool

Applications will be assigned to a pool at the discretion of OHFA based on the qualifications for each pool. Credits that are not awarded in any pool will be distributed in the Maximizing Outcomes pool.

1. **PSH Pool** (approximately $4,000,000)

   Projects competing in the PSH Pool must serve a population that meets the definition established in the PSH Policy Framework as adopted by the Ohio Interagency Council on Homelessness and Affordable Housing (ICHAH) on January 28, 2010 (see Exhibit C attached hereto and made a part hereof by reference).

   a. The applicant must provide a commitment for rental subsidy for at least 50% of the units that is specifically committed to the project. Sources may include project-based vouchers or other assistance from the local PHA, McKinney-Vento Homelessness grant, or other federal, state or local government source. The organization providing the subsidy must continue to hold the project in good standing while their funding is in place.

   b. All proposals meeting the definition of PSH must compete in this Pool.

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

   d. Projects not serving the homeless or those at-risk of homelessness[6] will be limited to one award.

2. **Preservation Pool** (approximately $8,500,000)

   Approximately $3,500,000 will be awarded to cities in the Urban Pool, approximately $2,500,000 will be awarded to counties in the Suburban Pool, and approximately $2,500,000 will be awarded to counties in the Rural Pool. See Exhibit B for the definitions of the Urban, Suburban and Rural Pools.

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[6] *As defined in the Permanent Supportive Housing Policy Framework (see Exhibit C attached hereto and made a part hereof by reference).*

The Preservation Pool includes the following projects:

a. Projects receiving project-based rental subsidy through a Section 8 Housing Assistance Payments (HAP) program contract or equivalent rental assistance program as determined by OHFA. Documentation from HUD, the local Metropolitan Housing Authority (MHA) or the applicable Contract Administrator that evidences the assistance and length of the contract must be submitted, if applicable.

b. Troubled projects that have received assistance through the USDA RD office. Applicants must provide a letter from the RD office that details the current situation for the project, explains the need for housing credits, and approves of the current or proposed owner(s) and management company.

c. Projects participating in the HUD Portfolio Reengineering Program (aka “Mark-to-Market” or “M2M”). Applicants must provide a letter of eligibility from HUD and be assigned to a Participating Administrative Entity (PAE). Projects that have closed their financing under this program and have not yet been placed-in-service are eligible for the pool.

d. Existing HUD Section 202 or 811 projects.

e. Existing HUD Section 236 projects. The Interest Reduction Payment (IRP) must be decoupled from the Section 236 agreement if housing credits are awarded (exceptions may be permitted on a case-by-case basis). The affordability requirements indicated in the Section 236 agreement must also be maintained for the property.

f. New construction projects that preserve existing subsidies such as HOPE VI, Choice Neighborhoods, or the use of Section 8 portability.

g. Other properties judged by OHFA to encompass the preservation of existing affordable housing.

   Preservation projects with HUD assistance must submit a copy of the most recent REAC score for the property. If this score is less than 60, the existing general partners and management company may not participate on the development team for the project, unless such entities demonstrate that they are in good standing with HUD and that their continuing participation will result in improvement of the condition of the property.

3. **Geographic Pool** (approximately $8,500,000)

   Approximately $4,000,000 will be awarded to cities in the Urban Pool, approximately $3,000,000 will be awarded to counties in the Suburban Pool, and approximately $1,500,000 will be awarded to counties in the Rural Pool. See Exhibit B for the definitions of the Urban, Suburban and Rural Pools.

   All remaining projects that do not fall under the definitions stated in the previous three pools will compete in the General Pool.

4. **Maximizing Outcomes Pool** (approximately $3,000,000) (New applications will be eligible to apply in the 2013 application round)

The remainder of the annual credit allocation will be awarded in the Maximizing Outcomes Pool at the discretion of OHFA, and will be used to fund projects that:

a. Achieve multiple public policy goals;

b. Require a multi-year commitment of housing credits to complete;

c. Require detailed planning to efficiently commit resources over multiple budget cycles;

d. Include the substantial participation and commitment of resources by multiple long-term partners;

e. Part of a well-developed strategic revitalization plan, or are a highly ranked “at-risk” project as defined by the Ohio Preservation Compact.

The credits available in this pool in 2012 have been reserved to specific projects via a Memorandum of Understanding with their developers. Credits that are not awarded in other pools will also be distributed in this pool. Any remaining credits in the Maximizing Outcomes Pool will be used to fund projects in the other competitive pools.

Local Revitalization Plans

Projects attempting to meet OHFA policy objectives of participating in a local revitalization plan, regardless of geographic area, must demonstrate to OHFA how they meet the following criteria in order to be considered. Projects should target investment into concentrated areas within carefully selected neighborhoods to maximize visible improvements in housing stock and to stimulate market recovery.

Revitalization plan evaluation criteria will include:

- For stronger market neighborhoods: Likelihood of market recovery/return on investment.
- For weaker market neighborhoods: Likelihood of stemming the tide of disinvestment.
- The development of nearby anchor projects which have been recently built or will be developed concurrently with the strategic revitalization plan. An anchor project is considered a large-scale development project that will create a significant positive economic benefit and/or a valuable neighborhood asset. Examples would include the development of retail, office, industrial, manufacturing or medical facilities; civic buildings and public spaces (libraries, schools, parks, etc.); and market rate housing. These types of investments provide a signal of market confidence in a neighborhood. Because we wish to fairly evaluate the assets of each neighborhood, OHFA-funded projects are not eligible to be considered as a neighborhood’s anchor project.
- Strong neighborhood location assets (proximity to shopping, recreation, services, employment, etc.).
- Strategic partnerships and cooperation with Community Development Corporations (CDC), development partners, financial institutions, philanthropic organizations, city/regional/state government, private businesses, community leaders and other neighborhood stakeholders.
- Selection of development partners based on capability, capacity, strong development track record and vision for the future.
- A compelling land acquisition/assemblage strategy.
- Creative marketing strategies and branding techniques to create awareness of existing assets and to build neighborhood confidence and loyalty.

Waiting List

Projects that do not receive a reservation will be placed on a waiting list for Housing Credits that become available via returns or in the national pool later in the year. The waiting list will be determined at the discretion of OHFA based on the Selection Process.

If a project returns Housing Credits that were reserved during the current year in a specific pool, then applications from that pool will receive first consideration for any award of credits. Any other available credits will be distributed according to the order of the waiting list. Please note that if a project returns credits that were awarded during the current year, then any other OHFA funds awarded must also be returned. Projects that receive credits from the waiting list may be considered for HDAP or Housing Development Loan Program (HDLP) funding, although that funding cannot be assured.

OHFA will contact representatives of the waiting list projects when Housing Credits become available. OHFA will set a deadline for the applicant to respond to any offer.

B. Threshold Reviews

A threshold review is a review of the proposal and full application to determine if it is complete, all necessary forms, supporting evidence, and fees are included, and the project meets minimum program requirements. Applicants requesting 4% Housing Credits for projects financed with tax-exempt bonds must submit all threshold items in the proposal and full application sections with their initial application.

OHFA will complete threshold reviews of applications and offer the applicants the opportunity to correct deficiencies in their applications.

The threshold criteria for the proposal submissions are as follows:

1. **Meets Section 42 Requirements**

   The project must meet all the requirements set forth in Section 42 of the IRC of 1986, as amended and all relevant U.S. Department of the Treasury regulations, notices, and rulings.

2. **Complete, Organized Application**

   The Affordable Housing Funding Application (AHFA) and all required materials must be submitted on a CD, 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.

The fee for applicants requesting 4% Housing Credits for projects financed with tax-exempt bonds is $2,000 for each application. An application will be immediately rejected if a check is returned for insufficient funds.

4. **Extended Use**

   All projects must commit to an extended use term of a minimum of 30 years of affordability. Projects with tax-exempt bond financing must commit to an extended use term of the greater of 30 years or the outstanding term of the bonds. 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. **Narratives**

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

6. **Evidence of Site Control**

   The applicant must submit copies of the executed and recorded deed(s) of the current owner in PDF format if the property is owned by a general partner or limited partner in the project.

   If the current owner is not a general partner or limited partner in the project, then one of the following must be submitted to evidence site control:

   a. Executed purchase option with date certain performance;
   b. Executed purchase contract;
   c. Executed land contract;
   d. Executed long-term (35 or more years) lease agreement with an executed and recorded memorandum of lease; or
   e. Executed option to enter a long-term lease agreement.
   f. Other site-control models as approved prior to proposal by the Housing Tax Credit Program Manager.

   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 with the deeds of the current owner as evidence of site control.

   Each of the site options or contracts 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.

   The items listed above are the minimum required to meet threshold requirements. 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 35% of the sites under control. A project qualifies as scattered-site if there are 10 or more sites AND no more than 50% of the sites are contiguous. Contiguous sites are defined as two or more sites that share common boundaries, and cannot be separated by vacant or developed land, roadways, railroad tracks, rivers, creeks, etc. A site is defined as a parcel with an assigned permanent parcel number as it exists at application. OHFA reserves the right to reduce basis at Carryover if the minimum site control percentage at application is not maintained at Carryover.

Applicants proposing the redevelopment of vacant single-family homes may request, in advance of the application deadline, to have fewer than 35% of their sites under control. A minimum of 10% of the sites must be under control in any case. Approximately 90% of sites submitted for the Full Application must contain vacant single-family homes. The applicant must also evidence that the project is consistent with a community revitalization plan.

7. **Zoning**

The applicant must demonstrate that the zoning for each site on which the project will be located allows for the use(s) proposed by the applicant. Thus, at a minimum, the zoning designation for each site must allow residential use. Applicants must submit a letter from the local jurisdiction to confirm the zoning that must include the following:

a. The actual zoning designation and a description of this designation;

b. Density and/or lot coverage requirements (if any);

c. If a conditionally permitted use, an explanation of the conditions to be met for the project to be considered a permitted use; and

d. A description of any overlay or planned development district regulations that would further condition the development of the project.

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

OHFA will consider requests to waive the zoning requirements at the time of application 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. See the Market Study Requirements in Exhibit F.

9. **Management Company Standards**

The proposed management company must meet the following standards:

a. The company must currently be a member of at least one of the following organizations or associations:

- National Affordable Housing Management Association (NAHMA)
- Midwest Affordable Housing Management Association (MAHMA)
- National Leased Housing Association (NLHA)
- Council for Affordable Rural Housing (CARH)
- Council for Rural Housing and Development of Ohio (CRHDO)
- LeadingAge (formerly American Association for Homes and Services for the Aging)
- LeadingAge Ohio (formerly Association for Ohio Philanthropic Homes and Housing for the Aging)

- A special needs association with a focus on housing management training for that special needs population
- American Association of Service Coordinators (AASC)
- National Apartment Association (NAA)
- Institute Of Real Estate Management (IREM)
- National Association of Housing and Redevelopment Officials (NAHRO)

b. A representative of the management company has 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.

c. The company must have managed at least five housing credit and/or federally-subsidized developments (at least 10 units each) for at least one year each, or have managed two (2) housing credit projects (at least 10 units each) for at least three years each. All projects currently managed by the proposed 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 management company, such as a casualty loss, or if a management company inherits non-compliance issues from the prior manager. Also, exceptions to the experience requirement may be made for new companies that meet requirements in subsections 9 (a) and 9 (b) above and whose principals can demonstrate previous management experience with no record of uncorrected noncompliance. Requests for exceptions must be submitted by the date indicated in the Program Calendar.

10. **Supportive Services - Senior Housing**

Applicants proposing housing that sets aside 100% of the units for households containing at least one person who is age 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. With regard to the supportive service plans, applicants will be permitted to provide OHFA updates to their plans, subject to OHFA approval, during the development period.

11. **Supportive Services - 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.

12. **Supportive Services - Single-Family Lease-Purchase**[7]

    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. Family supportive services must also be provided for the residents as outlined in item 12: Supportive Services - Family Housing.

13. **Permanent Supportive Housing**

    Applicants proposing PSH 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.

14. **Preliminary Architectural Plans and Specifications**

    Preliminary plans and specifications that provide a description of the proposed development must be submitted, including the following:

    a. Typical unit plan(s) that include the total square footage of the project, heated/rentable square footage of the units, common area square footage, and other square footage applicable to the proposed project.

    b. Building elevations (photographs are acceptable for rehabilitation projects) that depict proposed exterior materials to be used.

    c. A site plan that shows how the development is to be built, including rehab or adaptive re-use

[7]All sites must be owned (long-term leases are unacceptable) and properly sub-divided prior to issuance of a Carryover Allocation Agreement. If the owner is unable to subdivide parcels by this time, then OHFA will add a condition to the Carryover Allocation Agreement that will require that the site(s) be subdivided and new updated legal descriptions be submitted to OHFA prior to the request for the 8609 Forms. All units must be single-family detached structures with a lease-purchase option to meet threshold requirements. OHFA will consider other models of single-family housing on a case-by-case basis.

projects. This plan must indicate the placement and orientation of buildings, parking areas, planned and existing public sidewalks, landscaping, amenities, easements, trash dumpsters, buffers, etc.

d. A schematic site plan that shows the site boundaries, building and amenity layout, and includes the location of any streams, ravines, gullies, drainage problems or other construction deterrents. All utility locations such as water, sewer, gas, electric, and phone lines must be indicated. If utility services are not presently located at the site, then the plan must reflect the distances from the services.

f. A current aerial photograph with the location of the site clearly marked and the surrounding uses and access points to the site are clearly visible. For scattered site projects, submit a map indicating the location of each site with reasonable specificity.

g. For rehabilitation or adaptive reuse projects, unit, amenity, site, building, and elevation plans must be provided that reflect details of the "before" and "after" renovation. In addition, a detailed scope of work and specific material specifications for rehabilitation and adaptive reuse projects that identifies all hard construction items and their associated cost.

h. For rehab/preservation projects: a detailed narrative of the past history of the project that includes the name of the property management company(s) during the past 10 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).

Architectural plans must be in PDF format.

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 initial 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% completed plans and the issuance of a Housing Credit Eligibility (42m) Letter.

15. **Phase I ESA or Mini-Phase I (MP-1)**

A Phase I ESA is required for all single-site proposals. Scattered-site projects may submit either a Mini-Phase 1 or a full Phase I ESA. The scope of work for the MP-1 may be found in Exhibit E. 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 year prior to the application deadline for Housing Credits.

16. **Capital Needs Assessment and Scope of Work** (rehabilitation of existing housing units only)

A capital needs assessment and scope of work must be submitted for all proposals for the rehabilitation of existing housing units. The assessment must conform to the standards outlined in Exhibit D. OHFA will use this assessment to determine whether the costs indicated in the application are appropriate considering the rehabilitation needs of the project.

17. **Minimum Project Standards**

a. In addition to meeting all new construction and rehabilitation standards required by Section 42 and local and state building codes, each unit must provide a refrigerator and stove in good working order. OHFA may permit an exception to this requirement on a case-by-case basis.

b. Each bedroom in new construction or adaptive reuse units must be at least seven feet in each direction, and contain a closet in addition to the minimum square footage. The following are the minimum square footage requirements:

   i. In one-bedroom units, the bedroom will be at least 120 square feet.

   ii. For a two-bedroom unit, the master bedroom will be at least 120 square feet and the second bedroom at least 110 square feet.

   iii. The third and fourth bedrooms in a unit must have at least 100 square feet.

   Existing housing units are exempt from this criterion.

c. 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 32 inches.

   iii. Bathroom/Half Bath: Provide a bathroom or half bath on the main floor with clear floor space of 30 inches by 48 inches.

   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. An OHFA-appointed architect will be in contact to work out solutions or will make a determination of whether to waive one or more of the visitability requirements.

d. A single-site multifamily project must provide a parking lot with concrete curbs and at least one 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 PSH populations.

e. Proposals for senior housing are required to have all buildings with only one story unless an elevator is provided; to have all units with no more than two bedrooms and no more than one and a half baths; and the full bath must contain a curbless ADA-compliant shower.

f. All new construction units must be provided with energy efficient central air conditioning systems. Exceptions to this requirement may be requested for projects consisting of small units that may be efficiently cooled with PTAC or equivalent cooling units. For rehabilitation of existing housing units that do not have central air conditioning, energy efficient PTAC or equivalent cooling units may be substituted.

g. In all new construction units, three-bedroom units must contain at least one and a half bathrooms and units with four or more bedrooms must contain at least two full bathrooms.

h. Except for single-family homes and scattered-site developments, the owner must provide full-time (at least 20 hours per week), on-site management staff based on the following scale:

- Up to 75 units = at least one full-time staff.
- 76 to 150 units = at least two full-time staff.
- Over 150 units = at least three full-time staff.

OHFA may permit an exception to this requirement on a case-by-case basis.

i. Minimum unit size (residential living space) for new construction and adaptive reuse projects are as follows:

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

ii. Efficiency Units: Exceed 450 S.F.

iii. One-Bedroom Units: Exceed 650 S.F.

iv. Two-Bedroom Units: Exceed 850 S.F.

v. Three-Bedroom Units: Exceed 1,000 S.F.

vi. Four-Bedroom Units: Exceed 1,200 S.F.

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

j. Single-family homes must:

i. Contain three or more bedrooms;

ii. Provide a two-car garage, or provide a one-car garage and a full basement;

iii. Include washer/dryer hook-ups;

iv. Include garbage disposals;

v. Include dishwashers.

A full basement must contain at least 200 square feet with ceilings at least seven feet high and may not be used as bedrooms.

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

k. The maximum common area (not including required circulation) in any type of project is 20% of total gross building square footage.

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.

OHFA Square Footage Calculation Requirements:

- All square footages shall be calculated & certified by the Architect of Record.
- Net rentable square footage: Center line of party/corridor wall or exterior face of exterior wall of building.
- Gross square footage: Exterior face of exterior building material to exterior face of exterior building material.
- All interior (conditioned space) square footages should add up to equal gross square footage.
- Commercial area: Center line of walls or exterior face of exterior wall.
- Common amenities (conditioned spaces only; public restrooms, community rooms, libraries, fitness rooms, laundry, mailboxes, etc.): Center line of walls or exterior face of exterior wall.
- Circulation (conditioned spaces only; halls, corridors, common stairs, lobby, vestibule, etc.): Center line of walls or exterior face of exterior wall.
- Office/conference/service/support: Center line of walls or exterior face of exterior wall.
- Support (electrical, mechanical, elevator room, sprinkler room, janitor, trash, maintenance, etc.): Center line of walls or exterior face of exterior wall.
- Tenant storage: Outside of unit from center line of walls or exterior face of exterior wall.
- Garage: Center line of walls or exterior face of exterior wall.
- Basement: Center line of walls or exterior face of exterior wall.
- Balcony/porch: Exterior wall face of wall to edge of structure.

The threshold criteria for the full application are as follows:

1. **Complete, Organized Application**

   The AHFA and all required materials must be submitted on a CD, 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. **Public Notification**

   The public notification process for local elected officials must be completed. Evidence of completion must be provided to OHFA with the executed Binding Reservation Agreement. Applicants requesting 4% Housing Credits for projects financed with tax-exempt bonds must submit evidence that the public notification process has been completed with their initial 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 applicant must use the letter template provided in Exhibit J of the QAP and include all information requested in such template. 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.

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).

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, 2012.

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

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 application. An executed conditional commitment letter from each source must be included with the application. A conditional financing commitment must contain, at a minimum, (a) the amount of financing; (b) the interest rate of the loan; (c) the term of the loan; (d) the amortization period or other repayment terms for the loan; and (e) the contact person's name and telephone number. A letter or explanation for all sources must be submitted.

Those 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. The letter of application or intent must be signed by the funding source and shall include the name of the project, the number of units, the amount of funding sought, the terms and rates for the funding sought, the anticipated date of funding decision, and a statement that the project is, or will be, considered for funding.

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). The conditional commitment letters must be consistent with the information provided on the Housing Credit application and must be signed and dated no more than six months prior to the application deadline.

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.

Projects participating in the HUD portfolio re-engineering program (Mark-to-Market) must provide a copy of the most recent underwriting model, if available, or other acceptable evidence to substantiate the anticipated amount of any HUD second mortgage.

Applicants who have been denied other OHFA financing for their project may be required to submit conditional financial commitments that will replace funding sought from OHFA. Failure to provide these conditional commitments may result in rejection of the application or revocation of the project's Housing Credit reservation.

4. **Utility Allowance Information**

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

5. **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.

6. **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 (www.OhioHousingLocator.org), the OHFA-sponsored statewide affordable housing database, as soon as the units are placed in service.

7. **Additional Rent Restrictions**

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

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

   b. A minimum of 40% of the low-income units affordable to households with incomes at or below

50% of AMGI (projects located rural pool areas, except for the counties listed in Item c. below); or

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

One hundred percent 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.

8. **Consistency with HDAP Funding** (Pending approval of the fiscal year 2012 Consolidated Plan)

Projects seeking funding through the HDAP must initially meet the following requirements in addition to the requirements of the Additional Rent Restrictions category:

a. A minimum of 40% of the units must be occupied by households at or below 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 35% of the units must be occupied by households at or below 50% of AMGI, with rents for the HDAP/HOME-assisted units at the HUD Low- and High-HOME rent.

b. Completion of the appropriate section of the AHFA.

c. The applicant must comply with all requirements of 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 5% of the units occupied by and affordable to households with incomes at or below 35% of AMGI (projects located in non-PJs); or

ii. A minimum of 10% of the units occupied by and affordable to households with incomes at or below 35% of AMGI (projects located in PJs).

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

9. **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 80% or better complete. The drawings must be submitted both on paper and in electronic format.

Applicants requesting 4% Housing Credits for projects financed with tax-exempt bonds must submit this item with their initial 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% completed plans and the issuance of a Housing Credit Eligibility (42m) Letter.

10. **Final Proforma**

The applicant must complete the proforma in the final AHFA with cost numbers derived from architectural plans and specifications that are 80% or better complete.

Applicants requesting 4% Housing Credits for projects financed with tax-exempt bonds must submit this item with their initial 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 the final proforma and the issuance of a Housing Credit Eligibility (42m) Letter.

11. **Appraisal**

An as-is appraisal meeting OHFA requirements if the project is seeking acquisition credit. Those requirements include:

a. Preparation by a third-party appraiser licensed in the State of Ohio. Name, address, and license number must be included.

b. The appraiser must not currently be restricted from performing HUD Multifamily Accelerated Processing (MAP) appraisals within the state of Ohio. In addition, sponsors and appraisers are notified that, under certain circumstances, the appraisal may be subject to review by HUD. These circumstances include, but are not limited to, the involvement of a HUD-insured mortgage or HUD Housing Assistance (HHA) with Other Government Assistance (OGA). Examples of HHA includes Project-based Section 8 rental subsidies and continuation of Interest Reduction Payments (IRP). Examples of OGA include LIHTCs, Historic Tax Credits, HOME funds, etc.

c. A statement of the estimated value of the property at or before the date of acquisition (the date of acquisition shall be construed herein as either the date the deed or lease (or memorandum of lease) is recorded). The estimated value cannot include the value of the Housing Credit.

d. Adherence to the Uniform Standards of Appraisal Practice. A statement to this effect must be included in the report.

e. Conducted within six months of submission of the full application, although OHFA will consider earlier reports on a case-by-case basis.

12. **Phase I ESA**

A copy of the Phase I ESA report for all sites must be submitted. If a full Phase I was submitted with the proposal, one need not be resubmitted in this application. The report(s) must comply with current OHFA standards available at www.ohiohome.org. 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 year prior to the application deadline for Housing Credits.

13. **Federal Tax Identification Number (FTIN)**

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

14. **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.

    Application Corrections: Applicants will have the opportunity to correct administrative errors or omissions found during the application review process. All changes including, but not limited to, changes in ownership, development team, project physical structure, project costs, project financing, site(s), special needs population, and project location will not be permitted. Please be advised that certain items are date-sensitive and must have been completed on or before the application deadline.

C. Minimum Financial Evaluation Process and Standards

OHFA will perform a minimum financial evaluation on all projects that receive an award of Housing Tax Credits and OHFA Gap Financing. 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.

Process

OHFA is required by Section 42(m) of the IRC to perform the minimum financial evaluation three times:

1. Prior to issuing a Binding Reservation Agreement or Letter of Eligibility.
2. Prior to issuing a Carryover Allocation Agreement (does not apply to tax-exempt bond projects).
3. At the time the project is placed-in-service and requests IRS Form(s) 8609.

In addition, OHFA reserves right to re-evaluate projects of owners seeking additional resources from OHFA or projects with significant changes after approval of funding.

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

A minimum financial evaluation will consist of a development budget review, credit calculation, financing sources review, operating costs review, and a 15-year cash flow analysis.

Development Budget Review

1. OHFA will evaluate the reasonableness of costs by comparing the development budget for a project with budgets from current applications of similar projects, cost data collected from final cost certifications, a review of the 80% completed architectural plans, and the most recent HUD 221(d)(3) mortgage limits. OHFA reserves the right to require justification for any line item. OHFA will only reduce a line item if an adequate justification is not provided and/or a cost substantially exceeds a reasonable, objective industry standard.

2. 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. Owners of projects with market rate units must demonstrate in the application that all amenities (e.g. garages, community buildings, parking spaces, etc.) are available to all units. If certain amenities are only available to the market rate units, the costs for these amenities must be deducted from the eligible basis. Also, if the market rate units are larger and of higher quality than the low-income units, the basis for the market rate units will be reduced to match the basis for the low-income units. OHFA reserves the right to request additional information to clarify any issues regarding the market rate units.
3. The cost of the land for new construction projects must be justified by an appraisal that meets OHFA's Appraisal Guidelines that will be published on the OHFA website. 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 value.
4. 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.
5. OHFA has established a minimum hard construction cost per unit standard for rehabilitation projects of $20,000 per unit for competitive 9% credit projects and $15,000 per unit for tax-exempt bond projects.
6. 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.
7. Contractor's Cost Limits are as follows:
   - Contractor Fee = 6% of hard construction costs.
   - Contractor Overhead = 2% of hard construction costs.
   - General Requirements = 6% of hard construction costs.

   Hard Construction Costs for the above are defined as the total of on-site development costs, hard construction (rehabilitation) costs, hard construction (new construction) costs, hard construction (commercial), hard construction (fee items), and furnishings/appliances cost line items.

   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 may not 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 50% to the contractor-developer and 50% to OHFA. For third-party contractors, the cost savings will be divided 33% to the contractor, 33% to the developer, and 33% to OHFA. OHFA's share will be used to reduce the project's Gap Financing award and/or establish a project reserve acceptable to OHFA. Owners must contact OHFA prior to the request for IRS Form(s) 8609 to create a plan for the use of cost savings.

8. Developer fees and overhead and any consultant fees may not exceed the sum of :
   - 15% of total rehabilitation and new construction eligible basis; and,
   - 5% of total acquisition eligible basis; however, a fee of up to 10% of total acquisition eligible basis will be permitted for projects that evidence they are subject to the HUD Transfer of Physical Assets (TPA) process in order to transfer the property.

   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 has the discretion to add other fees to the calculation as appropriate.

9. Total Professional Soft Costs may not exceed 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 projects will be granted a waiver of this requirement if a reasonable justification with supporting documentation is provided.

10. 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.

11. Capitalized Prefunded Replacement Reserves are not permitted for new construction projects.

12. A Justification and description of the calculation of the amount for all other reserves must be included with the application or cost certification materials.

13. Reasonable investor/syndicator asset management fees may 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.

Credit Calculation

1. Applicants may use a credit rate of 9% to calculate the rehabilitation and new construction Housing Credit amount. However, the 9% credit rate will only apply to buildings placed in service on or before December 31, 2013. After that date, the credit rate for the month the building is placed in service will apply unless the owner locks in the credit rate in the month the Binding Reservation Agreement is issued. The potential exists that a project would qualify for a lower amount of credits with the lower credit rate. The monthly credit rate for rehabilitation and new construction basis has averaged below 8% over the past 12 months. OHFA will allow each applicant to select a credit rate between 9% and the currently monthly rate at application. If an owner is then forced to use a lower rate due to the dates buildings are placed in service, OHFA will not provide any additional resources to assist with financing gaps. Therefore, applicants are strongly encouraged to evaluate their development schedule and select a rate at application that will minimize their risk of losing credits due to a lower credit rate in the future.

   For acquisition credits and tax-exempt bond projects, the credit is currently a floating rate. The rate valid at application should 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.

2. Projects may receive an allocation of credits based upon 130% of the qualified basis for new construction or rehabilitation. This increase in basis will be approved based upon demonstrated financial need, on a project by project basis. Applicants must provide a narrative detailing the financial need for the increased basis.

Financing Sources

1. OHFA will evaluate the Equity Commitment provided by the syndicator/investor including the proposed terms, conditions, pricing, and pay-ins proposed as required by Section 42 of the IRC. OHFA may suggest adjustments based on comparable, historical, and/or current market conditions and trends.
2. Applicants must show that the deferred developer's fee (principal and interest, if any) can be paid in full from annual income within the first 15 years. Any unpaid or deferred balance after Year 15 will be deducted from the housing credit eligible basis.
3. The project's total sources must always equal the total project cost. If the sources exceed the costs, OHFA will first reduce OHFA Gap Financing and may also reduce the Housing Credit amount so that sources equal costs.

Operating Costs

1. OHFA will evaluate the reasonableness of costs by comparing the operating expense budget for a project 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. OHFA reserves the right to require justification for any line item. OHFA will only 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.

2. OHFA's minimum replacement reserve amounts by product type are:
   - Senior New Construction = $250 per unit.
   - Family/PSH New Construction = $350 per unit.
   - Single Family Homes = $300 per unit.
   - Senior Rehabilitation = $350 per unit.
   - Family/PSH Rehabilitation = $400 per unit.

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

Cash Flow Analysis

1. The minimum acceptable Hard Debt Service Coverage Ratio (DCR) is 1.20 for the first year of stabilized operations. The project must maintain a DCR above 1.0 during the entire 15-year compliance period.
2. For projects with no hard debt, the projects must maintain an income to expense ratio above 1.0 during the entire 15-year compliance period.
3. Income from commercial space will not be considered in a cash flow analysis nor contributed towards meeting the DCR requirements. Fees and other income must be documented and will be considered on a case by case basis.
4. OHFA will assume an annual income increase of 2% and an annual expense increase of 3%. An exception may be permitted if operating subsidy is provided by HUD or the local public housing authority to guarantee break-even operations at the property.
5. OHFA will assume a 7% vacancy rate to calculate the effective gross income. Applicants of preservation projects may request a rate of 5% if they can document a history of strong occupancy rates.
6. Utility allowance information must be submitted that is consistent with Section 42 of the IRC and IRS Regulation 1.42-10.

Final Cost Certification

All projects must use the current OHFA Cost Certification forms and audit standards that are available on the OHFA website. An audit of the owner's costs and contractor is required.

D. Binding Reservation Agreement

After OHFA has determined which proposals will receive an award 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 6% of the reservation amount, and any additional documentation indicated in the agreement must be received by OHFA no later than the fifth calendar day following the end of the month in which the agreement was issued, or the reservation of Housing Credits will be invalid.

E. Carryover Allocation

All projects must meet all Carryover Allocation requirements as described in Section 42 of the 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 allocated. The following items must then be submitted by the carryover submission deadline indicated in the Binding Reservation Agreement. A paper copy of the Cost Certification with original signatures of the owner and preparer is required, along with an electronic copy in Excel format. All other items must be submitted on a CD in PDF format.

1. Completed OHFA Cost Certification forms (the most current version) signed by a representative of the owner and by the accountant or attorney who prepared the forms. The forms must evidence that the "10% test" required by Section 42 of the IRC has been met. The forms and instructions are available on the OHFA web site.
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 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.

F. Project Completion Stage/8609 Request

Upon project completion, the owner must notify OHFA of the placed-in-service date of each building and submit or complete the following items to request 8609 Forms. A paper copy of the cost certification forms with original signatures of the owner and preparer are required, along with an electronic copy in Excel format. All other items must be submitted on a CD in PDF format.

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. The forms and instructions are available on the OHFA web site.
2. Completed OHFA Contractor's Cost Certification forms for all required entities 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 30 days of the request for the 8609 Forms may be submitted.
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 recording 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 a representative of the project has attended the OHFA Tax Credit Compliance Training within six 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 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 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 HDAP 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 months or a resubmission fee of $250 will be charged. OHFA reserves the right to defer processing 8609 Form 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.

G. Projects with Tax-Exempt Bond Financing

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 are aligned with agency policy goals, have the appropriate development team in place and submit to OHFA's Minimum Financial Evaluation 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. The items required for the Experience & Capacity Review must be submitted at least two weeks in advance for OHFA consideration. All other required items may then be submitted with the complete application.
2. 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.
3. 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.
4. The developer must submit a resume of their past experience, including affordable housing references that may be checked by OHFA. The developer will be required to respond to any negative references found by OHFA.
5. 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, and for OHFA-issued bonds, final approval of the bond issuance by the OHFA Board is also required.

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.

VI. Monitoring

A. Introduction

The monitoring process determines if a project is complying with requirements of the 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.

B. 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 tenant 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 months. Please refer to the OHFA website www.ohiohome.org to register for this training.
4. Within 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 tenant per unit (if applicable);
   g. Annual student status certification;
   h. Demographic information;
   i. Documentation to support each low-income tenant's income certification. Tenant 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 number five 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 tenant, as appropriate, and documentation to support that certification; or, in the case of a tenant receiving Section 8 housing assistance payments, the statement from a PHA 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 tenant facility formerly provided without charge);

h. All tenant 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 tenants 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 tenants having a qualifying income before any units in the project were or will be rented to tenants not having a qualifying income;

j. If the income of tenants 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 tenants 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 tenants 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 tenant 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 2012 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), 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 been 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.

VII. Miscellaneous

Special Allocation. An applicant that has returned a Housing Credit allocation from a previous year due to the inability to proceed resulting from local government action that has been determined through the judicial system to be inappropriate, may seek an allocation of credits in the current year. In order to qualify to apply for this relief, the project must meet the following requirements:

1. The project must have received an allocation of competitive Housing Credits from OHFA in a previous year.
2. The applicant must have returned the Housing Credits to OHFA prior to the required placed-in-service date.
3. The underlying reason for the return of the credit allocation must relate to action or inaction of the local government approval process to allow for plan approval or building permit issuance.
4. The applicant must obtain either a final judicial determination that the local action or inaction is inappropriate, or a settlement or consent of all parties to an appealable judicial action that no appeal will be taken from a judicial decree or that determines the local activity is inappropriate. As a result of this judicial decree or settlement, the applicant must demonstrate that the project can now proceed. OHFA legal counsel and/or the Ohio Attorney General's office will make the determination of these requirements.
5. The applicant must complete a current year application and request OHFA Board consideration to obtain a Housing Credit reservation. OHFA staff will evaluate the project based on current selection criteria. It is expected that any monetary damages received which are related to the project, less direct costs of litigation apportioned between damages that are related and unrelated to the project, will be pledged to the project.

Qualifying requests will be summarized and presented to the OHFA Multifamily Committee and Board for consideration and approval. OHFA has no affirmative obligation to grant approval to any project seeking relief.

OHFA may also grant relief to projects that are unable to meet their placed-in-service deadline due to circumstances that are outside the control of the owner and 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.
4. If the request is approved, then a new allocation of credits 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 credit award.

Previous Allocation. Owners of projects that received a prior allocation of Housing Credits may apply for additional credit if necessary for the continued financial feasibility of the project. The ownership structure, development team members, rent elections, applicable fraction, developer's fee, special needs population served (if any), and physical structure of the project may not be changed unless approved in advance by OHFA. All requests for changes must be received no later than 30 days prior to the application deadline.

Applications for additional credit must include documentation dated within one year prior to application for Housing Credits. Owners must meet all requirements contained in the 2010 QAP.

Duplicate Applications. Each application must consist of a legitimate, stand-alone development proposal. OHFA does not consider projects that are artificially divided or duplicate projects on adjacent or nearby sites to be legitimate development proposals, because such applications may manipulate the selection process and circumvent allocation priorities. Therefore, OHFA will reserve the right to combine or reject applications for projects located in close proximity and sharing similar attributes, such as project type, population served, construction style, and/or development team members.

If OHFA elects to combine applications, the developer will then be required to demonstrate that the combined project will be financially feasible. The conclusions in the market study must be updated based on the total number of units, and items such as zoning documents, public notification letters and consolidated plan certification may also need to be updated. If OHFA determines that it is appropriate to combine applications in this manner, the applicant(s) must then either submit the updated documents described above, or elect to withdraw one or more of the duplicate applications. An election to withdraw an application must be in writing and signed by all parties that signed the original application.

In addition to combining applications, OHFA will prohibit applications that receive a reservation of housing credits from later adding land or sites from other projects proposed in the same year. OHFA will permit a parcel of land or an existing building to be included in only one application (per developer) during a funding round.

Project Changes. All project changes require OHFA approval, and all changes will be reviewed by OHFA on a case-by-case basis. OHFA reserves the right to reduce or revoke an award of Housing Credits if projects are changed without approval or partners fail to complete a project as approved. A new application, fee, public notification letters and competitive review may be required if any project characteristics change. New owners without experience in the Housing Tax 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. A letter signed by both the new general partner and the current controlling general partner must also be submitted to confirm the following:

a. The new general partner will not own more than 24% of the general partner shares.

b. The new general partner must agree to not materially participate in the project.

c. The new general partner must gain little or no financial benefit from the project.

d. The new general partner may 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 OHFA Board may also be necessary for the HDLP and HDAP programs.

Document Correction Fee. OHFA will assess a correction fee of $250 if a Carryover Allocation Agreement, Restrictive Covenant, or 8609 Form must be re-issued due to an error on the part of the owner or applicant.

Agency Information Sources. The OHFA web site contains important, easily accessible information regarding the application process and program policies, such as Housing Credit percentages, frequently asked questions (FAQs), important program dates, and downloadable files such as the QAP and Affordable Housing Funding Application. The web site address is www.ohiohome.org. It is the responsibility of applicants to regularly browse the web site to obtain current information on the Housing Credit and other OHFA programs. Applicants should also join our email list from the home page of our website to receive updates.

Contacting the Applicant. OHFA will only contact the person listed in the application as the project contact. OHFA asks that other parties involved in a project communicate with the project contact prior to contacting the agency. The contact person for each project must attend the Next Steps meeting hosted by OHFA in the weeks immediately following the announcement of the housing credit awards.

Requesting Information. At the end of each allocation round, OHFA will make available a listing of all applications, along with a detailed report featuring the projects awarded Housing Credits in that round. Please visit the OHFA web site or contact OHFA to obtain this information. Interested parties requesting project specific information must do so in writing according to the OHFA Freedom of Information Request procedures.

Project Events. OHFA is pleased to send representatives to project events such as groundbreakings, ribbon cuttings and grand openings at the request of the development team. Please notify us at least two weeks in advance of such events to aid with scheduling.

Exhibit A: 2011 Rent and Income Limits

EXHIBIT A 2011 RENT & INCOME LIMITS				2012 QAP							
H.U.D. Effective Date:		*May 31, 2011*									
County	**Rent:** Bedrooms (***Residents***)		Eff (***1***)	1 (***1.5***)	2 (***3***)	3 (***4.5***)	4 (***6***)	5 (***7.5***)	6 (***9***)		
	Income: ***Residents***			***1***	***2***	***3***	***4***	***5***	***6***	***7***	***8***
Adams	50% rent		463	496	596	688	767	846			
Adams	50% income			18550	21200	23850	26450	28600	30700	32800	34950
Adams	60% rent		556	596	715	825	921	1016			
Adams	60% income			22260	25440	28620	31740	34320	36840	39360	41940
Allen	50% rent		507	543	652	754	841	928			
Allen	50% income			20300	23200	26100	29000	31350	33650	36000	38300
Allen	60% rent		609	652	783	905	1009	1114			
Allen	60% income			24360	27840	31320	34800	37620	40380	43200	45960
Ashland	50% rent		512	548	658	760	848	936			
Ashland	50% income			20500	23400	26350	29250	31600	33950	36300	38650
Ashland	60% rent		615	658	790	912	1018	1124			
Ashland	60% income			24600	28080	31620	35100	37920	40740	43560	46380
Ashtabula	50% rent		476	510	612	707	790	871			
Ashtabula	50% income			19050	21800	24500	27200	29400	31600	33750	35950
Ashtabula	60% rent		571	612	735	849	948	1045			
Ashtabula	60% income			22860	26160	29400	32640	35280	37920	40500	43140
Athens	50% rent		463	496	596	688	767	846			
Athens	50% income			18550	21200	23850	26450	28600	30700	32800	34950
Athens	60% rent		556	596	715	825	921	1016			
Athens	60% income			22260	25440	28620	31740	34320	36840	39360	41940
Auglaize	50% rent		560	600	720	832	928	1024			
Auglaize	50% income			22400	25600	28800	32000	34600	37150	39700	42250
Auglaize	60% rent		672	720	864	999	1114	1229			
Auglaize	60% income			26880	30720	34560	38400	41520	44580	47640	50700
Belmont	50% rent		441	473	567	655	731	806			
Belmont	50% income			17650	20200	22700	25200	27250	29250	31250	33300
Belmont	60% rent		529	567	681	786	877	968			
Belmont	60% income			21180	24240	27240	30240	32700	35100	37500	39960
Brown	50% rent		493	528	633	732	817	901			
Brown	50% income			19750	22550	25350	28150	30450	32700	34950	37200
Brown	60% rent		592	634	760	879	981	1082			
Brown	60% income			23700	27060	30420	33780	36540	39240	41940	44640
Butler	50% rent		616	660	792	915	1021	1126			
Butler	50% income			24650	28200	31700	35200	38050	40850	43650	46500
Butler	60% rent		739	792	951	1098	1225	1352			
Butler	60% income			29580	33840	38040	42240	45660	49020	52380	55800

Exhibit A: 2011 Rent and Income Limits

Carroll	50% rent		508	545	653	755	842	930			
Carroll	50% income			20350	23250	26150	29050	31400	33700	36050	38350
Carroll	60% rent		610	654	784	906	1011	1116			
Carroll	60% income			24420	27900	31380	34860	37680	40440	43260	46020
Champaign	50% rent		530	567	681	786	877	968			
Champaign	50% income			21200	24200	27250	30250	32700	35100	37550	39950
Champaign	60% rent		636	681	817	944	1053	1162			
Champaign	60% income			25440	29040	32700	36300	39240	42120	45060	47940
Clark	50% rent		491	526	631	729	813	898			
Clark	50% income			19650	22450	25250	28050	30300	32550	34800	37050
Clark	60% rent		589	631	757	875	976	1077			
Clark	60% income			23580	26940	30300	33660	36360	39060	41760	44460
Clermont	50% rent		616	660	792	915	1021	1126			
Clermont	50% income			24650	28200	31700	35200	38050	40850	43650	46500
Clermont	60% rent		739	792	951	1098	1225	1352			
Clermont	60% income			29580	33840	38040	42240	45660	49020	52380	55800
Clinton	50% rent		528	566	678	784	875	965			
Clinton	50% income			21150	24150	27150	30150	32600	35000	37400	39800
Clinton	60% rent		634	679	814	941	1050	1158			
Clinton	60% income			25380	28980	32580	36180	39120	42000	44880	47760
Columbiana	50% rent		463	496	596	688	767	846			
Columbiana	50% income			18550	21200	23850	26450	28600	30700	32800	34950
Columbiana	60% rent		556	596	715	825	921	1016			
Columbiana	60% income			22260	25440	28620	31740	34320	36840	39360	41940
Coshocton	50% rent		463	496	596	688	767	846			
Coshocton	50% income			18550	21200	23850	26450	28600	30700	32800	34950
Coshocton	60% rent		556	596	715	825	921	1016			
Coshocton	60% income			22260	25440	28620	31740	34320	36840	39360	41940
Crawford	50% rent		463	496	596	688	767	846			
Crawford	50% income			18550	21200	23850	26450	28600	30700	32800	34950
Crawford	60% rent		556	596	715	825	921	1016			
Crawford	60% income			22260	25440	28620	31740	34320	36840	39360	41940
Cuyahoga	50% rent		550	589	707	816	911	1005			
Cuyahoga	50% income			22000	25150	28300	31400	33950	36450	38950	41450
Cuyahoga	60% rent		660	707	849	980	1093	1206			
Cuyahoga	60% income			26400	30180	33960	37680	40740	43740	46740	49740
Darke	50% rent		505	540	648	749	836	922			
Darke	50% income			20200	23050	25950	28800	31150	33450	35750	38050
Darke	60% rent		606	648	778	899	1003	1107			
Darke	60% income			24240	27660	31140	34560	37380	40140	42900	45660
Defiance	50% rent		528	566	680	785	876	966			
Defiance	50% income			21150	24200	27200	30200	32650	35050	37450	39900
Defiance	60% rent		634	680	816	942	1051	1160			

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Defiance	60% income			25380	29040	32640	36240	39180	42060	44940	47880
Delaware	50% rent		583	625	750	866	966	1066			
Delaware	50% income			23350	26650	30000	33300	36000	38650	41300	44000
Delaware	60% rent		700	750	900	1039	1159	1279			
Delaware	60% income			28020	31980	36000	39960	43200	46380	49560	52800
Erie	50% rent		555	594	712	823	918	1013			
Erie	50% income			22200	25350	28500	31650	34200	36750	39250	41800
Erie	60% rent		666	713	855	987	1102	1215			
Erie	60% income			26640	30420	34200	37980	41040	44100	47100	50160
Fairfield	50% rent		583	625	750	866	966	1066			
Fairfield	50% income			23350	26650	30000	33300	36000	38650	41300	44000
Fairfield	60% rent		700	750	900	1039	1159	1279			
Fairfield	60% income			28020	31980	36000	39960	43200	46380	49560	52800
Fayette	50% rent		463	496	596	688	767	846			
Fayette	50% income			18550	21200	23850	26450	28600	30700	32800	34950
Fayette	60% rent		556	596	715	825	921	1016			
Fayette	60% income			22260	25440	28620	31740	34320	36840	39360	41940
Franklin	50% rent		583	625	750	866	966	1066			
Franklin	50% income			23350	26650	30000	33300	36000	38650	41300	44000
Franklin	60% rent		700	750	900	1039	1159	1279			
Franklin	60% income			28020	31980	36000	39960	43200	46380	49560	52800
Fulton	50% rent		540	578	695	802	895	988			
Fulton	50% income			21600	24700	27800	30850	33350	35800	38300	40750
Fulton	60% rent		648	694	834	963	1074	1185			
Fulton	60% income			25920	29640	33360	37020	40020	42960	45960	48900
Gallia	50% rent		463	496	596	688	767	846			
Gallia	50% income			18550	21200	23850	26450	28600	30700	32800	34950
Gallia	60% rent		556	596	715	825	921	1016			
Gallia	60% income			22260	25440	28620	31740	34320	36840	39360	41940
Geauga	50% rent		550	589	707	816	911	1005			
Geauga	50% income			22000	25150	28300	31400	33950	36450	38950	41450
Geauga	60% rent		660	707	849	980	1093	1206			
Geauga	60% income			26400	30180	33960	37680	40740	43740	46740	49740
Greene	50% rent		546	585	702	811	905	998			
Greene	50% income			21850	25000	28100	31200	33700	36200	38700	41200
Greene	60% rent		655	702	843	973	1086	1198			
Greene	60% income			26220	30000	33720	37440	40440	43440	46440	49440
Guernsey	50% rent		463	496	596	688	767	846			
Guernsey	50% income			18550	21200	23850	26450	28600	30700	32800	34950
Guernsey	60% rent		556	596	715	825	921	1016			
Guernsey	60% income			22260	25440	28620	31740	34320	36840	39360	41940
Hamilton	50% rent		616	660	792	915	1021	1126			

Exhibit A: 2011 Rent and Income Limits

Hamilton	50% income			24650	28200	31700	35200	38050	40850	43650	46500
Hamilton	60% rent		739	792	951	1098	1225	1352			
Hamilton	60% income			29580	33840	38040	42240	45660	49020	52380	55800
Hancock	50% rent		546	585	701	810	903	997			
Hancock	50% income			21850	24950	28050	31150	33650	36150	38650	41150
Hancock	60% rent		655	702	841	972	1084	1197			
Hancock	60% income			26220	29940	33660	37380	40380	43380	46380	49380
Hardin	50% rent		498	534	641	740	826	911			
Hardin	50% income			19950	22800	25650	28450	30750	33050	35300	37600
Hardin	60% rent		598	641	769	888	991	1093			
Hardin	60% income			23940	27360	30780	34140	36900	39660	42360	45120
Harrison	50% rent		463	496	596	688	767	846			
Harrison	50% income			18550	21200	23850	26450	28600	30700	32800	34950
Harrison	60% rent		556	596	715	825	921	1016			
Harrison	60% income			22260	25440	28620	31740	34320	36840	39360	41940
Henry	50% rent		545	583	700	808	902	996			
Henry	50% income			21800	24900	28000	31100	33600	36100	38600	41100
Henry	60% rent		654	700	840	970	1083	1195			
Henry	60% income			26160	29880	33600	37320	40320	43320	46320	49320
Highland	50% rent		463	496	596	688	767	846			
Highland	50% income			18550	21200	23850	26450	28600	30700	32800	34950
Highland	60% rent		556	596	715	825	921	1016			
Highland	60% income			22260	25440	28620	31740	34320	36840	39360	41940
Hocking	50% rent		463	496	596	688	767	846			
Hocking	50% income			18550	21200	23850	26450	28600	30700	32800	34950
Hocking	60% rent		556	596	715	825	921	1016			
Hocking	60% income			22260	25440	28620	31740	34320	36840	39360	41940
Holmes	50% rent		463	496	596	688	767	846			
Holmes	50% income			18550	21200	23850	26450	28600	30700	32800	34950
Holmes	60% rent		556	596	715	825	921	1016			
Holmes	60% income			22260	25440	28620	31740	34320	36840	39360	41940
Huron	50% rent		493	529	635	733	818	903			
Huron	50% income			19750	22600	25400	28200	30500	32750	35000	37250
Huron	60% rent		592	635	762	880	982	1083			
Huron	60% income			23700	27120	30480	33840	36600	39300	42000	44700
Jackson	50% rent		463	496	596	688	767	846			
Jackson	50% income			18550	21200	23850	26450	28600	30700	32800	34950
Jackson	60% rent		556	596	715	825	921	1016			
Jackson	60% income			22260	25440	28620	31740	34320	36840	39360	41940
Jefferson	50% rent		463	496	596	688	767	846			
Jefferson	50% income			18550	21200	23850	26450	28600	30700	32800	34950
Jefferson	60% rent		556	596	715	825	921	1016			
Jefferson	60% income			22260	25440	28620	31740	34320	36840	39360	41940

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Knox	50% rent		497	533	640	738	823	909				
Knox	50% income			19900	22750	25600	28400	30700	32950	35250	37500	
Knox	60% rent		597	639	768	886	988	1091				
Knox	60% income			23880	27300	30720	34080	36840	39540	42300	45000	
Lake	50% rent		550	589	707	816	911	1005				
Lake	50% income			22000	25150	28300	31400	33950	36450	38950	41450	
Lake	60% rent		660	707	849	980	1093	1206				
Lake	60% income			26400	30180	33960	37680	40740	43740	46740	49740	
Lawrence	50% rent		435	465	558	645	720	794				
Lawrence	50% income			17400	19850	22350	24800	26800	28800	30800	32750	
Lawrence	60% rent		522	558	670	774	864	953				
Lawrence	60% income			20880	23820	26820	29760	32160	34560	36960	39300	
Licking	50% rent		583	625	750	866	966	1066				
Licking	50% income			23350	26650	30000	33300	36000	38650	41300	44000	
Licking	60% rent		700	750	900	1039	1159	1279				
Licking	60% income			28020	31980	36000	39960	43200	46380	49560	52800	
Logan	50% rent		512	548	658	760	848	936				
Logan	50% income			20500	23400	26350	29250	31600	33950	36300	38650	
Logan	60% rent		615	658	790	912	1018	1124				
Logan	60% income			24600	28080	31620	35100	37920	40740	43560	46380	
Lorain	50% rent		550	589	707	816	911	1005				
Lorain	50% income			22000	25150	28300	31400	33950	36450	38950	41450	
Lorain	60% rent		660	707	849	980	1093	1206				
Lorain	60% income			26400	30180	33960	37680	40740	43740	46740	49740	
Lucas	50% rent		540	578	695	802	895	988				
Lucas	50% income			21600	24700	27800	30850	33350	35800	38300	40750	
Lucas	60% rent		648	694	834	963	1074	1185				
Lucas	60% income			25920	29640	33360	37020	40020	42960	45960	48900	
Madison	50% rent		583	625	750	866	966	1066				
Madison	50% income			23350	26650	30000	33300	36000	38650	41300	44000	
Madison	60% rent		700	750	900	1039	1159	1279				
Madison	60% income			28020	31980	36000	39960	43200	46380	49560	52800	
Mahoning	50% rent		481	515	618	713	796	878				
Mahoning	50% income			19250	22000	24750	27450	29650	31850	34050	36250	
Mahoning	60% rent		577	618	742	856	955	1054				
Mahoning	60% income			23100	26400	29700	32940	35580	38220	40860	43500	
Marion	50% rent		463	496	596	688	767	846				
Marion	50% income			18550	21200	23850	26450	28600	30700	32800	34950	
Marion	60% rent		556	596	715	825	921	1016				
Marion	60% income			22260	25440	28620	31740	34320	36840	39360	41940	
Medina	50% rent		550	589	707	816	911	1005				
Medina	50% income			22000	25150	28300	31400	33950	36450	38950	41450	

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Medina	60% rent		660	707	849	980	1093	1206			
Medina	60% income			26400	30180	33960	37680	40740	43740	46740	49740
Meigs	50% rent		463	496	596	688	767	846			
Meigs	50% income			18550	21200	23850	26450	28600	30700	32800	34950
Meigs	60% rent		556	596	715	825	921	1016			
Meigs	60% income			22260	25440	28620	31740	34320	36840	39360	41940
Mercer	50% rent		557	597	717	828	923	1019			
Mercer	50% income			22300	25500	28700	31850	34400	36950	39500	42050
Mercer	60% rent		669	717	861	993	1108	1223			
Mercer	60% income			26760	30600	34440	38220	41280	44340	47400	50460
Miami	50% rent		546	585	702	811	905	998			
Miami	50% income			21850	25000	28100	31200	33700	36200	38700	41200
Miami	60% rent		655	702	843	973	1086	1198			
Miami	60% income			26220	30000	33720	37440	40440	43440	46440	49440
Monroe	50% rent		463	496	596	688	767	846			
Monroe	50% income			18550	21200	23850	26450	28600	30700	32800	34950
Monroe	60% rent		556	596	715	825	921	1016			
Monroe	60% income			22260	25440	28620	31740	34320	36840	39360	41940
Montgomery	50% rent		546	585	702	811	905	998			
Montgomery	50% income			21850	25000	28100	31200	33700	36200	38700	41200
Montgomery	60% rent		655	702	843	973	1086	1198			
Montgomery	60% income			26220	30000	33720	37440	40440	43440	46440	49440
Morgan	50% rent		463	496	596	688	767	846			
Morgan	50% income			18550	21200	23850	26450	28600	30700	32800	34950
Morgan	60% rent		556	596	715	825	921	1016			
Morgan	60% income			22260	25440	28620	31740	34320	36840	39360	41940
Morrow	50% rent		583	625	750	866	966	1066			
Morrow	50% income			23350	26650	30000	33300	36000	38650	41300	44000
Morrow	60% rent		700	750	900	1039	1159	1279			
Morrow	60% income			28020	31980	36000	39960	43200	46380	49560	52800
Muskingum	50% rent		463	496	596	688	767	846			
Muskingum	50% income			18550	21200	23850	26450	28600	30700	32800	34950
Muskingum	60% rent		556	596	715	825	921	1016			
Muskingum	60% income			22260	25440	28620	31740	34320	36840	39360	41940
Noble	50% rent		463	496	596	688	767	846			
Noble	50% income			18550	21200	23850	26450	28600	30700	32800	34950
Noble	60% rent		556	596	715	825	921	1016			
Noble	60% income			22260	25440	28620	31740	34320	36840	39360	41940
Ottawa	50% rent		540	578	695	802	895	988			
Ottawa	50% income			21600	24700	27800	30850	33350	35800	38300	40750
Ottawa	60% rent		648	694	834	963	1074	1185			
Ottawa	60% income			25920	29640	33360	37020	40020	42960	45960	48900

Exhibit A: 2011 Rent and Income Limits

Paulding	50% rent		497	533	640	738	823	909			
Paulding	50% income			19900	22750	25600	28400	30700	32950	35250	37500
Paulding	60% rent		597	639	768	886	988	1091			
Paulding	60% income			23880	27300	30720	34080	36840	39540	42300	45000
Perry	50% rent		466	499	598	691	772	851			
Perry	50% income			18650	21300	23950	26600	28750	30900	33000	35150
Perry	60% rent		559	599	718	830	927	1022			
Perry	60% income			22380	25560	28740	31920	34500	37080	39600	42180
Pickaway	50% rent		583	625	750	866	966	1066			
Pickaway	50% income			23350	26650	30000	33300	36000	38650	41300	44000
Pickaway	60% rent		700	750	900	1039	1159	1279			
Pickaway	60% income			28020	31980	36000	39960	43200	46380	49560	52800
Pike	50% rent		463	496	596	688	767	846			
Pike	50% income			18550	21200	23850	26450	28600	30700	32800	34950
Pike	60% rent		556	596	715	825	921	1016			
Pike	60% income			22260	25440	28620	31740	34320	36840	39360	41940
Portage	50% rent		575	615	738	853	951	1050			
Portage	50% income			23000	26250	29550	32800	35450	38050	40700	43300
Portage	60% rent		690	738	886	1023	1141	1260			
Portage	60% income			27600	31500	35460	39360	42540	45660	48840	51960
Preble	50% rent		520	556	667	771	860	949			
Preble	50% income			20800	23750	26700	29650	32050	34400	36800	39150
Preble	60% rent		624	668	801	925	1032	1139			
Preble	60% income			24960	28500	32040	35580	38460	41280	44160	46980
Putnam	50% rent		591	633	760	877	978	1080			
Putnam	50% income			23650	27000	30400	33750	36450	39150	41850	44550
Putnam	60% rent		709	759	912	1053	1174	1296			
Putnam	60% income			28380	32400	36480	40500	43740	46980	50220	53460
Richland	50% rent		493	529	635	733	818	903			
Richland	50% income			19750	22600	25400	28200	30500	32750	35000	37250
Richland	60% rent		592	635	762	880	982	1083			
Richland	60% income			23700	27120	30480	33840	36600	39300	42000	44700
Ross	50% rent		463	496	596	688	767	846			
Ross	50% income			18550	21200	23850	26450	28600	30700	32800	34950
Ross	60% rent		556	596	715	825	921	1016			
Ross	60% income			22260	25440	28620	31740	34320	36840	39360	41940
Sandusky	50% rent		520	556	667	771	860	949			
Sandusky	50% income			20800	23750	26700	29650	32050	34400	36800	39150
Sandusky	60% rent		624	668	801	925	1032	1139			
Sandusky	60% income			24960	28500	32040	35580	38460	41280	44160	46980
Scioto	50% rent		463	496	596	688	767	846			
Scioto	50% income			18550	21200	23850	26450	28600	30700	32800	34950
Scioto	60% rent		556	596	715	825	921	1016			

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Scioto	60% income			22260	25440	28620	31740	34320	36840	39360	41940
Seneca	50% rent		490	525	630	726	811	895			
Seneca	50% income			19600	22400	25200	27950	30200	32450	34700	36900
Seneca	60% rent		588	630	756	872	973	1074			
Seneca	60% income			23520	26880	30240	33540	36240	38940	41640	44280
Shelby	50% rent		546	585	701	810	903	997			
Shelby	50% income			21850	24950	28050	31150	33650	36150	38650	41150
Shelby	60% rent		655	702	841	972	1084	1197			
Shelby	60% income			26220	29940	33660	37380	40380	43380	46380	49380
Stark	50% rent		508	545	653	755	842	930			
Stark	50% income			20350	23250	26150	29050	31400	33700	36050	38350
Stark	60% rent		610	654	784	906	1011	1116			
Stark	60% income			24420	27900	31380	34860	37680	40440	43260	46020
Summit	50% rent		575	615	738	853	951	1050			
Summit	50% income			23000	26250	29550	32800	35450	38050	40700	43300
Summit	60% rent		690	738	886	1023	1141	1260			
Summit	60% income			27600	31500	35460	39360	42540	45660	48840	51960
Trumbull	50% rent		481	515	618	713	796	878			
Trumbull	50% income			19250	22000	24750	27450	29650	31850	34050	36250
Trumbull	60% rent		577	618	742	856	955	1054			
Trumbull	60% income			23100	26400	29700	32940	35580	38220	40860	43500
Tuscarawas	50% rent		473	507	608	703	785	866			
Tuscarawas	50% income			18950	21650	24350	27050	29250	31400	33550	35750
Tuscarawas	60% rent		568	609	730	844	942	1039			
Tuscarawas	60% income			22740	25980	29220	32460	35100	37680	40260	42900
Union	50% rent		675	723	867	1002	1118	1234			
Union	50% income			27000	30850	34700	38550	41650	44750	47850	50900
Union	60% rent		810	867	1041	1203	1342	1481			
Union	60% income			32400	37020	41640	46260	49980	53700	57420	61080
Van Wert	50% rent		471	505	606	700	781	861			
Van Wert	50% income			18850	21550	24250	26900	29100	31250	33400	35550
Van Wert	60% rent		565	606	727	840	937	1034			
Van Wert	60% income			22620	25860	29100	32280	34920	37500	40080	42660
Vinton	50% rent		463	496	596	688	767	846			
Vinton	50% income			18550	21200	23850	26450	28600	30700	32800	34950
Vinton	60% rent		556	596	715	825	921	1016			
Vinton	60% income			22260	25440	28620	31740	34320	36840	39360	41940
Warren	50% rent		616	660	792	915	1021	1126			
Warren	50% income			24650	28200	31700	35200	38050	40850	43650	46500
Warren	60% rent		739	792	951	1098	1225	1352			
Warren	60% income			29580	33840	38040	42240	45660	49020	52380	55800
Washington	50% rent		460	492	591	682	761	840			

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Washington	50% income			18400	21000	23650	26250	28350	30450	32550	34650
Washington	60% rent		552	591	709	819	913	1008			
Washington	60% income			22080	25200	28380	31500	34020	36540	39060	41580
Wayne	50% rent		546	585	702	811	905	998			
Wayne	50% income			21850	25000	28100	31200	33700	36200	38700	41200
Wayne	60% rent		655	702	843	973	1086	1198			
Wayne	60% income			26220	30000	33720	37440	40440	43440	46440	49440
Williams	50% rent		482	516	620	716	800	882			
Williams	50% income			19300	22050	24800	27550	29800	32000	34200	36400
Williams	60% rent		579	620	744	860	960	1059			
Williams	60% income			23160	26460	29760	33060	35760	38400	41040	43680
Wood	50% rent		540	578	695	802	895	988			
Wood	50% income			21600	24700	27800	30850	33350	35800	38300	40750
Wood	60% rent		648	694	834	963	1074	1185			
Wood	60% income			25920	29640	33360	37020	40020	42960	45960	48900
Wyandot	50% rent		500	535	642	742	828	914			
Wyandot	50% income			20000	22850	25700	28550	30850	33150	35450	37700
Wyandot	60% rent		600	642	771	891	994	1097			
Wyandot	60% income			24000	27420	30840	34260	37020	39780	42540	45240

Exhibit B: Geographic Pools

Pool 1	Pool 2	Pool 3	
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	

Exhibit C: Interagency Council on Homelessness and Affordable Housing Permanent Supportive Housing Policy Framework

Ohio | Interagency Council on Homelessness and Affordable Housing

Interagency Council on Homelessness and Affordable Housing
Permanent Supportive Housing Policy Framework

In an effort to gain stakeholder feedback, the Permanent Supportive Housing (PSH) Framework was presented to stakeholder groups and representatives. Throughout December 2009, the PSH Work Group's members communicated with entities from around the state. The method for communication was diverse given the limited timeframe, with some members being solicited by e-mails while others participated in conference calls and discussion forums. Stakeholders' initial responses to the framework were largely positive. Comments and suggestions for revisions were collected and taken into consideration before approval of the final PSH Framework by the Interagency Council on Homelessness and Affordable Housing (ICHAH) Policy Team on January 8, 2010.

Agencies and individuals approached through this process included:

- The Ohio Association of County Behavioral Health Authorities (OACBHA)
- The Ohio Council of Behavioral Health & Family Services Providers (OCBHP)
- Continuum of Care Coordinators
- Mental Health Housing Developers
- Public Housing Authorities
- Nonprofit Housing Providers & Developers
- Participants and graduates of the Corporation for Supportive Housing's (CSH) Supportive Housing Institute
- Attendees at the Returning Home Ohio quarterly meeting
- Ohio's state prison system
- State agency representatives and advocates serving on the ICHAH Policy Team

In total, over 275 individuals and organizations, representing interests from around the state of Ohio were involved with the vetting process for this document.

Exhibit C: Interagency Council on Homelessness and Affordable Housing Permanent Supportive Housing Policy Framework

Ohio Interagency Council on Homelessness and Affordable Housing Permanent Supportive Housing Policy Framework

1. Introduction/Rationale

State of Ohio PSH Goal

The Ohio Interagency Council on Homeless and Affordable Housing has adopted a goal of creating 6,000 new PSH housing opportunities over the next five years to help address high priority permanent housing and supportive services needs of the most vulnerable households with serious and long-term disabilities. These new PSH opportunities are essential for Ohio to address homelessness and chronic homelessness among Ohioan's with disabilities and to promote and advance the community integration goals affirmed in the U.S. Supreme Court's Olmstead decision by reducing Ohio's reliance on expensive and unnecessary institutional settings. While this is an ambitious goal, and we need to continue to grapple with balancing our concerns for those currently homeless and those at risk of homelessness or institutionalization, it is achievable through this State of Ohio Permanent Supportive Housing Policy Framework. In addition, the need for preserving existing PSH is extremely critical, requiring mindfulness that the preservation of affordable housing units meeting the PSH definition is also necessary.

As we inaugurate the beginning of a new decade, Ohio state officials, advocates, and other PSH stakeholders have recognized the importance of acting at this opportune moment in time. Momentum is rapidly building for an array of new federal policy and resource opportunities that can help "take PSH to scale" in Ohio and other states. These federal opportunities include:

- A new U.S. Department of Housing and Urban Development (HUD) – U.S. Department of Health and Human Services (HHS) collaboration on evidenced-based housing and services approaches for vulnerable populations;
- The National Housing Trust Fund (NHTF) which could bring an estimated $38 million[1] in new federal funding to Ohio. The majority of this funding must be invested in permanent housing for the lowest income people;
- A new federal PSH Demonstration through the anticipated enactment of legislation to reform HUD's Section 811 Supportive Housing for Persons with Disabilities Program;
- New Housing Choice Vouchers targeted by Congress for PSH; and
- New Housing Choice Vouchers targeted by Congress for Homeless Veterans.

The State of Ohio must be prepared to act boldly and decisively with innovative and feasible PSH policies and collaborations, an alignment of state resources, and the leadership and local partnerships that can ensure the creation of PSH at scale across the state. While many states will seek to "tap into" federal resources to create new PSH units, this State of Ohio PSH Policy Framework adopted by the Governor's Interagency Council on Homelessness and Affordable Housing Ohio positions the state to maximize the leveraging of these and other valuable resources to create as many as 6,000 new PSH opportunities over the next five years.

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[1]This estimate is based on an NHTF estimated distribution rate (3.2%) provided by the National Low Income Housing Coalition for the State of Ohio multiplied by the anticipated NHTF funding level of $1.2 billion.

Exhibit C: Interagency Council on Homelessness and Affordable Housing Permanent Supportive Housing Policy Framework

The State of Ohio can achieve this goal by:

(1) Improving the alignment of State of Ohio policies and resources for PSH expansion in order to leverage federal and local PSH resources; and

(2) Initiating PSH resource collaborations and partnerships with local communities and Public Housing Agencies (State-Local PSH Partnerships).

State-Local PSH Partnership

Ohio has been a leader in PSH since 1987 when the State received three of nine Robert Wood Johnson Foundation grants to expand PSH for people with serious and persistent mental illness. There are communities across Ohio excel at creating this evidenced-based and cost effective housing model that saves taxpayers money and assists the most vulnerable people with disabilities to live and participate successfully in community life. These communities have succeeded largely because they have been successful in attracting and aligning resources for PSH from every level of government – including federal, state, county, and municipally controlled housing and services funding streams.

The State of Ohio cannot successfully initiate an expansion of the PSH model at the scale needed across the state by relying solely on state resources or the dedication of mission driven non-profits. Through the work of the Interagency Council, it has become clear that by adopting a PSH Framework and by initiating State-Local PSH Partnerships in communities across the state, the ambitious goal of creating 6,000 new PSH opportunities is within reach. To initiate these partnerships, the state must continue to target existing state resources and align critically important new resources to support future PSH development including:

- **Federal Low Income Housing Tax Credits (LIHTC)** - In its 2010 Qualified Allocation Plan, OHFA established a target pool of up to $3 million of LIHTC to support PSH development;
- **Ohio Department Mental Health's (ODMH) Community Capital for Housing Program** - ODMH's capital funding currently provides resources to purchase, renovate or construct permanent supportive housing for persons with mental illness and their families.
- **Ohio Department of Developmental Disabilities' Capital Housing Program** – ODDD's capital funding currently provides resources to purchase, renovate or construct permanent supportive housing for persons with developmental disabilities receiving supported living services through the Home and Community Based waivers.
- **National Housing Trust Fund** – Authorized by Congress in 2008, HUD is seeking $1.2 billion in funding for the NHTF in FY 2010 – which under a National Low Income Housing Coalition suggested formula would grant more than $38 million in new federal affordable housing funding to Ohio. According to NHTF guidelines, at least 67.5 percent of NHTF funding must be spent on permanent housing for households at or below 30 percent of Area Median Income. As one mechanism to initiate State-Local PSH Partnerships across Ohio, the State of Ohio will commit a substantial amount of NHTF resources to the creation of new PSH units.
- **Ohio Housing Trust Fund** – The Ohio Housing Trust Fund is an extremely flexible source of funding with dedicated revenue from real estate recording fees. Historically, substantial resources within the Ohio Housing Trust Fund have been dedicated to addressing homelessness. However, the Ohio Housing Trust Fund has not necessarily been prioritized for PSH. Given the substantial body of rigorous research proving the cost effectiveness and successful outcomes achieved from the PSH model, the State of Ohio

Exhibit C: Interagency Council on Homelessness and Affordable Housing Permanent Supportive Housing Policy Framework

will ensure that Ohio Housing Trust Fund resources support the creation of PSH, including the financing of PSH operating subsidy and services "gaps" that cannot be addressed with other sources of funding.

- **New Federal Section 811 Demonstration Program** – Important PSH legislation now being considered by the Congress (H.R. 1675 and S. 1481) proposes an innovative PSH Demonstration program to spur the development of integrated Section 811 financed PSH units in properties financed with federal Low Income Housing Tax Credits, HOME funds, and other capital funding sources. The State of Ohio believes that this legislation as currently proposed could significantly advance the creation of PSH across Ohio and will work to position the State to compete successfully for these funds as currently proposed.

The PSH resources highlighted above represent major new opportunities that can incentivize and leverage an expansion of PSH across Ohio. Many other affordable housing and supportive services resources in Ohio are controlled at the state, county and local level, and have been identified in the Technical Assistance Collaborative's Report to the Ohio Interagency Council on Homelessness and Affordable Housing dated June 29, 2009. These include federal Low Income Housing Tax Credits, state and locally controlled HOME funds, 90,000+ Housing Choice Vouchers administered by Public Housing Agencies[2], ODMH and ODDD Capital funds, Medicaid, and state/county resources targeted for community based supports for people with disabilities in need of PSH. Strategies for leveraging these resources will be forthcoming from the PSH State-Local Partnership Workgroup.

2. State of Ohio Permanent Supportive Housing Definition

The State of Ohio has adopted the following definition of Permanent Supportive Housing:

- PSH is permanent, community-based housing targeted to extremely low income households with serious and long-term disabilities;
- PSH tenants have leases that provide PSH tenants with all rights under tenant-landlord laws. Generally, PSH provides for continued occupancy with an indefinite length of stay as long as the PSH tenant complies with lease requirements;
- At a minimum, PSH meets federal Housing Quality Standards (HQS) for safety, security and housing/neighborhood conditions;
- PSH complies with federal housing affordability guidelines – meaning that PSH tenants should pay no more than 30-40 percent of their monthly income for housing costs (i.e., rent and tenant-paid utilities);
- PSH services are voluntary and cannot be mandated as a condition of admission to housing or of ongoing tenancy PSH tenants are provided access to a comprehensive and flexible array of voluntary services and supports responsive to their needs, accessible where the tenant lives if necessary, and designed to obtain and maintain housing stability;

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[2]*One local PSH funding opportunity may be available very soon – and is an example of the potential benefits which can be achieved from an Ohio State – Local PSH Partnership approach. In December of 2009, HUD is expected to announce a competitive Notice Of Funding Availability for up to 6,000 new Housing Choice Vouchers appropriated by Congress exclusively for people with disabilities who can benefit from services. At least 1,000 of these new vouchers will be targeted for people who are benefitting from the federal Money Follows the Person (MFP) Demonstration Program. Ohio is one of 29 states participating in the MFP Demonstration. The Ohio Department of Jobs and Family Services – the grantee for Ohio's MFP program – is actively working to establish PHA partners across Ohio to maximize the number of these new vouchers which can be leveraged for Ohio citizens with disabilities.*

Exhibit C: Interagency Council on Homelessness and Affordable Housing Permanent Supportive Housing Policy Framework

- PSH services and supports should be individually tailored, flexible, accessible by the tenant, and provided to the extent possible within a coordinated case plan; and
- As an evidence-based practice, the success of PSH depends on ongoing collaboration between service providers, property managers, and tenants to preserve tenancy and resolve crisis situations that may arise.

Ohio has adopted this definition because it reflects the evidenced-based PSH model that has been extensive and rigorous researched over the past fifteen years and has been determined to: (1) consistently achieve highly successful outcomes for PSH tenants; and (2) be cost effective when compared with the costs of homelessness and/or institutionalization. It should be noted that there are several other models that combine housing with services that – while not identical to the PSH model defined above – may have value in addressing the needs of certain vulnerable populations. These other housing/services models include transitional housing, short-term or medium-term housing assistance with time limited services, assisted living for elderly households, senior housing, other service-enriched housing models for families, or other models which have requirements that are not consistent with the PSH definition.

3. Permanent Supportive Housing Criteria and Target Populations

The State of Ohio has adopted the following criteria and target populations for participation in PSH to ensure leveraging of federal resources to the greatest extent possible.

Income Requirements: PSH is targeted to extremely low income households (30 percent of AMI and below); and

Age: The PSH head of household is generally, but not exclusively 18-61 years old; and

Disability[3]**:** A PSH household is a household in which a sole individual or an adult household member has a serious and long-term disability that:

- Is expected to be long-continuing, or of indefinite duration;
- Substantially impedes the individual's ability to live independently;
- Could be improved by the provision of more suitable housing conditions; and
- Is a physical, mental, or emotional impairment, including an impairment caused by alcohol or drug abuse, post traumatic stress disorder, or brain injury; is a developmental disability, as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 USC 15002); or is the disease of acquired immunodeficiency syndrome or any condition arising from the etiologic agency for acquired immunodeficiency syndrome;

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[3]*The definition of disability was formulated from the definition of disability within HUD's two PSH programs – the Section 811 Supportive Housing program and the McKinney-Vento Homeless assistance programs.*

Exhibit C: Interagency Council on Homelessness and Affordable Housing Permanent Supportive Housing Policy Framework

and meets one or more of the following eligible PSH populations:

- Households with serious mental illness or co-occurring mental illness and substance abuse who are homeless or at-risk of homelessness[4] or institutionalization[5];
- Homeless households or those at risk of homelessness or institutionalization with serious and long-term disability directly related to abuse of alcohol or drugs;
- Households with serious intellectual or developmental disabilities acquired before the age of 22 including those with co-occurring mental illness, developmental disabilities, and autism spectrum disorders who are homeless or at-risk of homelessness or institutionalization[6];
- Households with serious physical, sensory, or cognitive disabilities occurring after the age of 22 who are homeless or at-risk of homelessness or institutionalization[7];
- Households with serious disabilities caused by chronic illness, including but not limited to HIV/AIDS, who are no longer able to work and who are homeless or at-risk of homelessness or institutionalization;
- People ages 16 to 24 who have serious disabilities who are aging out of Ohio's foster care system and who are homeless or at-risk of homelessness or institutionalization; and
- People with serious and long-term disabilities who are being released from Ohio correctional facilities and who are at-risk of homelessness or institutionalization.

4. Permanent Supportive Housing Approaches and Models

The State of Ohio supports the creation of a range of permanent supportive housing approaches and models to meet the needs and housing preference of PSH tenants.

The main approaches to helping PSH tenants afford housing are:

- Project-based rental assistance, in which housing subsidies are tied to a particular unit and tenants who chose to live in those units pay a reduced rent;
- Sponsor-based rental assistance, in which a nonprofit agency receives support to buy or lease housing that is then leased to qualified tenants; and

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[4]At-risk of homelessness is defined as a household at risk of losing its housing when no appropriate subsequent housing options have been identified AND the household lacks the financial resources and support networks needed to obtain immediate housing. The source of this definition is modified from HUD's Homeless Prevention Rapid Re-housing Program; Program Notice, 6/8/09 (It was noted that the HPRP threshold is low intentionally to allow for intervention but there was concern voiced that using this might lead to less needy people being selected for PSH over more needy individuals).

[5]Risk of Institutionalization is defined as households with serious mental illness whose emotional or behavioral functioning is so impaired as to interfere with their capacity to remain in the community without supportive treatment. The mental impairment is severe and persistent and may limit their capacities for engagement in primary activities of daily living, interpersonal relationships, homemaking, self-care, employment or recreation. The mental impairment may limit their ability to seek or receive local, state, or federal assistance such as housing, medical, and dental care, rehabilitation services, income assistance, and food stamps, or protective services. ODMH is currently reviewing the definition of serious and persistent mental illness. Once complete, this definition of "at risk of institutionalization" will be updated to reflect any changes to Ohio State Policy.

[6]Risk of Institutionalization is defined as eligibility for or receipt of ODJFS Medicaid Waiver Services for households with serious intellectual or developmental disabilities.

[7]Risk of Institutionalization is defined as eligibility for or receipt of ODJFS Medicaid Waiver Services for households with serious physical, sensory or cognitive disabilities after the age of 22.

Exhibit C: Interagency Council on Homelessness and Affordable Housing Permanent Supportive Housing Policy Framework

- Tenant-based rental assistance, in which a tenant receives a voucher, entitling the tenant to a reduced rent, which can be used to rent a unit of the tenant's choice from a landlord who agrees to accept the voucher.
- These three approaches can be used to provide services to tenants in two types of settings:
- Single-site housing is housing in which tenants who receive support services live together in a single building or complex of buildings, with or without onsite support services; and
- Scattered-site housing is housing in which tenants who receive support services live throughout the community in housing that can be agency-owned or privately-owned.

5. Examples of Permanent Supportive Housing in Ohio

I. Single-Site PSH Models

Tenant –Based Rental Assistance

Joey's Landing is an 8 unit, new construction project in the City of Warren. This project provides subsidized housing to homeless adults with a mental health disorder. All of the tenants have a Shelter Plus Care tenant based voucher. Persons are referred to the project through their case manager and eligibility is determined through the Housing Specialist. Supportive services (case management and vocational services) are currently funded through the grant as well as operating costs such as property management fees, snow removal, lawn care, general maintenance and costs for the common laundry area. Key partners are Valley Counseling Services (mental health provider), Coleman Professional Services (mental health provider, employs the housing specialist and employment specialist), Trumbull LifeLines, the mental health and recovery board who is the owner of the project and the grantee for the Shelter Plus Care vouchers, and Sunshine, Inc. the property management company.

Sponsor-Based Rental Assistance

South Pointe Commons, on Cleveland's southwest side, is a mix of new construction and rehabilitation of an existing four-unit building comprised of 78 efficiency apartments, 4 one-bedroom apartments, and 2,000 square feet of retail that is occupied by a Mediterranean restaurant. The project serves adults who have who have experienced long-term homelessness and who suffer from disabilities that inhibit their ability to sustain housing. Rental assistance is provided through sponsor-based Shelter Plus Care administered through EDEN Inc. The Cleveland Housing Network (CHN) was the lead developer of South Pointe Commons and the project is co-owned by CHN and EDEN Inc. Mental Health Service is the lead service provider partnering with the AIDS Task Force of Greater Cleveland and the Louis Stokes Cleveland VA Medical Center.

Project-Based Rental Assistance

Southpoint Place Apartments, Columbus Ohio Eighty Apartments is comprised of 40 Townhomes for families and 40 studio apartments for single adults. A Permanent Supportive Housing development with site-based services for vulnerable single adults and families disabled by mental illness, substance addiction or histories of homelessness: 25 homeless and disabled single adults - 26 homeless and disabled families and 15 disabled single adults and 19 disabled families. There were twelve public and private funding sources including Project-based Section-8 Rent Subsidy, HUD PSH and HOME, Equity from LIHTC Program, Franklin Co. ADAMH Board, Community Shelter Board and private contributions.

Exhibit C: Interagency Council on Homelessness and Affordable Housing Permanent Supportive Housing Policy Framework

II. Scattered-Site PSH Models

Tenant –Based Rental Assistance

The Ohio Department of Job and Family Services (ODJFS) has developed partnerships with Public Housing Authorities in Ohio to set aside approximately 60 vouchers for people with disabilities who are approved for the HOME Choice program (federally known as Money Follows the Person Demonstration Program). The program assists people with disabilities who currently reside in a nursing home who wish to return to the community. ODJFS has designated Transition Coordinators to assist the consumer and work directly with the PHA in obtaining the Housing Choice voucher. Each consumer is supported by Medicaid waiver services (If necessary) to help support them in the community. ODJFS is currently partnering with Cuyahoga Metropolitan Housing Authority, Lucas Metropolitan Housing Authority, and Akron Metropolitan Housing Authority.

Sponsor-Based Rental Assistance

Columbiana County Mental Health Association (MHA) operates a Sponsor-Based Rental Assistance Program (SRA) serving 5 homeless individuals who have a severe and persistent mental illness. Participants reside in scattered site, one-bedroom apartments in sponsor-based units leased to the Sponsor Agency. All 5 units are located in Salem, Ohio. Contracts are signed between the sponsor agency, the Columbiana County Mental Health Clinic, and landlords to maintain these units for participants of this program only. The Columbiana County Metropolitan Housing Authority provides Section 8 vouchers. The Columbiana County Mental Health Clinic provides the support services.

Project-Based Rental Assistance

Miami Valley Housing Opportunities (MVHO) provides permanent supportive housing in a scattered setting with a total of 20 units comprised of five 4-unit apartments throughout the county. The project is made up on two-bedroom units located in suburban neighborhoods outside of Dayton. MVHO's acquisition and rehabilitation of the units was funded through the Ohio Department of Mental Health Capital Funds and Montgomery County HOME funds. MVHO owns and manages the properties that serve homeless, disabled families. The Dayton Metropolitan Housing Authority provides 20 Section 8 project-based vouchers.

Exhibit D: Capital Needs Assessment Standards

Purpose

A capital needs assessment represents a qualified professional's opinion of a property's current overall physical condition and identifies significant deferred maintenance, existing deficiencies, and material building code violations that affect the property's use and its structural and mechanical integrity. The assessment should include an opinion as to the proposed budget for recommended improvements and should identify critical building systems or components that have reached or exceeded their expected useful lives.

The assessment should include a projection of recurring probable expenditures for significant systems and components impacting use and tenancy, which are not considered operation or maintenance expenses, in order to determine the appropriate replacement reserve deposits on a per unit per year basis.

Process

1. Conduct site visit and physical inspection of interior and exterior of units and structures
2. Interview available on site property management and maintenance personnel and inquire about past repairs/improvements, pending repairs and existing or chronic physical deficiencies

Components

Components which should be examined and analyzed in order to prepare a comprehensive property condition report or capital needs assessment for rehabilitation projects:

Site, including:

- Topography and drainage
- Pavement, curbing, sidewalks and parking
- Landscaping and amenities
- Water, sewer, storm drainage, gas and electric utilities and lines

Structural system, both substructure and superstructure, including:

- Exterior walls and balconies
- Exterior doors and windows
- Roofing system and drainage

Interiors, including:

- Unit and common area finishes (carpeting, vinyl tile, plaster walls, paint condition)
- Unit kitchen finishes and appliances
- Unit bathroom finishes and fixtures
- Common area lobbies and corridors

Mechanical systems, including:

- Plumbing and domestic hot water
- HVAC
- Electrical and fire protection
- Elevators

Exhibit E: Mini-Phase I Environment Site Assessment (MP1)

These guidelines were specifically designed for use in screening properties for potential environmental risks. The MP-1 is not a substitute for a Phase I Environmental Site Assessment.

Site Inspection

Personnel should visit the site and complete the MP-1 as provided in attachments available on the OHFA web site. All questions should be answered as completely as possible. If personnel determine that a cover letter is a suitable means to convey information, then a cover letter should be attached to the MP-1.

Interview

Personnel are required to interview a key site contact. The key site contact may be the current owner or other person knowledgeable of the site operations and site history. The realtor or borrower (unless the borrower is the current owner) do not qualify as key site contact. The information obtained from the interview should be verified to the extent practicable during the site inspection and incorporated into the MP-1.

Photographs

At a minimum, please provide the photographs listed below. Photographs of any potential environmental concerns are also required. A minimum of 16 photographs is acceptable; however, please submit additional photographs as necessary.

- Front, rear, and side views of the site,
- Interior of all the buildings on site (must photograph each room), and
- Adjacent properties, as visible from the site boundaries or other publicly accessible areas.
- Notable site observations.

Database Report

A third party environmental database report from an approved firm, such as the Environmental Data Resources, Inc. (EDR) Transaction Screen Map Report with GeoCheck (or equivalent), must be ordered and submitted with the completed with the MP-1.

Two Historical Sources

Personnel should choose the best available historical sources to assist in evaluating the historical uses of the site. Typical sources include aerial photographs, fire insurance maps, and city directories. Please provide a written summary of the findings in a cover letter and copies of the source material as an attachment.

Exhibit F: Market Study Requirements

A market study conducted by an OHFA-approved, market study professional must be commissioned by October 20, 2011. Market Analysts must submit a list of all market studies commissioned in Ohio to the LIHTC Program Manager by October 24, 2011. Projects that have not commissioned market studies or whose names have not been submitted to OHFA by the aforementioned dates will be ineligible to compete in the 2012 allocation round. Completed Market studies will be due to OHFA up to two weeks after the OHFA proposal deadline. A list of OHFA-approved professionals is available on the OHFA web site. In order to be placed on this list, market analysts must follow the application requirements available on the web site and be a member in good standing of the National Council of Affordable Housing Market Analysts (NCAHMA), undergone NCAHMA's Member Designation Program and abide by the Model Content Standards for Market Studies for Rental Housing provided in Exhibit G.

Any market study professional submitting inaccurate information may be removed from the list of OHFA-approved market study providers. The market study professional must organize the study using the index found in Exhibit H and complete the market study checklist (Form PPD-E02).

A market study must include all of the following:

a. Executive summary briefly reviewing all of the market study requirements and indicates any recommendations or suggested modifications to the proposed project. See attachments for proper format.

b. Concise conclusion by the author that indicates a market exists for the proposed project. The conclusion must include the estimated stable year vacancy rate and the estimated time needed to fully lease-up the proposed project. If the estimated stable year vacancy rate exceeds 7% and/or the estimated lease-up time exceeds one year, provide a detailed explanation.

c. Description of the proposed project site.

d. Description and map of the Primary Market Area (PMA) for the proposed project, including the methodology used to determine the boundaries. Provide a detailed explanation if the PMA includes any areas outside of a five-mile radius from the proposed project. Include a discussion of the health of the overall rental housing market in the PMA. All of the sites to be included in a project must be located within one PMA. In addition, if the demographics of the immediate site area are significantly different from the PMA, please provide population/household, income and housing data for the immediate area.

e. Create a Derived Rent and Programmatic Rent Comparison Chart to shows the ratio of pro forma and achievable rents to maximum program rents, derived market rents, the current FMR rents and 90% FMR rents.

f. Description of the number of income qualified renter households divided by the number units in the PMA ("capture rate"). The maximum income for this range would assume 1.5 persons per bedroom rounded up to the next whole person. If this percentage exceeds 10%, provide a detailed explanation for the higher rate.

g. Description and evaluation of the public services (including transportation, police, fire department, schools, day care, library and community center), infrastructure (including roads and traffic), community services (including shopping, restaurants, parks, recreational facilities, hospital, health care facilities, and services for special needs, if applicable), and employers in the PMA. List the approximate distances to all the services. Include a map that clearly identifies the location of the project and all public and community services.

h. Description of the federally subsidized developments and Housing Credit projects (both operating and not yet placed-in-service) located in the PMA. Housing Credit projects not yet placed-in-service must be included in the analysis. Provide the current vacancy rate for each project and include the person(s)

Exhibit F: Market Study Requirements

contacted for each competing project and the method of contact. Compare the rents, amenities, unit sizes, bedroom sizes, and populations served of the competing projects to the proposed project. The following information must also be included: name, location, population served, type of design, age and condition, number of units by bedroom type, rent levels, number of bedrooms and baths for each unit type, size (in square footage) of units, type of utilities and whether paid by tenant or owner, unit and site amenities. Comparisons to the subject rents should be based on comparable amenities, utilities, location, parking, and any rental concessions. Identify specific reasons why comparables are faring poorly in the market (if applicable). Projects that receive a reservation may be required to amend their market study to incorporate those other projects receiving an allocation in the same round and are located in the same primary market area. A listing of Housing Credit projects in service and in development is located on the OHFA web site. Calculate the ratio of subsidized and Housing Credit units to income eligible renter households.

i. Estimate of the vacancy rates of the Housing Credit projects (only those currently operating) located in the PMA during the first stabilized year of the proposed project. If the estimated vacancy rate exceeds 10% for any Housing Credit project, provide a detailed explanation for the higher rates.

j. Description of comparable market rate developments located in the PMA. Provide the current vacancy rate for each project and include the person(s) contacted for each competing project and the method of contact. Compare the rents, amenities, unit sizes, bedroom sizes, and populations served of the competing projects to the proposed project. The following information must also be included: name, location, population served, type of design, age and condition, number of units by bedroom type, rent levels, number of bedrooms and baths for each unit type, size (in square footage) of units, type of utilities and whether paid by tenant or owner, unit and site amenities. Comparisons to the subject rents should be based on comparable amenities, utilities, location, parking, and any rental concessions.

k. Evaluation of any concerns or issues raised by the most local Public Housing Authority (PHA). The applicant or market study author must send a letter via certified mail to the local PHA. The letter must contain a brief description of the project and target population, instructions for the PHA to forward all comments to the market study author, and a statement that all comments must be submitted within 30 days from receipt of the letter. If the PHA does not respond to the letter or comments are submitted after the 30-day comment period, the market study author does not need to analyze the issues or concerns of the PHA. Include in the market study a copy of the letter, certified mail receipt, and a copy of any letters from the PHA.

l. An executed original Market Study Certification (Form PPD-E03). The market analyst shall have no financial interest in the proposed project. Financial interest is deemed to be any remuneration other than the fee for preparing the market study. Furthermore, the fee assessed for the study shall not be contingent upon the proposed project being approved by OHFA.

m. A list of all data sources used in the study.

The study must have been completed or updated by the author within one year prior to the application deadline for Housing Credits.

The characteristics listed above are the minimum required to meet OHFA threshold requirements. OHFA reserves the right to independently determine if a market exists for the proposed project and to require additional information and/or another market study. OHFA may also contact the market analyst during the review process if any required information cannot be found in the study.

Exhibit G: Model Content Standards for Rental Housing

National Council of Affordable Housing Market Analysts

an affiliate of the National Housing & Rehabilitation Association

*1400 16th St. NW * Suite 420*
Washington, DC 20036
(t)202-939-1750 (f) 202-265-4435
www.housingonline.com

Model Content Standards for Market Studies for Rental Housing

I. Purpose

The purpose of these standards is to provide standardized terminology and content for market studies of affordable rental housing prepared for developers, governmental agencies, lenders, or investors, of rental housing, which is to be financed in whole or in part by state housing finance agencies and other public funding or regulatory agencies. The standards outline the content, data, analysis and conclusions to be included in market studies for rental housing. These standards do not establish the format or presentation for the report. The Market Study Terminology is an integral part of these standards.

State housing finance agencies and other industry members are welcome to incorporate the information below in their own standards. NCAHMA requests written notification of use only.

Note: Effective January 4, 2008, NCAHMA members are to include these standards, as well as the market study terminology, index and certification.

II. Content

A. Executive Summary.

Each market study should include a concise summary of the data, analysis and conclusions, including the following:

1. A concise description of the site and the immediately surrounding area.
2. A brief summary of the project including the proposed population to be served.
3. Precise statement of key conclusions reached by the analyst.
4. Concise statement of analyst's opinion of market feasibility.
5. Recommendations and/or suggest modifications to the proposed project if appropriate.
6. A summary of positive and negative attributes and issues that will affect the property's marketability, performance and lease-up and points that will mitigate or reduce any negative attributes.

Exhibit G: Model Content Standards for Rental Housing

B. Project Description.

The market study should include a project description to show the analyst's understanding of the project at the point in time the market study is undertaken. The project description should include:

1. Proposed number of units by: number of bedrooms and baths, income limit as a percent of area median income (AMI), unit size in square feet, and utility allowances for tenant paid utilities, proposed rents, and target population, including income restrictions, proposed housing assistance and any special needs set-asides.
2. The utilities expected to be paid by tenants and energy sources for tenant paid hot water, heat, cooking.
3. Description of: the number of buildings, design (walk-up, elevator, etc.), and number of stories, unit and common amenities, site amenities and parking. For rehabilitation projects provide a description of the methodology for the rehabilitation and the scope of work. Include the status or date of architectural plans, name of the architect, and/or a copy of the floor plans and elevations.
4. For rehabilitation, identification of any existing assisted housing program at the property such as Section 8, Section 202, Section 811, BMIR, Section 236, etc, as well as current occupancy levels, current rents and proposed rents.
5. Developer's projected dates for construction start and completion, and start of pre-leasing.

C. Location and Market Area Definition

1. Define the primary market area (PMA). Define the secondary market area (SMA) if appropriate. Include a map that clearly delineates the areas and an explanation of the basis for the boundaries of the PMA and SMA. Identify PMA (and SMA if appropriate) boundaries by census tracts, jurisdictions, street names, or other geography forming the boundaries. Also define the larger geographic area in which the PMA is located (i.e. city, county, MSA, etc.).
2. Provide a description of the site characteristics including its size, shape, general topography and vegetation and proximity to adverse conditions.
3. Provide photographs of the site and neighborhood, and a map clearly identifying the location of the project and the closest transportation linkages, shopping, schools, medical services, public transportation, places of worship, and other services such as libraries, community centers, banks, etc. In situations where it is not feasible to show all the categories on a map, the categories may be addressed in the narrative.
4. Describe the suitability of the proposed site.
5. Describe and evaluate the visibility and accessibility of the site.

Exhibit G: Model Content Standards for Rental Housing

6. Provide information or statistics on crime in the PMA relative to data for the overall area. Address any local perceptions of crime or problems in the PMA.

D. Employment and Economy.

Provide data and analysis on the employment and economy of the Primary Market Area (PMA) to give an understanding of the overall economic health of the community in which the PMA is located. List sources for the data and methodology for the analysis.

1. Provide a description of employment by industry sector for the PMA or smallest geographic area available that includes the PMA and compare the data to the larger geographic area, e.g. the city, county, labor market area, or metropolitan statistical area (MSA).
2. Show the historical unemployment rate for the last ten years (or other appropriate period) for the most appropriate geographic areas.
3. List major employers in the PMA, the type of business and the number employed .
4. Show employment growth over the same period or a more recent, shorter period (last 5 years). Compare to the larger geographic area.
5. Comment on trends for employment in the PMA in relation to the subject.
6. If relevant (such as in resort areas), comment on the availability of affordable housing for employees of businesses and industries that draw from the PMA.
7. Provide a breakdown of typical wages by occupation.
8. Provide commuting patterns for workers such as how many workers in the PMA commute from surrounding areas outside the PMA.

E. Demographic Characteristics

Present recent census demographic data for the PMA (and SMA if appropriate) and other geographic areas (like cities, counties, or states) as appropriate. Current year estimates and five-year projections are typical. Estimates and projections should be from reliable sources. All sources of data should be identified.

1. Current and Projected population and household counts.
2. If relevant in the market, a 10-year, or other appropriate period, history of building permits, if available, by housing type and comments on building trends in relation to household trends.
3. Total population characteristics such as age and household type.
4. Households by incomes in $5,000-$10,000 increments by tenure.
5. An analysis of trends indicated by the data including an explanation of methodologies for analyst-generated estimates.
6. Households by tenure.

Exhibit G: Model Content Standards for Rental Housing

F. Competitive Environment.

Provide information on other multifamily rental housing in the Primary Market Area (PMA) and any rental housing proposed to be developed in the PMA. This section of the market study should include:

1. Identify a list of existing comparable properties, including: name, location, population served, type of design, age and condition, number of units by bedroom type, rent levels, number of bedrooms and baths for each unit type, size in square footage of units, kitchen equipment, type of utilities (state whether paid by tenant or owner and energy sources for hot water, heat and cooking), unit and site amenities included, site staffing, occupancy rate, absorption history (if recently completed), name, address and phone number of property contact. Attach photos of each comparable property. Include a map identifying the location of each comparable property in relation to the subject.
2. Provide a narrative evaluation of the subject property in relation to the comparable properties, and identify the competitive properties, which are most similar to the proposed development. The analyst should state why the comparables referenced have been selected, which are the most directly comparable, and explain why certain projects have not been referenced.
3. Comparable property comparisons to the subject in terms of amenities, tenant paid utilities, location, parking, concessions and rent increase or decrease trends.
4. The market vacancy rate for the PMA rental housing stock by population served (i.e. market rate, low income housing tax credit, and project based rent assistance) and type of occupancy (i.e. family, seniors, special populations) and unit size.
5. Discuss any significant impact of the subject development on the existing rental housing stock.
6. Identify the number of people on waiting lists for each project.
7. Describe the size of the overall rental market in the PMA, including the percentage of Market Rate and Affordable Housing properties.
8. Discuss the availability and cost of affordable housing options, including purchase or sale of homes, if applicable.
9. Discussion of rental projects planned or under construction in the market area. Include a list of LIHTC projects with allocations in or near the market area that are not placed in service, giving as much known detail as possible on estimated placed-in-service dates, unit mix and income levels to be served.

G. Analysis/ Conclusions

1. Provide a detailed analysis of the income levels of the potential tenants for the proposed units. State and support the minimum household income used for total

Exhibit G: Model Content Standards for Rental Housing

housing expenses to set the lower limit of the targeted household income range. If required, provide an analysis based on the regulating agency's requirements.

2. Calculate the capture rate for each income limit in the subject property incorporating any housing finance agency or other regulating agency restrictions such as age, income, living in substandard conditions, renters versus home owners, household sizes, etc.
3. Calculate the penetration rate.
4. Define and justify the absorption period and absorption rate for the subject property.
5. Provide documentation and descriptions that show the methodology for calculations in the analysis section and relate the conclusions to the data.
6. Derive a market rent and an achievable rent and then compare them to the developer's proposed rent. Quantify and discuss market advantage of the subject and impact on marketability.
7. Project and explain any future changes in the housing stock within the market area.
8. Identify risks (i.e. competitive properties which may come on line at the same time as the subject property; declining population in the PMA, etc.), unusual conditions and mitigating circumstances. Evaluate need for voucher support or HUD contracts.

H. Local Perspective of Rental Housing Market and Housing Alternatives.

The market study should include a summary of the perspective on the rental market, need for the proposed housing and unmet housing need in the market. The local perspective should consider:

1. Interviews with local planners, housing and community development officials and market participants to estimate proposed additions to the supply of housing that would compete with the subject and to evaluate the local perception of need for additional housing.
2. Interview local public housing authority (PHA) officials and seek comment on need for housing and possible impact of the proposed development on their housing inventory and waiting lists for assisted housing. Include a statement on the number and availability of housing choice vouchers and the number and types of households on the waiting lists for housing choice vouchers. Compare subject's proposed rents to local payments standards or median rents.

I. Other Requirements

1. Date report was prepared, date of inspection and name and telephone number of analyst preparing study.

Exhibit G: Model Content Standards for Rental Housing

2. Certification of no identity of interest between the analyst and the entity for whom the report is prepared.
3. Certification that recommendations and conclusions are based solely on professional opinion and best efforts.
4. Statement of qualifications.
5. List of sources for data in the market study that are not otherwise identified.
6. NCAHMA Market Study Checklist.
7. Append current utility allowance schedule (or utility company provider letters).

Information to be Provided by Housing Finance Agency or Other Regulatory Agency

The housing finance agency or other regulatory agency to which the market study will be provided will be expected to cooperate in the completion of the market study and provide the documentation listed below. If data relative to the housing finance agency or other regulatory agency financed properties is not provided by the agency, then the analysts should not be required to include this data in the market study.

1. Average operating costs for other agency financed housing similar in size, design, and target population in the PMA or region
2. Average and maximum management fees permitted based on type and size of project or a statement that the agency does not in have the data or does not limit management fees
3. Data on rental housing inventory in the PMA financed or assisted by the agency or which has received preliminary approval or reservations of funding of low income housing tax credits and is expected to become available in the market. This data should include property address, number and type of units, rents by unit type, income limits, and other relevant information.

IV. Additional Work

The documentation and analysis outlined previously in section II constitutes the entire content for a market study. A housing finance agency, other regulatory agency or developer may desire a market analyst to provide additional information beyond the basic scope of the market study. Any additional documentation or analysis beyond the scope of the market study will be performed for additional compensation above the cost of the market study. Some examples of additional work include:

1. Preparation of estimates of the annual operating expenses for the operation of the subject property, upon achieving a stabilized level of occupancy;
2. Report on the zoning designation of the property and comments on conformance of the subject property's conformance with zoning. This additional work also may include a zoning map, zoning ordinance or letter from the local zoning official;

Exhibit G: Model Content Standards for Rental Housing

3. Report on the flood zone for the property and a copy of the flood zone map; Census of all rental property in an area.
4. Evaluation of special needs set aside, including demands for target population, and its impact on the rents the property can attain.

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Exhibit H: Market Study Index

The following information must be included in a market study. The market study author must organize the information using this index or provide the corresponding page number(s) for each item.

I. Executive summary

A. Statement that a market exists for the proposed project
B. Recommendations or suggested modifications to the proposed project
C. Estimated stable year vacancy rate for the proposed project
   1. Explanation if greater than 7%
D. Estimated lease-up time for the proposed project
   1. Explanation if greater than one year

II. Description of the proposed project - including location; project design; number of units, bedrooms and baths; amenities; rents and utility allowances; population served; review of site and floor plans; etc.

III. Description of the primary market area (PMA) for the project

A. Map of the PMA
B. Methodology used to determine boundaries
C. Explanation if areas outside of five-mile radius included
D. Health of the overall rental housing market

IV. Rent comparison

A. Rents for the proposed project

B. Market rents and methodology for calculation of market rents

V. Number of income-eligible renter households in the PMA

A. Percentage required to fully lease-up the project

   1. Explanation if greater than 10%

VI. Description, evaluation and map of services (including approximate distance to project)

A. Public services
B. Infrastructure
C. Community services
D. Employers

VII. Number of income-eligible special needs households in the PMA

A. Percentage required to meet the special needs set-aside
B. Source of information

Exhibit H: Market Study Index

VIII. Federally subsidized and Housing Credit projects (including projects under construction) in the PMA

A. Brief description of each project - including number of units, rents, amenities, unit and bedroom sizes, population served, etc.
B. Current vacancy rate for each project
C. Contact name and method of contact for each project
D. Ratio of all subsidized and Housing Credit units to the number of income-eligible renter households in the primary market area
E. Estimated vacancy rate for each Housing Credit project (except those under construction) during the first stabilized year of the proposed project
   1. Explanation for estimated vacancy rates greater than 10%

IX. List of comparable market rate developments in the primary market area

A. Brief description of each project - including number of units, rents, amenities, unit and bedroom sizes, population served, etc.
B. Current vacancy rate for each project
C. Contact name and method of contact for each project

X. Watch Area Information (if applicable)

A. Demonstrate that the project will be successful
B. Demonstrate that other affordable housing will not be negatively impacted

XI. Analysis of Public Housing Authority (PHA) concerns and issues

A. Copy of letter and certified mail receipt or details of interview
B. Copy of response(s) from PHA or transcript of interview
C. Narrative that evaluates and addresses any issues or concerns raised by the PHA

XII. Original signed copy of OHFA Form 003 - Market Study Certification

XIII. Listing of all data sources used in the study

Exhibit I: 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.

Exhibit I: Universal Design 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.

Exhibit J: Model Language for Public Notification Letters

[PROJECT NAME]
[DEVELOPER NAME]
[ADDRESS]
[CONTACT INFORMATION]
[DATE]
CERTIFIED MAIL RETURN RECEIPT REQUESTED

[Applicable Public Official]
[Title]
[Name of Political Jurisdiction]
[Address]
[City, State, Zip]

RE:[Name of Project]

Dear [Applicable Public Official]:

The purpose of this letter is to apprise your office that [Name of General Partner or Managing Member] will be the [general partner or managing member] of a residential rental development located in or within a one-half mile radius of your political jurisdiction, and plans to utilize the multifamily funding programs of the Ohio Housing Finance Agency (OHFA) for the development of this property.

[Provide a complete description of the proposed housing, including the number and type of buildings, number of units by bedroom and bath sizes, project and unit amenities, target population, services provided to residents, and any other descriptive characteristics that you wish to convey to public officials.]

The project will draw from a Primary Market Area (PMA) consisting of [indicate all applicable cities and/or townships] in ______________________County. The area is approximately bounded by_________________to the north,______________to the east,__________________to the south, and_________________to the west. Approximately_______families in the market area are eligible to live in the development.

The development will be financed with [list all applicable financing sources, including conventional first mortgage, Housing Credit proceeds, HDAP funds, local funding sources, etc.]

Timeline: Construction cycle beginning in [month, year] and ending in [month, year]. The lease-up period will be within [number of months] from completion with an estimated_______% stabilized occupancy rate.

Income and Rent Targeting:

_________________% of the units at or below 35% of area median gross income ($__________).

_________________% of the units at or below 50% of area median gross income ($__________).

_________________% of the units at or below 60% of area median gross income ($__________).

Development Team:

[General Partners or Managing Members]
[Developer]
[Contractor]
[Property Manager]

Exhibit J: Model Language for Public Notification Letters

Proposed Rents: [Indicate the proposed net rents by bedroom size and income level, and the median market rent for comparable units in the PMA.]

Project Address: [Be as specific as possible; note the city or township location as well as the county location.]

Number of Units:

Program(s) Utilized in the Project: [Indicate all applicable OHFA sources, including the Housing Credit Program, Housing Development Assistance Program, Housing Development Loan Program and/or Multifamily Bond Program.]

Right to Submit Comments: You have the right to submit comments to OHFA regarding the development's impact on the community. If you intend to submit a statement of disapproval or objection, you must submit a written statement that is signed by a majority of the voting members of the legislative body governing your jurisdiction. This written statement must be forwarded to the Executive Director of OHFA and be delivered by certified mail, return receipt requested.

The person to be notified at OHFA and their address is:

Mr. Douglas A. Garver, Executive Director
Ohio Housing Finance Agency
57 E. Main Street
Columbus, OH 43215

A written statement of disapproval or objection must be submitted within 30 days of your receipt of this notice, and must be received by OHFA within 45 days of the date of this letter.

OHFA is required to respond to any written statement submitted under the terms outlined above.

Sincerely,

Name
Title of Writer

Exhibit K: Qualified Census Tracts

2010 IRS SECTION 42(d)(5)(C) QUALIFIED CENSUS TRACTS
(2000 Census Data; OMB Metropolitan Area Definitions, December 5, 2005)

Information last updated by HUD 11/20/07

STATE: Ohio

COUNTY OR COUNTY EQUIVALENT	TRACT	TRACT	TRACT	TRACT	TRACT	TRACT	TRACT	TRACT	TRACT	TRACT	TRACT	TRACT
Allen County	125.00	127.00	128.00	133.00	134.00	136.00	137.00	138.00				
Ashtabula County	7.01	7.03										
Athens County	9726.00	9727.00	9728.00	9729.00	9730.00	9731.01	9731.02	9731.03				
Belmont County	115.00	116.00	121.00									
Butler County	3.00	4.00	6.00	7.01	7.02	8.00	101.01	101.03	101.04	128.00	129.00	130.00
	131.00	140.00										
Clark County	1.00	2.00	3.00	7.00	9.01	12.00						
Columbiana County	9521.00	9523.00										
Cuyahoga County	1011.01	1012.00	1013.00	1015.00	1017.00	1018.00	1019.00	1024.02	1025.00	1026.00	1027.00	1028.00
	1029.00	1032.00	1033.00	1034.00	1035.00	1037.00	1038.00	1039.00	1041.00	1043.00	1044.00	1045.00
	1046.00	1047.01	1047.02	1048.00	1049.00	1051.00	1052.00	1054.00	1056.01	1056.02	1072.00	1073.00
	1075.00	1077.00	1078.00	1079.00	1082.00	1083.00	1084.00	1085.00	1086.00	1087.00	1088.00	1089.00
	1093.00	1096.00	1097.00	1098.00	1104.00	1105.00	1106.00	1108.00	1109.00	1111.00	1112.00	1113.00
	1114.01	1114.02	1115.00	1116.00	1117.00	1118.00	1119.01	1119.02	1121.00	1122.00	1123.00	1124.00
	1126.00	1127.00	1128.00	1129.00	1131.00	1132.00	1133.00	1134.00	1135.00	1136.00	1137.00	1138.00
	1139.00	1141.00	1142.00	1143.00	1144.00	1145.00	1146.00	1147.00	1148.00	1149.00	1151.00	1152.00
	1153.00	1154.00	1155.00	1161.00	1162.00	1164.00	1165.00	1166.00	1167.00	1168.00	1169.00	1171.02
	1172.01	1172.02	1173.00	1175.00	1178.00	1179.00	1181.00	1182.00	1184.00	1185.00	1186.01	1186.02

Exhibit K: Qualified Census Tracts

	1187.00	1188.00	1189.00	1191.00	1192.01	1192.02	1193.00	1194.02	1195.02	1196.00	1197.02	1198.00
	1199.00	1201.00	1202.00	1204.00	1205.00	1206.00	1207.01	1208.02	1211.00	1212.00	1213.00	1214.01
	1216.00	1233.00	1238.00	1244.00	1275.00	1501.00	1503.00	1504.00	1511.00	1512.00	1513.00	1514.00
	1515.00	1516.00	1517.00	1518.00	1527.01	1618.00	1915.00					
Erie County	408.00											
Fairfield County	317.00											
Franklin County	7.20	7.30	9.10	9.20	10.00	11.10	11.20	12.00	13.00	14.00	15.00	16.00
	17.00	18.10	22.00	23.00	25.20	26.00	27.10	28.00	29.00	30.00	36.00	37.00
	38.00	40.00	42.00	47.00	48.20	50.00	51.00	53.00	54.10	54.20	55.00	56.10
	60.00	61.00	68.30	74.10	75.11	75.20	75.32	75.34	75.40	78.20	82.30	82.41
	83.50	87.20	87.30	93.31								
Gallia County	9537.00											
Greene County	2001.02											
Guernsey County	9776.00											
Hamilton County	1.00	2.00	3.01	3.02	4.00	7.00	8.00	9.00	10.00	11.00	14.00	15.00
	16.00	17.00	19.00	21.00	22.00	23.00	25.00	26.00	28.00	29.00	30.00	32.00
	33.00	34.00	35.00	36.00	37.00	38.00	39.00	47.02	63.00	66.00	67.00	68.00
	69.00	74.00	77.00	80.00	84.00	85.02	86.01	87.00	88.00	89.00	91.00	92.00
	93.00	94.00	95.00	100.02	227.00							
Jefferson County	2.00	4.00	8.00	9.00								
Lawrence County	503.00	504.00	506.00									
Licking County	7501.00	7504.00	7525.00									
Lorain County	223.00	228.00	229.00	231.00	238.00	239.00	708.00	709.01				

Exhibit K: Qualified Census Tracts

Lucas County	8.00	9.00	12.02	13.02	13.04	14.00	15.00	16.00	17.00	18.00	19.00	20.00
	21.00	22.00	23.00	24.02	25.00	26.00	27.00	28.00	29.00	30.00	31.00	32.00
	33.00	34.00	35.00	36.00	37.00	38.00	40.00	41.00	42.00	43.01	47.01	48.00
	51.00	53.00	54.00	68.00	73.03							
Mahoning County	8002.00	8004.00	8005.00	8006.00	8007.00	8009.00	8010.00	8016.00	8017.00	8019.00	8020.00	8021.00
	8022.00	8023.00	8024.00	8025.00	8031.00	8032.00	8034.00	8035.00	8037.00	8040.00	8041.00	8043.00
	8044.00	8103.00										
Meigs County	9644.00											
Montgomery County	3.00	7.00	9.00	10.00	12.00	13.00	14.00	15.00	17.00	18.00	19.00	20.00
	21.00	22.00	23.00	34.00	35.00	36.00	37.00	38.00	39.00	40.00	41.00	42.00
	43.00	44.00	45.00	602.00	702.01	702.02	703.00	805.00				
Muskingum County	9814.00	9821.00										
Pickaway County	201.00	204.00										
Pike County	9527.00											
Portage County	6015.01	6015.02	6015.03									
Richland County	1.00	2.00	3.00	6.00	7.00							
Scioto County	9932.00	9934.00	9935.00	9936.00								
Stark County	7001.00	7015.00	7017.00	7018.00	7021.00	7023.00	7102.00	7104.00	7105.00	7138.00	7142.00	
Summit County	5011.00	5012.00	5013.01	5013.02	5017.00	5018.00	5019.00	5021.01	5024.00	5025.00	5032.00	5034.00
	5038.00	5041.00	5042.00	5044.00	5046.00	5051.00	5053.00	5056.00	5063.04	5065.00	5066.00	5067.00
	5068.00	5069.00	5074.00	5075.00	5101.00	5103.01						
Trumbull County	9201.00	9205.00	9206.00	9208.00	9212.00	9324.00						
Wayne County	15.00											
Wood County	217.01	217.02	218.00									

Exhibit L: List of Counties by OHFA Region

Northwest Region	Central Region	Northeast Region	Southwest Region	Southeast Region
Allen	Ashland	Ashtabula	Adams	Athens
Auglaize	Crawford	Carroll	Brown	Belmont
Defiance	Delaware	Columbiana	Butler	Galia
Erie	Fairfield	Coshocton	Champaign	Guernsey
Fulton	Fayette	Cuyahoga	Clark	Harrison
Hancock	Franklin	Geauga	Clermont	Hocking
Hardin	Knox	Holmes	Clinton	Jackson
Henry	Licking	Lake	Darke	Jefferson
Huron	Madison	Lorain	Greene	Lawrence
Lucas	Marion	Mahoning	Hamilton	Meigs
Mercer	Morrow	Medina	Highland	Monroe
Ottawa	Pickaway	Portage	Logan	Morgan
Paulding	Richland	Stark	Miami	Muskingum
Putnam	Union	Summit	Montgomery	Noble
Sandusky		Trumbull	Preble	Perry
Seneca		Tuscarawas	Shelby	Pike
Van Wert		Wayne	Warren	Ross
Williams				Scioto
Wood				Vinton
Wyandot				Washington

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