OHIO HOUSING FINANCE AGENCY

2015 QUALIFIED ALLOCATION PLAN

OHIO HOUSING FINANCE AGENCY

A letter from the Executive Director

In accordance with the Ohio Revised Code Section 175.06, the Ohio Housing Finance Agency serves as the housing tax credit agency for the State of Ohio and performs all responsibilities of a housing tax credit agency pursuant to Section 42 of the Internal Revenue Code and similar applicable laws.

Established in 1986, the Housing Tax Credit program has consistently proven to be a successful public and private partnership, creating more than 100,000 quality, affordable rental housing units for Ohio families who need it the most. This program generates lasting economic benefits through employment opportunities and recurring revenue for state and local governments.

Sincerely,

Douglas A. Garver

A Letter to Our Stakeholders:

I am pleased to present the 2015 Qualified Allocation Plan, developed in collaboration with partners and stakeholders who share OHFA's vested interest in advancing housing policy that addresses the needs of Ohioans.

OHFA's housing development programs, including the Housing Tax Credit Program, integrate into a single, overarching objective: to expand affordable housing opportunity for low- to moderate-income households in communities throughout Ohio. This charge provides focus for the Office of Planning, Preservation and Development (PP&D) and guides how we engage with our partners, solve problems and allocate resources.

The objectives of the 2015 Qualified Allocation Plan are multifaceted but are focused around four key themes which together create a framework to gauge and define program success:

- Funding a diverse array of developments while achieving a balanced distribution of resources
- Promoting the highest, best and most efficient use of the Housing Tax Credit resource
- Leveraging and contributing to economic development throughout the state
- Expanding the range of housing choices for Ohioans and furthering compliance with the Fair Housing Act

PP&D is increasingly building into its programmatic activities a focus on planning, analysis and evaluation as we work to create intentional and evidence-based housing policy. The selection criteria in the 2015 QAP are an outgrowth of this new focus and reflect a greater consciousness about making measurable and lasting differences in the most indomitable areas of housing need in our state.

Ongoing dialogue and consultation with advocates, stakeholders and members of the development community was also paramount to development of the 2015 QAP. Engagement with these partners occurred at a variety of levels, providing inclusive opportunities to problem-solve and inform decision-making on policy issues.

Comments, ideas and other feedback was captured through a process which included an initial Public Forum held on July 8, 2014; a series of focus groups conducted between July 10 and August 21, 2014; a Public Hearing held on August 20, 2014; and a formal comment period observed through August 29, 2014.

OHFA remains committed to fostering a transparent allocation process in program year 2015 understanding that this assurance is critical to the ongoing success of the Housing Tax Credit program. We will rely on the functionality and structure of the 2014 QAP selection process which featured an objective methodology for evaluating the merits of each proposal and will also share information on those proposals that do not receive points in areas that are not completely objective.

We are excited about new opportunities in the 2015 program year – welcoming new staff, transitioning to new leadership and orienting the Housing Tax Credit program toward the future as we approach a rewrite of the QAP in program year 2016.

Respectfully Submitted,

Andrew Bailey

Director of Planning, Preservation and Development

About the 2015 Qualified Allocation Plan

The Qualified Allocation Plan (QAP) is the planning document that explains the basis upon which Housing Tax Credits will be awarded by the Ohio Housing Finance, the state allocating agency for the Low-Income Housing Tax Credit Program.

In developing this document for the 2015 program year, the Office of Planning, Preservation & Development sought input from advocates, stakeholders and members of the development community to provide inclusive opportunities to inform decision-making on policy issues that address the housing needs of low and moderate income households.

Comments, ideas and other feedback was captured through a process which included an initial Public Forum held on July 8, 2014; a series of focus groups conducted between July 10 and August 21, 2014; a Public Hearing held on August 20, 2014; and a formal comment period observed through August 29, 2014.

The following is a list of staff members and individuals that provided guidance in planning the 2015 Housing Tax Credit Program:

Executive Director:	**Douglas A. Garver**
Chief of Staff:	**Sean Thomas**
Director of Planning, Preservation & Development:	**Andrew Bailey**
Acting Director of Program Compliance:	**Betsy Krieger**

Karen Banyai
Operations Manager

Myia Batie
Program & Policy Manager

Kathy Berry
Housing Grant Analyst

Kevin Clark
Project Portfolio Manager

Kelan Craig
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Darrell Davis
Housing Grant Analyst

Celia Elkins
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Kathy Hottinger
Housing Grant Analyst

Jim Evans
Housing Grant Analyst

Deborah Leasure
Planner

Jonathan McKay
Housing Grant Analyst

Sally Mitchell
Housing Grant Analyst

Mark Schluetz
Architect

Matt Wootton
Housing Grant Analyst

OHFA would like to thank our partners who attended forums, focus group meetings and provided written comments on the 2015 QAP:

American Community Development
Buckeye Community Hope Foundation
Cincinnati Metropolitan Housing Authority
City of Cleveland
City of Columbus
City of Dayton
Cleveland Housing Network
Coalition on Homelessness and Housing in Ohio
Columbus Metropolitan Housing Authority
Community Housing Network
Council for Rural Housing and Development of Ohio
Cuyahoga County
Detroit Shoreway Community Development Organization
DFP Enterprises
Emerald Development & Economic Network
Enterprise Green Communities
Episcopal Retirement Homes, Inc.
Fairfield Homes, Inc.
Famicos Foundation
Federal Reserve Bank of Cleveland
Fortus Group
Frontier Community Services
Greater Ohio Policy Center
Herman and Kittle
Homes on the Hill Community Development Corporation
Keating Muething & Klekamp
Lawler-Wood Housing Partners
Legal Aid Society of Cleveland
Legal Aid Society of Southwest Ohio
Legal Aid Society of Southwest Ohio
Lucas Metropolitan Housing Authority
LW Associates
Millennia Housing Development
Miller Valentine Group
National Church Residences
National Housing Partnership
National Housing Trust
NDS Inc.
NRP Group
Oberer Companies
Ohio Capital Corporation for Housing
Ohio Department of Developmental Disabilities
Ohio Department of Mental Health and Addiction Services
Ohio Housing Authorities Conference
Ohio Housing Council
Ohio Poverty Law Center
PIRHL
Showe Management Corporation
Southwestern Ohio Legal Services
Stock Development Company
Talbert House
Testa Companies
The Community Builders
Trumbull Metropolitan Housing Authority
United North
Wallick Communities
Woda Group
WSOS Community Action Agency, Inc.
Yellow Springs Home, Inc.

Table of Contents

Purpose

The Housing Tax Credit Program (also known as the Low-Income Housing Tax Credit or LIHTC Program) is a federal income tax incentive program designed to increase the supply of quality affordable rental housing by assisting with the financing of development costs. As the allocating agency for the Housing Tax Credit program, the Ohio Housing Finance Agency (OHFA) has facilitated the statewide development of more than 104,500 affordable rental units since 1987.

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

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

Guidelines governing the Housing Tax Credit Program are designed to advance the strategic priorities and policy initiatives outlined in OHFA's 2015 Annual Plan, as approved by the OHFA Board on June 18, 2014.

Application Process

All applications for the Housing Tax Credit Program must be submitted to the Office of Planning, Preservation and Development; OHFA; 57 East Main Street; Columbus, Ohio 43215. Applications must be received on the respective dates listed in the program calendar. Applicants must use the 2015 Affordable Housing Funding Application (AHFA) and DevCo Online Application, which will be available on the OHFA website at www.ohiohome.org by the dates listed in the program calendar. All applications and supporting documentation must be submitted in digital format according to the Document Submission Procedure. See the instructions in the 2015 AHFA for details on electronic submissions.

The preferred method of contact for questions regarding the application process is via email to 2015QAPMailbox@ohiohome.org. You may also contact the Office of Planning, Preservation and Development by telephone at (614) 466-0400.

The application review process for 9% Housing Tax Credits will consist of two stages: a proposal application and a final application. The process for applications seeking 4% credits is also outlined in this section.

A. 9% Proposal Application Process

The proposal application consists of the 2015 AHFA and all supporting documentation indicated in the AHFA.

Requests for Exceptions

Any request for an exception to specific program requirements referenced in the threshold review section of this guideline must be submitted in advance of the proposal application by the date indicated in the program calendar. OHFA will consider such requests and issue decisions by the date indicated in the program calendar. Exceptions will be considered only for those items specifically identified in these guidelines. Requests for exceptions to specific underwriting requirements, as outlined in the Multifamily Underwriting Guidelines, must be submitted with the proposal application.

Public Notification and Comment

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

Proposal Summaries

Proposal summaries containing basic information about each proposal application must be completed by the applicant in a format specified in the AHFA. Proposal summaries for all applications will be posted to the OHFA website. Additional application materials will not be made available to the public until OHFA has announced the results of the proposal review stage.

Site Visits

OHFA may conduct a site visit to gather information that will be used to help evaluate proposal applications. Proposal applications that competed in the 2014 Housing Tax Credit funding cycle but were not awarded will retain points from the previous OHFA site visit. OHFA will not conduct a new site visit unless the proposal application is competing under a different preservation category or if site amenities have changed. The applicant must provide a detailed map clearly depicting the physical location of the site and all roads leading to the site. Up to two representatives of the applicant who are familiar with the proposal application are encouraged to accompany OHFA staff to answer any questions. The applicant may request in advance that additional representatives be present if necessary and acceptable to OHFA. Applicants for scattered-site developments must be available to provide a tour of the sites and neighborhoods. All site visits will be scheduled at a time convenient to OHFA review staff.

Community Housing Development Organization (CHDO) Certification

Any applicant seeking to participate in the development as a state-certified CHDO must submit a CHDO Certification and Operating Grant application at the time of proposal application. OHFA will certify these organizations during the proposal review stage. Questions and correspondence regarding CHDO certification may be directed to Debbie Leasure at dleasure@ohiohome.org.

Cost Containment

After all proposal applications have been received, OHFA will implement a cost containment measure to remove developments with high costs that appear to be outliers from those applications that have been submitted for each pool.

Any proposal application that is two standard deviations from the mean of the pool for both total development cost per unit and total development cost per square foot will be removed from further consideration and not processed.

OHFA will exclude assumed debt from calculations on existing rental unit developments.

Proposal Review

OHFA will first complete a competitive review of all proposal applications consisting of five areas:

A. Local Collaboration

B. Development Characteristics

C. Economic Characteristics

D. Market Characteristics

E. Areas of Distinction

F. Preservation Characteristics

Applicants must submit proper evidence of each item elected and will be held to all commitments if the proposal application receives an award of Housing Tax Credits.

OHFA will complete a threshold review of the highest ranking proposal applications that are competitively awarded to ensure that required items have been submitted and are complete and correct. In accordance with OHFA policy and state and federal requirements, OHFA will also perform a financial underwriting analysis to ensure that developments awarded Housing Tax Credits receive the minimum amount of subsidy necessary to develop cost-effective, financially viable, and sustainable affordable housing developments.

Proposal applications that are selected for an award of Housing Tax Credits will continue to the final application stage.

B. 9% Final Application Process

A final AHFA will be distributed to applicants that receive an award of Housing Tax Credits in the proposal review stage. This application must be completed and submitted with all required supporting documentation by the deadline in the program calendar.

OHFA will perform a threshold review of final applications to ensure that required items have been submitted and are complete and correct, and a financial underwriting analysis to ensure that all underwriting requirements are met and that final applications are awarded the minimum amount of subsidy necessary to develop cost-effective, financially viable, and sustainable affordable housing developments. Applicants will have an opportunity to correct deficiencies and address issues found during the threshold review and underwriting stages. OHFA will contact the applicant with any questions during this process. Developments that receive gap financing or other OHFA funding in addition to Housing Tax Credits will be presented to the OHFA Board for consideration of these other sources.

C. 4% Application Process

Developments receiving tax-exempt bonds that finance over 50% of the total aggregate basis may apply for an award of 4% Housing Tax 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 Tax Credits is not competitive, OHFA will verify that all developments have the appropriate development team in place, meet all threshold requirements, and meet OHFA's underwriting requirements. OHFA reserves the right to reject any 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 Tax Credits awarded to all tax-exempt bond financed developments.

OHFA will accept applications on a quarterly basis beginning February 2015. OHFA will publish a calendar to the OHFA website that outlines these quarterly dates. All applicants that intend to submit a 4% Housing Tax Credit application must contact Karen Banyai, Operations Manager, at least 45 days prior to the application submission date to establish a time to meet with OHFA staff. OHFA may waive this requirement for experienced partners upon request. The purpose of these meetings is to ensure that all requirements are clear and to answer any questions applicants or OHFA staff may have.

If public notification requirements have been met and all threshold deficiencies have been corrected, OHFA may take up to six weeks to review an application and issue 42m letter of eligibility. The letter will be issued when all requirements are satisfactorily completed.

Development-specific conditions will be listed in the Housing Tax Credit (42m) letter of eligibility.

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

1. For locally issued bonds (non-OHFA), the inducement resolution or final approval resolution of the issuer is required. In addition, a letter from the bond underwriter indicating the anticipated interest rate, term and amortization of the bonds must be submitted.
2. OHFA reserves the right to require a legal opinion stating that the development is eligible to receive an allocation of Housing Tax Credits pursuant to Section 42(h)(4) of the Internal Revenue Code (IRC).
3. A representative of the developer or management company must meet with the OHFA Program Compliance Office within six months following issuance of the 42m letter of eligibility to review management practices and establish a timetable for the placed-in-service review.

The minimum underwriting requirements outlined in the Multifamily Underwriting Guidelines will apply to 4% Housing Tax Credit developments, however the owner has the option to elect the Housing Tax Credit rate during the month in which the bonds are issued or the month the development is placed-in-service. Please note that the rate election period is tied to the month the notice of issuance indicates. If a development 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 development is placed-in-service will be used.

D. Program Calendar

Date	Applicant	OHFA	Public Comment
Wednesday, October 1, 2014		2015 AHFA and application review worksheets released	
Monday, October 6, 2014		2015 Affordable Housing Funding Training held in Columbus and online	
Friday, December 12, 2014	Deadline to submit requests for exceptions		
Friday, December 19, 2014	Deadline to submit DevCo online application registration form		
Thursday, January 8, 2015	Deadline to commission market studies		
Friday, January 9, 2015		Decisions issued for exceptions to specific program requirements	
Friday, January 16, 2015		DevCo online application forms entered, DevCo online application opens	
Friday, February 20, 2015	Deadline to submit proposal applications		Consideration of public comments begins
Friday, February 27, 2015		Proposal summaries posted on the OHFA website	
Monday, March 2, 2015		Competitive scoring and underwriting begins	
Monday, March 2, 2015	Site visits begin		
Monday, April 27, 2015	Site visits conclude		
Thursday, April 30, 2015			Consideration of public comments ends
Monday, May 11, 2015		Notice of preliminary scores and underwriting issues sent to applicants**	
Monday, May 25, 2015	Deadline to respond to preliminary scores and underwriting issues		
Wednesday, June 17, 2015		Final results of competitive scoring released and presented to the OHFA Board	
Friday, June 19, 2015 (Tentative)		Binding reservation agreements and notice of threshold deficiencies issued	
Monday, June 22, 2015	Next steps and debriefing meetings begin		
Friday, June 26, 2015	Deadline to return binding reservation agreements		
Friday, July 3, 2015 (Tentative)	Deadline to submit cures for threshold deficiencies		
Friday, August 28, 2015	Next steps and debriefing meetings begin		
Thursday, September 25, 2015	Deadline to submit final applications		
Wednesday, December 16, 2015		Final date for issuance of Carryover Allocation Agreements	

†The program calendar is subject to change based on the number of proposal applications submitted and site visits required.

Allocation Pools

The annual per capita credit allocation will be divided among the following allocation pools. After reserving the majority of the credits in each pool based on the results of the competitive scoring process, OHFA will select a final application that does not exceed the remaining credits in the pool. If there is no application that meets this criterion, the remaining credits in the pool will be distributed to the Strategic Initiatives pool. OHFA will determine the allocation pool in which each proposal application will compete. Credits not awarded in any pool, or geographic area within the pool, will be distributed to the Strategic Initiatives pool. Geographic definitions for urban, suburban and rural areas can be found below.

A. New Rental Units Pool – Approximately $9,500,000

This pool is intended for the creation of new affordable housing. Adaptive re-use developments, which create new rental units from a building that was not previously designed as housing, will be placed in this pool.

Geographic distribution:

1. Approximately $4,000,000 for developments in urban areas.
2. Approximately $3,500,000 for developments in suburban areas.
3. Approximately $2,000,000 for developments in rural areas.

B. Existing Rental Units Pool - Approximately $8,000,000

This pool is intended for the preservation of existing affordable housing. This does not include developments that create new units while preserving existing subsidies (such as HOPE VI, Choice Neighborhoods, or the use of Section 8 portability), which will compete in the New Rental Units pool.

Geographic distribution:

1. Approximately $3,500,000 for developments in urban areas.
2. Approximately $2,000,000 for developments in suburban areas.
3. Approximately $2,500,000 for developments in rural areas.

C. Permanent Supportive Housing (PSH) Pool – Approximately $4,000,000

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

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

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

PSH developments must obtain approval from their respective HUD designated Continuum of Care or will not be considered for funding.

Geographic Distribution:

1. Approximately $3,250,000 for developments located in the Akron/Summit, Cincinnati/Hamilton, Cleveland/Cuyahoga, Columbus/Franklin, Dayton/Montgomery and Toledo/Lucas Continuums of Care.

2. Approximately $750,000 for developments located in all other areas of the state. If no such applications are submitted, the set-aside will redistributed to other developments competing in the PSH pool.

D. Strategic Initiatives Pool

Proposal applications that do not receive an award of Housing Tax Credits in the other pools will be considered in this pool. The remainder of the annual credit allocation will be awarded at the sole discretion of OHFA to proposal applications that advance the strategic priorities and policy initiatives outlined in OHFA's 2015 Annual Plan.

E. Geographic Definitions

Urban Cities	Suburban and Mid-sized Counties	Rural Counties	
Akron	Butler	Allen	Knox
Cincinnati	Clark	Adams	Lawrence
Cleveland	Clermont	Ashland	Logan
Columbus	Cuyahoga	Ashtabula	Madison
Dayton	Delaware	Athens	Marion
Toledo	Fairfield	Auglaize	Meigs
	Franklin	Belmont	Mercer
	Geauga	Brown	Monroe
	Greene	Carroll	Morgan
	Hamilton	Champaign	Morrow
	Lake	Clinton	Muskingum
	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	

Proposal Review Process

A. Competitive Scoring for 9% Proposal Applications

OHFA will first perform a competitive review of all proposal applications consisting of five areas:

A. Local Collaboration

B. Development Characteristics

C. Economic Characteristics

D. Market Characteristics

E. Areas of Distinction

F. Preservation Characteristics

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

OHFA will award points based on its sole discretion and will not award points to any project if it is claiming points that do not meet the intent of the criteria.

The point values for each area of the competitive selection process are different for each of the allocation pools to account for policy considerations for different types of developments. Please refer to the competitive scoring chart or scoring workbook for point values by allocation pool.

B. Threshold Reviews for 9% Proposal Applications

OHFA will conduct a threshold review of the highest ranking proposal applications to ensure applications are complete, contain all necessary forms and supporting evidence, and meet minimum program requirements. After a review of all threshold requirements, OHFA will offer the applicant an opportunity to correct any deficiencies by the date indicated in the program calendar.

Any request for an exception to specific program requirements referenced in this section must be submitted in advance of the proposal application by the date indicated in the program calendar. OHFA will consider such requests and issue decisions by the date indicated in the program calendar. Exceptions will be considered only for those items specifically identified in this section.

Meets Section 42 Requirements

The proposal application must meet all requirements set forth in Section 42 of the Internal Revenue Code (IRC) of 1986, as amended and all relevant U.S. Department of the Treasury regulations, notices and rulings.

Complete and Organized Application

The AHFA and all required materials must be submitted on a compact disc, organized and formatted according to the index provided with the application. Proposal 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 proposal applications that are incomplete, inconsistent, and/or illegible will be removed from consideration.

Application Fee

An application processing fee will be invoiced after all proposal applications are received. This fee will be assessed based on the number of proposal 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.

Extended Use

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

Proposal Summary

All applicants must complete the OHFA proposal summary tab, which is located in the AHFA. The proposal summary will be posted on the OHFA website for public review and comment.

Scoring Workbook

All applicants must complete the OHFA scoring workbook tab, which is located in the AHFA. Proposal applications that do not include a scoring workbook at the time of submission will be removed from consideration.

Evidence of Site Control

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

If the current owner is not a general partner or limited partner in the development, then evidence of site control must be submitted. Acceptable forms of site control include, but are not limited to, a purchase contract, a purchase option, or a long-term lease agreement (minimum of 35 years in length).

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

Evidence of site control may not expire until a reasonable period following the scheduled announcement date for Housing Tax Credit awards. All option agreements relating to the transfer of a site must be included in the application.

OHFA reserves the right to require, as needed, additional documentation that evidences proper site control.

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

Zoning

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

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

Market Study

A market study conducted by an OHFA-approved market study professional must be submitted with the application. Refer to the OHFA Market Study Standards for requirements, and to the program calendar for deadlines.

Supportive Services Plan

Senior Housing

Applicants proposing housing that sets aside 100% of the units for households containing at least 1 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.

Family Housing

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

Lease Purchase

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

Permanent Supportive Housing

Applicants proposing 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 application 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 development 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 development plans to sustain supportive service provisions over the life of the compliance period.

Preliminary Architectural Plans

Preliminary architectural plans must be submitted and follow all requirements outlined in the design requirements section of the QAP. All preliminary architectural plans will be reviewed for approval by OHFA's staff architect.

Design and Construction Features Agreement

All proposal applications must include a completed Design and Construction Features Agreement. The Design and Construction Features Agreement template will be available on OHFA's website.

Phase I Environmental Site Assessment (ESA) or Mini-Phase I (MP-1)

A Phase I Environmental Site Assessment (ESA) must be submitted for all single-site proposals. Scattered- site developments may submit either a Mini-Phase 1 or a full Phase I ESA. OHFA reserves the right to reject any sites indicated to have environmental problems or hazards. Applicants must submit a Phase I ESA that was completed or updated by the author within one (1) year prior to the application deadline for Housing Tax Credits.

Developments receiving a reservation will be required to have a Phase I ESA valid in accordance with the most current ASTM standard. One of the following is acceptable:

A. A Phase I ESA report dated within 6 months of the funding announcement.

B. If the Phase I ESA report is dated between 6 months and one year prior to the funding announcement, submit an update to the report dated within 6 months of the funding announcement.

C. If the Phase I ESA report is dated over one year prior to the date of the funding announcement, submit a new and complete Phase I ESA report.

Green Standards

OHFA requires that all applicants meet the green building standards outlined in the 2011 Enterprise Green Communities Criteria and successfully achieve program certification for the proposed development. The Criteria are a comprehensive set of building standards specifically designed to help affordable housing developers deliver healthy and efficient homes. For more information about the 2011 Enterprise Green Communities Criteria please visit www.greencommunitiesonline.org. Instructions for submission for Green Communities Certification and other reference materials are located on the OHFA website.

Applicants may substitute Leadership in Energy & Environmental Design (LEED) Certification by the U.S. Green Building Council to meet this requirement.

Applicants must indicate which certification threshold they are seeking at proposal application. Developments will be notified of deficiencies to the green standards at the time of notification for other threshold deficiencies.

If awarded Housing Tax Credits, developments seeking Enterprise Green Communities certification must enroll the project for PreBuild approval in the Enterprise Green Communities portal prior to final application and submit PreBuild approval with final application. Enterprise Green Communities requires 30 days to review and approve projects.

If doing LEED, the appropriate LEED certification checklist must be submitted with the final application to evidence that certification will be achieved.

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

Project Capital Needs Assessment and Scope of Work

Proposal applications for the rehabilitation of existing housing units must submit a Capital Needs Assessment and scope of work. The assessment must conform to the standards outlined in the OHFA Capital Needs Assessment Standards. OHFA will use this assessment to determine whether the costs indicated in the proposal application are appropriate considering the rehabilitation needs of the development.

Public Notification

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

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

1. The political jurisdictions in which the development will be located; and
2. Any political jurisdiction whose boundaries are located within one-half mile radius of the development's location.

The officials to be notified include:

1. The chief executive officer and the clerk of the legislative body for any city or village (i.e. mayor and clerk of council);
2. The clerk of the board of trustees for any township;
3. The clerk of the board of commissioners for any county;
4. State Representative(s);
5. State Senator(s).

The applicant must use the OHFA letter template and include all information requested. The notification must state the applicant's intent to develop housing 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 proposal application.

Scattered-site developments must complete the public notification process for sites under control when the proposal application is submitted, and again for all sites in the development prior to issuance of a Carryover Allocation Agreement, and no later than November 3, 2015.

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

Utility Allowance Information

Utility allowance information must be submitted for all proposal applications that is consistent with Section 42 of the IRC and IRS Regulation 1.42-10. Please refer to the OHFA Utility Allowance policy for information on methods available for calculating utility allowances.

C. Threshold Review for 9% Final Applications

OHFA will conduct a threshold review of the final application to determine if it is complete, contains all necessary forms and supporting evidence, and meets minimum program requirements. After a review of all threshold requirements, OHFA will offer the applicant an opportunity to correct any deficiencies.

Complete and Organized Application

The AHFA and all required materials must be submitted on a compact disc, organized and formatted according to the index provided with the final application. Final 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 final application and must be submitted in its original, paper form. Any final applications that are incomplete, inconsistent, and/or illegible will be rejected.

Changes from Proposal

All changes to the development must be disclosed at submission of final application, and will be reviewed by OHFA on a case-by-case basis. Substantive changes may be permitted at the discretion of the Director of Planning, Preservation and Development, or their designee. Substantive changes include, but are not limited to: changes in ownership or development team, the development's physical structure or site(s) (except scattered- site developments), special needs populations, and any items affecting competitive scoring.

Conditional Financial Commitments

All non-OHFA construction and permanent financing, grants, equity sources and deferred fees or expenses shall be conditionally committed at the time of final application. An executed conditional commitment letter for all sources must be submitted. A conditional financing commitment must contain, at a minimum: the amount of the financing, and the interest rate, term and amortization period or repayment terms of a loan.

Applicants seeking funding from a local government, Federal Home Loan Bank, or other public or quasi- public funding source that does not issue a funding decision prior to the Housing Tax Credit final application deadline must substitute a letter of application or letter of intent from the funding source.

A conditional equity commitment must contain, at a minimum, (a) the amount of Housing Tax Credit equity (net and gross), (b) the pay-in schedule for the equity, (c) the cents per Housing Tax Credit dollar factor used, and (d) the amount of historic equity (if any).

OHFA reserves the right to verify any financial commitment(s) and to require a legal opinion indicating whether the development's sources should or should not affect the development's eligible basis and/or Housing Tax Credit percentage.

OHFA reserves the right to request that the applicant provide a backup plan for any source that may not appear to be conditionally committed.

Community Outreach Documentation

Applicants must evidence that all required outreach efforts required have taken place. This includes the entire community outreach plan for existing rental unit developments as well as the additional local government and general public outreach required for those developments that previously applied in 2014.

Affirmative Fair Housing Marketing Plan

An Affirmative Fair Housing Marketing Plan is required for all developments. Applicants that have a property with development-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 (5) 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 development. A separate plan is required for each census tract in which the development is located.

If assistance is needed, or there are questions regarding the Affirmative Fair Housing Marketing Plan, contact Rachel Grass, Office of Program Compliance at (614) 644-7592 or rgrass@ohiohome.org.

Design and Construction Features Agreement

All final applications must include a complete Design and Construction Features Agreement. The most current Design and Construction Features Agreement template is available on OHFA's website.

Ohio Housing Locator

The owner and/or property manager of all Housing Tax Credit properties funded under this allocation plan will be required to list their properties in the Ohio Housing Locator at www.OhioHousingLocator.com, the OHFA-sponsored statewide affordable housing database, as soon as the units are placed in service. It is the responsibility of the owner and/or property manager to update their listings on an annual basis.

Additional Rent Restrictions

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

1. A minimum of 40% of the low-income units affordable to households with incomes at or below 50% of Area Median Gross Income (AMGI) (developments located in urban or suburban pool areas); or
2. A minimum of 35% of the low-income units affordable to households with incomes at or below 50% of AMGI (developments located rural pool areas)
3. All units affordable to households with incomes at or above 60% of AMGI (required for lease purchase developments only)

Consistency with HDAP Funding

Developments seeking funding through the Housing Development Assistance Program (HDAP) must meet the following requirements in addition to the requirements of the Additional Rent Restrictions category:

1. A minimum of 40% of the units must be occupied by households at or below 50% of AMGI for developments 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 development will be located. If the development 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.
2. Completion of the HDAP section in the AHFA.
3. The applicant must comply with all requirements described in the most recent HDAP Guidelines.

4. A development that receives HOME funds must comply with all HOME program rules, including the environmental review process.
5. A sole for-profit applicant that receives Ohio Housing Trust funds must comply with State Prevailing Wage requirements.
6. In order to receive HDAP funding, the applicant must select one of the following elections:

A minimum of 5% of the units occupied by and affordable to households with incomes at or below 35% of AMGI (developments located in non- Participating Jurisdictions); or

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

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

Eighty Percent (80%) Completed Architectural Plans and Specifications

The applicant must submit a one-half sized set of drawings including Civil, Landscape, Architectural, Mechanical, Electrical and Plumbing. These drawings should be certified by the development architect to be 80% or better complete, and follow all requirements outlined in the Design Requirements section of the QAP. All architectural plans will be reviewed for approval by OHFA's staff architect.

Appraisal

An as-is appraisal of the proposed development site(s) must be submitted. All appraisals must meet OHFA's appraisal standards and requirements as outlined in the Multifamily Underwriting Guidelines.

Phase I Environmental Site Assessment (ESA)

A Phase I Environmental Site Assessment (ESA) must be submitted for all proposal applications. If a full Phase I ESA was submitted with the proposal application, one need not be resubmitted with the final application. The report(s) must comply with current OHFA standards. The owner must submit a narrative that addresses any issues raised in the report(s). OHFA reserves the right, in its sole discretion, to reject any sites indicated to have environmental problems or hazards. The Phase I ESA must have been completed or updated by the author within one (1) year prior to the application deadline for Housing Tax Credits.

Federal Tax Identification Number (FTIN)

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

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.

Green Standards

OHFA requires that all developments meet the green building standards outlined in the 2011 Enterprise Green Communities Criteria and successfully achieve program certification for the proposed development. The Criteria are a comprehensive set of building standards specifically designed to help affordable housing developers deliver healthy and efficient homes. For more information about the 2011 Enterprise Green Communities Criteria please visit www.greencommunitiesonline.org. Instructions for submission for Green Communities Certification and other reference materials are located on the OHFA website.

Applicants may substitute Leadership in Energy & Environmental Design (LEED) Certification by the U.S. Green Building Council to meet this requirement.

Applicants must indicate which certification threshold they are seeking at proposal application.

Developments will be notified of deficiencies to the green standards at the time of notification for other threshold deficiencies. Projects seeking Enterprise Green Communities certification must enroll the project for PreBuild approval in the Enterprise Green Communities portal prior to final application and submit PreBuild approval with final application. Enterprise Green Communities requires 30 days to review and approve projects.

If doing LEED, the appropriate LEED certification checklist must be submitted with the final application to evidence that certification will be achieved.

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

Relocation Plan (Existing Rental Units Only)

Applicants must submit a narrative that details tenant relocation during the construction period. The narrative should identify the method of relocation, a cost breakdown, and identify whether tenants will be displaced. If the proposed development includes HDAP funding, refer to the Housing Credit Gap Financing section for additional requirements.

JobsOhio Tax Release Form

Applicants must include a completed JobsOhio Tax Release Form for each entity that will have ownership of the project (whether during construction and/or after construction completion). OHFA will use this to determine if any organization with an ownership interest in the proposed project has any outstanding tax liens with the State of Ohio.

D. Threshold Review for 4% Applications

OHFA will conduct a threshold review of all 4% applications to determine if it is complete, contains all necessary forms and supporting evidence, and meets minimum program requirements. After a review of all threshold requirements, OHFA will offer the applicant an opportunity to correct any deficiencies.

The required threshold criteria include all criteria listed in the 9% proposal and 9% final application threshold sections, with the following exceptions:

1. The fee for applicants requesting 4% Housing Tax Credits is $2,000.
2. 4% Housing Tax Credit developments that do not utilize the Bond Gap Financing program do not need to meet the Additional Rent Restrictions or Consistency with HDAP Funding threshold requirements.
3. While OHFA strongly encourages the inclusion of Green Standards, OHFA will waive this requirement for 4% HTC developments that can demonstrate a financial need.
4. OHFA may allow additional time for 4% Housing Tax Credit developments to submit 80% complete architectural plans, however, a review period of at least 60 days is necessary between the submission of 80% plans and the issuance of a 42m letter of eligibility.

Underwriting

A. Compliance with OHFA Multifamily Underwriting Guidelines

In accordance with OHFA policy and Section 42(m) of the IRC, OHFA will perform a financial underwriting analysis for the highest scoring proposal applications to ensure that applicants are awarded the minimum amount of subsidy necessary to develop cost-effective, financially viable, and sustainable affordable housing developments.

Applicants must meet all of the requirements in the most current Multifamily Underwriting Guidelines.

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 developments. Developments will be subject to the following financial evaluations:

9% Housing Tax Credits - Developments proposed for the competitive 9% Housing Tax Credit round will undergo a financial underwriting analysis to determine if they are eligible to continue in the competitive scoring process, a complete underwriting analysis at final application prior to issuing a Carryover Allocation Agreement, and an additional underwriting analysis at the time the development is placed-in-service and requests IRS Form(s) 8609.

4% Housing Tax Credits - All developments applying for 4% Tax Credits (with or without OHFA gap financing) will undergo a complete underwriting analysis at application prior to issuing a 42m letter of eligibility and an additional underwriting analysis at the time the development is placed-in-service and requests IRS Form(s) 8609.

B. 2015 Basis Boost Policy

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

- New rental unit developments that receive five (5) points in the location based characteristics competitive criterion.
- Existing rental unit developments that receive ten (10) points in the Preservation Characteristic Priorities competitive criterion.
- Permanent Supportive Housing developments that receive 15 points for Highest Priority of Continuum of Care.

The basis boost policy may be subject to change if Congress elects to extend the fixed 9% rate.

C. Limits on Housing Development Assistance Program Funds (HDAP)

Applicants in the New Rental Units Rural, Existing Rental Units Rural, and Permanent Supportive Housing pools may request up to $300,000 in Ohio Housing Trust Funds.

Applications in all pools that will meet HOME set-aside requirements may request up to $750,000 in HOME funds. To qualify for the HOME set-aside, the development must be owned, developed or sponsored by a nonprofit housing development organization that will certify as a state-certified CHDO and that is the 100% General Partner (LP) or 100% Managing Member (LLC) of the partnership and developing in their service area.

Developments that are lease-purchase will not qualify for an award of HDAP.

Based on demand and funding availability, OHFA reserves the right to change limits on HDAP for individual applications.

9% Competitive Selection Criteria

OHFA will award points based on its sole discretion and will not award points to any proposal application if it is seeking points that do not meet the intent of the criteria.

The point values for each area of the competitive selection process are different for each of the allocation pools to account for policy considerations for different types of developments. Please refer to the competitive scoring chart or scoring workbook for point values by allocation pool.

A. Local Collaboration

1. Community Outreach

OHFA will award points at its sole discretion based on the community outreach plan. Community outreach is the applicant's method of notifying the community of an upcoming development before a proposal application is submitted to OHFA.

The community outreach plan must address the characteristics of the proposed development, its location, its design and how the residents, businesses, local governments, and other community stakeholders have been notified. The plan may include involving local elected officials, Community Development Corporations, nonprofit community housing development organizations and community groups, or posting notices in libraries or other public places where residents may congregate. Social media, design charettes, or traditional notices in local papers are examples of methods to target your message. The plan will be evaluated on the comprehensiveness of the applicant's approach and whether it is appropriate considering the type of housing and location of your proposal. Submit a narrative with supporting documentation describing the plan.

Developments competing in the existing rental units pool do not need to initiate the community outreach at proposal. Instead, they must provide documentation and evidence that the outreach plan has been completed at final application. Additionally, the community outreach plan for existing rental units must be comprehensive and include opportunities for input and collaboration.

Developments that competed in the 2014 Housing Tax Credit funding cycle and received the full points available may choose to resubmit their community outreach plan and receive the full points for 2015. Developments that choose this option must conduct an additional meeting with the local government and general public between proposal and final application and provide evidence that this meeting has occurred.

Points:

- Ten (10) points will be awarded for a plan that, in the opinion of OHFA, comprises a comprehensive outreach strategy that includes opportunities for input and collaboration.
- Seven (7) points will be awarded for a plan that, in the opinion of OHFA, effectively communicates the housing proposal.

2. Legislator Support

OHFA will award points for a letter of support for the proposed development from a State Representative or State Senator. The proposed development must be in that legislator's District. The letter of support must be dated between January 2014 and February 2015.

The legislator must still be in office at the time of application. Applications that submit a letter from a legislator that is not in office at the time of application will not be awarded points in this category.

Points:

- Five (5) points will be awarded for a letter from either a State Representative or State Senator.

3. Local Support

OHFA will award points for a letter or resolution supporting the proposed development from a Mayor, City Manager, a majority of Township Trustees, a majority of City or Village Council, or a majority of County Commissioners. The proposed development must be located in the official's jurisdiction. The letter of support must be dated between January 2014 and February 2015.

The individuals listed in the letter of local support must still be in office at the time of application. Applications that submit a letter of local support with individuals that are not in office at the time of application will not be awarded points in this category.

Points:

- Ten (10) points will be awarded to developments in the New Rental Units Urban and Existing Rental Units Urban pools for a letter or resolution from a Mayor or a majority of City Council. Letters must indicate that a majority of support exists.
- Fifteen (15) points will be awarded to development in the New Rental Units Suburban, New Rental Units Rural, Existing Rental Units Suburban, Existing Rental Units Rural and PSH pools for a letter or resolution from a Mayor, a majority of Township Trustees, a majority of City or Village Council, or a majority of County Commissioners. Letters must indicate that a majority of support exists.

4. Local Partnership

OHFA will award points for one of the following:

4a. A local non-profit community housing development organization or community development corporation that has the capacity to develop affordable housing for the community it serves. The organization must have at least 51% general partnership interest in the ownership of the proposed development.

4b. A Metropolitan Housing Authority (MHA) that has 51% general partnership interest in the ownership of the proposed development.

4c. A commitment by a local service provider(s) to provide comprehensive services to the residents of the proposed development. All local service providers must have a history of serving the area. The applicant must provide a contractual agreement or Memorandum of Understanding with each local service provider that outlines the specific services, service delivery, and must be in place for at least 15 years. Service coordination does not apply under this competitive selection criterion. Agencies must be direct providers of the services offered.

4d. A partnership agreement between the applicant and a local County Board of Developmental Disabilities or Alcohol, Drug Addiction, and Mental Health Services Board. The partnership agreement must detail the relationship between the proposed development and the board, what services will be provided, and if any units will be set-aside for special needs populations.

Points:

- Five (5) points will be awarded to proposals that obtain one of the above options.

5. Local Development Priority – Urban Pools Only

OHFA will award points to each proposal that is identified by the Mayor or City Manager as a priority development. This only applies to those cities in the New Rental Units Urban and Existing Rental Units Urban pools.

For Council/Manager forms of local government, the City Manager must sign the Local Development Priority Letter.

For Mayor/Council forms of local government, the Mayor must sign the Local Development Priority Letter.

Priority letters that are signed by the incorrect chief administrative officer will not receive any points under this criterion.

OHFA will provide the Local Development Priority Letter on its website. Developers may present this letter to the city, town, or township in which they plan to develop and obtain priority designation.

The cities of Cincinnati, Cleveland, and Columbus may select up to three (3) priority designations. The cities of Akron, Dayton, and Toledo may select up to two (2) priority designations. Cities may also choose up to two alternates in the case that a priority project is removed from consideration during the competitive round.

Points:

- Five (5) points will be awarded to those developments that receive a priority designation.

6. Highest Priority of Continuum of Care (PSH Pool only)

OHFA will award points to a PSH proposal that is identified as the highest priority of the applicable Continuum of Care (COC) for the location of the development. The Ohio Balance of State Continuum of Care (BOSCOC) is the applicable COC for the 80 county areas that it oversees. The local COC is applicable for all other areas.

Points:

- Fifteen (15) points will be awarded to PSH proposals identified as the highest priority of the applicable COC.

B. Development Characteristics

1. Extremely Low-Income Units

OHFA will award points to those developments that maintain a set-aside of units targeting extremely low-income residents.

Points will be awarded for one of the following:

1a. A minimum of 10% of the units will be occupied by and affordable to households at or below 30% of Area Median Income (AMI) for proposals in Participating Jurisdiction (PJ) areas.

1b. A minimum of 5% of the units will be occupied by and affordable to households at or below 30% of AMI for proposals in non-Participating Jurisdiction (non-PJ) areas.

1c. Developments that are single family lease purchase.

1d. Developments that receive points under Workforce Housing.

1e. Developments that receive points under Local Partnerships for 4d and set-aside a minimum of 5% of units to be occupied by special needs populations.

Points:

- Five (5) points will be awarded to those proposals that demonstrate the set-aside of extremely low-income units in their AHFA. Lease purchase developments and workforce housing are exempt from extremely low-income units and will receive full points in this category.

2. Location Based Characteristics (New Rental Units only)

OHFA will award points to proposed developments that meet one of the following location based characteristics:

2a. Developments located within a high-income census tract. High-income census tracts are defined by reference to low and moderate income summary data published by HUD. A list of qualifying high income census tracts will be posted to OHFA's website.

2b. Family developments located in a non-QCT.

2c. Developments located in a municipality where no development has taken place using OHFA Housing Tax Credits in the last 15 years prior to the Housing Tax Credit application deadline for the population to be served. This should be indicated by the Market Study and may be verified.

2d. Developments located in one of the 32 Appalachian counties as designated in the Appalachian Regional Development Act of 1965. The development must also be in a rural area as defined in the allocation pools.

2e. Developments located in areas that are part of a revitalization plan. The municipal planning department must submit a letter that details the specific development, how it will further revitalization, and other current and future investments in the area.

2f. Developments that will be a subsequent phase of a successful Housing Tax Credit development. The existing phase(s) of the development must be adjacent to the new phase and have maintained at least an average 96% occupancy over the last two years.

2g. Developments located within a ½ mile radius of significant economic investment of at least $10,000,000 that will be completed between 2013-2017. Investments may include retail, new infrastructure, or other real estate development. Normal maintenance costs, such as resurfacing roads, will not qualify under this criterion. OHFA may give consideration to developments that are within 500 feet of the required distance.

2h. Developments located in the following counties which have been impacted by Shale drilling activity: Belmont, Carroll, Columbiana, Guernsey, Harrison, Jefferson, Monroe, and Noble.

Points:

- Five (5) points will be awarded to proposed developments that meet one of the criteria.

3. Development Characteristic Priorities (New Rental Units only)

OHFA will award points to proposed developments that meet one of the following development characteristics.

Applicants may choose up to two development characteristic priorities for which the proposed development may compete. During competitive selection process, in each pool, OHFA will fund no more than one of each of the development characteristic priorities. If a development's chosen development characteristic priorities have been selected in applications awarded before it, that development will be skipped for the next development with an unfunded development characteristic priority. This process will continue until all credits have been allocated.

Points will be awarded based on the following choices:

3a. Developments in which 100% of the units in the proposed development include the redevelopment of completely vacant or foreclosed building(s). Buildings that are in the process of foreclosure or in receivership will also be considered for points in this category.

3b. Developments in which 100% of the units will be lease-purchase and sold to qualifying residents at year 15. To be eligible for points in this category, the proposal must be strategically located to promote neighborhood revitalization. The applicant must demonstrate a viable purchase strategy for the end of the 15 year compliance period. The proposal must also be located in a city with a population of at least 60,000.

3c. Developments that leverage non-OHFA financial resources in permanent financing. Housing Tax Credit Equity, deferred developer fee, and HDAP will not count towards this criterion. The funding must be a new commitment of funding and account for at least 10% of the permanent financing sources.

3d. Developments that utilize the federal historic tax credit as permanent financing. The applicant must submit evidence in the form of a completed and approved Part I application or evidence of being listed on the National Register of Historic Places. The financing must account for 10% of the total permanent financing sources.

3e. Developments that include HUD Choice Neighborhoods as a permanent financing source. A commitment letter for the source must be submitted with the proposal application. Additionally, the funding from Choice Neighborhoods account for at least 15% of the total permanent financing sources.

3f. Local economic development in the form of a multi-phased Planned Unit Development (PUD). The proposed Housing Tax Credit development must not be the first phase of the PUD strategy. Infrastructure does not qualify as a phase of development. Applicants seeking points under this criterion must submit a letter from the municipality describing prior phases of the local PUD, the amount of investment to date, and how the proposed development fits into the strategy. Additionally, the site of the proposed development must be specifically targeted for affordable housing for the target population in the PUD strategy.

3g. Senior developments that are built on an existing senior or health campus and include access to services and/or healthcare options, as well as other housing options aside from the proposed Housing Tax Credit development.

3h. Developments located in an underserved rural county. A list of underserved counties is available on the OHFA website.

3i. Developments owned, sponsored, or developed by a non-profit organization that will certify as a CHDO by the State of Ohio. The application must be requesting HOME funds and meet the state's HOME set-aside requirements.

3j. Developments that involve the transfer of an existing Housing Assistance Payment (HAP) contract or new project based rental subsidy for at least 50% of the units.

Points:

- Ten (10) points will be awarded for developments meeting one of the criteria.

C. Economic Characteristics

1. Housing Tax Credits per Unit

OHFA will award points to proposed developments based on the Housing Tax Credits per unit. This will be calculated by dividing the total credit amount requested by the total number of units.

Points:

New Rental Units

- Twenty (20) points will be awarded to proposals with $19,000 credits per unit and below
- Nineteen (19) points will be awarded to proposals with $19,001-$20,000 credits per unit
- Eighteen (18) points will be awarded to proposals with $20,001 - $21,000 credits per unit
- Seventeen (17) points will be awarded to proposals with $21,001 credits per unit and above

Existing Rental Units

- Twenty (20) points will be awarded to proposals with $11,000 credits per unit and below
- Nineteen (19) points will be awarded to proposals with $11,001-$13,000 credits per unit
- Eighteen (18) points will be awarded to proposals with $13,001 - $15,000 credits per unit
- Seventeen (17) points will be awarded to proposals with $15,001 credits per unit and above

PSH

- Twenty (20) points will be awarded to proposals with $15,000 credits per unit and below
- Nineteen (19) points will be awarded to proposals with $15,001-$16,000 credits per unit
- Eighteen (18) points will be awarded to proposals with $16,001 - $17,000 credits per unit
- Seventeen (17) points will be awarded to proposals with $17,001 credits per unit and above

Single-Family Lease Purchase in any pool

- Twenty (20) points will be awarded to proposals with $23,000 credits per unit and below
- Nineteen (19) points will be awarded to proposals with $23,001 – $24,000 credits per unit
- Eighteen (18) points will be awarded to proposals with $24,001- $25,000 credits per unit
- Seventeen (17) points will be awarded to proposals with $25,001 credits per units and above.

D. Market Characteristics (New Rental Units & PSH Only)

1. Proximity to Positive Land Uses

OHFA will award points to proposed developments that are nearby land uses that are positive for the residents. Proposed developments will be awarded points based on their distance to positive land uses. Distances should be calculated as linear distances within Google Maps. Scattered site developments must use the most central site. Please reference the How-To Guide for Calculating Proximity to Positive Land Uses.

OHFA may give consideration to developments that are within 500 feet of the criteria below. Applicants may not claim a positive land use twice.

Points:

Urban

- Ten (10) points will be awarded to developments within a 0.25-mile linear distance of at least three (3) positive land uses or a 0.5-mile linear distance of at least six (6) land uses.
- Nine (9) points will be awarded to developments within a 0.25-mile linear distance of at least two (2) positive land uses or a 0.5-mile linear distance of at least four (4) positive land uses.
- Six (6) points will be awarded to developments within a 0.25-mile linear distance of at least one (1) positive land uses or a 0.5-mile linear distance of at least three (3) positive land uses.

Suburban

- Ten (10) points will be awarded to developments within a 0.5-mile linear distance of at least four (4) positive land uses or a 1-mile linear distance of at least seven (7) positive land uses.
- Nine (9) points will be awarded to developments within a 0.5-mile linear distance of at least three (3) positive land uses or a 1-mile linear distance of at least six (6) positive land uses.
- Six (6) points will be awarded to developments within a 0.5-mile linear distance of at least two (2) positive land uses or a 1-mile linear distance of at least five (5) positive land uses.

Rural

- Ten (10) points will be awarded to developments within two (2) miles of at least three (3) positive land uses.
- Nine (9) points will be awarded to developments within two (2) miles of at least two (2) positive land uses.
- Six (6) points will be awarded to developments within two (2) miles of at least one (1) positive land use.

Chart of Approved Positive Land Uses

Retail	Services	Community Facilities
Farmers market	Adult or senior care (licensed)	Cultural arts facility
Full service supermarket with produce	Laundry/dry cleaner	Community or recreation center
Other food store with produce	Bank	Community garden
Pharmacy	Child care (licensed, family only)	Educational facility or college usable by population
Clothing or department store	Medical clinic or office	K-12 School (Family only)
Other Retail	Restaurant, café, or diner	Government office serving public on-
		Place of worship
		Police or fire station
		Public library
		Senior center (Senior only)
		Social services center

2. Proximity to Detrimental Land Uses

OHFA will award points to those developments where there is no detrimental land use adjacent to the site of the proposed development. Detrimental land uses will be those deemed at OHFA's sole discretion based on nuisance or otherwise adverse conditions such as high levels of noise, noxious odors, or incompatible uses.

Points:

- Ten (10) points will be awarded to developments that do not have a detrimental land use adjacent to the site of the proposed development.

E. Areas of Distinction

The Areas of Distinction category provides an incentive to unique and high impact projects. Applicants may apply for points under one of three categories: (1) Innovative Housing; (2) Exceptional Development, or (3) Workforce Housing. Applicants must submit the appropriate Areas of Distinction Narrative Form available on the OHFA website.

1. Innovative Housing

OHFA will award innovation points based on the qualities of a proposed development at its discretion. Innovative concepts must be original ideas, have a minimal impact on development costs, serve as a model for future affordable housing developments, have the potential for replication in similar areas of the state, and benefit the population to be served.

OHFA will consider innovative proposals for the following policy areas:

Senior Populations and Healthcare Developments must target senior populations, provide integrated services, including a component of healthcare, and result in cost savings to Medicaid.	***Family Populations and Opportunity*** Developments must target low-income family populations and contain a compelling strategy to help families transition out of poverty.
Creative Land Use Strategies Developments must feature a creative land use strategy that results in a benefit to the residents and local planning efforts.	***Creative Design*** Developments must contain a component of creative design such as healthy homes, energy efficiency (over and above what is required for Enterprise Green or LEED certification), or construction techniques that result in cost savings.

Points will be awarded to a maximum of 5% of the proposal applications received. Successful applicants may be required at OHFA's request to participate in a process and outcome assessment to demonstrate the effectiveness of the innovation and identify strategies for future replication.

If competing in this category, applicants must submit the appropriate Areas of Distinction Narrative form. OHFA will require applicants to implement the innovation if awarded, irrespective of whether or not the proposal application receives innovative points.

In addition to the 5%, proposal applications that were awarded innovation points in the 2014 funding cycle but not funded will also be granted points under this category.

OHFA will award five (5) points to developments that contain an innovative quality and meet the intent of the four policy areas specified.

2. Exceptional Development (New Rental Units only)

OHFA will award points based on the role of the proposed development in a large scale economic development effort. In addition to completing the appropriate Areas of Distinction Narrative Form, applicants seeking exceptional development points must meet the following criteria:

1. The proposed development cannot be the first component of the development effort.

2. The proposed economic development must include housing for a mix of incomes, including market rate housing.
3. The proposed economic development must include an element of non-housing development.

Points will be awarded to a maximum of one proposal per pool. Proposals will be chosen based on the scope of the economic development effort and the total amount of investment at the time of application.

OHFA will award five (5) points to developments that meet this criterion.

3. Workforce Housing (New Rental Units only)

OHFA will award points to proposal applications that will provide workforce housing in conjunction with economic and employment growth in the development's municipality or Primary Market Area.

In addition to completing the appropriate Areas of Distinction Narrative Form, applicants seeking workforce housing points must meet the following criteria:

1. Provide a memorandum of understanding (MOU) or partnership agreement between the development team and an employer or employers in the area. The MOU or partnership agreement must detail how many employees currently work for the employer(s), the average salary of the workers that would qualify for the Housing Tax Credit development, expected job growth, and how the workforce will be directed to the housing.

Developments that are awarded points in this criterion may have 100% of the Housing Tax Credit units at 60% AMI, but may not apply for HDAP funding.

Points will be awarded to a maximum of one proposal per pool. Proposals will be chosen based on recent and future job creation and areas in which the market rate rent is higher than the Housing Tax Credit rent.

OHFA will award five (5) points to developments that meet this criterion.

F. Preservation Characteristics (Existing Rental Units Only)

1. Preservation Characteristic Priorities

OHFA will award points to proposed developments that meet one of the following development characteristics.

Applicants may choose up to two preservation characteristic priorities for which the proposed development may compete. During competitive selection process, in each pool, OHFA will fund no more than one of each of the preservation characteristic priorities. If a development's chosen preservation characteristic priorities have been selected in applications awarded before it, that development will be skipped for the next development with an unfunded development characteristic priority. This process will continue until all credits have been allocated.

Points will be awarded based on the following choices:

- *1a.* Family developments located in a non-QCT.
- *1b.* Developments that account for at least 30% of the total available affordable housing units in the PMA. The applicant must submit information from their market analyst describing the available affordable housing in the area.
- *1c.* Developments in which a troubled asset will be acquired by an applicant who will serve as the owner/manager for the entire period of compliance. The applicant must submit documentation

describing the troubled asset and those steps which will be taken to put the asset back into productive use. Additionally, the applicant must demonstrate at least a 6 year history of good ownership/management of Housing Tax Credit developments in Ohio.

1d. Developments that have been maintained through good management but contain major components that are past their effective useful life. The applicant must submit a narrative describing the management history, the components that need replacing, and a history of the use of the project's replacement reserves. OHFA will determine this score in part by a site visit to verify the overall condition of the proposed development as well as the effective useful life. The proposed development cannot have undergone substantial rehabilitation in the last 20 years.

1e. Developments that will utilize HUD's Rental Assistance Demonstration program.

1f. Developments which involve the conversion or modernization of HUD Section 202 units.

1g. Developments which have a significant risk for market conversion. The applicant must submit a narrative detailing the risk for market conversion, including evidence that a risk is present. Points will be awarded based on the strength of the evidence submitted.

1h. Developments that contain a significant and urgent need for rehabilitation that constitutes a life safety issue(s). Significant and urgent need for rehabilitation will be based upon a site visit by the OHFA staff architect. The applicant must submit a narrative explaining the significant and urgent needs of the structure(s), including photographs of those areas in significant and urgent need for repair.

1i. Developments owned, sponsored, or developed by a non-profit organization that will certify as a CHDO by the State of Ohio. The application must be requesting HOME funds and meet the state's HOME set-aside requirements.

1j. Developments that receive a priority designation from USDA. USDA may designate up to four projects. Applicants must include a designation letter with their application.

1k. Developments located in an underserved rural county. A list of underserved counties is available on the OHFA website.

Points:

- Ten (10) points will be awarded for developments meeting one of the criteria.

2. Hard Construction per Unit

OHFA will award points to proposed developments that maintain a hard construction cost per unit that is appropriate for a substantial rehabilitation.

Points:

- Thirteen (13) points will be awarded to proposed developments with $80,001 or above in hard construction costs per unit.
- Fourteen (14) points will be awarded to proposed developments with $70,001 - $80,000 in hard construction costs per unit.
- Fifteen (15) points will be awarded to proposed developments with $40,001 – $70,000 in hard construction costs per unit.
- Fourteen (14) points will be awarded to proposed developments with $30,001 - $40,000 in hard construction costs per unit.
- Thirteen (13) points will be awarded to proposed developments with $30,000 – and below in hard construction costs per unit.

3. Other Preservation Priorities

OHFA will award points to Existing Rental Unit proposal applications that preserve existing rental subsidies or prior Housing Tax Credit deals. Developments with development based Section 8 and USDA rental subsidy will receive points in this category.

Points:

- Ten (10) points will be awarded to developments with project based Section 8 for at least 100% of the units or USDA rental subsidy for at least 60% of the units.
- Ten (10) points will be awarded to portfolio deals that include at least three (3) previous Housing Tax Credit developments that have passed their initial 15 year period. These developments may not request acquisition credits or HDAP. The requested credit allocation may not be more than $400,000.
- Nine (9) points will be awarded to developments that preserve a portfolio of existing housing financed through the Ohio Department of Mental Health and Addiction Services (OMHAS). Applicants must also include a letter of support from OMHAS.
- Nine (9) points will be awarded to developments with project based Section 8 for at least 60% of the units or USDA rental subsidy for at least 40% of the units.
- Eight (8) points will be awarded to developments with project based Section 8 for at least 30% of the units or USDA rental subsidy for at least 20% of the units.

G. Limits, Tie-Breakers and Scoring Process

Credit Limits

There is a $1,000,000 Housing Tax Credit cap for each proposed development.

There is a $2,000,000 Housing Tax Credit cap for developers and/or general partners.

Developers and/or general partners that exceed the $2,000,000 Housing Tax Credit cap will be given five (5) business days to select which proposals will be moving forward. If the developer and/or general partners elect not to make a decision, the proposal with the lowest credit request will be removed until they are under the Housing Tax Credit cap.

Tie-Breakers

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

1. Developments that score points under the areas of distinction category.
2. Developments in New Unit Pools that obtain points under 2a, 2e, or 2h under the location based characteristics. Developments in the Existing Unit pools that receive 10 points under Other Preservation Priorities for having 100% Section 8 or 60% RD rental subsidy. Developments in the Permanent Supportive Housing pool that utilize the Housing First model, as defined by the National Alliance to End Homelessness.
3. Lowest amount of Housing Tax Credits requested per unit.

Scoring Process

Proposals will be scored via the following method.

Step 1: Rank proposals in each pool by score.

Step 2: Resolve tiebreakers if appropriate.

Step 3: Review and account for Development Characteristic Priorities and Preservation Characteristic Priorities.

Step 4: Fully fund each pool and move remaining credits to the Strategic Initiatives Pool.

Design Requirements

It is OHFA's intent to provide affordable housing that is durable, energy efficient, healthy, and cost effective over the compliance period, which will result in lower operating and maintenance costs and that will provide those in need of affordable housing safe, clean, and durable housing in which to live.

All Housing Credit Tax developments must meet the OHFA design guidelines.

Deviations from OHFA standards are discouraged, and applicants may only request exceptions where specified. Any requests for an exception to specific requirements must be submitted to OHFA by the date indicated in the Program Calendar. Since awards are based on the proposed development, exceptions after an award has been made will only be considered for truly extenuating circumstances.

A. Submittals

9% Preliminary Submissions

9% proposal applications must submit preliminary drawings that are 11x17 ("half size") and include:

1. A cover sheet with development title, development ream, drawing index, building areas and code information;
2. A site plan;
3. A landscape plan;
4. A floor plan with dimension, room designations and proposed finishes;
5. Exterior elevations with material notations;
6. Typical wall sections;
7. Drawings and specifications for HVAC or similar items in the scope of work.

Preliminary drawings must be submitted as paper and/or electronic (both PDF & DXF).

Proposed developments must also submit a Design and Construction Features Agreement. Existing Rental Unit developments must also submit an Existing Units History Narrative.

9% Final Application and 4% Application Submissions

9% Final applications and 4% applications must submit 80% complete permit sets. Sets must show must show compliance with the preliminary submittal, including the Design and Construction Features Agreement.

Eighty percent (80%) plans must be submitted in PDF format (separate PDF files for drawings and specifications) that includes all site plans, dimensioned floor plans, elevations, wall sections, structure, finishes, details and mechanical plans. Additionally, each development must have dimensioned floor plans submitted in DXF or DWG AutoCAD R-14 format and an 11x17 plan hard copy (dimensioned floor plans only).

B. OHFA Square Footage Calculation

All multifamily developments must use BOMA (Building Owner Management Association) Multifamily Standards using the “gross method”. Single family developments must use BOMA “Gross Area Measurement Standards”. All square footages must be calculated and certified in the AHFA by the Architect of Record.

C. Minimum Development Standards

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

Bedroom Requirements

1. In one-bedroom units, the bedroom must be at least 120 square feet.
2. For a two-bedroom unit, the master bedroom must be at least 120 square feet, and the second bedroom must be at least 110 square feet.
3. The third and fourth bedrooms in a unit must be at least 100 square feet.
4. Bedrooms must have walls and doors separating them from adjacent space to be considered as bedrooms. Any room shall be considered as a portion of the adjoining room when at least one-half of the area of the common wall is open and unobstructed.

Common Area Restrictions

1. The maximum common area (including required circulation) in any development is 20% of the total gross building square footage. Dedicated program space is excluded from this calculation. Such spaces include counseling spaces for adults and children, wellness areas, day care, etc. Spaces that would not be considered dedicated program space include libraries, fitness areas, computer rooms, common meeting space, etc. Existing rental housing units are exempt from this criterion. OHFA will consider exception requests for this requirement.

Additional Requirements for New Rental Units

1. Single site multifamily developments must provide a parking lot with concrete curbs or wheel stops and at least one parking space for each unit in the development. Exceptions to this requirement may be permitted on a case-by-case basis for developments located in dense urban areas, or for developments serving the elderly or permanent supportive housing populations.
2. Each bedroom in new construction or adaptive reuse units must be at least seven (7) feet in each direction, and contain a closet in addition to the minimum square footage.
3. Minimum unit size (residential living space) for new construction and adaptive reuse developments are as follows, inclusive of the above bedroom sizes.

Efficiency Units:	Exceed 450 S.F.
1-Bedroom Units:	Exceed 650 S.F.
2-Bedroom Units:	Exceed 850 S.F.
3-Bedroom Units:	Exceed 1,000 S.F.
4-Bedroom Units:	Exceed 1,200 S.F.

OHFA will consider exception requests for this requirement.

4. OHFA will not fund developments that contain single-room occupancy units. OHFA will consider exception requests for this requirement for PSH projects.
5. New Unit Developments must provide a bathroom or half bath on the main floor with clear floor space of 30 inches by 48 inches.
6. Proposals for PSH may contain one-bedroom units that are 540 square feet or larger.
7. OHFA reserves the right to limit the size of units during the application review process.
8. In all new unit developments, three-bedroom units must contain at least one and a half (1½) bathrooms and units with four or more bedrooms must contain at least two full bathrooms.
9. New construction proposals must include new appliances.

Additional Requirements for Single-family homes

1. Single family home developments must contain three or more bedrooms.
2. Single family home developments must include washer/dryer hook-ups;
3. All housing developments must include adequate storage for the residents.

Additional Requirements for Senior Developments

1. Proposals for Senior Housing are required to have all units with no more than two (2) bedrooms and no more than one and one half (1½) baths.
2. Proposals for senior housing are required to have all buildings with only one story unless an elevator is provided.

Visitability

1. All new construction must incorporate visitability. This requirement only relates to the affordable units in the proposed development.
2. All new construction units will incorporate the following Visitability Design elements which Constitute "Visitability":
    - 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.
    - Doors/Openings: All doors and openings shall have a minimum net clear width of 32 inches. All doors must be solid core.
    - Bathroom/Half Bath: Provide a bathroom or half bath on the main floor with clear floor space of 30 inches by 48 inches.
3. If the applicant feels that some or all of the development's proposed buildings will be unable to meet the Visitability requirements due to topography or other site/design limitations, complete Form PPD-E01, Reconsideration of Visitability Requirements. The OHFA staff 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.

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."

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, and 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.

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 greatest extent possible.
- In a two or more story single-family house or townhome, all floors must be designed in accordance with three through seven below. To be clear, this means that all bathrooms, kitchens, hallways, doors, light switches, electrical outlets, thermostats and other environmental controls must conform to those requirements.

Compliance with the Fair Housing Act calls for seven basic design and construction requirements.

1. An accessible building entrance on an accessible route.

   All units must have at least one no-step entrance and be on an accessible route. An accessible route means a continuous, unobstructed path connecting accessible elements and spaces within a building or site that can be negotiated by a person with a disability who uses a wheelchair, and that is also safe for and usable by people with other disabilities. An accessible entrance is a building entrance connected by an accessible route to public transit stops, accessible parking and passenger loading zones, or public streets and sidewalks.

2. Accessible common and public use areas.

   Developments must have accessible and usable public and common-use areas. Public and common-use areas cover all parts of the housing outside individual units. They include -- for example -- building-wide fire alarms, parking lots, storage areas, indoor and outdoor recreational areas, lobbies, mailrooms and mailboxes and laundry areas.

3. Usable doors (usable by a person in a wheelchair).

   All doors that allow passage into and within all premises must be wide enough to allow passage by persons using wheelchairs.

4. Accessible route into and through the dwelling unit.

   There must be an accessible route into and through each unit. This includes all hallways, stairways and doorways.

5. Light switches, electrical outlets, thermostats and other environmental controls in accessible locations.

   Light switches, electrical outlets, thermostats and other environmental controls must be in accessible locations.

6. Reinforced walls in bathrooms for later installation of grab bars.

   Reinforcements in bathroom walls must be installed, so that grab bars can be added when needed.

7. Usable kitchens and bathrooms.

   Kitchens and bathrooms must be usable - that is, designed and constructed so an individual in a wheelchair can maneuver in the space provided.

Notifications to Statewide Accessibility Organizations

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

Post Award

A. Binding Reservation Agreement

After OHFA has determined the proposal applications that will receive a reservation of Housing Tax Credits, a Binding Reservation Agreement will be sent to the contact person indicated in the proposal 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 returned to OHFA by the date indicated in the program calendar. The amount of Housing Tax Credits and other OHFA resources reserved to a proposal may not increase after the initial reservation.

Applicants who submit a final application with changes that would have a) removed them from consideration due to high cost, b)reduced their competitive score or c) impacted their competitive ranking (tie-breakers) will be subject to one of the following:

1. Cancellation of the reservation of housing tax credits;
2. Removal from a position of Good Partnership for a period of one year;
3. Reduction in the amount of applications the partners may submit or receive in the next funding cycle(s);
4. A reduction in their developer fee from 5% to 50% of the developer fee presented in the Proposal Application.

OHFA will discuss options with the development partners; however, the final decision will be at OHFA's sole discretion. OHFA will take into consideration the level of participation and the number of successful projects the owner and/or developer has delivered in prior years.

B. Waiting List

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

Housing Tax Credits that are reserved and later returned during the same calendar year will be put back into the same allocation pool. The next highest scoring proposal in that allocation pool will be funded, provided there are sufficient credits available. Any other available credits will be distributed according to the order of the waiting list.

If an applicant returns the entire award of credits for their proposal, then all other OHFA funds awarded to that proposal must also be returned. OHFA will contact applicants on the waiting list when Housing Tax Credits become available, and will set a deadline for the applicant to respond to any offer.

C. Next Steps and Debriefing Meetings

OHFA will schedule an individual next steps meeting with each applicant that receives a reservation of Housing Tax Credits. The purpose of this meeting is to review the requirements for the final application, and work with applicants to schedule the threshold review, underwriting review and presentation of the proposal to the OHFA Board for consideration of any gap financing or other funding sources in addition to Housing Tax Credits.

OHFA will also schedule an individual debriefing meeting with applicants that did not receive a reservation of Housing Tax Credits and wish to discuss the results. These meetings will be scheduled upon request at specific dates and times during the period indicated in the program calendar.

D. Development Changes

All development changes require OHFA approval and will be reviewed by OHFA on a case-by-case basis. OHFA reserves the right to reduce or revoke a reservation of Housing Tax Credits if changes are made without prior approval, or if applicants fail to complete a development as approved. A new application, processing fee, public notification letters and competitive review may be required if any development characteristics change. New owners with no previous 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 development structure at any time may cause the application to be rejected or the Housing Tax Credit reservation to be revoked.

OHFA may allow the admission of an additional general partner after Housing Tax Credits are awarded in order to address a related-party loan issue. A letter from the owner's legal counsel that adequately explains the need for this action must be submitted, and a letter signed by both the new general partner and the controlling general partner must be submitted to confirm the following:

1. The new general partner will own no more than 24% of the general partner shares;
2. The new general partner will not materially participate in the development;
3. The new general partner will gain little or no financial benefit from the development; and
4. The new general partner will not count the development toward their experience in future funding applications to OHFA.

OHFA will review and issue a decision for each request on a case-by-case basis. Approval of the OHFA Board may also be necessary for developments that received financing from the HDLP and HDAP programs in addition to Housing Tax Credits.

E. Special Allocation

An owner of a development with a Housing Tax Credit allocation that is unable to proceed resulting from actions by unrelated parties (including, but not limited to, local governments or property owners) may seek a special allocation of Housing Tax Credits in the current year. An applicant must meet the following requirements to request a special allocation:

1. The applicant must have received an allocation of competitive Housing Tax Credits from OHFA in a previous year. The owner must have returned the allocation to OHFA, or OHFA must have revoked the allocation prior to the required placed-in- service date.
2. The underlying reason for the inability of the development to proceed must relate to actions by unrelated parties that affect the purchase of the site, plan approval or building permit issuance.
3. The applicant must obtain either a final legal judgment in favor of the owner or a settlement among the parties that will enable the development to proceed. OHFA legal counsel will determine if these requirements are met.
4. The applicant must complete a current year application and request OHFA Board consideration to obtain a special allocation of Housing Tax Credits. The amount of the new Housing Tax Credit allocation may not exceed the amount of the previous allocation. OHFA staff will review the application to ensure that all current threshold and underwriting criteria are met. Any monetary damages received that are related to the development, less direct costs of litigation apportioned between damages that are related and unrelated to the development, must be pledged to the development. Consideration and approval of changes to the development are at the complete and sole discretion of OHFA staff.

5. A request for a special allocation must be submitted no later than three (3) years after the previous allocation was returned or revoked.

Requests that meet these requirements will be presented to the OHFA Multifamily Committee and the OHFA Board for consideration. OHFA has no affirmative obligation to grant approval to any development seeking relief.

Applicants must pay the $2,000 application fee upon request of the special allocation.

F. Placed-in-Service Relief

OHFA will consider granting relief to applicants that are unable to meet their placed-in-service deadline due to circumstances outside their control that could not be reasonably anticipated before the initial application date. The following requirements must be met:

1. The applicant must submit a formal request outlining reasons that the placed-in-service deadline cannot be met. A request may be submitted after September 1 and no later than November 30 of the year of the placed-in-service deadline.
2. The applicant must agree to return their Housing Tax Credit allocation to OHFA prior to the placed-in-service deadline.
3. Significant progress toward completion of the construction and/or rehabilitation of the development must be demonstrated at the time the request is submitted. OHFA will use 75% completion as a general guideline when judging significant progress toward completion.

If the request is approved, then a new Housing Tax Credit allocation will be granted in the following calendar year, and the placed-in-service deadline will be extended for up to one year. OHFA reserves the right to levy a reservation fee for the new Housing Tax Credit allocation.

G. Carryover Allocation

All developments must meet the carryover allocation requirements described in Section 42 of the Internal Revenue Code (IRC) and in Treasury Regulation 1.42-6.

A Carryover Allocation Agreement will be issued to recipients of a competitive award of Housing Tax Credits by the end of the calendar year in which credits were awarded. Items must then be submitted by the carryover submission deadline indicated in the Binding Reservation Agreement. All forms and instructions are available on the OHFA web site. The following items must be submitted:

1. Completed OHFA Carryover cost certification forms signed by a representative of the owner and by the accountant or attorney who prepared the forms. A paper copy of the forms with original signatures of the owner and preparer is required, along with an electronic copy in Excel format the forms must evidence that the “10% test” required by Section 42 of the IRC has been met.
2. The development 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 development 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.

H. Housing Tax Credit Eligibility (42m) Letter for 4% Credits

After OHFA has determined that the proposal application meets the threshold and underwriting requirements, a 42m letter of eligibility and Election Statement will be sent to the contact person indicated in the application.

The original 42m letter of eligibility must be signed by an authorized representative of the ownership entity, and returned by the deadline indicated in the letter with a reservation fee equal to 6% of the reservation amount, and any additional documentation indicated in the letter.

The original Election Statement must be completed and signed by an authorized representative of the ownership entity, and returned to OHFA no later than the fifth calendar day following the end of the month in which the bonds are closed.

Tax-exempt bond-financed developments will not receive a Carryover Allocation Agreement, but the owner must follow all 8609 Form request procedures and any conditions outlined in the 42m letter of eligibility, 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 42m letter of eligibility is issued to meet the placed-in-service requirements of the Housing Tax Credit Program.

I. Gross Rent Floor Election

In accordance with Revenue Procedure 94-57, the Internal Revenue Service will treat the gross rent floor described in Section 42 of the Internal Revenue Code (IRC) as taking effect on the date OHFA initially allocates tax credits to a project. The allocation date is the date that a Carryover Allocation Agreement is issued, or, if a project is financed with tax-exempt bonds, the date that a Housing Tax Credit 42m letter of eligibility is issued.

However, the IRS will treat the gross rent floor as taking effect on a building's placed in service date if the building owner designates that date, and informs OHFA no later than the date on which the building is placed in service. If an owner wishes to designate the placed in service date for the gross rent floor, the Gross Rent Floor Election form must be completed and submitted to OHFA before any building is placed in service. If this form is not received, or if it is received after the placed in service date of any building in a project, then the gross rent floor will take effect on the date OHFA initially allocates tax credits to the project.

J. Construction Monitoring and Reports

The owner and/or developer is required to submit quarterly summary reports at minimum detailing progress with construction or rehabilitation projects to OHFA Project Administration staff. The primary purpose of submitting quarterly summary reports is to monitor the progress of developments financed with assistance from OHFA and to ensure that all agreements between OHFA and the developer/owner are met.

The quarterly summary report of construction activities must verify the construction start date, the current percentage of completion, and provide an estimated completion or placed-in-service date as outlined in the OHFA Construction Monitoring Quarterly Report form. At OHFA's discretion, photographic evidence of construction activities may be requested in more frequent intervals to assure quality of work and site safety.

K. Development Completion Stage / 8609 Request

Upon development completion, the owner must notify OHFA of the placed-in-service date of each building and submit the following items to request 8609 Forms. The request is required to include a paper copy of the cost certification forms with original signatures of the owner and preparer, along with an electronic copy in Excel format. All other items must be submitted on a compact disc (CD) in PDF format. All forms and instructions are available on the OHFA website. Forms that are out of date, altered or modified will be rejected. The following items must be submitted:

1. Completed OHFA Owner's Cost Certification forms with original signatures of the owner and the independent accountant who prepared the forms. The accountant will be required to conduct a complete audit of the development costs. The required audit language is included on the forms.
2. Completed OHFA Contractor's Cost Certification forms with original signatures of the owner and general contractor.
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 developments 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. Supporting documentation must be submitted for financing sources where a note is not available (such as accrued interest or existing reserves).
5. Final limited partnership agreement executed by the limited and general partners. The agreement must include all equity amounts and the pay-in schedule for the equity.
6. A copy of the executed and recorded Restrictive Covenant (issued by OHFA), and a copy of an executed and recorded Consent of Recorded Lienholder form from each non-OHFA lending source with a mortgage filed on the property prior to the recordation of the OHFA Restrictive Covenant.
7. A check for payment of the appropriate compliance-monitoring fee, made payable to "Ohio Housing Finance Agency".
8. Evidence that the individual(s) responsible for final approval of resident files, or the site manager or leasing consultant who processes the Tenant Income Certifications, has attended the OHFA Tax Credit Compliance Training within six (6) months prior to the placed-in-service date for the first building completed.
9. Evidence that the owner or property manager has conducted a placed-in-service meeting with the OHFA Office of Program Compliance.
10. Evidence that written notification was submitted to the OHFA Office of Program Compliance within 15 days of the placed-in-service date of the building (or last building in a multiple building development).
11. Completion of the final Energy Efficiency Certification form for the year of allocation (applicable to allocations through 2010). Evidence of final certification with Enterprise Green Communities or LEED is required.
12. Narrative describing any material changes to the development 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 Housing Development Assistance Program funds awarded to the development must also be completed before 8609 Forms are issued. Any corrections or clarifications requested by OHFA must be submitted within three (3) months or a resubmission fee of $250 will be charged. OHFA reserves the right to defer processing Form 8609 requests that are received during a future competitive funding round.

Building Identification Numbers (BIN) are assigned to each building by OHFA after a request for 8609 Forms is submitted. Applicants must contact OHFA in writing with any requests to assign BIN to individual buildings prior to that time.

Development Team

The Development Team consists of the General Partner(s), Developer and Property Management Company. OHFA will evaluate each organization individually, and will evaluate the team as a whole. OHFA will determine whether the team is acceptable based on the criteria outlined below. A team found to be unacceptable will not be eligible for an award of OHFA resources.

A. Individual Organizations in the Team

Each organization will supply information in the AHFA that describes the affordable housing properties placed in service, under construction and under review by OHFA in which they have been an owner, developer or property manager, and the number of applications in which they will be a member of a development team that will be submitted for consideration. They will also document the roles that each organization will be assuming in the development process. If a state-certified Community Housing Development Organization (CHDO) is a team member, the CHDO will document how the proposed development furthers their mission to provide housing to eligible residents in their service area. The CHDO will also supply information documenting the housing development experience of individuals in the organization. Lastly, each member of the team will disclose to OHFA any organizational financial issues that will adversely impact this development should they be selected.

General Partner and Developer Characteristics

- Past experience developing affordable housing using OHFA programs. Properties presently in service and those under construction will be considered, and the quality and success of previous developments will be taken into account. OHFA will also consider location and experience in the geographic areas to be served, experience with the type of housing product proposed, and the past working relationships of the proposed development and ownership partners.
- Other affordable housing development experience using government funded programs, including existing properties and those under construction.
- The development capacity of the organization to complete construction of all current developments on time and within program requirements and application commitments.
- The financial capacity of the developer/general partner to ensure that construction will be completed on time and that work will be guaranteed for quality. All guarantees must be provided by the developer/general partners.
- The organization must conduct business with OHFA according to the Good Partnership policy.

Property Management Company Characteristics

- The company must currently be a member of the National Affordable Housing Management Association (NAHMA), the Midwest Affordable Housing Management Association (MAHMA), Council for Rural Housing & Development of Ohio (CRHDO), or Council for Affordable & Rural Housing (CARH).
- A representative of the company must have earned one of the following certifications: Housing Tax Credit Certified Professional (HCCP) sponsored by the National Association of Home Builders; Specialist in Housing Tax Credit Management (SHCM) sponsored by NAHMA; or equivalent certification from a nationally recognized consultant or association, including, but not limited to, TheoPro Compliance & Consulting Inc., Quadel Consulting or Spectrum Seminars.
- The company must have managed at least five Housing Tax Credit and/or federally-subsidized developments (each consisting of at least ten (10) units) for at least one (1) year each; or must have managed two (2) Housing Tax Credit developments (each consisting of at least ten (10) units) for at least three (3) years each.
- All developments currently managed by the company must not have any uncured Forms 8823. Exceptions may be granted on a case-by-case basis for 8823 events that are not the fault of the company, such as a casualty loss, or non-compliance issues that are inherited from the prior property manager.
- Management companies with no prior experience with an OHFA property will be evaluated by the information contained in their completed OHFA Management Company Capacity Review Survey. Management companies with prior OHFA experience will be evaluated in part on information contained in the Property Status Report generated from the Office of Program Compliance.
- Past experience managing affordable housing using OHFA programs. The quality and success of previous developments will be taken into account. OHFA will also consider location and experience in the geographic areas to be served, experience with the type of housing product proposed, and the past working relationships of the proposed development team members.
- Other affordable housing management experience using government funded programs.
- The company must conduct business with OHFA according to the Good Partnership policy.

B. The Team as a Whole

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

- ***Development history***: OHFA will review the experience of the development team with the housing type, location or type of geographic area, and scope of the development being proposed. Developments financed by OHFA, tax credit developments in other states, and other types of affordable housing in any state will be considered.
- ***Sufficient documentation of the specific roles of each member of the team***. If a team member is a CHDO, documentation which indicates that the CHDO maintains effective development control during the development process. Effective development control is demonstrated when the CHDO is the sole owner of the development, or, if not the sole owner, the CHDO has an agreement with the owner or the partners to allow it to make key decisions with regards to the selection, financing, improvement, management, and disposition of the development.
- ***Present capacity***: OHFA will review all developments that the team members presently have in development and determine whether there is sufficient capacity to successfully complete all developments in development and any new development awards in a timely and efficient manner. The amount of resources awarded to a particular team may be limited based on OHFA judgment of capacity.
- ***Good Partnership***: OHFA will evaluate the degree to which the development team members have acted in accordance with the Good Partnership policy in all phases of current and previous development efforts.

- ***Financial strength***: The financial capacity of the team as a whole will be reviewed and must be found acceptable.
- ***Outstanding financial obligations***: All financial obligations to OHFA must be current. Any delinquent obligations of any team member may disqualify the team from competing for an award.

OHFA will use information submitted with the application and other reasonable sources available to make all determinations, including reports and opinions of other public funding sources. OHFA reserves the right to place additional restrictions on development team members, limit the number of awards, applications or amount of resources available to a development team, and limit awards due to identities of interest between organizations applying for OHFA funding.

C. New Developers and/or General Partners

New Developers and/or General Partners that have not previously worked with OHFA will be limited to one award of 9% credits. New Developers and/or General Partners will not be able to apply for additional awards of 9% credits until their first OHFA development has received its 8609.

Compliance & Monitoring Guidelines

Introduction

The monitoring process determines if a property is complying with requirements of the Internal Revenue Code (IRC). The Housing Tax Credit monitoring process is outlined in IRC Section 42, IRS Regulation 1.42-5, 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 Tax Credit was allocated.

The term “extended use period” shall be defined as: “Beginning on the first day in the 15-year compliance/period and ending no earlier than 15 years after the close of the compliance period.” (See Internal Revenue Code Section 42(h)(6)(D) for more information).

This definition shall apply to any references of “extended use period” made in the 2015 Qualified Allocation Plan.

Monitoring Process

Housing Tax Credit projects are required to comply with the following, in addition to other requirements described in guidance published on the OHFA website.

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 Tax 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. This meeting must be scheduled within six (6) but no less than three (3) months prior to the placed-in-service date. OHFA will attempt to combine placed in service meetings when an owner/agent is placing several projects into service within the same general time period. OHFA may elect to waive this requirement.
3. Prior to the placed-in-service date, the owner/agent individual(s) responsible for final approval of resident files or the site manager/leasing consultant who processes the Tenant Income Certifications for buildings receiving 8609 Forms will be required to attend the OHFA Tax Credit Compliance Training within the previous six (6) months. Please refer to the OHFA website at www.ohiohome.org to register for this training.

4. Within 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 Tax Credit project must keep records for each qualified low-income building in the project for each year of the compliance and extended use period. These records must include but are not limited to the following for each building in the project:

    a. The total number of residential rental units in the building (including the number of bedrooms and the size in square feet of each residential rental unit);

    b. The percentage of residential rental units in the building that are low-income units;

    c. The rent charged on each residential rental unit in the building (including any utility allowances);

    d. The number of occupants in each low-income unit;

    e. The unit vacancies in the building and information showing when, and to whom, the next available units were rented;

    f. The annual income certification of each low-income resident per unit (if applicable);

    g. Annual student status certification;

    h. Demographic information;

    i. Documentation to support each low-income resident's income certification. Resident income is calculated in a manner consistent with the determination of annual income under Section 8 of the United States Housing Act of 1937 ("Section 8"), not in accordance with the determination of gross income for federal income tax liability;

    j. The eligible basis and qualified basis of the building at the end of each year of the credit period, compliance and extended use periods; and

    k. The character and use of the non-residential portion of the building included in the building's eligible basis under IRC Section 42(d).

6. The owner of a Housing Tax Credit project is required to retain the records described in Item 5 above for the entire period of extended use.

7. The owner is responsible for reporting to OHFA annually in the form and manner that OHFA specifies. The reporting process currently requires the submission of an owner certification, resident and project data, as well as other reports and certifications necessary to evidence compliance with any gap financing provided through an OHFA program. When completing the owner certification, the owner is certifying that, for the preceding 12-month period, the owner met the following requirements:

    a. The 20-50 test under IRC Section 42(g)(1)(A), or the 40-60 test under section 42(g)(1)(B), whichever minimum set-aside test was applicable to the project; and if applicable to the project, the 15-40 test under sections 42(g)(4) and 142(d)(4)(B) for "deep rent skewed" projects;

    b. There was no change in the applicable fraction (as defined in section 42(c)(1)(B)) of any building in the project, or that there was a change, accompanied by a description of the change;

    c. The owner has received an annual income certification from each low-income resident, as appropriate, and documentation to support that certification; or, in the case of a resident receiving Section 8 housing assistance payments, the statement from a public housing authority described in paragraph (b)(1)(vii) of this section;

    d. Each low-income unit in the project was rent-restricted under Section 42(g)(2);

    e. All units in the project were for use by the general public and used on a non-transitional basis (except for transitional housing for the homeless provided under Section 42 [i][3][B][iii]);

f. Pursuant to requirements under Treasury Regulation 1.42-5, the buildings and low-income units were suitable for occupancy, taking into account local health, safety, and building codes, and the State or local government unit responsible for making local health, safety, or building code inspections did not issue a violation report for any building or low-income unit in the project. If a violation report or notice was issued by the governmental unit, attach a statement summarizing the violation report or notice or a copy of the violation report or notice to the annual certification and state whether the violation has been corrected.;

g. There was no change in the eligible basis (as defined in Section 42[d] of any building in the project, or if there was a change, the nature of the change (e.g. a common area has become commercial space, or a fee is now charged for a resident facility formerly provided without charge);

h. All resident facilities included in the eligible basis under Section 42(d) of any building in the project, such as swimming pools, other recreational facilities, and parking areas, were provided on a comparable basis without charge to all residents in the building;

i. If a low-income unit in the project became vacant during the year, that reasonable attempts were or are being made to rent that unit or the next available unit of comparable or smaller size to residents having a qualifying income before any units in the project were or will be rented to residents not having a qualifying income;

j. If the income of residents of a low-income unit in the project increased above the limit allowed in Section 42(g)(2)(D)(ii), the next available unit of comparable or smaller size in the building was or will be rented to residents having a qualifying income;

k. The owner has not refused to lease a unit in the project to a Section 8 applicant because the applicant holds a Section 8 voucher or certificate;

l. No finding of discrimination under the Fair Housing Act has occurred for the project (a finding of discrimination includes an adverse final decision by HUD, an adverse final decision by a substantially equivalent state or local fair housing agency, or an adverse judgment from a Federal court);

m. For the preceding 12-month period, no residents in low-income units were evicted or had their tenancies terminated other than for good cause and no gross rents were increased other than permitted under Section 42; and

n. An extended low-income housing commitment as described in Section 42(h)(6) was in effect. OHFA reserves the right to adjust the above requirements according to changes in federal regulations.

8. OHFA requires that the owner of a Housing Tax 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 as described in Section 42 of the Internal Revenue Code.

9. OHFA has the right to review resident files throughout the 15-year compliance period and 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. For at least 20% of the project's low-income units, OHFA will inspect the units and review the low-income certifications, the documentation supporting the certifications, and the rent records for the tenants in those units. OHFA will provide prompt written notice to the owner of a housing tax 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.

Pursuant to Treasury Regulation 1.42-5(c)(2)(ii)(B), at least once every three (3) years, OHFA will conduct on-site inspections of all buildings in the project, and for at least 20% of the project's low-income units, OHFA will inspect the units and review the low-income certifications, the documentation supporting the certifications, and the rent records for the tenants in those units.

10. When OHFA identifies instances of non-compliance, it is required to file Form 8823, "Low-Income Housing Tax 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]). In addition to notifying the IRS of non-compliance, OHFA may place the project on its Multifamily Watch List or consider the owner or manager not in good standing with OHFA programs.
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 Tax Credit owners to pay a one-time compliance monitoring fee. The fee amount for projects receiving a reservation in 2015 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 Tax Credit restrictive covenant(s), Housing Development Assistance Program (HDAP) restrictive covenant, and the gap financing agreement.
16. Compliance requirements are communicated to owners and managers of Housing Tax Credit projects through the OHFA website, training sessions, 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 Owner or Management Company that occur after the project has placed-in-service must be approved by OHFA Program Compliance. The owner must apprise Program Compliance of the proposed change 60 days prior to terminating the services of the current management company or selling the project. OHFA may require the proposed management company to fill out a due diligence questionnaire and provide other information to ensure the proposed company is sufficiently qualified to manage a Housing Tax Credit project in Ohio. A proposed owner may be required to provide evidence to OHFA that it is capable of operating a Housing Tax Credit property in accordance with IRS and OHFA requirements. OHFA reserves the right to reject, with cause, any change in management or ownership.

Housing Credit Gap Financing

A. Purpose

The Housing Credit Gap Financing (HCGF) guidelines are intended to explain the state and federal rules that govern the use of Housing Development Assistance Program (HDAP) funding when coupled with 4% or 9% Housing Tax Credits.

B. State & Federal Funding Requirements

Where these guidelines do not provide specific information with respect to underwriting criteria, OHFA will first seek guidance in the statutes that govern the funds being used. For HOME funds, OHFA will refer to the Code of Federal Regulations that governs the use of HOME dollars. For OHTF funds, OHFA will refer to Ohio Revised Code §174 as well as the Code of Federal Regulations governing the use of OHTF funds used to meet the HOME "Match" requirement.

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, the Americans With Disabilities Act as well as any state and local Civil Rights legislation along with any required related codes and laws. Should OHFA not specify any requirements, such as design, it is none the less the owners responsibility to be aware of and comply with all non-discrimination provisions relating to race, color, religion, sex, handicap, familial status, and national origin. This includes design requirements for construction or rehabilitation, Equal Opportunity in regard to marketing and tenant selection and reasonable accommodation and modification for those tenants covered under the Laws. OHFA has provided a brief guide to federal accessibility requirements.

C. Reporting Requirements

The recipient of the HDAP funds will be responsible for compliance with applicable implementation, reporting, and record keeping requirements associated with the federal HOME dollars, OHFA, and State requirements

D. Types of Funding Available

HDAP will use the following resources for providing financial assistance to eligible projects:

1. ***HOME Investment Partnerships Funds***: Federal regulations relating to environmental review, federal wage rates, federal accessibility, federal acquisition and relocation laws [URA and Section 104(d)], long-term affordability, etc. apply.
2. ***Ohio Housing Trust Fund (OHTF)***: The Ohio Housing Trust Fund provides funding to HDAP projects predominantly serving low- to moderate-income households with incomes at or below 50% of the area's median income. The OHTF gives preference to those projects that benefit households with incomes at or below 35% of the area median income for the county in which the project is located, as established by the U.S. Department of Housing and Urban Development (HUD). Applicants receiving an award of OHTF dollars may be subject to State of Ohio Prevailing Wage Rate rules.

Funds will be awarded in the form of a loan or a grant. Applicants receiving an award of are subject to approval from the OHFA Board.

OHFA will award HOME and Trust Fund dollars based on the need to meet set-asides specific to each funding source and based on the source most appropriate for the applicant/project. Applicants that have compelling reasons to request a specific source of funding can do so in a separate letter sent to the attention of the Affordable Housing Programs Manager prior to the submission of their housing credit application. However, OHFA may or may not be able to honor the request for a specific type of funds.

E. Reporting Requirements

The recipient of the HDAP funds will be responsible for compliance with applicable implementation, reporting, and record keeping requirements associated with the federal HOME dollars, OHFA, and State requirements.

Rental Development Eligibility

All applicants must act as a general partner or sole owner of the project during the construction phase.

A. Ineligible Projects

If any construction or construction related activity is initiated, prior to a commitment through HDAP and receipt of all appropriate clearances (i.e. environmental review, if applicable), the entire project may be ineligible for funds.

Projects that have previously received an award of HDAP funds through OHFA or the Office of Community Development (OCD) may not be eligible for additional HDAP funds. Applicants must contact OHFA prior to submitting an application for additional HDAP resources.

B. Eligible Uses

HDAP resources may only be applied in the development budget toward non-related party acquisition, hard costs associated with new construction or rehabilitation, and developer fees associated with the proposed development.

	Eligible	Ineligible
Uses	The following development budget line items are permitted: • acquisition (non-related party only) • demolition (not applicable for Preservation projects) • on-site improvements • construction and/or renovation costs including construction fee items, construction contingency, and contractor overhead and profit (excluding costs associated with construction of commercial property) • furnishings and appliances • architectural and engineering fees • developer fees and developer overhead • consultant fees • legal fees	• Costs associated with creating market rate housing and/or commercial spaces • Single family lease purchase developments • Free-standing, non-residential buildings • Infrastructure dedicated back to the local municipality

C. Multifamily Tax-exempt Bond Program

If HDAP funds are available for projects funded with Multifamily Tax-Exempt Bonds, OHFA will issue a Request for Proposals (RFP) that will outline the application requirements and selection criteria. Except as noted in the RFP, these HDAP guidelines will apply to the Multifamily Tax-Exempt Bond Projects.

Project Requirements

A. Financing Terms

Applicants that appropriately evidence status as a not-for-profit can request either a grant or loan from HDAP. However, OHFA reserves the right to award either a loan or a grant based on the financial underwrite of the project. Applicants should refer to the OHFA website for a definition of cash flow.

Loans:

- Up to a 2% interest rate;
- Loan will mature at the end of the affordability period. The affordability period is defined as the minimum term required in 24 CFR Part 92 plus an extended affordability period imposed by OHFA – total term will be up to 40 years. If RD or HUD are involved as a direct lender, not a guarantor, the total term will be up to 45 years. The affordability term must agree with the loan term.
- Collateral will be a subordinate mortgage position. OHFA prefers a second or shared second position. If a lower position is necessary, the applicant should indicate so in the application along with an explanation and supporting documentation.

Year 1 is calculated from the date all close-out documentation is approved by OHFA.

- Loans will be made to the HDAP Recipient as the project's general partner, managing member or equivalent. The HDAP Recipient may loan the HDAP funds to the project. If the project has more than one general partner/ managing member (or equivalent), OHFA reserves the right to determine which will be the HDAP Recipient.
- OHFA will consider alternate terms prior to the approval of the award by the OHFA Board.

If the property is sold prior to loan maturity, OHFA may require that all or a pro-rated amount of the outstanding principal and interest become due and payable.

OHFA reserves the right to allow for the forgiveness of all or a portion of the outstanding debt if, at the end of the 30-year loan period, OHFA determines that the property has been maintained as a safe, decent, and sanitary affordable housing project (as defined by the Uniform Physical Conditions Standards or current standards used in the OHFA Program Compliance Office) throughout the term.

B. Eligibility for Grant Funding

To be eligible for a grant, the following criteria must be met:

- A grant has been requested by the HDAP recipient,
- The controlling general partner, managing member or equivalent (HDAP recipient) is a 501(c)(3) or 501(c)(4) – a 25% owner will not qualify for a grant,
- At least 20% of the units in the project will be affordable to and occupied by households earning at or below 35% of the AMGI, and
- The HDAP Recipient cannot loan the HDAP funds to the project.

For housing credit projects that request a direct grant of HDAP funds, the HDAP funds may be included in eligible tax credit basis if the HDAP funds are a general partner's capital contribution and provided that the project can provide a tax-opinion certifying the funds as part of eligible basis. The project must still meet all of the above noted requirements to be eligible for a grant. However, when considering eligibility for a grant, OHFA will apply the regulations governing the funds awarded (HOME or OHTF) when considering how the HDAP-recipient passes the award onto the project.

OHFA reserves the right to award either a loan or a grant based on the financial analysis of the project.

C. Environmental Reviews and Project Eligibility

OHFA will conduct a supplemental Environmental Review for all projects receiving HDAP funds. Projects are not permitted to begin construction prior to the completion of the environmental review process and the issuance of a funding agreement. In addition, projects receiving Federal HOME dollars may not acquire the site prior to completion of the Part 58 HOME Environmental Review.

Projects that do begin any construction or construction related activity prior to the issuance of a funding agreement and receipt of all appropriate clearances (i.e. environmental review clearance, if applicable), at a minimum, the project will be subject to the following penalty:

- HOME-funded projects: The funding agreement will be rescinded. OHFA cannot guarantee the availability of other funds to fill the gap.
- OHTF-funded projects: The project may request to keep the award of funds. However, the recipient must provide a letter detailing the reasons construction began prior to the completion of the ER process; the applicant must detail what measures will be taken to ensure this does not happen with future projects and request that OHFA not rescind the OHTF award.

The Multifamily Committee of the OHFA Board will review all requests either to change the source of the HDAP award, or to keep the award of OHTF dollars if construction begins prior to the completion of the environmental review process. If approved, the recipient will not be able to draw HDAP funds until construction has been completed. The Multifamily Committee may choose to impose additional requirements or restrictions.

Regardless of the funding source, OHFA reserves the right to take further action if the recipient violates this restriction on future projects, or has violated this restriction on prior projects.

All projects will be subject to an environmental review conducted by the Ohio Housing Finance Agency (either a Part 58 or similar review), regardless of source of funds committed to the project. OHFA will allocate $1,000 per project funded with HOME funds for the publication of the environmental review Public Notice.

D. Rehab Standards

Developments that involve the rehabilitation of structures must adhere to the Office of Community Development (OCD) Residential Rehab Standards (RRS) or other standard approved by OCD. Refer to OCD's website for the RRS Handbook.

E. Site and Neighborhood Standards for New Construction Projects

New construction projects will need to meet the site and neighborhood standards found in 24 CFR 983.6.

F. Lead-Based Paint Strategy

All projects must adhere to the Department of Development's Lead-Based Paint Guidelines (found in the annual Consolidated Plan). All projects that involve the demolition and/or renovation of structures built prior to 1978 must submit a lead-based paint strategy that includes the following:

1. Indicate whether or not the property(ies) has(have) been tested for lead-based paint.
2. If the units/buildings have been tested, describe the test results. If the project has not been tested, describe how you derived an estimated cost for testing and confirm that these costs were incorporated in the project's development budget.
3. Describe how the cost to treat lead-based paint will be covered by the project budget, and how you estimated the cost to treat lead-based paint.

4. (Describe the availability of licensed lead testers, contractors and workers in your area, and if there is a shortage of licensed personnel, how might that effect the construction of your project regarding timeline and what strategies will you use to find licensed personnel.

For the Department of Development's Lead-Based Paint Guidelines, please contact the Office of Community Development (OCD) at 614-466-2285.

G. Appraisals

All projects that include any acquisition costs in the pro forma will be required to submit an "as-is" appraisal that supports those costs. Appraisals must meet OHFA's requirements and must be submitted with the final application submission. The purchase price should be less than or equal to the appraised value. If the purchase price is greater than the appraised value, the applicant must explain why. OHFA reserves the right to limit funding of acquisition costs to the appraised value of the site.

Projects that do not provide an appraisal prior to the approval of the HDAP award will be required to provide it prior to closing the HDAP.

Appraisals cannot be more than six (6) months old at the time of application. If the applicant submits the appraisal to meet a closing condition, the appraisal cannot be more than six (6) months old when received by OHFA.

H. Uniform Relocation Act Relocation Standards

1. Relocation Forms:

   All applicants must supply the "Real Property Acquisition and Relocation Certifications and Voluntary Acquisition Forms" for the project as follows:

   - All HDAP applicants must submit a completed URA Attachment "Questionnaire on Acquisition, Relocation and Demolition."
   - For all projects involving acquisition (if the project shows acquisition costs for buildings in the project budget, this must be completed), the applicant must submit a completed URA Attachment "Real Property Acquisition and Relocation Certifications."
   - For all projects involving acquisition, i.e. development budget reflects acquisition costs for buildings in the project, the applicant also must complete URA Attachment L "Sample Voluntary Acquisition Form" for each seller of land and/or building acquired for use in the project and must retain these completed forms with original signatures on file, for review by OHFA staff.

   Each application will be reviewed for compliance with Ohio Department of Development Relocation Policies, the Uniform Relocation and Real Property Acquisition Policies Act of 1970 and Section 104(d) of the Housing and Community Development Act. Any non-compliance issues will be brought to the attention of the applicant and must be resolved prior to execution of the HDAP funding agreement.

2. Relocation Plan:

   All projects, regardless of funding source, that involve the rehabilitation of (an) existing occupied unit(s) must submit a Relocation Plan. If the project receives federal funds, the plan must meet the requirements set forth in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.

   The Relocation Plan submitted with the HDAP application must address the following:

   a. During renovation, residents will: (1) stay in place, (2) be temporarily relocated within the project, (3) be temporarily relocated off-site, (4) Be permanently relocated. The applicant may choose a strategy that includes a combination of (1)-(4).

b. If some or all residents will stay in place, the applicant must describe the rehabilitation items to be completed and strategies to complete those items without requiring resident relocation.

c. If residents will be temporarily relocated or permanently relocated, the applicant must describe what resources are anticipated to be needed to accomplish the relocation (including the applicant's basis for estimates for the cost of relocation), the notices that will be provided to residents, how the applicant will staff relocation activities, and source of funds to cover the cost of relocation activities.

For the additional questions on relocation, please contact the Office of Community Development at 614-466-2285.

I. Affirmative Marketing Plan

OHFA must ensure that all funded projects are affirmatively marketed. A completed Affirmative Fair Housing Marketing Plan with required attachments must be submitted in the HDAP application.

J. Wage Rate Compliance

The applicant will be responsible for compliance with state and federal wage rates that may be applicable to the project. Appropriate wage rates need to be factored into the applicant's construction budget. Questions regarding the applicability of state prevailing wages should be referred to Department of Commerce (Wage & Hour Bureau) at 614-644-2239. The number of HOME-assisted units in the project will determine the applicability of federal wage rates for the project. Twelve (12) or more HOME-assisted units trigger federal Davis-Bacon wage rates. Questions regarding the applicability of federal prevailing wage (Davis-Bacon) should be referred to the Office of Community Development at 614-466-2285.

K. Rent Requirements

HDAP Restricted Units:

Developments located in PJ areas must show:

- that at least 40% of the development's affordable units must be occupied by and affordable to families at or below 50% AMI for the entire affordability period.
- that a minimum of 10% of units will be affordable to and occupied by households at or below 35% of area median income.

Developments located in Non-PJ areas must show:

- that at least 35% of the development's affordable units must be occupied by and affordable to 50% AMI households for the entire affordability period.
- that a minimum of 5% of units will be affordable to and occupied by households at or below 35% of the area median income

HDAP Assisted Units:

All projects will be required to maintain HDAP-Assisted Units, which are determined by the amount of HDAP provided, the 221(d)(3) limits, and the costs to develop the unit.

Affordable units are defined as units that are affordable to households at or below 60% of the AMGI.

Projects with federal project-based subsidy on the greater of a) at least 50% of the units or b) the number of restricted and assisted units will set rents (with utilities) as allowed by that project-based assistance. Existing tenants may not be displaced to achieve the minimum percentage of occupancy by very low-income households. Occupancy in up to 60% of the development by households with higher incomes is to occur over time; at turnover, units may be leased to higher income households.

Exception to Rent Restrictions (50% rents and High and Low HOME Rents):

Units that have project-based rental assistance with units that are occupied by families below 50% of the AMGI and pay no more than 30% of their adjusted income toward rent and utilities are exempted from the rent restrictions associated with the Low HOME Rents and Restricted Units at 50% AMI. Project-based rent assisted units can charge up to the contract rent prescribed by their project-based rental assistance contract. However, these projects must still comply with the occupancy requirements that accompany the restricted and assisted units in (1) and (2) above. Should the project-based assistance contract be discontinued, the project will then be required to comply with the restricted rent (50% AMI) and High and Low HOME Rent requirements.

Post Award

A. Loan Closing Requests

OHFA will enter into a Funding Agreement with the HDAP-Recipient and Limited Partnership. Once the Funding Agreement has been signed by all appropriate parties, the HDAP-Recipient may formally request a closing of the HDAP.

A template closing checklist and closing procedures are available on the OHFA website.

The template checklist does not include any project-specific closing conditions determined during the underwriting process. Project-specific closing conditions will be detailed in the Funding Agreement.

OHFA requires a minimum of 30 days to complete its review once all of the required checklist items have been received.

B. Subsequent Changes

The HDAP-Recipient is required to notify OHFA immediately and request approval of any changes that occur in the project at any time after project approval through the affordability period. Such changes include, but are not limited to, changes in the development team (developer, general contractor, sales agent/management entity, etc.); changes in the number of units or unit mix; changes to the target population; etc.

The request should be sent to:

Ohio Housing Finance Agency
Planning, Preservation and Development
57 East Main St., 4th Floor
Columbus, OH 43215

OHFA reserves the right to assess fees for the following:

Amendments to a funding agreement:	$ 500 per request
Extensions of a funding agreement:	$ 500 per extension
Reinstatement of an expired funding agreement:	$1,000

C. Project Administration and Drawing HDAP

A Guide to Drawing the HDAP has been created to assist applicants as they work with OHFA staff during the construction phase. This document may be found on the Project Administration page of the OHFA website.

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