



## 2012 Housing Credit Program Frequently Asked Questions (FAQ)

October 6, 2011

### Experience & Capacity Review

1. The organizational chart and staff roster submitted with the Experience & Capacity application should be for development staff members only.
2. Organizations that have been approved to participate in the Housing Development Gap Financing (HDGF) must complete the Experience and Capacity Application and submit it to OHFA prior to the deadline.

### Proposal Deadline

Proposals must be submitted no later than Thursday, November 17, and will be accepted until OHFA offices close or 5:00 p.m. that day, whichever occurs first. Applicants are encouraged to submit their proposals in advance of the deadline.

### Proposal Meetings

The proposal meetings will be held during February and March, and will be scheduled well in advance to give all participants ample time to plan to attend. OHFA will consider weather conditions for travel and the number of applications submitted by an organization when selecting dates and times for the meetings.

### Site Visits

Proposals that received a site visit during the 2011 funding round will not be visited again unless the area has substantially changed since the last site visit.

### Communication with Local Community Housing Development Organization (CHDO)

1. The development team is required to demonstrate appropriate communication regarding their proposal with the local State-Certified CHDO. If the proposal is not located in the service area of a State-Certified CHDO, then this requirement is not applicable. Questions regarding State-Certified CHDO may be directed to Deborah Leasure at [dleasure@ohiohome.org](mailto:dleasure@ohiohome.org).
2. In the event that a proposal is located in more than one CHDO service area (such as a scattered site project), the development team must demonstrate communication with all State-Certified CHDO where the proposal is located.
3. OHFA will review and consider comments and suggestions submitted by CHDO for proposals located in their service area.

### Application Fee

1. The application fee should not be submitted with the proposal. OHFA will send an email invoice to the project contact for application fees by November 21, 2011. The fee must be paid in full by December 19, 2011 or the proposal will be rejected and returned to the project contact.



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2. The applicant should reflect a \$2,000 application fee on the Affordable Housing Funding Application (AHFA). The amount may be adjusted in the final application to reflect the correct application fee.
3. It is the responsibility of the project contact to collect and submit fees for their proposal(s).

### Market Study

1. Market analysts are required to submit a list of all commissioned market studies to OHFA no later than October 24, 2011. The analyst must provide the name and location of each proposal. Questions regarding this item may be directed to Kevin Clark at [kclark@ohiohome.org](mailto:kclark@ohiohome.org).
2. The applicant is responsible for submitting the market study on a disk in PDF format to OHFA no later than December 8, 2011.

### Environmental Reports

1. A Phase I Environmental Site Assessment (ESA) report must be submitted with all proposals, except those meeting the definition of a scattered-site project, which may submit either a Phase I ESA or a Mini-Phase I (MP1) report for each site.
2. A Phase I ESA is required with the final application if the one-year time requirement for letters of reliance has lapsed, and for all sites to be included in a scattered site project if not submitted with the proposal.

### Minimum Project Standards

1. The requirement that senior housing proposals have no more than two bedrooms and one and a half baths is intended for both new construction and the rehabilitation of existing senior housing units. Applicants may request a waiver by the October 20 deadline for existing senior properties that do not meet this requirement. Waivers will be considered based on the projected cost of the proposal, and whether it is reasonable compared to the cost of rehabilitating senior buildings that OHFA has funded in the past.
2. The requirement that senior units contain a curbless ADA-compliant shower is intended for both new construction and the rehabilitation of existing senior housing units. Applicants may request a waiver of this requirement for an existing senior property by the October 20 deadline. Waivers will be considered based on the feasibility of converting an existing bathroom and on the needs of the senior population residing at the property.
3. The maximum common area is 20% of total gross building square footage. This figure must be calculated using the OHFA Square Footage Calculation Requirements provided on Page 34 of the 2012 Qualified Allocation Plan (QAP). Questions regarding calculation of square footage may be directed to Sara Lahman at [slahman@ohiohome.org](mailto:slahman@ohiohome.org).

### Allocation Pools

1. There is no specific minimum percentage of units required to have project-based rental subsidy in order to qualify for the Preservation Pools.



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2. Newly constructed units and existing units that have project-based rental subsidy may be included in one proposal, however OHFA has discretion to assign such a proposal to either the Preservation or Geographic Pools.
3. A property that is expecting the renewal of an existing Housing Assistance Payments (HAP) contract will compete in the Preservation Pools.
4. Credits that are not awarded in other pools will be distributed in the Maximizing Outcomes Pool, however the amount assigned to each pool is approximate, and a significant amount of remaining funds is not expected.

### Green Communities

The required forms and guidance regarding the Green Communities certification process and waiver process is available on the Housing Credit Program Documents page at <http://www.ohiohome.org/lihtc/documents.aspx>. Questions regarding Green Communities certification may be directed to [certification@enterprisecommunity.org](mailto:certification@enterprisecommunity.org).

### Local Collaboration

1. The applicant should describe how their proposal contributes to a local development or revitalization plan based on the criteria indicated in the QAP.
2. Local development or revitalization plans that are presently in effect or have been recently updated will receive stronger consideration than plans that are older and out of date.

### Market Criteria

In the Market Criteria section of the Selection Process, exceptions for particular properties will not be considered when ranking proposals based on Occupancy Rates. (Example: properties that have high vacancy due to physical obsolescence.)

### Need for Rehabilitation

OHFA will not penalize proposals in the Need for Rehabilitation category if there are deferred maintenance issues and the property is being purchased from an unrelated entity.

### Achievement of Minimum Targets and Guidelines

OHFA will consider reasonable costs and efficient use of resources in an effort to meet the production goal indicated in Part IV of the Selection Process. The development budget for a proposal must be reasonable to be eligible for an award.

### Minimum Financial Evaluation

1. Applicants may use a credit rate of 9% to calculate the rehabilitation and new construction housing credit amount as indicated in the Credit Calculation section. OHFA will provide updates on any proposed legislation to permanently fix this rate at 9%.
2. Applicants may request an allocation of credits based upon 130% of the qualified basis for new construction or rehabilitation upon demonstration of financial need. OHFA will evaluate need



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based on project cost and availability of other financing sources when determining whether the basis boost will be approved.

3. The Cash Flow Analysis section indicates assumptions for increases to annual income and expenses, with exceptions possible if operating subsidy is provided by HUD or the local public housing authority. An exception may also be permitted if operating subsidy from USDA Rural Development (RD) is provided.

### **Projects with Tax-Exempt Bond Financing**

1. Applicants requesting 4% Housing Credits for projects financed with tax-exempt bonds must meet all requirements of the 2012 QAP for applications received on or after January 1, 2012.
2. Applicants requesting 4% Housing Credits during the remainder of 2011 should complete the 2011 version of the AHFA and submit with their application. Contact our offices to obtain a complete copy of the 2011 AHFA.