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Frequently Asked Questions (FAQ) 2013 Qualified Allocation Plan

OHFA is often asked how it will interpret program guidelines with respect to specific issues. Such questions regarding the above noted guidelines can be submitted to 2013QAPMailbox@ohiohome.org

This FAQ will be updated weekly, as necessary, to address new questions that may arise.

August 20, 2012

1. **Question:** In the calculation of common area can you give me the definition of “Dedicated program space.” Depending on what is included in Dedicated program space it might be hard for a senior building with interior corridors to meet the 20%.

Answer: Dedicated program space was intended to recognize that while we want to make our buildings more cost efficient with regards to square foot area, we do not want a developer to be penalized for spaces required by special needs programs. These special needs programs are more obviously exemplified by Permanent Supportive Housing projects. Such spaces are 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.

2. **Question:** Does a new mark-to-market count as significant federal funding?

Answer: No. The QAP identifies which federal sources will be considered for competitive points.

3. **Question:** Which costs are included in calculating the contractor profit limit?

Answer: In addition to hard construction costs, OHFA will include all off site costs and improvements in calculating the contractor profit.

4. **Question:** If OHFA is going to conduct the Experience and Capacity review after the 2013 applications are submitted, how will applicants know what, if any, restrictions may be imposed?

 **web** www.ohiohome.org | **tollfree** 888.362.6432

The Ohio Housing Finance Agency is an Equal Opportunity Housing entity. Loans are available on a fair and equal basis regardless of race, color, religion, sex, familial status, national origin, military status, disability or ancestry. Please visit www.ohiohome.org for more information.

Answer: OHFA will be evaluating the financial strength of the development as a whole, versus individual members. Therefore, that review will be conducted on every development team. However, anyone who has not partnered with OHFA on a recent project or has been denied in previous round due to organizational capacity should contact the agency to determine whether or not a review should be conducted in advance of the round.

Any member of a development team who was restricted in the past and plans to be part of an application that does not meet restrictions previously imposed, should also contact the agency in advance.

All requests should be submitted in writing to the attention of the Operations Manager. These must be received by Planning, Preservation and Development no later than 5:00 pm on November 30, 2012. Organizations that do not submit a request will still be eligible to submit an application; however, OHFA's decision as to the capacity of the team (both financial and organizational) will be final and may impact the project's ability to continue through the application review process.

August 27, 2012

1. **Question:** Is OHFA imposing per project allocation caps? Is OHFA limiting the amount of eligible basis a project may claim for the purposes of allocating credits?

Answer: No, OHFA is not imposing allocation caps, nor is it limiting the amount of eligible basis a project may claim for the purposes of allocating credits.

2. **Question:** With the application being due February, 21, 2013 do all of the support letters have to dated 2013 to be certain the Mayor, Trustees, Commissioners, etc. are current? What if they don't meet in January?

Answer: The letters should be dated as close to the application date as possible. If they are dated in 2012, the applicant should provide documentation Trustees or Commissioners did not meet in January or February of 2013. The individuals who sign support letters must hold their current position as of February 21, 2013. For example, a letter from a person who signs a support letter in 2012 and no longer is in the same office or position on February 21, 2013 would not qualify for points.

3. **Question:** Capital Needs Assessment, does that mean "Physical Needs Assessment" for renovation projects? Is there a limit to the age of the report? Does the report need to be completed by an unrelated, third party consultant?

Answer: OHFA has posted to its website standards for the Capital Needs Assessment. This should provide clarification as to the purpose of the assessment.

The assessment must be conducted by a third-party professional and should be no more than 12 months old at the time of application. If it is older, an update can be provided by the author but it must address (1) each component identified in the original assessment, (2) any changes that have

occurred since the assessment was issued and (3) whether or not other components not originally addressed have been added to the assessment.

4. **Question:** HDAP Funding- does this funding have its own process/application? What are the details?

Answer: Requests for HDAP will be evaluated concurrent with the competitive credits. The Affordable Housing Funding Application (AHFA) has a worksheet for these seeking this funding source. OHFA has posted to its website guidelines for Housing Credit Gap Financing.

<http://www.ohiohome.org/hdap/HDAPguidelines.pdf>

September 3, 2012

1. **Question:** If the developer is doing a “package” deal with one or more multifamily properties, how should they do their CNA and how will we score it? Should they do one for each property and then OHFA will weight them, or should they just have one completed?

Answer: One CNA can be done but it must provide the detail for each building (including Effective Useful Life of the components within each building). OHFA will score “packaged” deals the same as it would a single site project with multiple buildings. Each building will be evaluated and scored, and then the scores will be averaged. The submitted project will receive one score.

2. **Question:** The developer would like to claim historic credits (State and Federal) and the equity those will bring. However, the project will not be on the Historic Register in time to meet the Proposal Submission Deadline. Is this important, since the process will be completed prior to the project’s review by the OHFA Board?

Answer: If a project is seeking competitive points for the use of the State or Federal Historic Tax Credits, the applicant must demonstrate the project has completed the Part I review and received a recommendation for approval from the Ohio Historic Preservation Office. The final application must evidence all funding has been conditionally committed; therefore the applicant must have completed the process to be placed on the National Register and the credits must have been awarded. If the project is not successful in being placed on the National Register or in receiving State or Federal Historic Credits, OHFA will rescind the Binding Reservation Agreement.

If the applicant is not seeking competitive points for State or Federal Historic Credits, no documentation is needed at the Proposal phase. However, the final application must evidence that all funding has been conditionally committed. Therefore either the applicant must have completed the process to be placed on the National Register and the credits must have been awarded or the applicant must provide conditional commitments for an alternate funding source.

3. **Question:** How should developers submit supporting documentation for the competitive points they are requesting?

Answer: All documentation submitted to support competitive scores must be numbered and labeled as described in the instruction worksheet found in the 2013 Affordable Housing Funding Application (AHFA). Since applicants will provide one PDF document for each scoring category, multiple documents will need to be combined. Each section within the PDF must be bookmarked. The Self Scoring sheets have a section for the applicants to identify both the file name and page number for the supporting documentation that supports each competitive item.

4. Question: How will OHFA handle waiver requests?

Answer: OHFA has created an “Exception Request Form” applicants will be required to use to request an exception (waiver) to the QAP. This is available on the website under Program Documents, 2013 Qualified Allocation Plan. A separate form must be submitted for each exception being requested. Applicants are encouraged to provide any documentation they have that would lend support to the request.

OHFA has created the following mailbox where exceptions requests are to be submitted:
ExceptionsPPD@ohiohome.org

OHFA will review all requests and release decisions on February 7, 2013.

September 10, 2012

Question: Page 62 of the 2013 QAP references an OHFA Management Company Capacity Review Survey. Please forward this survey to me for completion and inclusion in our application. I was unable to locate the document on OHFA’s website.

Answer: Management companies with OHFA experience will be evaluated based on the criteria in the QAP and their history as documented by OHFA’s Office of Program Compliance. OHFA may require additional information from these organizations, and will contact the applicant if necessary. Management companies that have not worked with OHFA in the past will be required to complete the OHFA Management Company Capacity Review Survey. This document is posted on OHFA’s website here: <http://ohiohome.org/lihtc/documents.aspx>

Question: I’m not clear on the requirements under Community Outreach to achieve eight (8) points for existing rental units. We plan to meet with existing residents to provide opportunities for input and collaboration on our rehab plans. Does OHFA expect applicants to meet with community members outside of the resident population (and locally elected officials) to discuss the proposed rehab?

Answer: OHFA will consider opportunities provided to the residents of the units as “community” for points under Community Outreach. However, to gain the most points possible, OHFA also values the opportunity for the local government and safety services (police, fire, etc.) to provide input on improvements.

Question: Under Community Outreach, the guidelines suggest posting notices where residents may congregate. In this context does “residents” mean the occupants of the subject building or general members of the surrounding community?

Answer: It can mean both; however, OHFA will provide some points if the applicants provide opportunities to the residents alone (please see the previous question).

NOTE: OHFA is currently reviewing comments received with respect to the Capital Needs Assessment and the Effective Useful Life. OHFA will respond to those as soon as we have had the opportunity to fully evaluate our responses.

September 17, 2012

Question: For competitive points under the Local Collaboration category, specifically Support of Mayor or Trustees and Support of Village Council, a development located in a City or Village is able to achieve points in both these categories. However, if the development is located in a Township the support for City or Village Council is unavailable as the development would not be in such jurisdiction. Or another way to look at it is the QAP favors developments in Cities and Villages over Townships as the QAP gives more points for the City and Village governing bodies over the Townships. We would not think that would have been staff’s intention.

Answer: Each competitive category provides opportunities to earn more points than the maximum available. While a project located in Township may not be able to get the points for support of the City or Village Council, there are other opportunities for them to earn points beyond the maximum allowed.

Question: Local Collaboration, Community Outreach: Is the developer expected to have already conducted Community Outreach, describing the process at the time of application submission, or will points be awarded based on a plan described in the application, to be implemented later?

Answer: The QAP requires this to be completed prior to submitting an application.

Question: Can the architectural firm that will serve as the project architect for a 9% LIHTC project also perform the Capital Needs Assessment or does a separate, independent entity need to be engaged?

Answer: From the August 27, 2012 FAQ: “The assessment must be conducted by a third-party professional and should be no more than 12 months old at the time of application. “

Question: Can you please clarify the New Markets criteria for “previous development” on page 25 of the 2013 QAP. Does this include all OHFA multifamily program funds or only previous 9% projects?

Answer: This includes all programs administered by OHFA for the purposes of developing affordable rental housing.

Question: Is there a source documents or website (ie. www.ohiohousinglocator.org) that developers can use to identify all multifamily projects funded through OHFA?

Answer: OHFA will post a list of projects funded through OHFA on its website no later than October 1, 2012. This list will be located at:

<http://www.ohiohome.org/lihtc/documents.aspx>

The list will be located under the heading 2013 Qualified Allocation Plan, under Resources.

Question: For Local Collaboration/Local Priority, how should applicants self-score this and what documentation should be provided to support the score?

Answer: Applicants should not self-score this category or provide documentation. The QAP states that OHFA will survey each applicable locality. OHFA will be contacting each locality, regardless of what is submitted with application, and OHFA will award these points.

September 24, 2012

Question: Since USDA Rural did not release a NOFA for the USDA 515 funding, will OHFA replace it with USDA 538 in order to obtain USDA point under significant federal or state funding?

Answer: No. Points will be awarded only for the specific funding sources identified.

Question: On page 26 of the QAP, it says, “Three (3) points will be awarded to proposals in which all sites involve the redevelopment of vacant and foreclosed properties in areas impacted by foreclosure.” Is there a definition of “areas impacted by foreclosure” to know if an address qualifies?

Answer: OHFA will post a list of zip codes for areas considered to be “areas impacted by foreclosure.” This list will identify both OHFA’s methodology for determining these areas as well as the data source. OHFA is working to have this finalized for an October 16th posting date.

October 9, 2012

Question: What is OHFA’s definition of: innovative attributes”; “innovative housing,” and “innovative features”?

Answer: The QAP defines these as: “Concepts must be original ideas, able to serve as a model for future affordable housing developments, able to be replicated in any area of the state, and benefit the population to be served.” OHFA is currently evaluating how it will select among the proposals competing for these points, and hopes to be able to provide more guidance at the Housing Funding Training being held on October 30, 2012. Information from that training will be posted to the OHFA website after the training.

Question: How does the 2013 OHFA Site Evaluation form factor in to the scoring? Is it mentioned in the QAP?

Answer: OHFA typically develops forms that assist the staff in implementing the QAP, whether or not they are specifically identified in the QAP. However, any review tools used by OHFA staff are developed from the language in the QAP. OHFA is currently revising its site evaluation tool based on the 2013 QAP. We expect to have that finalized for the Housing Funding Training.

Question: Can you clarify what would be considered a “commitment for rental subsidy” as stated on page 12 of the QAP regarding the PSH Allocation Pool.

Answer: OHFA will accept a conditional commitment for rental subsidy for at least 50% of the units in a Permanent Supportive Housing application with the initial proposal. A firm commitment of rental subsidy must then be submitted by the final application deadline in order for the project to move forward. A letter from the housing authority that indicates support for your proposal and outlines the process for request and approval of PBV will be acceptable with the proposal submission.

October 15, 2012

Question: Is OHFA willing to consider waiver request for basis boost, particularly for projects located in census tracts that qualify for a 2012 QCT but not a 2013 QCT?

Answer: No

Question: Can you please clarify “executive body” on page 23 of the 2013 QAP. Would a plan adopted by the executive branch of a City government (ie. Mayor / Community Development Department) qualify for the points under the Local Development Plan category?

Answer: The ‘Executive Body’ is the group of government officials (typically elected) tasked with reviewing the needs of the municipality and planning to address those needs and empowered by the community to approve and implement a Local Development Plan. OHFA does not expect this responsibility to rest with one individual.

Question: Could you please direct to the link on the OHFA website of the list of the Statewide Accessibility Organizations as per the QAP requirements on page 60.

Answer: The statewide accessibility organizations can be found on the OHFA website at: <http://www.ohiohome.org/lihtc/accessibilityagencies.pdf>

October 29, 2012

Question: The QAP states that OHFA will evaluate the reasonableness of costs by comparing development budgets to various items, including the 2012 OHFA Cost Index. Is this Cost Index a cap on costs or is OHFA considering it to be an actual cap on costs?

Answer: OHFA considers the 2012 OHFA Cost Index to be one mechanism to evaluate the reasonableness of the development budget. Projects that exceed this must provide an explanation,

and supporting documentation if appropriate, as to why OHFA should consider allowing the project to move forward. The explanation and supporting documentation should be in PDF format and placed in ' #23 Exception Documentation' on the Proposal Submission Disc.

Question: The QAP places a maximum on Construction Contingencies for both New Construction and Rehabilitation projects. Is this calculated on Hard Construction Items only or on the entire construction contract (total construction costs)?

Answer: This is found on page 65 of the 2013 QAP (#3 under E. Hard Construction Costs). OHFA located this particular cap under Hard Construction Costs to affirm that the Construction Contingency is calculated on Hard Construction Costs only, as defined in Section E.