

- Proposals meeting a quantifiable need and targeting policy and/or geographic areas left underserved through the competitive selection process, including but not limited to meeting OHFA's CHDO set-aside obligation;
- Proposals that assist Ohio in meeting our obligation to Affirmatively Further Fair Housing including but not limited to projects that enhance mobility strategies and encourage development of new affordable housing in areas of opportunity, as well as place-based strategies to encourage community revitalization;
- Resubmitted applications that met all threshold and minimum scoring criteria for funding in a prior round but did not receive an award due to competitive rankings; and
- Proposals with a significant community and population impact.

THE FHACT50 BUILDING OPPORTUNITY FUND

OHFA will set aside a total of \$9 million in HTC in years 2019, 2020, and 2021 for the FHAct50 Building Opportunity Fund to further the creation of diverse and accessible communities. During that three year period, each of Ohio's three largest cities will be permitted to commit up to \$3 million from this fund for eligible projects within the boundaries of one eligible Target Area Plan (TAP). OHFA will distribute any FHAct50 funds that are not committed by the end of the 2021 application cycle or that are otherwise waived or forfeited by the local jurisdiction through Strategic Initiatives funding.

Each of the eligible cities elected to participate in FHAct50 by the deadline of September 28, 2018.

A city's election to participate does not prohibit developers from seeking funding for sites located within those cities but being developed with HTC resources distributed outside the FHAct50 process. Additionally, developments selected for FHAct50 funding will not count against the developer application limits.

Target Area Plan Development

Each city may submit to and receive approval from OHFA for one TAP. Once approved, the geographic boundaries of TAPs may not be amended, altered, or substituted. All TAPs shall meet the following requirements:

- Meet the definition and all requirements set forth in the 2020 QAP for a [Revitalization Plan](#);
- Be geographically limited to a single neighborhood with boundaries that are generally accepted by the community and will likely be less than two miles east-west or north-south;
- Include at least one high-impact partnership designed to promote resident well-being and neighborhood success which may include but is not limited to a school district, anchor institution, social service provider, philanthropic organization, or legal rights or advocacy organization;
- Establish, identify, or otherwise incorporate a detailed competitive selection process for how FHAct50 developments will be solicited, reviewed, and committed;
- Specify how the TAP responds to the conditions and objectives identified in the city's Affirmatively Furthering Fair Housing analysis or Analysis of Impediments, whichever is most recent; and
- Create or otherwise empower a committee that is responsible for advising and consulting on TAP implementation and serves as a single point of community contact to partners and

potential funders regarding the TAP. The committee must include, but is not limited to, low-income neighborhood residents.

OHFA may consult with relevant experts and/or local residents when reviewing each TAP to ensure it meets the intent of this QAP. OHFA may require modifications prior to approving a TAP to ensure it meets all requirements.

Once the TAP is approved, OHFA will provide the city:

- An approval letter for their TAP; and
- A template commitment letter for the city to complete and provide to each of their selected developments, that the developments will then submit with their funding application to OHFA.

TAPs must be approved by OHFA prior to the city committing any FHAct50 funds to individual developments.

Development Commitments by Cities

Cities may commit funds on any schedule they determine necessary to furthering the TAP goals (all commitments may be evenly distributed through the three-year period, or may be skewed to the back-end to permit additional planning and stakeholder engagement). Cities may choose any number of developments that are necessary to further the TAP goals.

Developers must submit an application to the city in the format they proscribe. All applications and any documents related to the competitive selection process shall be made available for public inspection upon request.

Upon selection, the city will provide a commitment letter (template provided by OHFA) that specifies the amount of FHAct50 funds it is committing to the development and proof of leveraged market rate units.

The city is responsible for:

- Adhering to the competitive selection process identified in the TAP;
- Ensuring at least fifty percent of the total affordable units committed in their target area will be dedicated to serving a family population; and
- Demonstrating that either (1) building permits or (2) certificates of occupancy were issued for an equivalent number of newly constructed⁸ residential, market rate rental units or newly constructed for-sale housing units within the target area within the eighteen months preceding the development application to OHFA.
 - For these purposes, “market rate” is defined as units that are not rent- or income-restricted and are available to the general public. Any market rate unit that is included within the proposed development may be used to satisfy this requirement. The city may submit both building permits and certificates of occupancy for the

⁸ In its sole discretion, OHFA will consider the following development types to be newly constructed for leveraging purposes: new construction; gut rehabilitation/substantial rehabilitation; adaptive reuse of non-residential structures; and/or the demolition and rebuilding of vacant buildings that were not habitable. Moderate rehabilitations will not be considered. Developments involving any element of rehabilitation or repair of existing structures must be supported by clear evidence demonstrating that the construction will result in a housing unit that was not recently available for residential purposes at any income range.

same units on different occasions; they may only use a market-rate unit once, regardless of the method.

Application Submission to OHFA

Upon receipt of a commitment letter from the city, the development will be eligible to submit an application to OHFA for funding.

Developments selected by the city will complete a FHAct50-specific AHFA made available on OHFA's website and all other required final application documentation as outlined in the QAP. A copy of the city's commitment letter must be included in the application submission. Developments nominated by the cities will not be scored competitively.

OHFA will accept FHAct50 development applications at any point during the year, with two caveats:

- Applications cannot be submitted during the competitive tax credit application review period (generally February 1-May 30); and
- Applicants must send a notification to the analyst at least 30 days prior to their expected submission so that the analyst can appropriately plan their time.

Exception requests must be submitted to OHFA on or prior to the 30-day notice described above.

FHAct50 Development Requirements

Cost Containment and Fees:

- There is no TDC per unit cap or TDC per Gross Square Foot cap for FHAct50 developments.
- There is no cap on the amount of tax credits a project can receive. It is up to the cities to determine how to allocate the \$3,000,000.
- For New Affordability developments, costs are limited to \$20,000 credits/unit;
- For Preserved Affordability developments, costs are limited to \$13,000 credits/unit;
 - Preserved Affordability developments that propose demolition of an existing structure and new construction of replacement may submit an exception request for the above credit/unit cap.
- The base Developer Fee is \$20,000 per affordable unit.

Other OHFA Funding:

- HDAP funding is only permitted for HOME set-aside eligible developments, contingent on availability.
- Applicants may seek HDL funding, contingent on availability. Projects should not be reliant on an award of HDL funding to move forward so should provide evidence of project feasibility in the event HDL funding is not available.

Additional Requirements:

- Developments must meet all [QAP General Requirements](#) and [HTC Requirements](#) unless specifically exempted.
- Developments must meet all criteria set forth in the Multifamily Underwriting Guidelines and Design and Architectural Standards.
- Lease-purchase, substance abuse recovery, and assisted living developments are not permitted.

- Each project must have a local place-based, nonprofit owner with a 25 percent General Partnership interest. The nonprofit should be able to demonstrate that it has a history of serving the community in which the project is located, and should have as part of its mission the provision of affordable housing to the area(s) it serves. It is intended that the nonprofit owner hold an integral, ongoing, and relevant position in the project.
- For family developments, no more than 35 percent of affordable units may be one-bedroom and/or efficiencies. Five percent of all units must be three-bedroom or larger and also be affordable to those earning 60 percent AMI or less;
- For senior developments, at least 60 percent of affordable units must be one-bedroom. Three bedroom or larger affordable units are not permitted;
- All newly constructed affordable units must meet the Aging in Place requirements specified in the 2019 QAP, or the mandatory Universal Design criteria as specified in Appendix D (exceptions will be considered);
- One-for-one replacement is required for demolition of currently affordable units that have place-based rent and/or income restrictions; and
- All currently affordable developments that have place-based rent and/or income restrictions must consult with residents on redevelopment plans.

In order to meet the IRS requirement of three underwrites per project, developments receiving funding through FHAct50 will be required to submit an updated AHFA along with any commitments for funding sources that have changed at the time of 10% test/Carryover Agreement.

Following underwriting approval, developments will progress through the constructing monitoring and program compliance stages per usual. Participants agree to cooperate in any data collection and/or reporting requirements OHFA deems necessary for efficient program evaluation.