

A Note on Collaboration

In the Office of Planning, Preservation and Development we value a highly involved, collaborative process that is engaging and incorporates feedback, new ideas, and guidance from OHFA staff and our valued partners. Over the last few years we have continued to improve our planning process which has led to better programs that promote important policy goals and improve administrative requirements.

I am proud to present the 2014 Housing Development Gap Financing guidelines. These guidelines reflect the amount of effort and collaboration that we value at OHFA. The Housing Development Gap Financing program has led to the construction of some amazing developments, creating affordable housing opportunities throughout the State of Ohio, while also furthering community development efforts and serving those populations most in need.

The following is a list of staff members and individuals that assisted in the creation of the 2014 Housing Development Gap Financing program.

We look forward to the 2014 Housing Development Gap Financing round and to forming new partnerships that achieve high impact results for residents and communities in Ohio.

Andrew Bailey
Director of Planning, Preservation and Development

Ohio Housing Finance Agency

Executive Director: Doug Garver
Chief of Staff: Sean Thomas

The Office of Planning, Preservation and Development

Lead Planner: Debbie Leasure
Program and Policy Manager: Myia Batie
Operations Manager: Karen Banyai

The following staff provided guidance and participated in the planning of the 2014 Guidelines:

Virgie Vaido, Analyst
Kathy Berry, Analyst
Celia Elkins, Planner
Nigel Simpson, Field Staff
Mark Schluetz, Architect
Betsy Krieger, Assistant Director of Compliance

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Our Partners

OHFA would like to thank our partners that attended focus group meetings, including:

CAP Commission of Lancaster-Fairfield
Cornerstone Corporation for Shared Equity

ICAN, Inc.
Ironton Lawrence CAP

OHFA would like to thank all of our partners that provided written comments, including:

Arthur Howard Winer and Associates
National Church Residences
Martin Jarret, Consultant

Youngstown Neighborhood Development Corporation
Yellow Springs Home, Inc.
Gallia-Meigs CAA

Contents

I.	Program Information	4
A.	Purpose	4
B.	Funding Availability and Allocation.....	4
C.	Funding Limits	4
D.	Development Eligibility.....	5
E.	Eligibility Chart	5
II.	Process.....	6
A.	Program Calendar	6
B.	Proposal Review Process.....	7
C.	Exceptions to Program Requirements	7
D.	Application Submissions.....	7
E.	Site Visits	7
F.	Good Partnership	7
III.	Development/Management Team Experience and Capacity Determination	8
IV.	Competitive Selection Process.....	8
A.	Development Characteristics <i>up to 6 points</i>	8
B.	Financial Characteristics <i>up to 6 Points</i>	9
C.	Proximity to Positive Land Uses	9
D.	Final Selection and Funding Determination.....	10
V.	Proposal Threshold Review.....	10
VI.	Final Application Review	14
VII.	Underwriting Guidelines	16
VIII.	Design Requirements.....	16
A.	Submissions Required With Proposal	16
B.	Submissions Required With Final Application	17
C.	OHFA Square Footage Calculation	17
D.	Minimum Development Standards.....	17
E.	Visitability.....	18
F.	Universal Design Requirements.....	18
G.	Additional Requirements	19
H.	Notifications to Statewide Accessibility Organizations.....	20
IX.	Post Award	20
A.	Required Timeframe	20
B.	Financing Terms	20
C.	Closing Process.....	21
D.	Drawing on the HDGF Award	22

E.	Subsequent Changes.....	22
X.	Affordability and Long-Term Requirements.....	22
A.	Affordability Restrictions	22
B.	Exception to Rent Restrictions	23
C.	Affordability Period.....	23
D.	Long-Term Compliance	23

I. Program Information

A. Purpose

The goal of the Ohio Housing Finance Agency's (OHFA) Housing Development Gap Financing (HDGF) Program is to provide financing to eligible affordable housing developments to increase, preserve, and/or improve the supply of decent, safe, affordable housing for low- and moderate-income persons and households in the State of Ohio. OHFA expects to fund approximately 80 units through the 2014 HDGF program.

Questions concerning the HDGF Program should be directed to staff via e-mail:

Karen M. Banyai	kbanyai@ohiohome.org
Virgie Vaido	vvaido@ohiohome.org
Kathy Berry	kberry@ohiohome.org

B. Funding Availability and Allocation

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.

Ohio Housing Trust Fund (OHTF): The Ohio Housing Trust Fund provides funding to HDGF developments 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 developments that benefit households with incomes at or below 35% of the area median income for the county in which the development 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.

Approximately \$4 million in Ohio Housing Trust Fund (OHTF) and HOME funds will be available for the financing of new construction or the rehabilitation of rental units

Final HDGF funding levels are subject to:

- Appropriation of funds to OHTF by the State Legislature;
- Allocation by the OHTF Advisory Committee; and
- Finalization and HUD approval of the State Consolidated Plan.
- Appropriation of HOME funds from the State of Ohio

Funds may be awarded in the form of a loan or a grant.

OHFA will refer to Ohio Revised Code Chapter 174, as well as the Code of Federal Regulations governing the use of OHTF funds used to meet HOME "match" requirements.

Funding requests 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 the source most appropriate for the applicant/development. 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 Operations Manager prior to the submission of their application. However, OHFA may not be able to honor the request for a specific source of funds.

C. Funding Limits

HDGF will provide funding up to the lesser of the per-development limits or 50% of the total development costs.

OHFA may subsidize more than 50% of the total development costs or exceed the per development limits, at its sole discretion, based on the needs of the development.

The per-development limits are as follows:

- \$450,000 per development located in a HUD Participating Jurisdiction (PJ area).
- \$700,000 per development located in a Non-Participating Jurisdiction (non-PJ area).
- \$750,000 per development for permanent supportive housing.

A list of Ohio’s Participating Jurisdictions is available on HUD’s website.

D. Development Eligibility

- Proposed developments will be eligible if they are multifamily rental developments that will produce new affordable units or rehab existing units
- Developments must be 24 or fewer units
- Transitional housing is eligible for HDGF funding if the applicant provides supportive services, the services are appropriate to the population being served, and the applicant designates a maximum occupancy period for residents prior to leasing units in the development. The minimum occupancy period for transitional housing is six months
- Applicants proposing to submit a development previously funded under any OHFA program must contact OHFA in advance to discuss the proposal

E. Eligibility Chart

	Eligible	Ineligible
Applicants	<p>Ohio based organizations, which are one of the following:</p> <ul style="list-style-type: none"> • Private for-profit housing developers • Not-for-profit 501(c)(3) and 501(c)(4) organizations • Public housing authorities • <p>Organizations proposing to develop new affordable rental housing opportunities, or preserve affordable at-risk housing</p> <ul style="list-style-type: none"> • Entities receiving an award of HDGF funds must act as the majority/controlling partner, sole owner, or a general partner/managing member during the entire construction phase • OHFA must approve any changes to the HDGF-Recipient (applicant) after the construction phase <p>Religious organizations and their subsidiaries/affiliates which meet the provisions in 24 CFR Part 92.257</p> <p>State-Certified Community Housing Development Organizations (CHDOs)</p> <ul style="list-style-type: none"> • State-Certified CHDOs that receive operating support or are requesting operating support from the State through the competitive operating grant program may only submit applications for developments in their defined service areas 	Local Governments
Uses	<p>Development budget line items that can be paid for using HDGF funds include:</p> <ul style="list-style-type: none"> • Acquisition of land and/or building(s) (from unrelated third parties only) • Demolition (not applicable for Preservation developments); • On-site improvements • Construction and/or renovation costs including 	<ul style="list-style-type: none"> • Infrastructure (roads, sidewalks, water/sewer lines on roadways) is considered an off-site improvement and is not an eligible use for HDGF <p>Market rate units and/or commercial spaces involved in the proposed development</p>

	<p>construction fee items, construction contingency, and contractor overhead and profit (excluding costs associated with construction of commercial property)</p> <ul style="list-style-type: none"> • Furnishings and appliances • Architectural and engineering fees • Developer fees • Consultant fees • Other development budget expenses must be covered by sources of financing other than HDGF 	
<p>Developments</p>	<p>Developments which are consistent with the Ohio Housing Finance Agency Policy Statements</p>	<ul style="list-style-type: none"> • Any development in which construction or construction-related activity is initiated, other than site control, prior to a commitment (funding agreement) of the HDGF funds and receipt of all appropriate clearances (i.e. environmental review, if applicable) • Developments that must be licensed to allow for residents to occupy the development • Developments that, through local zoning codes, are defined as a group home • Developments that are identified as hospitals, nursing homes, sanitariums, lifecare facilities, retirement homes (if providing significant services other than housing are mandatory for residents), employer housing, mobile or manufactured homes and student housing • Developments that have received a new allocation of tax-exempt bond or 501(c)(3) bond financing for new construction • Developments that have received Financial Adjustment Factor (FAF) or Housing Investment funds specifically attributed to the development or revitalization of developments in connection with other OHFA programs • Developments that have previously received an award of State resources, whether administered by OHFA or the Office of Housing and Community Partnerships • Developments that are considered short-term housing (occupancy of less than six months) • student housing • shelters

See the Housing Development Gap Financing Application for a more detailed list of eligible and ineligible line items.

II. Process

A. Program Calendar

May 19, 2014	Final deadline for submission of Experience & Capacity applications
June 2, 2014	Deadline to submit requests for exceptions to program requirements
June 2, 2014	2014 Housing Development Gap Financing Application available
July 16, 2014	HDGF proposals due
	Proposal meetings may be required on a case by case basis
July 23, 2014	Site visits begin
September 3, 2014	Announcement of HDGF awards
December 5, 2014	Final applications due

B. Proposal Review Process

OHFA will competitively score projects before underwriting or threshold reviews are conducted. Those projects that are the highest scoring will then undergo threshold and underwriting reviews. All other projects will be placed on a wait list based on score and/or tie-breakers.

C. Exceptions to Program Requirements

Any request for an exception to specific program requirements must be submitted by the date indicated in the Program Calendar. OHFA will consider such requests and issue decisions within one week of the proposal deadline. Exceptions will be considered only for those items specifically identified in these guidelines. An exception request form can be found on the OHFA website.

D. Application Submissions

All proposal and final application materials for the 2014 funding year must be submitted to the Office of Planning, Preservation & Development; OHFA, 57 East Main Street; Columbus, Ohio 43215. Applications must be received no later than 4:00 p.m. on the dates listed in the program calendar. Applicants must use the current Housing Development Gap Financing Application (GFA) available on the OHFA web site at www.ohiohome.org/hdap/documents.aspx. All applications and supporting documentation must be submitted in digital format according to the Document Submission Procedure posted at <http://www.ohiohome.org/lihtc/application.aspx>. See the instructions in the current GFA for details on electronic submissions.

E. Site Visits

OHFA will conduct a site visit to gather information that will be used to help evaluate applications. The applicant must clearly mark the physical location of the site and provide a detailed map that depicts the roads leading to the site. Up to two representatives of the applicant who are familiar with the housing proposal 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.

F. Good Partnership

OHFA requires that any developer, owner, syndicator and/or management company must perform their responsibilities in a spirit of good partnership and conduct business according to the following principles:

- **Accountability:** A participant must demonstrate responsibility for the execution and administration of the tasks undertaken
- **Timeliness:** Information must be submitted within established timeframes for each development
- **Professionalism:** Information submitted must be organized, concise, complete, accurate, true and current. Participants are expected to communicate in a respectful manner with OHFA staff
- **Collaboration and Cooperation:** A participant must collaborate with OHFA in a mutually cooperative spirit to achieve the common goal of providing affordable housing in Ohio
- **Responsiveness/Communication:** A participant will always provide prompt notification of issues, concerns or any other matters that affect a development and will immediately communicate to OHFA any modification, change or amendment sought

A participant failing to follow these principles will be subject to review by OHFA. OHFA will, in its sole and absolute discretion, determine the appropriate measures to be taken – which will range from counseling to prohibition from participation in any OHFA program.

III. Development/Management Team Experience and Capacity Determination

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

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

- A completed OHFA Experience & Capacity Application.
- Full organizational chart, staff roster, and resumes of key development staff within the organization, focusing on their affordable housing development experience.
- The most recent audited financial statements for the organization. If an organization is not required to prepare audited financial statements, then statements that have been reviewed or compiled by a third-party accountant may be submitted. The most recent internally prepared financial statements are acceptable only if audited, reviewed or compiled statements are not available.

Development teams will also be evaluated on any outstanding financial obligations with OHFA. The staff will evaluate the repayment histories of all loans extended to previous developments as well as payments of all other fees due to OHFA.

OHFA will run a credit report on applicants and members of the development team.

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

- A brief narrative describing the experience of the organization with regard to the management of subsidized and/or affordable housing, including the number of developments and units currently managed and any developments and units the organization anticipates managing within the next 24 months
- Full organizational chart, staff roster, and resumes of key management staff within the organization, focusing on their affordable housing management experience
- A completed Management Company Capacity Review survey

IV. Competitive Selection Process

Developments will be scored based on the strategic criteria outlined in this section. Applicants must submit adequate documentation that indicates which points they are claiming and how they meet the criteria. The applicant is responsible for determining how best to evidence their qualification for the points, but 3rd party verification is always preferred by OHFA. Points for each criterion will be awarded at the sole discretion of OHFA, based on how proposed applications and submitted documentation meet the intent of the criteria and based on other applications submitted.

A. Development Characteristics *up to 6 points*

Applications may receive a score of up to six points based on selected development characteristics. Each characteristic selected and properly evidenced will earn two (2) points.

- 2 points will be awarded to developments that are in part financed with state or federal historic tax credits

- 2 points will be awarded for developments that incorporate land and or structures from a land bank in the Neighborhood Initiative Program.
- 2 points will be awarded to developments that offer rental subsidy for 100% of the units and residents pay a maximum of 30% of their income towards rent.
- 2 points will be awarded for developments that offer at least one unit that is affordable to residents who earn 30% of the AMGI of the county in which the development is located and are willing to accept HUD 811 project based rental assistance for these units from OHFA if available. These points can only be claimed if no other rental subsidy is offered in the development.
- 2 points will be awarded to developments that are owned or developed by a state certified CHDO working in their service area.
- 2 points will be awarded to developments that are located in a non-QCT.
- 2 points will be awarded to developments located in one of the 32 Appalachian counties as designated in the Appalachian Regional Development Act of 1965.

B. Financial Characteristics *up to 6 Points*

Applications may receive a score of up to 6 points based on the extent to which your proposal leverages non-OHFA resources. This score will be determined by the following criteria:

- 6 points if total development costs are funded by at least 65% non-OHFA resources
- 5 points if total development costs are funded by at least 60% non-OHFA resources
- 4 points if total development costs are funded by at least 55% non-OHFA resources

C. Proximity to Positive Land Uses *up to 8 Points*

OHFA will award points to developments that are nearby a mix of land uses that are positive for the residents. Applicants should submit a list of those positive land uses that are being claimed, including linear distance from the site to the positive land use. OHFA staff may confirm these distances during a site visit. A development that is adjacent to a detrimental land use may be removed from consideration. Detrimental land uses will be deemed at OHFA’s discretion based on nuisance or otherwise adverse conditions such as high levels of noise, noxious odors, or incompatible uses.

OHFA may give consideration to developments that are within 500 feet of the specified distances below.

If development is located in a PJ:

- 2 points will be awarded to developments within a .5-mile linear distance of a positive land use under the retail category.
- 2 points will be awarded to development within a .5-mile linear distance of a positive land use under the services category.
- 2 points will be awarded to developments within a .5-mile linear distance of a positive land use under the community facilities category.
- 2 points will be awarded to developments within a .25-mile linear distance of an additional positive land use in any of the categories.

If development is located in a non-PJ:

- 2 points will be awarded to developments within a 2-mile linear distance of a positive land use under the retail category.

- 2 points will be awarded to development within a 2-mile linear distance of a positive land use under the services category.
- 2 points will be awarded to developments within a 2-mile linear distance of a positive land use under the community facilities category.
- 2 points will be awarded to developments within a 1-mile linear distance of an additional positive land use in any of the categories.

Approved Positive Land Uses

<i>Retail</i>	<i>Services</i>	<i>Community Facilities</i>
Full service supermarket with produce Farmers Market Pharmacy	Bank Laundry/Dry Cleaner Restaurant, café, or diner Medical clinic or office Child care (licensed, family only)	Community Garden Community or Recreation center K-12 School (Family only) Government office serving public on-site Police or fire station Public library Senior Center (Senior only) Social services center College usable by population

D. Final Selection and Funding Determination

OHFA will make final selection and funding decisions based competitive scoring and on the following strategic criteria:

- OHFA will consider the geographic distribution of resources
- OHFA will allocate HOME resources to meet program set-aside requirements
- 50% of OHTF funding must be allocated to Non-PJ areas
- The efficient use of resources to reach the program’s goal of funding 80 units
- In the case of a tie, preference will be given to the development with the smallest amount of HDAP per unit.

V. Proposal Threshold Review

After the competitive selection process, proposals with a high probability of being funded will move on to the threshold review.

OHFA will conduct a threshold review of the proposal 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 errors.

The threshold criteria are as follows:

A. Complete and Organized Application

The Housing Development Gap Financing Application (HDGFA) and all required materials must be submitted on a compact disc, organized and formatted according to the index provided with the application. Applications must be complete and consistent with all supporting documentation. An original signature of a representative of each general partner/managing member is required in the program certification section of the application and must be submitted in its original, paper form. Any applications that are incomplete, inconsistent, and/or illegible will be rejected. OHFA defines incomplete as any required documentation that is not curable in a two week period.

B. Application Fee

An application processing fee of \$200 must be submitted with the application.

C. Proposal Summary

All applicants must complete and submit the OHFA Proposal Summary located in the Housing Development Gap Financing Application.

D. Evidence of Contact with Funding Source(s)

For all non-OHFA construction and permanent financing sources listed on the proposal application, submit a letter signed by the source, stating that you had a conversation about funding for your development. The letter should include the amount discussed, terms, and their opinion on both your eligibility for that funding and the likelihood that this is a viable source of funding should your development go forward. Full commitment letters are also acceptable.

E. Evidence of Site Control

If the current owner is a general partner or limited partner in the proposed 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 proposed 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 of time following the scheduled announcement date for 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 thirty-five percent (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 percent (50%) of the sites are contiguous.

F. Zoning Verification

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 so stating is required. Applicants may request an exception to the zoning requirements if requested in advance of the Proposal by the date indicated in the Program Calendar. The applicant must effectively demonstrate a good faith effort to secure proper zoning before the announcement of HDGF awards in order to remain eligible for funding.

G. Market Study

For rental developments of 10 or more units, a market study conducted by an OHFA-approved market study professional must be submitted with the application.

For rental developments of 9 or fewer units, the applicant must submit Market Support Information.

Market Support Information:

The applicant must define the primary market area and explain how this area was determined to be the primary market area. In addition, the applicant must provide detailed data supporting the need for the proposed development.

Suggestions include the following, if applicable:

- For developments that are restricted to a unique population, the applicant may provide letters from supportive service agencies in the area that detail the need for the housing. The letters must include recent supporting data evidencing the need for additional housing among the targeted population.

- Waiting lists maintained by the applicant for similar developments in the market area evidencing a demand for additional affordable units.
- A letter from the MHA serving the area, which must include recent supporting data evidencing the need for additional housing among the targeted population. The letter must also include any support provided by the MHA (i.e. referrals or vouchers), and must be dated within six months of the HDGF application.

The applicant may provide any additional information to demonstrate a market exists for the proposed development.

H. Supportive Services Plan

Senior Housing

Applicants proposing housing that sets aside one hundred percent (100%) of the units for households containing at least one person who is age fifty-five (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

Proposals for family developments 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.

Permanent Supportive Housing

Applicants proposing permanent supportive housing 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:

- The population being served by the proposal and the experience the support provider has serving that population
- How the supportive service plan will address the needs of the specific population
- 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
- How the physical design of the building(s), the development site and location will enhance the lives of residents specific to their particular needs
- How residents will be linked to services offered on-site or in the community
- The source of funding for the services and how the development plans to sustain supportive service provisions over the life of the compliance period

I. Preliminary Architectural Plans and Minimum Development Standards

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

J. Submission of the Design and Construction Features Agreement

This can be found on the OHFA website. It is a summary of the features that you intend to incorporate into the development.

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

Applicants may submit a Phase I ESA completed or updated by the author within one year prior to the application deadline for funds. If an applicant is resubmitting a development from the previous year (2013), the same Phase I ESA may be resubmitted. Scattered-site proposals may submit either a Mini-Phase 1 report or a full Phase I ESA.

Developments receiving an award will be required to have a Phase I ESA valid in accordance with the ASTM E 1527-05 standard. One of the following is acceptable:

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

Applicants cannot begin construction of any kind until environmental clearance is granted by OHFA. Failure to follow this requirement may result in a loss of HDAP funding.

L. Capital Needs Assessment and Scope of Work

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

M. Public Notification

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

The applicant must notify, in writing, certain officials from the political jurisdictions in which the development will be located and any political jurisdiction whose boundaries are located within one-half mile of the development's location.

The officials to be notified include:

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

The applicant must use the OHFA letter template (www.ohiohome.org/lihtc/PublicNotificationTemplate.doc) 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 application.

Scattered-site developments must complete the public notification process for sites under control when the Proposal is submitted, and again for all sites in the development prior to the final application deadline. Applicants are encouraged to contact appropriate local government officials prior to submitting an application to inform them of the details of their housing proposal.

N. Utility Allowance Information

Utility allowance information must be submitted with the proposal. Utility allowances may be submitted from the following sources:

- Local Utility Provider
- Public Housing Authority
- An estimate from a qualified third party engineer

All Utility Allowances must be in compliance with OHFA's Utility Allowance Policy.

O. Copy of Exceptions Granted by OHFA

Applicants must include a copy of the letter describing each exception granted to the development by OHFA.

P. Green Development

All applicants must meet the Green Building Standards outlined in the Enterprise Green Community Criteria or LEED Silver certification offered by The US Green Building Council. Evidence of final certification will be required upon completion of construction.

At proposal, applicants only need to indicate which certification they will be seeking.

Q. Non-Profit Information

For all non-profits that are a member of the development team, the following items must be submitted:

- Non-profit board resolution authorizing the submission of the application
- Evidence of Non-Profit status
- Non-Profit by-laws
- Non-Profit articles of incorporation

VI. Final Application Review

OHFA will review the final application to determine if it is complete, contains all necessary forms and supporting evidence, and meets minimum program requirements. At their sole discretion, OHFA may offer the applicant an opportunity to correct any errors and submit additional documentation.

The Application Review will encompass the following:

A. Complete and Organized Application

The Housing Development Gap Financing Application (HDGFA) and all required materials must be submitted on a compact disc, organized and formatted according to the index provided with the application. Applications must be complete and consistent with all supporting documentation. An original signature of a representative of each general partner/managing member is required in the program certification section of the application and must be submitted in its original, paper form. Any applications that are incomplete, inconsistent, and/or illegible may be rejected. OHFA defines incomplete as any required documentation that is not curable in a two week period.

B. Changes

All changes to the development must be disclosed at submission of final application, and will be reviewed by OHFA and approved on a case-by-case basis. Substantive changes will not be permitted, including, but not limited to, changes in ownership or development team, development physical structure, development site(s) (except scattered-site developments), special needs population, and any items affecting competitive scoring.

C. 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.

D. Affirmative Fair Housing Marketing Plan

An Affirmative Fair Housing Marketing Plan is required for all properties. Applicants that have a property with project-based Section 8, HUD Section 236 or USDA contracts may submit their current, approved Affirmative Fair Housing Marketing Plan provided. OHFA, HUD and USDA require that the plan be updated every five years; therefore, if the plan's current approval date is within six (6) months of expiration, submit the current plan along with supporting documentation that demonstrates that an updated plan has been submitted to HUD or USDA for renewal.

The applicant must complete an Affirmative Fair Housing Marketing Plan (Form PC-E45) if no other plan is in place. All items on the form must be completed correctly including all attachments. The instructions for the completion of the plan (Form PC-E44) and reference materials are located on the OHFA website.

The applicant must include on the form a description of the outreach, marketing, and advertising methods used in order to affirmatively market the development. A separate plan is required for each census tract in which the development is located.

E. Ohio Housing Locator

The owner and/or property manager of all 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. Applicants must submit a certification stating that this will be completed upon the development being placed in service.

F. 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 applicant's architect to be eighty percent (80%) or better complete, and follow all requirements outlined in the Design Requirements section of these guidelines. All architectural plans will be reviewed for approval by OHFA's staff architect.

G. Appraisal

An as-is appraisal of the development site(s) must be submitted. All appraisals must meet OHFA's Appraisal Submission Guidelines.

H. Phase I Environmental Site Assessment (ESA)

For those developments that submitted an MP-1 review at proposal (scattered site developments only), a Phase I Environmental Site Assessment (ESA) must be submitted for all proposals. 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 HDGF.

I. Ohio Based Labor and Materials Form

If applicable, the applicant must submit the Ohio Based Labor and Materials form to substantiate the increased developer fee.

J. JobsOhio Tax Release Form

The applicant must submit a completed JobsOhio Tax Release Form. This document may be found on OHFA’s website.

K. Legal Description

The applicant must submit a completed legal description using OHFA’s template. This document may be found on OHFA’s website.

L. Third Party Cost Estimate

The applicant must submit a third party cost estimate from a qualified professional.

M. Relocation Plan

If applicable, the applicant must submit a tenant relocation plan.

N. Uniform Relocation Act

If applicable, the applicant must submit Uniform Relocation Act documentation. This documentation can be found on OHFA’s website.

Applicants will have an opportunity to correct deficiencies and address issues found during the threshold review and underwriting. OHFA will contact the applicant with any questions during this process. Developments that receive gap financing will be presented to the OHFA Board for consideration of these other sources.

VII. Underwriting Guidelines

OHFA’s underwriting guidelines can be found on the OHFA website.

VIII. 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.

Deviations from these requirements 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. Submissions Required With Proposal

Proposals must submit preliminary drawings that are 11x17 (“half size”) and include:

- A cover sheet with development title, development team, drawing index, building areas and code information
- A site plan
- A landscape plan
- A floor plan with dimension, room designations and proposed finishes
- Exterior elevations with material notations
- Typical wall sections

- Drawings and specifications for HVAC or similar items in the scope of work

Preliminary drawings must be submitted as both on paper and electronically (both PDF & DXF)

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

B. Submissions Required With Final Application

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

Eighty percent 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).

C. OHFA Square Footage Calculation

All multifamily developments must use Building Owner Management Association (BOMA) 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 Affordable Housing Funding Application (AHFA) by the Architect of Record.

D. 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

- In one-bedroom units, the bedroom must be at least 120 square feet.
- 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.
- The third and fourth bedrooms in a unit must be at least 100 square feet.
- 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

- The maximum common area (including required circulation) in any development is 20 percent of the total gross building square footage. Dedicated program space is excluded from this calculation. Existing housing units are exempt from this criterion. OHFA will consider exception requests for this requirement.

Additional Requirements for New Units

- 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.
- Each bedroom in new construction or adaptive reuse units must be at least seven feet in each direction, and contain a closet in addition to the minimum square footage.
- 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 not fund developments that contain single-room occupancy units. OHFA will consider exception requests for this requirement for PSH developments.
- New Unit Developments must provide a bathroom or half bath on the main floor with clear floor space of 30 inches by 48 inches.
- Proposals for PSH may contain one-bedroom units that are 540 square feet or larger.
- OHFA reserves the right to limit the size of units during the application review process.
- In all new unit developments, three-bedroom units must contain at least one and a half bathrooms and units with four or more bedrooms must contain at least two full bathrooms.
- New construction proposals must include new appliances.

Additional Requirements for Single-family homes

- Single-family home developments must contain three or more bedrooms.
- Single-family home developments must include washer/dryer hook-ups.
- Single-family home developments must include adequate storage for the residents.

Additional Requirements for Senior Developments

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

E. Visitability

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 thirty-two (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.

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 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.

F. 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

- **Equitable Use:** The design does not disadvantage or stigmatize any group of users.
- **Flexibility in Use:** The design accommodates a wide range of individual preferences and abilities.
- **Simple, Intuitive Use:** Use of the design is easy to understand, regardless of the user's experience, knowledge, language skills, or current concentration level.
- **Perceptible Information:** The design communicates necessary information effectively to the user, regardless of ambient conditions or the user's sensory abilities.
- **Tolerance for Error:** The design minimizes hazards and the adverse consequences of accidental or unintended actions.
- **Low Physical Effort:** The design can be used efficiently and comfortably, and with a minimum of fatigue.
- **Size and Space for Approach and Use:** Appropriate size and space is provided for approach, reach, manipulation, and use, regardless of the user's body size, posture, or mobility.

G. 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, regardless of the floor on which they are located, must conform to those requirements.

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

- **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.

- 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

- 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.

- 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.

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

- 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.

- 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.

H. 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.

IX. Post Award

A. Required Timeframe

Construction must begin within 12 months of the date the HDGF funding agreement is signed. If acquisition of land and/or buildings is proposed, acquisition must occur within 12 months of the date the HDGF funding agreement is signed.

B. Financing Terms

Applicants that appropriately evidence status as a non-profit can request either a grant or loan from HDGF. However, OHFA reserves the right to award either a loan or a grant based on the financial underwrite of the development.

Loan terms:

- 2% interest rate.

- Loan will mature at the end of the affordability period, which is defined as the minimum term required in 24 CFR Part 92 plus an extended affordability period imposed by OHFA.
- The total term will be up to 30 years unless the applicant requests and can justify the need for an extended 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.
- Payments will be based on available cash flow.
- Loan interest will accrue and repayment obligations will start following the development close-out conducted by OHFA staff.
- Loans will be made to the HDGF recipient as the development's general partner, managing member or equivalent. If the funding source allows it, The HDGF recipient may loan the HDGF funds to the development. If the development has more than one general partner/managing member (or equivalent), OHFA reserves the right to determine which will be the HDGF recipient.

The loan term and affordability period does not begin until OHFA verifies that the development is complete and that eligible tenants occupy the assisted units. This is evidenced with the Final Performance Report and confirmed by OHFA with a close out letter.

If the property is sold prior to loan maturity, OHFA may require that all, or a portion of the outstanding principal and accrued interest shall 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 affordability period, determination has been made that the property has been maintained as a safe, decent, and sanitary affordable housing development (as defined by the Uniform Physical Conditions Standards or current standards used in the OHFA Program Compliance Office) throughout the term.

OHFA will consider other options for repayment calculation if HUD or USDA Rural Development (RD) are involved in the permanent financing or have provided debt to the development.

Eligibility for Grant Funding

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

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

The HDGF award will be considered a loan during the construction phase of the development and OHFA will take a subordinate mortgage position on the land/buildings.

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

C. Closing Process

OHFA has instituted the following procedures for closing on the award of funds:

- The HDGF Recipient must print the HDGF Closing Checklist from the OHFA Website at: <http://www.ohiohome.org/hdap/closingchecklist.doc>
- The HDGF Recipient must forward a complete closing packet to:

Ohio Housing Finance Agency
Legal Department
57 E. Main Street
Columbus, Ohio 43215

The HDGF Closing Packet must include the following, in order:

- Completed Checklist.
- Formal letter requesting the closing of the HDGF Award.
- All other documents required in the checklist in the order they appear on the checklist, including special conditions.
- Documentation to satisfy any special conditions noted in the Attachment A of the funding agreement.

D. Drawing on the HDGF Award

OHFA will retain up to 10% of the HDGF award until the development is complete and the final performance report has been approved.

OHFA has developed a “Guide to Drawing HDAP” which is available on the OHFA Website. Applicants are encouraged to review this before applying to ensure they will be able to the requirements to draw funds.

E. Subsequent Changes

The HDGF Recipient is required to notify OHFA immediately and request approval of any changes that occur in the development at any time during construction or during the affordability period. Such changes include, but are not limited to, changes in the development team (developer, general contractor, etc.); changes in the number of units or unit mix; changes to the target population, etc.

The request may also be sent through email as a PDF document, or mailed to the OHFA analyst assigned to the development at the following address:

Ohio Housing Finance Agency
57 East Main St.
Columbus, OH 43215

X. Affordability and Long-Term Requirements

A. Affordability Restrictions

HDGF financing requires that the following rent and occupancy restrictions are reflected in the application and are complied with throughout the entire affordability period.

Restricted Units:

- The HDGF application must be for the number of restricted units in the development. For developments located in PJ areas, 40% of the development’s affordable units must be occupied by and affordable to

households at or below 50% AMGI. For developments located in Non-PJ areas, 35% of the development's affordable units must be occupied by and affordable to households at or below 50% AMGI.

- If the percentage of HDGF used to finance the development exceeds 40% in a PJ or 35% in a non-PJ, the set-aside of restricted units must equal or exceed the percentage of HDGF funding in the development.
- Assisted Units are calculated based on HUD requirements for the HOME Investment partnerships Program, and are applicable to all developments funded in the HDGF Program.

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

Developments 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 are exempt from the rent restrictions associated with High and Low HOME Rents and Restricted Units at 50% AMGI. Project-based rental assisted units can charge up to the contract rent prescribed by their project-based rental assistance contract. Should the project-based assistance contract be discontinued, the development will then be required to comply with the restricted rent (50% AMGI) and High and Low HOME Rent requirements.

NOTE: The development must receive rental assistance on at least 50% of the units in the development or more than the required number of HDGF Assisted and Restricted units, whichever is greater.

C. Affordability Period

OHFA divides rental developments into two phases: construction and long-term affordability. During the construction period, no interest is being accrued nor are any payments due on the HDGF award. The affordability period does not begin until income-eligible applicants occupy all assisted units.

D. Long-Term Compliance

OHFA requires that recipients commit to rent and income occupancy and affordability restrictions on rental units funded in part by the HDAP as a condition of the award of funds. All recipients must follow the rules and regulations outlined in the most current OHFA Program Compliance Handbook.