

1995  
LOW-INCOME HOUSING TAX CREDIT  
ALLOCATION PLAN

*Ohio Housing Finance Agency*

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# I. GENERAL PROGRAM INFORMATION

## A. Introduction

The Low-Income Housing Tax Credit (LIHTC) program is designed to increase the supply of quality affordable rental housing throughout the country. These federal income tax credits give the private housing development community the incentives to provide low-income housing by offsetting building acquisition, new construction, or substantial rehabilitation costs. Since 1987 the Ohio Housing Finance Agency (OHFA or "the Agency") within the Ohio Department of Development (ODOD) has used the LIHTC to facilitate the development of approximately 35,000 low-income rental housing units in Ohio. Between 5,000 and 7,000 units are produced each year in Ohio.

The Internal Revenue Service (IRS) regulations for the LIHTC program can be found under Section 42 of the Internal Revenue Code (IRC). Applicants should be familiar with Section 42 of the IRC, regulations and administrative documents (revenue rulings, revenue notices), and all relevant material published by the IRS. Applicants should also consult with their attorney and accountant in order to comply with all program requirements.

This Plan may be subject to change in the future, pending developments in federal legislative requirements and/or Agency policy. The Agency reserves the right to make all necessary changes to the Plan.

 **CHANGES IN THE 1995 LIHTC ALLOCATION PLAN (the "Plan")**

- ⇒ The allocation review periods have been lengthened and the number of rounds have decreased from 5 in 1994 to 4 in 1995.
- ⇒ The program is beginning (Round 1 submission deadline is March 1) and ending earlier (the 1995 Carryover date is November 1) than in years past.
- ⇒ Threshold review criteria have been clarified and others have been added.
- ⇒ Competitive review criteria changes include de-emphasis of project costs, below-market financing, and net equity; clarifications on all evidencing requirements; and an increased emphasis of Development Status and Project Location.
- ⇒ The LIHTC application has been merged with other ODOD housing funding applications in order to form the 1995 ODOD Affordable Housing Funding Application (AHFA).
- ⇒ The Agency's guidelines for appeals, Carryover, 8609 requests, and other administrative procedures now appear in the **LIHTC Administrative Guidelines**.

## ***B. What is the Low-Income Housing Tax Credit***

The Low-Income Housing Tax Credit was created by Congress in 1986. The LIHTC replaces earlier federal tax incentives for the development of low-income rental housing.

Low-Income Housing Tax Credits are used to offset an individual's or corporation's federal income tax liability. The amount of LIHTC received can be subtracted on a dollar-for-dollar basis from the federal income tax liability.

The LIHTC is received each year for ten years - the period the taxpayer claims the LIHTC on their federal income tax return. The owner must maintain the low-income use continuously for 15 years - this is the compliance period. Additionally, the owner must enter into an extended use period of an additional 15 years by filing a restrictive covenant on the project with the county recorder. The extended use period may be reduced as provided for in the IRC.

The taxpayer may claim the LIHTC beginning with the taxable year in which the building is placed in service, or at the owner's election, the following year. The allocated LIHTC amount taken by the taxpayer is based on the portion of the building occupied by low-income tenants at the end of the first year of the LIHTC period.

## ***C. Program Priorities***

The priorities of the LIHTC program are a blend of OHFA's and the IRS's priorities. The ODOD evaluates housing needs of the state and identifies actions to alleviate these needs in the State's Comprehensive Housing Affordability Strategy. The Agency has used the State's evaluation of housing need to develop certain competitive criteria used in selecting LIHTC projects in order to alleviate Ohio's housing needs and at the same time comply with IRS mandates. The Agency supports all state and federal fair housing laws and will expand housing opportunities for people who are unable to secure safe, decent, and sanitary affordable housing in the private marketplace. **THE AGENCY HAS THE AUTHORITY UNDER SECTION 42 OF THE IRC TO APPLY STRICTER RULES THAN THOSE DESCRIBED IN THE CODE AND ANY ADMINISTRATIVE RULES PUBLISHED BY THE IRS.**

The following is a listing of priorities of the LIHTC program in Ohio:

- ◇ **Income Targeting.** A project qualifies for LIHTC if at least 20% of the project is occupied by households with incomes at or below 50% (20/50 projects) of the Area Median Gross Income (AMGI) or at least 40% of the project is occupied by households with incomes at or below 60% (40/60 projects) of the AMGI. AMGI limits are published by HUD annually. Incomes are adjusted by household size. OHFA has provided the income limitations by county (See **LIHTC Data Table A**, page 27).



Historically in Ohio most projects have been 100% occupied by households with incomes at or below 60% of the AMGI in order to have a large applicable fraction. The applicable fraction is defined as the lesser of A.) the number of low income units divided by the number of non-low-income units (unit fraction) or B.) the amount of low-income unit square footage divided by the amount of residential non-low-income unit square footage (floor-space fraction). Low-income units are defined as units occupied by households with incomes at or below 60% AMGI. The applicable fraction is used in the calculation of the annual LIHTC amount.

A tenant's income may rise over time. Owners of mixed income use projects may be subject to the "140%" rule. The IRS has developed specific rules for owners to follow in these circumstances. Please refer to Section 42 of the IRC for more information.

- ◇ Rent Restriction on Units. The Agency allows owners to select up to 3 different rent elections as long as the rents are at least affordable to households with incomes of 60% AMGI (40/60 projects) or 50% AMGI (20/50 projects). Applicants can receive extra points during the competitive review if they set rents affordable to households with incomes less than 60% of the AMGI. The rent limits are based on the number of bedrooms in the unit. Rent subsidies paid on behalf of the tenant (such as Section 8 program payments) and overage defined by the Farmers Home Administration (FmHA) 515 program are not included in gross rent calculations. Gross rent includes a utility allowance for the utilities paid by the tenant. The Agency has provided the rent limitations by county (See **LIHTC Data Table A**, page 27).

Utility allowance information is obtained from HUD or the Public Housing Authority in the county where the project is located. If the project is a FmHA 515 project, the utility allowance is obtained from the FmHA office.

- ◇ Extended Low-Income Use. Income and rent limitations must be maintained for a minimum period of 15 years and through the extended use period - an additional 15 years. Project owners must enter into an extended low income use agreement with the Agency. In order to ensure future housing affordability in Ohio, one of OHFA's goals is to encourage LIHTC project owners to commit to the extended use period.
- ◇ Safe, Decent, & Sanitary Housing. All projects must meet applicable building codes promulgated by the Ohio Board of Building Standards and local governmental agencies. Projects must also comply with the Americans with Disabilities Act, if applicable.
- ◇ "No More Credit Than Necessary". Section 42 of the IRC specifically mandates that state housing finance agencies must ensure that the amount of LIHTC awarded to a project is the minimum amount necessary for the project to be placed in service as low-income housing. The Agency will complete this designated task by thoroughly underwriting every project receiving LIHTC.



#### *D. Eligible Use of the LIHTC*

The LIHTC can be used to offset the cost of acquiring, substantially rehabilitating or constructing residential rental housing that is occupied by low-income individuals and families. These units must be available to the general public and have an initial lease of six months or longer.

The eligible costs to develop these low-income units becomes the building's eligible basis. The eligible basis cannot include the cost of land, permanent financing fees, bridge loan interest, LIHTC application fees for resubmissions, and off-site improvement(s) costs. The LIHTC can be allocated on common areas as long as these facilities are provided to all tenants without additional fees or charges. Proceeds from historic tax credits, some federal grants and loans, and non-recourse financing must be deducted from the eligible basis (See Section 42 of the IRC for more information). The applicable fraction multiplied by the eligible basis is the project's qualified basis. The applicable LIHTC percentage (commonly referred to as the 9% and 4% LIHTC rate) is the percentage used to determine the annual LIHTC amount by multiplying it by the total qualified basis. The LIHTC rates fluctuate from month to month, and the IRS publishes the new rates monthly. The LIHTC rates are rarely exactly 9% or 4%.

- ◇ Acquisition/Substantial Rehabilitation. The LIHTC is available for the acquisition and substantial rehabilitation of a building. The acquisition basis is allocated LIHTC at the 4% LIHTC rate. The substantial rehabilitation basis is allocated LIHTC at the 9% LIHTC rate. The property cannot have been placed in service within ten (10) years prior to acquisition. In addition, capital improvements on the building are not eligible cost items if within the previous ten years major capital improvements have been made to the building. The building may not have been previously owned by the new owner or a related entity; however, ten percent of the ownership may remain unchanged.
- ◇ Substantial Rehabilitation. The LIHTC may be claimed on the basis of cost incurred for the substantial rehabilitation of a property without claiming credit on the acquisition basis of the project. The minimum threshold expenditure is \$3,000 of all non-cosmetic improvements costs per unit. Cosmetic improvements include interior or exterior painting, carpeting, landscaping, and any other costs the Agency determines that do not substantially benefit the low-income tenants. The substantial rehabilitation basis is allocated LIHTC at the 9% LIHTC rate.
- ◇ New Construction. The LIHTC at the 9% LIHTC rate is available for the eligible costs to construct a new building(s).





### EXAMPLE CALCULATION OF LIHTC AMOUNT

A proposed Acquisition/Substantial Rehabilitation project had the following characteristics:

- ⇒ The project will contain 50 units, all of which will be low-income units.
- ⇒ Land costs = \$100,000.
- ⇒ Building acquisition costs = \$500,000.
- ⇒ Substantial rehabilitation = \$700,000.

The project's applicable fraction will equal 50 divided by 50 = 1.

	<u>Acquisition</u>	<u>Substantial Rehabilitation</u>
Eligible Basis = <i>(land is ineligible)</i>	\$500,000	\$700,000
Qualified Basis = <i>(multiply by 1)</i>	\$500,000	\$700,000
Applicable LIHTC rates =	4%	9%
Annual LIHTC Amount = <i>(multiply LIHTC rate by Qualified Basis)</i>	<b>\$20,000</b>	<b>\$63,000</b>

Total Annual LIHTC Amount = **\$83,000**; Total Ten Year LIHTC Amount = **\$830,000**

- ◇ Single Room Occupancy (SRO). SRO housing may qualify for LIHTC even though cooking or sanitation facilities are provided on a shared basis rather than separately within each unit. SRO units may be leased on a monthly basis without violating the non-transient use requirement (minimum six month lease) of the IRC. Factory made housing which is permanently fixed to real property may qualify for the LIHTC.

The LIHTC is not available for any of the following facilities: hospitals, nursing homes, sanitariums, lifecare facilities, retirement homes (if providing significant services other than housing are mandatory for residents), employer housing, mobile homes and student housing. Congregate care facilities may be eligible if the "additional supportive services" are provided to the tenant as a voluntary option and the tenant is not charged mandatory fees for those services. Please refer to Section 42 of the IRC for more information.



## II. ALLOCATION PROCESS

The applicant must submit a request for 1995 LIHTC using the 1995 ODOD Affordable Housing Funding Application (AHFA). An application should be attached to this Plan (along with a computer disk with the spreadsheet versions of the 1995 ODOD AHFA *if requested*). Please contact OHFA (phone number: 614-466-0400) to request an application or application disk if you do not already have one.

The AHFA is available in computer spreadsheet format. The spreadsheet will only work with the following programs:

- EXCEL version 5.0 (Agency preferred version)
- LOTUS 1-2-3 version 5.0
- QUATTRO PRO version 5.0



### LIHTC TRAININGS

The Agency will sponsor a series of trainings before the first round for LIHTC applicants. Each applicant is strongly encouraged to attend a training. Trainings will be held during the month of February throughout Ohio (see page 7 for dates). Applicants must pre-register by faxing or mailing their names, addresses, phone numbers, fax numbers, date and location of training to the Office of Planning & Development (Fax #: 614-644-5393). Please include a first and second choice. Space is limited on a first-come, first-served basis.

#### A. *When to Apply*

The application review period begins in early March and lasts until September. Applications may be submitted to the Agency for review in any of the four application review periods (called "application rounds"). The round dates are listed on the 1995 LIHTC Program Calendar, next page. Other important dates for the LIHTC program are also listed on the calendar.





**B. 1995 LIHTC Program Calendar**

**February**

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- 9 - LIHTC Training (Columbus)
- 16 - LIHTC Training (Cleveland)
- 21 - LIHTC Training (Cincinnati)
- 28 - 1st 8609 Request Deadline (Mailing April 7)

**March**

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- 1 - Round 1 Submission Deadline

**April**

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- 7 - 8609 1st Mailing
- 12 - Round 1 Results Mailed
- 12 - Round 1 Information Mailed
- 17 - Round 1 Appeals Due
- 20 - Round 1 Appeal Responses Faxed
- 24 - Round 2 Submission Deadline
- 24 - Round 1 Conditional Reservations Due

**May**

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**June**

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- 2 - 2nd 8609 Request Deadline (Mailing August 25)
- 5 - Round 2 Results Mailed
- 5 - Round 2 Information Mailed
- 8 - Round 2 Appeals Due
- 13 - Round 2 Appeal Responses Faxed
- 15 - Round 3 Submission Deadline
- 15 - Round 2 Conditional Reservations Due

**July**

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- 27 - Round 3 Results Mailed
- 27 - Round 3 Information Mailed

**August**

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- 1 - Round 3 Appeals Due
- 4 - Round 3 Appeal Responses Faxed
- 8 - Round 4 Submission Deadline
- 8 - Round 3 Conditional Reservations Due
- 25 - 2nd 8609 Mailing

**September**

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- 19 - Round 4 Results Mailed
- 19 - Round 4 Information Mailed
- 22 - Round 4 Appeals Due
- 27 - Round 4 Appeal Responses Faxed
- 29 - Waiting List Confirmations Due
- 29 - Round 4 Conditional Reservations Due

**October**

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- 13 - 8609 3rd Request Deadline (Mailing Dec. 20)
- 13 - Waiting List Information Mailed

**November**

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- 1 - Carryover Deadline
- 30 - Carryover Documents Mailed

**December**

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- 15 - Carryover Documents Return Deadline
- 20 - 3rd 8609 Mailing

**January, 1996**

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- 31 - 8609 forms requested between Oct. 14 and Dec. 31 will be mailed by the Agency



### C. *How to Apply*

Each applicant must complete the 1995 AHFA and submit all necessary forms and additional supporting evidence. Detailed instructions are included with the application.



#### **A COMPLETE LIHTC APPLICATION SUBMISSION**

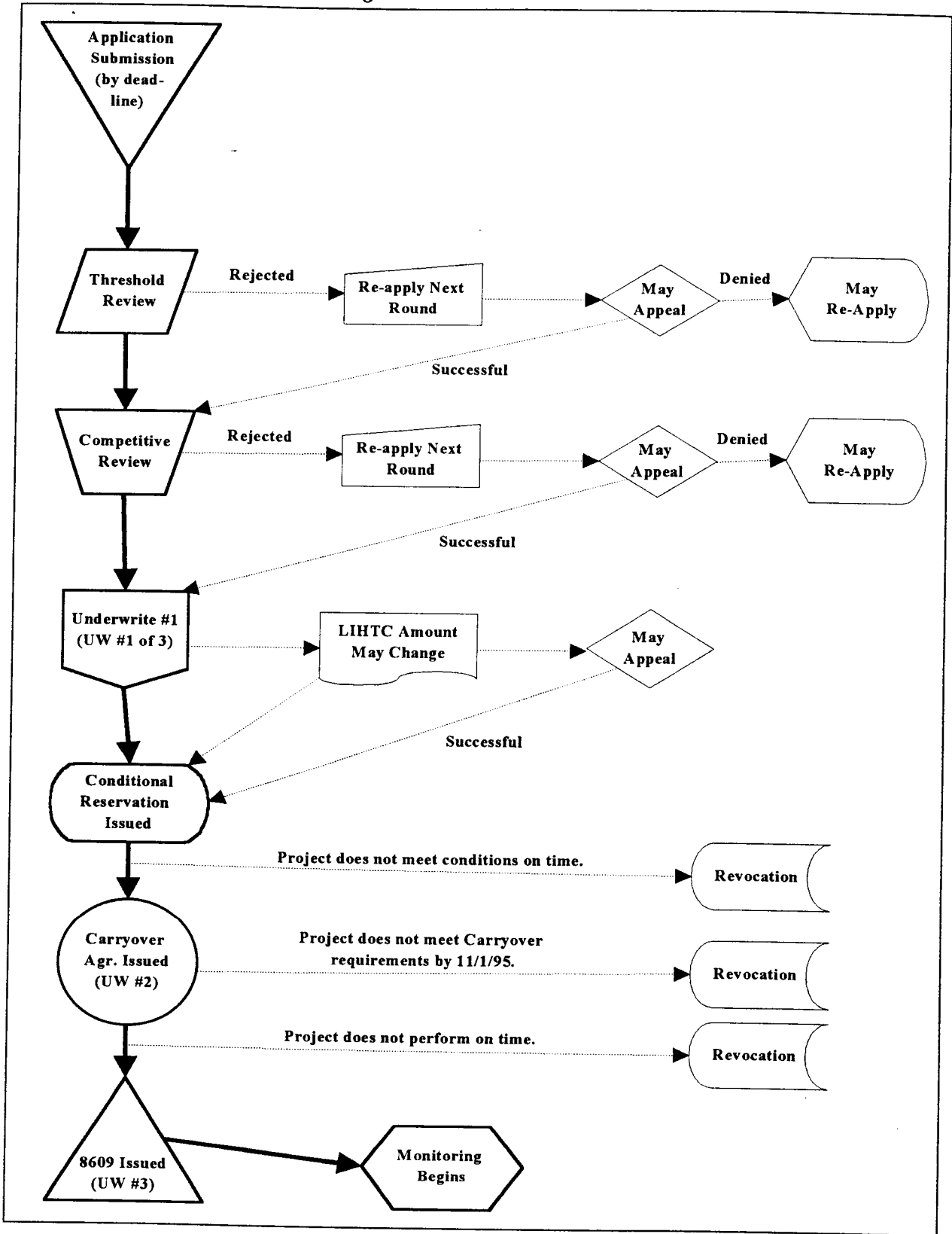
The following items must be submitted to the Agency no later than the submission deadlines listed on page 7 in order for the project to be considered for LIHTC:

- ⇒ A complete 1995 AHFA (paper or disk)
- ⇒ Application fee
- ⇒ Project narrative
- ⇒ Proper evidence of site control
- ⇒ ODOD Form 001 - *Local Government Certification form*
- ⇒ Market study
- ⇒ Affirmative marketing plan
- ⇒ Completed Restrictive Covenant
- ⇒ Architectural submission
- ⇒ Location map and pictures
- ⇒ Evidence for projects with special requirements
- ⇒ Evidence for competitive review points

After the Agency receives the application, the LIHTC staff will evaluate the application to ensure compliance with the threshold criteria. Once an application passes threshold review, it will be evaluated using the competitive criteria. See LIHTC Processing Flowchart, next page.



**D. LIHTC Program Processing Flowchart**



### **E. Threshold Review**

In order to assure that all applications received will have a high probability of completion, OHFA has established the following threshold criteria that must be met in order to qualify for the competitive review stage. Threshold review is a basic review of the application to determine if it is complete, and all necessary forms, supporting evidence, and fees are included. If the application does meet any one of the Threshold Criteria, the application will be rejected by the Agency.



#### **PROJECTS WITH SPECIAL REQUIREMENTS**

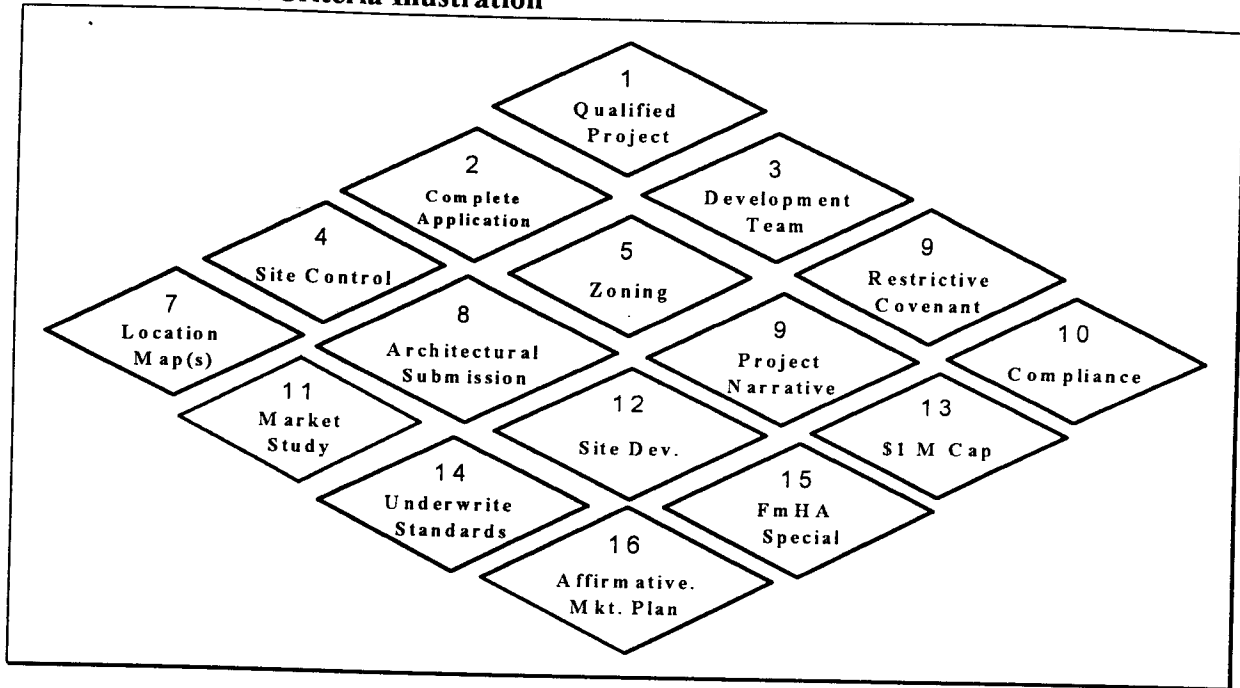
During the Threshold Review the following projects have extra requirements that they must meet:

- Substantial Rehabilitation projects must spend at least \$3,000 per unit in non-cosmetic improvements.
- Acquisition projects must not have been placed in service by the previous owners in the 10 years prior to acquisition.
- Non-profit owners must receive all ODOD funding sought or the reservation will be revoked by the Agency.
- Owners of projects with existing tenants must demonstrate that they are in compliance with federal regulations and must follow correct procedures if tenant displacement will occur.
- New Construction FmHA projects must submit an AD622.

*These requirements are explained in more detail in the next section.*



## Threshold Review Criteria Illustration



### Threshold Review Criteria:

1. The project must be a qualified residential rental project which meets occupancy and rent restrictions of Section 42 of the Internal Revenue Code of 1986, as amended. Therefore at least 20% of the units must be reserved for tenants at 50% or less of Area Median Gross Income (AMGI), or at least 40% of the units must be reserved for tenants at 60% or less of AMGI, adjusted for family size. This restriction must be maintained for at least the 15 year compliance period and that period committed to in the extended use agreement.
  - ◆ The Agency requires that for those individuals who are submitting substantial rehabilitation projects, the \$3,000 per unit or 10% of total project cost must be met by qualified costs. Cosmetic improvements do not qualify for the \$3,000 per unit threshold test.
  - ◆ Applicants seeking acquisition credits must demonstrate that the project was not placed in service by the previous owner less than ten years as of the date of acquisition.
  - ◆ If displacement of any existing tenants will occur, the Agency will require the sponsor to prepare and implement a plan to reasonably assist families or individuals displaced in obtaining a reasonable alternative. If federal funds are used, the applicant must prepare and implement a displacement plan that meets federal requirements.
2. A completed application (disk or paper) with correct application fee - if the check is returned for insufficient funds, the application will be rejected. Any applications that are incomplete, inconsistent, and/or illegible, will be automatically rejected. Applications are to be submitted in a three-ring binder with appropriate tabbing.



3. A complete development team in place consisting of:

- ◆ sponsoring organization;
- ◆ general contractor;
- ◆ general partner (or owner);
- ◆ manager/management company;
- ◆ architect.

The following are requested at time of application, but not required:

- ◆ engineer;
- ◆ consultant (if applicable);
- ◆ tax attorney - due to the complexities of the LIHTC program, OHFA recommends that sponsoring organizations obtain a tax attorney and/or accountant early in the development process.

The organization applying for the LIHTC allocation will be expected to have an general partnership interest of 51% or more in the project and have a contractual role in decision-making about project development and management.

- ◆ **For project applications intending to include a non-profit organization, the non-profit must be identified. Non-profit owners must receive all ODOB funding sought or the reservation will be revoked by the Agency.**
- ◆ All identity of interests of related parties on the development team must be disclosed on the AHFA.

4. Site Control evidenced by buyer and seller. The Agency requires the executed and recorded deed of the current owner and the signed purchase contract to be submitted with the application. If the owner is not the applicant, copies of one of the following along with the executed and recorded deed of the current owner is required to be submitted with the application:

- ◆ signed option to purchase from the owner, with date certain performance;
- ◆ signed purchase contract with the owner;
- ◆ signed land contract with the owner;
- ◆ signed long term land lease (50 years or more).

(Each of the site control contracts/options above, as applicable, must not expire until 2 months after the date of application submission or re-application submission.)

- ◆ There is one exception to the site control requirement. For non-profit sponsored scattered site projects with 10 or more sites, the Agency will require that at least 10% of the sites be under control at time of application. No Carryover extensions regarding site control will be given to these projects - sites under control at Carryover will only be used and the LIHTC amount will be adjusted accordingly.



5. The project must have appropriate zoning and have notified the local executive political official of the political jurisdiction in which the project is located. A completed ODOD Form 001, ***Local Government Certification Form***, along with supporting evidence must be included with the application. After receipt of the application, the Agency will send a copy of the completed ODOD Form 001 to the official listed on the form for verification. That official will then have 10 days to comment to the Agency.
  
6. A properly completed and signed Restrictive Covenant must be submitted with the application. The Agency will complete the document and return it to the owner with the Carryover Agreement.
  
7. An Architectural Plans Cover Page (project summary) must be included in the application. The cover or plans must list the number of buildings, total square footage, unit square footage, unit mix, number of units, and number of stories. Square footage listed must equal that listed in the application or the application will be rejected.
  
8. Location Maps, Site Survey, and Site Pictures must be included in the application. The maps must be legible and the site must be clearly identified. Please include 3 to 5 pictures of each site and/or building.
  
9. A project narrative must be included in the application. Project narratives cannot exceed three pages and must include a description of the project and the location, description of development team members, description of financing and grants, population served, and project timeline.
  
10. The Agency will evaluate the past compliance history of the owner / general partner and the management company in the LIHTC program. If the owner / general partner or management company was involved with a project that is currently out of compliance at time of application, the project will be rejected at Threshold.
  
11. A market study conducted by an independent / third party market study professional must be submitted with the application. Projects with 10 or less units are exempted from this criterion. The study must include a brief executive summary stating a.) a concise conclusion of the author; b.) the appropriate vacancy rate for the proposed project; c.) and the assumptions and methods used by the author including data sources. The study must also include the following:
  - ◆ A description and evaluation of public services (transportation, police, fire dept., schools), infrastructure and community services (shopping, employment, recreation, transportation, medical and services for special needs if applicable).
  - ◆ A description of the market area including the supply (current and potential including other LIHTC projects) and the condition of the housing stock.
  - ◆ A description of the competition from other developments and federal subsidies available.



- ◆ An identification of potential residents of the project - where they currently reside and the condition and affordability of their current housing. These potential residents must meet the income restrictions of the LIHTC program.

The characteristics listed above are the minimum required and that additional information appropriate to the market area and the project must be submitted to demonstrate the need for the proposed housing project. The Agency reserves the right to revise the market study characteristics in the future.

12. The Agency reserves the right to reject an application if site development costs exceed 10% of the total project costs unless these costs are properly justified in the project narrative.

13. The Agency restricts any user to \$1 million in annual LIHTC. This restriction will apply when the user is involved as a general partner or co-general partner in one or more projects that have a combined total 1995 LIHTC allocation of \$1 million. The Agency will pro rate the LIHTC reservation amount to the user based on the user's general partnership interest percentage.

14. The Agency has established maximum cost caps of 15% for adjusted developer's fee, 6% for contractor's profit, and 2% for contractor's overhead. In addition all financing sources must equal the total project cost. These conditions must be met or the project will be rejected.

15. Demonstrated financial ability to proceed for FmHA 515 projects must be shown. The option to do so is:

- ◆ For newly constructed Farmers Home Administration 515 projects, an AD622 commitment, along with a letter from the Farmers Home Administration attesting that they have received the sponsor's full application and are currently processing it, will be required.

16. The applicant must submit a brief (1 to 3 pages) Affirmative Marketing Plan that includes a description of the a.) outreach; b.) marketing; and c.) advertising strategy/methods that the applicant will use in order to promote desegregation of racial groups and income classes in the project.

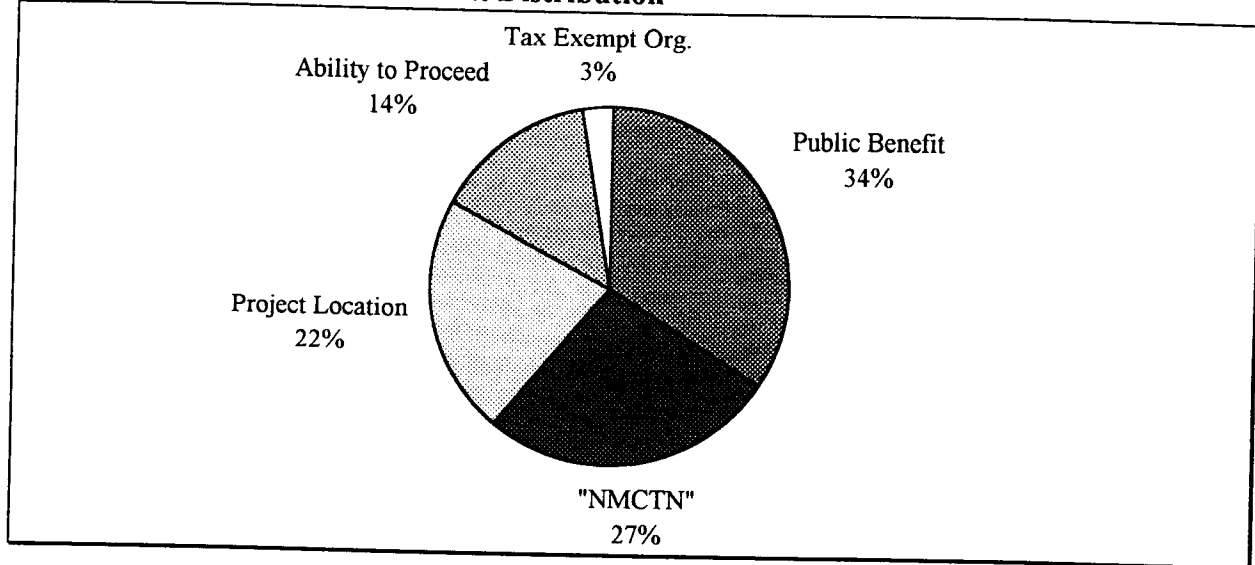




## F. *Competitive Review*

The Agency has developed an allocation scoring system based on the identified housing needs for Ohio as well as federal mandates for the tax credit program. Applicants are to self-score their projects on their application. Projects are awarded points based on the criteria illustrated on the next page. There are a total of **181 points** available.

### Competitive Review Criteria Point Distribution



### Competitive Review Criteria:

#### 1. **Public Benefit - Maximum 62 points**

a.) Rent structure that will be affordable to persons below 60% of Area Median Gross Income, adjusted for family size, as evidenced in the application, proforma, and Restrictive Covenant will be rewarded. One point will be awarded for each percentage point below 60% AMGI down to 50% AMGI and two points will be awarded for each percentage point below 50% AMGI to 35% AMGI:

59% AMGI = 1 point  
58% AMGI = 2 points  
57% AMGI = 3 points, etc.,

49% AMGI = 12 points  
48% AMGI = 14 points, etc., **up to a maximum of 40 points.**

The project sponsor may have more than one rent election. If this is the case, multiply each set-aside percentage by the rent-targeting percentage and add the products.





### EXAMPLE RENT ELECTION CALCULATION

If a project has 70% of the units with rents targeted to households at 60% AMGI, and 30% of the units with rents targeted to households at 40% AMGI, it will receive 6 points as follows:

- 1.)  $70\% \times 60\% \text{ AMGI} = 42\% \text{ AMGI}$ ;       $30\% \times 40\% \text{ AMGI} = 12\% \text{ AMGI}$
- 2.)  $42\% \text{ AMGI} + 12\% \text{ AMGI} = 54\% \text{ AMGI} = \mathbf{6 \text{ points}}$

b.) Owner has committed in restrictive covenant to waive the right to petition OHFA to terminate the extended use term as described in Section 42 of the IRC. One point will be awarded for each year waived after the 15th year:

- 16 years = 1 point
- 17 years = 2 points
- 18 years = 3 points, etc., **up to a maximum of 15 points.**

c.) Projects which serve one or more of the following populations by setting aside at least **50%** of the low-income units for:

- ⇒ Persons with physical disabilities;
- ⇒ Persons with mental or developmental disabilities;
- ⇒ Frail elderly persons;
- ⇒ Large low-income families (5 or more person households earning 40% of AMGI);
- ⇒ Transitional housing for homeless (*minimum 6 month lease*)

will be awarded **5 points**.

A ODOT Form 002, *Special Needs Form*, completed by a special needs state agency, special needs local (located in the project's county) agency, or special needs local (located in the project's county) community organizations is required at the time of application submission in order for the project to be awarded points.

**THE IRS HAS SPECIFIC REQUIREMENTS REGARDING SUPPORTIVE SERVICES IN SPECIAL NEEDS PROJECTS.** Please refer to Section 42 of the IRC.

d.) Projects that have agreements or referral letters with a Public Housing Authority to accept referrals of tenants from the appropriate waiting lists or to have the project listed on the Public Housing Authority's project list included in the application will be awarded **2 points**.




2. **“No More Credit Than Necessary” - Maximum 48 points**

a.) Total Project Cost per unit under the maximum average cost per unit for your county as determined by the HUD 221 d (3) limits (see **LIHTC Data Table B**, page 36) will be rewarded. Two points for each \$1,000 per unit under the maximum cost per unit for your county as determined by HUD:

\$1,000 under the HUD 221 d(3) maximum for your county = 2 point  
\$2,000 under the HUD 221 d(3) maximum for your county = 4 points  
\$3,000 under the HUD 221 d(3) maximum for your county = 6 points, etc.  
**up to a maximum of 20 points.**

Multiply the project's bedroom percentages by the appropriate HUD 221 d(3) limits in order to get the average cost per unit figure for your project.

 **EXAMPLE AVERAGE COST PER UNIT CALCULATION**  
90% of a project's units are 2 bedroom units and the remaining 10% are 1 bedroom units. The average cost per unit would be calculated as follows:  
 $(90\% \times \underline{2BR} \text{ HUD 221 d(3) limit}) + (10\% \times \underline{1BR} \text{ HUD 221 d(3) limit}) = \text{avg. cost per unit}$   
Compare the above sum with the project's total project cost per unit figure to determine the project's score.

Projects receiving Historic Tax Credits (HTC) may subtract the residential HTC from the Total Project Cost. Use this adjusted cost per unit to determine the project's score for criterion **2a.**)

b.) Developer's fee as a percentage of adjusted total project costs below 15%. One point will be awarded for each percentage point below 15%:

14% = 1 point  
13% = 2 points  
12% = 3 points, etc., **up to a maximum of 10 points.**

c.) Contractor's profit as a percentage of general requirements plus hard costs below 6%. One point will be awarded for each percentage point below 6%:

5% = 1 point  
4% = 2 points  
3% = 3 points, etc., **up to a maximum of 5 points.**



d.) Contractor's overhead as a percentage of general requirements plus hard costs below 1%. **3 points** will be awarded for 1% and below.

e.) Total soft costs as a percentage of adjusted total project costs below 30%. One point will be awarded for each percentage point below 30%:

29% = 1 point

28% = 2 points

27% = 3 points, etc., **up to a maximum of 10 points**

### **3. Project Location - Maximum 40 points**

a.) Projects located in areas of the state which historically have not received a substantial amount of credits from 1987 to 1994 (see **LIHTC Data Table C**, page 41). **Up to 15 points.**

b.) Projects located in low-income counties will receive **10 points** and projects located in very low-income counties (see **LIHTC Data Table D**, page 42) will receive **15 points.**

c.) Projects located in qualified urban and rural census tracts (130% tracts) as defined by Congress (see **LIHTC Data Table E**, page 43) will receive **10 points.**



#### 4. Ability to Proceed - Maximum 26 points

a.) To encourage applicants to come in more prepared for the development of their projects, points will be given for development activities completed at time of application as determined by review of the Schedule of Development and the evidence provided. Scattered Non-Contiguous Site Non-Profit projects need only evidence items for 10% of their sites. Points will be awarded to those projects that can properly evidence in their application the following items:

**2 points each**

- ⇒ Environmental/ archeological approval / Phase 1
- ⇒ Contractor's bid
- ⇒ Construction loan commitment (*NOTE: All financing commitment(s) must contain A.) amount; B.) term; C.) rate; D.) amortization period; and E.) all proper signatures*)
- ⇒ Civil engineer evaluation report
- ⇒ Signed construction contract

**3 points each**

- ⇒ Permanent financing conditional commitments or evidence of self-financing
- ⇒ Building permits
- ⇒ Fully recorded deed or long-term (50+ years) lease

b.) If a simple majority of the owner's/general partner's past LIHTC projects in Ohio listed in the Previous Experience section of the application have been revoked or withdrawn, **0 points** will be assessed to the project's score. If a simple majority of the owner's/general partner's past LIHTC projects in Ohio have been successful, **7 points** will be awarded. First time LIHTC project general partners/owners will receive **2 points**.

#### 5. Participation of Local Tax Exempt Organization - Maximum 5 points

Projects will receive **5 points** that evidence the participation of a local (located in the project's county) tax exempt organization. The organization must have at least a 51% general partnership interest in the project.





### EXAMPLE OF A TOTAL PROJECT SCORE

A project that passed the Threshold review had the following characteristics:

- Project owner was a for-profit.
- 100% of the units were targeted to households at 45% AMGI (no special needs units).
- The owner agreed to an additional 10 years of low-income use.
- The total project cost per unit of the project which only had 2 BR units was \$60,000.
- A waiting list agreement from the Lucas MHA was included.
- The developer's fee percentage was 10%.
- The contractor's profit percentage was 3%.
- The contractor's overhead percentage was 2%.
- Soft costs percentage was 25%.
- The project was located in Lucas County and in a qualified census tract.
- The applicant included a contractor's bid, building permits, and the recorded deed of the site and all documents were acceptable to OHFA staff.
- The applicant/owner was a first-time LIHTC user.

The project's score was the following:

#### Competitive Criteria # & Score

1a. 20; 1b. 10; 1c. 0; 1d. 2; 2a. 8; 2b. 5; 2c. 3; 2d. 0; 2e. 5; 3a. 5; 3b. 0; 3c. 10; 4a. 8; 4b. 2; 5. 0

**Total Score = 78**

### G. *Financial Underwriting of the LIHTC Project*

If a project is selected to receive a reservation/allocation of LIHTC, OHFA will underwrite each project to ensure that the project receives only the amount of LIHTC necessary to assure project feasibility and viability throughout the LIHTC period. This includes tax-exempt bond financed projects which are excluded from the state's LIHTC allocation ceiling. The Agency is required to perform the LIHTC evaluation three times:

- 1.) when the application is received/prior to issuing conditional reservation;
- 2.) at the earlier of binding reservation or carryover allocation; and,
- 3.) at the time the project is placed in service and requests IRS Form(s) 8609.

After the underwrite, OHFA will issue a conditional reservation. The Agency's reservation will not necessarily equal the amount of LIHTC requested in the application. In addition, LIHTC may be reduced at any underwriting stage.



Please refer to the **LIHTC Administrative Guidelines** for information regarding Carryover and 8609 request requirements and procedures; detailed underwriting procedures; and additional administrative rules.

***NOTE: The Agency will award 1995 LIHTC from the total state's population 1995 LIHTC total to 1994 projects which successfully appealed based on Agency errors or oversights.***



### III. MONITORING

#### A. *Introduction*

The Revenue Reconciliation Act of 1990 mandated that beginning in 1992, housing finance agencies must actively monitor all LIHTC projects to determine if they are complying with the requirements of the LIHTC program. In September 1992, the IRS issued final regulations with regard to the monitoring requirement. These final regulations were effective June 30, 1993.

The monitoring process determines if the project is complying with requirements of the Internal Revenue Code. The Agency's internal monitoring process is outlined in the Low-Income Housing Tax Credit Program Compliance Manual, which will be provided to the owner for each LIHTC project. All residents must be income qualified, adjusted for family size, prior to moving into the unit. All units must be rent restricted as provided for in the IRC. All low-income use units allocated LIHTC must be safe, decent and sanitary housing units complying with local building, health, safety, and zoning codes.

Compliance with the requirements of the IRC is the sole responsibility of the owner of the building for which the LIHTC was allocated.

#### B. *Monitoring Process*

All LIHTC projects are required to comply with the following regulations:

1. The owner of a LIHTC project, must keep records for each qualified low-income building in the project for each year of the compliance period:
  - a) Total number of residential rental units and percentage that are low-income units;
  - b) Rent charged on each residential unit (including utility allowances);
  - c) Number of occupants in each low-income unit but only if rent is determined by the number of occupants in each unit under section 42(g)(2) of the IRC;
  - d) Low-income unit vacancies and information that shows when, and to whom, the next available units were rented;
  - e) Annual income certifications of each low-income resident per unit and documentation to support each certification;
  - f) Character and use of the nonresidential portion of the building included in the building's eligible basis under section 42(d) of the IRC; and





- g) The eligible basis and qualified basis of the building at the end of the first year of the LIHTC period.
2. The owner of a LIHTC project is required to retain the records described in section 1. above for each building in the project for at least six (6) years beyond the due date (with extensions) for filing the federal income tax return for that year. Records for the first year of the credit period must be retained for at least six (6) years beyond the due date (with extensions) for filing the federal income tax return for the last year of the compliance period of the building.
  3. The owner of a LIHTC project must certify annually to the Agency under penalty of perjury, on forms provided by the Agency that:
    - a) The project meets the minimum set-aside test applicable to the project;
    - b) The owner has received an annual low-income certification from each low-income resident and documentation to support that certification;
    - c) Each unit in the project is rent-restricted under section 42(g)(2) of the IRC;
    - d) All units in the project are for use by the general public and are used on a non-transient basis;
    - e) Each building in the project is suitable for occupancy, taking into account local health, safety and building codes;
    - f) Either there has been no change in the eligible basis as defined in section 42(d) of the IRC of any building, or there has been a change, and the nature of the change;
    - g) All residents facilities included in the eligible basis of any building in the project are provided on a comparable basis without a separate fee to all residents in the building;
    - h) If a low-income unit in the project becomes vacant during the year, reasonable attempts are made to rent that unit to residents having a qualifying income and while the unit is vacant no units of comparable or smaller size are rented to residents not having a qualifying income;
    - i) If the income of residents of low-income units increases above the limit allowed in section 42(g)(2)(D)(ii) of the IRC, the next available unit of comparable or smaller size in the project will be rented to residents having a qualifying income; and
    - j) Exceptions for certain buildings;
      - 1.) Buildings financed by the FmHA Section 515 Program.



- 2.) Buildings of which 50% or more of the aggregate basis is financed with the proceeds of obligations, the interest on which is exempt from tax under section 103 of the tax code (ie. tax exempt bonds).

If exempt under 1.) or 2.), the owner of such building must certify to the Agency that the building complies with the requirements of the IRC. If the owner is unable to meet the reporting requirements as otherwise required by said programs, the owner must notify the Agency.

4. The Agency requires an owner of a LIHTC project to submit evidence to the Agency each year during the compliance period, at a time prescribed by the Agency, for the following:
  - a) The owner's must annually certify the resident's income.
  - b) The Agency will require the owner to annually certify the project's compliance.

More frequent certifications may be required if the Agency determines the project is out of compliance. When the compliance deficiencies are resolved, more frequent certification will revert to annual certification.

The Agency reserves the right to make a determination at a later date regarding the Annual Income Recertification Wavier.

5. The Agency has the right to perform an inspection of any buildings in a LIHTC project through the end of the compliance period. An inspection includes a physical inspection of any building in the project, as well as a review of the records described in section 1. above.
6. The Agency will provide prompt written notice to the owner of a LIHTC project if the Agency does not receive the required certification or discovers through inspection, review or any other manner, that the project is not in compliance within 90 days from the date of notice to the owner and to submit missing documentation within 30 days. During the correction period, an owner must supply any missing certifications and bring the project into compliance with the provisions of the IRC. The Agency may extend the correction period for up to six (6) months if it determines there is good cause for granting an extension.
7. The Agency is required to file **Form 8823, Low-Income Housing Credit Agencies Report of Noncompliance**, with the **Internal Revenue Service** no later than 45 days after the end of the correction period described above, including any extension, whether or not the noncompliance or failure to certify is corrected.
8. Compliance with the requirements of section 42 of the IRC is the responsibility of the owner of the building for which the LIHTC is allowable. The Agency's obligation to monitor for compliance does not make the Agency liable for an owner's noncompliance. The Agency reserves the right to require monitoring fees in the future.



9. If the Agency is unable to serve notice on the property owner by mail and/or telephone during the compliance period and LIHTC period as defined by the **IRS**, the Agency will consider the property out of compliance and notify the **IRS** by filing form **8823**.
- a) The Agency will maintain one contact person per project. The owner(s) or owner(s) agent will agree upon the contact person and notify the Agency immediately of any change.
  - b) Recapture determinations are made by the Internal Revenue Service.



## IV. LIHTC DATA TABLES

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**A. Rent and Income Limits**

H.U.D. Effective Date: *May 31, 1994*

County	Rent: Bedrooms ( <i>Residents</i> )	Eff ( <i>1</i> )	1 ( <i>1.5</i> )	2 ( <i>3</i> )	3 ( <i>4.5</i> )	4 ( <i>6</i> )	5 ( <i>7.5</i> )	6 ( <i>9</i> )		
			Income: <i>Residents</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>
Adams	50% rent	314	336	403	466	519	573			
	50% income		12550	14300	16100	17900	19350	20750	22200	23650
	60% rent	377	403	483	559	623	688			
	60% income		15060	17160	19320	21480	23220	24900	26640	28380
Allen	50% rent	338	362	434	502	560	618			
	50% income		13500	15450	17350	19300	20850	22400	23950	25500
	60% rent	405	434	521	602	672	742			
	60% income		16200	18540	20820	23160	25020	26880	28740	30600
Ashland	50% rent	323	345	414	478	534	589			
	50% income		12900	14700	16550	18400	19850	21350	22800	24300
	60% rent	387	414	497	574	641	707			
	60% income		15480	17640	19860	22080	23820	25620	27360	29160
Ashtabula	50% rent	375	402	483	558	623	686			
	50% income		15000	17150	19300	21450	23150	24900	26600	28300
	60% rent	450	482	579	669	747	824			
	60% income		18000	20580	23160	25740	27780	29880	31920	33960
Athens	50% rent	306	332	403	466	519	573			
	50% income		12250	14300	16100	17900	19350	20750	22200	23650
	60% rent	368	398	483	559	623	688			
	60% income		14700	17160	19320	21480	23220	24900	26640	28380
Auglaize	50% rent	338	362	434	502	560	618			
	50% income		13500	15450	17350	19300	20850	22400	23950	25500
	60% rent	405	434	521	602	672	742			
	60% income		16200	18540	20820	23160	25020	26880	28740	30600
Belmont	50% rent	270	289	348	402	448	494			
	50% income		10800	12350	13900	15450	16700	17900	19150	20400
	60% rent	324	347	417	482	537	593			
	60% income		12960	14820	16680	18540	20040	21480	22980	24480
Brown	50% rent	306	332	403	466	519	573			
	50% income		12250	14300	16100	17900	19350	20750	22200	23650
	60% rent	368	398	483	559	623	688			
	60% income		14700	17160	19320	21480	23220	24900	26640	28380
Butler	50% rent	396	424	510	589	656	725			
	50% income		15850	18100	20400	22650	24450	26250	28100	29900
	60% rent	476	509	612	707	788	870			
	60% income		19020	21720	24480	27180	29340	31500	33720	35880
Carroll	50% rent	329	353	423	489	545	601			
	50% income		13150	15050	16900	18800	20300	21800	23300	24800
	60% rent	395	423	507	587	654	722			
	60% income		15780	18060	20280	22560	24360	26160	27960	29760
Champaign	50% rent	349	373	448	518	578	637			
	50% income		13950	15900	17900	19900	21500	23100	24700	26250
	60% rent	419	448	537	621	693	764			
	60% income		16740	19080	21480	23880	25800	27720	29640	31500
Clark	50% rent	369	395	474	548	610	674			

County	Rent: Bedrooms ( <i>Residents</i> ) Income: <i>Residents</i>	Eff (1)	1 (1.5)	2 (3)	3 (4.5)	4 (6)	5 (7.5)	6 (9)	7	8
			1	2	3	4	5	6		
	50% income		14750	16850	18950	21050	22750	24400	26100	27800
	60% rent	443	474	569	657	732	809			
	60% income		17700	20220	22740	25260	27300	29280	31320	33360
Clermont	50% rent	393	420	504	583	650	717			
	50% income		15700	17900	20150	22400	24200	26000	27800	29550
	60% rent	471	504	605	699	780	860			
	60% income		18840	21480	24180	26880	29040	31200	33360	35460
Clinton	50% rent	336	360	433	499	556	614			
	50% income		13450	15350	17300	19200	20750	22250	23800	25350
	60% rent	404	432	519	599	668	737			
	60% income		16140	18420	20760	23040	24900	26700	28560	30420
Columbiana	50% rent	314	336	403	466	519	573			
	50% income		12550	14300	16100	17900	19350	20750	22200	23650
	60% rent	377	403	483	559	623	688			
	60% income		15060	17160	19320	21480	23220	24900	26640	28380
Coshocton	50% rent	314	336	403	466	519	573			
	50% income		12550	14300	16100	17900	19350	20750	22200	23650
	60% rent	377	403	483	559	623	688			
	60% income		15060	17160	19320	21480	23220	24900	26640	28380
Crawford	50% rent	326	349	420	485	541	597			
	50% income		13050	14900	16800	18650	20150	21650	23150	24600
	60% rent	392	419	504	582	650	716			
	60% income		15660	17880	20160	22380	24180	25980	27780	29520
Cuyahoga	50% rent	375	402	483	558	623	686			
	50% income		15000	17150	19300	21450	23150	24900	26600	28300
	60% rent	450	482	579	669	747	824			
	60% income		18000	20580	23160	25740	27780	29880	31920	33960
Darke	50% rent	331	354	425	491	548	605			
	50% income		13250	15100	17000	18900	20400	21900	23450	24950
	60% rent	398	425	510	590	657	726			
	60% income		15900	18120	20400	22680	24480	26280	28140	29940
Defiance	50% rent	348	373	446	516	576	635			
	50% income		13900	15900	17850	19850	21450	23050	24600	26200
	60% rent	417	447	536	620	692	762			
	60% income		16680	19080	21420	23820	25740	27660	29520	31440
Delaware	50% rent	386	414	496	573	640	706			
	50% income		15450	17650	19850	22050	23800	25600	27350	29100
	60% rent	464	497	596	688	768	847			
	60% income		18540	21180	23820	26460	28560	30720	32820	34920
Erie	50% rent	366	392	470	543	606	669			
	50% income		14650	16700	18800	20900	22550	24250	25900	27600
	60% rent	440	470	564	652	728	803			
	60% income		17580	20040	22560	25080	27060	29100	31080	33120
Fairfield	50% rent	386	414	496	573	640	706			
	50% income		15450	17650	19850	22050	23800	25600	27350	29100

County	Rent: Bedrooms ( <i>Residents</i> )	Eff (1)	1 (1.5)	2 (3)	3 (4.5)	4 (6)	5 (7.5)	6 (9)		
	Income: <i>Residents</i>		1	2	3	4	5	6	7	8
	60% rent	464	497	596	688	768	847			
	60% income		18540	21180	23820	26460	28560	30720	32820	34920
Fayette	50% rent	314	336	403	466	519	573			
	50% income		12550	14300	16100	17900	19350	20750	22200	23650
	60% rent	377	403	483	559	623	688			
	60% income		15060	17160	19320	21480	23220	24900	26640	28380
Franklin	50% rent	386	414	496	573	640	706			
	50% income		15450	17650	19850	22050	23800	25600	27350	29100
	60% rent	464	497	596	688	768	847			
	60% income		18540	21180	23820	26460	28560	30720	32820	34920
Fulton	50% rent	360	386	464	536	598	659			
	50% income		14400	16500	18550	20600	22250	23900	25550	27200
	60% rent	432	464	557	643	717	791			
	60% income		17280	19800	22260	24720	26700	28680	30660	32640
Gallia	50% rent	314	336	403	466	519	573			
	50% income		12550	14300	16100	17900	19350	20750	22200	23650
	60% rent	377	403	483	559	623	688			
	60% income		15060	17160	19320	21480	23220	24900	26640	28380
Geauga	50% rent	375	402	483	558	623	686			
	50% income		15000	17150	19300	21450	23150	24900	26600	28300
	60% rent	450	482	579	669	747	824			
	60% income		18000	20580	23160	25740	27780	29880	31920	33960
Green	50% rent	369	395	474	548	610	674			
	50% income		14750	16850	18950	21050	22750	24400	26100	27800
	60% rent	443	474	569	657	732	809			
	60% income		17700	20220	22740	25260	27300	29280	31320	33360
Guernsey	50% rent	314	336	403	466	519	573			
	50% income		12550	14300	16100	17900	19350	20750	22200	23650
	60% rent	377	403	483	559	623	688			
	60% income		15060	17160	19320	21480	23220	24900	26640	28380
Hamilton	50% rent	393	420	504	583	650	717			
	50% income		15700	17900	20150	22400	24200	26000	27800	29550
	60% rent	471	504	605	699	780	860			
	60% income		18840	21480	24180	26880	29040	31200	33360	35460
Hancock	50% rent	360	386	464	536	598	659			
	50% income		14400	16500	18550	20600	22250	23900	25550	27200
	60% rent	432	464	557	643	717	791			
	60% income		17280	19800	22260	24720	26700	28680	30660	32640
Hardin	50% rent	314	336	403	466	519	573			
	50% income		12550	14300	16100	17900	19350	20750	22200	23650
	60% rent	377	403	483	559	623	688			
	60% income		15060	17160	19320	21480	23220	24900	26640	28380
Harrison	50% rent	314	336	403	466	519	573			
	50% income		12550	14300	16100	17900	19350	20750	22200	23650
	60% rent	377	403	483	559	623	688			

<b>County</b>	<b>Rent: Bedrooms (Residents)</b>	<b>Eff (1)</b>	<b>1 (1.5)</b>	<b>2 (3)</b>	<b>3 (4.5)</b>	<b>4 (6)</b>	<b>5 (7.5)</b>	<b>6 (9)</b>		
	<b>Income: Residents</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
	60% income		15060	17160	19320	21480	23220	24900	26640	28380
Henry	50% rent	331	355	426	493	550	606			
	50% income		13250	15150	17050	18950	20450	22000	23500	25000
	60% rent	398	426	512	591	660	728			
	60% income		15900	18180	20460	22740	24540	26400	28200	30000
Highland	50% rent	314	336	403	466	519	573			
	50% income		12550	14300	16100	17900	19350	20750	22200	23650
	60% rent	377	403	483	559	623	688			
	60% income		15060	17160	19320	21480	23220	24900	26640	28380
Hocking	50% rent	314	336	403	466	519	573			
	50% income		12550	14300	16100	17900	19350	20750	22200	23650
	60% rent	377	403	483	559	623	688			
	60% income		15060	17160	19320	21480	23220	24900	26640	28380
Holmes	50% rent	314	336	403	466	519	573			
	50% income		12550	14300	16100	17900	19350	20750	22200	23650
	60% rent	377	403	483	559	623	688			
	60% income		15060	17160	19320	21480	23220	24900	26640	28380
Huron	50% rent	329	353	423	489	545	601			
	50% income		13150	15050	16900	18800	20300	21800	23300	24800
	60% rent	395	423	507	587	654	722			
	60% income		15780	18060	20280	22560	24360	26160	27960	29760
Jackson	50% rent	314	336	403	466	519	573			
	50% income		12550	14300	16100	17900	19350	20750	22200	23650
	60% rent	377	403	483	559	623	688			
	60% income		15060	17160	19320	21480	23220	24900	26640	28380
Jefferson	50% rent	314	336	403	466	519	573			
	50% income		12550	14300	16100	17900	19350	20750	22200	23650
	60% rent	377	403	483	559	623	688			
	60% income		15060	17160	19320	21480	23220	24900	26640	28380
Knox	50% rent	314	336	403	466	519	573			
	50% income		12550	14300	16100	17900	19350	20750	22200	23650
	60% rent	377	403	483	559	623	688			
	60% income		15060	17160	19320	21480	23220	24900	26640	28380
Lake	50% rent	375	402	483	558	623	686			
	50% income		15000	17150	19300	21450	23150	24900	26600	28300
	60% rent	450	482	579	669	747	824			
	60% income		18000	20580	23160	25740	27780	29880	31920	33960
Lawrence	50% rent	261	279	335	388	433	477			
	50% income		10450	11900	13400	14900	16100	17300	18500	19650
	60% rent	314	335	402	465	519	572			
	60% income		12540	14280	16080	17880	19320	20760	22200	23580
Licking	50% rent	386	414	496	573	640	706			
	50% income		15450	17650	19850	22050	23800	25600	27350	29100
	60% rent	464	497	596	688	768	847			
	60% income		18540	21180	23820	26460	28560	30720	32820	34920



County	Rent: Bedrooms ( <i>Residents</i> ) Income: <i>Residents</i>	Eff (1)	1 (1.5)	2 (3)	3 (4.5)	4 (6)	5 (7.5)	6 (9)		
			1	2	3	4	5	6	7	8
Logan	50% rent	340	364	436	504	563	621			
	50% income		13600	15500	17450	19400	20950	22500	24050	25600
	60% rent	408	437	524	605	675	745			
	60% income		16320	18600	20940	23280	25140	27000	28860	30720
Lorain	50% rent	375	402	483	558	623	686			
	50% income		15000	17150	19300	21450	23150	24900	26600	28300
	60% rent	450	482	579	669	747	824			
	60% income		18000	20580	23160	25740	27780	29880	31920	33960
Lucas	50% rent	360	386	464	536	598	659			
	50% income		14400	16500	18550	20600	22250	23900	25550	27200
	60% rent	432	464	557	643	717	791			
	60% income		17280	19800	22260	24720	26700	28680	30660	32640
Madison	50% rent	386	414	496	573	640	706			
	50% income		15450	17650	19850	22050	23800	25600	27350	29100
	60% rent	464	497	596	688	768	847			
	60% income		18540	21180	23820	26460	28560	30720	32820	34920
Mahoning	50% rent	314	336	403	466	519	573			
	50% income		12550	14300	16100	17900	19350	20750	22200	23650
	60% rent	377	403	483	559	623	688			
	60% income		15060	17160	19320	21480	23220	24900	26640	28380
Marion	50% rent	314	336	403	466	519	573			
	50% income		12550	14300	16100	17900	19350	20750	22200	23650
	60% rent	377	403	483	559	623	688			
	60% income		15060	17160	19320	21480	23220	24900	26640	28380
Medina	50% rent	375	402	483	558	623	686			
	50% income		15000	17150	19300	21450	23150	24900	26600	28300
	60% rent	450	482	579	669	747	824			
	60% income		18000	20580	23160	25740	27780	29880	31920	33960
Meigs	50% rent	314	336	403	466	519	573			
	50% income		12550	14300	16100	17900	19350	20750	22200	23650
	60% rent	377	403	483	559	623	688			
	60% income		15060	17160	19320	21480	23220	24900	26640	28380
Mercer	50% rent	315	338	405	468	523	576			
	50% income		12600	14400	16200	18000	19450	20900	22300	23750
	60% rent	378	405	486	562	627	691			
	60% income		15120	17280	19440	21600	23340	25080	26760	28500
Miami	50% rent	369	395	474	548	610	674			
	50% income		14750	16850	18950	21050	22750	24400	26100	27800
	60% rent	443	474	569	657	732	809			
	60% income		17700	20220	22740	25260	27300	29280	31320	33360
Monroe	50% rent	314	336	403	466	519	573			
	50% income		12550	14300	16100	17900	19350	20750	22200	23650
	60% rent	377	403	483	559	623	688			
	60% income		15060	17160	19320	21480	23220	24900	26640	28380

County	Rent: Bedrooms ( <i>Residents</i> ) Income: <i>Residents</i>	Eff (1)	1 (1.5)	2 (3)	3 (4.5)	4 (6)	5 (7.5)	6 (9)	7	8
			1	2	3	4	5	6	7	8
Montgomery	50% rent	369	395	474	548	610	674			
	50% income		14750	16850	18950	21050	22750	24400	26100	27800
	60% rent	443	474	569	657	732	809			
	60% income		17700	20220	22740	25260	27300	29280	31320	33360
Morgan	50% rent	314	336	403	466	519	573			
	50% income		12550	14300	16100	17900	19350	20750	22200	23650
	60% rent	377	403	483	559	623	688			
	60% income		15060	17160	19320	21480	23220	24900	26640	28380
Morrow	50% rent	314	336	403	466	519	573			
	50% income		12550	14300	16100	17900	19350	20750	22200	23650
	60% rent	377	403	483	559	623	688			
	60% income		15060	17160	19320	21480	23220	24900	26640	28380
Muskingum	50% rent	314	336	403	466	519	573			
	50% income		12550	14300	16100	17900	19350	20750	22200	23650
	60% rent	377	403	483	559	623	688			
	60% income		15060	17160	19320	21480	23220	24900	26640	28380
Noble	50% rent	314	336	403	466	519	573			
	50% income		12550	14300	16100	17900	19350	20750	22200	23650
	60% rent	377	403	483	559	623	688			
	60% income		15060	17160	19320	21480	23220	24900	26640	28380
Ottawa	50% rent	374	401	480	555	619	683			
	50% income		14950	17100	19200	21350	23050	24750	26450	28200
	60% rent	449	481	576	666	743	820			
	60% income		17940	20520	23040	25620	27660	29700	31740	33840
Paulding	50% rent	314	336	403	466	519	573			
	50% income		12550	14300	16100	17900	19350	20750	22200	23650
	60% rent	377	403	483	559	623	688			
	60% income		15060	17160	19320	21480	23220	24900	26640	28380
Perry	50% rent	314	336	403	466	519	573			
	50% income		12550	14300	16100	17900	19350	20750	22200	23650
	60% rent	377	403	483	559	623	688			
	60% income		15060	17160	19320	21480	23220	24900	26640	28380
Pickaway	50% rent	386	414	496	573	640	706			
	50% income		15450	17650	19850	22050	23800	25600	27350	29100
	60% rent	464	497	596	688	768	847			
	60% income		18540	21180	23820	26460	28560	30720	32820	34920
Pike	50% rent	314	336	403	466	519	573			
	50% income		12550	14300	16100	17900	19350	20750	22200	23650
	60% rent	377	403	483	559	623	688			
	60% income		15060	17160	19320	21480	23220	24900	26640	28380
Portage	50% rent	361	387	465	537	599	661			
	50% income		14450	16500	18600	20650	22300	23950	25600	27250
	60% rent	434	464	558	644	719	793			
	60% income		17340	19800	22320	24780	26760	28740	30720	32700
Preble	50% rent	314	336	403	466	519	573			

County	Rent: Bedrooms ( <i>Residents</i> ) Income: <i>Residents</i>	Eff (1)	1 (1.5)	2 (3)	3 (4.5)	4 (6)	5 (7.5)	6 (9)	7	8
			1	2	3	4	5	6		
	50% income		12550	14300	16100	17900	19350	20750	22200	23650
	60% rent	377	403	483	559	623	688			
	60% income		15060	17160	19320	21480	23220	24900	26640	28380
Putnam	50% rent	314	336	403	466	519	573			
	50% income		12550	14300	16100	17900	19350	20750	22200	23650
	60% rent	377	403	483	559	623	688			
	60% income		15060	17160	19320	21480	23220	24900	26640	28380
Richland	50% rent	326	349	420	485	541	597			
	50% income		13050	14900	16800	18650	20150	21650	23150	24600
	60% rent	392	419	504	582	650	716			
	60% income		15660	17880	20160	22380	24180	25980	27780	29520
Ross	50% rent	314	336	403	466	519	573			
	50% income		12550	14300	16100	17900	19350	20750	22200	23650
	60% rent	377	403	483	559	623	688			
	60% income		15060	17160	19320	21480	23220	24900	26640	28380
Sandusky	50% rent	334	358	430	497	554	611			
	50% income		13350	15300	17200	19100	20650	22150	23700	25200
	60% rent	401	430	516	596	665	734			
	60% income		16020	18360	20640	22920	24780	26580	28440	30240
Scioto	50% rent	314	336	403	466	519	573			
	50% income		12550	14300	16100	17900	19350	20750	22200	23650
	60% rent	377	403	483	559	623	688			
	60% income		15060	17160	19320	21480	23220	24900	26640	28380
Seneca	50% rent	314	336	403	466	519	573			
	50% income		12550	14300	16100	17900	19350	20750	22200	23650
	60% rent	377	403	483	559	623	688			
	60% income		15060	17160	19320	21480	23220	24900	26640	28380
Shelby	50% rent	369	395	474	548	610	674			
	50% income		14750	16850	18950	21050	22750	24400	26100	27800
	60% rent	443	474	569	657	732	809			
	60% income		17700	20220	22740	25260	27300	29280	31320	33360
Stark	50% rent	329	353	423	489	545	601			
	50% income		13150	15050	16900	18800	20300	21800	23300	24800
	60% rent	395	423	507	587	654	722			
	60% income		15780	18060	20280	22560	24360	26160	27960	29760
Summit	50% rent	361	387	465	537	599	661			
	50% income		14450	16500	18600	20650	22300	23950	25600	27250
	60% rent	434	464	558	644	719	793			
	60% income		17340	19800	22320	24780	26760	28740	30720	32700
Trumbull	50% rent	314	336	403	466	519	573			
	50% income		12550	14300	16100	17900	19350	20750	22200	23650
	60% rent	377	403	483	559	623	688			
	60% income		15060	17160	19320	21480	23220	24900	26640	28380
Tuscarawas	50% rent	314	336	403	466	519	573			
	50% income		12550	14300	16100	17900	19350	20750	22200	23650

County	Rent: Bedrooms ( <i>Residents</i> ) Income: <i>Residents</i>	Eff (1)	1 (1.5)	2 (3)	3 (4.5)	4 (6)	5 (7.5)	6 (9)	7	8
			1	2	3	4	5	6	7	8
	60% rent	377	403	483	559	623	688			
	60% income		15060	17160	19320	21480	23220	24900	26640	28380
Union	50% rent	400	429	514	594	663	731			
	50% income		16000	18300	20550	22850	24700	26500	28350	30150
	60% rent	480	515	617	713	795	878			
	60% income		19200	21960	24660	27420	29640	31800	34020	36180
VanWert	50% rent	320	343	411	476	531	586			
	50% income		12800	14650	16450	18300	19750	21250	22700	24150
	60% rent	384	412	494	571	638	703			
	60% income		15360	17580	19740	21960	23700	25500	27240	28980
Vinton	50% rent	314	336	403	466	519	573			
	50% income		12550	14300	16100	17900	19350	20750	22200	23650
	60% rent	377	403	483	559	623	688			
	60% income		15060	17160	19320	21480	23220	24900	26640	28380
Warren	50% rent	393	420	504	583	650	717			
	50% income		15700	17900	20150	22400	24200	26000	27800	29550
	60% rent	471	504	605	699	780	860			
	60% income		18840	21480	24180	26880	29040	31200	33360	35460
Washington	50% rent	303	324	389	450	501	554			
	50% income		12100	13850	15550	17300	18700	20050	21450	22850
	60% rent	363	389	467	540	602	665			
	60% income		14520	16620	18660	20760	22440	24060	25740	27420
Wayne	50% rent	333	356	428	494	551	608			
	50% income		13300	15200	17100	19000	20500	22050	23550	25100
	60% rent	399	428	513	593	662	730			
	60% income		15960	18240	20520	22800	24600	26460	28260	30120
Williams	50% rent	314	336	403	466	519	573			
	50% income		12550	14300	16100	17900	19350	20750	22200	23650
	60% rent	377	403	483	559	623	688			
	60% income		15060	17160	19320	21480	23220	24900	26640	28380
Wood	50% rent	360	386	464	536	598	659			
	50% income		14400	16500	18550	20600	22250	23900	25550	27200
	60% rent	432	464	557	643	717	791			
	60% income		17280	19800	22260	24720	26700	28680	30660	32640
Wyandot	50% rent	314	336	403	466	519	573			
	50% income		12550	14300	16100	17900	19350	20750	22200	23650
	60% rent	377	403	483	559	623	688			
	60% income		15060	17160	19320	21480	23220	24900	26640	28380

**B. HUD 221(d)(3) Mortgage Limits per Unit**

County	Non- Elevator Elevator	Bedrooms				
		Eff (0)	1	2	3	4
Adams	Non- Elevator	\$48,102	\$55,463	\$66,888	\$85,617	\$95,381
	Elevator	\$50,622	\$58,028	\$70,562	\$91,283	\$100,200
Allen	Non- Elevator	\$46,420	\$53,523	\$64,550	\$82,623	\$92,046
	Elevator	\$48,852	\$55,999	\$68,095	\$88,091	\$96,697
Ashland	Non- Elevator	\$48,439	\$55,850	\$67,356	\$86,216	\$96,048
	Elevator	\$50,976	\$58,434	\$71,055	\$91,921	\$100,901
Ashtabula	Non- Elevator	\$51,803	\$59,729	\$72,034	\$92,203	\$102,718
	Elevator	\$54,516	\$62,492	\$75,990	\$98,304	\$107,908
Athens	Non- Elevator	\$46,084	\$53,135	\$64,082	\$82,025	\$91,379
	Elevator	\$48,498	\$55,593	\$67,601	\$87,453	\$95,996
Auglaize	Non- Elevator	\$46,420	\$53,523	\$64,550	\$82,623	\$92,046
	Elevator	\$48,852	\$55,999	\$68,095	\$88,091	\$96,697
Belmont	Non- Elevator	\$41,780	\$48,172	\$58,094	\$74,361	\$91,121
	Elevator	\$48,852	\$55,999	\$68,095	\$88,091	\$96,697
Brown	Non- Elevator	\$48,102	\$55,463	\$66,888	\$85,617	\$95,381
	Elevator	\$50,622	\$58,028	\$70,562	\$91,283	\$100,200
Butler	Non- Elevator	\$48,102	\$55,463	\$66,888	\$85,617	\$95,381
	Elevator	\$50,622	\$58,028	\$70,562	\$91,283	\$100,200
Carroll	Non- Elevator	\$48,439	\$55,850	\$67,356	\$86,216	\$96,048
	Elevator	\$50,976	\$58,434	\$71,055	\$91,921	\$100,901
Champaign	Non- Elevator	\$46,420	\$53,523	\$64,550	\$82,623	\$92,046
	Elevator	\$48,852	\$55,999	\$68,095	\$88,091	\$96,697
Clark	Non- Elevator	\$46,420	\$53,523	\$64,550	\$82,623	\$92,046
	Elevator	\$48,852	\$55,999	\$68,095	\$88,091	\$96,697
Clermont	Non- Elevator	\$48,102	\$55,463	\$66,888	\$85,617	\$95,381
	Elevator	\$50,622	\$58,028	\$70,562	\$91,283	\$100,200
Clinton	Non- Elevator	\$48,102	\$55,463	\$66,888	\$85,617	\$95,381
	Elevator	\$50,622	\$58,028	\$70,562	\$91,283	\$100,200
Columbiana	Non- Elevator	\$51,803	\$59,729	\$72,034	\$92,203	\$102,718
	Elevator	\$54,516	\$62,492	\$75,990	\$98,304	\$107,908
Coshocton	Non- Elevator	\$41,780	\$48,172	\$58,094	\$74,361	\$91,121
	Elevator	\$48,852	\$55,999	\$68,095	\$88,091	\$96,697
Crawford	Non- Elevator	\$45,075	\$51,972	\$62,679	\$80,228	\$89,378

County	Non- Elevator Elevator	Bedrooms				
		Eff (0)	1	2	3	4
	Elevator	\$47,436	\$54,376	\$66,121	\$85,538	\$93,894
Cuyahoga	Non- Elevator	\$53,821	\$62,056	\$74,840	\$95,795	\$106,720
	Elevator	\$56,640	\$64,926	\$78,950	\$102,134	\$112,112
Darke	Non- Elevator	\$48,102	\$55,463	\$66,888	\$85,617	\$95,381
	Elevator	\$50,622	\$58,028	\$70,562	\$91,283	\$100,200
Defiance	Non- Elevator	\$45,075	\$51,972	\$62,679	\$80,228	\$89,378
	Elevator	\$47,436	\$54,376	\$66,121	\$85,538	\$93,894
Delaware	Non- Elevator	\$47,766	\$55,075	\$66,421	\$85,018	\$94,714
	Elevator	\$40,268	\$57,622	\$70,068	\$90,644	\$99,499
Erie	Non- Elevator	\$52,812	\$60,892	\$73,437	\$93,999	\$104,719
	Elevator	\$55,578	\$63,709	\$77,470	\$100,219	\$110,010
Fairfield	Non- Elevator	\$46,757	\$53,911	\$65,017	\$83,222	\$92,713
	Elevator	\$49,206	\$56,405	\$68,588	\$88,729	\$97,397
Fayette	Non- Elevator	\$47,766	\$55,075	\$66,421	\$85,018	\$94,714
	Elevator	\$40,268	\$57,622	\$70,068	\$90,644	\$99,499
Franklin	Non- Elevator	\$47,766	\$55,075	\$66,421	\$85,018	\$94,714
	Elevator	\$40,268	\$57,622	\$70,068	\$90,644	\$99,499
Fulton	Non- Elevator	\$45,075	\$51,972	\$62,679	\$80,228	\$89,378
	Elevator	\$47,436	\$54,376	\$66,121	\$85,538	\$93,894
Gallia	Non- Elevator	\$46,084	\$53,135	\$64,082	\$82,025	\$91,379
	Elevator	\$48,498	\$55,593	\$67,601	\$87,453	\$95,996
Geauga	Non- Elevator	\$51,803	\$59,729	\$72,034	\$92,203	\$102,718
	Elevator	\$54,516	\$62,492	\$75,990	\$98,304	\$107,908
Greene	Non- Elevator	\$48,102	\$55,463	\$66,888	\$85,617	\$95,381
	Elevator	\$50,622	\$58,028	\$70,562	\$91,283	\$100,200
Guernsey	Non- Elevator	\$41,780	\$48,172	\$58,094	\$74,361	\$91,121
	Elevator	\$48,852	\$55,999	\$68,095	\$88,091	\$96,697
Hamilton	Non- Elevator	\$48,102	\$55,463	\$66,888	\$85,617	\$95,381
	Elevator	\$50,622	\$58,028	\$70,562	\$91,283	\$100,200
Hancock	Non- Elevator	\$45,075	\$51,972	\$62,679	\$80,228	\$89,378
	Elevator	\$47,436	\$54,376	\$66,121	\$85,538	\$93,894
Hardin	Non- Elevator	\$46,420	\$53,523	\$64,550	\$82,623	\$92,046
	Elevator	\$48,852	\$55,999	\$68,095	\$88,091	\$96,697
Harrison	Non- Elevator	\$48,439	\$55,850	\$67,356	\$86,216	\$96,048
	Elevator	\$50,976	\$58,434	\$71,055	\$91,921	\$100,901

<i>County</i>	<i>Non- Elevator Elevator</i>	<i>Bedrooms</i>				
		<i>Eff (0)</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>
Henry	Non- Elevator	\$45,075	\$51,972	\$62,679	\$80,228	\$89,378
	Elevator	\$47,436	\$54,376	\$66,121	\$85,538	\$93,894
Highland	Non- Elevator	\$48,102	\$55,463	\$66,888	\$85,617	\$95,381
	Elevator	\$50,622	\$58,028	\$70,562	\$91,283	\$100,200
Hocking	Non- Elevator	\$46,757	\$53,911	\$65,017	\$83,222	\$92,713
	Elevator	\$49,206	\$56,405	\$68,588	\$88,729	\$97,397
Holmes	Non- Elevator	\$48,439	\$55,850	\$67,356	\$86,216	\$96,048
	Elevator	\$50,976	\$58,434	\$71,055	\$91,921	\$100,901
Huron	Non- Elevator	\$48,439	\$55,850	\$67,356	\$86,216	\$96,048
	Elevator	\$50,976	\$58,434	\$71,055	\$91,921	\$100,901
Jackson	Non- Elevator	\$46,084	\$53,135	\$64,082	\$82,025	\$91,379
	Elevator	\$48,498	\$55,593	\$67,601	\$87,453	\$95,996
Jefferson	Non- Elevator	\$51,803	\$59,729	\$72,034	\$92,203	\$102,718
	Elevator	\$54,516	\$62,492	\$75,990	\$98,304	\$107,908
Knox	Non- Elevator	\$46,757	\$53,911	\$65,017	\$83,222	\$92,713
	Elevator	\$49,206	\$56,405	\$68,588	\$88,729	\$97,397
Lake	Non- Elevator	\$53,821	\$62,056	\$74,840	\$95,795	\$106,720
	Elevator	\$56,640	\$64,926	\$78,950	\$102,134	\$112,112
Lawrence	Non- Elevator	\$46,084	\$53,135	\$64,082	\$82,025	\$91,379
	Elevator	\$48,498	\$55,593	\$67,601	\$87,453	\$95,996
Licking	Non- Elevator	\$46,757	\$53,911	\$65,017	\$83,222	\$92,713
	Elevator	\$49,206	\$56,405	\$68,588	\$88,729	\$97,397
Logan	Non- Elevator	\$46,420	\$53,523	\$64,550	\$82,623	\$92,046
	Elevator	\$48,852	\$55,999	\$68,095	\$88,091	\$96,697
Lorain	Non- Elevator	\$52,812	\$60,892	\$73,437	\$93,999	\$104,719
	Elevator	\$55,578	\$63,709	\$77,470	\$100,219	\$110,010
Lucas	Non- Elevator	\$52,139	\$60,117	\$72,501	\$92,802	\$103,385
	Elevator	\$54,870	\$62,897	\$76,483	\$98,943	\$108,609
Madison	Non- Elevator	\$46,420	\$53,523	\$64,550	\$82,623	\$92,046
	Elevator	\$48,852	\$55,999	\$68,095	\$88,091	\$96,697
Mahoning	Non- Elevator	\$51,803	\$59,729	\$72,034	\$92,203	\$102,718
	Elevator	\$54,516	\$62,492	\$75,990	\$98,304	\$107,908
Marion	Non- Elevator	\$46,420	\$53,523	\$64,550	\$82,623	\$92,046
	Elevator	\$48,852	\$55,999	\$68,095	\$88,091	\$96,697

County	Non- Elevator Elevator	Bedrooms				
		Eff (0)	1	2	3	4
Medina	Non- Elevator	\$51,803	\$59,729	\$72,034	\$92,203	\$102,718
	Elevator	\$54,516	\$62,492	\$75,990	\$98,304	\$107,908
Meigs	Non- Elevator	\$46,084	\$53,135	\$64,082	\$82,025	\$91,379
	Elevator	\$48,498	\$55,593	\$67,601	\$87,453	\$95,996
Mercer	Non- Elevator	\$46,420	\$53,523	\$64,550	\$82,623	\$92,046
	Elevator	\$48,852	\$55,999	\$68,095	\$88,091	\$96,697
Miami	Non- Elevator	\$48,102	\$55,463	\$66,888	\$85,617	\$95,381
	Elevator	\$50,622	\$58,028	\$70,562	\$91,283	\$100,200
Monroe	Non- Elevator	\$41,780	\$48,172	\$58,094	\$74,361	\$91,121
	Elevator	\$48,852	\$55,999	\$68,095	\$88,091	\$96,697
Montgomery	Non- Elevator	\$48,102	\$55,463	\$66,888	\$85,617	\$95,381
	Elevator	\$50,622	\$58,028	\$70,562	\$91,283	\$100,200
Morgan	Non- Elevator	\$41,780	\$48,172	\$58,094	\$74,361	\$91,121
	Elevator	\$48,852	\$55,999	\$68,095	\$88,091	\$96,697
Morrow	Non- Elevator	\$46,420	\$53,523	\$64,550	\$82,623	\$92,046
	Elevator	\$48,852	\$55,999	\$68,095	\$88,091	\$96,697
Muskingum	Non- Elevator	\$41,780	\$48,172	\$58,094	\$74,361	\$91,121
	Elevator	\$48,852	\$55,999	\$68,095	\$88,091	\$96,697
Noble	Non- Elevator	\$41,780	\$48,172	\$58,094	\$74,361	\$91,121
	Elevator	\$48,852	\$55,999	\$68,095	\$88,091	\$96,697
Ottawa	Non- Elevator	\$45,075	\$51,972	\$62,679	\$80,228	\$89,378
	Elevator	\$47,436	\$54,376	\$66,121	\$85,538	\$93,894
Paulding	Non- Elevator	\$45,075	\$51,972	\$62,679	\$80,228	\$89,378
	Elevator	\$47,436	\$54,376	\$66,121	\$85,538	\$93,894
Perry	Non- Elevator	\$41,780	\$48,172	\$58,094	\$74,361	\$91,121
	Elevator	\$48,852	\$55,999	\$68,095	\$88,091	\$96,697
Pickaway	Non- Elevator	\$47,766	\$55,075	\$66,421	\$85,018	\$94,714
	Elevator	\$40,268	\$57,622	\$70,068	\$90,644	\$99,499
Pike	Non- Elevator	\$46,084	\$53,135	\$64,082	\$82,025	\$91,379
	Elevator	\$48,498	\$55,593	\$67,601	\$87,453	\$95,996
Portage	Non- Elevator	\$51,803	\$59,729	\$72,034	\$92,203	\$102,718
	Elevator	\$54,516	\$62,492	\$75,990	\$98,304	\$107,908
Preble	Non- Elevator	\$48,102	\$55,463	\$66,888	\$85,617	\$95,381
	Elevator	\$50,622	\$58,028	\$70,562	\$91,283	\$100,200
Putnam	Non- Elevator	\$46,420	\$53,523	\$64,550	\$82,623	\$92,046



<i>County</i>	<i>Non- Elevator Elevator</i>	<i>Bedrooms</i>				
		<i>Eff (0)</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>
	Elevator	\$48,852	\$55,999	\$68,095	\$88,091	\$96,697
Richland	Non- Elevator	\$48,439	\$55,850	\$67,356	\$86,216	\$96,048
	Elevator	\$50,976	\$58,434	\$71,055	\$91,921	\$100,901
Ross	Non- Elevator	\$47,766	\$55,075	\$66,421	\$85,018	\$94,714
	Elevator	\$40,268	\$57,622	\$70,068	\$90,644	\$99,499
Sandusky	Non- Elevator	\$48,439	\$55,850	\$67,356	\$86,216	\$96,048
	Elevator	\$50,976	\$58,434	\$71,055	\$91,921	\$100,901
Scioto	Non- Elevator	\$46,084	\$53,135	\$64,082	\$82,025	\$91,379
	Elevator	\$48,498	\$55,593	\$67,601	\$87,453	\$95,996
Seneca	Non- Elevator	\$45,075	\$51,972	\$62,679	\$80,228	\$89,378
	Elevator	\$47,436	\$54,376	\$66,121	\$85,538	\$93,894
Shelby	Non- Elevator	\$46,420	\$53,523	\$64,550	\$82,623	\$92,046
	Elevator	\$48,852	\$55,999	\$68,095	\$88,091	\$96,697
Stark	Non- Elevator	\$51,803	\$59,729	\$72,034	\$92,203	\$102,718
	Elevator	\$54,516	\$62,492	\$75,990	\$98,304	\$107,908
Summit	Non- Elevator	\$51,803	\$59,729	\$72,034	\$92,203	\$102,718
	Elevator	\$54,516	\$62,492	\$75,990	\$98,304	\$107,908
Trumbull	Non- Elevator	\$51,803	\$59,729	\$72,034	\$92,203	\$102,718
	Elevator	\$54,516	\$62,492	\$75,990	\$98,304	\$107,908
Tuscarawas	Non- Elevator	\$48,439	\$55,850	\$67,356	\$86,216	\$96,048
	Elevator	\$50,976	\$58,434	\$71,055	\$91,921	\$100,901
Union	Non- Elevator	\$46,420	\$53,523	\$64,550	\$82,623	\$92,046
	Elevator	\$48,852	\$55,999	\$68,095	\$88,091	\$96,697
VanWert	Non- Elevator	\$46,420	\$53,523	\$64,550	\$82,623	\$92,046
	Elevator	\$48,852	\$55,999	\$68,095	\$88,091	\$96,697
Vinton	Non- Elevator	\$46,084	\$53,135	\$64,082	\$82,025	\$91,379
	Elevator	\$48,498	\$55,593	\$67,601	\$87,453	\$95,996
Warren	Non- Elevator	\$48,102	\$55,463	\$66,888	\$85,617	\$95,381
	Elevator	\$50,622	\$58,028	\$70,562	\$91,283	\$100,200
Washington	Non- Elevator	\$41,780	\$48,172	\$58,094	\$74,361	\$91,121
	Elevator	\$48,852	\$55,999	\$68,095	\$88,091	\$96,697
Wayne	Non- Elevator	\$48,439	\$55,850	\$67,356	\$86,216	\$96,048
	Elevator	\$50,976	\$58,434	\$71,055	\$91,921	\$100,901
Williams	Non- Elevator	\$45,075	\$51,972	\$62,679	\$80,228	\$89,378
	Elevator	\$47,436	\$54,376	\$66,121	\$85,538	\$93,894

<i>County</i>	<i>Non- Elevator Elevator</i>	<i>Bedrooms</i>				
		<b>Eff (0)</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
Wood	Non- Elevator	\$52,139	\$60,117	\$72,501	\$92,802	\$103,385
	Elevator	\$54,870	\$62,897	\$76,483	\$98,943	\$108,609
Wyandot	Non- Elevator	\$45,075	\$51,972	\$62,679	\$80,228	\$89,378
	Elevator	\$47,436	\$54,376	\$66,121	\$85,538	\$93,894

**C. LIHTC Per Capita Analysis**

<b>Group 1 15 points</b>	<b>Group 2 10 points</b>	<b>Group 3 5 points</b>	<b>Group 4 3 points</b>	<b>Group 5 0 points</b>
Lake	Allen	Adams	Clinton	Butler
Lorain	Ashland	Auglaize	Delaware	Clermont
Mahoning	Ashtabula	Brown	Fairfield	Cuyahoga
Stark	Athens	Carroll	Fayette	Franklin
Summit	Belmont	Champaign	Fulton	Greene
Trumbull	Columbiana	Clark	Hancock	
	Darke	Coshocton	Licking	
	Erie	Crawford	Logan	
	Geauga	Defiance	Marion	
	Guernsey	Gallia	Perry	
	Henry	Hamilton	Sandusky	
	Jefferson	Hardin	Union	
	Montgomery	Harrison	Warren	
	Muskingum	Highland		
	Putnam	Hocking		
	Richland	Holmes		
	Ross	Huron		
	Seneca	Jackson		
	Tuscarawas	Knox		
	VanWert	Lawrence		
	Washington	Lucas		
		Madison		
		Medina		
		Meigs		
		Mercer		
		Miami		
		Monroe		
		Morgan		
		Morrow		
		Noble		
		Ottawa		
		Paulding		
		Pickaway		
		Pike		
		Portage		
		Preble		
		Scioto		
		Shelby		
		Vinton		
		Wayne		
		Williams		
		Wood		
		Wyandot		



**D. Low- and Very Low-Income Counties**

**Low-Income Counties**

**Very Low-Income Counties**

Adams  
Ashland  
Athens  
Brown  
Columbiana  
Coshocton  
Fayette  
Gallia  
Guernsey  
Hardin  
Harrison  
Highland  
Hocking  
Holmes  
Jackson  
Jefferson  
Knox  
Mahoning  
Marion  
Meigs  
Mercer  
Monroe  
Morgan  
Morrow  
Muskingum  
Noble  
Paulding  
Perry  
Pike  
Preble  
Putnam  
Ross  
Scioto  
Seneca  
Trumbull  
Tuscarawas  
Vinton  
Washington  
Williams  
Wyandot

Belmont  
Lawrence



## E. Qualified Census Tracts

County	Tracts											
Adams	9904	9905	9906									
Allen	125	128	135	136	138							
Ashtabula	7.01											
Athens	9731											
Belmont	116	121										
Butler	3	4	5	6	7.01	7.02	8	101.01	101.04	128	129	131
	132	138	140									
Clark	1	2	3	4	9.01	9.02	12					
Columbiana	9521	9522	9525.98									
Coshocton	9914											
Cuyahoga	1011.01	1012	1013	1016	1017	1018	1019	1025	1026	1027	1028	1029
	1031	1032	1033	1034	1035	1036	1037	1038	1039	1041	1042	1043
	1044	1045	1046	1047.01	1047.02	1048	1049	1051	1053	1054	1055	1056.01
	1072	1073	1074	1075	1077	1079	1081	1082	1083	1084	1085	1086
	1087	1088	1089	1093	1096	1097	1098	1104	1105	1106	1107	1108
	1111	1112	1113	1114	1114.01	1114.02	1115	1116	1117	1118	1119.02	1121
	1122	1123	1124	1125	1126	1127	1128	1129	1131	1132	1133	1134
	1135	1136	1137	1138	1139	1141	1142	1143	1144	1145	1146	1147
	1148	1149	1151	1152	1153	1154	1155	1158	1161	1162	1163	1164
	1165	1166	1168	1169	1172.01	1173	1174	1181	1182	1183	1184	1185
	1186.01	1186.02	1187	1189	1191	1192.02	1193	1194.02	1195.02	1196	1197.02	1198
	1199	1201	1202	1204	1205	1206	1207.01	1208.01	1208.02	1212	1213	1214.01
	1222	1244	1275	1503	1504	1511	1512	1513	1514	1515	1517	1518
	1527.01	1915	1939									
Erie	408											
Fairfield	317	319										
Franklin	7.3	9.2	11.1	11.2	12	13	14	15	16	17	18.1	22
	23	25.2	26	27.1	28	29	30	36	37	38	39	40
	41	42	43	44	50	51	53	54.1	54.2	56.1	56.2	60
	61	74.1	75.11	75.34	75.4	76.2	78.2	83.5	87.3			
Green	2403.02											
Hamilton	2	3.01	3.02	4	7	8	9	10	11	14	15	16
	17	21	22	23	25	26	28	29	30	32	33	34
	35	36	37	38	39	43	44	47.02	55	66	67	68
	69	74	77	78	79	80	85.02	86.01	87	88	89	91
	93	94	103	219	227							
Jackson	9576											
Jefferson	1	2	3	8								
Lake	2059.96	2061.97										
Lawrence	503	506										
Licking	7501	7504	7507	7525	7583							
Lorain	223	228	231	232	233	238	708	714				
Lucas	8	12.02	13.04	14	15	17	18	19	20	21	22	23
	25	26	27	28	29	30	32	33	34	35	36	37
	38	41	42	43.01	48	54	68	73.03				
Mahoning	8002	8005	8006	8007	8009	8010	8017	8019	8020	8021	8022	8023
	8031	8032	8034	8035	8037	8040	8044	8103	8104			
Marion	1	9										
Meigs	9644											
Montgomery	3	7	10	12	13	14	15	17	18	19	21	22
	34	35	36	37	39	40	41	42	43	47	602	603
	702.01	703	805									
Muskingum	9821											
Portage	6015											
Richland	1	2	3	7								
Scioto	9931	9932	9935	9936	9937	9939						
Stark	7001	7015	7017	7018	7023	7101	7104	7105	7138			
Summit	5011	5012	5013.01	5013.02	5014	5015	5017	5018	5019	5024	5025	5031
	5032	5034	5038	5041	5042	5043	5044	5053	5056	5063.04	5065	5066
	5067	5068	5069	5074	5101	5103.01						
Trumbull	9201	9205	9206									
Warren	304											
Washington	205											



Low-Income Housing Tax Credit  
Administrative Guidelines

*Ohio Housing Finance Agency*

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## I. Introduction

This document contains the Administrative Guidelines for the Low-Income Housing Tax Credit (LIHTC) program in Ohio. The procedures and operating figures of the Ohio Housing Finance Agency (OHFA or “the Agency”) are located within these Guidelines.

The Agency’s Threshold and Competitive Review Criteria for the LIHTC program appear in the LIHTC Allocation Plan.

Information in these Guidelines include LIHTC application submission requirements, application processing, underwriting standards and procedures, conditional reservation procedures, and Carryover and 8609 request requirements.





## II. Application Submission

**Fees.** OHFA requires an application fee at the time of submission of the application and at the time of resubmissions of applications. This fee ranges from \$100 to \$500, depending on project size.

- ⇒ Projects with 1 to 5 units = \$100.00
- ⇒ Projects with 6 to 10 units = \$150.00
- ⇒ Projects with 11 to 20 units = \$200.00
- ⇒ Projects with 21 to 30 units = \$300.00
- ⇒ Projects with 31 to 50 units = \$400.00
- ⇒ Projects with more than 50 units = \$500.00

The Agency also requires a reservation fee after receiving a conditional tax credit reservation. The reservation fee is equal to 4% of the annual tax credit amount listed on the Conditional Reservation letter. Both fees are non-refundable and non-transferable.

- Projects located in *Empowerment Zones* or *Enterprise Communities* do not have to pay the application fee. Evidence that the project is located in an *Empowerment Zone* or *Enterprise Community* must be included in the application in order for the application fee to be waived.

**Resubmissions.** An applicant may re-apply for LIHTC if his/her application is rejected in a round. The applicant must pay a new application fee and submit a new application. All changes to the project must be clearly stated in a cover letter and in the application. Only new supporting documentation needs to be submitted with the new application.

**Agency Timelines and Due Dates.** Applicants for and recipients of LIHTC are expected to meet all Agency timelines and due dates. If an applicant is unable to meet a timeline or a due date, then the Agency must receive a written extension request for review. The Agency reserves the right to deny any extension request.

**Previous Allocation.** Owners of projects that received an allocation of LIHTC in previous years may only apply for additional credit if 10% more residential square footage or 5% more units have been added to the project. These projects must compete with all the other projects. The previous LIHTC allocation, previous project square footage, and previous number of units must be clearly listed on the new application and in the project narrative. If a project that received a previous allocation of LIHTC is already placed in service, the project can only receive two-thirds of its additional LIHTC request.

**Projects with Tax-Exempt Bond Financing.** Projects receiving tax-exempt bond financing that finances over 50% of the total project costs must only pass the Threshold Review in order to receive a reservation of LIHTC. The \$1 million dollar limit does not apply to these projects. The applicant must supply written evidence of a bond(ing) commitment from the bond issuer.



Acceptable forms of evidence include, but are not limited to, inducement approval documents indicating terms, date of closing, use of bond proceeds (construction and/or permanent financing, placement (public or private), sale information, and rating source. These projects will be underwritten using the same standards outlined in this plan except that the maximum LIHTC percentage will be calculated at the 4% LIHTC rate.

Waiting List. Projects reviewed in the last competitive round and not receiving a reservation will be given the opportunity to be placed on a waiting list for credits that are returned later in the year. Projects will be ranked by their scores in the last round. In order to be placed on the waiting list, projects must submit a letter to OHFA by the deadline listed in the LIHTC Allocation Plan stating their desire to be on the waiting list and their ability to meet the Carryover deadline.

The Agency will contact representatives of projects on the list, starting with the project with the highest score, when LIHTC becomes available. The Agency will set a deadline to respond to the offer.



### III. Application Processing

Scoring/Ranking Procedure. The Agency will rank projects by the applicant's self-score from highest to lowest. After the Agency's competitive review (SEE the LIHTC Allocation Plan for the Competitive Criteria), OHFA will award 30% of its total population LIHTC of the year. The Agency may award more than 30% of the population LIHTC if the amount of LIHTC awarded to the final project of the round pushes the round's LIHTC total past the 30% limit. The distribution of LIHTC per round will be the following: Round 1 - 30%, Round 2 - 30%, Round 3 - 30%, and Round 4 - 10% plus any national pool LIHTC. The Agency reserves the right to determine when to distribute any returned LIHTC. The last project awarded LIHTC in 1995 may be awarded 1996 LIHTC if needed to fill the project's LIHTC gap.

Tie-Breaking Procedure. The Agency will use the following tie-breaking process: projects will be ranked by their score for the first competitive criterion (a subtotal of all sub-criteria). If the tie is not broken, the Agency will rank the projects by their score for the second competitive criterion (and then to the third if not broken, etc.).

Project Changes. If any of the rating characteristics for a project change at any time from the original application that decrease the project's score, then a new application and fee may be required and a new application may be required to be re-submitted for another competitive review.

Failure to inform OHFA of any changes in the applicant's situation at any time may cause the application to be rejected or the credit reservation to be revoked. Any changes in sponsor, general partner/owner, contractor, site, major financing (over 50% of sources) sources or an increase in costs of more than 10% from the original application estimate may result in the rejection of the application.

Appeals. The Agency has developed an appeals process for projects not chosen during the "Threshold" and "Competitive Review" stages, and for those who did not receive the amount of credit they felt they were entitled to on their reservation, carryover, or 8609 tax form. If the applicant feels OHFA has erred in its determination, the applicant may file an appeal. The applicant must submit their appeal in writing to the Director of the Office of Planning & Development. The appeal must be sent to the Agency on or before the deadlines listed in the LIHTC Allocation Plan.

In the appeal, the applicant must state their objections to the Agency's determinations and give specific reasons why they felt the project was judged unfairly. As for threshold and competitive appeals, any documentation to support the appeal can be included, but will not override the documentation or materials which were included in the original application.

Upon receipt of the appeal letter, the Agency will review and respond in writing to the sponsor by the dates listed in the 1995 LIHTC Allocation Plan. The Agency may review the project in its entirety. The appeal will be granted only if the applicant can document that the Agency has erred in its review of the project application or in determining the credit amount.



AN APPEAL IS JUDGED SOLELY UPON THE MATERIALS WHICH WERE PROPERLY AND TIMELY SUBMITTED WITH THE ORIGINAL APPLICATION.

Contacting the Agency. The Agency requests that all applicants limit the number of contacts with the Agency during the review periods in order to speed up the process. Underwriting and review staff will not be able to be contacted at anytime during the review process.

Applicants are encouraged to review the Agency's newsletter, Housing News, and the Agency's electronic bulletin board, OHFA Serve, located on the Columbus Freenet (under the Government Center-Ohio Department of Development menu, phone #: 614-292-7501) in order to keep aware of any changes in the LIHTC program.

Contacting the Applicant. The Agency will only contact the person listed in the application as the project contact. All letters and inquiries will be sent to that person only. All other parties involved in the project should communicate with the project contact, not the Agency.

Requesting Information. At the end of each allocation round, the Agency will make available a listing by score of all projects along with a detailed report featuring the reserved projects of that round. All persons requesting additional information must use a Freedom of Information Request Form (forms are available from OHFA) and follow Ohio Department of Development procedures.



## IV. Underwriting

If a project is selected to receive a reservation/allocation of LIHTC, OHFA will underwrite each project to ensure that the project receives the minimum amount of LIHTC necessary to assure project feasibility and viability throughout the LIHTC period. This includes tax-exempt bond financed projects which are excluded from the state's LIHTC allocation ceiling. The Agency is required to perform the LIHTC evaluation three times:

- 1.) when the application is received/prior to issuing conditional reservation;
- 2.) at the earlier of binding reservation or carryover allocation; and,
- 3.) at the time the project is placed in service and requests IRS Form(s) 8609.

After the underwrite, OHFA will issue a conditional reservation. The Agency's reservation will not necessarily equal the amount of LIHTC requested in the application. In addition, LIHTC may be reduced at any underwriting stage.

The Agency will use the current month's applicable LIHTC percentage at Reservation, Carryover and/or Placed-in-Service to calculate the value of the LIHTC. The owner may elect to lock in the current month's applicable LIHTC percentage at Carryover or Placed-in-Service. **HOWEVER, THE RESERVATION LIHTC AMOUNT IS THE MAXIMUM AMOUNT THAT THE PROJECT CAN RECEIVE NO MATTER WHAT THE LIHTC RATE MAY BE IN THE FUTURE.**

OHFA staff will review the projects that pass the competitive review using the following procedures:

1. The applicant's determination of adjusted qualified basis will be reviewed. All non-eligible costs will be deducted from the basis. All other project financing will be reviewed in order to determine if it should be deducted from basis.
2. All fees, costs, and assumptions will be checked to determine if they meet Agency standards.
  - ◆ OHFA will assume that all projects will receive no less than \$ .55 per dollar of LIHTC for equity. The Agency will survey syndicators quarterly to update the equity standard. Updated equity standards will be published in the Housing News and on the OHFA Serve.
  - ◆ A project's annual operating costs per unit must be between \$1,800 and \$2,500 per unit.
  - ◆ The developer fee, contractor profit, contractor overhead, and soft cost percentages must remain constant from date of application to the placed in service date. If any of the percentages increase at any time, the project's eligible basis will be adjusted down, and thus the LIHTC amount will be decreased. The adjustment is calculated by multiplying the percentage increase by the appropriate subtotal (dev. fees, soft costs, etc.)



- ◆ The number of units in the project must remain constant from date of application to the placed in service date. If the number of units decrease at any time, the project's eligible basis will be adjusted downward by the cost per unit multiplied by the difference of units, and thus the LIHTC amount will be decreased.

3. The N.O.I. is then compared to the annual debt service payments to make sure there is a positive and adequate debt service coverage. The debt coverage ratio (DCR) should be between 1.05 to 1.2. If the DCR is too high, the following will happen:

- ◆ The mortgage amount will be increased to reflect a lower DCR. The loan term used for the increased loan will be rate = prime + 2 (published in the Wall Street Journal) and a term=25 years. Then the eligible basis will be lowered to reflect the increased mortgage amount.
- ◆ The DCR of projects financed by owner's equity only will be determined by using a loan with the characteristics described above.



#### **SUBSIDY LAYERING REVIEW**

For those projects receiving other government assistance, a subsidy layering review analysis may apply. Subsidy layering review regulations have been developed by HUD and OHFA will perform the review.

Projects may receive an allocation of credit based upon 130% of the qualified basis for new construction or substantial rehabilitation if the project is located in designated high cost areas of the state. High cost areas are defined as qualified census tracts and difficult development areas. The U.S. Department of Housing and Urban Development and the Ohio Housing Finance Agency have published a list of qualified areas for 130% basis.





## UNDERWRITING EXAMPLE

A project that passed the competitive review had the following characteristics:

- Total project cost = \$2,250,000
- Total eligible basis (all NC/S Rehab.) = \$2,000,000
- Credit % = 9% and Annual LIHTC Amount = \$180,000
- 1st mortgage amount = \$1,260,000 and term = 25 years and rate = 2+prime (9.75%)
- Annual debt service costs = \$134,740
- 100 2 bedroom units in project
- Rent election = 100% of units affordable at 50% AMGI with \$50 utility allowance
- Project located in Franklin County
- Vacancy rate = 7%
- Annual operating cost per unit = \$2,500 and total = \$250,000
- LIHTC equity (\$.55 per dollar) = \$990,000

Annual Net Operating Income (NOI) = \$248,015

Debt Coverage Ratio (DCR) = 1.841

*Since the DCR is greater than 1.2 the Agency will increase the debt amount and lower the LIHTC annual amount and eligible basis.*

⇒ Maximum annual debt service costs for 1.2 DCR = \$206,679

⇒ New loan amount = \$1,912,687

⇒ Sources exceed uses by \$652,987

⇒ New LIHTC annual amount = \$61,330 and new eligible basis = \$681,441



## V. Conditional Reservation

After the Agency has determined which projects to award LIHTC and has underwritten those projects, Conditional Reservation letters will be faxed and mailed to the primary project contact. The original Conditional Reservation letter signed by the owner/general partner, reservation fee, and any additional documentation listed on the letter must be sent to the Agency by the appropriate date listed on the LIHTC Allocation Plan or the reservation of LIHTC will be automatically revoked.





## VI. Carryover



### PROJECTS PLACED IN SERVICE IN FIRST YEAR

Projects that will be completed and placed in service in the same year in which they received a reservation must request a 8609 form and not a Carryover Allocation Agreement. The owner of the project must meet the last deadline for the 8609 mail-outs in the year of reservation or the project will be issued a Carryover Allocation Agreement (if all requirements are met).

All projects must meet all Carryover requirements as described in section 42 of the Internal Revenue Code and in Treasury regulation 1.42-6.

The following are required for all projects by the Carryover deadline:

- ◆ A completed OHFA Cost Certification form (*has not been published as of 1/20/95*) must be submitted.
- ◆ Federal Tax ID # for the owner.
- ◆ The project owner must, at a minimum, acquire all property or have entered into a long term leasehold agreement. Acquisition must be evidenced by a copy of a recorded deed.
- ◆ There may be additional conditions which appear on the reservation. Those conditions must also be met.

Projects that meet all requirements will be given a Carryover Allocation Agreement. A Carryover Allocation Agreement is considered to be binding and will give the applicant 24 months from the end of the allocation year to complete the project and place the units in service.

Progress Reports. If the project is not placed in service, the owner of the project receiving a Carryover must complete and send to OHFA a progress report by **the end of the 12th month**. If the project is still not placed in service, the owner must complete and return to OHFA a second progress report by **the end of the 18th month**. Failure to submit a report may result in the revocation of the Carryover Allocation Agreement.



## VII. Project Completion Stage / 8609 Request

Upon project completion, the owner must notify the Agency of the placed in service date(s) of each building and submit:

- ◆ OHFA Cost Certification form (*has not been published as of 1/20/95*) signed by an independent accountant/attorney.
- ◆ Certificate of Occupancy, unconditional, Certificates from the issuer of the building permits.
- ◆ Permanent loan commitment, executed by the borrower and the lender.
- ◆ Syndication agreement, executed by the limited and general partners.
- ◆ Copy of the appraisal submitted to the permanent lender.
- ◆ Recorded Restrictive Covenant.

When a project receives an 8609 tax form or a Carryover Allocation Certificate, each building in the project will receive a Building Identification Number (BIN). Those buildings receiving an acquisition and substantial rehabilitation credit will receive one BIN for both LIHTC types.

Starting in 1995, the Agency will mail out 8609 forms on 3 "mail-out" dates only per year. In order to receive a 8609 form on the specified mail-out date, all 8609 request items must be sent to the Agency by specified dates. See the LIHTC Allocation Plan for a listing of the dates.



## VIII. Miscellaneous

Agency Participation Notification. Project owner(s) and sponsor(s) are required to provide the Agency with the opportunity for public notification of the Agency's participation in a project. All project promotions including signage, ground-breakings, and press releases must mention or include OHFA participation. Please coordinate this with Agency personnel as soon as possible.

Plan Development. OHFA received input in the development of the Plan from the Low-Income Housing Tax Credit Advisory Committee and citizens at the public hearings. The Governor and OHFA's Board must approve the LIHTC Allocation Plan. OHFA encourages participation from interested parties during the public hearing and written comment process.



# LIHTC Program Update



## **Introduction**

This Program Update contains error corrections, changes, and clarifications for the 1995 LIHTC Allocation Plan and the Affordable Housing Funding Application.

ALL POTENTIAL LIHTC APPLICANTS SHOULD BE AWARE OF ALL THE INFORMATION CONTAINED IN THIS UPDATE.

## **Round 1 Update**

The OHFA received 54 applications for Low-Income Housing Tax Credits for Round 1. The applicants self-scores ranged from 138 to 61. The OHFA will release the final results for Round 1 on April 12, 1995.

## **Development Loans Update**

The OHFA has developed a new loan product that will replace the Development Loan Program. Applications for the new loan as well as the Seed Money Loan will be accepted through April 24 for consideration in Round 2; June 13 for consideration in Round 3; and August 8 for consideration in the final LIHTC round. Non-LIHTC applicants may submit applications at any time.

Some brief characteristics of the new Affordable Housing Loan are:

- TERM - May not exceed 10 years.
- INTEREST RATE - 2.0%.
- MAXIMUM LOAN AMOUNT - The lesser of \$1.5 million or 75% of aggregate equity or 50% of Total Project Cost.
- Annual equal repayments of principal and interest will be required.

The new Affordable Housing Loan section (Section D) of the Affordable Housing Funding Application along with more detailed information regarding the new loan program is attached with this Program Update. Section D of the AHFA must be completed by applicants wishing to apply for Affordable Housing Loans.

## **Policy Clarifications**

The following refer to the Threshold Review and Competitive Criteria of the LIHTC program:

- ⇒ For threshold criterion **7.**, the complete set of architectural plans do not have to be submitted - only the cover page stamped by the architect.
- ⇒ For threshold criterion **13.**, a Market Study from an independent market study professional will not be required for Acquisition/Substantial Rehabilitation projects with existing tenants that will not be relocated during the rehabilitation. The owner is still required to submit market study information that answers the questions on page 13 of the 1995 LIHTC Allocation Plan.
- ⇒ For competitive criterion **3.c.**, points will be prorated for those scattered site projects that have a portion of their sites located in a qualified census tract.
- ⇒ For competitive criterion **4.a.**, only those projects that need an engineering report of any type will receive points for a civil engineer's report. That report must be provided in the application. The report may contain, among other things, information on the site improvements needed or structural changes needed for rehabilitation of a building.

## ***Error Corrections***

The following are errors or changes to the 1995 LIHTC Allocation Plan and the Affordable Housing Funding Application listed by page numbers:

### ***1995 LIHTC Allocation Plan***

**PAGE 10** - The phrase in the third sentence should be "does not meet" not "does meet."

**PAGE 14** - For threshold criterion 16., the phrase, "and income classes" should be deleted from part c.).

**PAGE 15** - The last word in the third sentence of the first paragraph should be "below" not " on the next page."

**PAGE 16** - For competitive criterion 1.c., a large low-income family set aside is defined as 3 or more bedroom units affordable to families with income of 40% AMGI or below.

**PAGE 35** - The HUD effective date of **Data Table B** is January 1, 1994.

**PAGE 43** - The HUD effective date of **Data Table E** is January 1, 1995.

### ***LIHTC Administrative Guidelines***

**PAGE 7** - The DCR range stated in the fourth sentence in item 3 should be "1.05 to 1.25."

**PAGE 7** - The term stated in the first bullet point under item 3 should be "30 years."

### ***ODOD Affordable Housing Funding Application***

**AHFA-i** - The spreadsheet version will not work on the DOS version of Quattro Pro 5.0. Only the Windows version of the program can be used with the spreadsheet.

**AHFA-ii** - All applications should be submitted to the Ohio Housing Finance Agency no matter what the "funding mix" may be. Please submit a complete copy of the application for each program applied for. ***Please remember to submit separate checks for each program fee.***

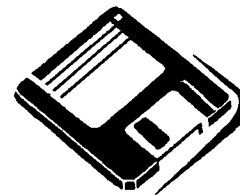
**AHFA-ii** - The incorrect phone number is listed for the Ohio Housing Finance Agency (LIHTC

information) under the **Reference Document** section. The phone number is: 614-466-0400.

**AHFA-iii** - Large Low-Income Families are defined as families needing 3 bedroom or larger housing units and having incomes less than or equal to 40% of the AMGI. This definition may vary between the LIHTC program and the Non-Profit Funding System - please refer to the guidelines for each program for further details.

**AHFA-7** - Question 8. - The special needs set-aside percentage should be "50%" not "30%."

## ***AHFA Disk Update***



Over 70% of the applications received in Round 1 were in spreadsheet format, which was the highest use to date.

A couple of errors in the spreadsheets were detected by some users. These errors were an incorrect Annual Cash Flow calculation for all versions and the protection of cells in the Non-Profit Funding section for Lotus 1-2-3 and Quattro Pro versions. In addition Section D of the AHFA has been revised in order to incorporate OHFA's new Affordable Housing Loan Program.

The OHFA has created a **Version 2** of the AHFA Disk. However, because the errors are minor, the OHFA strongly encourages users to correct the errors themselves or simply use the first version and ignore the errors. **OHFA will verify all formulas and correct errors upon receipt of the disks.** Use the following Instructions to correct the spreadsheets:

In order to correct errors on the spreadsheet, the spreadsheet must be UNPROTECTED first.

- ◆ For Excel this is accomplished by opening the TOOLS menu and choosing PROTECT DOCUMENT. The workbook password is "JgrO". The worksheet passwords are the same except for the last digit for example, Title="Jgr1"; Project\_Info="Jgr2"; and etc.

- ◆ For Lotus 1-2-3 this is accomplished by opening the FILE menu and choosing PROTECT. The workbook password is "JgrO".
- ◆ For Quattro Pro this is accomplished by opening the PROPERTIES menu and choosing ACTIVE PAGE. Then select PROTECTION. No password is required.

***Please RE-PROTECT the spreadsheet using the same procedures and passwords described above to prevent accidental changes to the spreadsheet formulas. Any unnecessary changes made to the spreadsheet or changes to any formulas not listed below or new protection passwords used, may result in the THRESHOLD REJECTION of your project.***

**PROFORMA (all program versions)**

1. Cells D150 through P150 -

The correct formula for Cell D150 should be EXCEL: "=D143-SUM(D144:D149)" and LOTUS 1-2-3 and QUATTRO PRO: "+D143-@SUM(D144..D149)". The formulas for the remaining cells are the same except for the cell references; the cell references should match the correct column. For example Cell E150 should be EXCEL: "=E143-SUM(E144:E149)".

2. Cells D166 through E166 -

The correct formula for Cell D166 should be EXCEL: "=D159-SUM(D160:D165)" and LOTUS 1-2-3 and QUATTRO PRO: "+D159-@SUM(D160..D165)". The formula for the Cell E166 should be EXCEL: "=E159-SUM(E160:E165)" and LOTUS 1-2-3 and QUATTRO PRO: "+E159-@SUM(E160..E165)".

**NON-PROFIT INFORMATION (Lotus 1-2-3 and Quattro Pro only)**

1. Cells B29..B31 and Cells B35..B37 -

These cells are protected or locked and need to be unprotected or unlocked.

***Information Requests***

The OHFA has recently clarified the procedures for requesting information regarding the LIHTC program. The new procedures and fees are described on the forms attached to this Program Update. Please use this form when requesting information from OHFA.

***Future Updates***

Please be advised that the OHFA may publish additional program updates this year. If you received this in the mail, then you will also receive future program updates.

# LIHTC Program Update



## **Round 2 Update**

The OHFA received 43 applications for Low-Income Housing Tax Credits for Round 2. The applicants final scores ranged from 123 to 82. The OHFA awarded \$4,561,794 of LIHTC in Round 2.

Approximately \$4,739,097 of LIHTC remains to be awarded in the final 2 rounds of 1995.

## **Policy Clarifications**

- **Special Needs Form.** For competitive criterion 1c. (special needs), an independent or third party entity should sign the ODOD Form 002. A form signed by an organization that is part of the ownership of the project will only be accepted by the OHFA if that organization demonstrates having a history of serving special needs populations.

Two projects in Round 1 were erroneously docked 5 points for criterion 1c., however these points would not have affected the outcomes in Round 1.

- **Local Government Notification.** The IRS statute requires the OHFA to notify the chief executive officer ( or the equivalent) of the local jurisdiction in which the project is located and to provide such individual a reasonable opportunity to comment. The OHFA has met this obligation through ODOD Form 001, plus a subsequent contact by the OHFA.

It is the applicant's responsibility to notify the local government official prior to submission of the application, complete ODOD Form 001 and submit it with the application. The OHFA then contacts the individual named on the ODOD Form 001 for verification. Many applicants have not contacted the appropriate local official, or the official named on the form has

not been contacted. If the applicant fails to notify the appropriate local chief executive government official, the application will be rejected at threshold.

The OHFA will accept the following chief executive officials: mayor, city manager, county commissioner, or township trustee. However, the individual named on the form must have legislative oversight of the jurisdiction in which the project is located.

Please note that the "identification" of the project has frequently caused uncertainty in the local official response to OHFA. You can assist the local official in proper identification by including all pertinent location information.

## **Threshold Mistakes**

There were two common mistakes made by Round 2 applicants that were discovered during the Threshold Review. They were:

- **Missing Signatures.** Applicants should double check that all documents have all the proper signatures. These documents include the Applicant Certification page of the AHFA, site control documents, financing commitments, and construction contracts.
- **Invalid Market Studies.** The Market Study should have been performed recently (within a year), should apply to that project only (not previous phases or or projects with different unit compositions), and should analyze the area in which the project will be located.

## **Loans Update**

Applicants applying for LIHTC in Rounds 3 & 4 are not eligible for any Affordable Housing or Seed

Money Loans. Projects receiving a reservation of LIHTC in Rounds 3 & 4 are not eligible for an Affordable Housing or a Seed Money Loan in the future.

Please fax your R.S.V.P to OHFA (614-644-5393). There will be a 1 hour break for lunch.

**Census Tract Corrections**

The following are corrections to the list of 1995 Qualified Census Tracts (Q.C.T.) in the 1995 LIHTC Allocation Plan:

<u>County</u>	<u>Correction</u>	<u>Q.C.T.</u>
Brown	Add	9517
Butler	Add	101.01, 101.04
	Delete	1.01.1, 101.4
Cuyahoga	Delete	1036, 1054, 1086, 1114, 1174, 1222
Franklin	Add	75.2
	Delete	76.2
Hamilton	Delete	29, 79, 88
Washington	Add	205

These Q.C.T. are effective beginning in Round 3. 1995 projects located in the DELETED Q.C.T. will not receive 10 points in Rounds 3 & 4 competitive reviews or a 130% basis boost at Reservation and Carryover.

**Training**

The OHFA will be sponsoring a LIHTC training in Columbus that will be held before the Round 3 submission deadline. The training will cover general and technical issues including local government notification, underwriting process, FOI requests, Carryover & 8609 documentation, & other funding sources.

**DATE:** June 6, 1995  
**TIME:** 10:00 am - 5:00 pm  
**LOCATION:** Fawcett Center  
 2400 Olentangy River Rd.  
 Columbus, OH

**Cost Certification Forms**

The LIHTC staff are in the process of finalizing the new OHFA Cost Certification forms. All 1993, 1994, & 1995 recipients will receive a copy of these forms by mail. Others who wish to have a copy of these, please contact the Agency in the next three or four weeks.

**Net Equity Standard**

The net equity figure used by LIHTC underwriting staff for the second quarter of 1995 will be \$.55 per LIHTC dollar. [The preceding figure was determined from a survey of major LIHTC syndicators conducted by the OHFA.]

**Miscellaneous**

- Applicants who are rejected and reapply in a future round DO NOT have to resubmit an entire application package. They only need to resubmit a new application fee, an updated AHFA, and any supporting documents that have changed.
- Applicants applying for Non-Profit Funding System funds in addition to LIHTC MUST submit an original and a copy of their entire application package.

**Important Dates**

- June 15** - Round 3 submission deadline
- August 8** - Round 4 submission deadline
- October 13** - Last 1995 8609 request date
- November 1** - Carryover request deadline

**Future Updates**

Please be advised that the OHFA may publish additional program updates this year. If you received this in the mail, then you will also receive future program updates.



# LIHTC Program Update



THE OHIO HOUSING FINANCE AGENCY

July 14, 1995 - number 3

## ***Rounds 3 & 4 Update***

The OHFA received 46 applications for Low-Income Housing Tax Credits for Round 3. The applicants final scores ranged from 126 to 93. The OHFA awarded \$4,124,023 of LIHTC in Round 2.

Approximately \$510,707 of LIHTC plus credit received from the National Credit Pool, if any, remains to be awarded in the final round of 1995.

## ***1995 Waiting List***

After the OHFA has awarded all the remaining LIHTC in Round 4, the OHFA will place eligible projects onto a waiting list for any returned LIHTC received after September 19, 1995. **The OHFA does not guarantee in any way that there will be any LIHTC to allocate after September 19, 1995.**

In order to become eligible for the waiting list, applicants **must** apply for LIHTC in Round 4 and pass the Threshold Review. The OHFA will place projects by order of their Round 4 scores onto the waiting list.

Please review the LIHTC Administrative Guidelines for more information regarding the waiting list.

## ***Tax-Exempt Bond Projects***

Projects with tax-exempt bond financing that wish to apply for the "4% non-competitive" LIHTC may do so at any time until **November 1, 1995**. After that date, these projects must wait until January 1, 1996 to apply for LIHTC.

Projects seeking a "4% non-competitive" LIHTC must submit an entire application package that

includes all the required supporting documents. The OHFA will threshold review and underwrite these projects using the criteria described in the 1995 LIHTC Allocation Plan and the LIHTC Administrative Guidelines.

Pursuant to Section 42\_\_\_\_ of the Internal Revenue Code, These projects must "lock-in" the credit rates in or before the month in which the tax-exempt bonds are issued.

Please review the LIHTC Administrative Guidelines for more information regarding projects with tax-exempt bond financing.

## ***Loans Update***

[Round 4 availability? HOME funds?]

[Non-Profit Funds availability?]

## ***Carryover Requirements***

[Cost Cert & Site Control; new forms being mailed]