

1997
LOW-INCOME HOUSING TAX CREDIT
ALLOCATION PLAN



Ohio Housing Finance Agency



GEORGE V. VOINOVICH
GOVERNOR

STATE OF OHIO
OFFICE OF THE GOVERNOR
COLUMBUS 43266-0601

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Our administration strongly advocates affordable housing for all Ohioans, whether it be a first home, or decent, safe rental housing. The Ohio Housing Finance Agency (OHFA) supports our goals through its affordable housing programs. The Low-Income Housing Tax Credit (LIHTC) program, administered by OHFA, is one financing tool that has made significant contributions in serving low- and moderate-income individuals and families. Since the program's inception in 1987, OHFA has utilized the Credit to produce more than 41,000 moderately-priced rental units.

I have designated OHFA to administer the Low-Income Housing Tax Credit for Ohio. In this capacity, OHFA will oversee Ohio's annual allocation of Low-Income Housing Tax Credits according to the Internal Revenue Service Code and the priorities established in the approved 1997 Low-Income Housing Tax Credit Qualified Allocation Plan.

The Plan provides information needed to complete the enclosed application and successfully compete for the limited amount of Credits available in Ohio. The success of Ohio's program demonstrates the potential of the Low-Income Housing Tax Credit as a financial incentive for the production and preservation of affordable rental housing.

The LIHTC program continues to face challenges to its long-term viability as Congress plans to review the program's effectiveness and determine its fate. This valuable housing development resource must be preserved in order to ensure Ohio's ability to meet the challenges of providing rental housing for Ohioans of modest incomes. This program allows OHFA to work with public and private investors who share the commitment to provide all Ohioans with the opportunity for decent and affordable housing.


George V. Voinovich
Governor



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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 provide the private housing development community the incentives to develop 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 43,000 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.

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 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. 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 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. The AMGI limits are published by HUD annually. Incomes are adjusted by household size. The OHFA has provided the income limitations by county (See LIHTC Data Table A, page 22).

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 lessor 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.

- ◇ 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 Rural Development (RD) 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 22).

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 RECDS 515 project, the utility allowance is obtained from the RECDS 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 costs to develop these low-income units becomes the building's eligible basis. The LIHTC can be allocated on common areas as long as these facilities are provided to all tenants without additional fees or charges. The LIHTC is available for the following types of projects:

- ◇ 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 or 10% of the project's total costs must be non-cosmetic construction costs. 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).
- ◇ 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.



INELIGIBLE COSTS

1. Commercial Building Costs; 2. Land; 3. Permanent Financing Fees; 4. Reserves; 5. Off-Site Improvements; 6. Syndication Expenses (including legal, accounting, & bridge loan interest); and, 7. Any expense that cannot be depreciated with the building.

Please refer to Section 42 of the IRC for more information.

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.

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 recipient of an allocation of LIHTC may "lock-in" the LIHTC rates at the date of the Binding Reservation Agreement with the OHFA or at the date the project is placed into service.





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.

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

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

II. ALLOCATION PROCESS

The applicant must submit a request for 1997 LIHTC using the 1997 ODOD Affordable Housing Funding Application (AHFA). See the administrative guidelines and application instructions. An application should be attached to this Plan (along with a computer disk with the spreadsheet versions of the 1997 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 computer spreadsheet will only work with the following programs:



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

- The 1997 LIHTC Allocation Plan, Affordable Housing Application and other OHFA multifamily guidelines are located on OHFA's Web site. To view or download, visit <http://www.odod.ohio.gov/ohfa/>



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 January throughout Ohio (see following page 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. Please see the program calendar.

A. When to Apply

The application review period begins in mid-February through September. Applications may be submitted to the Agency for review in any of the 3 application review periods (called "application rounds"). The round dates are listed on the 1997 LIHTC Program Calendar, listed on the next page. Other important dates for the LIHTC program are also listed on the calendar.

The OHFA has scheduled 3 LIHTC allocation rounds in 1997. No more than 40% of the state's 1997 LIHTC allocation, excluding appeals, will be reserved in each of the first 2 rounds. The remaining portion of the state's LIHTC allocation will be awarded in the final round. Please refer to the LIHTC administrative guidelines for more allocation information.



B. LIHTC Program Calendar

January

- 21 - LIHTC Training (Cincinnati)
- 23 - LIHTC Training (Cleveland)
- 24 - LIHTC Training (Columbus)

February

- 24 - Round 1 Submission Deadline

March

April

- 7 - Round 1 Results Mailed
- 7 - Round 1 Information Mailed
- 14 - Round 1 Appeals Due
- 21 - Round 1 Appeal Responses Faxed
- 21 - Round 1 Reservation Agreements Due

May

- 12 - Round 2 Submission Deadline

June

July

- 1 - Round 2 Results Mailed
- 1 - Round 2 Information Mailed

- 8 - Round 2 Appeals Due
- 15 - Round 2 Appeal Responses Faxed
- 15 - Round 2 Reservation Agreements Due
- 31 - Round 3 Submission Deadline

August

September

- 11 - Round 3 Results Mailed
- 11 - Round 3 Information Mailed
- 18 - Round 3 Appeals Due
- 25 - Round 3 Appeal Responses Faxed
- 25 - Round 3 Reservation Agreements Due
- 25 - Waiting List Confirmations Due

October

- 1 - Round 1 Carryover Deadline
- 20 - Round 1 Carryover Documents Mailed

November

- 3 - Rounds 2 & 3 Carryover Deadline
- 7 - Round 1 Carryover Documents Return Deadline
- 24 - Rounds 2 & 3 Carryover Documents Mailed

December

- 8 - Rounds 2 & 3 Carryover Documents Return Deadline



C. *How to Apply*

Each applicant must complete and submit the 1997 AHFA and all necessary forms and additional supporting evidence. Detailed instructions are included with the application.



LIHTC PROGRAM FEES

Application Fee = \$500 for all applicants due at time of application

Reservation Fee = 4% of the annual LIHTC amount due with the Reservation Agreement

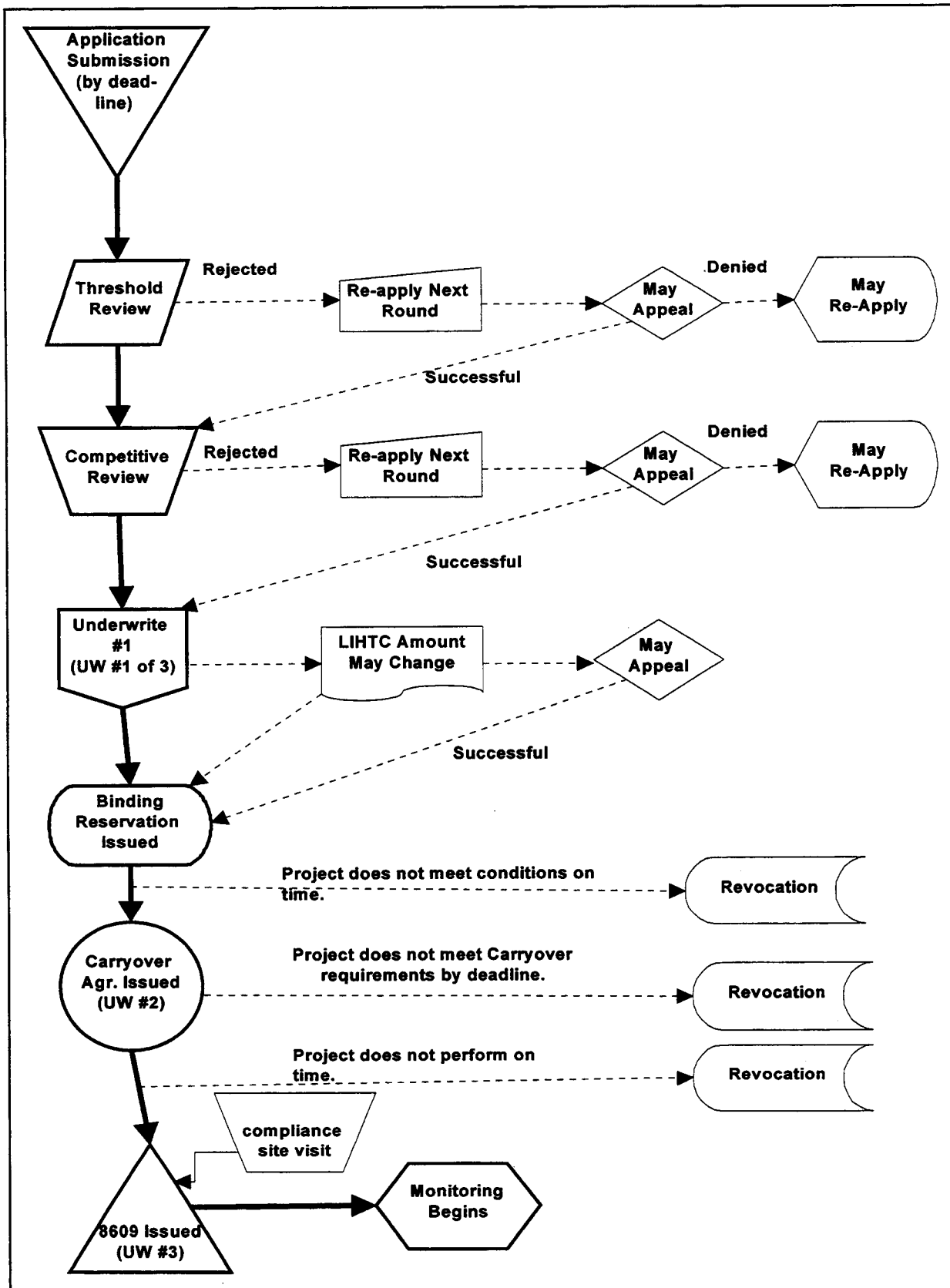
Compliance Monitoring Fee = \$125 per unit.

Extension Fee = The Agency will charge extension fees for any granted extension of the reservation fee, carryover submission or 8609 submission. The fee will be based on a percentage of the reservation and the length of the extension.

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 on the following 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 not meet any one of the Threshold Criteria, the application will be rejected by the Agency.

Threshold Review Criteria:

- QUALIFIED PROJECT UNDER SECTION 42
 - COMPLETE APPLICATION WITH PROJECT NARRATIVE
 - MINIMUM 30 YEAR LONG TERM AFFORDABILITY
 - SITE CONTROL
 - MARKET STUDY
 - APPROPRIATE ZONING
 - NOTIFICATION
 - AFFIRMATIVE MARKETING PLAN
 - FINANCING AND EQUITY COMMITMENTS
 - PRELIMINARY PROJECT PLANS
 - DOES NOT EXCEED \$1 MILLION IN CREDIT
 - MEETS OHFA UNDERWRITING CRITERIA
 - SPONSOR OWNED PROJECTS IN COMPLIANCE
 - PROJECT LOCATION MAPS AND PICTURES
 - VERIFICATION OF PREVIOUS PLACED IN SERVICE DATE
 - COMPLETION OF NON-PROFIT CERTIFICATION FORM
 - INCUR MORE THAN \$3,000 IN REHABILITATION COSTS
-

ALL LIHTC APPLICATIONS AND LIHTC APPLICATIONS UTILIZING TAX-EXEMPT BOND FINANCING MUST COMPLY WITH THE FOLLOWING THRESHOLD CRITERIA:

1. The project must meet all the requirements set forth in Section 42 of the Internal Revenue Code of 1986, as amended and all relevant US Treasury regulations, notices, and rulings.
2. A completed application (paper and/or disk) with correct application fee - the application will be rejected if the check is returned for insufficient funds. Any applications that are incomplete, inconsistent, and/or illegible, will be rejected. Applications are to be submitted in a three-ring binder with an index and appropriate tabbing. Applicants are to submit a brief project narrative including description of sponsors roles, project and location, development team members,



financing and grants, population served and anticipated placed-in-service date. Narrative must be limited to three pages.

3. All projects must commit to an extended use term of at least 30 years of affordability. Tax-exempt bond financed projects must commit to an extended use term of at least 30 years or the outstanding term of the bonds, whichever is greater. Owner must commit in the restrictive covenant to waive the right to petition OHFA to terminate the extended use term as described in section 42 of the IRC.

4. Site control must be evidenced by the buyer and seller. The Agency requires the executed and recorded deed of the current owner to be submitted. If the current owner is not the applicant, then 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:

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

Each of the site control contracts/options above, as applicable, must not expire no later than 2 months after the date of application submission or re-application submission. Only parties with single site properties planning to purchase the property and have site control documentation that expires between application date and succeeding two months must provide satisfactory evidence of closing including a recorded deed. Evidence must be in the agency's offices within 10 days of closing.

- ◆ There is one exception to the site control requirement. For non-profit (non-profit has a general partnership interest of greater than 51%) scattered site projects with 10 or more sites, the agency will require that at least 25% of the sites be under control at time of application. Site is defined as parcels with an assigned permanent parcel number as they exist at application. Agency reserves the right to downsize a project at carryover if site control percentage at application is not maintained at carryover.
- ◆ For single site properties which have a currently in default mortgage held by a federal agency, the demonstration of site control may be held in abeyance until carryover. In lieu of site control documentation, the project sponsor must produce a deed of the current owner, a letter from the federal agency indicating that the first mortgage which it holds is currently in default, that the federal agency is willing to proceed with a foreclosure action if the project is otherwise eligible for a tax credit reservation, and that foreclosure will be completed and title transferred to the project sponsor prior to the carryover deadline for the project. No carryover extensions will be permitted for any project which seeks this avenue of site control.



5. A market study conducted by an independent / third party market study professional must be submitted with the application. Projects with 10 or less units and rehabilitation only projects that will be 100% occupied during the work are exempted from this criterion. The study must include the following:

- ◆ The market study must include an index which clearly identifies the location of each of the following required items:
- ◆ A brief executive summary in bullet format stating a.) A concise conclusion by the author; b.) The appropriate vacancy rate for the proposed project; c.) The assumptions and methods used by the author including data sources; and d.) A comparison analysis between the proposed rents of the project and the market rents for the project's market area. The executive summary must also include concise responses to each of the following requirements.
- ◆ If the project will be serving a special needs population, then the executive summary must state that there is an adequate demand for these units by the targeted special needs population.
- ◆ 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 and map 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 federally subsidized developments as well as proposed LIHTC project not yet placed in service. The LIHTC projects not yet placed in service must be included in the project's market assumptions. Projects that receive a reservation in a current round may be required to amend their market study to incorporate those other projects receiving an allocation in that current round. OHFA will provide the information on LIHTC projects not yet placed in service.
- ◆ 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 study must have been completed or updated by the author no later than one year prior to the application for LIHTC.
- ◆ The project assumptions used in the study must match the project assumptions used in the LIHTC application. For example, the number of units in the project must be the same in the market study and in the LIHTC application.

- ◆ Applications will be rejected if any of the above market study requirements are not provided.

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.

6. The applicant must demonstrate that the site for the project has appropriate zoning from the political jurisdiction in which the project is located. At a minimum applicants must submit the section of the current local zoning map which displays the project site location, the definition of the classification as well as a letter from the local zoning department stating the following:

- The project is a permitted or conditionally permitted use in the zoning district affecting the site in question and a zoning change is not required.
- If a conditionally permitted use, officials must specify what conditions must be met for the project to be considered a permitted use.
- Officials must specify if there are density(# of units per acre) or lot coverage requirements associated with the zoning district and if so what these are.
- Officials must specify if there are any overlay districts or planned development district regulations which would further condition the development of the project.

Applicants must demonstrate how the project complies with any or all of the applicable conditions of development.

7. The applicant must notify the executive local political official from the political jurisdiction in which the project will be located of the sponsor's intent to develop a LIHTC project. The notification must be in writing via certified mail, return receipt requested, and dated no later than two weeks prior to the submission deadline date for LIHTC. The applicant must also notify in writing via certified mail, return receipt requested, the state representative and state senator which represent the district in which the project will be located. A copy of the notification letter sent to the executive local political official and state representative and senator as well as copies of the return receipt must be submitted with the application. The letter must include the following: project's address, number of units in the project, and a statement describing the applicant's desire to apply to the OHFA in order to receive an allocation of LIHTC. The OHFA will verify that the officials were properly notified by the applicant.

8. The applicant must complete ODOD form 003 - affirmative marketing plan. The applicant must include on the form a description of the a.) Outreach; b.) Marketing; and c.) Advertising strategy/methods that the applicant will use in order to affirmatively market the project.



9. All non-ODOD construction and permanent financing, grant, and equity (LIHTC & owner) sources shall be conditionally committed at time of application. The executed conditional commitment letters from these sources must be included with the application. A conditional financing commitment shall contain at a minimum a.) The amount of financing, b.) The interest rate of the loan, c.) The term and the amortization term of the loan, and d.) The contact person's name and phone number.

Those sponsors seeking non-ODOD funding from a local government, federal home loan bank, or other funding source that does not issue a funding decision until after the LIHTC round submission deadline must substitute a letter of application or letter of intent from the funding source for a conditional commitment. The letter of application or letter of intent must be signed by the funding source and shall include the name of the project, the number of units, the amount of funding sought, the terms and rates for the funding sought, anticipated date of funding decision, and a statement that the project is or will be considered for funding.

A conditional equity commitment must contain at a minimum a.) The amount of LIHTC equity - net and gross, b.) The pay-in schedule for the equity, c.) The cents per LIHTC dollar factor used, and, d) amount of historic equity (if any). The conditional commitment letters shall be consistent with the information provided on the LIHTC application. The OHFA reserves the right to verify these commitment(s) and to require a legal opinion that will state that the project's sources should or should not affect the project's eligible basis and/or LIHTC rate.

10. The applicant must submit preliminary plans and specifications (which provide a description of the proposed development). Plans should include a site plan, a typical unit plan, and building elevation. A materials list or full scale blueprints or drawings are not required. Applicants for acquisition/rehabilitation projects must provide a detailed scope of work plan from the architect or the contractor of the project. Scattered site rehabilitation projects are not required to submit a site plan.

11. 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 1997 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.

12. The OHFA has established certain underwriting standards that the project must meet or the project will be rejected.

- ◆ The developer's fee percentage may be no higher than 15% of the eligible basis (see the AHFA for the calculation).
- ◆ The contractor's profit, overhead, and general requirements percentage may be no higher than 14% of the eligible basis (see the AHFA for the calculation).



- ◆ Developers of acquisition and substantial rehabilitation projects may not have a developer's fee greater than the sum of 5% of the acquisition eligible basis and 15% of the substantial rehabilitation eligible basis.
- ◆ The project's sources and total costs must be equal at the time of application.
- ◆ The project may not have a sources gap of 10 percent or more of the total project cost after the OHFA's reservation underwrite of the project.
- ◆ The source documentation for the estimated utility allowance(s) must be provided at time of application. The utility allowance information must comply with IRS notice 89-6.
- ◆ The Agency may require as a condition of the LIHTC reservation a legal opinion stating that any government sources being used by the owner will or will not affect the eligible basis and/or LIHTC rate for the project to be submitted.

13. If any owner / general partner was involved with a project that received a notice of "owner at-fault" non-compliance in 1996 and the problem has not been cured (as defined by the OHFA), then the application will be rejected.

14. Site location maps and site pictures must be included with the application. The maps must be legible and the site should be clearly identified. Please include 2 to 3 pictures of each site and/or building. New construction projects are not required to submit photographs of the subject site.

15. Projects with additional requirements:

- ◆ Applicants requesting acquisition LIHTC must certify on the application that the project was last placed in service by the previous owner more than 10 years ago. The OHFA may require as a condition of the LIHTC reservation the applicant to submit a legal opinion stating that the project is eligible for acquisition LIHTC.
- ◆ Projects with a non-profit controlling general partner / owner must sign and complete ODOB form 001 - non-profit certification form. The non-profit's articles of incorporation and IRS documentation of status must be attached to the form.
- ◆ Applicants for all substantial rehabilitation projects must incur more than \$3,000 of non-cosmetic construction costs per unit or 10% of the project's total costs must be non-cosmetic construction costs - whichever is greater. The OHFA may require as a condition of the LIHTC reservation, the applicant to submit a legal opinion stating that the project is eligible for LIHTC.
- ◆ Applicants who are seeking additional ODOB loans and/or grants and who are denied such funding may be required to submit conditional funding source

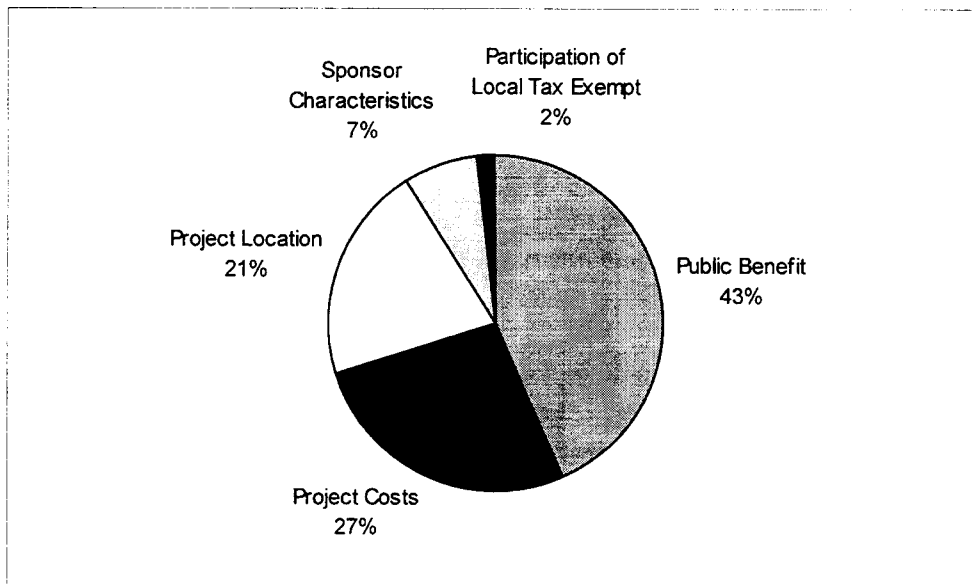


commitments that will match the funding sought from the ODOD. If no additional conditional funding commitments are submitted to the OHFA, then the Agency may reject the application or revoke the project's reservation.

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 LIHTC 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 **113 points** available.

Competitive Review Criteria:



1. Public Benefit - 49 Maximum points

a.) Rent structure that will be affordable to persons below 60% of Area Median Gross Income (as defined by HUD), adjusted for family size, as evidenced in the application will be rewarded. One point will be awarded for each percentage point below 60% AMGI down to 45% AMGI and two points will be awarded for each percentage point below 45% AMGI to 40% AMGI

59% AMGI = 1 points

58% AMGI = 2 points

57% AMGI = 3 points, etc.,

44% AMGI = 17 points

43% AMGI = 19 points, etc., **up to a maximum of 25 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.) $42\% \text{ AMGI} + 12\% \text{ AMGI} = 54\% \text{ AMGI} = 6 \text{ points}$

b.) Owner has committed to extend the rental affordability period of the project beyond the required 30 years. One point will be awarded for each year committed to beyond the 30 year requirement. A maximum of **10 points** are available in this category.

- 31 years = 1 point
- 32 years = 2 points
- 33 years = 3 points **up to a maximum of 10 points**

c.) Projects that create new affordable housing opportunities either through new construction, revitalizing vacant and abandoned units, or through adaptive reuse activities will receive **5 points**. If revitalization, applicants must provide satisfactory evidence of the unit's condition at application. Satisfactory evidence includes condemnation orders from the political subdivision responsible for housing code enforcement and/or board of health, or other such documentation.

d.) Projects that maintain affordability of at-risk housing will receive **1 point**. At-risk housing is defined as housing that will be removed from the affordable housing inventory due to expiration in 1997 of section 8 HAP contracts or section 515 subsidies.

e.) Projects that create a mixture of market and affordable rental housing will receive up to **2 points**. One point will be awarded for every ten percent of the project that is market rate. For example if the project has 20 total units, and 2 of those units are market rate, the project will receive 1 point.

- 10% market rate = 1 point
- 20% market rate = 2 points.

Applicants seeking these points must demonstrate in the market study what the market rate is for the project's market area, as well as the demand for those units.



f.) Projects that will serve special needs populations may be awarded **5 points**. Applicants must submit with the application the following if they wish to receive the points:

- ⇒ The applicant must state on the application a special needs population which the project will serve. The Agency reserves the right to define a “special needs” population.
- ⇒ The executive summary of the project’s market study must state that there is an adequate demand for these units from the special needs population listed on the application.

In addition, the applicant must submit one of the following:

- ⇒ ODOD Form 002a completed by the project’s architect or contractor. The architect or contractor must certify on the form that at least 50% of the units will be adaptable to that special needs population.
- ⇒ ODOD Form 002b completed by a third party special needs state agency, local agency, or local community organization. The entity completing the form must certify on the form that it has reviewed and approved the project’s supportive services plan. Applicants must submit a copy of the supportive services plan with the application.

g.) 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 **1 point**.

2. Project Costs - Maximum 30 points

a.) Total Project Cost per unit under the maximum average cost per unit for the project’s county as determined by the 1995 HUD 221 d (3) limits (see LIHTC Data Table B) will be rewarded. One point will be awarded for each \$1,000 per unit under the maximum cost per unit for the project’s county as determined by HUD:

- \$1,000 under the HUD 221 d(3) maximum for your county = 1 point
 - \$2,000 under the HUD 221 d(3) maximum for your county = 2 points
 - \$3,000 under the HUD 221 d(3) maximum for your county = 3 points, etc.
- up to a maximum of **15 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:

$(90\% \times 2\text{BR HUD 221 d(3) limit}) + (10\% \times 1\text{BR HUD 221 d(3) limit}) = \text{avg. cost per unit}$
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 eligible basis 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 **8 points**.

c.) Contractor's Profit, Overhead, and General Requirements as a percentage of eligible basis below 14% will be rewarded. One point will be awarded for each percentage point below 14%:

13% = 1 point

12% = 2 points

11% = 3 points, etc., up to a maximum of **7 points**.

3. Project Location - Maximum 24 points

a.) Projects located in counties and political subdivision over 50,000 in population which historically have not received an equal per capita share of LIHTC allocated from 1987 to 1995 (see LIHTC Data Table C) will receive up to **5 points**.

b.) Projects located in counties with AMGI lower than the AMGI of the county with highest AMGI will receive up to **14 points** (see LIHTC Data Table D).

c.) Projects located in qualified urban and rural census tracts (130% tracts) as defined by HUD (see LIHTC Data Table E) will receive **5 points**.



4. Sponsor/Controlling General Partner Characteristics - Maximum 8 points

a.) A sponsor/controlling general partner who has prior years of experience developing, building, or managing affordable rental housing will be awarded points. The sponsor's/controlling general partner's resume which details this experience must be submitted with the application in order to receive up to **2 points**.

0 years of experience = 0 points
1-5 years of experience = 1 point
6 and over years of experience = 2 points

b.) A sponsor/controlling general partner who has developed or built a LIHTC project(s) in Ohio and the project(s) is/are currently placed into service (PIS) and has received an 8609 form(s) from the OHFA will receive up to **2 points**.

0 LIHTC projects PIS with 8609 in Ohio = 0 points
1-10 LIHTC projects PIS with 8609 in Ohio = 1 point
11 and over LIHTC projects PIS with 8609 in Ohio = 2 points

c.) If 51% or more of the LIHTC projects PIS with an 8609 form in Ohio (awarded points for criterion 4b.) which any owner or general partner developed or built has not received an 8823 form, then the applicant will receive **1 point**.

d.) Applicants further along in the development process will receive up to **3 points**. One point will be given for each of the following:

environmental phase 1 complete = 1 point
approved final development plan = 1 point
fully recorded deed or long-term lease = 1 point

5. Participation of a Local Tax Exempt Organization - Maximum 2 points

a.) Applicants that evidence the participation of a local (located in the project's county or if the non-profit is committed to serving that county) tax exempt organization will receive **1 point**. The organization must have at least a 51% general partnership interest in the project.

b.) Non-profit sponsors/controlling general partners who qualify for points under competitive criterion 5a.); meet the non-profit set-aside requirements outlined in Section 42 of the IRC; and wish to be included in the non-profit set-aside as indicated on the ODOD Form 001 - Non-Profit Certification Form will receive **1 point**.

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 Binding Reservation Agreement;
- 2.) at the 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 Binding Reservation Agreement. 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.

Recipients of 1997 LIHTC must follow the procedures and comply with the requirements listed in the most currently revised LIHTC Administrative Guidelines, including the Binding Reservation Agreement procedures; Carryover and 8609 Form request requirements and procedures; detailed Agency underwriting procedures; and additional administrative rules.

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 RECDs 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 (i.e. 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 Waiver.

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 OHFA liable for an owner's noncompliance.
9. If the OHFA 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 OHFA will maintain one contact person per project. The owner(s) or owner(s) agent will agree upon the contact person and notify the OHFA immediately of any change.
 - b) Recapture determinations are made by the Internal Revenue Service.
10. The OHFA requires owners to pay an annual compliance monitoring fee. The fee amount for projects receiving a reservation in 1997 will be \$125 per unit. The monitoring fee for projects receiving a reservation in 1996 and not placing in service in 1996 will be \$100/unit. The fee must be submitted with the 8609 request.

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IV. LIHTC DATA TABLES

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A. Rent and Income Limits

H.U.D. Effective Date: January, 1997

County	Rent: Bedrooms (Residents) Income: Residents	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		
Adams	50% rent	340	363	436	504	562	620			
	50% income		13600	15500	17450	19400	20950	22500	24050	25600
	60% rent	408	436	523	605	675	744			
	60% income		16320	18600	20940	23280	25140	27000	28860	30720
Allen	50% rent	360	386	463	535	597	659			
	50% income		14400	16500	18550	20600	22250	23900	25550	27200
	60% rent	432	463	556	642	717	791			
	60% income		17280	19800	22260	24720	26700	28680	30660	32640
Ashland	50% rent	350	375	450	520	580	640			
	50% income		14000	16000	18000	20000	21600	23200	24800	26400
	60% rent	420	450	540	624	696	768			
	60% income		16800	19200	21600	24000	25920	27840	29760	31680
Ashtabula	50% rent	410	439	527	610	680	750			
	50% income		16400	18750	21100	23450	25350	27200	29100	30950
	60% rent	492	527	633	732	816	900			
	60% income		19680	22500	25320	28140	30420	32640	34920	37140
Athens	50% rent	340	363	436	504	562	620			
	50% income		13600	15500	17450	19400	20950	22500	24050	25600
	60% rent	408	436	523	605	675	744			
	60% income		16320	18600	20940	23280	25140	27000	28860	30720
Auglaize	50% rent	360	386	463	535	597	659			
	50% income		14400	16500	18550	20600	22250	23900	25550	27200
	60% rent	432	463	556	642	717	791			
	60% income		17280	19800	22260	24720	26700	28680	30660	32640
Belmont	50% rent	296	316	380	439	490	540			
	50% income		11850	13500	15200	16900	18250	19600	20950	22300
	60% rent	355	380	456	527	588	648			
	60% income		14220	16200	18240	20280	21900	23520	25140	26760
Brown	50% rent	340	363	436	504	562	620			
	50% income		13600	15500	17450	19400	20950	22500	24050	25600
	60% rent	408	436	523	605	675	744			
	60% income		16320	18600	20940	23280	25140	27000	28860	30720
Butler	50% rent	427	457	548	634	707	780			
	50% income		17100	19500	21950	24400	26350	28300	30250	32200
	60% rent	513	549	658	761	849	936			
	60% income		20520	23400	26340	29280	31620	33960	36300	38640
Carroll	50% rent	366	391	470	543	606	668			
	50% income		14650	16700	18800	20900	22550	24250	25900	27600
	60% rent	439	470	564	651	727	802			
	60% income		17580	20040	22560	25080	27060	29100	31080	33120
Champaign	50% rent	355	380	456	527	588	649			
	50% income		14200	16250	18250	20300	21900	23550	25150	26800
	60% rent	426	456	547	633	706	779			
	60% income		17040	19500	21900	24360	26280	28260	30180	32160

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
Clark	50% rent	403	432	518	599	668	738			
	50% income		16150	18450	20750	23050	24900	26750	28600	30450
	60% rent	484	519	622	719	802	885			
	60% income		19380	22140	24900	27660	29880	32100	34320	36540
Clermont	50% rent	423	453	545	629	701	774			
	50% income		16950	19350	21800	24200	26150	28050	30000	31950
	60% rent	508	544	654	755	841	929			
	60% income		20340	23220	26160	29040	31380	33660	36000	38340
Clinton	50% rent	346	371	445	515	573	633			
	50% income		13850	15850	17800	19800	21400	22950	24550	26150
	60% rent	415	445	534	618	688	760			
	60% income		16620	19020	21360	23760	25680	27540	29460	31380
Columbiana	50% rent	340	364	437	505	563	621			
	50% income		13600	15550	17500	19450	21000	22550	24100	25650
	60% rent	408	437	525	606	676	746			
	60% income		16320	18660	21000	23340	25200	27060	28920	30780
Coshocton	50% rent	340	363	436	504	562	620			
	50% income		13600	15500	17450	19400	20950	22500	24050	25600
	60% rent	408	436	523	605	675	744			
	60% income		16320	18600	20940	23280	25140	27000	28860	30720
Crawford	50% rent	340	364	437	505	563	621			
	50% income		13600	15550	17500	19450	21000	22550	24100	25650
	60% rent	408	437	525	606	676	746			
	60% income		16320	18660	21000	23340	25200	27060	28920	30780
Cuyahoga	50% rent	410	439	527	610	680	750			
	50% income		16400	18750	21100	23450	25350	27200	29100	30950
	60% rent	492	527	633	732	816	900			
	60% income		19680	22500	25320	28140	30420	32640	34920	37140
Darke	50% rent	340	363	436	504	562	620			
	50% income		13600	15500	17450	19400	20950	22500	24050	25600
	60% rent	408	436	523	605	675	744			
	60% income		16320	18600	20940	23280	25140	27000	28860	30720
Defiance	50% rent	352	377	453	523	583	645			
	50% income		14100	16100	18150	20150	21750	23350	25000	26600
	60% rent	423	453	544	628	700	774			
	60% income		16920	19320	21780	24180	26100	28020	30000	31920
Delaware	50% rent	415	444	533	616	687	758			
	50% income		16600	18950	21350	23700	25600	27500	29400	31300
	60% rent	498	533	640	739	825	910			
	60% income		19920	22740	25620	28440	30720	33000	35280	37560
Erie	50% rent	372	399	478	553	617	681			
	50% income		14900	17050	19150	21300	23000	24700	26400	28100
	60% rent	447	479	574	664	741	817			
	60% income		17880	20460	22980	25560	27600	29640	31680	33720

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
Fairfield	50% rent	415	444	533	616	687	758			
	50% income		16600	18950	21350	23700	25600	27500	29400	31300
	60% rent	498	533	640	739	825	910			
	60% income		19920	22740	25620	28440	30720	33000	35280	37560
Fayette	50% rent	340	363	436	504	562	620			
	50% income		13600	15500	17450	19400	20950	22500	24050	25600
	60% rent	408	436	523	605	675	744			
	60% income		16320	18600	20940	23280	25140	27000	28860	30720
Franklin	50% rent	415	444	533	616	687	758			
	50% income		16600	18950	21350	23700	25600	27500	29400	31300
	60% rent	498	533	640	739	825	910			
	60% income		19920	22740	25620	28440	30720	33000	35280	37560
Fulton	50% rent	390	417	500	578	645	711			
	50% income		15600	17800	20000	22250	24050	25800	27600	29350
	60% rent	468	501	600	694	774	854			
	60% income		18720	21360	24000	26700	28860	30960	33120	35220
Gallia	50% rent	340	363	436	504	562	620			
	50% income		13600	15500	17450	19400	20950	22500	24050	25600
	60% rent	408	436	523	605	675	744			
	60% income		16320	18600	20940	23280	25140	27000	28860	30720
Geauga	50% rent	410	439	527	610	680	750			
	50% income		16400	18750	21100	23450	25350	27200	29100	30950
	60% rent	492	527	633	732	816	900			
	60% income		19680	22500	25320	28140	30420	32640	34920	37140
Greene	50% rent	403	432	518	599	668	738			
	50% income		16150	18450	20750	23050	24900	26750	28600	30450
	60% rent	484	519	622	719	802	885			
	60% income		19380	22140	24900	27660	29880	32100	34320	36540
Guemsey	50% rent	340	363	436	504	562	620			
	50% income		13600	15500	17450	19400	20950	22500	24050	25600
	60% rent	408	436	523	605	675	744			
	60% income		16320	18600	20940	23280	25140	27000	28860	30720
Hamilton	50% rent	423	453	545	629	701	774			
	50% income		16950	19350	21800	24200	26150	28050	30000	31950
	60% rent	508	544	654	755	841	929			
	60% income		20340	23220	26160	29040	31380	33660	36000	38340
Hancock	50% rent	366	391	470	543	606	668			
	50% income		14650	16700	18800	20900	22550	24250	25900	27600
	60% rent	439	470	564	651	727	802			
	60% income		17580	20040	22560	25080	27060	29100	31080	33120
Hardin	50% rent	340	363	436	504	562	620			
	50% income		13600	15500	17450	19400	20950	22500	24050	25600
	60% rent	408	436	523	605	675	744			
	60% income		16320	18600	20940	23280	25140	27000	28860	30720

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		
Harrison	50% rent	340	363	436	504	562	620			
	50% income		13600	15500	17450	19400	20950	22500	24050	25600
	60% rent	408	436	523	605	675	744			
	60% income		16320	18600	20940	23280	25140	27000	28860	30720
Henry	50% rent	337	361	432	500	558	615			
	50% income		13500	15400	17300	19250	20800	22350	23850	25400
	60% rent	405	433	519	600	670	738			
	60% income		16200	18480	20760	23100	24960	26820	28620	30480
Highland	50% rent	340	363	436	504	562	620			
	50% income		13600	15500	17450	19400	20950	22500	24050	25600
	60% rent	408	436	523	605	675	744			
	60% income		16320	18600	20940	23280	25140	27000	28860	30720
Hocking	50% rent	340	363	436	504	562	620			
	50% income		13600	15500	17450	19400	20950	22500	24050	25600
	60% rent	408	436	523	605	675	744			
	60% income		16320	18600	20940	23280	25140	27000	28860	30720
Holmes	50% rent	340	363	436	504	562	620			
	50% income		13600	15500	17450	19400	20950	22500	24050	25600
	60% rent	408	436	523	605	675	744			
	60% income		16320	18600	20940	23280	25140	27000	28860	30720
Huron	50% rent	352	377	453	523	583	645			
	50% income		14100	16100	18150	20150	21750	23350	25000	26600
	60% rent	423	453	544	628	700	774			
	60% income		16920	19320	21780	24180	26100	28020	30000	31920
Jackson	50% rent	340	363	436	504	562	620			
	50% income		13600	15500	17450	19400	20950	22500	24050	25600
	60% rent	408	436	523	605	675	744			
	60% income		16320	18600	20940	23280	25140	27000	28860	30720
Jefferson	50% rent	340	363	436	504	562	620			
	50% income		13600	15500	17450	19400	20950	22500	24050	25600
	60% rent	408	436	523	605	675	744			
	60% income		16320	18600	20940	23280	25140	27000	28860	30720
Knox	50% rent	340	363	436	504	562	620			
	50% income		13600	15500	17450	19400	20950	22500	24050	25600
	60% rent	408	436	523	605	675	744			
	60% income		16320	18600	20940	23280	25140	27000	28860	30720
Lake	50% rent	410	439	527	610	680	750			
	50% income		16400	18750	21100	23450	25350	27200	29100	30950
	60% rent	492	527	633	732	816	900			
	60% income		19680	22500	25320	28140	30420	32640	34920	37140
Lawrence	50% rent	287	307	368	426	475	525			
	50% income		11500	13100	14750	16400	17700	19000	20350	21650
	60% rent	345	369	442	511	570	630			
	60% income		13800	15720	17700	19680	21240	22800	24420	25980

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
Licking	50% rent	415	444	533	616	687	758			
	50% income		16600	18950	21350	23700	25600	27500	29400	31300
	60% rent	498	533	640	739	825	910			
	60% income		19920	22740	25620	28440	30720	33000	35280	37560
Logan	50% rent	345	369	443	512	571	630			
	50% income		13800	15750	17750	19700	21300	22850	24450	26000
	60% rent	414	443	532	615	685	756			
	60% income		16560	18900	21300	23640	25560	27420	29340	31200
Lorain	50% rent	410	439	527	610	680	750			
	50% income		16400	18750	21100	23450	25350	27200	29100	30950
	60% rent	492	527	633	732	816	900			
	60% income		19680	22500	25320	28140	30420	32640	34920	37140
Lucas	50% rent	390	417	500	578	645	711			
	50% income		15600	17800	20000	22250	24050	25800	27600	29350
	60% rent	468	501	600	694	774	854			
	60% income		18720	21360	24000	26700	28860	30960	33120	35220
Madison	50% rent	415	444	533	616	687	758			
	50% income		16600	18950	21350	23700	25600	27500	29400	31300
	60% rent	498	533	640	739	825	910			
	60% income		19920	22740	25620	28440	30720	33000	35280	37560
Mahoning	50% rent	340	364	437	505	563	621			
	50% income		13600	15550	17500	19450	21000	22550	24100	25650
	60% rent	408	437	525	606	676	746			
	60% income		16320	18660	21000	23340	25200	27060	28920	30780
Marion	50% rent	340	363	436	504	562	620			
	50% income		13600	15500	17450	19400	20950	22500	24050	25600
	60% rent	408	436	523	605	675	744			
	60% income		16320	18600	20940	23280	25140	27000	28860	30720
Medina	50% rent	410	439	527	610	680	750			
	50% income		16400	18750	21100	23450	25350	27200	29100	30950
	60% rent	492	527	633	732	816	900			
	60% income		19680	22500	25320	28140	30420	32640	34920	37140
Meigs	50% rent	340	363	436	504	562	620			
	50% income		13600	15500	17450	19400	20950	22500	24050	25600
	60% rent	408	436	523	605	675	744			
	60% income		16320	18600	20940	23280	25140	27000	28860	30720
Mercer	50% rent	340	363	436	504	562	620			
	50% income		13600	15500	17450	19400	20950	22500	24050	25600
	60% rent	408	436	523	605	675	744			
	60% income		16320	18600	20940	23280	25140	27000	28860	30720
Miami	50% rent	403	432	518	599	668	738			
	50% income		16150	18450	20750	23050	24900	26750	28600	30450
	60% rent	484	519	622	719	802	885			
	60% income		19380	22140	24900	27660	29880	32100	34320	36540

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
Monroe	50% rent	340	363	436	504	562	620			
	50% income		13600	15500	17450	19400	20950	22500	24050	25600
	60% rent	408	436	523	605	675	744			
	60% income		16320	18600	20940	23280	25140	27000	28860	30720
Montgomery	50% rent	403	432	518	599	668	738			
	50% income		16150	18450	20750	23050	24900	26750	28600	30450
	60% rent	484	519	622	719	802	885			
	60% income		19380	22140	24900	27660	29880	32100	34320	36540
Morgan	50% rent	340	363	436	504	562	620			
	50% income		13600	15500	17450	19400	20950	22500	24050	25600
	60% rent	408	436	523	605	675	744			
	60% income		16320	18600	20940	23280	25140	27000	28860	30720
Morrow	50% rent	340	363	436	504	562	620			
	50% income		13600	15500	17450	19400	20950	22500	24050	25600
	60% rent	408	436	523	605	675	744			
	60% income		16320	18600	20940	23280	25140	27000	28860	30720
Muskingum	50% rent	340	363	436	504	562	620			
	50% income		13600	15500	17450	19400	20950	22500	24050	25600
	60% rent	408	436	523	605	675	744			
	60% income		16320	18600	20940	23280	25140	27000	28860	30720
Noble	50% rent	340	363	436	504	562	620			
	50% income		13600	15500	17450	19400	20950	22500	24050	25600
	60% rent	408	436	523	605	675	744			
	60% income		16320	18600	20940	23280	25140	27000	28860	30720
Ottawa	50% rent	381	408	490	566	632	698			
	50% income		15250	17450	19600	21800	23550	25300	27050	28800
	60% rent	457	490	588	680	759	837			
	60% income		18300	20940	23520	26160	28260	30360	32460	34560
Paulding	50% rent	340	363	436	504	562	620			
	50% income		13600	15500	17450	19400	20950	22500	24050	25600
	60% rent	408	436	523	605	675	744			
	60% income		16320	18600	20940	23280	25140	27000	28860	30720
Perry	50% rent	340	363	436	504	562	620			
	50% income		13600	15500	17450	19400	20950	22500	24050	25600
	60% rent	408	436	523	605	675	744			
	60% income		16320	18600	20940	23280	25140	27000	28860	30720
Pickaway	50% rent	415	444	533	616	687	758			
	50% income		16600	18950	21350	23700	25600	27500	29400	31300
	60% rent	498	533	640	739	825	910			
	60% income		19920	22740	25620	28440	30720	33000	35280	37560
Pike	50% rent	340	363	436	504	562	620			
	50% income		13600	15500	17450	19400	20950	22500	24050	25600
	60% rent	408	436	523	605	675	744			
	60% income		16320	18600	20940	23280	25140	27000	28860	30720

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
Portage	50% rent	387	415	498	575	642	708			
	50% income		15500	17700	19950	22150	23900	25700	27450	29250
	60% rent	465	498	598	690	771	850			
	60% income		18600	21240	23940	26580	28680	30840	32940	35100
Preble	50% rent	340	363	436	504	562	620			
	50% income		13600	15500	17450	19400	20950	22500	24050	25600
	60% rent	408	436	523	605	675	744			
	60% income		16320	18600	20940	23280	25140	27000	28860	30720
Putnam	50% rent	340	363	436	504	562	620			
	50% income		13600	15500	17450	19400	20950	22500	24050	25600
	60% rent	408	436	523	605	675	744			
	60% income		16320	18600	20940	23280	25140	27000	28860	30720
Richland	50% rent	340	364	437	505	563	621			
	50% income		13600	15550	17500	19450	21000	22550	24100	25650
	60% rent	408	437	525	606	676	746			
	60% income		16320	18660	21000	23340	25200	27060	28920	30780
Ross	50% rent	340	363	436	504	562	620			
	50% income		13600	15500	17450	19400	20950	22500	24050	25600
	60% rent	408	436	523	605	675	744			
	60% income		16320	18600	20940	23280	25140	27000	28860	30720
Sandusky	50% rent	360	386	463	535	597	659			
	50% income		14400	16500	18550	20600	22250	23900	25550	27200
	60% rent	432	463	556	642	717	791			
	60% income		17280	19800	22260	24720	26700	28680	30660	32640
Scioto	50% rent	340	363	436	504	562	620			
	50% income		13600	15500	17450	19400	20950	22500	24050	25600
	60% rent	408	436	523	605	675	744			
	60% income		16320	18600	20940	23280	25140	27000	28860	30720
Seneca	50% rent	340	363	436	504	562	620			
	50% income		13600	15500	17450	19400	20950	22500	24050	25600
	60% rent	408	436	523	605	675	744			
	60% income		16320	18600	20940	23280	25140	27000	28860	30720
Shelby	50% rent	373	400	480	555	618	683			
	50% income		14950	17100	19200	21350	23050	24750	26450	28200
	60% rent	448	480	576	666	742	819			
	60% income		17940	20520	23040	25620	27660	29700	31740	33840
Stark	50% rent	366	391	470	543	606	668			
	50% income		14650	16700	18800	20900	22550	24250	25900	27600
	60% rent	439	470	564	651	727	802			
	60% income		17580	20040	22560	25080	27060	29100	31080	33120
Summit	50% rent	387	415	498	575	642	708			
	50% income		15500	17700	19950	22150	23900	25700	27450	29250
	60% rent	465	498	598	690	771	850			
	60% income		18600	21240	23940	26580	28680	30840	32940	35100

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		
Trumbull	50% rent	340	364	437	505	563	621			
	50% income		13600	15550	17500	19450	21000	22550	24100	25650
	60% rent	408	437	525	606	676	746			
	60% income		16320	18660	21000	23340	25200	27060	28920	30780
Tuscarawas	50% rent	340	363	436	504	562	620			
	50% income		13600	15500	17450	19400	20950	22500	24050	25600
	60% rent	408	436	523	605	675	744			
	60% income		16320	18600	20940	23280	25140	27000	28860	30720
Union	50% rent	410	438	526	608	678	748			
	50% income		16400	18700	21050	23400	25250	27150	29000	30900
	60% rent	492	526	631	729	814	898			
	60% income		19680	22440	25260	28080	30300	32580	34800	37080
VanWert	50% rent	340	363	436	504	562	620			
	50% income		13600	15500	17450	19400	20950	22500	24050	25600
	60% rent	408	436	523	605	675	744			
	60% income		16320	18600	20940	23280	25140	27000	28860	30720
Vinton	50% rent	340	363	436	504	562	620			
	50% income		13600	15500	17450	19400	20950	22500	24050	25600
	60% rent	408	436	523	605	675	744			
	60% income		16320	18600	20940	23280	25140	27000	28860	30720
Warren	50% rent	423	453	545	629	701	774			
	50% income		16950	19350	21800	24200	26150	28050	30000	31950
	60% rent	508	544	654	755	841	929			
	60% income		20340	23220	26160	29040	31380	33660	36000	38340
Washington	50% rent	331	354	425	491	547	605			
	50% income		13250	15100	17000	18900	20400	21900	23450	24950
	60% rent	397	425	510	589	657	726			
	60% income		15900	18120	20400	22680	24480	26280	28140	29940
Wayne	50% rent	365	391	468	541	605	666			
	50% income		14600	16700	18750	20850	22500	24200	25850	27500
	60% rent	438	469	562	650	726	800			
	60% income		17520	20040	22500	25020	27000	29040	31020	33000
Williams	50% rent	340	363	436	504	562	620			
	50% income		13600	15500	17450	19400	20950	22500	24050	25600
	60% rent	408	436	523	605	675	744			
	60% income		16320	18600	20940	23280	25140	27000	28860	30720
Wood	50% rent	390	417	500	578	645	711			
	50% income		15600	17800	20000	22250	24050	25800	27600	29350
	60% rent	468	501	600	694	774	854			
	60% income		18720	21360	24000	26700	28860	30960	33120	35220
Wyandot	50% rent	340	363	436	504	562	620			
	50% income		13600	15500	17450	19400	20950	22500	24050	25600
	60% rent	408	436	523	605	675	744			
	60% income		16320	18600	20940	23280	25140	27000	28860	30720

B. H.U.D. 221(d)(3) Mortgage Limits per Unit

H.U.D. Effective Date: January 1, 1996

County	Non- Elevator Elevator	Bedrooms				
		Eff (0)	1	2	3	4
Adams	Non- Elevator	\$51,130	\$58,953	\$71,098	\$91,005	\$101,384
	Elevator	\$58,808	\$61,680	\$75,003	\$97,028	\$106,506
Allen	Non- Elevator	\$49,448	\$57,014	\$68,759	\$88,012	\$98,049
	Elevator	\$52,038	\$59,651	\$72,536	\$93,836	\$103,003
Ashland	Non- Elevator	\$51,466	\$59,341	\$71,566	\$91,604	\$102,051
	Elevator	\$54,162	\$62,086	\$75,496	\$97,666	\$107,207
Ashtabula	Non- Elevator	\$55,166	\$63,607	\$76,711	\$98,190	\$109,388
	Elevator	\$58,056	\$66,550	\$80,924	\$104,688	\$114,915
Athens	Non- Elevator	\$49,111	\$56,626	\$68,292	\$87,413	\$97,382
	Elevator	\$51,684	\$59,245	\$72,042	\$93,198	\$102,302
Auglaize	Non- Elevator	\$49,448	\$57,014	\$68,759	\$88,012	\$98,049
	Elevator	\$52,038	\$59,651	\$72,536	\$93,836	\$103,003
Belmont	Non- Elevator	\$49,448	\$57,014	\$68,759	\$88,012	\$98,049
	Elevator	\$52,038	\$59,651	\$72,536	\$93,836	\$103,003
Brown	Non- Elevator	\$51,130	\$58,953	\$71,098	\$91,005	\$101,384
	Elevator	\$58,808	\$61,680	\$75,003	\$97,028	\$106,506
Butler	Non- Elevator	\$51,130	\$58,953	\$71,098	\$91,005	\$101,384
	Elevator	\$58,808	\$61,680	\$75,003	\$97,028	\$106,506
Carroll	Non- Elevator	\$51,466	\$59,341	\$71,566	\$91,604	\$102,051
	Elevator	\$54,162	\$62,086	\$75,496	\$97,666	\$107,207
Champaign	Non- Elevator	\$49,448	\$57,014	\$68,759	\$88,012	\$98,049
	Elevator	\$52,038	\$59,651	\$72,536	\$93,836	\$103,003
Clark	Non- Elevator	\$49,448	\$57,014	\$68,759	\$88,012	\$98,049
	Elevator	\$52,038	\$59,651	\$72,536	\$93,836	\$103,003
Clermont	Non- Elevator	\$51,130	\$58,953	\$71,098	\$91,005	\$101,384
	Elevator	\$58,808	\$61,680	\$75,003	\$97,028	\$106,506
Clinton	Non- Elevator	\$51,130	\$58,953	\$71,098	\$91,005	\$101,384
	Elevator	\$58,808	\$61,680	\$75,003	\$97,028	\$106,506
Columbiana	Non- Elevator	\$56,175	\$64,771	\$78,114	\$99,986	\$111,389
	Elevator	\$59,118	\$67,767	\$82,404	\$106,603	\$117,017
Coshocton	Non- Elevator	\$49,448	\$57,014	\$68,759	\$88,012	\$98,049
	Elevator	\$52,038	\$59,651	\$72,536	\$93,836	\$103,003

County	Non- Elevator Elevator	Bedrooms				
		Eff (0)	1	2	3	4
Crawford	Non- Elevator	\$48,102	\$55,463	\$66,888	\$85,617	\$95,381
	Elevator	\$50,622	\$58,028	\$70,562	\$91,283	\$100,200
Cuyahoga	Non- Elevator	\$57,521	\$66,322	\$79,985	\$102,381	\$114,057
	Elevator	\$60,534	\$69,390	\$84,378	\$109,156	\$119,820
Darke	Non- Elevator	\$51,130	\$58,953	\$71,098	\$91,005	\$101,384
	Elevator	\$58,808	\$61,680	\$75,003	\$97,028	\$106,506
Defiance	Non- Elevator	\$48,102	\$55,463	\$66,888	\$85,617	\$95,381
	Elevator	\$50,622	\$58,028	\$70,562	\$91,283	\$100,200
Delaware	Non- Elevator	\$50,793	\$58,565	\$70,630	\$90,407	\$100,717
	Elevator	\$53,454	\$61,274	\$74,509	\$96,389	\$105,806
Erie	Non- Elevator	\$56,175	\$64,771	\$78,114	\$99,986	\$111,389
	Elevator	\$59,118	\$67,767	\$82,404	\$106,603	\$117,017
Fairfield	Non- Elevator	\$49,784	\$57,402	\$69,227	\$88,611	\$98,716
	Elevator	\$52,392	\$60,057	\$73,029	\$94,474	\$103,704
Fayette	Non- Elevator	\$50,793	\$58,565	\$70,630	\$90,407	\$100,717
	Elevator	\$53,454	\$61,274	\$74,509	\$96,389	\$105,806
Franklin	Non- Elevator	\$50,793	\$58,565	\$70,630	\$90,407	\$100,717
	Elevator	\$53,454	\$61,274	\$74,509	\$96,389	\$105,806
Fulton	Non- Elevator	\$48,102	\$55,463	\$66,888	\$85,617	\$95,381
	Elevator	\$50,622	\$58,028	\$70,562	\$91,283	\$100,200
Gallia	Non- Elevator	\$49,111	\$56,626	\$68,292	\$87,413	\$97,382
	Elevator	\$51,684	\$59,245	\$72,042	\$93,198	\$102,302
Geauga	Non- Elevator	\$55,166	\$63,607	\$76,711	\$98,190	\$109,388
	Elevator	\$58,056	\$66,550	\$80,924	\$104,688	\$114,915
Greene	Non- Elevator	\$51,130	\$58,953	\$71,098	\$91,005	\$101,384
	Elevator	\$58,808	\$61,680	\$75,003	\$97,028	\$106,506
Guemsey	Non- Elevator	\$49,448	\$57,014	\$68,759	\$88,012	\$98,049
	Elevator	\$52,038	\$59,651	\$72,536	\$93,836	\$103,003
Hamilton	Non- Elevator	\$51,130	\$58,953	\$71,098	\$91,005	\$101,384
	Elevator	\$58,808	\$61,680	\$75,003	\$97,028	\$106,506
Hancock	Non- Elevator	\$48,102	\$55,463	\$66,888	\$85,617	\$95,381
	Elevator	\$50,622	\$58,028	\$70,562	\$91,283	\$100,200
Hardin	Non- Elevator	\$49,448	\$57,014	\$68,759	\$88,012	\$98,049
	Elevator	\$52,038	\$59,651	\$72,536	\$93,836	\$103,003

County	Non- Elevator Elevator	Bedrooms				
		Eff (0)	1	2	3	4
Harrison	Non- Elevator	\$51,466	\$59,341	\$71,566	\$91,604	\$102,051
	Elevator	\$54,162	\$62,086	\$75,496	\$97,666	\$107,207
Henry	Non- Elevator	\$48,102	\$55,463	\$66,888	\$85,617	\$95,381
	Elevator	\$50,622	\$58,028	\$70,562	\$91,283	\$100,200
Highland	Non- Elevator	\$51,130	\$58,953	\$71,098	\$91,005	\$101,384
	Elevator	\$58,808	\$61,680	\$75,003	\$97,028	\$106,506
Hocking	Non- Elevator	\$49,784	\$57,402	\$69,227	\$88,611	\$98,716
	Elevator	\$52,392	\$60,057	\$73,029	\$94,474	\$103,704
Holmes	Non- Elevator	\$51,466	\$59,341	\$71,566	\$91,604	\$102,051
	Elevator	\$54,162	\$62,086	\$75,496	\$97,666	\$107,207
Huron	Non- Elevator	\$51,466	\$59,341	\$71,566	\$91,604	\$102,051
	Elevator	\$54,162	\$62,086	\$75,496	\$97,666	\$107,207
Jackson	Non- Elevator	\$49,111	\$56,626	\$68,292	\$87,413	\$97,382
	Elevator	\$51,684	\$59,245	\$72,042	\$93,198	\$102,302
Jefferson	Non- Elevator	\$56,175	\$64,771	\$78,114	\$99,986	\$111,389
	Elevator	\$59,118	\$67,767	\$82,404	\$106,603	\$117,017
Knox	Non- Elevator	\$49,784	\$57,402	\$69,227	\$88,611	\$98,716
	Elevator	\$52,392	\$60,057	\$73,029	\$94,474	\$103,704
Lake	Non- Elevator	\$57,521	\$66,322	\$79,985	\$102,381	\$114,057
	Elevator	\$60,534	\$69,390	\$84,378	\$109,156	\$119,820
Lawrence	Non- Elevator	\$49,111	\$56,626	\$68,292	\$87,413	\$97,382
	Elevator	\$51,684	\$59,245	\$72,042	\$93,198	\$102,302
Licking	Non- Elevator	\$49,784	\$57,402	\$69,227	\$88,611	\$98,716
	Elevator	\$52,392	\$60,057	\$73,029	\$94,474	\$103,704
Logan	Non- Elevator	\$49,448	\$57,014	\$68,759	\$88,012	\$98,049
	Elevator	\$52,038	\$59,651	\$72,536	\$93,836	\$103,003
Lorain	Non- Elevator	\$56,175	\$64,771	\$78,114	\$99,986	\$111,389
	Elevator	\$59,118	\$67,767	\$82,404	\$106,603	\$117,017
Lucas	Non- Elevator	\$57,521	\$66,322	\$79,985	\$102,381	\$114,057
	Elevator	\$60,534	\$69,390	\$84,378	\$109,156	\$119,820
Madison	Non- Elevator	\$49,448	\$57,014	\$68,759	\$88,012	\$98,049
	Elevator	\$52,038	\$59,651	\$72,536	\$93,836	\$103,003
Mahoning	Non- Elevator	\$56,175	\$64,771	\$78,114	\$99,986	\$111,389
	Elevator	\$59,118	\$67,767	\$82,404	\$106,603	\$117,017

County	Non- Elevator Elevator	Bedrooms				
		Eff (0)	1	2	3	4
Marion	Non- Elevator	\$49,448	\$57,014	\$68,759	\$88,012	\$98,049
	Elevator	\$52,038	\$59,651	\$72,536	\$93,836	\$103,003
Medina	Non- Elevator	\$55,166	\$63,607	\$76,711	\$98,190	\$109,388
	Elevator	\$58,056	\$66,550	\$80,924	\$104,688	\$114,915
Meigs	Non- Elevator	\$49,111	\$56,626	\$68,292	\$87,413	\$97,382
	Elevator	\$51,684	\$59,245	\$72,042	\$93,198	\$102,302
Mercer	Non- Elevator	\$49,448	\$57,014	\$68,759	\$88,012	\$98,049
	Elevator	\$52,038	\$59,651	\$72,536	\$93,836	\$103,003
Miami	Non- Elevator	\$51,130	\$58,953	\$71,098	\$91,005	\$101,384
	Elevator	\$58,808	\$61,680	\$75,003	\$97,028	\$106,506
Monroe	Non- Elevator	\$49,448	\$57,014	\$68,759	\$88,012	\$98,049
	Elevator	\$52,038	\$59,651	\$72,536	\$93,836	\$103,003
Montgomery	Non- Elevator	\$51,130	\$58,953	\$71,098	\$91,005	\$101,384
	Elevator	\$58,808	\$61,680	\$75,003	\$97,028	\$106,506
Morgan	Non- Elevator	\$49,448	\$57,014	\$68,759	\$88,012	\$98,049
	Elevator	\$52,038	\$59,651	\$72,536	\$93,836	\$103,003
Morrow	Non- Elevator	\$49,448	\$57,014	\$68,759	\$88,012	\$98,049
	Elevator	\$52,038	\$59,651	\$72,536	\$93,836	\$103,003
Muskingum	Non- Elevator	\$49,448	\$57,014	\$68,759	\$88,012	\$98,049
	Elevator	\$52,038	\$59,651	\$72,536	\$93,836	\$103,003
Noble	Non- Elevator	\$49,448	\$57,014	\$68,759	\$88,012	\$98,049
	Elevator	\$52,038	\$59,651	\$72,536	\$93,836	\$103,003
Ottawa	Non- Elevator	\$48,102	\$55,463	\$66,888	\$85,617	\$95,381
	Elevator	\$50,622	\$58,028	\$70,562	\$91,283	\$100,200
Paulding	Non- Elevator	\$48,102	\$55,463	\$66,888	\$85,617	\$95,381
	Elevator	\$50,622	\$58,028	\$70,562	\$91,283	\$100,200
Perry	Non- Elevator	\$49,448	\$57,014	\$68,759	\$88,012	\$98,049
	Elevator	\$52,038	\$59,651	\$72,536	\$93,836	\$103,003
Pickaway	Non- Elevator	\$50,793	\$58,565	\$70,630	\$90,407	\$100,717
	Elevator	\$53,454	\$61,274	\$74,509	\$96,389	\$105,806
Pike	Non- Elevator	\$49,111	\$56,626	\$68,292	\$87,413	\$97,382
	Elevator	\$51,684	\$59,245	\$72,042	\$93,198	\$102,302
Portage	Non- Elevator	\$55,166	\$63,607	\$76,711	\$98,190	\$109,388
	Elevator	\$58,056	\$66,550	\$80,924	\$104,688	\$114,915

County	Non- Elevator Elevator	Bedrooms				
		Eff (0)	1	2	3	4
Preble	Non- Elevator	\$51,130	\$58,953	\$71,098	\$91,005	\$101,384
	Elevator	\$58,808	\$61,680	\$75,003	\$97,028	\$106,506
Putnam	Non- Elevator	\$49,448	\$57,014	\$68,759	\$88,012	\$98,049
	Elevator	\$52,038	\$59,651	\$72,536	\$93,836	\$103,003
Richland	Non- Elevator	\$51,466	\$59,341	\$71,566	\$91,604	\$102,051
	Elevator	\$54,162	\$62,086	\$75,496	\$97,666	\$107,207
Ross	Non- Elevator	\$50,793	\$58,565	\$70,630	\$90,407	\$100,717
	Elevator	\$53,454	\$61,274	\$74,509	\$96,389	\$105,806
Sandusky	Non- Elevator	\$51,466	\$59,341	\$71,566	\$91,604	\$102,051
	Elevator	\$54,162	\$62,086	\$75,496	\$97,666	\$107,207
Scioto	Non- Elevator	\$49,111	\$56,626	\$68,292	\$87,413	\$97,382
	Elevator	\$51,684	\$59,245	\$72,042	\$93,198	\$102,302
Seneca	Non- Elevator	\$48,102	\$55,463	\$66,888	\$85,617	\$95,381
	Elevator	\$50,622	\$58,028	\$70,562	\$91,283	\$100,200
Shelby	Non- Elevator	\$49,448	\$57,014	\$68,759	\$88,012	\$98,049
	Elevator	\$52,038	\$59,651	\$72,536	\$93,836	\$103,003
Stark	Non- Elevator	\$55,166	\$63,607	\$76,711	\$98,190	\$109,388
	Elevator	\$58,056	\$66,550	\$80,924	\$104,688	\$114,915
Summit	Non- Elevator	\$55,166	\$63,607	\$76,711	\$98,190	\$109,388
	Elevator	\$58,056	\$66,550	\$80,924	\$104,688	\$114,915
Trumbull	Non- Elevator	\$56,175	\$64,771	\$78,114	\$99,986	\$111,389
	Elevator	\$59,118	\$67,767	\$82,404	\$106,603	\$117,017
Tuscarawas	Non- Elevator	\$51,466	\$59,341	\$71,566	\$91,604	\$102,051
	Elevator	\$54,162	\$62,086	\$75,496	\$97,666	\$107,207
Union	Non- Elevator	\$49,448	\$57,014	\$68,759	\$88,012	\$98,049
	Elevator	\$52,038	\$59,651	\$72,536	\$93,836	\$103,003
VanWert	Non- Elevator	\$49,448	\$57,014	\$68,759	\$88,012	\$98,049
	Elevator	\$52,038	\$59,651	\$72,536	\$93,836	\$103,003
Vinton	Non- Elevator	\$49,111	\$56,626	\$68,292	\$87,413	\$97,382
	Elevator	\$51,684	\$59,245	\$72,042	\$93,198	\$102,302
Warren	Non- Elevator	\$51,130	\$58,953	\$71,098	\$91,005	\$101,384
	Elevator	\$58,808	\$61,680	\$75,003	\$97,028	\$106,506
Washington	Non- Elevator	\$49,448	\$57,014	\$68,759	\$88,012	\$98,049
	Elevator	\$52,038	\$59,651	\$72,536	\$93,836	\$103,003

County	Non- Elevator Elevator	Bedrooms				
		Eff (0)	1	2	3	4
Wayne	Non- Elevator	\$51,466	\$59,341	\$71,566	\$91,604	\$102,051
	Elevator	\$54,162	\$62,086	\$75,496	\$97,666	\$107,207
Williams	Non- Elevator	\$48,102	\$55,463	\$66,888	\$85,617	\$95,381
	Elevator	\$50,622	\$58,028	\$70,562	\$91,283	\$100,200
Wood	Non- Elevator	\$57,521	\$66,322	\$79,985	\$102,381	\$114,057
	Elevator	\$60,534	\$69,390	\$84,378	\$109,156	\$119,820
Wyandot	Non- Elevator	\$48,102	\$55,463	\$66,888	\$85,617	\$95,381
	Elevator	\$50,622	\$58,028	\$70,562	\$91,283	\$100,200

C. LIHTC Per Capita Points

Calculation Date: December 6, 1996

County	Per Capita Points	County	Per Capita Points	City	Per Capita Points
Adams	3	Licking	2	Akron	1
Allen	3	Logan	2	Canton	3
Ashland	3	Lorain *	5	Cincinnati	1
Ashtabula	4	Lucas *	3	Cleveland	1
Athens	3	Madison	2	Cleveland Heights	3
Auglaize	3	Mahoning *	5	Columbus	1
Belmont	3	Marion	2	Dayton	1
Brown	3	Medina	3	Elyria	2
Butler *	1	Meigs	3	Euclid	3
Carroll	3	Mercer	3	Hamilton	3
Champaign	2	Miami	2	Kettering	4
Clark *	3	Monroe	3	Lakewood	4
Clermont	1	Montgomery *	4	Lorain	2
Clinton	2	Morgan	3	Mansfield	3
Columbiana	3	Morrow	3	Mentor	3
Coshocton	3	Muskingum	3	Parma	4
Crawford	3	Noble	3	Springfield	2
Cuyahoga *	5	Ottawa	3	Toledo	2
Darke	3	Paulding	3	Warren	3
Defiance	3	Perry	2	Youngstown	2
Delaware	2	Pickaway	2		
Erie	4	Pike	3		
Fairfield	2	Portage	3		
Fayette	2	Preble	3		
Franklin *	2	Putnam	3		
Fulton	2	Richland *	3		
Gallia	3	Ross	3		
Geauga	4	Sandusky	2		
Greene	2	Scioto	3		
Guernsey	3	Seneca	3		
Hamilton *	5	Shelby	3		
Hancock	3	Stark *	5		
Hardin	2	Summit *	5		
Harrison	3	Trumbull *	4		
Henry	3	Tuscarawas	4		
Highland	2	Union	2		
Hocking	3	VanWert	3		
Holmes	3	Vinton	2		
Huron	3	Warren	2		
Jackson	2	Washington	3		
Jefferson	4	Wayne	3		
Knox	3	Williams	3		
Lake *	3	Wood	3		
Lawrence	3	Wyandot	2		

* = for cities with 50,000+ population, use listings in the third column.

D. Income Adjustment Points

Calculation Date: January 8, 1997

County	Point Adjustment	County	Point Adjustment
Adams	11	Licking	1
Allen	8	Logan	10
Ashland	9	Lorain	2
Ashtabula	2	Lucas	4
Athens	11	Madison	1
Auglaize	8	Mahoning	11
Belmont	14	Marion	11
Brown	11	Medina	2
Butler	0	Meigs	11
Carroll	7	Mercer	11
Champaign	9	Miami	3
Clark	3	Monroe	11
Clermont	0	Montgomery	3
Clinton	10	Morgan	11
Columbiana	11	Morrow	11
Coshocton	11	Muskingum	11
Crawford	11	Noble	11
Cuyahoga	2	Ottawa	5
Darke	11	Paulding	11
Defiance	9	Perry	11
Delaware	1	Pickaway	1
Erie	6	Pike	11
Fairfield	1	Portage	4
Fayette	11	Preble	11
Franklin	1	Putnam	11
Fulton	4	Richland	11
Gallia	11	Ross	11
Geauga	2	Sandusky	8
Greene	3	Scioto	11
Guemsey	11	Seneca	11
Hamilton	0	Shelby	6
Hancock	7	Stark	7
Hardin	11	Summit	4
Harrison	11	Trumbull	11
Henry	11	Tuscarawas	11
Highland	11	Union	2
Hocking	11	VanWert	11
Holmes	11	Vinton	11
Huron	9	Warren	0
Jackson	11	Washington	13
Jefferson	11	Wayne	7
Knox	10	Williams	11
Lake	2	Wood	4
Lawrence	14	Wyandot	11

E. Qualified Census Tracts

H.U.D. Effective Date: **May, 1995**

County	Tracts													
Adams	9904.00	9905.00	9906.00											
Allen	125.00	128.00	135.00	136.00	138.00									
Ashtabula	7.01													
Athens	9731.00													
Belmont	116.00	121.00												
Brown	9517.00													
Butler	3.00	4.00	5.00	6.00	7.01	7.02	8.00	101.01	101.04	128.00	129.00	131.00	132.00	
	138.00	140.00												
Clark	1.00	2.00	3.00	4.00	9.01	9.02	12.00							
Columbiana	9521.00	9522.00	9525.98											
Coshocton	9914.00													
Cuyahoga	1011.01	1012.00	1013.00	1016.00	1017.00	1018.00	1019.00	1025.00	1026.00	1027.00	1028.00	1029.00	1031.00	
	1032.00	1033.00	1034.00	1035.00		1037.00	1038.00	1039.00	1041.00	1042.00	1043.00	1044.00	1045.00	
	1046.00	1047.01	1047.02	1048.00	1049.00	1051.00	1053.00		1055.00	1056.01	1072.00	1073.00	1074.00	
	1075.00	1077.00	1079.00	1081.00	1082.00	1083.00	1084.00	1085.00		1087.00	1088.00	1089.00	1093.00	
	1096.00	1097.00	1098.00	1104.00	1105.00	1106.00	1107.00	1108.00	1111.00	1112.00	1113.00		1114.01	
	1114.02	1115.00	1116.00	1117.00	1118.00	1119.02	1121.00	1122.00	1123.00	1124.00	1125.00	1126.00	1127.00	
	1128.00	1129.00	1131.00	1132.00	1133.00	1134.00	1135.00	1136.00	1137.00	1138.00	1139.00	1141.00	1142.00	
	1143.00	1144.00	1145.00	1146.00	1147.00	1148.00	1149.00	1151.00	1152.00	1153.00	1154.00	1155.00	1158.00	
	1161.00	1162.00	1163.00	1164.00	1165.00	1166.00	1168.00	1169.00	1172.01	1173.00		1181.00	1182.00	
	1183.00	1184.00	1185.00	1186.01	1186.02	1187.00	1189.00	1191.00	1192.02	1193.00	1194.02	1195.02	1196.00	
	1197.02	1198.00	1199.00	1201.00	1202.00	1204.00	1205.00	1206.00	1207.01	1208.01	1208.02	1212.00	1213.00	
	1214.01		1244.00	1275.00	1503.00	1504.00	1511.00	1512.00	1513.00	1514.00	1515.00	1517.00	1518.00	
	1527.01	1915.00	1939.00											
Erie	408.00													
Fairfield	317.00	319.00												
Franklin	7.30	9.20	11.10	11.20	12.00	13.00	14.00	15.00	16.00	17.00	18.10	22.00	23.00	
	25.20	26.00	27.10	28.00	29.00	30.00	36.00	37.00	38.00	39.00	40.00	41.00	42.00	
	43.00	44.00	50.00	51.00	53.00	54.10	54.20	56.10	56.20	60.00	61.00	74.10	75.11	
	75.34	75.40	75.20	78.20	83.50	87.30								
Greene	2403.02													
Hamilton	2.00	3.01	3.02	4.00	7.00	8.00	9.00	10.00	11.00	14.00	15.00	16.00	17.00	
	21.00	22.00	23.00	25.00	26.00	28.00		30.00	32.00	33.00	34.00	35.00	36.00	
	37.00	38.00	39.00	43.00	44.00	47.02	55.00	66.00	67.00	68.00	69.00	74.00	77.00	
	78.00		80.00	85.02	86.01	87.00		89.00	91.00	93.00	94.00	103.00	219.00	
	227.00													
Jackson	9576.00													
Jefferson	1.00	2.00	3.00	8.00										
Lake	2059.96	2061.97												
Lawrence	503.00	506.00												
Licking	7501.00	7504.00	7507.00	7525.00	7583.00									
Lorain	223.00	228.00	231.00	232.00	233.00	238.00	708.00	714.00						

County	Tracts													
Lucas	8.00	12.02	13.04	14.00	15.00	17.00	18.00	19.00	20.00	21.00	22.00	23.00	25.00	
	26.00	27.00	28.00	29.00	30.00	32.00	33.00	34.00	35.00	36.00	37.00	38.00	41.00	
	42.00	43.01	48.00	54.00	68.00	73.03								
Mahoning	8002.00	8005.00	8006.00	8007.00	8009.00	8010.00	8017.00	8019.00	8020.00	8021.00	8022.00	8023.00	8031.00	
	8032.00	8034.00	8035.00	8037.00	8040.00	8044.00	8103.00	8104.00						
Marion	1.00	9.00												
Meigs	9644.00													
Montgomery	3.00	7.00	10.00	12.00	13.00	14.00	15.00	17.00	18.00	19.00	21.00	22.00	34.00	
	35.00	36.00	37.00	39.00	40.00	41.00	42.00	43.00	47.00	602.00	603.00	702.01	703.00	
	805.00													
Muskingum	9821.00													
Portage	6015.00													
Richland	1.00	2.00	3.00	7.00										
Scioto	9931.00	9932.00	9935.00	9936.00	9937.00	9939.00								
Stark	7001.00	7015.00	7017.00	7018.00	7023.00	7101.00	7104.00	7105.00	7138.00					
Summit	5011.00	5012.00	5013.01	5013.02	5014.00	5015.00	5017.00	5018.00	5019.00	5024.00	5025.00	5031.00	5032.00	
	5034.00	5038.00	5041.00	5042.00	5043.00	5044.00	5053.00	5056.00	5063.04	5065.00	5066.00	5067.00	5068.00	
	5069.00	5074.00	5101.00	5103.01										
Trumbull	9201.00	9205.00	9206.00											
Warren	304.00													
Washington	205.00													
Wood	217.02	218.00												

1997
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 Ohio Low-Income Housing Tax Credit (LIHTC) program in Ohio. The programmatic procedures and underwriting requirements 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, Binding Reservation procedures, and Carryover and 8609 request requirements.

II. Application Submission

Application: Submit one (1) application and one set of attachments in a three-ring binder. Please include an index at the beginning of your application which incorporates appropriate tabbing for each section. Your index and tabbed sections must follow the outline provided in the application instructions. The application cover must clearly indicate it is the Low Income Housing Tax Credit application. Please see application instructions for more detail. If you are also applying for nonprofit development funding from the Ohio Department of Development's Non-Profit Housing Development Program you must also submit one original and two copies of your application directly to that office. Policies and Guidelines of the Non-Profit Housing Development Program can be obtained from the Office of Housing and Community Partnerships, Non-Profit Housing Section, 77 S. High Street, 24th Floor, Columbus 43216-1001, 614-466-2285.

Fees. OHFA requires a \$500 application fee at the time of submission of the application and application resubmissions.

The Agency requires payment of a Binding Reservation fee after receiving a binding LIHTC reservation. The reservation fee is equal to 4% of the annual LIHTC amount listed on the Binding Reservation letter.

The Agency will charge extension fees for any granted extension of the reservation fee, carryover submission or 8609 submission. The fee will be based on a percentage of the reservation and the length of the extension.

In addition, the recipient of an allocation of LIHTC must pay a monitoring fee of \$125 per unit due with the 8609 request.

All fees are non-refundable and non-transferable.



Resubmissions. An applicant may re-apply for LIHTC if his/her application is rejected in a LIHTC application funding 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 resubmission. **A new application along with all supporting documents and attachments must be resubmitted.**

Agency Timelines and Due Dates. The IRS and the Agency have established timelines and due dates during the life cycle of the LIHTC project. The Allocation Plan contains a calendar of key LIHTC program dates. Applicants for and recipients of LIHTC are expected to meet all timelines and due dates. If an applicant is unable to meet a timeline or a due date, then the Agency must receive a written request stating the reasons for the extension. The Agency reserves the right to deny any extension request.

Previous Allocation. Owners of projects that received a prior allocation of LIHTC may apply for additional credit if necessary for the continued financial feasibility of the project. Owners of projects that received an allocation of LIHTC in previous years and are placed in service may only apply for additional LIHTC if 10% more residential square footage or 5% more units have been added to the project. The project must apply during a standard LIHTC application round, and will be reviewed according to the current year's Competitive criteria. In addition, projects that re-apply may be subject to additional underwriting requirements. Projects must provide the previous LIHTC allocation; projects placed in service must also provide previous project square footage, and previous number of units on the new application and in the project narrative. Projects already placed in service may only be eligible for two-thirds of its additional LIHTC request.

Projects with Tax-Exempt Bond Financing. Projects receiving tax-exempt bond financing must pass the Threshold Review and meet Agency underwriting standards in order to receive a letter of eligibility for LIHTC. Project specific conditions will be listed in the eligibility letter. The annual \$1 million dollar LIHTC limit does not apply to these projects.

In addition to meeting the Threshold requirements listed in the Allocation Plan the applicant must supply evidence of the following:

- ◆ For non-OHFA issued bonds, the inducement resolution or final approval resolution of the issuer is required. In addition, a letter from the bond underwriter indicating anticipated rate, term and amortization of the bonds must be submitted. For OHFA issued bonds, the application should be submitted with Section A, B, C, F and G completed. The tax credit letter of eligibility will be issued following final approval of the bond issuance by the OHFA board.
- ◆ The Agency reserves the right to require a legal opinion stating that the project is eligible to receive an allocation of LIHTC pursuant to Section 42(h)(4) of the Internal Revenue Code.



These projects will be underwritten using the same standards outlined in these guidelines except that the owner has the option to elect the LIHTC rate during the month in which the bonds are issued or the month the project is placed into service.

For non-OHFA issued bonds, applicants may apply at any time during the year. The Agency may take up to four weeks to review an application and issue a letter of eligibility. These projects will not need a Carryover Allocation Agreement, but the owner must follow all 8609 request procedures outlined in these guidelines.

For OHFA issued bonds, please consult the most recent OHFA Multifamily Rental Development Bond guidelines for appropriate submission deadlines. You may

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 LIHTC 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, how they plan to fill any funding gaps as well as specific action steps on how they will 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 for the applicant to respond to the offer.

III. Application Processing

Scoring/Ranking Procedure. Once an applicant's project passes Threshold review, the Agency will evaluate the project based on the LIHTC Allocation Plan Competitive Review Criteria (see the LIHTC Allocation Plan for the Competitive Criteria). The projects will then be ranked from highest score to lowest, and OHFA will award, from highest scoring project to lowest, up to the maximum amount of LIHTC available for that round.

The amount of LIHTC available per round is listed in the Allocation Plan. The Agency reserves the right to modify the amount of LIHTC available per round, as well as when to distribute any returned LIHTC. The last project awarded LIHTC in a year may be awarded a forward commitment from next year's LIHTC (based on the availability of future LIHTC funding), 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 remains, the Agency will rank the projects by their score for the second Competitive Criterion, and so on until the tie is broken. For example, Projects A and B both have a competitive score of 100. Project A's total score for criteria 1a. through 1d. was 30, and Project B's total score for criteria 1a. through 1d. was 25. Therefore, Project A would be ranked ahead of Project B. OHFA reserves the right to institute the tie-breaking procedure only in the final LIHTC application cycle.



Project Changes. No changes in a project's characteristics are allowed if it reduces the project's score in any of the following Competitive review criteria: rent structure, extended use term, project location, and ownership structure. A new application, fee, and Competitive review may be required if any project characteristics change. If a project has a reservation or allocation of LIHTC, then the Agency may revoke or lower the LIHTC amount awarded.

Failure to inform OHFA of any changes in the applicant's situation or project structure at any time may cause the application to be rejected or the LIHTC reservation to be revoked.

Appeals. Applicants may appeal their project score, LIHTC amount (at Binding Reservation, Carryover and 8609), or Threshold rejection if the applicant believes OHFA has erred in its determination. 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 or within one week - whichever is greater.

In the appeal, the applicant must state their objections to the Agency's determinations and give specific reasons why they feel the Agency's decision should be overturned. Any documentation to support the Threshold and Competitive appeal can be provided, 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 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.

Agency Information Sources. The Agency's Website contains important, easily accessible program information such as housing credit percentages, frequently asked questions, technical support, general tax credit information, important program dates and downloadable files such as the 1997 LIHTC Qualified Allocation Plan and Affordable Housing Funding Application. Our Website address is <http://www.odod.ohio.gov/ohfa/> (no period at end of address). Please visit our Website to obtain current information on LIHTC and other Agency programs.

Contacting the Applicant. The Agency will only contact the person listed in the application as the project contact. The Agency asks other parties involved in the project to communicate with the project contact, prior to contacting 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. Please visit our Website at <http://www.odod.ohio.gov/ohfa/> to obtain this listing. Interested parties requesting similar information directly from the Agency will be required to 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 Binding Reservation or letter of eligibility;
- 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 first underwrite, OHFA will issue a Binding 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 Binding Reservation, and/or Placed-in-Service to calculate the value of the LIHTC, if the rate has not been elected. The owner may elect to lock in the current month's applicable LIHTC percentage at Reservation 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 projects that pass the Competitive Review (see scoring procedure) or have been issued a Reservation or Carryover 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 **\$.60** per dollar of LIHTC for equity. The equity per dollar of tax credit will be evaluated based on the % of the limited partner ownership of the project. The Agency will survey syndicators quarterly to update the equity standard. Updated equity standards will be published on OHFA's Website. Please visit our Website at <http://www.odod.ohio.gov/ohfa/> to obtain current program information.
 - ◆ The developer fee, contractor profit, contractor overhead, and general requirements percentages must not increase 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 reduced, potentially reducing the LIHTC amount. The adjustment is calculated by multiplying the percentage increase by the appropriate subtotal (dev. fees, con. profit, 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 may be proportionally reduced by the decrease in units, potentially reducing the LIHTC amount.

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 hard debt coverage ratio (DCR) must be above 1.15. The DCR for all debt sources may be no higher than 1.25. 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 + 3 (published in the Wall Street Journal) and a term = 25 years. 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.
- ◆ The project's annual operating expenses per unit including replacement reserves, but excluding management fees, owner-paid utility costs, annual bond fees, and property taxes, may not exceed \$2,650 for non-elevator buildings, and \$3,150 for elevator buildings. In addition to the project expenses, replacement reserves cannot exceed .006 of the estimated or actual project's hard construction and building acquisition costs (if seeking acquisition credit). Rural Development projects' replacement reserves may not exceed .001 of the mortgage amount.
- ◆ The Agency will assume an annual income increase percentage of 3% and an annual expenses increase of 4%.



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.

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 published a list of qualified areas for 130% basis. This information is reproduced in the 1997 LIHTC Qualified Allocation Plan.





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 = 30 years and rate = 3+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 1.25 the Agency will increase the debt amount and lower the LIHTC annual amount and eligible basis.

⇒ Maximum annual debt service costs for 1.25 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. Binding Reservation Agreement

After the Agency has determined which projects to award LIHTC and performed the underwrite, the Binding Reservation Agreement will be mailed to the primary project contact. The original Binding Reservation Agreement and Credit Rate Election form must be signed and notarized by the owner/general partner during the month the agreement was issued. The Binding Reservation Agreement, Credit Rate Election form and reservation fee, and any additional documentation listed in the Agreement, must be sent to the Agency by the fifth day of the following month in which the agreement was issued, or the reservation of LIHTC will be **invalid**.



VI. Carryover Allocation



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 should request a 8609 form and not a Carryover Allocation Agreement. The owner of the project must submit all appropriate request documentation by the Carryover submission deadline for that year.

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

The following are required to be submitted for all projects by the Carryover submission deadline:

- ◆ A completed OHFA Cost Certification form (*the most current version*). These forms and instructions are available for downloading at <http://www.odod.ohio.gov/ohfa/>
- ◆ Federal Tax ID number 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 for each site.
- ◆ Conditional commitment letters, including equity commitments, from non-OHFA funders must be updated from those which were submitted with the application. This requirement may be waived for Round 3 project which receive a Binding Reservation.
- ◆ An appraisal that meets OHFA requirements if the project is seeking acquisition credit. Those requirements are:
 - ◇ prepared by a third party licensed (state does not matter) appraiser. Name, address, and license number must be included;
 - ◇ state the estimated value of the property at or before the date of acquisition (the date of acquisition equals the date the deed is recorded). The estimated value cannot include the value of the LIHTC;
 - ◇ adhere to the Uniform Standards of Appraisal Practice. A statement to this effect must be included in the report;
 - ◇ conducted in 1997, although the Agency will consider earlier reports on a case by case basis.



- ◆ 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 and 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.

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.



CARRYOVER TRAINING

The Agency will hold a training that will cover the Carryover requirements and procedures for all recipients of a 1997 reservation of LIHTC. The training will take place in Columbus. Please visit our Website at <http://www.odod.ohio.gov/ohfa/>

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 and instructions (*most current version*) signed by an independent accountant/attorney. These forms are available for downloading at <http://www.odod.ohio.gov/ohfa/>
- ◆ Certificate of Occupancy, unconditional, from the issuer of the building permits. Certificates of completion will be accepted for Rehabilitation projects.
- ◆ Permanent source(s) closing documents, executed by the borrower and the source provider(s). This includes all first and second mortgages, government loans, deferred fee notes, and grants.
- ◆ Partnership agreement, executed by the limited and general partners. Please submit a cover letter from the syndicator which summarizes the equity amount and pay-in schedule for tax credits and historic tax credits (if used).
- ◆ Copy of the appraisal submitted to the permanent lender may be required.
- ◆ 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.

The Agency will mail out 8609 forms 60 working days after the request materials have been submitted to the Agency. Incomplete or insufficient request documentation will result in a delay of the 8609 form issuance.

VIII. Miscellaneous

Agency Participation Notification. Project owner(s) and sponsor(s) should coordinate with Agency personnel to provide the opportunity for public notification of the Agency's participation in a project.

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 approve the LIHTC Allocation Plan. OHFA encourages participation from interested parties during the public hearing and written comment process.

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