Mike DeWine Governor of Ohio | **Shawn Smith** Executive Director

2600 Corporate Exchange Drive | Suite 300 | Columbus, OH 43231

To: All Interested Parties

From: Ohio Housing Finance Agency

Date: February 2, 2024

RE: **2024-2025 9% LIHTC QAP**
Frequently Asked Questions (FAQ) as of January 26, 2024.

FAQ Background

The following is a summary of questions received regarding the 2024-2025 9% Low-Income Housing Tax Credit (LIHTC) Qualified Allocation Plan guidelines (the "Guidelines"). Questions were edited for style, to remove identifying details, and combined with similar questions from various individuals. The answers posted herein clarify and modify the Guidelines and will be considered during the program round. In accordance with the 2024 Program Calendar found on page 6 of the Guidelines, the deadline to submit FAQs for the 2024 9% LIHTC round was Friday, January 26, 2024, at 5:00 p.m. EST.

Related-Party Acquisitions

Q: The guidance within the QAP seems to imply that this rule is primarily applicable to existing properties rather than land-only transactions. It's evident that a seller note for a building carries credit benefits. Is OHFA's stance that a land sale (no structures) from a related party is also subject to no cash-out restrictions, with only the ability to capture the value (if any) via a seller note based on the appraised value?

A: No cash out to seller applies to projects where there is a related-party building acquisition (vacant or income generating) or a related-party income-generating land acquisition. If the related-party land acquisition is not generating income, then cash out to seller is allowed.

Resyndication

Q: What year of the Extended Use period must a LIHTC project be in if they want to apply for Preservation LIHTC Resyndications?

A: There is no language in the Guidelines limiting the ability of prior LIHTC projects to resyndicate so long as they meet the federal LIHTC requirements (i.e., the subject property, if already LIHTC, has exited its 15-year Compliance Period).

Scope of Work

Q: Is the scope of work required only for rehabilitation and adaptive use projects? (page 64 of 67 of the QAP)

A: No, the scope of work is required for all projects (new construction, rehabilitation, and adaptive use projects) at proposal application, final application, and 8609.

Experience and Capacity

Q: In Appendix B: Experience and Capacity, do out-of-state developers or co-developers need to utilize HOME financing to meet minimum standards?

A: No, a developer or co-developer that has successfully placed in service at least one LIHTC project in a state other than Ohio will meet our minimum standards if documentation is submitted that the project was placed into service within the past 10 years. Acceptable documentation includes, but is not limited to, an IRS Form 8609 and organizational chart linking the developer or co-developer to the single-purpose LIHTC ownership entity or a letter from a Housing Credit Agency indicating that the subject developer or co-developer successfully developed a LIHTC project and secured an IRS Form 8609 on the project.

Q: If a non-profit partner is eligible to submit one application and receive one award because they have placed a LIHTC building in service outside Ohio, would they be allowed to be an owner in a second application if a more experienced developer is part of the development team?

A: As referenced on page 66 of the Guidelines, either the developer or co-developer referenced in the Affordable Housing Funding Application (AHFA) must have successfully placed in service at least one LIHTC project in Ohio or another state within the past 10 years. Application limitations on page 20 apply to the developer and/or co-developer (if applicable). Application limitations are not imposed based on the members of the ownership entity.

Q: If two entities are developing a project, can you combine past awards (8609s) of both entities to reach the next tier of maximum applications and award limits?

A: No, we do not combine experience from two entities when counting the number of 8609s. Per Appendix B of the QAP, developer experience is based on either the lead developer or co-developer. Thus, we evaluate the highest number of 8609s from either the developer or co-developer and we determine application limits based on the single entity, not both.

Lien and Litigation Reports

Q: What is a Lien and Litigation Report?

A: A Lien and Litigation Report is a standard real estate due diligence search provided by an independent third-party organization to help OHFA and other funding entities such as lender and syndicators/investors determine if there are any legal risks associated with the proposed development team and proposed project site. The search includes Uniform Commercial Code (UCC) liens, fixture filings, federal and state tax liens and judgment liens, bankruptcy, and any outstanding federal or state litigation. This search concludes with a report which OHFA legal staff will analyze.

Q: Which jurisdictions should be included in the search when completing the Lien and Litigation Report?

A: For lien reports, include the county where the project is located and the state of Ohio. For litigation reports, include Ohio courts and any federal court.

Q: If the developer owns the General Partnership, is the lien and litigation report required for both?

A: If the developer owns the GP, provide the lien and litigation report for both entities.

Q: Is the Lien and Litigation Report required for entities that registered outside of Ohio?

A: This is a requirement for in-state and out of state entities.

Q: What if the project owner and/or developer is a single-purpose entity—does OHFA still want a Lien and Litigation Report?

A: Yes. OHFA expects project owners to be single-purpose entities and wants to verify that such entities do not have unexpected liens against the project property or pending litigation.

Q: Liens are filed against a property, so is the “lien” portion of the Lien and Litigation Report applicable to developer entities?

A: Lien searches can be limited to the project property.

Q: Is a Lien and Litigation Report required for to-be-created entities in the ownership?

A: A Lien and Litigation Report is not required for entities that have not yet been created.

Q: Does the seller of a property for an application in the “Preserved Affordability” pool need to provide a Lien and Litigation Report?

A: No, a Lien and Litigation Report is not required from a seller of a property, only from the parties to whom we are potentially awarding credits.

Board Resolution (Non-Profit Developers Only)

Q: Is the Board Resolution (Non-Profit Developers Only), item 7 on submission requirements, due at Proposal Application or Final Application?

A: The board resolution submission requirement was marked incorrectly in the 2024-2025 9% LIHTC QAP and is due at Final Application, not Proposal Application.

Financial Capacity

Q: For sole proprietorship developers, what should be submitted for audited financials?

A: Developers that are sole proprietors must submit executed and dated personal financial statements for the last three years and a letter of reliance from a third-party accounting firm indicating that personal financial statements have been reviewed and that that OHFA can rely on the personal financial statements.

Q: Is a tax return acceptable if there are no audited financials for a developer entity?

A: A tax return is acceptable with a certification from an authorized person stating that audited financials are not available.

Q: What years of financial information are needed for Pre-Application?

A: The pre-application materials were updated on January 8, 2024, to clarify that we need financial information from 2020, 2021, and 2022.

Extremely Low-Income Units

Q: Are preservation projects requesting 9% credits required to have 30% units or is it just projects competing in the new affordability pool?

A: The ELI unit restrictions outlined on page 18 of the QAP apply only to New Affordability General Occupancy and New Affordability Senior projects.

Competitive Sources

Q: If a project is applying for both 9% LIHTC and HUD GRRP Leading-Edge grant program, but the HUD GRRP application has not yet been approved, should the project include in the Proposal Application to OHFA the entire budget that includes both repair work for each funding source? Please note that if the project receives 9% LIHTC award but not the HUD grant award, the project will still perform the work included in the 9% LIHTC application but not the HUD GRRP scope of work. The HUD GRRP scope of work will involve very high energy efficiency improvements that will allow the project to receive Passive House (PHIUS+) ZERO OR ZERO REVIVE, or one of the other required Green Certifications that would be outside the Green Certification received with only the use of the 9% tax credits requirements.

A: No. OHFA does not consider competitive resources that have yet to be secured as financial commitments. According to 26 U.S.C. §42(m)(2)(B), Housing Credit Agencies like OHFA must evaluate the sources and uses, LIHTC benefits, project costs, and operating expenses at application to determine that the LIHTC request does not "…exceed the amount the housing credit agency determines is necessary for the financial feasibility of the project…" 26 U.S.C. §42(m)(2)(A) and 26 C.F.R. §1.42-17(a)(3)-(4). OHFA cannot make that determination based on the potential for future funding and therefore any requirements from a prospective funding source should also not be considered.

Per the most recent LIHTC Rental Underwriting Guidelines, OHFA will not accept documentation indicating an intent or invitation to apply for an upcoming competitive round. Only sources that are at least conditionally committed to the specific project will be accepted.

For commitments of developer-controlled resources such as deferred developer fee, sponsor loans, or general partner capital contributions, the total amount of deferred developer fee, sponsor loans, and general partner capital contributions cannot exceed 100% of the budgeted developer fee.

OHFA’s Multifamily Lending Program (MLP)

Q: What needs to be submitted with a project’s application if it is seeking funds from OHFA’s MLP?

A: Applicants seeking MLP funds must provide a term sheet from OHFA with the project’s conditional financial commitments at final application. The applicant must indicate its request on the MLP tab and the budget and costs tab of the project’s AHFA at proposal and final application. The assumed interest rate, term, and amortization included in the AHFA must conform with the most recently-published Multifamily Lending Program Guidelines at Proposal Application and Final Application.

811 Program – New Affordability – General Occupancy

Q: One of the Threshold Requirements under the Rent and Income Restrictions section includes requiring 10% or 15% of the total units (depending on the Discount to Market Rent calculation) to be set as Extremely Low Income (30% AMI or below). Additionally, one of the point categories is for 811 Program Participation, which requires tenants utilizing the 811 Program to be Extremely Low Income (at or below 30% AMI). Can these two items overlap? Meaning, if a project chooses to include 811 units for scoring purposes, can the 811 units be counted as part of the total % needed for the extremely affordable unit requirement?

A: No, the ELI units must be rent and income restricted at 30% AMI, whereas, the 811 PRA program units would be rent restricted at 50% AMI (the rental subsidy), but income restricted at 30% AMI. Thus, these two types of units do not overlap and will be shown separately within the AHFA.

Three-Bedroom Requirement – New Affordability – General Occupancy

Q: If an urban project has multiple buildings, can you have some buildings without 3-bedroom units? i.e., not an even distribution of 3 beds in every building…

A: Yes, the three-bedroom requirement of designating at least 10% of total units as three-bedroom units applies to the project, and not specific buildings within a project. The number and percentage of three-bedroom units will be confirmed in the AHFA.

Senior Pool Population – New Affordability – Seniors

Q: Can projects that compete in the Senior pool have some non-senior apartments? For example, if a project is 80% for 55+ and 20% unrestricted?

A: Yes, in accordance with 42 U.S.C. §3607(a)(2) and 24 C.F.R. §100.304 properties that are restricted to households with at least one person age 55 or above can receive a Housing for Older Persons exemption from the Federal Fair Housing Act so long as, among other requirements, at least 80% of the total units are restricted to households with at least one person age 55 or above. Projects that are restricted to households with at least one person age 62 or above must be solely occupied by persons 62 years of age or older.

Award Information

Q: Are 9% awards 100% based on the scoring system and tie breaker or does the agency have a say in which projects get awarded?

A: If a specific funding pool has one or more set asides, OHFA will first reserve resources for the highest-scoring project(s) in the subject funding pool that meet those set asides so long as the project secures at least 70% of the total competitive points. Then, OHFA will reserve resources for the highest-scoring projects in each funding pool until resources for the specific funding pool are exhausted. Please note, however, that the Agency also has established developer application limits as referenced on page 20 of the Guidelines and county reservation limits referenced on page 28 that may require deviations from the above-referenced process.

Additionally, the OHFA Board must approve all direct funding allocations such as HDL and HDAP reservations made through the 9% LIHTC application process.

Applicants submitting multiple proposals may provide a letter indicating their preferred rank. The ranking does not guarantee the highest ranked proposal(s) will be selected. If the applicant elects not to rank their proposals, OHFA will determine which will be awarded (if any).

Q: Is the scoring system similar to CA in the sense that in order to get awarded you have to score perfectly, and it comes down to tiebreaker? In other words, in the past few application rounds, did most projects applying score the full 40 points and the decision came down to the tie breaker score?

A: We are unable to speak to California's scoring system. Please visit our website to view past competitive scoring results here: https://ohiohome.org/ppd/funding.aspx. Please note that this is the first year of an updated two-year 9% LIHTC QAP and therefore past results may not be indicative of future outcomes.

Q: When do the applications get released after the deadline?

A: All application materials (pre-application, proposal application, and final application) are subject to the public records law and may be released and posted publicly. As noted on page 7, of the Guidelines, if a good faith basis exits for an exemption of Ohio public records law, the applicant must identify each and every occurrence and follow the instructions to make this notation, including placing the information on separate pages with the title "Exemptions of the Public Records Law."

As referenced on page 9 of the Guidelines, 2024 9% LIHTC reservations will be presented to OHFA Board at the May Board meeting. OHFA posts all project Proposal Summaries, which are brief synopses of each submitted project on our Pending Applications & Funded Projects page. Funding results will also be posted on the above-mentioned website.

Q: When do applicants get a preliminary indication of award? In other words, at what point will an applicant have some idea of whether our project will get awarded or not?

A: As referenced on page 9 of the Guidelines, results of the 2024 9% LIHTC reservations will be presented to OHFA Board, est. Wednesday, May 15, 2024.

Submission Requirements

Q: What does it take to apply for pre application, proposal application and full application? – Are any 3rd party reports necessary (i.e., RCS, market study, environmental survey, etc.) or is it just an application and a fee?

A: Yes, 3rd party reports are required for your application. For a list of our submission requirements and when they are due, please see Appendix A: Submission Requirements of the Guidelines located here: https://ohiohome.org/ppd/htc.aspx.

Q: Please provide clarification on item #8 in Appendix A of the QAP, titled Concerted Community Revitalization Plan (pg. 54). Specifically, can all projects except those claiming 6 points for "Project is located within a QCT and contributes to a revitalization plan” in the Areas of Opportunity and Revitalization competitive scoring category mark this item as Not Applicable?

A: Yes, projects that are not seeking points for “Project is located within a QCT and contributes to a revitalization plan” in the Areas of Opportunity and Revitalization competitive scoring category are not required to submit a concerted community revitalization plan and as a result can mark this item as Not Applicable.

Application Limits

Q: In previous years, including the 2023 OHFA 9% LIHTC Program, Competitive Application Limitations were included as a Programmatic Exception Request. For the 2024 QAP and Programmatic Exception Request Form, Competitive Application Limitations is not included. If a developer has received multiple 8609’s in other states over the past 10 years, but has not received an 8609 in the State of Ohio, do they still have the ability to request an exception to limitations on the number of submissions and awards for the 2024 9% Round?

A: No, this is not a viable/eligible programmatic exception request for the 2024-2025 9% LIHTC QAP. Application limits are outlined on p. 20 of the QAP.

Federal Historic Tax Credits

Q: What documentation is required for projects seeking Federal Historic Tax Credits (FHTC)?

A: Developers seeking FHTC for a project must submit the following items at proposal application:

1. A Historic Part 1 – Evaluation of Significance that has been approved by the State Historic Preservation Office (SHPO).
2. A conditional equity commitment letter from the syndicator with the proposed terms and conditions and a detailed equity installment schedule.
3. A Scope of Work, DCF, and applicable Design Exception Request(s) that are consistent with the Historic Part 1’s Description of Physical Appearance, outlining the project’s historic features.

If the developer cannot supply an approved Historic Part 1 (item 1) by the proposal application deadline, February 29, 2024, the developer must submit the following piece of evidence in lieu of item 1 with the proposal application:

- The Historic Part 1 application sent to SHPO that documents the eligibility of the project/building to receive FHTC along with confirmation that SHPO has received the application.

The developer is then required to send evidence that SHPO has approved the project’s Historic Part 1 to the project’s assigned analyst with the project’s response to OHFA’s Preliminary Competitive Score and Minimum Financial and Threshold Review by April 18, 2024. To meet this deadline, it is strongly recommended that the applicant submit a complete Historic Part 1 application to SHPO prior to February 5, 2024, to maximize the review period of the application.

If the property is deemed not eligible by SHPO or if OHFA does not receive the project’s approved Historic Part 1 by April 18, 2024, then OHFA will remove this project from consideration in the 2024 9% LIHTC round.

If the project receives a 9% LIHTC award and has an approved Historic Part 1, the developer must submit the following with the final application:

- An approved Historic Part 1 from National Park Service.
- A copy of the submitted Historic Part 2 application.

Total Development Costs

Q: With regards to the total development cost (TDC) limit, what is the definition of total development cost?

A: Total development cost is the sum of acquisition, predevelopment, site, hard construction, interim/finance, professional fees, compliance, and reserve costs. It includes the cost of all items that will be considered within the legal description incorporated as part of the Agency's LIHTC restrictive covenant. For a detailed list of these items, please refer to the Budget and Cost tab in our Affordable Housing Funding Application located here: https://ohiohome.org/ppd/resources.aspx

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Q: It looks like there is an underwriting exception request for the TDC limit – how does a project qualify for the exemption?

A: In accordance with page 21 of the Guidelines, an Underwriting Exception Request must be submitted at Proposal Application to exceed the Agency's cost containment standards. Exception requests are handled on a case-by-case basis. Typically, exception requests are granted if higher costs are justified by construction type (e.g., adaptive reuse) or if one of the two cost containment standards fails to be met, but can be explained (e.g., larger unit sizes or less common space). Exceptions to TDC limitations are subject to approval by the OHFA Board.

Commercial Income

Q: Page 4 of the Underwriting Guidelines concerning commercial income states the following:

Income from commercial space, including cellphone towers, will not count in the cash flow analysis toward meeting either Hard Debt Service Coverage Ratio (DSCR) or non-DSCR requirements.

Does this requirement apply to existing projects under our ownership that have long-term stable leases in place for the commercial space?

A: Yes, this requirement still applies as OHFA has never allowed any form of commercial income to be included to meet the DSCR requirements.

Zoning

Q: What zoning documents are required for preserved affordability/rehabilitation projects?

A: Applicants must submit a zoning certification letter as well as the zoning ordinance that provides evidence that the property conforms to existing zoning requirements or that the project is nonconforming existing and can or cannot be rebuilt upon a casualty loss.

Amenity Not Showing in QAP Interactive Maps

Q: If the QAP Interactive Maps do not account for an amenity that is within the required distance from a site, can we bring it up to OHFA for consideration?

A: In accordance with pages 33, 44 and 49 of the Guidelines, for any amenities not in the QAP Interactive Maps, the applicant must submit a separate map that shows the location of the development, the amenity being claimed for points, a description of how the amenity meets the definition, and proof that the amenity is currently in operation.

Proximity to Amenities

Q: Will OHFA allow a 500 ft buffer for amenity distances?

A: No buffers are written or permissible in the Guidelines. The maximum linear distance from amenities will be scaled based on the USR Index (Central City: 1 mile; Metro/Suburban: 2 miles; Rural: 5 miles).

Amenities Outside Ohio

Q: Assuming it can be evidenced (map, amenity, description, proof of operation), can we count an amenity that is outside of Ohio?

A: Yes, amenities outside Ohio may count for a development as long as it is within the maximum linear distance based on the USR Index and can be appropriately evidenced as outlined within the QAP.

Proximity to Amenities Scoring

Q: Could you please better define what you want in terms of "a description of how the amenity meets the definition"? For example, for a grocery store do we need to show photos of 5 types of meat? 8 types of fresh fruit? Photo of hours? Dairy and bread? Or if it is a Kroger (or other major chain), will OHFA just assume all those are true? Same question for Medical Clinic or Senior Center… the QAP has a specific amenity definition… do we need to prove a Medical Clinic is non-referral based? That a Senior Center has senior programming or all the items listed on page 40? Also it is unclear if we need to submit additional documentation for items that show up on OHFA's mapping tool… (page 33, 40 seems to indicate seems to indicate we need to have "additional documentation" for all amenities regardless of whether it shows up on the map or not.

A: Amenity definitions for New Affordability General Occupancy projects are provided on p. 33 of the QAP.

The interactive map is a resource, not a definitive source, and helps applicants quickly see if a potential development site is near a potential amenity. However, just because an amenity is on our map, it does not automatically count as meeting the definition in the QAP. OHFA will not assume an amenity such as Kroger meets our definition, you must provide evidence/documentation.

Thus, you must still demonstrate that the amenity on the OHFA map meets our definition, that the amenity is still in operation, as well as including a screenshot of the OHFA interactive map with the amenity and development site being shown.

For any amenity not on the map, you need to provide your own map that shows the distance between the amenity and development site, a description of how the amenity meets our definition, and proof that the amenity is currently in operation.

Q: How does one prove "the amenity is currently in operation"?

A: You are welcome to use google. For example, when looking at a nearby Kroger, this is what's provided online. This shows us that the business is currently open and the types of products that it provides to meet our definition. You would need to submit the below screenshots, plus a map of this amenity and its proximity to the development site to demonstrate that the amenity is currently in operation, meets our definition, and is in proximity to the development site. However, if this information is not available online, then yes, you would need to go inside the grocery store and provide evidence that it meets our definition of a grocery store as well as that it is currently in operation as well as provide a map to show that it is in proximity to the development site.

Kroger

4.0 ★★★★★ (887) · $$ · Grocery store

Website · Directions · Save · Call

Overview | Reviews

Large supermarket chain with deli & bakery departments, plus health & beauty products.

Service options: Has passport photo services · Offers same-day delivery · Has plastic bag recycling

Address: 1375 Chambers Rd, Columbus, OH 43212

Areas served: 43201 and nearby areas

Hours: Open · Closes 11 PM

Bakery: Open · Closes 8 PM · More hours

Confirmed by this business 7 weeks ago

Departments: Kroger Bakery · Kroger Deli · Kroger Floral Department · Kroger Fuel Center · Kroger Pharmacy

Phone: (614) 488-1116

Order: kroger.com, doordash.com, instacart.com Providers

From Kroger

"Kroger offers thousands of quality food and household products from your favorite brands and companies. From fresh produce, meats and seafood to dairy, home goods and pharmaceutical needs, Kroger is your one stop for savings."

Updates from Kroger

Senior Center – New Affordability – Seniors

Q: In regard to the proximity of a Senior Center to the site, if we were to contract a local Senior Center to perform regular programming at our facility, would we be able to use our own address when calculating distance (i.e., 0 miles)? We have a Senior Center 1.3 miles from our site (Central City site), and so it is just a tad outside of the required radius. However, they are willing to be contracted to perform on-site programming, if we would be able to utilize our relationship with them that way.

A: No. In accordance with page 40 of the Guidelines, a senior center must be a permanent location that is currently operational at time of proposal application and within the maximum linear distance based on the USR Index geography designation.

Building Amenities

Q: Must the building amenities be new to the unit and/or project? For example, if the units already have dishwashers, would we get the 2 points for installing new Energy Star dishwashers (assuming the PCNA agrees)?

A: Yes, if a Preserved Affordability project already has a scored building amenity, these points may be claimed so long as the subject building amenity meets the applicable Guideline definition.

Q: If the property provides free Wi-Fi in the community computer lab/area that is available to all residents at any time, does this qualify for the points?

A: No, to claim points for "Property-wide Wi-Fi at no cost to residents", the Wi-Fi needs to be accessible throughout the entire project (i.e., property wide), not just in the community computer lab.

Q: Reading the Wi-Fi provision… the QAP says, "The AHFA operating budget must include the annual cost of providing Wi-Fi throughout the project," This does not mean we need to pay for internet to be installed in each individual unit, but rather that Wi-Fi is made available throughout a building (similar to Wi-Fi being available in an office building? i.e. coverage throughout the building?) Correct?

A: Correct. The internet provider should provide details of how the system should be laid out based on layout and size of the building. Wi-fi needs to be available in the units, but that doesn't mean a hub/router needs to be in each unit, just that the signal provided by the router allows all units to connect to free wi-fi provided by the property.

Q: Points are available for property-wide Wi-Fi at no cost to residents. To demonstrate this amenity, the AHFA operating budget must include the annual cost of providing Wi-Fi throughout the project and the AHFA development budget must include the initial cost of equipment and installation. Costs are to be backed up by a quote from an internet provider. For properties with restricted cash flow from agency debt like Rural Development, would OHFA allow the 15-year annual operating cost to be set up as a capitalized development cost in the development budget instead of an ongoing operating expense? The 15-year capitalized cost would include the OHFA underwriting standard 3% escalation.

A: Yes, properties with restricted cash flow can set up the 15-year annual operating cost as a capitalized development cost in the development budget instead of an ongoing operating expense as long as the 15-year capitalized cost includes the OHFA underwriting standard 3% escalation.

Q: If the property has energy-star washer and dryer in the project's community laundry room, does this qualify for the points?

A: No, to claim points for "Energy Star-certified washer and dryer in all units", each unit must have an Energy-Star washer and dryer, not just the project's community laundry room.

Q: In a hypothetical 50-unit project, if a project can provide energy star washers and dryers in 40 of the units but because of space or architectural limitations cannot provide in 10 units… but they are able to provide energy star dishwashers in those 10 units… does the project still receive 2 points? In this case all 50 units would have either washer / dryer or dishwasher in each unit.

A: No, these are separate point categories. All units must have the specific amenity to receive points.

Q: Can the "Building Amenities" of an outdoor playground and indoor exercise room be provided at an adjacent property that is owned by the same developer and managing member and part of the same multi-phase development?

A: No, scored building amenities must be unique to the proposed project and should not include amenities from other nearby projects or phases.

Scattered-Site Projects

Q: If there is an urban scattered site project with multiple addresses that cross zip codes or census tracts, how will OHFA determine Discount to Market Rent and Opportunity Index scores? Will it be wherever the majority of units are located? Or an Average? Or some other method?

A: If a development has multiple sites and crosses scoring boundaries, regardless of whether it meets the definition of scattered site, the scoring category will be applied to the development area with <u>the most units</u>.

Q: Can scattered-site projects use the environmental questionnaire in lieu of a Phase 1 at proposal application?

A: No, a Phase I Environmental Site Assessment (ESA) is required for all sites and is due at proposal application.

Transformative Economic Development Set Aside

Q: What sites are considered "megaprojects" and will count towards the transformative economic development set aside?

A: At the time of the publication of the 2024-2025 9% LIHTC QAP, two sites meet the definition of being approved Megaprojects as designated by the Ohio Tax Credit Authority, with more than 2,000 permanent jobs committed to the project. The first approved site is the Honda plant located at 10601 OH-729, Jeffersonville, OH 43218, and the second approved site is the Intel site located at Clover Valley Rd, Johnstown, OH 43031.

To help identify these sites, the Office of Research and Analytics has added a Transformative Economic Development layer to the 2024-2025 9% LIHTC QAP Interactive Maps. This layer includes a 20-mile buffer around the central point of the combined parcels of each site, not on the edge of the parcels. When applying for this set aside, you must submit a screenshot of the QAP Interactive Map with the transformative economic development layer turned on to indicate that your proposed project is sited within 20 miles of one of the two approved megaprojects.

To be eligible for this set aside, the Proposal Application must also include a letter of support from the local jurisdiction in which the project is to be located.

2022 Additional Credits Penalty/Ramifications for 2024 Round

Q: How is the 2022 Additional Credits Policy penalty provision applied to 2024 projects?

A: Per the 2022 Additional Credits Policy, development team members that held a 20% or greater interest in the developer or general partner entities of a project that applied and received additional credits will be penalized by twice the amount of additional LIHTCs the project received. This penalty will be deducted from the entity's maximum annual LIHTC award amount, as determined during the 2024 pre-application. A list of these penalties by entity is provided below.

Entity	**Penalty from max annual LIHTC award**
CHN Housing Partners	$220,000
Columbus Housing Partnership, Inc. dba Homeport	$200,000
Community Housing Network, Inc.	$220,000
Emerald Development and Economic Network, Inc.	$220,000
Episcopal Retirement Services Affordable Living LLC	$220,000
Fairfield Homes, Inc.	$220,000
Famicos Foundation	$220,000
Frontier Community Services	$190,766
Frontline Development Group, LLC	$220,000
Lucas Housing Services Corporation	$220,000
National Church Residences	$386,000
Our Lady of Angels Apartments, Inc.	$180,000
Over-the-Rhine Community Housing	$220,000
Resident Resources Network, Inc.	$220,000
Salus-Joyce Development LLC	$180,000
Wallick Asset Management, LLC	$220,000
Woda Cooper Communities II, LLC	$440,000

Two factors need to be assessed to apply these penalties to the 2024 round: Application Limits and Maximum Annual LIHTC Requests, shown below.

Application Limits

	Maximum Application Submissions	Maximum Application Reservations
Development Teams meeting OHFA Experience and Capacity Requirements and successfully placed in service <u>at least four</u> LIHTC deals **in Ohio over the past 10 years** as of the date of the Proposal Application deadline indicated in the Program Calendar.	4	2
Development Teams meeting OHFA Experience and Capacity Requirements and successfully placed in service <u>at least one</u> LIHTC deals over the past 10 years in **Ohio over the past 10 years** as of the date of the Proposal Application indicated in the Program Calendar.	2	1
Development Teams meeting OHFA Experience and Capacity Requirements that have not successfully placed in service at least one LIHTC deal in Ohio over the past 10 years but have successfully placed in service <u>one</u> LIHTC deal in **another state over the past 10 years** as of the date of the Proposal Application deadline indicated in the Program Calendar.	1	1

Maximum LIHTC Requests

Applicants may request **no more** than the below amounts. No Exception Requests may be submitted to exceed such maximum requests.

Funding Pool/Subpool	Maximum Annual LIHTC Request	Total 10-Year LIHTC Request
New Affordability	$1,750,000	$17.5 million
Preserved Affordability	$1,500,000	$15.0 million
Service-Enriched Housing	$1,750,000	$17.5 million

If an entity is eligible to submit four applications and receive two award reservations, then its penalty is applied to the highest eligible maximum annual LIHTC award amount of two project reservations [$1.75M x 2] $3,500,000, regardless of the funding pool that these applications are submitted in. The entity's penalty is then deducted from this max annual LIHTC award amount of two reservations. So, if the entity has a penalty of $220,000, its max annual LIHTC request would then be [$3,500,000 - $220,000] $3,280,000, meaning the entity would not be able to request nor receive more than $3.28M in annual LIHTCs. How this penalty is applied to a project is at the sole discretion of the entity. The entity could distribute the penalty equally or to only one of the projects that receives a reservation. The annual LIHTC amount will be locked-in at the proposal application and cannot be modified by the entity after award reservations are announced. However, OHFA has the discretion to modify the requested annual LIHTC amounts to ensure that the entity's penalty is maintained.

If an entity is eligible to submit four applications and receive two reservations but is only awarded one reservation, then the penalty still applies as if two reservations were to be made by OHFA. Thus, depending on how the entity distributed the penalty across its applications, it could theoretically mean that the successful application/reservation can receive the max annual LIHTC request, as long as the unsuccessful project evidenced the penalty.

If an entity is eligible to submit four applications and receive two reservations but only submits one application, the penalty can be applied to the unsubmitted project as the entity has elected to only submit one application. This means that the submitted application can request the maximum annual LIHTC request.

If an entity can only submit two applications and receive one reservation, then the max annual LIHTC request for each application must reflect the entity's penalty.

If an entity can only submit one application and receive one reservation, then the max annual LIHTC request for the application must reflect the entity's penalty.

If two of the above entities are part of a development team, the penalties would not be combined and the maximum annual LIHTC request will be reduced by the entity with the highest penalty.