I. GENERAL PROGRAM INFORMATION

A. Introduction

The Housing Credit Program, also known as the Low-Income Housing Tax Credit 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 affordable 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 Housing Credit to facilitate the development of approximately 53,000 low-income rental housing units in Ohio.

The Internal Revenue Service (IRS) regulations for the Housing Credit 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 and state legislative requirements and/or Agency policy. The Agency reserves the right to make all necessary changes to the Plan.

The Plan is designed specifically for OHFA's Housing Credit Program and is not meant to describe guidelines for other State funding, including OHFA's Multifamily Bond Program and Affordable Housing Loan Program. Please see the guidelines established for these and other ODOD programs for further information on specific program requirements.

B. Description of the Housing Credit

The Housing Credit was created by Congress in 1986, replacing earlier federal tax incentives for the development of low-income rental housing.

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

The Housing Credit is received each year for 10 years - the period the taxpayer claims the Housing Credit on his/her 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 Housing Credit beginning either with the taxable year in which the building is placed in service, or in the following year at the owner's election (or the Agency's determination, if necessary). The allocated Housing Credit 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 Housing Credit period.

C. Program Priorities

The priorities of the Housing Credit program are a blend of state and federal priorities.

The ODOD evaluates housing needs of the state and identifies actions to alleviate these needs. The State's Consolidated Plan (ConPlan) contains information regarding some of the state's housing priorities. The

Agency also seeks input from its various housing advisory committees to assist in determining the state's housing needs. The Agency has used the State's evaluation of housing need to develop certain competitive criteria used in selecting Housing Credit 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 Housing Credit program in Ohio:

Income Targeting. A project qualifies for Housing Credit 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 the Department of Housing and Urban Development (HUD) annually. Incomes are adjusted by household size. OHFA has provided the income limitations by county (See Housing Credit Data Table A).

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

Rent Restriction on Units. 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 Housing Credit Data Table A).

In order to assure the units are rented at the specified level elected at application for competitive points, the Agency requires owners to file a Restrictive Covenant in the County Recorder's office where the project is located. The Restrictive Covenant details the restrictions on rent, as well as the term of affordability. Furthermore, in 1999 the Restrictive Covenant will also include restrictions on the income levels the project is targeting per the election the owner makes on the application for competitive points.

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 Rural Development 515 project, the utility allowance is obtained from the Rural Development 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, which is an additional 15 years. Project owners must enter into an extended low-income use agreement with the Agency.

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 Housing Credit awarded to a project is the minimum amount necessary for the project to be placed in service as affordable rental housing. The Agency will complete this designated task by thoroughly underwriting every project receiving Housing Credit.

D. Eligible Use of the Housing Credit

The Housing Credit 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 6 months or longer.

The costs to develop these low-income units become the building's eligible basis. The Housing Credit can be allocated on common areas as long as these facilities are provided to all tenants without additional fees or charges. It is important to note that units created solely for manager and/or security guard occupancy are considered common space. The Housing Credit is available for the following types of projects:

Acquisition/Substantial Rehabilitation. The Housing Credit is available for the acquisition and substantial rehabilitation of a building. The acquisition basis is allocated Housing Credit at the 4% Housing Credit rate. The substantial rehabilitation basis is allocated Housing Credit at the 9% Housing Credit rate. The property cannot have been placed in service within 10 years prior to acquisition. In addition, capital improvements on the building are not eligible cost items if within the previous 10 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, 10 % of the ownership may remain unchanged.

The Housing Credit 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. At a minimum, non-cosmetic improvements must total $3,000 per unit, or 10% of total project costs.

New Construction. The Housing Credit at the 9% Housing Credit rate is available for the eligible costs to construct a new building(s).

Housing Credit Rate. The applicable fraction multiplied by the eligible basis is the project’s qualified basis. The applicable Housing Credit percentage (commonly referred to as the 9% and 4% Housing Credit rate) is the percentage used to determine the annual Housing Credit amount by multiplying it by the total qualified basis. The Housing Credit rates fluctuate from month to month, and the IRS publishes the new rates monthly. The recipient of an allocation of Housing Credit may “lock-in” the Housing Credit rates at the date of the Binding Reservation Agreement with OHFA or at the date the project is placed into service.

Single Room Occupancy (SRO). SRO housing may qualify for Housing Credit even though cooking or sanitation facilities are provided on a shared basis rather than separately within each unit. In certain circumstances it may be possible to lease SRO units for less than a 6 month lease term without violating the non-transient use requirement of the IRC. Please consult with legal experts if pursuing this option.

Ineligible Costs. Certain project costs are not subject to inclusion into eligible basis upon which the Housing Credits are derived. These include:

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)
7. Any expense that cannot be depreciated with the building.

This list is not inclusive of all costs that may be ineligible for Housing Credits. Please refer to Section 42 of the IRC for more information or consult a Housing Credit tax advisor.

The Housing Credit 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. Factory-made housing which is permanently fixed to real property may qualify for the Housing Credit. Congregate care facilities may be eligible if the "additional supportive services" are provided to the tenant as a voluntary option and the tenant is not charged mandatory fees for those services. Please refer to Section 42 of the IRC for more information.

II. ALLOCATION PROCESS

A. Instructions

The applicant must submit their application for 1999 Housing Credits to the Housing Credit Program, OHFA, 77 South High Street, 26th Floor, Columbus, Ohio 43215-6108. The application must be received no later than 5 p.m. by the date listed in the program calendar for the particular application round being applied for. Applicants must use the 1999 ODOD Affordable Housing Funding Application (AHFA) and submit the appropriate application fee. The AHFA may be completed by typewriter or electronically via Microsoft Excel. This submission should include the actual application and any attachments required by the Agency to ensure proper processing of the application.

The Agency has scheduled two application rounds for 1999 in which 75% of the total population credit will be reserved in the first round and 25% of the population credit will be reserved in the second round**.** ***The Agency reserves the right to modify the amount of credit offered per allocation round***. In addition, the projects which do not receive a reservation in the second round will be eligible to continue on a waiting list, in which remaining credits will be reserved to those projects which have the higher competitive score and are able to meet carryover requirements by the appropriate deadline***. If federal legislation increases the 1999 per capita credit, then OHFA reserves the right to determine the appropriate use of the additional credit at a later date.***

The application round will incorporate three review phases: threshold, competitive, and underwrite. Threshold review is an evaluation of an applicant's ability to meet certain minimum requirements set forth in the Allocation Plan. The Agency will allow applicants to remedy threshold deficiencies after an initial review. Competitive review is the scoring of applicants through criteria which was developed to reflect Congressional mandates and state housing policy as well as input from interested parties. These project scores serve as the basis of the Agency's funding determination. Finally, underwrite review is undertaken by the Agency to determine financial feasibility and the amount of Housing Credit necessary for the development to proceed. ***Refer to the Administrative Guidelines for a more specific explanation of the administration of these phases. The Agency's User Manual provides specific instructions and evidentiary requirements for threshold and competitive review. Please refer to the User Manual for more specific explanation of OHFA's requirements to secure points and meet threshold requirements.***

A project which has returned a Housing Credit allocation from a previous year due to the inability to proceed resulting from local government action which has been determined through the judicial system to be inappropriate may seek an allocation of credit in the current year. In order to qualify to apply for this relief, the project must meet the following requirements:

- The project must have received an allocation of competitive Housing Credits from OHFA in a previous year.
- The owner of the allocation must have returned the Housing Credits to OHFA prior to the required placed in service date.
- The underlying reason for the return of the credit allocation must relate to action or inaction of the local government approval process to allow for plan approval or building permit issuance.
- The owner of the project must obtain either a final judicial determination that local action or inaction is inappropriate or a settlement or consent of all parties to an appealable judicial action that no appeal will be taken from a judicial decree that determines the local activity is inappropriate. As a result of this

judicial decree or settlement, the owner of the project must demonstrate that the project can now proceed. The determination of these requirements will be made by OHFA legal counsel and/or the Ohio Attorney General's office.
- The project will complete a current year application and request OHFA board consideration to obtain a current year Housing Credit allocation.
- OHFA staff will evaluate the project based on current year criteria although waivers from current year requirements may be requested and considered. It is OHFA's expectation that comparable competitive commitments will be made. It is expected that any monetary damages received which are related to the project, less direct costs of litigation apportioned between damages that are related and unrelated to the project will be pledged to the project.

Qualifying requests will be summarized and presented to OHFA multifamily subcommittee and board for consideration and approval. OHFA has no affirmative obligation to grant approval to any project seeking relief.

B. Calendar

<u>January</u>

4 QAP Ready for Distribution

1999 Program Trainings

<u>March</u>

1 Round 1 Application Deadline

19 Agency Notification of LGN Deficiencies

29 Applicant Response Deadline for LGN Corrections

<u>April</u>

30 Agency Notification of Threshold Deficiencies

<u>May</u>

10 Applicant Response Deadline for Threshold Corrections

<u>June</u>

4 Round 1 Reservations Issued

<u>July</u>

9 Agency Notification of LGN Deficiencies

19 Applicant Response Deadline for LGN Corrections

<u>August</u>

6 Agency Notification of Threshold Deficiencies

16 Applicant Response Deadline for Threshold Corrections

<u>September</u>

7 Round 2 Reservations Issued

14 Deadline for Round 2 Appeals

21 Round 2 Appeal Responses Issued

21 Round 2 Reservation Agreements Due

<u>October</u>

18 Round 1 Carryover Deadline

<u>November</u>

11	Deadline for Round 1 Appeals	8	Round 1 Carryover Documents Mailed
18	Round 1 Appeal Responses Issued	15	Round 2 Carryover Deadline
18	Round 1 Reservation Agreements Due	**December**	
28	Round 2 Application Deadline	6	Round 2 Carryover Documents Mailed
		20	Carryover Documents Returned to Agency

C. Threshold Review

The Agency has established the following threshold criteria that must be met in order to qualify for the competitive review stage. In addition, all projects with tax-exempt bond financing must meet all threshold requirements to receive a reservation of tax credits. Threshold review is a basic review of the application to determine if it is complete, all necessary forms, supporting evidence, and fees are included, and the project meets minimum program requirements.

The Agency will complete threshold reviews of applications and give the applicants the opportunity to correct deficiencies in their applications. *Please refer to the calendar on the preceding page on timelines for deficiency correction.*

Please refer to the AHFA User Manual and Administrative Guidelines to determine what evidencing requirements need to be met to comply with the threshold criteria.

Threshold Review Criteria:

1. Meets Section 42 Requirements
2. Complete, Organized Application
3. Application Fee
4. Project Narrative
5. Extended Use Term
6. Site Control
7. Market Study
8. Zoning
9. Public Notification
10. Affirmative Marketing Plan
11. Conditional Financing Commitments
12. Preliminary Plans & Specifications
13. Maximum Credit Cap
14. Unit Cost Cap
15. Utility Allowance Information
16. Good Standing in OHFA Programs
17. Adherence to Agency Underwriting Standards
18. Site Location & Pictures
19. Tax Clearance Form
20. Consistency with HDAP Funding

21. Minimum Project Standards

1. Meets Section 42 Requirements

The project must meet all the requirements set forth in Section 42 of the IRC of 1986, as amended and all relevant U.S. Department of the Treasury regulations, notices, and rulings.

2. Complete, Organized Application

Applications must be submitted in a three-ring binder utilizing the index provided with the application and appropriate tabbing. Applications must be complete and consistent with all supporting documentation. Any applications that are incomplete, inconsistent, and/or illegible, will be rejected.

3. Application Fee

The appropriate processing fee must accompany each application. If a check is returned for insufficient funds, the application will be immediately rejected. The amount of the application fee is dependent on the number of units in the project (including market rate units) and is scaled as follows:

Projects 25 units or less:	$ 500
Projects 26-50 units:	$ 750
Projects 51-75 units:	$1000
Projects 76+ units:	$1250

Application fees are waived for projects locating in Enterprise Zones**.** Projects with threshold deficiencies will be charged a re-submission fee.

4. Project Narrative

The applicant must submit a project narrative that utilizes specific sections of the Housing Development Assistance Program (HDAP) narratives. If the applicant is seeking HDAP funding in addition to Housing Credits, complete the HDAP narratives located in Section F of the AHFA. If a Housing Credit applicant is <u>not</u> seeking HDAP funding, complete the narrative located in Section E of the AHFA.

The following sections of the HDAP narrative are modified as follows and included in Section E of the AHFA:

1.1 Briefly describe the project and its location(s), project design, target population, development team members, financing, and project timeline.

2.1 Briefly describe the history of each organization with an ownership interest in the project, including accomplishments with respect to past projects; programs and services provided to the community or neighborhood served, particularly those activities related to housing; the service area of the organization; and objectives for the future.

2.2 Describe how each organization will be involved in the project with respect to specific areas of responsibility, and how each organization will function as part of the development team, including the roles of the other members of the development team. Identify specifically what staff members will be involved in the project and their roles. Please submit resumes for involved staff and development team members. Explain how this project will effect staff capacity, and, if staff capacity is lacking, explain how the organization will expand staff capacity.

2.3 Explain how each organization is involved in managing the project after it is completed, including staff assigned to this function, and how much of their time will be dedicated to this purpose.

3.1 Discuss any pre-development funding that is being provided to the project, including whether funds are in the form of a loan or a grant, and the expenses and activities covered by the pre-development funding.

3.2 Discuss the financial structure of the project, including how funds will flow into the project, and the terms of grants or loans, including collateral positions and security arrangements of the various funding sources.

3.3 Describe the provisions made for project reserves, including operating reserve, replacement reserve, lease-up reserve, and any lender reserve, and provide the assumptions used to estimate the reserve needs.

3.4 Describe how the developer fee will be distributed. If the ownership structure contains multiple general partners, explain how the developer fee will be divided between the partners. Identify any portion of the fee that is pledged to cover any anticipated project costs and for how long.

3.5 Describe any specific line items in the operating proforma that may need further explanation.

3.6 If the ownership and/or financial structure is anticipated to change during the life of the project, please explain in detail when and how this will occur. For example, the exercising of a lease purchase option, withdrawal of a general partner, or acquisition of the project by a non-profit organization.

4.1 Describe the neighborhood that the proposed project will serve, including demographics and other relevant socio-economic characteristics.

4.2 Describe the existing market conditions that make this project a high priority for the area and the market information that supports the need for the project.

5. Extended Use

All projects must commit to an extended use term of a minimum of 30 years of affordability. Projects with tax-exempt bond financing must commit to an extended use term of the greater of 30 years or the outstanding term of the bonds. The owner must file a Restrictive Covenant (provided by the Agency) to waive the right to petition the Agency to terminate the extended use term as described in Section 42 of the Internal Revenue Code.

6. Evidence of Site Control

Both the buyer and seller must evidence site control. The following may properly evidence site control.

1. Executed and recorded deed of current owner must be included;
2. Executed purchase option with date certain performance;
3. Executed purchase contract;
4. Executed land contract; or
5. Executed long-term land lease or option on a long-term lease.

The items listed above are the minimum required to meet the Agency's threshold requirements. Additional information may be needed such as plat maps, title abstract, legal opinion or other information or narrative if necessary to assist the Agency in determining site control. The Agency must be able to determine that the applicant has proper site control based on the information submitted in the application.

Each of the site options/contracts, as applicable, must not expire before 120 days following the submission of the application. There are two exceptions to the site control requirements listed above:

1. For scattered site projects with 10 or more sites, the Agency will require that at least 25% of the sites be under control at the time of application. A site is defined as a parcel with an assigned permanent parcel number as it exists at application. For scattered site projects that contain a mix of rehabilitated and newly constructed units, the sites under control must reflect the proportion of rehab units to new construction units. The Agency reserves the right to downsize a project at carryover if the site control percentage at application is not maintained at carryover. A scattered site project is one in which no more than 50% of the sites are contiguous.

2. For single-site properties that are currently in default to a 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 that seeks this avenue of site control.

7. Market Study

A market study conducted by an independent / third party market study professional must be submitted with the application. Projects with 10 or fewer units and rehabilitation only projects that will be 100% occupied during the work are exempted from this criterion. Occupied rehabs with qualifying tenants are exempt from the market study requirement, however, the applicant must include a statement accompanying the application certifying that the project is currently occupied by qualifying tenants, and that no anticipated displacement will occur. If displacement occurs, a relocation plan must be submitted. For projects seeking the market study exemption and also seeking special needs points, projects must document and evidence that the special needs set-aside requirements are met through existing residency.

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 1.) A concise conclusion by the author; 2.) The appropriate vacancy rate for the proposed project; 3.) The assumptions and methods used by the author including data sources; and 4.) 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 identify that market and specifically 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 department, schools), infrastructure and community services (shopping, recreation, transportation, medical and services for special needs if applicable). A description and evaluation of employment in the market area.

- ♦ A description and map of the market area including the supply (current and potential including other Housing Credit projects) and the condition of the housing stock.

- ♦ A description of the competition from other federally subsidized developments as well as proposed Housing Credit projects not yet placed in service. The Housing Credit 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 Housing Credit projects not yet placed in service.

- ♦ A description of the impact the proposed Housing Credit project will have on existing tax credit projects and other subsidized housing. The Agency may require additional market study analysis and/or reject a project if it unfairly impacts other tax credit or subsidized housing.

- ♦ Provide a vacancy rate for the market and explain any weaknesses in the market. Evaluate how and why the project can achieve its' projected vacancy rate. Existing vacancies of 6% or above may require additional market analysis at the Agency's discretion. Projects proposing a vacancy rate of 6% or higher may be required to perform additional market analysis.

- ♦ 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 Housing Credit program.

- ♦ The study must have been completed or updated by the author no later than 1 year prior to the application for Housing Credit.

- ♦ The project assumptions used in the study must match the project assumptions used in the Housing Credit application. For example, the number of units in the project must be the same in the market study and in the Housing Credit application. If the vacancy rate assumption used differs from the application, provide an explanation and rationale.

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

The characteristics listed above are the minimum required to meet the Agency's threshold requirements. Additional information appropriate to the market area and the project must be submitted to demonstrate the need for the proposed housing project. In addition, certain information may need to be contained in the market study to support the award of competitive points (see Competitive Review).

8. Zoning

The applicant must demonstrate that the zoning for each site on which the project will be located allows for the use(s) proposed by the applicant. Thus, at a minimum, the zoning designation for each site must allow residential use. Applicants must include the section of the local zoning map that clearly displays the project site location and the date of the map. In addition, a letter from the local jurisdiction must be submitted to confirm the zoning, and must include the following:

a. The actual zoning designation and a description of this designation; and

b. Any density and/or lot coverage requirements; and

c. If a conditionally permitted use, explanation of the conditions to be met for the project to considered a permitted use; and

d. A description of any overlay or planned development district regulations that would further condition the development of the project.

For jurisdictions with no zoning regulations in effect, a letter from the jurisdiction so stating is required.

9. Public Notification

The applicant must notify, in writing, certain officials from

a. The political jurisdiction(s) in which the project will be located; *and*
b. Any political jurisdiction(s) whose boundaries are located within one-half mile of the project's location.

The applicant must use the letter template provided in Attachment G of the 1999 QAP. The notification must state the applicant's intent to develop a project using OHFA funding. The notification must be in writing and sent via certified mail, return receipt requested, and **dated no later than 2 weeks prior to the submission deadline date** for Housing Credits. Please provide a copy of the receipt for certified mail and copies of your notification letters with your application. The letter must include:

a. The project's address;
b. The number of units;
c. The nature of the project;
d. All OHFA programs utilized in the project;
e. A statement regarding the recipient's right to submit comments;
f. The address of OHFA and to whom comments should be sent; and
g. The recipient's rights and procedures to express disapproval or objection.

The officials to be notified include:

a. Highest elected executive local political official and members of the elected legislative body;
b. Members of the board of township trustees;
c. Members of the board of county commissioners;
d. State representative; and
e. State senator.

Scattered site projects must complete the public notification process for sites under control at application and for remaining sites no later than 45 days prior to their Carryover deadline. The notification must be evidenced at Carryover. Applicants must use the notification letter template located in Attachment G of the 1999 QAP and the AHFA User Manual for more information.

10. Affirmative Marketing Plan

The applicant must complete ODOD Form AFHM-98 -- Affirmative Fair Housing Marketing Plan. The applicant must include on the form a description of the outreach, marketing, and advertising methods used in order to affirmatively market the project.

11. Conditional Financial Commitments

All non-ODOD construction and permanent financing, grants, and equity sources shall be conditionally committed at the 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 applicants seeking funding from a local government, Federal Home Loan Bank, or other public or quasi-public funding source that does not issue a funding decision prior to the Housing Credit application deadline must substitute a letter of application or letter of intent from the funding source. 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 Housing Credit equity - net and gross, b) The pay-in schedule for the equity, c) The cents per Housing Credit dollar factor used, and, d) Amount of historic equity (if any). The conditional commitment letters shall be consistent with the information provided on the Housing Credit application. 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 Housing Credit rate.

The Agency reserves the right to verify these commitments and to require a legal opinion stating that the project's financing should or should not affect the project's eligible basis and/or credit rate.

Applicants who have been denied requested ODOD loans and/or grants may be required to submit conditional funding commitments that will match the funding sought from ODOD. Failure to provide these conditional commitments may result in the rejection of the application or revocation of the project's reservation.

12. Preliminary Plans and Specifications

The applicant must submit preliminary plans and specifications that provide a description of the proposed development. All projects should submit the following:

1. Typical unit plan including square footage if seeking points for unit size in competitive review; and

2. Building elevation (photographs are acceptable for rehabilitation projects); and

3. Site plan (scattered site projects exempted); *and*

4. Detailed scope of work (rehabilitation projects only).

13. Maximum Credit Cap

The Agency restricts any user to $1,000,000 in annual Housing Credits. "Users" to which the credit cap applies are projects, actual general partners, and parent organizations of general partner entities. The Agency reserves the right to determine to which entities the maximum credit cap may apply. ***The annual credit total will be applied equally to the general partners, regardless of ownership interest; thus, a 51% general partner will have the entire project credit total applied toward its cap, rather than 51% of the credit total.***

14. Unit Cost Cap

The total development cost (total project cost minus cost of land) per unit must not exceed the HUD 221 (d)(3) mortgage limits by bedroom size. Projects receiving historic rehabilitation tax credits will be allowed to deduct the residential portion of the historic tax credit from the project cost to allow for stricter rehabilitation standards. The Agency may, on a case-by-case basis, allow a project receiving historic rehabilitation tax credits to exceed the 221(d)(3) limits. Historic rehabilitation basis will be limited to the 221(d)(3) limits. The Agency reserves the right to reduce basis at Carryover and 8609 to compensate for increased costs.

15. Utility Allowance Information

Utility allowance information provided must be consistent with Section 42 of the IRC.

16. Good Standing with OHFA programs

If any controlling or managing owner (LLC or proprietorship), or general partner (partnership) was involved with a project which is in a state of uncured noncompliance due to site audits or the failure to comply with owner reporting requirements during the period of January 1, 1998**,** through December 31, 1998 or remains in a state of noncompliance from a previous year, the project will be immediately rejected. In addition, owners not in compliance or not in good standing with other OHFA programs will be subject to threshold rejection of their applications.

17. Adherence to Agency Underwriting Standards

The Agency has certain underwriting standards that must be met or exceeded to pass threshold review. In addition, the Agency may require a legal opinion stating that any government sources utilized by the project will or will not affect the eligible basis and/or credit rate as a condition of the Housing Credit reservation. The project must comply with the following underwriting standards:

1. Developer's fee and overhead, and any consultant fees may not exceed 15% of total eligible basis. In addition, for acquisition and substantial rehabilitation projects, the developer's fee cannot exceed the sum of 5% of the acquisition eligible basis and 15% of the substantial rehabilitation eligible basis.

2. Contractor's profit, overhead, and general requirements may not exceed 14% of total eligible basis.

3. Total eligible soft costs may not exceed 35% of total eligible basis.

4. The project's permanent financing and total project costs must equate at the time of application. After the Agency's initial underwrite, any financial shortfalls cannot exceed 10% of total project costs.

18. Site Location and Pictures

Applicants must include a clear map identifying the exact location of the project site. In addition, color photographs of each site location must be included with the application. Please include pictures of the area surrounding the project.

19. Tax Clearance Form

Provide a copy of the IRS completed tax clearance form. The form is available in the AHFA. The form must be submitted to IRS no later than 30 days prior to the round application submission deadline. The form indicates the current taxpaying status of the project's owners (partnership, LLC or proprietorship). The owners must be in good standing with the IRS or the project will be rejected. Please note that in anticipation of a Memorandum of Understanding (MOU) between OHFA and the IRS, any inaccurate, false, or fraudulent representation to OHFA on the application may cause the owner (partnership, LLC or proprietorship) to be banned from the Housing Credit program for up to five years.

20. Consistency with HDAP funding

The project must meet the funding requirements for the Housing Development Assistant Program (HDAP) including:

- Acknowledgement of uniform relocation act requirements
- Acknowledgement of lead based paint requirements
- Minimum 40% of the units occupied by and affordable to households at or below 50% AMGI and cannot exceed the HUD low HOME rent for the county where the project will be located. If the project is in a non-participating jurisdiction, the project must commit a minimum of 35% of the project to occupancy and affordability at 50% AMGI with rents at the HUD low HOME rent.
- Acknowledgement of environmental review and historic preservation review requirements

21. Minimum Project Standards

In addition to meeting all new construction and rehabilitation standards required within Section 42, local and state building codes, each unit must provide a refrigerator and stove in good working order.

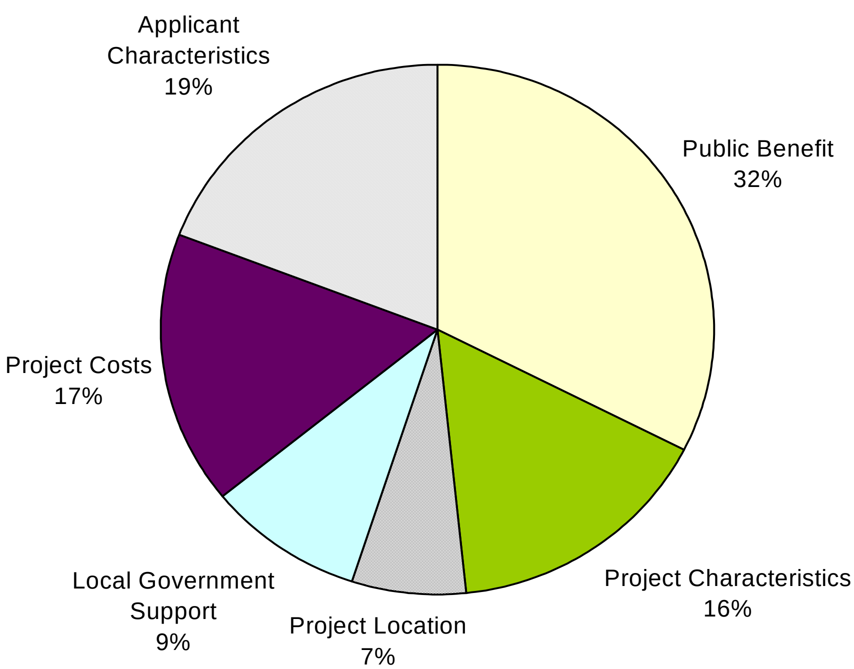
D. Competitive Review

The Agency has developed an allocation scoring system based on the identified housing needs for Ohio as well as federal mandates for the Housing Credit Program. Points are awarded based on the criteria illustrated below, and reflect a scale of 890 points. For projects that partially qualify for points in certain categories, points will be prorated accordingly only if a majority of the project will qualify for these points. Please refer to the AHFA User Manual for discussion on documentation standards and further explanation of the Agency's policy on point qualification.

Ohio is a diverse state incorporating urban, suburban, small cities and rural areas. Due to Ohio's diversity and the goal of equitable distribution of the credit, the population credit will be divided to accommodate minimum amounts of credit distributed throughout Ohio. Fifty percent (50%) of the population credit will be placed in a general pool, and 50% of the population credit will be divided between three different geographic categories as shown in Attachment H of the QAP. Applications will be reviewed in both the general pool and geographic pools. Please see the Administrative Guidelines for more information about the administration of the Housing Credit program and geographic pool.

OHFA reserves the right to limit the amount of credit in the geographic pool if project scores in any pool are not determined competitive by OHFA. OHFA may utilize funds from the general pool to fully fund projects that qualify for partial funding from the geographic pool. In addition, projects competing in pools are not subject to geographic preference competitive criteria.

1999 Competitive Point Distribution



I. Public Benefit

a. Project Rents--200 Point Maximum

Preference will be given to projects whose rent structure will be affordable to households below 60% of AMGI (defined by HUD), adjusted for family size. Ten points will be given for each 1% below 60% AMGI, down to 40% AMGI. The applicant may choose up to three rent elections, upon which the rent average will be derived. Projects located in counties with AMGI levels below the county(s) with the highest state AMGI will receive points toward the maximum rent score (see table on income adjustment points). The sum of the points for the rent structure and the income adjustment points applicable to the project location will determine the total points in this category, but in no case will points total more than 200.

b. Mixed-Income Projects - 40 Point Maximum

Preference will be given to projects that consist of market rate and affordable rental housing units. Points will be awarded based on the ratio of market rate units to total project units, according to the following scale:

20.0%-29.9% Market Rate	10 Points
30.0%-39.9% Market Rate	20 Points
40.0%-49.9% Market Rate	30 Points
50.0%-60.0% Market Rate	40 Points

c. Special Needs Populations--40 Point Maximum

Preference will be given to projects that serve special needs populations. Service coordinators and supportive service plans containing specified services are required for all special needs populations. Unit set-asides are required for all special needs populations. Exceptions to set-aside requirements may be considered on a case-by-case basis if set-aside requirement is inconsistent with other federal programs.

Special Needs Populations:

Persons with a mobility or sensory impairment	40 points
Persons with a developmental disability	40 points
Persons with a mental illness	40 points
Persons/households that are extremely low-income 35% AMGI or below)	40 points
Single-parent families	40 points
Persons who are elderly (62 years and older)	40 points

Please see the AHFA User Manual for specific requirements.

d. Public Housing Authority Waiting List Referral--10 Point Maximum

Preference will be given to projects which 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.

II. Project Characteristics

a. Creation of Affordable Housing--30 Point Maximum

Preference will be given to projects which create decent, safe, and sanitary affordable housing units, through new construction, adaptive reuse, and/or for substantial rehabilitation (rehabilitation hard costs that exceed 50% of total project costs minus costs of land). For projects acquiring the building through a long-term lease, acquisition costs will be imputed using the Net Present Value of the lease payments discounted at the rate of 8% over the term of the lease. For buildings with multiple uses (commercial and residential), adaptive reuse points will be awarded if at least 50% of the total floor space of the building was non-residential in its most previous use.

b. At-risk Housing--30 Point Maximum

Preference will be given to projects that maintain affordability of housing units that currently possess Section 8 Housing Assistance Payment Program or Rural Development Section 515 contracts that are due to expire by 2001. RD projects must provide a letter from USDA's multifamily office detailing the terms of the contract and how much subsidy remains. All projects seeking these points must provide a market study following OHFA's threshold guidelines. The market study must also assess the current marketability of the project in its current condition without subsidy and provide the market rents in the locale. Projects seeking points in this category are not eligible for HUD portfolio reengineering or HOPE VI program participation points.

c. Participation in HUD Portfolio Reengineering or HOPE VI program(s) -- 30 Point Maximum

Points will be awarded to projects that participate in HUD's Portfolio Reengineering program**,** or have a HOPE VI grant agreement. Projects must document approval from HUD regarding the portfolio reengineering financial restructuring utilizing tax credits by providing a letter of eligibility from HUD and be assigned a Participating Administrative Entity (PAE). All projects seeking these points must provide a market study following OHFA's threshold guidelines. The market study must also assess the current marketability of the project in its current condition without subsidy and provide the market rents in the locale. Projects must also provide a proforma with and without HAP Section 8 subsidies. Projects seeking points in this category are not eligible for at-risk housing points.

d. Unit Size -- 20 Point Maximum

Preference will be given to projects whose low-income units exceed certain standards for square footage. Points will be awarded based on the following scale:

Efficiency/SRO Units:	Exceed 500 S.F.
1-Bedroom Units:	Exceed 650 S.F.
2-Bedroom Units:	Exceed 850 S.F.
3-Bedroom Units:	Exceed 1000 S.F.
4-Bedroom Units:	Exceed 1150 S.F.

Points will be calculated for mixed-bedroom projects as the number of low-income units (which exceed the above standards) divided by total low-income units. This percentage will then be multiplied by 20 to award the points in this category.

e. Preservation of Historic Buildings-- 40 Point Maximum

Preference will be given to projects that evidence use of historic rehabilitation tax credits. Projects are eligible to receive points if the building(s) is individually listed in the National

Register of Historic Places. If the building(s) is not individually listed in the National Register then the project applicant must have submitted a Part 1 application ("Evaluation of Significance") and received a recommendation for approval by the Ohio Historic Preservation Office. Project applicants must submit their complete Part 1 application to the Ohio Historic Preservation Office no later than 30 days prior to the round application submission deadline.

f. Lease Purchase of Units--20 Point Maximum

Preference will be given to projects that offer homeownership opportunities to qualified tenants after the initial 15 year compliance period. Applicants must have a viable homeownership strategy for tenants who inhabit the units during the compliance period. The strategy must incorporate an exit strategy, homeownership counseling, and a minimum amount of funds set-aside by the owner for the tenant to assist in the purchase. The units eligible for these points are single family detached structures. Points are available according to the following scale:

100% lease purchase:	20 points
75% to 99% lease purchase:	15 points
50% to 74% lease purchase:	10 points

Scattered site projects will be evaluated based on sites under control at application. The percentage of lease purchase units at application must be maintained at Carryover and 8609. As with site control, projects may be required to reduce overall sites subsequent to application to maintain consistency with their initial lease purchase commitment.

III. Project Location

a. Location in a Qualified Census Tract or a Low-income County-- 40 Point Maximum

Preference will be given to projects that are located in qualified census tracts (as defined by HUD) that qualify for the 130% basis adjustment. Scattered site projects will be evaluated based on the sites controlled at application. Projects must provide evidence that the local government supports the development of the project in the Qualified Census Tract.

Points are also available to projects located in a low-income county, defined as counties whose median incomes are below 80% (HUD definition of low-income) of the state's non-metropolitan area median income. Those counties that qualify under this category are as follows:

Adams	Jackson	Monroe	Perry	Scioto
Harrison	Meigs	Morgan	Pike	Vinton

Points in this category will be given either for location in a qualified census tract OR low-income county.

b. Relief to Emergency-Declared Counties--20 Point Maximum

Preference will be given to projects that locate in counties that have been declared federal disaster areas in 1997. Those counties under the emergency declaration are:

Adams	Clermont	Highland	Lawrence	Morgan	Scioto
Athens	Gallia	Hocking	Meigs	Pike	Vinton
Brown	Hamilton	Jackson	Monroe	Ross	Washington

1998 counties include:

Belmont	Coshocton	Franklin	Guernsey	Harrison	Holmes
Jefferson	Knox	Morrow	Muskingum	Noble	Ottawa
Perry	Pickaway	Richland	Sandusky	Tuscarawas	

In addition, the Agency reserves the right to award points to counties that are declared federal disaster areas in 1999.

IV. Local Government Support

a. Letters of Local Government Support--40 Point Maximum-

Preference will be given to applicants who have obtained local government support for the proposed project through an affirmative letter by the highest elected official of most local jurisdiction in which the project is located. Letter must state specific support for the project or points will not be awarded.

b. Letters of Other Local Support-- 20 Point Maximum

Preference will be given to applicants who have obtained the support of third party local community groups such as housing agencies or local agencies that serve the population that will reside in the project, or other elected officials with governing responsibility for the jurisdiction. The Agency reserves the right to determine relevance of the organization to the project and community. Letter must state specific support for the project or points will not be awarded.

c. Conformity with Local Consolidated Plan/Comprehensive Housing Improvement Strategy -- 20 Point Maximum

Preference will be given to applicants who have demonstrated that their project meets community housing needs through the local Consolidated Plan or Comprehensive Housing Improvement Strategy (CHIS). Applicants will be required to secure approval from the local agency that administers the Consolidated Plan or CHIS to be awarded points. It is the responsibility of the applicant to determine which plan applies. If no local Consolidated Plan or CHIS exists in the community in which the project is located, an applicant can receive points in this category if the project conforms to the state Consolidated Plan and secure approval by the certifying official of the jurisdiction. Please see attached table for a listing of cities and counties with a CHIS.

V. Project Costs

a. Developer Fees and Overhead--80 Point Maximum

Preference will be given to projects whose developer's fees and overhead are below the maximum threshold figure of 15%. Developer's fees and overhead includes any fees paid to consultants, and is computed as a percentage of total eligible basis. Ten points will be awarded for each 1% below 15.0%, up to a maximum of 80 points.

b. Combined Contractor Profit, Overhead and General Requirements Fee Percentage--70 Point Maximum

Preference will be given to projects whose contractor profit, overhead, and general requirements are below the maximum threshold figure of 14%. This combined percentage is calculated as the percentage of total eligible basis. Ten points will be awarded for each 1% below 14.0%, up to a maximum of 70 points.

VI. Applicant Characteristics

a. Ability to Proceed--60 Point Maximum

Preference will be given to applicants who have demonstrated that the project has completed certain steps in the development process. Applicants can receive points for the following development steps:

Submission of ***complete*** early carryover submission:	60 Points
Site ownership:	15 Points
Completion of Phase 1 Environmental Review:	15 Points
Completion of Lead-Based Paint Review (Rehabilitation with no Phase I):	5 Points
Completion of Asbestos Review (Rehabilitation with no Phase I):	5 Points

Site ownership points will not be awarded to those projects that are engaging in long-term leases, unless the lessor is the general partner.

b. Controlling General Partner Affordable Housing Funding Experience--20 Point Maximum

Preference will be given to projects whose owner has had previous experience in securing public funds for the development of affordable housing. Points will be prorated based on percentage of ownership. The minimum ownership share to be considered for points is 25%. In addition, to be eligible for points, the ownership must be maintained for 10 years. Each general partner must be a material participant in the proposed project as well as a material participant in the projects submitted for point consideration. Experience from other states may be included. Local Community Housing Improvement Program (CHIP) administrators such as local governments or Community Action Agencies administering the CHIP program on behalf of the local government may also qualify for experience points. Points are based on years of experience as well as a minimum number of units:

1-5 Years:	40 units:	10 Points
6-10 Years:	100 units:	15 Points
11+ Years	200 units:	20 Points

Applicants will receive points based on the lesser of years experience or units produced using public funding.

Note that points will only be awarded for the construction and/or rehabilitation of affordable housing units based on public subsidy--weatherization is not included. Points will not be awarded if the applicant is also seeking housing credit experience points.

c. Controlling General Partner Housing Credit Experience--40 Point Maximum

Preference will be given to projects whose co-owner(s) or parent organization has had previous experience placing projects into service under the Housing Credit Program. Points will be prorated based on percentage of ownership. The minimum ownership share to be considered for points is 25%. In addition, to be eligible for points, the ownership must be maintained for 10 years. Each general partner must be a material participant in the proposed project as well as a material participant in the projects submitted for point consideration. Experience from other states may be included. Points will not be awarded if the applicant is seeking affordable housing funding experience points. Points will be awarded as follows:

1-5 Projects	20 units:	10 Points
6-10 Projects	75 units:	20 Points
11-15 Projects	150 units:	30 Points
16+ Projects	200 units:	40 Points

Applicants will receive points based on the lesser of number of projects or number of units.

Projects that count under this category must have received 8609 forms for all buildings at the time of application.

d. Management Company Experience--20 Point Maximum

Preference will be given to projects that contract with management companies that have experience with assisted or Housing Credit housing. A maximum of 10 points will be given for management companies who meet at least one of the following criteria:

Membership in National Assisted Housing Management Association. . . . .10 point
Membership in Midwest Assisted Housing Management Association . . . .10 points
Membership in National Leased Housing Association . . . . .10 points
Council for Affordable Rural Housing (CARH) or
Council for Rural Development of Ohio (CHRDO) . . . . .10 points
American Association for Homes and Services for the
Aging (AAHSA) or Association for Ohio Philanthropic
Homes and Housing for the Aging (AOPHA) . . . . .10 points
Attendance at OHFA's 1998 or 1999 Compliance Monitoring
Training. . . . . 10 points
Certified by NAHB or other comparable association as a
Housing Credit Certified Professional. . . . . 10 points
Member of a special needs association with a focus on
housing management training for that special needs
population . . . . 10 points
Currently manage a minimum of five Housing Credit Projects
(projects that have been placed in service
prior to 1-1-99) . . . . .10 points

A maximum of 10 points will be given for management companies with demonstrated success in managing Section 42 projects. Projects may be located outside Ohio. Demonstrated success is defined whereas all projects are in compliance and have no current non-compliance issues or uncured non-compliance. If the project has current 8823s provide an explanation as to the circumstances. The Agency will decide if points will be given on a case-by-case basis regarding current 8823 forms. Evidence will include a firm resume and, if claiming experience for projects outside Ohio, compliance documentation from the agency responsible for that state's Section 42 compliance.

e. Local Tax-Exempt Involvement---20 Point Maximum

Preference will be given to projects whose controlling owner is a locally based non-profit organization (501(c)(3) or 501 (c)(4)) and are materially participating in the project. The controlling owner must meet the non-profit set-aside requirements and elect to be included in the non-profit set-aside as indicated on ODOD form 001. A locally based non-profit must be located in the county in which the project is located. Exceptions to this geographic requirement may be determined by the Agency if there is sufficient evidence that the non-profit has been continually serving the county in question for at least 5 years, or demonstrate to the satisfaction of the Agency administrative capacity to provide service in that county. In addition, the Certification of Non-

Profit Status Form must be completed by the non-profit organization and it must state that it will materially participate in the project.

f. Value-Added to Project Through Services--30 Point Maximum

Up to thirty points will be awarded to owners that evidence a benefit to the housing and community. Each item is worth five (5) points. Those applicants seeking special needs points may not include the same or similar supportive service value-added items listed in this category as in their supportive service plan. Please see the AHFA User Manual for more information and evidentiary requirements.

- provide supportive services to all residents, or facilitate in the delivery of supportive services;
- owner provide financial assistance to prevent an eviction;
- the project will be a part of a community revitalization component evidenced by an existing written plan from the community that incorporates affordable rental housing;
- allow for a non-profit with five years housing experience and service in the community evidenced by a resume to obtain first position to purchase the limited partner interest at the end of the 15 year compliance period;
- have secured local input into the project's planning and implementation;
- incorporate universal design options
- link with the county Human Service Department's welfare to work initiative.

Projects will be monitored based on the above commitments, and may be issued an 8823 form for non-compliance if the services are not being provided.

E. Financial Underwriting

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

At the time when the **binding reservation** is issued;
At the time when the **Carryover allocation** is issued; and
At the time when the **project requests IRS Form 8609**.

After each stage of underwriting, the project's request or allocation of Housing Credits may be reduced. The Housing Credit amount may never exceed the amount received at reservation.

Recipients of 1999 Housing Credits must follow the procedures and comply with the requirements listed in the current Housing Credit Administrative Guidelines, including the Binding Reservation Agreement procedures; Carryover and 8609 Form request requirements and procedures; detailed Agency underwriting procedures; and additional administrative rules. *Please refer to the Administrative Guidelines and AHFA User Manual to review the Agency's underwriting standards and policies.*

III. MONITORING

A. Introduction

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

The monitoring process determines if the project is complying with requirements of the IRC. 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/agent for each Housing Credit property. 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 units allocated Housing Credit 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 Housing Credit was allocated.

B. Monitoring Process

ALL Housing Credit projects are required to comply with the following regulations:

1. The owner/agent prior to rent up MUST complete a pre-occupancy training/meeting with the Agency:

    a) The owner/agent will be required to contact the Agency in writing within 120 days prior to leasing units to arrange a training/meeting with the Agency.

2. The owner of a Housing Credit project must keep records for each qualified low-income building in the project for each year of the compliance and extended use period. These records must include:

    a) Total number of residential rental units and percentage that are low-income units;

    b) Rent charged on each residential unit (including supporting documentation of the utility allowances);

    c) Number of occupants in each low-income 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) State required move-in and annual income certification of each low-income resident per unit and third-party 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 Housing Credit period.

3. The owner of a Housing Credit project is required to retain the records described in Section 2 above, for at least 6 years after 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 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 (reference 26 CFR Par. 2. 1.42-5 (b)(2)).

4. The **owner** is responsible for **reporting** to the Agency annually in the form and manner the Agency specifies, the project's compliance with the **Code** and for **certifying under penalty of perjury** that the information provided is true, accurate and in compliance with **Section 42** of the **IRC.** The owner certifies that

   a) The project meets the minimum set-aside test applicable to the project;

   b) The owner has received the state **required** annual low-income certification from each low-income resident and third party 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 RHCDS 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.

5. The Agency requires that the owner of a Housing Credit **annually** certify the resident's income and assets within 12 months of move in.

   The Agency reserves the right to make a determination at a later date regarding the Annual Income Recertification Waiver (Section 42 (g) (8) (B) of the IRC.

6. The Agency has the right to review tenant files throughout the 15 year compliance period plus extensions (up to an additional 15 years for a total up to 30 years, based upon the extended use provision). The Agency has the right to perform on-site inspections of any low-income housing

project at least through the end of the compliance period of the building(s) in the project (26 CFR Par.2. 1.42-5 (d)).

7. The Agency will provide prompt written notice to the owner of a Housing Credit project if the Agency does not receive the required certification or discovers through inspection, review or any other manner, that the project is in non-compliance. The owner will have up to 60 days from date of the notification to correct any non-compliance issues found and give a written response to the Agency of corrective actions taken. The Agency may extend the correction period for up to 6 months, but only if the agency determines there is good cause for granting the extension. During the correction period, an owner must supply any missing certifications and bring the project into compliance with the provisions of the IRC.

8. The Agency is required to file Form 8823, "Low-Income Housing Credit Agencies Report of Non-Compliance" with the IRS no later than 45 days after the end of the correction period, including extensions, and no earlier than the end of the correction period, **whether or not the non-compliance or failure to certify is corrected.** The Agency must explain on Form 8823 the nature of the non-compliance or failure to certify (reference 26 CFR Par. 2. 1.42-5 (e)(3)).

   Should a building go entirely out of compliance and will not be in compliance at any time in the future, the Agency **must** be informed in writing. In this case, the Agency will notify the IRS one time only.

9. Compliance with the requirements of Section 42 of the IRC is the responsibility of the owner of the building(s) for which the Housing Credit is allowable. The Agency's obligation to monitor for compliance does not make **the Agency** liable for an owner/agent non-compliance.

10. If the Agency is unable to serve notice on the property owner by mail and/or telephone during the compliance period as defined by the IRS, the Agency will consider the property out of compliance and notify the IRS by filing Form 8823 of non-compliance.

    a) The Agency will maintain one contact person per project. The owner/agent will agree upon the contact person and notify the Agency immediately of any change.

    b) Recapture determinations are made by the IRS.

11. The Agency requires Housing Credit owners to pay an annual compliance monitoring fee. The fee amount for projects receiving a reservation in 1999 will be $125 per unit. The monitoring fee for projects receiving a reservation in 1997 and not placing in service in 1997 will be $125 per unit. The fee **must** be submitted with the 8609 request.

IV. HOUSING CREDIT DATA TABLES

NOTE: Data tables A, B, and C are not available at the time of this printing. These tables will be included in a second printing of the 1999 Qualified Allocation Plan, and will also be available on the Agency website located at www.odod.ohio.gov/ohfa.

A. RENT AND INCOME LIMITS

A. RENT & INCOME LIMITS

Instructions

Example:

County										
	(5.) Rent: Bedrooms (*Residents*)	Eff (*1*)	1 (*1.5*)	2 (*3*)	3 (*4.5*)	4 (*6*)	5 (*7.5*)	6 (*9*)		
	(2.) Income: *Residents*		*1*	*2*	*3*	*4*	*5*	*6*	*7*	*8*
Adams	**(6.)** 50% rent	377	405	486	561	626	691			
(1.)	**(3.)** 50% income		15100	17300	19450	21600	23350	25050	26800	28500
	(7.) 60% rent	453	486	583	674	751	829			
	(4.) 60% income		18120	20760	23340	25920	28020	30060	32160	34200

1. Name of County.

2. The number of residents in a household, used for the 50% and 60% income figures in the table.

3. The 50% Area Median Gross Income (AMGI) for the county, adjusted for the number of residents in a household. The source of these income figures are the HUD very low-income limits, which are updated and published annually.

4. The 60% Area Median Gross Income (AMGI) for the county, adjusted for the number of residents in a household. The 60% income figures are computed using the 50% income figures as follows:

   [50% income] * 2 * 60% = [60% income]

5. The number of bedrooms in a unit, used for the 50% and 60% rent figures in the table. The number of residents in each type of unit (1 resident for SRO & efficiency units; 1.5 residents per bedroom for units with one or more bedrooms) are used to compute the rent figures in the table.

6. The 50% monthly rent figures for the county, adjusted for the number of bedrooms in a unit. The rents are computed using the 50% income figures, and the number of residents in each type of unit, as follows:

   ([50% income for the number of residents] * 30%) / 12 = [50% monthly rent]

7. The 60% monthly rent figures for the county, adjusted for the number of bedrooms in a unit. The rents are computed using the 60% income figures, and the number of residents in each type of unit, as follows:

   ([60% income for the number of residents] * 30%) / 12 = [60% monthly rent]

NOTE: The monthly rent for any percentage of income can be computed using the 50% income figures.

A. RENT & INCOME LIMITS

H.U.D. Effective Date: January 27, 1999

County	Rent: Bedrooms (***Residents***)	Eff (***1***)	1 (***1.5***)	2 (***3***)	3 (***4.5***)	4 (***6***)	5 (***7.5***)	6 (***9***)		
	Income: ***Residents***		***1***	***2***	***3***	***4***	***5***	***6***	***7***	***8***
Adams	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Allen	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Ashland	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Ashtabula	50% rent	460	493	591	683	762	841			
	50% income		18400	21050	23650	26300	28400	30500	32600	34700
	60% rent	552	591	709	820	915	1009			
	60% income		22080	25260	28380	31560	34080	36600	39120	41640
Athens	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Auglaize	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Belmont	50% rent	320	342	411	474	528	584			
	50% income		12800	14600	16450	18250	19700	21150	22650	24100
	60% rent	384	411	493	569	634	701			
	60% income		15360	17520	19740	21900	23640	25380	27180	28920
Brown	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Butler	50% rent	475	508	611	705	787	868			
	50% income		19000	21700	24450	27150	29300	31500	33650	35850
	60% rent	570	610	733	846	945	1042			
	60% income		22800	26040	29340	32580	35160	37800	40380	43020
Carroll	50% rent	396	424	510	588	656	725			
	50% income		15850	18100	20400	22650	24450	26250	28100	29900
	60% rent	475	509	612	706	787	870			
	60% income		19020	21720	24480	27180	29340	31500	33720	35880
Champaign	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			

County	Rent: Bedrooms (*Residents*)	Eff (*1*)	1 (*1.5*)	2 (*3*)	3 (*4.5*)	4 (*6*)	5 (*7.5*)	6 (*9*)		
	Income: ***Residents***		***1***	***2***	***3***	***4***	***5***	***6***	***7***	***8***
Clark	50% rent	455	487	585	676	753	831			
	50% income		18200	20800	23400	26000	28100	30150	32250	34300
	60% rent	546	585	702	811	904	998			
	60% income		21840	24960	28080	31200	33720	36180	38700	41160
Clermont	50% rent	446	478	573	663	740	815			
	50% income		17850	20400	22950	25500	27550	29600	31600	33650
	60% rent	535	573	688	795	888	978			
	60% income		21420	24480	27540	30600	33060	35520	37920	40380
Clinton	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
Columbiana	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Coshocton	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Crawford	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Cuyahoga	50% rent	460	493	591	683	762	841			
	50% income		18400	21050	23650	26300	28400	30500	32600	34700
	60% rent	552	591	709	820	915	1009			
	60% income		22080	25260	28380	31560	34080	36600	39120	41640
Darke	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Defiance	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Delaware	50% rent	465	498	597	690	770	849			
	50% income		18600	21250	23900	26550	28650	30800	32900	35050
	60% rent	558	597	717	828	924	1019			
	60% income		22320	25500	28680	31860	34380	36960	39480	42060
Erie	50% rent	388	416	500	577	643	710			
	50% income		15550	17750	20000	22200	24000	25750	27550	29300
	60% rent	466	499	600	693	772	852			
	60% income		18660	21300	24000	26640	28800	30900	33060	35160

County	**Rent:** Bedrooms (***Residents***)	Eff (***1***)	1 (***1.5***)	2 (***3***)	3 (***4.5***)	4 (***6***)	5 (***7.5***)	6 (***9***)		
	Income: ***Residents***		***1***	***2***	***3***	***4***	***5***	***6***	***7***	***8***
Fairfield	50% rent	465	498	597	690	770	849			
	50% income		18600	21250	23900	26550	28650	30800	32900	35050
	60% rent	558	597	717	828	924	1019			
	60% income		22320	25500	28680	31860	34380	36960	39480	42060
Fayette	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Franklin	50% rent	465	498	597	690	770	849			
	50% income		18600	21250	23900	26550	28650	30800	32900	35050
	60% rent	558	597	717	828	924	1019			
	60% income		22320	25500	28680	31860	34380	36960	39480	42060
Fulton	50% rent	438	470	565	652	727	803			
	50% income		17550	20100	22600	25100	27100	29100	31100	33150
	60% rent	526	564	678	783	873	963			
	60% income		21060	24120	27120	30120	32520	34920	37320	39780
Gallia	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Geauga	50% rent	460	493	591	683	762	841			
	50% income		18400	21050	23650	26300	28400	30500	32600	34700
	60% rent	552	591	709	820	915	1009			
	60% income		22080	25260	28380	31560	34080	36600	39120	41640
Greene	50% rent	455	487	585	676	753	831			
	50% income		18200	20800	23400	26000	28100	30150	32250	34300
	60% rent	546	585	702	811	904	998			
	60% income		21840	24960	28080	31200	33720	36180	38700	41160
Guernsey	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Hamilton	50% rent	446	478	573	663	740	815			
	50% income		17850	20400	22950	25500	27550	29600	31600	33650
	60% rent	535	573	688	795	888	978			
	60% income		21420	24480	27540	30600	33060	35520	37920	40380
Hancock	50% rent	378	405	487	563	627	693			
	50% income		15150	17300	19500	21650	23400	25100	26850	28600
	60% rent	454	486	585	675	753	831			
	60% income		18180	20760	23400	25980	28080	30120	32220	34320
Hardin	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200

County	**Rent:** Bedrooms (***Residents***)	Eff (***1***)	1 (***1.5***)	2 (***3***)	3 (***4.5***)	4 (***6***)	5 (***7.5***)	6 (***9***)		
	Income: ***Residents***		***1***	***2***	***3***	***4***	***5***	***6***	***7***	***8***
Harrison	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Henry	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Highland	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Hocking	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Holmes	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Huron	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Jackson	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Jefferson	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Knox	50% rent	385	412	495	571	637	704			
	50% income		15400	17600	19800	22000	23750	25500	27300	29050
	60% rent	462	495	594	686	765	845			
	60% income		18480	21120	23760	26400	28500	30600	32760	34860
Lake	50% rent	460	493	591	683	762	841			
	50% income		18400	21050	23650	26300	28400	30500	32600	34700
	60% rent	552	591	709	820	915	1009			
	60% income		22080	25260	28380	31560	34080	36600	39120	41640
Lawrence	50% rent	307	330	396	457	510	563			
	50% income		12300	14100	15850	17600	19000	20400	21800	23250
	60% rent	369	396	475	549	612	675			
	60% income		14760	16920	19020	21120	22800	24480	26160	27900

County	Rent: Bedrooms (*Residents*)	Eff (*1*)	1 (*1.5*)	2 (*3*)	3 (*4.5*)	4 (*6*)	5 (*7.5*)	6 (*9*)		
	Income: ***Residents***		***1***	***2***	***3***	***4***	***5***	***6***	***7***	***8***
Licking	50% rent	465	498	597	690	770	849			
	50% income		18600	21250	23900	26550	28650	30800	32900	35050
	60% rent	558	597	717	828	924	1019			
	60% income		22320	25500	28680	31860	34380	36960	39480	42060
Logan	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Lorain	50% rent	460	493	591	683	762	841			
	50% income		18400	21050	23650	26300	28400	30500	32600	34700
	60% rent	552	591	709	820	915	1009			
	60% income		22080	25260	28380	31560	34080	36600	39120	41640
Lucas	50% rent	438	470	565	652	727	803			
	50% income		17550	20100	22600	25100	27100	29100	31100	33150
	60% rent	526	564	678	783	873	963			
	60% income		21060	24120	27120	30120	32520	34920	37320	39780
Madison	50% rent	465	498	597	690	770	849			
	50% income		18600	21250	23900	26550	28650	30800	32900	35050
	60% rent	558	597	717	828	924	1019			
	60% income		22320	25500	28680	31860	34380	36960	39480	42060
Mahoning	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Marion	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Medina	50% rent	460	493	591	683	762	841			
	50% income		18400	21050	23650	26300	28400	30500	32600	34700
	60% rent	552	591	709	820	915	1009			
	60% income		22080	25260	28380	31560	34080	36600	39120	41640
Meigs	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Mercer	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Miami	50% rent	455	487	585	676	753	831			
	50% income		18200	20800	23400	26000	28100	30150	32250	34300
	60% rent	546	585	702	811	904	998			
	60% income		21840	24960	28080	31200	33720	36180	38700	41160

County	Rent: Bedrooms (*Residents*) / Income: *Residents*	Eff (*1*)	1 (*1.5*) / *1*	2 (*3*) / *2*	3 (*4.5*) / *3*	4 (*6*) / *4*	5 (*7.5*) / *5*	6 (*9*) / *6*	*7*	*8*
Monroe	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Montgomery	50% rent	455	487	585	676	753	831			
	50% income		18200	20800	23400	26000	28100	30150	32250	34300
	60% rent	546	585	702	811	904	998			
	60% income		21840	24960	28080	31200	33720	36180	38700	41160
Morgan	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Morrow	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Muskingum	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Noble	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Ottawa	50% rent	396	424	510	588	656	725			
	50% income		15850	18100	20400	22650	24450	26250	28100	29900
	60% rent	475	509	612	706	787	870			
	60% income		19020	21720	24480	27180	29340	31500	33720	35880
Paulding	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Perry	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Pickaway	50% rent	465	498	597	690	770	849			
	50% income		18600	21250	23900	26550	28650	30800	32900	35050
	60% rent	558	597	717	828	924	1019			
	60% income		22320	25500	28680	31860	34380	36960	39480	42060
Pike	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200

County	Rent: Bedrooms (*Residents*)	Eff (***1***)	1 (***1.5***)	2 (***3***)	3 (***4.5***)	4 (***6***)	5 (***7.5***)	6 (***9***)		
	Income: ***Residents***		***1***	***2***	***3***	***4***	***5***	***6***	***7***	***8***
Portage	50% rent	436	467	561	648	723	798			
	50% income		17450	19950	22450	24950	26950	28950	30950	32950
	60% rent	523	561	673	778	868	958			
	60% income		20940	23940	26940	29940	32340	34740	37140	39540
Preble	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Putnam	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Richland	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Ross	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Sandusky	50% rent	388	416	500	577	643	710			
	50% income		15550	17750	20000	22200	24000	25750	27550	29300
	60% rent	466	499	600	693	772	852			
	60% income		18660	21300	24000	26640	28800	30900	33060	35160
Scioto	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Seneca	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Shelby	50% rent	380	406	488	564	628	694			
	50% income		15200	17350	19550	21700	23450	25150	26900	28650
	60% rent	456	488	586	677	754	833			
	60% income		18240	20820	23460	26040	28140	30180	32280	34380
Stark	50% rent	396	424	510	588	656	725			
	50% income		15850	18100	20400	22650	24450	26250	28100	29900
	60% rent	475	509	612	706	787	870			
	60% income		19020	21720	24480	27180	29340	31500	33720	35880
Summit	50% rent	436	467	561	648	723	798			
	50% income		17450	19950	22450	24950	26950	28950	30950	32950
	60% rent	523	561	673	778	868	958			
	60% income		20940	23940	26940	29940	32340	34740	37140	39540

County	Rent: Bedrooms (*Residents*)	Eff (*1*)	1 (*1.5*)	2 (*3*)	3 (*4.5*)	4 (*6*)	5 (*7.5*)	6 (*9*)		
	Income: ***Residents***		***1***	***2***	***3***	***4***	***5***	***6***	***7***	***8***
Trumbull	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Tuscarawas	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Union	50% rent	426	456	547	633	706	779			
	50% income		17050	19500	21900	24350	26300	28250	30200	32150
	60% rent	511	548	657	759	847	935			
	60% income		20460	23400	26280	29220	31560	33900	36240	38580
VanWert	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Vinton	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Warren	50% rent	446	478	573	663	740	815			
	50% income		17850	20400	22950	25500	27550	29600	31600	33650
	60% rent	535	573	688	795	888	978			
	60% income		21420	24480	27540	30600	33060	35520	37920	40380
Washington	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
Wayne	50% rent	380	406	488	564	628	694			
	50% income		15200	17350	19550	21700	23450	25150	26900	28650
	60% rent	456	488	586	677	754	833			
	60% income		18240	20820	23460	26040	28140	30180	32280	34380
Williams	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200
Wood	50% rent	438	470	565	652	727	803			
	50% income		17550	20100	22600	25100	27100	29100	31100	33150
	60% rent	526	564	678	783	873	963			
	60% income		21060	24120	27120	30120	32520	34920	37320	39780
Wyandot	50% rent	377	405	486	561	626	691			
	50% income		15100	17300	19450	21600	23350	25050	26800	28500
	60% rent	453	486	583	674	751	829			
	60% income		18120	20760	23340	25920	28020	30060	32160	34200

B. INCOME ADJUSTMENT POINTS

County	50% AMGI (3 person household)	Point Adjustment	County	50% AMGI (3 person household)	Point Adjustment
Adams	$19,450	110	Licking	$23,900	10
Allen	$19,450	110	Logan	$19,450	110
Ashland	$19,450	110	Lorain	$23,650	20
Ashtabula	$23,650	20	Lucas	$22,600	40
Athens	$19,450	110	Madison	$23,900	10
Auglaize	$19,450	110	Mahoning	$19,450	110
Belmont	$16,450	200	Marion	$19,450	110
Brown	$19,450	110	Medina	$23,650	20
Butler	$24,450	0	Meigs	$19,450	110
Carroll	$20,400	80	Mercer	$19,450	110
Champaign	$19,450	110	Miami	$23,400	20
Clark	$23,400	20	Monroe	$19,450	110
Clermont	$22,950	30	Montgomery	$23,400	20
Clinton	$21,050	70	Morgan	$19,450	110
Columbiana	$19,450	110	Morrow	$19,450	110
Coshocton	$19,450	110	Muskingum	$19,450	110
Crawford	$19,450	110	Noble	$19,450	110
Cuyahoga	$23,650	20	Ottawa	$20,400	80
Darke	$19,450	110	Paulding	$19,450	110
Defiance	$19,450	110	Perry	$19,450	110
Delaware	$23,900	10	Pickaway	$23,900	10
Erie	$20,000	90	Pike	$19,450	110
Fairfield	$23,900	10	Portage	$22,450	40
Fayette	$19,450	110	Preble	$19,450	110
Franklin	$23,900	10	Putnam	$19,450	110
Fulton	$22,600	40	Richland	$19,450	110
Gallia	$19,450	110	Ross	$19,450	110
Geauga	$23,650	20	Sandusky	$20,000	90
Greene	$23,400	20	Scioto	$19,450	110
Guernsey	$19,450	110	Seneca	$19,450	110
Hamilton	$22,950	30	Shelby	$19,550	110
Hancock	$19,500	110	Stark	$20,400	80
Hardin	$19,450	110	Summit	$22,450	40
Harrison	$19,450	110	Trumbull	$19,450	110
Henry	$19,450	110	Tuscarawas	$19,450	110
Highland	$19,450	110	Union	$21,900	50
Hocking	$19,450	110	VanWert	$19,450	110
Holmes	$19,450	110	Vinton	$19,450	110
Huron	$19,450	110	Warren	$22,950	30
Jackson	$19,450	110	Washington	$18,000	150
Jefferson	$19,450	110	Wayne	$19,550	110
Knox	$19,800	100	Williams	$19,450	110

C. H.U.D. 221(d)(3) MORTGAGE LIMITS PER UNIT

H.U.D. Effective Date: January 1, 1998

County	Non- Elevator / Elevator	Bedrooms Eff (0)	1	2	3	4
Adams	Non- Elevator	$53,148	$61,280	$73,905	$94,598	$105,386
	Elevator	$55,932	$64,115	$77,964	$100,858	$110,711
Allen	Non- Elevator	$52,139	$60,117	$72,501	$92,802	$103,385
	Elevator	$54,870	$62,897	$76,483	$98,943	$108,609
Ashland	Non- Elevator	$55,166	$63,607	$76,711	$98,190	$109,388
	Elevator	$58,056	$66,550	$80,924	$104,688	$114,915
Ashtabula	Non- Elevator	$57,521	$66,322	$79,985	$102,381	$114,057
	Elevator	$60,534	$69,390	$84,378	$109,156	$119,820
Athens	Non- Elevator	$51,803	$59,729	$72,034	$92,203	$102,718
	Elevator	$54,516	$62,492	$75,990	$98,304	$107,908
Auglaize	Non- Elevator	$52,139	$60,117	$72,501	$92,802	$103,385
	Elevator	$54,870	$62,897	$76,483	$98,943	$108,609
Belmont	Non- Elevator	$52,139	$60,117	$72,501	$92,802	$103,385
	Elevator	$54,870	$62,897	$76,483	$98,943	$108,609
Brown	Non- Elevator	$53,148	$61,280	$73,905	$94,598	$105,386
	Elevator	$55,932	$64,115	$77,964	$100,858	$110,711
Butler	Non- Elevator	$53,148	$61,280	$73,905	$94,598	$105,386
	Elevator	$55,932	$64,115	$77,964	$100,858	$110,711
Carroll	Non- Elevator	$55,166	$63,607	$76,711	$98,190	$109,388
	Elevator	$58,056	$66,550	$80,924	$104,688	$114,915
Champaign	Non- Elevator	$52,139	$60,117	$72,501	$92,802	$103,385
	Elevator	$54,870	$62,897	$76,483	$98,943	$108,609
Clark	Non- Elevator	$52,139	$60,117	$72,501	$92,802	$103,385
	Elevator	$54,870	$62,897	$76,483	$98,943	$108,609
Clermont	Non- Elevator	$53,148	$61,280	$73,905	$94,598	$105,386
	Elevator	$55,932	$64,115	$77,964	$100,858	$110,711
Clinton	Non- Elevator	$53,148	$61,280	$73,905	$94,598	$105,386
	Elevator	$55,932	$64,115	$77,964	$100,858	$110,711
Columbiana	Non- Elevator	$59,203	$68,262	$82,324	$105,375	$117,392

County	Non- Elevator Elevator	Bedrooms Eff (0)	1	2	3	4
Coshocton	Non- Elevator	$52,139	$60,117	$72,501	$92,802	$103,385
	Elevator	$54,870	$62,897	$76,483	$98,943	$108,609
Crawford	Non- Elevator	$51,466	$59,341	$71,566	$91,604	$102,051
	Elevator	$54,162	$62,086	$75,496	$97,666	$107,207
Cuyahoga	Non- Elevator	$59,876	$69,037	$83,260	$106,572	$118,726
	Elevator	$63,012	$72,231	$87,832	$113,625	$124,725
Darke	Non- Elevator	$53,148	$61,280	$73,905	$94,598	$105,386
	Elevator	$55,932	$64,115	$77,964	$100,858	$110,711
Defiance	Non- Elevator	$51,466	$59,341	$71,566	$91,604	$102,051
	Elevator	$54,162	$62,086	$75,496	$97,666	$107,207
Delaware	Non- Elevator	$53,484	$61,668	$74,372	$95,196	$106,053
	Elevator	$56,286	$64,521	$78,457	$101,496	$111,411
Erie	Non- Elevator	$58,530	$67,486	$81,389	$104,177	$116,058
	Elevator	$61,596	$70,607	$85,859	$111,071	$121,922
Fairfield	Non- Elevator	$52,475	$60,505	$72,969	$93,400	$104,052
	Elevator	$55,224	$63,303	$76,977	$99,581	$109,309
Fayette	Non- Elevator	$53,484	$61,668	$74,372	$95,196	$106,053
	Elevator	$56,286	$64,521	$78,457	$101,496	$111,411
Franklin	Non- Elevator	$53,484	$61,668	$74,372	$95,196	$106,053
	Elevator	$56,286	$64,521	$78,457	$101,496	$111,411
Fulton	Non- Elevator	$51,466	$59,341	$71,566	$91,604	$102,051
	Elevator	$54,162	$62,086	$75,496	$97,666	$107,207
Gallia	Non- Elevator	$51,803	$59,729	$72,034	$92,203	$102,718
	Elevator	$54,516	$62,492	$75,990	$98,304	$107,908
Geauga	Non- Elevator	$57,521	$66,322	$79,985	$102,381	$114,057
	Elevator	$60,534	$69,390	$84,378	$109,156	$119,820
Greene	Non- Elevator	$53,148	$61,280	$73,905	$94,598	$105,386
	Elevator	$55,932	$64,115	$77,964	$100,858	$110,711
Guernsey	Non- Elevator	$52,139	$60,117	$72,501	$92,802	$103,385
	Elevator	$54,870	$62,897	$76,483	$98,943	$108,609
Hamilton	Non- Elevator	$53,148	$61,280	$73,905	$94,598	$105,386
	Elevator	$55,932	$64,115	$77,964	$100,858	$110,711

County	Non- Elevator Elevator	Bedrooms Eff (0)	1	2	3	4
Hancock	Non- Elevator	$51,466	$59,341	$71,566	$91,604	$102,051
	Elevator	$54,162	$62,086	$75,496	$97,666	$107,207
Hardin	Non- Elevator	$52,139	$60,117	$72,501	$92,802	$103,385
	Elevator	$54,870	$62,897	$76,483	$98,943	$108,609
Harrison	Non- Elevator	$55,166	$63,607	$76,711	$98,190	$109,388
	Elevator	$58,056	$66,550	$80,924	$104,688	$114,915
Henry	Non- Elevator	$51,466	$59,341	$71,566	$91,604	$102,051
	Elevator	$54,162	$62,086	$75,496	$97,666	$107,207
Highland	Non- Elevator	$53,148	$61,280	$73,905	$94,598	$105,386
	Elevator	$55,932	$64,115	$77,964	$100,858	$110,711
Hocking	Non- Elevator	$52,475	$60,505	$72,969	$93,400	$104,052
	Elevator	$55,224	$63,303	$76,977	$99,581	$109,309
Holmes	Non- Elevator	$55,166	$63,607	$76,711	$98,190	$109,388
	Elevator	$58,056	$66,550	$80,924	$104,688	$114,915
Huron	Non- Elevator	$55,166	$63,607	$76,711	$98,190	$109,388
	Elevator	$58,056	$66,550	$80,924	$104,688	$114,915
Jackson	Non- Elevator	$51,803	$59,729	$72,034	$92,203	$102,718
	Elevator	$54,516	$62,492	$75,990	$98,304	$107,908
Jefferson	Non- Elevator	$59,203	$68,262	$82,324	$105,375	$117,392
	Elevator	$62,304	$71,419	$86,845	$112,348	$123,323
Knox	Non- Elevator	$52,475	$60,505	$72,969	$93,400	$104,052
	Elevator	$55,224	$63,303	$76,977	$99,581	$109,309
Lake	Non- Elevator	$59,876	$69,037	$83,260	$106,572	$118,726
	Elevator	$63,012	$72,231	$87,832	$113,625	$124,725
Lawrence	Non- Elevator	$51,803	$59,729	$72,034	$92,203	$102,718
	Elevator	$54,516	$62,492	$75,990	$98,304	$107,908
Licking	Non- Elevator	$52,475	$60,505	$72,969	$93,400	$104,052
	Elevator	$55,224	$63,303	$76,977	$99,581	$109,309
Logan	Non- Elevator	$52,139	$60,117	$72,501	$92,802	$103,385
	Elevator	$54,870	$62,897	$76,483	$98,943	$108,609
Lorain	Non- Elevator	$58,530	$67,486	$81,389	$104,177	$116,058
	Elevator	$61,596	$70,607	$85,859	$111,071	$121,922

County	Non- Elevator Elevator	Bedrooms Eff (0)	1	2	3	4
Lucas	Non- Elevator	$60,885	$70,201	$84,663	$108,368	$120,727
	Elevator	$64,074	$73,448	$89,313	$115,540	$126,827
Madison	Non- Elevator	$52,139	$60,117	$72,501	$92,802	$103,385
	Elevator	$54,870	$62,897	$76,483	$98,943	$108,609
Mahoning	Non- Elevator	$59,203	$68,262	$82,324	$105,375	$117,392
	Elevator	$62,304	$71,419	$86,845	$112,348	$123,323
Marion	Non- Elevator	$52,139	$60,117	$72,501	$92,802	$103,385
	Elevator	$54,870	$62,897	$76,483	$98,943	$108,609
Medina	Non- Elevator	$57,521	$66,322	$79,985	$102,381	$114,057
	Elevator	$60,534	$69,390	$84,378	$109,156	$119,820
Meigs	Non- Elevator	$51,803	$59,729	$72,034	$92,203	$102,718
	Elevator	$54,516	$62,492	$75,990	$98,304	$107,908
Mercer	Non- Elevator	$52,139	$60,117	$72,501	$92,802	$103,385
	Elevator	$54,870	$62,897	$76,483	$98,943	$108,609
Miami	Non- Elevator	$53,148	$61,280	$73,905	$94,598	$105,386
	Elevator	$55,932	$64,115	$77,964	$100,858	$110,711
Monroe	Non- Elevator	$52,139	$60,117	$72,501	$92,802	$103,385
	Elevator	$54,870	$62,897	$76,483	$98,943	$108,609
Montgomery	Non- Elevator	$53,148	$61,280	$73,905	$94,598	$105,386
	Elevator	$55,932	$64,115	$77,964	$100,858	$110,711
Morgan	Non- Elevator	$52,139	$60,117	$72,501	$92,802	$103,385
	Elevator	$54,870	$62,897	$76,483	$98,943	$108,609
Morrow	Non- Elevator	$52,139	$60,117	$72,501	$92,802	$103,385
	Elevator	$54,870	$62,897	$76,483	$98,943	$108,609
Muskingum	Non- Elevator	$52,139	$60,117	$72,501	$92,802	$103,385
	Elevator	$54,870	$62,897	$76,483	$98,943	$108,609
Noble	Non- Elevator	$52,139	$60,117	$72,501	$92,802	$103,385
	Elevator	$54,870	$62,897	$76,483	$98,943	$108,609
Ottawa	Non- Elevator	$51,466	$59,341	$71,566	$91,604	$102,051
	Elevator	$54,162	$62,086	$75,496	$97,666	$107,207
Paulding	Non- Elevator	$51,466	$59,341	$71,566	$91,604	$102,051
	Elevator	$54,162	$62,086	$75,496	$97,666	$107,207

County	Non- Elevator / Elevator	Bedrooms Eff (0)	1	2	3	4
Perry	Non- Elevator	$52,139	$60,117	$72,501	$92,802	$103,385
	Elevator	$54,870	$62,897	$76,483	$98,943	$108,609
Pickaway	Non- Elevator	$53,484	$61,668	$74,372	$95,196	$106,053
	Elevator	$56,286	$64,521	$78,457	$101,496	$111,411
Pike	Non- Elevator	$51,803	$59,729	$72,034	$92,203	$102,718
	Elevator	$54,516	$62,492	$75,990	$98,304	$107,908
Portage	Non- Elevator	$57,521	$66,322	$79,985	$102,381	$114,057
	Elevator	$60,534	$69,390	$84,378	$109,156	$119,820
Preble	Non- Elevator	$53,148	$61,280	$73,905	$94,598	$105,386
	Elevator	$55,932	$64,115	$77,964	$100,858	$110,711
Putnam	Non- Elevator	$52,139	$60,117	$72,501	$92,802	$103,385
	Elevator	$54,870	$62,897	$76,483	$98,943	$108,609
Richland	Non- Elevator	$55,166	$63,607	$76,711	$98,190	$109,388
	Elevator	$58,056	$66,550	$80,924	$104,688	$114,915
Ross	Non- Elevator	$53,484	$61,668	$74,372	$95,196	$106,053
	Elevator	$56,286	$64,521	$78,457	$101,496	$111,411
Sandusky	Non- Elevator	$55,166	$63,607	$76,711	$98,190	$109,388
	Elevator	$58,056	$66,550	$80,924	$104,688	$114,915
Scioto	Non- Elevator	$51,803	$59,729	$72,034	$92,203	$102,718
	Elevator	$54,516	$62,492	$75,990	$98,304	$107,908
Seneca	Non- Elevator	$51,466	$59,341	$71,566	$91,604	$102,051
	Elevator	$54,162	$62,086	$75,496	$97,666	$107,207
Shelby	Non- Elevator	$52,139	$60,117	$72,501	$92,802	$103,385
	Elevator	$54,870	$62,897	$76,483	$98,943	$108,609
Stark	Non- Elevator	$57,521	$66,322	$79,985	$102,381	$114,057
	Elevator	$60,534	$69,390	$84,378	$109,156	$119,820
Summit	Non- Elevator	$57,521	$66,322	$79,985	$102,381	$114,057
	Elevator	$60,534	$69,390	$84,378	$109,156	$119,820
Trumbull	Non- Elevator	$59,203	$68,262	$82,324	$105,375	$117,392
	Elevator	$62,304	$71,419	$86,845	$112,348	$123,323
Tuscarawas	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
Union	Non- Elevator	$52,139	$60,117	$72,501	$92,802	$103,385
	Elevator	$54,870	$62,897	$76,483	$98,943	$108,609
VanWert	Non- Elevator	$52,139	$60,117	$72,501	$92,802	$103,385
	Elevator	$54,870	$62,897	$76,483	$98,943	$108,609
Vinton	Non- Elevator	$51,803	$59,729	$72,034	$92,203	$102,718
	Elevator	$54,516	$62,492	$75,990	$98,304	$107,908
Warren	Non- Elevator	$53,148	$61,280	$73,905	$94,598	$105,386
	Elevator	$55,932	$64,115	$77,964	$100,858	$110,711
Washington	Non- Elevator	$52,139	$60,117	$72,501	$92,802	$103,385
	Elevator	$54,870	$62,897	$76,483	$98,943	$108,609
Wayne	Non- Elevator	$55,166	$63,607	$76,711	$98,190	$109,388
	Elevator	$58,056	$66,550	$80,924	$104,688	$114,915
Williams	Non- Elevator	$51,466	$59,341	$71,566	$91,604	$102,051
	Elevator	$54,162	$62,086	$75,496	$97,666	$107,207
Wood	Non- Elevator	$60,885	$70,201	$84,663	$108,368	$120,727
	Elevator	$64,074	$73,448	$89,313	$115,540	$126,827
Wyandot	Non- Elevator	$51,466	$59,341	$71,566	$91,604	$102,051
	Elevator	$54,162	$62,086	$75,496	$97,666	$107,207

D. 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										

County	*Tracts*											
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				
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										

E. COMMUNITIES WITH A CONSOLIDATED PLAN

1. *HUD Entitlement Cities*

Akron	Elyria	Marietta
Alliance	Euclid	Massillon
Barberton	Fairborn	Mentor
Bowling Green	Hamilton	Middletown
Canton	Kent	Newark
Cincinnati	Kettering	Parma
Cleveland	Lakewood	Springfield
Cleveland Heights	Lancaster	Steubenville
Columbus	Lima	Toledo
Dayton	Lorain	Warren**
East Cleveland	Mansfield	Youngstown

*(**includes Trumbull County)*

2. *HUD Eligible Urban Counties*

Cuyahoga
Franklin
Hamilton
Lake
Montgomery
Stark
Summit

F. AREAS WITH A COMMUNITY HOUSING IMPROVEMENT STRATEGY (CHIS)

1. Counties

Adams	Fairfield	Logan	Portage
Allen	Fayette	Lorain	Preble
Ashland	Fulton	Lucas	Putnam
Ashtabula	Gallia	Madison	Richland
Athens	Geauga	Mahoning	Ross
Auglaize	Greene	Medina	Sandusky
Belmont	Guernsey	Meigs	Scioto
Brown	Hancock	Mercer	Seneca
Butler	Harrison	Miami	Shelby
Carroll	Henry	Monroe	Tuscarawas
Champaign	Highland	Morgan	Union
Clinton	Hocking	Morrow	VanWert
Columbiana	Holmes	Muskingum	Vinton
Coshocton	Huron	Noble	Warren
Crawford	Jackson	Ottawa	Washington
Darke	Jefferson	Paulding	Wayne
Defiance	Knox	Perry	Williams
Delaware	Lawrence	Pickaway	Wood
Erie	Licking	Pike	Wyandot

2. Cities

Amherst	East Liverpool	Mount Vernon	Sheffield Lake
Ashland	Fairborn	Napoleon	Shelby
Ashtabula	Findlay	New Philadelphia	Sidney
Athens	Fostoria	Niles	St. Clairsville
Bellaire	Fremont	North Ridgeville	Tiffin
Bellefountaine	Galion	Northwood	Toronto
Cambridge	Girard	Norwalk	Uhrichsville
Campbell	Greenfield	Oberlin	Upper Sandusky
Celina	Hillsboro	Oregon	Urbana
Chillicothe	Ironton	Oxford	Van Wert
Circleville	Jackson	Piqua	Wadsworth
Conneaut	Logan	Portsmouth	Washington C.H.
Coshocton	London	Ravenna	Wellston
Defiance	Marion	Rossford	Wooster
Delaware	Martins Ferry	Salem	Xenia

G. MODEL LANGUAGE FOR LOCAL GOVERNMENT NOTIFICATION

DATE

CERTIFIED MAIL RETURN RECEIPT REQUESTED (Attach copies)

Applicable Person
Title
Name of Political Jurisdiction
Address
City, State Zip

RE: Name of Project

Dear Applicable Person:

The purpose of this letter is to apprise your office that (Name of General Partner, Managing Member, etc.) will be the (general partner, managing member, etc.) of a multifamily residential development located in or within a one-half mile radius of your political jurisdiction. The following describes the project and the multifamily funding programs of the Ohio Housing Finance Agency (OHFA) that will be utilized for the project and notifies you of your right to submit written comments to OHFA:

Project Address:	Be as specific as possible; note city or township location as well as county location.
Number of Units:	Total number of units; you may wish to do a breakdown on unit types, i.e. 1BR, 2BR, 3BR.
Nature of Project:	Such as new construction, acquisition & rehabilitation, substantial rehabilitation, adaptive reuse. Note any other distinguishing characteristics.
Program(s) Utilized in the Project:	Indicate that the project will utilize funding from the Housing Credit, Affordable Housing Loans, and/or Multifamily Bond Programs.
Right to Submit Comments:	You have the right to submit comments to OHFA regarding the project's impact on the community. If you intend to submit a statement of disapproval or objection, you must submit a written statement that is signed by a majority of the voting members of the legislative body governing your jurisdiction. The written objection must be forwarded separately to the Chairman of OHFA and to the

Agency's Executive Director and be delivered by certified mail, return receipt requested. The persons and addresses to be notified at OHFA are:

M______________________________, Chairman
Ohio Housing Finance Agency
77 S. High Street, 29th Floor
Columbus, OH 43215

Mr. Richard V. Everhart, Executive Director
Ohio Housing Finance Agency
77 S. High Street, 26th Floor
Columbus, OH 43215

The written objection must be submitted within 30 days of your receipt of this notice, and must be received by OHFA within 45 days of the date of the sponsor's or private developer's notice.

OHFA is required to respond to any written statement submitted by you under the terms outlined above.

Sincerely,

Name
Title of Writer

H. GEOGRAPHIC POOL AREAS AND AMOUNTS

	Category A	Category B	Category C	Category C *(continued)*
Amount:	*$2,600,000.*	*$2,400,000.*	*$2,000,000.*	
	Akron	Allen	Adams	Lawrence
	Canton	Butler	Ashland	Logan
	Cincinnati	Clark	Ashtabula	Madison
	Cleveland	Clermont	Athens	Marion
	Columbus	Cuyahoga	Auglaize	Meigs
	Dayton	Delaware	Belmont	Mercer
	Toledo	Fairfield	Brown	Monroe
	Youngstown	Franklin	Carroll	Morgan
		Geauga	Champaign	Morrow
		Greene	Clinton	Muskingum
		Hamilton	Columbiana	Noble
		Jefferson	Coshocton	Ottawa
		Lake	Crawford	Paulding
		Licking	Darke	Perry
		Lorain	Defiance	Pike
		Lucas	Erie	Preble
		Mahoning	Fayette	Putnam
		Medina	Fulton	Ross
		Miami	Gallia	Sandusky
		Montgomery	Guernsey	Seneca
		Pickaway	Hancock	Scioto
		Portage	Hardin	Shelby
		Richland	Harrison	Tuscarawas
		Stark	Henry	Union
		Summit	Highland	Van Wert
		Trumbull	Hocking	Vinton
		Warren	Holmes	Wayne
		Washington	Huron	Williams
		Wood	Jackson	Wyandot
			Knox	

V. INDEX

Table of Contents

I. Introduction

This document contains the Administrative Guidelines for the Ohio Low-Income Housing Tax Credit program (Housing Credit Program) in Ohio. The programmatic procedures and underwriting requirements are located within these Guidelines. The Ohio Housing Finance Agency (OHFA or the Agency) reserves the right to modify these Administrative Guidelines without notice pending developments in federal and state legislative requirements and/or Agency policy.

The Ohio Housing Finance Agency's (OHFA's) Threshold and Competitive Review Criteria for the Housing Credit program appear in the 1999 Qualified Allocation Plan (QAP).

Information in these Guidelines include Housing Credit application submission requirements, application processing, underwriting standards and procedures, Binding Reservation procedures, and Carryover and 8609 request requirements. Please use these Administrative Guidelines in conjunction with the QAP and AHFA User Manual to fully understand Ohio's requirements and complete the Affordable Housing Funding Application (AHFA).

II. Application Submission

Application: Submit one (1) application (and disk) and one set of attachments in a three-ring binder. The applicant must submit their application for 1999 Housing Credits to the Housing Credit Program, Ohio Housing Finance Agency, 77 South High Street, 26th Floor, Columbus, Ohio 43215-6108. The application must be received no later than 5 p.m. by the date listed in the program calendar for the particular application round being applied for. Please include an index at the beginning of your application that incorporates appropriate tabbing for each section. Your index and tabbed sections must follow the outline provided in the organizational index appearing in the AHFA. The application cover must clearly indicate it as the 1999 Housing Credit application. Please see the AHFA User Manual and QAP for more detail on preparing your application. If you are also applying for funding from the Ohio Department of Development's Housing Development Assistance Program (HDAP) you must submit one original and two copies of your application directly to that office. The application submission deadline for HDAP funds must correspond with the application deadlines for the Housing Credit program. Policies and Guidelines of the HDAP can be obtained from the Office of Housing and Community Partnerships, 77 S. High Street, 24th Floor, Columbus 43215-6108, 614-466-2285.

Fees: OHFA requires the appropriate *application fee* to be submitted with the application. Fees are based on project size. Please review the following fee schedule.

Projects 25 units or less:	$ 500
Projects 26-50 units:	$ 750
Projects 51-75 units:	$1000
Projects 76+ units:	$1250

Applicants who must resubmit their applications in order to correct Threshold Criteria deficiencies must pay a *resubmission fee*. The amount of the fee is based on the number of errors in the application submission. Applicants must pay **$50** for only <u>one</u> error and **$100** for <u>two or more</u> errors.

The Agency requires payment of a *Binding Reservation fee* after receiving a binding reservation. The reservation fee is equal to **4%** of the annual Housing Credit 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. Extension fees are **4%** of the Binding Reservation fee.

In addition, the recipient of an allocation of 1999 Housing Credits must pay a *monitoring fee* of **$125 per unit** due with the 8609 request.

All fees are non-refundable and non-transferable.

<u>Resubmissions:</u> An applicant may re-apply for Housing Credits if his/her application does not receive a reservation in an 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**.

<u>Agency Timelines and Due Dates:</u> The Internal Revenue Service and the Agency have established timelines and due dates during the life cycle of the project. The QAP contains a calendar of key program dates. Applicants for and recipients of Housing Credits are expected to meet all timelines and due dates.

<u>Request for Extension:</u> The applicant must request an extension if he/she is unable to meet a timeline or a due date. Please submit your request in writing at least 2 weeks prior to the deadline via certified mail. Please include an explanation for the extension and a check in the amount of the correct fee. The Agency reserves the right to deny any extension request. No extensions of the initial application deadlines will be granted.

<u>Previous Allocation:</u> Owners of projects that received a prior allocation of Housing Credits may apply for additional credit if necessary for the continued financial feasibility of the project. Owners of projects that received an allocation of Housing Credits in previous years and are placed-in-service may only apply for additional Housing Credits if 10% or more residential square footage, and/or 5% or more units have been added to the project. The project must apply during a standard 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 Housing Credit 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. Placed-in-service projects are also subject to rules outlined in Section 42 of the Internal Revenue Code and Treasury Regulations.

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 Housing Credits. The Agency is the final determiner of eligibility for the amount of Housing Credits awarded to all tax-exempt bond financed projects. Project specific conditions will be listed in the eligibility letter. The annual $1 million dollar Housing Credit limit does not apply to these projects.

In addition to meeting the Threshold requirements listed in the QAP 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, D, and E 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 Housing Credits 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 Housing Credit rate during the month in which the bonds are issued or the month the project is placed-in-service.

For non-OHFA issued bonds, applicants may apply at any time during the year. If public notification requirements have been met, the Agency may take up to 4 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. Applicants must provide the Agency with a copy of the property's recorded deed, legal description and permanent parcel numbers within 30 days of site acquisition to facilitate preparation of the project's Restrictive Covenant.

For OHFA issued bonds, please consult the most recent OHFA Multifamily Bond Program guidelines for appropriate submission deadlines.

Waiting List: Projects reviewed in the last competitive round that did not receive a reservation will be given the opportunity to be placed on a waiting list for Housing Credits that are returned later in the year. Projects will be ranked by their scores in the general pool from the last round. In order to be placed on the waiting list, applicants **must** submit a letter to OHFA by the deadline provided in the Competitive Rejection letter. The letter must include your desire to be on the waiting list, how you plan to fill any funding gaps, as well as specific action steps on how you will meet the Carryover deadline.

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

III. Application Processing

Scoring/Ranking Procedure: Once an applicant's project passes Threshold review, the Agency will evaluate the project based on the QAP Competitive Review Criteria (see the QAP for the Competitive Criteria). Projects will be evaluated in two stages:

- **Stage One:** The projects will be separated based on their location into three geographic pools. The points for the Project Location criteria will be subtracted from the projects' scores. The projects will then be ranked from highest score to lowest in each pool, and OHFA will award, from highest scoring project to lowest, up to the maximum amount of Housing Credit for that pool and round. Please refer to the 1999 QAP for a definition of the pools and the amount of Housing Credits available in each pool.

- **Stage Two:** Projects that did not receive an allocation in Stage One will then be grouped into one general pool. The points for the Project Location criteria will be added back to the projects' scores. 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 Housing Credit for the general pool and round.

Housing Credits Available Per Round: The amount of Housing Credit available per round is listed in the QAP. The Agency reserves the right to modify the amount of Housing Credit available per round and pool, as well as when to distribute any returned Housing Credit. The last project awarded Housing Credit in a year may be awarded a forward commitment from next year's Housing Credit (based on the availability of future Housing Credit funding), if needed to fill the project's Housing Credit 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 800. Project A's total score for criteria 1a. through 1e. was 200, and Project B's total score for criteria 1a. through 1e. was 150. Therefore, Project A would be ranked ahead of Project B. OHFA reserves the right to institute the tie-breaking procedure only in the final Housing Credit application cycle.

Project Changes: All project changes require Agency approval, and all changes will be reviewed by the Agency on a case-by-case basis. Any change in a project which reduces the project score, or which reduces the project score below the score of the last funded project in a particular funding round may result in a reduction or revocation of the Housing Credit reservation or allocation. No changes in a project are allowed if it reduces the project's score in rent structure. A new application, fee, and Competitive review may be required if any project characteristics change.

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 Housing Credit reservation to be revoked.

Appeals: Applicants may appeal their project score, Housing Credit amount (at Binding Reservation, Carryover and 8609), or Threshold rejection if the applicant believes OHFA has erred in its determination. The applicant must submit his or her 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 QAP or within 1 week of notification of results, whichever is later.

In the appeal, the applicant must state his or her objections to the Agency's determinations and give specific reasons why he or she believes 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 QAP. 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 THAT WERE PROPERLY AND TIMELY SUBMITTED WITH THE ORIGINAL APPLICATION OR DURING THE THRESHOLD REVIEW DEFICIENCY CORRECTION PERIOD.

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 1999 QAP and Affordable Housing Funding Application. The Website address is **http://www.odod.ohio.gov/ohfa**. Please visit the Website to obtain current information on Housing Credit 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 the OHFA Website at **http://www.odod.ohio.gov/ohfa** or contact the Agency to obtain this listing. Interested parties requesting project specific information 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 Housing Credit, OHFA will underwrite each project to ensure that the project receives the minimum amount of Housing Credit necessary to assure project feasibility and viability throughout the Housing Credit period. This includes tax-exempt bond financed projects which are excluded from the state's Housing Credit allocation ceiling. The Agency is required to perform the Housing Credit evaluation three times:

1.) prior to issuing Binding Reservation or letter of eligibility;
2.) at the time of allocation, i.e., Carryover or 8609; 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 Housing Credit requested in the application. In addition, Housing Credit may be reduced at any underwriting stage.

If the credit percentage has not been elected, the Agency will use the current month's applicable Housing Credit percentage at Binding Reservation, and/or Carryover to calculate the value of the Housing Credit. The owner may elect to lock in the current month's applicable Housing Credit percentage at Reservation or placed-in-service. HOWEVER, THE RESERVATION HOUSING CREDIT AMOUNT IS THE MAXIMUM AMOUNT THAT THE PROJECT CAN RECEIVE NO MATTER WHAT THE HOUSING CREDIT RATE MAY BE IN THE FUTURE.

OHFA staff will review all projects receiving a Binding Reservation, Carryover, 8609 Forms, or a letter of eligibility 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.

- ♦ The Agency will verify the applicable fraction for each project. The applicable fraction is defined as the lessor of a) number of low-income units divided by the total number of units or b) residential low-income unit square footage divided by the total residential square footage.

- ♦ Owners of projects with market rate units must demonstrate in the application that all amenities (i.e. garages, community buildings, parking spaces, etc.) are available to ALL units. If certain amenities are only available to the market rate units, the costs for these amenities must be deducted from the eligible basis. Also, if the market rate units are larger and of higher quality than the low-income units, the basis for the market rate units will be reduced to match the basis for the low-income units. The Agency reserves the right to request additional information to clarify any issues regarding the market rate units.

- The acquisition eligible basis cannot exceed the value of the property at or before the date of acquisition (the date of acquisition equals the date the deed or lease is recorded) as determined by the appraisal of the property (see VI. Carryover Allocation). The estimated value cannot include the value of the Housing Credit.

- For projects receiving “soft” loans (e.g. HOME, deferred fees, AHP, etc.), owners must adequately explain in their application and cost certification form the repayment schedule of these loans. Projects with deferred interest and principal exceeding the total project cost at the end of the 15th year must submit a legal opinion. The legal opinion must state whether the “soft” loans should be considered grants and be deducted from eligible basis.

- Applicants must include an operating reserve as part of the total project cost. The operating reserve must equal four months of operating expenses and hard debt payments. The maximum operating reserve allowable must be equal to or less than twelve months of operating expenses and hard debt payments. This reserve is not included as part of the project’s eligible basis. Applicants who believe a reserve is unnecessary for their project may, upon clear demonstration to OHFA, request a waiver. The request and reasons for the waiver must in writing and must accompany the application. The Agency reserves the right to approve or disapprove requests and to exclude reserves from its unit cost analysis on a case by case 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 $.70 per dollar of Housing Credit for equity. Applicants for projects located in a qualified census tract that have difficulty achieving the $.70 per dollar of Housing Credit may, upon clear demonstration to OHFA, request a waiver. The request and reasons for the waiver must in writing and must accompany the application. The Agency reserves the right to approve or disapprove requests on a case by case basis. The equity per dollar of tax credit will be evaluated based on the percentage of the limited partner ownership of the project. The Agency reserves the right to modify the equity standards at any time based on extreme fluctuations in the equity market. Updated equity standards will be published on OHFA’s Website at **http://www.odod.ohio.gov/ohfa**.

- The developer fee and the combined contractor profit, contractor overhead, and general requirement 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 Housing Credit amount. The adjustment is calculated by multiplying the fee increase by the total eligible basis. The adjustment is then deducted proportionately from the acquisition, rehabilitation, and/or new construction basis.

- For acquisition and substantial rehabilitation projects, the developer's fee cannot exceed the sum of 5% of the acquisition eligible basis and 15% of the substantial rehabilitation eligible basis.

- Total eligible soft costs may not exceed 35% of total eligible basis.

- The number of units and square footage in the project must remain constant from date of application to the placed-in-service date. If the number of units or square footage decrease at any time, the project's eligible basis may be proportionally reduced by the decrease in units or square footage, potentially reducing the Housing Credit amount.

  Owners may appeal this reduction. In order to appeal, owners must demonstrate all of the following within the two weeks of notification of the reduction period:

  a) The reason(s) for the loss of units and/or square footage must have been beyond the control of and could not have been reasonably foreseen by the owner. Evidence from a third party (i.e. city, planning commission, etc.) must be provided.

  b) The reason(s) that costs did not decrease must have been beyond the control of the owner. Detailed letters from the contractor, and/or construction lender, etc. describing the costs of the project must be submitted. It must be certified by the owner that none of the cost overruns could have been anticipated by the developer at application or carryover – simply underestimating costs at these phases is not sufficient – specific unanticipated circumstances must have occurred.

  c) The developer must have deferred at least 50% of the developer's fee. Also, the agency will analyze the amount of contractor profit, overhead, and general requirements and the identity of interest among these players. The agency may require portions of these fees and additional developer's fee to be deferred as well.

  d) Letters from ALL (banks, cities, equity providers, etc.) permanent sources stating that no additional funds are available must be submitted.

  e) An appeal processing fee of $250 must be submitted.

  The Agency will re-underwrite the project based on all new information received. The agency may award credits up to the original allocation amount. The Agency will give favorable consideration to those owners willing to accept some reduction of credits. However, all appeals will be considered on a case by case basis. The Agency has complete discretion in its decisions.

- The evaluation of each type of basis is separately determined. Losses in one type of basis (e.g., acquisition) cannot be offset by increases in another type of basis (e.g., rehabilitation).

3. The project's total sources must always equal the total project cost. If the sources exceed the costs, the Agency will reduce the Housing Credit equity by reducing the annual Housing Credit allocation.

4. The Net Operating Income (NOI) is calculated according to OHFA standards, and is then compared to the annual debt service payments to make sure there is positive and adequate debt service coverage.

- The hard debt coverage ratio (DCR) must be above 1.15. Owners of projects with a hard debt coverage ratio lower than 1.15 must provide a written explanation from their lender(s) describing the reasons for their willingness to accept a low DCR. The Agency has the discretion to waive this requirement based on documentation provided by the owner.

- The DCR for all debt sources may be no higher than 1.25. If the DCR is too high, the following will happen:

  A new loan amount will be calculated to reflect a lower DCR. The characteristics of the new loan will be rate = prime + 3 (published in the Wall Street Journal) and a term/amortization period = 25 years. The new loan will be added to the project's permanent sources. The new loan amount is an artificial gap created by the Agency. If the gap exceeds 10% of total project costs, the Agency will require that the owner obtain additional financing to cover the gap before issuing a reservation/allocation.

- For owners who are not syndicating the Housing Credits, the Agency will include the annual Housing Credit amount as part of the total cash flow in order to determine the DCR.

- Projects must maintain a positive cash flow for the first 15 years in the Agency's analysis or provide to OHFA a written explanation describing the strategies to overcome any shortfalls. The Agency reserves the right not to allocate Housing Credits to projects it believes are financially infeasible.

- 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.

- OHFA has adopted maximum and minimum annual replacement reserve standards.

Project Type:	New Construction	Acquisition/Rehabilitation
Maximum:	$300 per unit	$350 per unit
Minimum:	$200 per unit	$250 per unit

For Rural Development and FHA financed projects, OHFA will use the reserve limits prescribed by those agencies. Exceptions may be made for projects with special circumstances. Owners must provide persuasive evidence in order to secure a waiver of these standards.

- The Agency will assume an annual income increase of 3% and an annual expense increase of 4%. The Agency will use the vacancy rate listed in the application and/or cost certification forms by the owner. The vacancy rate must be consistent with the project's market study unless the owner has supplied adequate supporting information.

- The gross rents for low-income units must be at or below the maximum rent limits for the year in which the Agency is analyzing the project. In addition the gross rents must be higher than 95% of the maximum rent limit. If the gross rents are lower than 95% of the maximum rent limit, the owner may reduce the rent election percentage or the Agency will use gross rents equal to 95% of the maximum rent limit in its analysis.

- OHFA will utilize the applicable utility allowances as referenced in Section 42 and Reg. 1.42-10.

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 publishes a list of qualified areas for 130% basis. This information is reproduced in the 1999 QAP.

UNDERWRITING EXAMPLE

A new construction project that passed the Competitive review has the following characteristics:

- Total project cost = $3,247,400
- Total eligible basis = $2,000,000
- Credit percentage = 9% and Annual Housing Credit Amount = $180,000
- 1st mortgage amount = $2,000,000 and term = 30 years and rate = (9.75%)
- Annual debt service costs = $206,197
- 100 two bedroom units in project
- Rent election = 100% of units affordable at 50% AMGI with $50 utility allowance
- Gross Rents for Project = $550 per unit (which is higher than 95% of the maximum 50% AMGI rent of $568)
- Project located in Franklin County
- Vacancy rate = 7%
- Annual operating cost per unit = $2,650 and total = $265,000
- Minimum annual replacement reserves = $20,000 ($200 * 100units)
- Housing Credit equity ($.70 per dollar *99% LP interest) = $1,247,400

Annual Net Operating Income (NOI) = $293,000
Debt Coverage Ratio (DCR) = 1.421

Since the DCR is greater than 1.25 the Agency will increase the debt amount and lower the Housing Credit annual amount and eligible basis.

⇒ Maximum annual debt service costs for 1.25 DCR = $234,400
⇒ New loan amount = $235,439
⇒ Sources exceed uses by $235,439
⇒ New Housing Credit annual amount = $146,026 and new eligible basis = $1,622,512

V. Binding Reservation Agreement

After the Agency has determined which projects to award Housing Credit and has 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 Housing Credit 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 form 8609 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*) signed by the owner and accountant/attorney. These forms and instructions are available for downloading at **http://www.odod.ohio.gov/ohfa** or you may contact the Office of Planning & Development directly at 614-466-0400 or 1-800-848-1300 x6-0400.

- ♦ 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 or recorded long-term lease for each site. Owners must also provide legible legal description and permanent parcel number for each site. These items will be used to facilitate the production of the project's Restrictive Covenant.

- ♦ Conditional commitment letters, including equity commitments, from non-OHFA lenders must be updated from those submitted with the application. This requirement may be waived for Round 2 projects that receive Binding Reservations.

- ♦ An appraisal meeting OHFA requirements if the project is seeking acquisition credit. Those requirements include:

  - ◊ preparation by a third party licensed (state does not matter) appraiser. Name, address, and license number must be included;

  - ◊ stated estimated value of the property at or before the date of acquisition (the date of acquisition equals the date the deed or lease is recorded). The estimated value cannot include the value of the Housing Credit;

  - ◊ adherence to the Uniform Standards of Appraisal Practice. A statement to this effect must be included in the report;

◊ conducted in 1998, although the Agency will consider earlier reports on a case by case basis.

♦ Any additional conditions that appeared on the reservation with a performance date by Carryover submission.

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 Housing Credit 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. The Agency reserves the right to add conditions or require follow-up items in the Carryover Agreement that must be met before the Agency will issue 8609 Forms to the owner.

CARRYOVER TRAINING

The Agency will hold a training that will cover the Carryover requirements and procedures for all recipients of a 1999 reservation of Housing Credit. The training will take place in Columbus. Please visit our Website at **http://www.odod.ohio.gov/ohfa** for information, or contact the Office of Planning & Development.

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:

♦ An OHFA Cost Certification form and instructions (*most current version*) signed by an independent accountant/attorney. These forms are available for downloading at **www.odod.ohio.gov/ohfa.**

♦ Certificates of Occupancy, unconditional, from the issuer of the building permits. Certificates of Completion or similar information from the owner will be accepted for Rehabilitation projects. The Agency reserves the right to conduct a site visit of a property to verify completion before issuing the 8609 forms to the owner.

♦ 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. The Agency may, on a case by case basis, conditionally release the 8909 forms or issue a commitment letter to owners who are unable to immediately close their hard debt sources due to restrictions imposed by the lender. However, owners must have signed and executed firm commitments for funding and must have submitted their 8609 submission package by July 1, 1999. All closing documentation must be submitted no later than December 31, 1999. All permanent hard debt sources must have a term no shorter than 15 years.

- Partnership agreement, executed by the limited and general partners.

- Copy of the appraisal submitted to the permanent lender may be required.

- Recorded Restrictive Covenant.

- Payment of the monitoring fee: 1999 projects - $125 per unit.

The Agency will mail out 8609 forms up to 90 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 applicant(s) should coordinate with Agency personnel to provide the opportunity for public notification of the Agency's participation in a project.

Plan Development: OHFA receives input in the development of the Plan from the Housing Credit Advisory Committee and citizens at the public hearings. The Governor and OHFA's Board approve the QAP. OHFA encourages participation from interested parties during the public hearing and written comment process.

The Credit Advisory Committee is a working group that meets periodically in Columbus to discuss the QAP and other program details. Interest groups represented on the committee include: lenders, equity providers, for-profit developers, non-profit developers, special needs advocates, rural development advocates, urban development advocates, local government officials, market specialists, and others. The Agency always welcomes new representatives to replace retiring or inactive members. Anyone interested in joining or nominating someone for the committee should contact OHFA at (614) 466-0400.

IX. INDEX