

**OKLAHOMA HOUSING FINANCE AGENCY**

Multifamily Housing Bond Program

Application Package

100 N.W. 63rd St.

Oklahoma City, OK 73116 or

P.O. Box 26720

Oklahoma City, OK 73126-0720

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**Multifamily Bond Application**

Oklahoma Housing Finance Agency (OHFA) is authorized to issue Multi-Family Bonds (MF Bonds). Title 330, Chapter 30, Multifamily Housing Bond Program, are the Oklahoma Administrative Rules that govern this program. The Rules can be accessed on OHFA’s website, [www.ohfa.org](http://www.ohfa.org).

This Application Package, the Application Form, and the information contained herein are **effective January 1, 2025**. This will remain in effect until updated.

If applying for 4% Tax Credits, in addition to OHFA’s MF Bonds, then the regular 4% Tax Credit Application must be used.

# Purpose

OHFA provides tax exempt and taxable financing for, acquisition, rehabilitation, and/or new construction of rental housing Developments which satisfy the goals and requirements of OHFA, and comply with applicable federal and State law.

# Borrower Qualifications

* Various types of entities are eligible.
* If a business, then must be in good standing with the State.
* Borrower must have legal authority to incur obligations.
* Creditworthiness and repayment ability must be demonstrated.
* Capability to achieve successful completion.

# Development Qualifications

* Development must be multifamily (in excess of one unit) housing. A Development may consist of detached housing, row houses, high-rises, or the residential portion of a mixed-use Development.
* Economic feasibility of the Development and the independent creditworthiness of the Borrower must demonstrate the OHFA MF Bonds can reasonably be expected to be paid in full in accordance with the terms of the Bond Documents.
* The Development will have a remaining useful life at least equal to the term of the regulatory agreement(s) and/or the Bond Documents.

# Geographic Distribution

OHFA’s MF Bonds can be used throughout the entire State.

# Award Maximums

There is no limit to the amount of MF Bonds that can be requested. However, the ability of OHFA to provide tax-exempt financing for Developments is contingent upon receipt by OHFA of a tax-exempt bond allocation from the Council of Bond Oversight (COBO), through the State of Oklahoma annual private activity allocation.

# Application Questions

Questions regarding any information contained in this Application Package may be directed in writing to:

Oklahoma Housing Finance Agency

 Housing Development Team

 P.O. Box 26720

 Oklahoma City, Oklahoma 73126-0720

All OHFA/Housing Development Staff can be accessed by email or phone. The area code is 405 and individual fax number for each Staff member is 419.9 last three digits (extension number).

darrell.beavers@ohfa.org Housing Development Director 405.419.8261

corey.bornemann@ohfa.org Housing Development Manager 405.419.8134

emily.myers@ohfa.org HD Allocation Supervisor 405.419.8135

**Housing Development Allocation Analysts:**

alicia.thomas@ohfa.org HD Allocation Analyst 405.419.8137

timothy.hicks@ohfa.org HD Allocation Analyst 405.419.8269

myeshia.williams@ohfa.org HD Allocation Analyst 405.419.8231

lee.nero@ohfa.org HD Allocation Analyst 405.419.8112

jose.cisneros@ohfa.org HD Allocation Analyst 405.419.8133

**Program Compliance:**

syleste.johnson@ohfa.org HD Compliance Supervisor 405.419.8280

christina.nittler@ohfa.org HD Compliance Specialist 405.419.8272

bethany.rogers@ohfa.org HD Compliance Specialist 405.419.8131

tiny.powe@ohfa.org HD Compliance Specialist 405.419.8224

Staff are available to provide technical assistance regarding a variety of housing issues as they relate to individual development applications. Interested parties seeking technical assistance regarding affordable housing development are encouraged to make written requests citing the specific topics of interest. This allows Staff to perform appropriate research and prepare copied materials applicable to the meeting.

**Drop-in technical assistance requests are not allowed.**

# Application Format & Due Dates

Applications must be submitted in the following forma

* See **Attachment F**. **All Applications must be uploaded to OHFA’s Dropbox system.**
* Do not change content of Application attachment forms that are marked as “DO NOT MODIFY THIS FORM.”

IT IS THE RESPONSIBILITY OF THE APPLICANT TO VERIFY TIMELY RECEIPT OF THE APPLICATION BY DESIGNATED STAFF.

While Applications **may be submitted at any time**, it is essential to discuss any proposal with OHFA to establish a timeline. The State's approval process for allocating the State's annual private activity bond volume cap may affect timing and should also be taken into consideration.

The last date Applications will be accepted, in order to guarantee consideration at a current year’s Trustee meeting, is **August 1**. OHFA will accept Applications after that date, but no guaranteed consideration in current year. The Application will be considered at the Trustees Board meeting that is at least sixty (60) days past the Application submission date. OHFA encourages Applicant to be mindful of timing restraints of other programs, sources, and/or COBO.

# Fees

When notified by OHFA the Applicant shall remit to OHFA a nonrefundable inducement Application fee in an amount equal to **the greater of**:

 **Ten basis points (.10%)** of the dollar amount of OHFA MF Bonds requested; **OR**

 **Five Thousand Dollars ($5,000)**.

If an Inducement Resolution is sought before an Application is submitted to OHFA, then a One Thousand Dollars ($1,000) deposit is due before the Trustees consider the Inducement Resolution. The remaining balance of the fee would be due at Closing.

When notified by OHFA the Applicant shall remit to OHFA a nonrefundable final financing fee in an amount equal to **the greater of**:

 **Forty basis points (0.40%)** of the dollar amount of OHFA MF Bonds requested; **OR**

 **Twenty Thousand Dollars ($20,000)**.

OHFA will engage a team of professionals, according to State procedures. OHFA may require an Applicant to make payments to third parties who provide services relating to OHFA's review and evaluation of the Application. A list of current professionals is on OHFA’s website. If a professional substitution is approved, the amount of fees charged cannot exceed those outlined through the State process.

Fees for the final financing stage and/or the fees due to third parties may be incorporated into the closing process.

**Other fees, such as Administrative/Compliance, are outlined in the Chapter 30 Rules.**

# Fully Responsive Application

It is the responsibility of the Applicant to provide a full and complete Application that contains sufficient information and documentation relevant to all Threshold Criteria to allow HDT Staff to make a factual determination whether an Application satisfies each of the applicable Threshold Criteria.

No blanks should be on the Application Form. If the information does not apply to your Application, then type N/A.

Failure to provide a complete and fully responsive Application may result in denial of the Application for funding. Prior to submission, Applicant should verify that numbers as identified in the Application Form agree with the supporting documentation located in the individual Tabs.

# Other Laws and Regulations

The Applicant, the Development, the Owner(s), Development Team and the Affiliates of each, must comply with all applicable federal, State and local laws, rules, regulations and ordinances, including but not limited to, the Code and regulations promulgated thereunder, the Oklahoma Landlord Tenant Act, Titles VI and VII of the Civil Rights Act of 1964, as amended and Title VIII of the Civil Rights Act of 1968, as amended, all disclosure requirements promulgated by the Securities Exchange Commission and/or the Municipal Securities Rulemaking Board. Neither the Applicant, the Owners(s), the Development Team nor the Affiliates of each shall discriminate on the basis of race, creed, religion, national origin, ethnic background, age, sex, familial status, or disability in the lease, use or occupancy of the Development or in connection with the employment or application for employment of Persons for the operation and/or management of any Development. Owners(s) of a Development will be required to covenant and agree in the regulatory agreement to comply fully with the requirements of the Fair Housing Act as it may from time to time be amended, for the time period promised in the Application.

Any issuance of MF Bonds by OHFA is subject to compliance with all applicable federal and State laws and all rules and regulations promulgated thereunder and all local ordinances, rules and regulations applicable to the Development, its financing, or any portion or aspect thereof.

For any Development to be financed by the issuance of MF Bonds, the interest on which is intended to be excluded from federal income tax under the Code, the Borrower shall be responsible to insure that all applicable requirements of the Code concerning the design, construction and operation of the Development, and the use of any proceeds of such MF Bonds, are and remain satisfied for the requisite period of time.

# Application Process/Stages

## Pre-Application

Prior to submission of an Application, it is advisable for the Applicant to schedule a meeting with OHFA's Executive Director or his/her designees to present a brief overview of the proposed Development. Any technical aspects of the Development or its proposed financing should be explained to OHFA at this meeting. OHFA should be advised of any anticipated difficulties or contingencies.

OHFA requires adequate time to review any proposal. No proposal will be taken to the Trustees unless OHFA has had adequate review time.

## Inducement

An Inducement Resolution may be issued before an Application is filed with OHFA. The Inducement Resolution may not be combined with the Final Resolution.

## Final

Following OHFA's review, only Applications meeting all requirements will be submitted to the Trustees for their consideration for approval of a Final Resolution.

OHFA shall not be obligated to close on the financing on a Development unless the Board of Trustees in their respective complete discretion, are satisfied that all the requirements and standards imposed by federal and Oklahoma laws, rules and regulations and local ordinances, rules, regulations, and other applicable restrictions, and this Chapter, and the terms and conditions of all resolutions adopted by the OHFA Trustees pertaining to the Development have been, and at the time of the Closing remain, fully completed and satisfied.

OHFA or one of its bond professionals shall prescribe the form and content of all **Closing documents**, including without limitation, the Bond Documents, construction facility documents and the regulatory agreement(s).

Any **amendment or changes** to information filed with OHFA must be disclosed immediately. This is a continuing disclosure requirement. Any amendments or changes not immediately brought to the attention of OHFA, in writing, may result in the Application being rejected.

The Borrower must comply with all insurance requirements of OHFA relating to the Development.

# Application Requirements

1. Application Form – includes Development name, Borrower name and contact information, contact information of other Development Team members.

## ****Capacity and Organizational Experience****

**General**

1. Development Team means the Applicant, architect, attorney, Consultant, Developer, co-Developer, general contractor, market analyst/appraiser, property management company, co-management company, management consultant, Owner, tax professional, and the principals of each.
2. The Applicant and all members of the Development Team and the Affiliates of each must be in compliance with, and good standing under, any OHFA program in which any may participate.
3. Applicants must demonstrate and document the extent of the capacity of their Development Team in developing, managing, and operating the type of housing Development being proposed. If sufficient capacity is not demonstrated the Application may Fail Threshold.
4. Staff will use the documentation provided in the Application and any outside knowledge of the Development Team to determine capacity.
5. Owners, general partners, managing members, Developers, and principals of each, who are new to Oklahoma’s MF Bond Program, are ineligible to apply for more than one (1) Development until they have been awarded MF Bonds, the Development is placed in service, and compliance staff has conducted their first visit. The exceptions are if (1) MF Bond experience in other states OR (2) partner with an entity as general partner/managing member/Developer that has MF Bond experience OR (3) once the first Development has closed with the Bonds and construction has started. These exceptions allow a second Development to be awarded. In no case will a third Application be accepted until a Development is placed in service, and compliance staff has conducted their first visit
6. Owners, general partners, managing members, Developers, and principals of each, who are not new to Oklahoma’s MF Bond Program may not have open, at any one time, more than five (5) Oklahoma Developments. Open means from award to the last Building placed-in-service date. Staff will measure open Developments when preliminary Review Responses are returned to OHFA.
7. If an entity is “to be formed” regardless of its role, complete Tab 1 and list “to be formed” as the Tax ID number. Also a statement informing Staff which entities are “to be formed”.
8. Please do not provide any Social Security numbers or personal identification numbers.

**Documentation Requirements:**

Please verify which team members need to submit which documents.

1. All Development Team members must be listed in **Tab 1** on the Application Form.
2. **Organization charts** of Ownership entity and general partner/managing member entity, including the principals.
3. **Attachment #3 – Previous Participation** - Developers, co-Developers, general partners, managing members, management companies, co-management companies, management consultants, must document their performance in MF Bond Developments in Oklahoma as well as other states. The list must include current and past Developments that received federal or State assistance. Include newly awarded Developments, Developments under construction, and Developments that were in their Compliance or Extended Use Periods within the last seven (7) years, regardless of continued involvement. If the Applicant uses their own list it must include all of the information requested in Attachment #3.
4. **Attachment #4 Development Team Member Certificate** - Owner, Developer, co-Developer, general partner, managing member, Management Company, Co-management Company, management consultant, general contractor, indicating there have been no instances of nonperformance as stated in Attachment #4. All Certifications must be notarized.
5. If for some reason a Development Team member cannot complete an Attachment #3 or Attachment #4 for professional ethical reasons, provide a statement from the team member to that effect.
6. **Attachment #5 Identity of Interest Certification** - Signed and Notarized by the Owner or Representative of the Ownership Entity.

## Financial Feasibility and Viability & Underwriting

Failure to meet any of these requirements is a Failed Threshold item.

**General**

1. OHFA MF Bonds shall meet all reasonable underwriting requirements, and will be subject to adjustment if necessary.
2. Applicants must provide appropriate Commitments that demonstrate the Development's financial feasibility and viability as a qualified Low-Income Housing Development.
3. Applicants must demonstrate to OHFA’s satisfaction that the Application has firm financing Commitments in place for 100% of the Development's total construction and permanent financing.
4. Commitment letters must include the loan amount, interest rate, loan term, debt service coverage ratio (permanent lender), loan amortization period (permanent lender), borrower loan fees, collateral, and conditions precedent to funding.
5. All permanent Commitments must include a fixed interest rate. The interest rate must be locked in at the time of Application. If the rate is not fixed and locked, then the Applicant must provide documentation on a rate ceiling. To ensure that the required debt service coverage ratio is met, Staff will underwrite the Development at the rate specified in the Commitment if it is locked. Otherwise, the Development will be underwritten at the ceiling rate.

**Documentation Requirements:**

1. **Completed Application Form**, including sources, Development budget, Unit Distribution & Rents, Operating Expenses, and Pro forma.
2. **Letters of funding Commitment** for ALL funding sources, including construction and permanent.
3. For Acquisition/Rehabilitation utilizing **HUD, RD**, or other funding source and any properties with rental assistance subsidies provide documentation from HUD, RD, or other source indicating they are aware of the transfer of ownership and do not reasonably foresee any problems occurring with the transfer.

## Market Study.

Market analyses must clearly demonstrate and document the status of the market demand for the type and number of Housing Units proposed to be developed. All market analyses must contain specific minimum levels of information. The minimum content requirements for market analyses are delineated in **Attachment #1 Market Study Summary**.

**Documentation Requirements:**

Third party independent market analysis. An electronic copy must be submitted.

## Capital Needs Assessment

**General**

* 1. Capital Needs Assessment (CNA) means a qualified professional's opinion of a property's current physical condition determined after a physical inspection of the interior and exterior of the units and structures.
	2. Applications for rehabilitation require a CNA performed by a qualified independent third-party (architect, engineer, contractor, Rural Housing Services) which considers the proposed rehabilitation activities to ensure that the proposed improvements plus reserves have a useful life that meets the full term of affordability based on extended use agreements as presented in the Application.
	3. The assessment should also demonstrate the need for the rehabilitation work and in the degree proposed and include a review of proposed rehabilitation costs by an independent 3rd party.
	4. The physical inspection should include an interview with the onsite manager and maintenance personnel. This assessment should identify deferred maintenance, physical needs, remaining useful life, material building code violations that affect the property use, structural and mechanical integrity, and the future physical and financial needs.
	5. The assessment must include the cost of labor and materials identified in detail and the extent of future expenditures contemplated to ensure the costs will be addressed through operating and replacement reserves. Components which should be examined and analyzed in this assessment include but are not limited to:
		+ Site, including topography, drainage, pavement, curbing, sidewalks, parking, landscaping, amenities, water, sewer, storm drainage, gas and electric utility lines;
		+ Structural systems, both substructure and superstructure, including exterior walls and balconies, exterior doors and windows, roofing system and drainage;
		+ Interiors, including unit and common area finishes (carpeting, vinyl or tile flooring, plaster walls, paint condition, etc.), unit kitchen finishes, cabinets and appliances, unit bathroom finishes and fixtures, and common area lobbies and corridors; and
		+ Mechanical systems, including plumbing and domestic hot water, HVAC, electrical, lighting fixtures, fire protection, and elevators.
	6. In addition, all Developments that have existing tenants must include a complete, detailed tenant income audit that identifies all existing tenants and their income. The audit shall separately identify those tenants whose income exceeds applicable Income limits. The Applicant should further ensure that all tenants who will continue to reside in the property comply with the applicable Income limits. This can be completed by the Applicant or others.

**Documentation Requirements:**

1. **Attachment #10** Capital Needs Assessment Certification.
2. **Third-party independent CNA.** The assessment may be prepared no more than eighteen (18) months prior to Application submission. Updates are not allowed.
3. Either the CNA or a narrative should separately present discussions of those **amenities** that are being provided. This can be provided be the Applicant, Developer, or CNA provider.
4. **Tenant audit** for all Developments with existing tenants.

## Readiness to Proceed

Applicants must document their ability to proceed in a timely manner should they receive an award.

**Documentation Requirements:**

1. **Site Control** evidenced by deed, purchase contract, option to purchase, or lease for a term which exceeds the term of affordability and is not revocable by seller. The costs must be identified for the purchase of the property. If purchasing or leasing Land and/or Building(s) from **self or related parties**, must provide a current independent third party **appraisal** of value. The appraisal shall not be older than twelve (12) months.
2. **Preliminary versions of the floors plans and site plans**.
3. Documentation indicating proper **zoning** in place at the time of Application with type and authorization date.
4. Certification

**Attachment #9** - Fair Housing and ADA Certification.

1. Supplemental Information.

Any and all additional information OHFA may require in order to analyze the Development and Application at any stage of its review.

**Attachment #1- Market Study Summary**

(To be included at the beginning of the market study)

Development Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The Market Study prepared by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date of Study: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Page # of specific answers requested below. Please do not list a large range of pages.

Concise description of the site.

Brief summary of the subject development, including the proposed targeted population

to be served.

Summary of demand for the proposed development including a concise statement of

the analyst's opinion of market feasibility, determined by factors of market demand.

Precise statement of key conclusions reached by the analyst. This statement should

provide a definitive evaluation of the proposed development and its prospect for success as

proposed. This statement should reconcile any conflicting data indicators among the various

sections of the report.

If needed, recommendations and/or suggested modifications to the proposed project. It

should be clear if these modifications would be necessary for the project’s success.

Absorption estimate for the subject property. If recommendations are provided in the

report, it should be clear if this absorption estimate is as proposed or assuming the analyst’s

proposed recommendations are followed.

A SWOT Analysis that Concisely identifies the Strengths, Weaknesses, Opportunities, and Threats relating to the proposed development.

Project description detailing the analyst’s understanding of the project as proposed,

including but not limited to; building type and unit mix, target market and restrictions, unit

features and amenities.

A full description of the site accompanied by a photograph of the site. A discussion of the

appropriateness of the location.

Analysis of neighborhood amenities available. Along with analysis, provide a table

and map of neighborhood amenities and their distance from the subject site including

Schools, Grocery stores, Pharmacies, Bus stops, Public Parks, Hospitals or Urgent Care Centers,

Daycares, Libraries, Banks, Public Recreational Facilities, Police or Fire Stations, and Gyms or

Health Clubs.

A map delineating the primary market area (PMA) for the proposed Development. The

PMA should be realistic and not too large.

A demographic summary of the market area, including incomes, households, growth trends, economic factors relating to employment, labor force, and community facilities (i.e. parks, schools, etc.).

An evaluation of the current affordable housing stock existing in the market area, including an identification of geographical location, occupancy levels, age of stock, upkeep condition, bedroom mix, amenities and rents being charged. Include comparable rental residential Developments in the primary market area. and all Tax Credit Developments. A Include a list of all existing and/or under construction Tax Credit properties in the PMA.

Provide a list of all affordable housing communities including LIHTC communities and

deeply subsidized communities (Section 8, Public Housing, USDA), within the PMA. Any

LIHTC communities not included in the analysis should be identified with an explanation of

its exclusion.

A discussion of whether or not the proposed Development, in light of vacancy and

absorption rates for the applicable market areas, is likely to result in an increased vacancy rate for comparable units within such market area, (i.e., standard, well-maintained units within such market area that are reserved for occupancy by low and very low Income tenants).

An evaluation of whether the projected initial rents for the Development are/are not

reasonably affordable by low and very low-Income tenants and within the rental range for the

comparable Developments within the market area. Derive a market rent and an achievable

restricted rent and then compare them to the developer’s proposed rent. Include market

advantage/disadvantage analysis. Quantify and discuss market advantage of the subject and impact on marketability. Also include Income Averaging analysis that shows adequate demand, this includes capture rates for each applicable percentage the Development wishes to serve, if the

Development is utilizing such option.

Discuss the capture rate for the primary market area. The capture rate is an important

component of the market study. Capture rate is defined as, “The percentage of age, size, and

Income Qualified Renter Households in the Primary Market Area that the property must capture

to achieve the Stabilized Level of Occupancy. The Capture Rate is calculated by dividing the total number of units at the property by the total number of age, size, and Income Qualified Renter Households in the Primary Market Area.” This is the National Council of Affordable Housing Market Analysts (NCHAMA) definition. OHFA requires 1.5 persons per bedroom for determining income and household size. A residential unit is rent-restricted if the gross rent with respect to such unit does not exceed 30 percent of the imputed income limitation applicable to such unit. A 30% affordability factor, combined with the number of Households utilizing Housing Choice Vouchers within the PMA, must be used when calculating the number of Income Qualified Renter Households. For family developments, a capture rate over 10% will result in a failed threshold. For elderly developments, a capture rate over 15% will result in a failed threshold.

Provide a projection of the time necessary for the Development to achieve sustaining

occupancy. (This criterion is not applicable to rehabs with current occupancy of 90% or more.)

A discussion of any relevant information regarding existing rent overburden statistics. Rent overburdened would be those households paying over 30% of their income for housing. An

evaluation of the need for affordable housing within the primary market area. (This criterion is

not applicable to rehabs with current occupancy of 90% or more.)

Provide the recommended vacancy rate.

Provide the total number and availability of Housing Choice Vouchers and the number

and types of households on the waiting lists for housing choice vouchers.

Interviews with local public housing authority (PHA) officials to solicit comments on

the need for housing and the possible impact of the proposed development on the housing

inventory and waiting lists for subsidized housing.

Discuss any impact (short/long term) the subject property will have on the overall rental

market and comparable rental communities.

Comment on the appropriateness of the proposed rents in light of the location and product

to be constructed. Identify risks (i.e. competitive properties which may come on line at the same

time as the subject property; declining population in the PMA, etc.), unusual conditions and

mitigating circumstances.

Certifications that states: No identity of interest between the analyst and the entity for

which the report is prepared, and that the recommendations and conclusions are based solely on

professional opinion and best efforts.

Statement of analyst’s qualifications.

List of sources for data in the market study that are not otherwise identified.

Market Study Checklist.

NCHMA Member Certification.

**Attachment #2 – Nonprofit Owners**

Development Name:

Nonprofit Name:

I hereby Certify that the Qualified Nonprofit:

* Owns more than fifty percent (50%) Ownership interest of the general partner or managing member.
* Will materially participate on a regular basis, in the planning and construction of the Development.
* Will materially participate on a regular basis, in the operation and management of the Development throughout the entire Compliance Period.
* Is not affiliated with or controlled by any for profit entity.
* Will be bound to all Nonprofit requirements.

**Representative of Nonprofit Entity Representative of Ownership Entity**

Signature Signature

Printed Name Printed Name

Title Title

Date Date

***DO NOT MODIFY THIS FORM***

# Attachment #3 – Suggested Previous Participation Form

 **Name: List all current and past Developments, regardless of continued**

 **involvement, for Oklahoma, as well as other States.**

Incomplete forms and lack of full disclosure may result in disqualification of the Application.

 ⎡If this funding source involved, ⎤

 ⎢indicate with an X or✓. ⎢

 ⎣ ⇓ ⇓ ⇓ ⎦

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Property ID:** | **Property Name and Address** | **Total # of Units** | **AHTC** | **HOME** | **Bond** | **Principal’s Role** | **Status (Active, Sold, Expired)** | **Date 8609 Issued** |
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 **Make copies as needed.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

 **Signature of Representative**

# Attachment #4 – Development Team Member Certificate

Development Name:

Team Member Role: Check box/boxes that apply

[ ]  Accountant/Tax Professional [ ]  Architect [ ]  Attorney [ ]  Developer

[ ]  Consultant [ ]  General Contractor [ ]  Owner [ ]  Mgmt. Company

[ ]  Gen. Partner/Managing Member [ ] Co-Developer [ ] Co-Management Company

[ ]  Other (please specify) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The undersigned Development Team Member for the referenced Applicant and Development hereby affirms to Oklahoma Housing Finance Agency and its Trustees that the undersigned has not:

* Been involved in uncured financing defaults, foreclosures, or placement on HUD’s list of debarred contractors;
* Had events of material uncorrected noncompliance with any Federal or State assisted housing programs within the prior seven (7) year period;
* Had Appointment of a Receiver or bankruptcy within the prior seven (7) year period;
* Been removed as a general partner or managing member.
* Failed to meet and maintain any material aspect of a Development as represented in an Application;
* Failed to meet and maintain minimum property standards;
* Failed to bring any Development back into compliance after receiving written notice from OHFA’s Compliance Staff.
* Failed to comply with OHFA’s requests for information or documentation on any Development funded or administered by OHFA;
* Intends to participate in the Development proposed by the Application.

 By:

 Printed Name:

 Company:

SUBSCRIBED AND SWORN to before me on this the day of, 20 .

 NOTARY PUBLIC

(SEAL) My commission expires:

*DO NOT MODIFY THIS FORM*

**Attachment #5 – Identity of Interest Certification**

Development Name:

OHFA has determined the following constitutes an **Identity of Interest:**

**Identity of Interest** between of the parties to this Multifamily Bond Application and general contractors, subcontractors, materials suppliers, or equipment lessors (hereinafter “Contractors”) will be construed as existing under any of the following conditions:

* When there is any financial interest of the Applicant and any other member of the Development Team, management team, or any Contractors.
* When one or more of the officers, directors, stockholders, members, or partners of the Applicant is also an officer, director, stockholder, member, or partner of any other member of the Development Team, management team, or any Contractors.
* When any officer, director, stockholder, member, or partner of the Applicant has any financial interest whatsoever in any other member of the Development Team, management team, or any Contractors.
* When any member of the Development Team, management team, or Contractors advances any funds to the Applicant.
* When any member of the Development Team, management team, or Contractors provides or pays, on behalf of the Applicant, the cost of any materials and/or services including architectural services or engineering services other than those of a surveyor, general superintendent, or engineer employed by any other member of the Development Team, management team, or Contractor in connection with its obligations under its contract with the Applicant.
* When any member of the Development Team, management team or Contractors takes stock or any interest in the Applicant entity as part of the consideration to be paid him/her.
* When any relationship exists which would give the Applicant or any other member of the Development Team, management team or Contractors Control or influence over the price of the contract or the price paid to any other member of the Development Team, management team or to Contractors.
* When there exists or comes into being any side deals, agreements, contracts or understandings entered into thereby altering, amending, or cancelling any of the management plan/management agreement documents, organization documents or other legal documents pertaining to the property, except as approved by OHFA.

**IDENTITY OF INTEREST DISCLOSURE**

The following list constitutes a listing of those who have an **Identity of Interest** to this Application.

Do any of the following have an **Identity of Interest** in any other party to this Development?

General Partner/Managing Member: No [ ]  Yes [ ]

Developer: No [ ]  Yes [ ]

Management Company: No [ ]  Yes [ ]

Sponsor: No [ ]  Yes [ ]

Contractor: No [ ]  Yes [ ]

Sub-contractors: No [ ]  Yes [ ]

Tax Attorney: No [ ]  Yes [ ]

CPA: No [ ]  Yes [ ]

Material Suppliers: No [ ]  Yes [ ]

Equipment Lessors: No [ ]  Yes [ ]

Other Service Providers: Please identify: No [ ]  Yes [ ]

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Describe relationship, identifying percentage of any Ownership, percentage of materials or services to the Development and all financial matters in the Development.

I*,* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (please print name), hereby Certify that I have read the **Identity of Interest** statement above and understand what OHFA has determined constitutes an **Identity of Interest**.

The undersigned \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (please print) hereby Certifies that,

**Check one:**

\_\_ **No Identity of Interest relationship exists**.

\_\_ **An Identity of Interest relationship exists** and hereby disclosed on the following page(s) of this qualification form those entities with which an **Identity of Interest** relationship exists.

I hereby Certify, under penalty of law, and with knowledge that this information may be verified, that the information submitted is true and accurate.

I further understand that failure to disclose any **Identity of Interest** to OHFA will also subject me to any administrative remedies available to OHFA. Such remedies may include suspension and debarment from participating in any OHFA programs.

I further understand and agree that I will update this **Identity of Interest** if my circumstances change, and I agree to provide a new **Identity of Interest** at any time requested by OHFA.

IN WITNESS THEREOF, I have set my hand this \_\_\_\_ day of \_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature of Non Profit, General Partner/Managing Member (or Principal thereof)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title of Officer, if General Partner/Managing Member is a Corporation

The **Identity of Interest** Affidavit was acknowledged before me this \_\_\_\_\_ day of , by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ known to me to be the person described in and who executed the foregoing instrument and acknowledge that he/she executed the same as his/her free and voluntary act of deed.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Notary Public

My commission Expires: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

***DO NOT MODIFY THIS FORM***

**Attachment #6 – Waiver of Qualified Contract**

Development Name:

I*,* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (please print name), hereby Certify that I have read the **Waiver of Qualified Contract** statement below and understand what OHFA has determined constitutes a **Waiver of Qualified Contract**.

The undersigned \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (please print) hereby Certifies that,

\_\_ **I waive my right to a Qualified Contract**.

I hereby Certify, under penalty of law, and with knowledge that this information may be verified, that the information submitted is true and accurate.

IN WITNESS THEREOF, I have set my hand this \_\_\_\_ day of \_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature of Non Profit, General Partner/Managing Member (or Principal thereof)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title of Officer, if General Partner/Managing Member is a Corporation

The **Waiver of Qualified Contract** Affidavit was acknowledged before me this \_\_\_\_\_ day of , by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ known to me to be the person described herein and who executed the foregoing instrument and acknowledge that he/she executed the same as his/her free and voluntary act of deed.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Notary Public

My commission Expires: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

***DO NOT MODIFY THIS FORM***

**Attachment #7 – Section 42 Leasing Language, Development Services, & Referral Acceptance Certification**

Development Name:

The undersigned hereby certifies:

* That the proposed Development will include the proper language in the Tenant Application and Lease Addendum. The Tenant Application language must include questions about full time students. The lease or an addendum must include Section 42 language.
* To notify tenants of Development and/or community services available in the area. Such notification shall be in the form but not limited to letters to tenants, flyers, posters, etc. Documentation shall be made available to OHFA at any time requested.
* That the Owner/Applicant will accept referrals from Public Housing waiting lists and/or OHFA.
* If Acquisition/Rehabilitation: that all the tenants who continue to reside in the property must qualify under the Tax Credit Program.

Signature

Printed Name

Title

Date

***DO NOT MODIFY THIS FORM***

**Attachment #8 – Cost and Expense Separation**

Development Name:

The undersigned hereby certifies:

* The costs and expenses for this Development will be separate from the costs and expenses of any other phase of the Development if part of a multi-phase Development. This is not applicable to administrative/property management buildings that are to be shared by multiple phases of the same development.
* The costs and expenses for this Development will be separate from the costs and expenses of any other Development located in close proximity and sharing common Ownership or principals thereof with this Development.

Signature

Printed Name

Title

Date

***DO NOT MODIFY THIS FORM***

# Attachment #9 – Fair Housing and ADA Certification

Development Name:

Team Member Role: Check box/boxes that apply

[ ]  Owner [ ]  Architect [ ]  General Contractor

Name:

The undersigned hereby certifies the Development will comply with all Fair Housing and Americans with Disabilities Act (ADA) requirements including those dealing with accessibility.

Signature

Printed Name

Title

Date

The **Fair Housing and ADA Certification** was acknowledged before me this \_\_\_\_\_ day of , by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ known to me to be the person described in and who executed the foregoing instrument and acknowledge that he/she executed the same as his/her free and voluntary act of deed.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Notary Public

My commission Expires: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

***DO NOT MODIFY THIS FORM***

# Attachment #10 – Capital Needs Assessment Certification

Development Name:

The undersigned hereby certifies:

* That the proposed improvements plus reserves have a useful life that meets the full term of affordability.
* That an interview was conducted with either the owner or onsite personnel to assist in determining the historical and current physical condition of the Development.

List the Names and titles of all onsite personnel interviewed

 Name Title

Representative of the Ownership Entity Date

Printed Name

Individual who performed CNA Date

Printed Name

 ***DO NOT MODIFY THIS FORM***

# Attachment A – Post Application Fees

* **General -** All fees shall be paid via wire transfer. Failure to pay any fee at the appropriate time could result in negative points on future Applications, as well as other consequences.
* **NSF -** If payment is returned for insufficient funds, it will be deemed nonpayment. The amount to defray costs will be due immediately and other consequences may result.
* **Allocation** - An Allocation fee shall be paid in an amount equal to eleven percent (11%) of the total Allocation, but in any event not less than $1,000. The Allocation fee is due within fourteen (14) calendar days of notification from OHFA of the approval of the Tax Credit Allocation. A Carryover Allocation Agreement will not be executed, nor will Form 8609(s) be issued unless this fee has been received by OHFA. Nonpayment may result in revocation of Credits.
* **Processing** - A processing fee of one percent (1%) of the TCA must accompany the request for a Final Allocation. Form 8609(s) will not be issued unless this fee has been received by OHFA.
* **Regulatory Agreement filing** - An executed Regulatory Agreement must be submitted to OHFA as part of the Request for Final Allocation and be accompanied by a check payable to the County Clerk of the county or counties in which the Development is located. The check or checks shall be in an amount sufficient to cover the filing fees of the county (ies).
* **Compliance monitoring** - In addition to the documentation required by OHFA, an annual compliance monitoring fee shall be paid to OHFA on or before January 28th of each year of the Compliance Period and Extended Use Period. The compliance monitoring fee will be based on the fees in effect for the year the compliance fee is invoiced and is subject to annual adjustment. If a Development includes scattered sites, a compliance monitoring fee for each site must be paid. If the compliance monitoring fee is not paid within 30 calendar days of the Due Date, then a Late Fee will be assessed. The Late Fee is equal to twenty five percent (25%) of the compliance fee. Failure to remit timely payment of compliance monitoring fees may result in the filing by OHFA of a lien against the Development. The compliance monitoring fee shall be computed as follows:

**RHS Developments** - For Developments financed by RHS under the Section 515 (and otherwise qualify under the Code) receiving a TCA in 2011 or before where an agreement has been entered into between OHFA and RHS wherein the RHS agrees to provide OHFA with the required information respecting the Income and rent of the tenants in the Development, the fee shall be $315.00 per Development per year, plus $14.00 per OAHTC unit per year within any Building within the Development;

* + **Single Site or Contiguous Site Developments of four (4) Units or less** - $350.00 per Development, per year.
	+ **All other Developments** - For all other Developments including those financed by RHS under Section 515 receiving a TCA in 2012 or later the fee shall be $450.00 per Development, plus $23.00 per AHTC unit in any Building within the Development, per year.
	+ Single-family homes or duplexes regardless if scattered or on the same tract of land $525.00 flat fee plus $30.00 per unit.
	+ Developments selecting Income Averaging as the Minimum Set-Aside will have an additional flat fee of $150.00 in addition to the applicable items referenced above.
* **Additional monitoring -** In the event noncompliance with the Code or Regulatory Agreement or the Chapter 36 Rules requires OHFA to conduct an examination of the Owner, any Building within the Development, or any documentation to verify correction of said noncompliance, OHFA shall be reimbursed its costs by the Development or Owner for such an examination, including an hourly rate for the OHFA examiner, not to exceed $35.00 per hour, plus any and all actual travel, lodging and per diem expenses of said examiner. Such reimbursement of expenses and costs shall be paid to OHFA within ten (10) calendar days of receipt of OHFA's invoice of same.
* **Construction Monitoring –** Once a Development is Allocated Affordable Housing Tax Credits, OHFA Staff, or its assigns, will make 2 visits, or more as necessary, to the construction site of the proposed Development. OHFA will contact the owner of the Development to ensure that someone will be at the construction site the day of the planned visit.
* **Ownership/General Partner/Managing Member Transfer -** In the event that the Owner submits a request for approval of a Transfer of Ownership/general partner/managing member of the Development or any of the Buildings therein, a $7,500 fee. If additional Transfers are submitted at the same time and are essentially the same parties involved, then each additional transfer will be $4,000. These fee(s) must accompany the request for approval(s) and is nonrefundable.
* **Management Transfer -** In the event that the Owner submits a request for approval of a Transfer of the management company of the Development, either alone or in conjunction with an Ownership/general partner/managing member/manager transfer, a $650.00 fee per Development shall be paid. This fee must accompany the request for approval and is nonrefundable. Prior performance issues (i.e., late or lack of response) could impact the approval of transfers.
* **Qualified Contract –** In the event an Owner is seeking a Qualified Contract from OHFA, they may submit a Qualified Contract Preliminary Application (QCPA), of which the fee is $1,500. If the QCPA is approved, the Owner may submit a Qualified Contract Application (QCA), of which the fee is $12,500.
* **Copies of Rules -** Copies of the Chapter 36 Rules will be provided at a cost sufficient to defray the total cost of copies, but can be accessed on the website, [www.ohfa.org](http://www.ohfa.org).
* **Late fees**
	+ **Progress reports -** Progress reports as required in OHFA Rules 36-4-2.1 when filed late will be assessed a late fee of $10.00 per calendar day, per each late report.
	+ **Carryover Allocations** - Applicants who fail to timely file all requirements in the AP as to Agreement, Application, ten percent (10%) cost Certifications, opinions, and documents shall incur $100.00 late fee per calendar day.
	+ **Final Allocations -** Applicants who fail to timely file all requirements in the AP as to the Regulatory Agreement, Application, cost Certifications, opinions, and documents shall incur $100.00 late fee per calendar day.
	+ **Transfer Documents -** Owners who fail to timely file all requirements in regard to a Transfer of Ownership or general partnership interest (or other type of entity) and/or Management Transfers may incur $25.00 late fee per calendar day.
	+ **Placed-In-Service Acknowledgment Form** - Owners who fail to timely file a Placed-In-Service Acknowledgment Form shall incur $10 late fee per calendar day. Placed-In-Service Acknowledgment Forms must be received by OHFA compliance staff no later than thirty (30) days after a particular Building is Placed-In-Service.

**Annual Owner Certifications** - Owners who fail to file a complete Annual Owner Certification as required in 36-6-7(c)(4) within thirty (30) days of the Due Date shall incur a $50 per Development Late Fee per calendar day for the signed certification and a $150 per unit late fee for failure to file in the electronic format prescribed by OHFA.

**Attachment B – Program Market Study Requirements**

A market study prepared by an Oklahoma certified appraiser with expertise and demonstrated experience in the preparation of market studies related to residential rental properties must be submitted with the Application. This market study shall be utilized by OHFA to determine whether the Development meets housing needs and demands.

The study cannot have been prepared more than twelve (12) months prior to the date of filing the Application. If resubmitting an Application for the same Development, a letter may be provided from the original market analyst, prepared eighteen (18) months or less prior to the date of the resubmission. If an update letter is submitted, the market study analyst must verify whether the conclusions of the original study have materially changed since the original report date. The letter must state that current market data and comparable information have been compiled to verify the letter conclusions.

 Even though a market study may address all of the elements required below, OHFA may reject the market study if it is determined, in OHFA's sole discretion, that the information presented will not enable OHFA to make a decision regarding need and the viability of the proposed Development, or if OHFA determines that a demand and/or need for the Development is not demonstrated.

The Market Study must include the following:

1. **Executive Summary**

The executive summary should include a concise summary of each section of the market study including data, analysis, and conclusions. Minimum content of the Executive Summary includes:

* + Concise description of the site.
	+ Brief summary of the subject development, including the proposed targeted population to be served.
	+ Summary of demand for the proposed development including a concise statement of the analyst's opinion of market feasibility, determined by factors of market demand.
	+ Precise statement of key conclusions reached by the analyst. This statement should provide a definitive evaluation of the proposed development and its prospect for success as proposed. This statement should reconcile any conflicting data indicators among the various sections of the report.
	+ If needed, recommendations and/or suggested modifications to the proposed project. It should be clear if these modifications would be necessary for the project’s success.
	+ Absorption estimate for the subject property. If recommendations are provided in the report, it should be clear if this absorption estimate is as proposed or assuming the analyst’s proposed recommendations are followed.
	+ A SWOT Analysis that Concisely identifies the Strengths, Weaknesses, Opportunities, and Threats relating to the proposed development.
1. **Introduction and Scope of Work** [(NCHMA's Scope of Work)](http://services.housingonline.com/nhra_images/Scope%20of%20Work%20and%20Reporting%20Options.pdf)

The introduction of the market study should summarize the report’s purpose and scope of work conducted during the preparation of the report.

1. **Project Description**

The market study should include a project description detailing the analyst’s understanding of the project as proposed, including but not limited to; building type and unit mix, target market and restrictions, unit features and amenities.

1. **Location**
* A full description of the site accompanied by a photograph of the site. A discussion of the appropriateness of the location.
1. **Market Area Definition**
* A map delineating the primary market area (PMA) for the proposed Development. The PMA should be realistic and not too large.
1. **Demographic Characteristics and Economic Factors**
* A demographic summary of the market area, including incomes, households, growth trends, economic factors relating to employment, labor force, and community facilities (i.e. parks, schools, etc.).
1. **Competitive Environment**
* An evaluation of the current affordable housing stock existing in the market area, including an identification of geographical location, occupancy levels, age of stock, upkeep condition, bedroom mix, amenities and rents being charged. Include comparable rental residential Developments in the primary market area. Include a list of all existing and/or under construction Tax Credit properties in the PMA.
* Provide a list of all affordable housing communities including LIHTC communities and deeply subsidized communities (Section 8, Public Housing, USDA), within the PMA. Any LIHTC communities not included in the analysis should be identified with an explanation of its exclusion.
* A discussion of whether or not the proposed Development, in light of vacancy and absorption rates for the applicable market areas, is likely to result in an increased vacancy rate for comparable units within such market area, (i.e., standard, well-maintained units within such market area that are reserved for occupancy by low and very low Income tenants).
* An evaluation of whether the projected initial rents for the Development are/are not reasonably affordable by low and very low-Income tenants and within the rental range for the comparable Developments within the market area. Derive a market rent and an achievable restricted rent and then compare them to the developer’s proposed rent. Include market advantage/disadvantage analysis. Quantify and discuss market advantage of the subject and impact on marketability. Also include Income Averaging analysis that shows adequate demand, this includes capture rates for each applicable percentage the Development wishes to serve, if the Development is utilizing such option.
1. **Affordability Analysis, Demand Analysis, Capture Rates, and Penetration Rates**
* Discuss the capture rate for the primary market area. The capture rate is an important component of the market study. Capture rate is defined as, “The percentage of age, size, and Income Qualified Renter Households in the Primary Market Area that the property must capture to achieve the Stabilized Level of Occupancy. The Capture Rate is calculated by dividing the total number of units at the property by the total number of age, size, and Income Qualified Renter Households in the Primary Market Area.” This is the National Council of Affordable Housing Market Analysts (NCHAMA) definition. OHFA requires 1.5 persons per bedroom for determining income and household size. A residential unit is rent-restricted if the gross rent with respect to such unit does not exceed 30 percent of the imputed income limitation applicable to such unit. A 30% affordability factor, combined with the number of Households utilizing Housing Choice Vouchers within the PMA, must be used when calculating the number of Income Qualified Renter Households. For family developments, a capture rate over 10% will result in a failed threshold. For elderly developments, a capture rate over 15% will result in a failed threshold.
* Provide a projection of the time necessary for the Development to achieve sustaining occupancy. (This criterion is not applicable to rehabs with current occupancy of 90% or more.)
* A discussion of any relevant information regarding existing rent overburden statistics. Rent overburdened would be those households paying over 30% of their income for housing. An evaluation of the need for affordable housing within the primary market area. (This criterion is not applicable to rehabs with current occupancy of 90% or more.)
* Provide the recommended vacancy rate.
1. **Local Perspective of Rental Housing Market and Housing Alternatives**

The market study should include a summary of the local perspective on the rental market, the need for the proposed development and unmet housing needs within the market.

* Provide the total number and availability of Housing Choice Vouchers and the number and types of households on the waiting lists for housing choice vouchers.
* Interviews with local public housing authority (PHA) officials to solicit comments on the need for housing and the possible impact of the proposed development on the housing inventory and waiting lists for subsidized housing.
1. **Analysis/Conclusions**

The analysis and conclusions section of the market study should summarize salient points from each section of the market study used by the analyst to reach the final conclusion.

* The final conclusion of the report should reconcile any conflicting data in the report.
* Discuss any impact (short/long term) the subject property will have on the overall rental market and comparable rental communities.
* Comment on the appropriateness of the proposed rents in light of the location and product to be constructed. Identify risks (i.e. competitive properties which may come on line at the same time as the subject property; declining population in the PMA, etc.), unusual conditions and mitigating circumstances.
1. **Other Requirements**
	* Certifications that states: No identity of interest between the analyst and the entity for which the report is prepared, and that the recommendations and conclusions are based solely on professional opinion and best efforts.
	* Statement of analyst’s qualifications.
	* List of sources for data in the market study that are not otherwise identified.
	* Market Study Checklist.
	* NCHMA Member Certificate.
	* Provide analysis of neighborhood amenities available. Along with analysis, provide a table and map of neighborhood amenities and their distance from the subject site including Schools, Grocery stores, Pharmacies, Bus stops, Public Parks, Hospitals or Urgent Care Centers, Daycares, Libraries, Banks, Public Recreational Facilities, Police or Fire Stations, and Gyms or Health Clubs.

**Attachment C – Program Underwriting Standards**

**Failure to meet any of these requirements is a Failed Threshold item.**

If a lender, syndicator, or other program has more stringent requirements for any of these criteria, those must be satisfied as well OHFA’s requirements. Documentation from the source must be provided at the time of Application.

**Amount of credits**

The amount of the Tax Credits requested cannot be increased after the Application has been submitted to OHFA. **After underwriting, the amount of Credits may be reduced. Credits also may be reduced at Carryover and/or final if the underwriting supports a lower amount.**

The applicable percentage for both the 4% and 9% rates have been permanently fixed.

**130% Boost** -Developments located in a QCT, DDA, or Opportunity Zone are eligible for the 130% Eligible Basis increase (boost).

**120% Boost** - Developments not located in a QCT or DDA may be eligible for the 120% general financial adjustment Eligible Basis (boost) by requesting and showing a financial need for the boost.

4% Applications can only qualify for QCT or DDA Eligible Basis increase unless otherwise allowed by the Internal Revenue Code or Federal law.

Per the United States Department of Housing and Urban Development (HUD): For 4% applications located in a QCT/DDA at the time of application submission, if the area where the proposed development is not on a subsequent list of QCTs or DDAs, then the multifamily bonds must be issued no later than the end of the 730-day period after the applicant submits a complete application to OHFA, and the submission is made before the effective date of the subsequent lists, provided that both the issuance of the bonds and the placement in service of the building occur after the application is submitted.

For this purpose, beginning in 2025, OHFA considers the complete application date to be either the date of submission of the Multifamily Bond Application or the date that the OHFA Board of Trustees Awards the 4% credits. **If the applicant wishes for the date of the award of 4% credits to be the complete application date, then submittal of the Multifamily Bond Application is not required.** The Multifamily Bond Application can be found on OHFA’s website. If the awardee does not close on the bonds within the 730-day period described above, they will not be eligible for the 130% basis boost.

The maximum amount of Tax Credits that will be awarded to any Development is $1,000,000. These maximums apply to all Developments, including those that receive either the 130% or the 120% boost. (The maximum amount of Tax Credits that will be awarded in the Choice Neighborhoods Implementation Grant set-aside is $1,000,000.)

There is no maximum amount for 4% Applications.

**The maximum amount of Tax Credits will be based on the lesser of Gap or Eligible Basis Method of calculation. However, the final Allocation could be less due to underwriting.**

**Cost Limits**

OHFA encourages realistic costs for AHTC Developments, while encouraging cost efficient production and shall not give preference solely for lowest construction costs. Developments that have high cost may be ineligible for a reservation. OHFA will use the HOME Program Maximum Per Unit Subsidy Limits currently in effect as the limit on total development costs per unit, based on bedroom size.

**The ONLY exceptions to these limits will be for Historic Rehabilitations or proposed Developments that are located in a Federal Opportunity Zone.** Applicants must demonstrate to OHFA’s satisfaction that the cost per unit is realistic. OHFA Staff in their best judgment will determine the cost reasonableness. In no case will the cost per unit of a Historic Rehabilitation or a proposed Development located in a Federal Opportunity Zone be allowed to exceed more than thirty percent (30%) of the current Maximum per Unit Subsidy currently in effect.

OHFA will Allocate only the amount of Credit necessary for financial feasibility of a Development and its viability as a qualified Low-Income Housing Development throughout the extended use period.

Cost per square foot will be considered as part of the feasibility analysis for all Applications. Historic Rehabilitations or proposed Developments located in a Federal Opportunity Zone are allowed to exceed no more than thirty percent (30%) of the current maximum per square foot in effect at the time of Application.

**Costs per square foot over $250 will result in a Failed Threshold item, even if maximum per unit limits are not exceeded. This cost per square foot threshold limit will not include the cost of land. Exceptions apply for proposed Historic Rehabilitation and Federal Opportunity Zone Developments.**

**Minimum Rehabilitation Cost per Unit**

A minimum rehabilitation investment is required to assure meaningful, rather than simply cosmetic, substantial rehabilitation of properties.Athreshold of no less than $30,000 in hard costs per unit or hard costs of at least twenty percent (20%) of Eligible Basis, whichever is greater.

**Appraisals in Acquisition/Substantial Rehabilitation Properties**

For acquisition/substantial rehabilitation properties, OHFA shall limit the acquisition price upon which Tax Credits are Allocated to the “as is” appraised value of the property.

**Developer and Contractor Fee Limitations**

OHFA AHTC Chapter 36 Rules 330:36-4-2.1

These are the maximum amount of fees allowed for costs and Eligible Basis. Round down to avoid overages.

 **Developer Fees**

 For 9% Applicants, Developer Fees may not exceed fifteen percent (15%) of the Eligible Basis (before any boost) of the Qualified Low-Income Building(s), excluding the Developer Fees

For 4% Applicants, Developer Fees may not exceed twenty percent (20%) of the Eligible Basis (before any boost) of the Qualified Low-Income Building(s), excluding the Developer Fees

For Acquisition and Rehabilitation, the Developer Fee must be prorated between the acquisition and the rehabilitation based upon the percentage of Eligible Basis represented by each.

 A Large Development is more than sixty (60) units.

 **Contractor Fees**

**Small Developments.** Contractor fees may not exceed sixteen percent (16%) of the Hard Construction Costs. Contractor fees are further limited as follows:

* + 1. General requirements shall not exceed six percent (6%) of the Hard Construction Costs.
		2. General overhead shall not exceed two percent (2%) of the Hard Construction Costs.
		3. Builders profit shall not exceed eight percent (8%) of the Hard Construction Costs.

**Large Developments.** Contractor fees may not exceed fourteen percent (14%) of the Hard Construction Costs. Contractor fees are further limited as follows:

1. General requirements shall not exceed six percent (6%) of the Hard Construction Costs.
2. General overhead shall not exceed two percent (2%) of the Hard Construction Costs.
3. Builders profit shall not exceed six percent (6%) of the Hard Construction Costs.

**Hard Construction Costs** The following types of activities, but not limited to, earthwork, site work, on-site utilities, roads and walks, concretes, masonry, metals, carpentry (rough and finish), moisture protection, doors/windows/glass, insulation, roofing, sheet metal, drywall, tile work, acoustical, flooring, electrical, plumbing, elevators, blinds and shades, appliances, lawns and planting, fence, cabinets, carpets, heat & ventilation, demolition and off-site. A 5% construction contingency will be allowed for New Construction Developments and a 10% construction contingency will be allowed for Rehabilitation Developments. For purposes of the contingency calculation, hard costs will include only the following: any On Site Work, costs associated with News Structures or Rehabilitation from the Development Budget, Accessory Structures, Builder’s Permits & Fees, and Furniture, Fixtures, and Equipment (FF&E).

**No other contingencies are allowed. Adjust the budget accordingly.**

**Reserves**

* Minimum total reserves must equal six (6) months of each:
* Projected operating expenses,
* Debt service payments, and
* Replacement reserve payments.
* Maximum total reserves cannot equal more than one (1) year of each.

In lieu of such reserves, Developer guarantees or letters of credit may be accepted, taking into account the Developer's demonstrated financial capacity and liquidity, its program record, and the number of other guarantees it has outstanding. The guarantee for reserves only relates to the Development budget, not operating or DCR.

If the Applicant has reserves over the maximum allowed amount Staff will underwrite using the maximum allowed amount. This may reduce the amount of Credits the Applicant is eligible for.

Minimum replacement reserves should equal $250 per unit annually for new construction and $300 for substantial rehabilitation Developments. If there is interest income on reserves it must be clearly defined and separated from other income.

**Utilities**

Utility allowances are to be calculated by the Applicant. The utility allowance used must be appropriate for the type of unit. These allowances may be derived from only one of following sources: HUD Utility Schedule Model, Energy Consumption Model, a local service provider estimate (Notification is required to OHFA prior to using any of the three (3) preceding options), a local public housing authority, or OHFA’s utility charts, which can be found on OHFA’s website as Appendix B to the AHTC Compliance Manual.

Source Documentation of the utility allowance as well as the calculation must be included in the Application.

If the property is receiving project based rental assistance support from HUD, RD, or other source, the Applicant must use the approved allowance. If proposed utility allowances have not been approved by HUD, RD, or other funding source the Applicant must utilize the currently approved utility allowance. For changes in allowances after the Placed-In-Service date, please contact compliance staff.

**Rents**

AHTC Developments often take advantage of multiple types of funding. Applicants are advised that the maximum rents permitted will be based upon the most restrictive rent limits of the respective funding programs, **regardless of the amount of the Gross Rent Floor established by the AHTC Program.** If the property is receiving project based rental assistance support from HUD, RD, or other source the Applicant must provide the approved rents and the number of units and bedroom size receiving assistance. The Applicant must use the approved rents. The Applicant must also provide approved post-rehab rents for projects with HUD, RD, or other funding sources, if available. If proposed rents have not been approved by HUD, RD, or other funding source the Applicant must utilize the currently approved rents. Source documentation must be included in the Application.

If the Applicant is claiming “National Non-Metro” rents, appropriate documentation from the RD eligibility website must be provided.

**Operating Expenses**

Some type of maintenance expenses must be shown. Either maintenance salaries or an estimate for the cost of contracting out the work should be included.

**Debt Coverage Ratio**

Debt service coverage is defined as the ratio of a property’s net operating income to debt service obligations. Rental income, any subsidies, and reserve funds should be sufficient to cover the property’s debt and operating expenses over the period of Low-Income use. DCR must meet all lender requirements as well. A minimum debt service coverage ratio of **1.20** is required for all debt financing which would foreseeably result in foreclosure if not repaid. The debt coverage ratio must be maintained each year for 15 years. The Excel worksheet has been modified to show four (4) decimals points, but no rounding shall be permitted. **At least 1.2000 is required for all years on the pro forma. For any Development receiving Federal Rental Assistance, a minimum debt service coverage ratio of 1.15 will be allowed.**

**Projections and Pro-Formas**

Applicants are required to express realistic operating expense and vacancy rate projections in pro formas that are indicative of prevailing market conditions. Income must increase annually at 2%, and expenses must increase annually at 3%. For RD 515 Developments, incomes and expenses are allowed to increase annually by 2%. A 7% vacancy rate will be utilized during underwriting, unless otherwise stated in the Market Study provided. The pro forma provided by OHFA **must** be provided. A reasonable cash flow must be exhibited throughout the 15 years. **No negative cash flow is allowed in any year.**

If other income is not increasing at the same rate as income or not increasing at all, then it must be shown separately on pro forma.

**Deferred Developer Fee**

OHFA does allow interest to accrue on Deferred Developer fees. All Deferred Developer Fees must be repaid through cash flow by the end of year 15. The Eligible Basis will be reduced by any Deferred Developer Fee that has not been removed through cash flow after year 15, which could cause a reduction in the amount of Credits a Development is eligible to receive.

**Cash Contributions**

Actual Cash contributions should be included in the Sources and Uses on the Application Form.

**Other Tangible non cash contributions**

Any other tangible (but not cash) contributions, including discounted materials, fee waivers, etc. should not be included in the Sources and Uses on the Application Form.

**Attachment D – Supplemental Information**

**Other Laws and Regulations**

The Applicant, Development, Owner, Development Team, Principals of each, and all Affiliates of each must comply with all applicable federal, State, and local laws, rules, regulations, and ordinances, including, but not limited to, Code Section 42, and regulations promulgated thereunder, the Oklahoma Landlord Tenant Act, the Titles VI and VII of the Civil Rights Act of 1964, as amended and Title VIII of the Civil Rights Act of 1968, as amended. Neither the Applicant, Development, Owner, Development Team, Principals of each, nor any Affiliates of each shall discriminate on the basis of race, creed, religion, national origin, ethnic background, age, sex, familial status or disability in the lease, use or occupancy of the Development or in connection with the employment or application for employment of Persons for the operation and/or management of any Development. The Owner(s) of a Development will be required to covenant and agree in the Regulatory Agreement to comply fully with the requirements of the Fair Housing Act as it may from time to time be amended, for the time period as promised in the Application.

**Progress Reports**

Construction **must** begin within **nine (9) months** of the last calendar day of the month of the AHTC Credit Reservation. HD Staff may visit the site to ensure construction commencement.

Progress Reports **must** be filed by the deadlines below, following approval of a reservation of Credits until the Form 8609 is issued for a Building. The form to be used for Progress Reports is on OHFA’s website. Electronic submissions are preferred but not required. Progress Report Deadlines are as follows:

* January 10
* April 10
* July 10
* October 10

Applicants will be notified of any other deadlines in a timely manner. Compliance Progress Reports may overlap with the Allocation Progress Reports, which are outlined in the manual. **Late progress reports, carryover documents, and final documents will generate negative points and late fees.** Failure to follow any of these provisions may result in a return of Credits as well as affect consideration for future Applications.

If the Due Date for submission of any documents or fees falls on a weekend or a designated Federal holiday, then the Due Date becomes the next business day.

**Completion Timelines**

Within thirty (30) calendar days after the Certificate of Occupancy is issued for a Building in the Development, the Owner must notify OHFA by completing and submitting the Placed-In-Service Acknowledgment. The Placed-In-Service Acknowledgment will be provided after funding. A copy of the Certificate of Occupancy for each Building must accompany this Attachment. For substantial rehabilitation Developments, the architect’s verification of substantial completion for each Building must accompany this Attachment if there is no Certificate of Occupancy.

**Compliance**

Any questions regarding compliance issues should be directed to the Housing Development Tax Credit Compliance Staff. The current OHFA AHTC Compliance Manual is also available on our website at [www.ohfa.org](http://www.ohfa.org). The compliance manual is incorporated by reference into these Application Instructions. If a Compliance Manual is requested from Staff, then there will be a cost sufficient to defray the cost of production.

It is the responsibility of the Owner/Applicant to inform management companies/property managers of all details promised in the Application. This especially applies to Selection Criteria that received points. No changes in the Selection Criteria will be allowed after an award is made, unless specifically allowed above.

Failure to comply with all of the Selection Criteria as presented in the Application may lead to 8823s being filed and/or a potential loss of Tax Credits. A detailed list given to the management companies/property managers is recommended. All Selection Criteria awarded points are included in the Regulatory Agreement.

Within two (2) years of the last Building in the Development being Placed-In-Service, Housing Development Compliance Staff shall conduct the necessary file and unit inspections. This inspection process shall be repeated at a minimum once every three (3) years.

Owners must prepare and submit a quarterly report beginning with the first full calendar quarter after the last Building is Place-In-Service, and for the subsequent three quarters. This report must be accompanied by copies of the Tenant Income Certifications for each tenant and new move-ins for the appropriate quarter. If a project is determined not to be in compliance with Program requirements or there is indication of possible noncompliance, OHFA, at its discretion, may require report each quarter until compliance is demonstrated.

An OHFA sponsored LIHTC Compliance training will be required for management at Carryover Application. This training will be acceptable for two (2) years from the date that it was completed.

Fees are delineated in **Attachment A.**

Compliance Monitoring Regulations were amended in February 2019 requiring additional units to be monitored according to the sample size REAC chart below. On July 1, 2020 the IRS released [Treasury Regulation 123027-19](https://nam12.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.irs.gov%2Fpub%2Firs-drop%2Freg-123027-19.pdf&data=04%7C01%7Ccorey.bornemann%40ohfa.org%7Cc3a038669f544c33e9f408d967f70566%7C7c6cedfa13dc468e82c4ee01d475f97a%7C0%7C0%7C637655132903206718%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&sdata=BWi%2BdfyGE5%2FLBIe2%2BRHOJJ%2FJnTEPvCuYvNNXpcLiC6U%3D&reserved=0), which reduced the minimum monitoring sample requirement.  The sample size will be the lesser of 20 percent of the project’s low-income units or the REAC number listed below in the chart.  OHFA will conduct on-site inspections of all buildings in each low-income housing project.

 ****

**Foreclosure Prevention**

Restrictive Covenants and other long-term use restriction instruments are not automatically terminated upon the execution of a foreclosure or deed in lieu of foreclosure. All entities initiating foreclosure must provide the Agency with the following information at least 60 days prior to requesting the Agency release the extended use agreement:

* The name of the lender on the note triggering the foreclosure activity;
* The original amount and date of the note, the existing balance, and the annual debt cost;
* The position of the note relative to other liabilities on the property;
* The names of all other holders of notes on the property;
* A detailed description of the circumstances that have prevented timely payment of interest on the note;
* A detailed description of efforts between the owner and the holder of the note to reach an agreement to modify the terms of the note to prevent foreclosure; and
* Any relationship between the holder of the note and the owner of the property by familial relationship, common principals, owners or employees (collectively, “affiliates” of the note holder).

Should OHFA determine based on the information provided that the foreclosure activity is part of an arrangement to terminate the extended use agreement, the Agency will report its findings to the IRS and request that the IRS prevent the termination of the extended use agreement.

OHFA will withhold consent for termination of the extended use agreement if the owner does not provide the information outlined above, and will consider sanctions against owners that engage in a foreclosure deemed to be part of an arrangement with the taxpayer to terminate the extended use period on the development.

**General Contractor Cost Certification**

Beginning with any development awarded Tax Credits in 2022; OHFA will require a General Contractor Cost Certification to be submitted with all of the final documents associated with the proposed Development. If an identity of interest exists between the General Contractor and the Developer, the General Contractor Cost Certification and the Final Cost Certification may still be completed by the same accountant.

**Exchange**

If an Owner’s request to exchange one year’s Credits for another year’s Credits is approved by the Board, the Owner is not eligible to submit an AHTC Application for the immediate two funding periods following the approval of the request. The two funding period suspension is per Development, and will be assessed cumulatively. In addition, an additional Allocation Fee shall be paid in an amount equal to eleven percent (11%) of the total Allocation, but in any event not less than $1,000. This fee is due within fourteen (14) calendar days of notification from OHFA of the approval of the exchange.

**Additional Credits**

OHFA reserves the right to grant requests for Additional Credits at any time it is deemed necessary, as long as it is in compliance with the QAP and Rules in place at the time originally awarded. Requests for Additional Credits will be administered and determined on a case by case basis, as they are available.

**Multiple Phases**

Applications for multiple phases of the same Development submitted in the same funding period will be processed as one Application. This does not apply to 4% Applications.

**RAD**

Applicants submitting Applications under the RAD (Rental Assistance Demonstration) are eligible to apply for 9% and 4% Credit Applications. OHFA encourages the use of 4% due to unlimited credit request amounts and more flexible timelines.

**Transfers**

It is the responsibility of the Owner/Applicant to notify OHFA no less than sixty (60) days prior to any Ownership, general partner, managing member or management Transfers after the Tax Credit Allocation has been awarded. For management Transfers, contact one of the AHTC Compliance Specialists for the checklist of documents required. For Transfers of Ownership, general partner(s), managing member, or any interest in the Ownership entity, contact one of the Housing Development Allocation Analysts for the checklist of required documents and fees.

Failure to submit the required documents and fees to OHFA sixty (60) days prior to the date of the Transfer and/or failure to receive approval prior to the completion of the Transfer may cause any current or future Applications to be disqualified from further consideration.

Fees are delineated in **Attachment A.**

**Attachment E – Income Averaging Information**

**Overview**

The Consolidated Appropriations Act of 2018 (the Act) permanently established income averaging as a third minimum set-aside election for new Housing Credit developments. This new income averaging set-aside allows Credit-qualified units to serve households earning as much as 80 percent of Area Median Income (AMI), as long as the average imputed income limit of the property is 60 percent or less of AMI. Higher rents that households with incomes above 60 percent of AMI pay will have the potential to offset the lower rents for households living in units designated at lower income levels. Income averaging preserves rigorous targeting to low-income households, while providing more and greater income-mixing potential.

**The following are general statutory requirements for this new option:**

* Owners electing income averaging must commit to having at least 40 percent of the units in the property affordable to eligible tenants, with an average of 60 percent or less of AMI at all times.
* Income averaging applies to the designated income/rent levels of the units, not the incomes of individual tenant households.
* Under income averaging, designated income/rent levels may only be set at 10 percent increments beginning at 20 percent of AMI. The allowable income/rent designation levels are 20 percent of AMI, 30 percent of AMI, 40 percent of AMI, 50 percent of AMI, 60 percent of AMI, 70 percent of AMI, and 80 percent of AMI.
* Income averaging applies to both income and rent limits. If a unit has a designated limit of 80 percent of AMI, the maximum rent level that may be charged to a household in that unit is 30 percent of 80 percent of AMI. Similarly, if a unit has a designated limit of 30 percent of AMI, the maximum rent level that may be charged to a household in that unit is 30 percent of 30 percent of AMI.
* The minimum set-aside election is irrevocable once made on Form 8609. Therefore, existing developments already placed in service are not eligible to change their minimum set-aside/income election to income averaging. This will be reflected in the extended use agreement.
* The next available unit rule, as modified by the new language, (i) provides that a unit is over income if the occupant’s income exceeds 140 percent of the greater of 60 percent of AMI or the designated limit applicable to the unit and (ii) effectively requires that the next available unit of comparable or smaller size be rented (A) to a tenant whose income does not exceed the designated limit applicable to the new unit, if it was previously a low-income unit or (B) to a tenant at an income level that would not cause a violation of the 60 percent average, if the new unit had not previously been a low-income unit. Owners should consult with compliance experts in evaluating how income averaging will work in developments with market rate units.
* Owners of developments electing income averaging must submit OHFA’s Income Averaging Election/Certification Form, with updated information on the rent and income tiers on the Income and Rent Grid Form by October 1 of each year. (Income and Rent Grid Form on OHFA’s website)
* Owners of developments electing income averaging must submit OHFA’s Annual Owner Certification, Income Averaging Election/Certification Form, Income and Rent Grid Form to demonstrate the average income of 60% AMI has been met annually by February 15.
* The 30 percent of AMI income and rent level under the Housing Credit for purposes of income averaging is not the same as the Extremely Low-Income and rent restriction under the National Housing Trust Fund. The Housing Trust Fund statute and regulation define “Extremely Low-Income” as the greater of 30 percent of AMI or the federal poverty line for applicable household size. Income averaging unit designation is based solely on AMI. Properties that have layered National Housing Trust fund with credits should be mindful of this difference.
* Basic noncompliance will work the same as it does with the other minimum set-asides. If a development elects income averaging and fails to meet the income averaging standard at the end of a year, it is not a qualified low-income housing development for the year under IRC Section 42(g)(1)(C), and this noncompliance must be reported to IRS Form 8823 and the owner could be subject to a loss of Credits. Presumably the IRS will revise the Form 8823 and its instructions accordingly.

**OHFA Adopted Requirements for Income Averaging:**

* Owners of developments with more than one building must elect on the Forms 8609 to treat all of them as part of a multiple building project (checking “Yes” on line 8b of the current form).
* OHFA will amend the Chapter 36 Rules to increase the credit monitoring fee for properties electing the income averaging option.
* Additional education requirements for property management staff will be required.
* Income designations are permitted to “float”. For example, if at the time of Application the Owner committed to a mix of 30%, 50%, 60% and 80% units with an overall income percentage of 60%, then throughout the affordability period (as long as the overall income percentages remains at or below 60%) the unit designations may be changed to any combination of 20%, 30%, 40%, 50%, 60%, 70% and 80% units.
* Developments that are not comprised of 100% Low Income units, i.e. those including market rate units will not be eligible to use Income Averaging as their minimum set-aside election.
* Developments that are comprised of 100% Low Income units, including 70% and 80% units, will not be required to complete annual re-certifications. This policy could change if the IRS decides to require annual re-certifications.
* Owners must disperse 20%, 30%, 40%, 50%, 60%, 70% and 80% units across unit types and sizes in a manner that does not violate Fair Housing.
* OHFA reserves the right to disallow any clear skewing of unit designations. OHFA will require applicants to provide reasonable parity between different bedroom sizes at each targeted income band utilized on the property.

**Tax Exempt Bonds/4% Credit Applications**

The Act modifies IRC Section 42 to allow for income averaging, but does not make a similar change in IRC Section 142, which covers exempt facility bonds, including multifamily Housing Bonds. However, income averaging may be used in bond-financed Housing Credit developments so long as the development satisfies both the income averaging minimum set-aside election and one of the minimum set-aside elections applicable to tax-exempt bond financing (20/50 or 40/60 minimum set-aside). Thus, units with income limits above 60 percent or 50 percent, as applicable, do not count for purposes of bond compliance.

**Rehabilitation Properties**

Applications must consider relocation impact in setting percentages for occupied rehab properties.

**Re-syndication Applications**

Any property seeking 9% or 4% credits for re-syndication of previously awarded tax credit properties will not be eligible to select the income averaging set aside. A new election would not free the continuing low-income units of their obligations under the prior extended use agreement, so the owner would, in effect, have to comply with the more stringent rules applicable to each particular unit if it were to change its election upon re-syndication. Given the complexity of complying with two separate minimum set-aside rules, OHFA has decided not to allow income averaging for such re-syndications.

**PLEASE NOTE: THE IRS MAKES THE ULTIMATE DETERMINATION REGARDING WHETHER OR NOT A DEVELOPMENT IS IN COMPLIANCE WITH THIS AND/OR ANY OTHER ELECTIONS MADE BY THE OWNER. ACCEPTANCE BY OHFA DOES NOT GUARANTEE ACCEPTANCE BY THE IRS. OWNERS SHOULD CONSULT WITH THEIR LEGAL COUNSEL. THIS POLICY IS SUBJECT TO CHANGE IN THE EVENT THE IRS ISSUES GUIDANCE ON INCOME AVERAGING.**

# Attachment F – Electronic Application Information

**OHFA is not responsible for any Internet, computer, uploading, etc. type of issues. Applicants are advised to upload electronic Application files before the deadline. Your Dropbox Application link will expire on the due date at 3:00 p.m. Central time; therefore, an Application cannot be submitted after the deadline.**

Step 1: Request a Dropbox folder for each Application to be submitted by emailing any of the OHFA Allocation Analysts. The folder name will be **Name of Development-City-Developer**. Provide this information in your request.

Step 2: The Analyst will “reply to all” in the email folder request by sending a link to the Dropbox folder. The link will be specific to that folder/Application. You can share the link with others. Please exercise caution when sharing the folder link, do not share with anyone you do not want access to the folder.

Step 3: **Submit your Application fee of $2,000 to OHFA by the 3:00 p.m. deadline.**

When sending by wire transfer, an **$8.00** fee is also required. OHFA’s $8.00 fee does not include any fees that Applicant’s bank may charge. The fees must be transferred by deadline. Provide receipt of transfer in Tab 1 information. **Be as detailed as possible on the transfer description.**

The wiring information is as follows:

**Bank Name:** Bank of Oklahoma

**Account Name:** Oklahoma Housing Finance Agency Operating Account

**ABA #:** 103900036

**Account #:** 814048476

**Tax ID #:** 73-0999618

Step 4: Create one PDF document with bookmarks for each tab, even those that are N/A. **For each tab, including those that are N/A, create a title page listing the same name as the bookmark name.** The PDF should be named the same as the initial folder request, see Step 1 above.

Use the following tab listing for bookmark titles and title pages.

Tab 1 – Application Form

Tab 2 – Backup for Tab 1 items

Tab 3 – Commitment Letters

Tab 4 – Market Study

Tab 5 – Nonprofit

Tab 6 – Capacity

Tab 7 – Acquisition

Tab 8 – Readiness

Tab 9 – Certifications

Tab 10 – Fair Housing Training

Tab 11 – Capital Needs Assessment

Tab 12 – Self-score Certification

Tab 13 – Location

Tab 14 – Tenant Ownership

Tab 15 – Preservation

Tab 16 – HERS Certification

Tab 17 – Amenities

Tab 18 – Historic

**TIP:** For more information about creating bookmarks see <https://helpx.adobe.com/acrobat/using/page-thumbnails-bookmarks-pdfs.html>.

Step 5: Review PDF file for clarity and verify bookmarks work properly. Verify readability after you scan/prepare a document. If a document is too small, or in any other way illegible, then Staff will not be able to evaluate information or count as submitted. This may cause you to Fail Threshold or not receive points. **TIP:** **When possible, convert documents directly to PDF, then insert signature pages into the PDF.**

Step 6: Upload PDF Application file. **Once a document is submitted you cannot edit or retrieve it.** If you need to submit a revised Application, then put Revised in the title. **OHFA’s Dropbox system is only for submitting Applications, not a method for Application preparation.**

Step 7: After submission, Applicants receive an email acknowledging successful upload.

Step 8: During the review process, Staff will rename folder with file number. Before Open Records, Staff will add Preliminary and Final Review Sheets, along with other Open Records items to the Application folder.

**Open Records** will be three days. For Open Records, Staff will post on OHFA’s website, so any interested party can view. At this time, it is Staff’s plan to still only allow Open Records access after Final Reviews are sent out. Staff will add Preliminary and Final Review Sheets, along with other Open Records items to the Application folder.

***If you have any questions or problems during this process, contact one of the OHFA HD Allocation Analysts listed below.***

alicia.thomas@ohfa.org HD Allocation Analyst 405.419.8137

timothy.hicks@ohfa.org HD Allocation Analyst 405.419.8269

myeshia.williams@ohfa.org HD Allocation Analyst 405.419.8231

lee.nero@ohfa.org HD Allocation Analyst 405.419.8112

jose.cisneros@ohfa.org HD Allocation Analyst 405.419.8133

**Attachment G – Allocation/Compliance Deadline Guidance, including negative points and late fees**

**All deadlines are the LATEST you may submit items. You may ALWAYS submit earlier!** If a due date falls on a weekend or holiday, the due date is the next business day. All deadlines are the responsibilities of Owners.

**Forms and Checklists are on OHFA’s website.**

**Electronic Submissions**

* Electronic submissions will be accepted to meet deadlines.
* Exception is the LURA.

**Final Cost Certifications – due February 28th after placed in service year.**

* No exceptions, no drafts, no extensions.
* Subject to $100/day late fee.
* If a “corrected” cost cert comes in after the deadline, still subject to negative points and $100/day from deadline until “corrected” cert received. Corrected means a whole new Cost Certification. If responding to OHFA’s question(s), it is not considered “corrected” for this purpose.
* The final Cost Certification deadline also applies to 4% Bond Developments.

**LURA/Final Packet – due November 1 of placed in service year.**

* On October 1, OHFA will send an email blast reminding everyone of the November 1 deadline. A LURA must be filed if claiming Credits for that year.
* This reminder is only a courtesy and an attempt to ensure all LURAs are submitted timely. If for some reason, you do not get a reminder, the deadline is the same.
* Subject to 3 negative points for the fee, plus $100/day late fee.
* The LURA deadline also applies to 4% Bond Developments.

**Carryover Agreements and Allocation Fees**

* Hard deadline of date outlined in award letter. Usually two weeks after Board Meeting.
* Subject to 3 negative points for the fee, plus $100/day late fee.
* The Allocation fee deadline also applies to 4% Bond Developments.

**Carryover Packets – due on the date specified in the Carryover Agreement**

* Only one 60-day extension may be given.
* Subject to $100/day late fee after the 60 days.
* OHFA **CANNOT** waive, or extend in any way, the date in which 10% of costs must be expended.

**PIS Acknowledgement Form-due no later than 30 days after Building is Placed in Service**

* OHFA will not assess late fees or negative points for these.
* May be viewed as part of general review of capacity if not submitted on time.
* The PIS Acknowledgement Form deadline also applies to 4% Bond Developments.

**Quarterly Reports – due January 10, April 10, July 10 and October 10**

* Subject to 2 negative points and $10/day late fee.
* The quarterly report deadline also applies to 4% Bond Developments.
* Required until the Final Application is submitted to OHFA.
* Quarterly reporting for compliance may overlap with Allocation, refer to the compliance manual for details.

**Compliance Quarterly Owner Certification (QOC):**

* Development Owners/Managers are required to begin reporting to the OHFA LIHTC department once their last building in the project is Placed In Service (PIS). The requirement is that the first compliance QOC is due to OHFA after the FIRST FULL quarter once the last building is PIS. Below is a list of the quarterly due dates:
* January 1 through March 31 due **April 10**
* April 1 through June 30 due **July 10**
* July 1 through September 30 due **October 10**
* October 1 through December 31 due **January 28**

**Example**: A site places it’s last building in service Jan 25, 2020. Therefore, the first FULL quarterly report will be due July 10, 2020 (because it would be a partial report if it were due April 10). Hence the first QOC will reflect the dates from the time of the first move-in through June 30, 2020. After that report, the owner must report the next three quarters. If the site meets the minimum set-aside by the end of the fourth quarterly report, the following report due will be an Annual Owner Certification (AOC) due Feb 15 (see #2 below). A report may reflect a duplicative period previously reported because OHFA does not want to miss any time periods. Owners will be required to report quarterly than no less than four quarters; regardless of what occupancy has been achieved.

***Note: QOC’s may not always fall in the exact consecutive manner as a calendar quarter. Therefore, an Owners quarter 1 report may begin the second quarter of a calendar year.***

**A copy of the Quarterly Owner Certification can be found in Appendix H of the OHFA LIHTC Compliance manual found at ohfa.org.**

***Certification Portal (CP) is NOT required during quarterly reporting nor is it accessible*.**

**Compliance Annual Owner Certification (AOC):**

* Once quarterly compliance reporting has been completed, annual reporting will be required unless there is a specific reason OHFA requires quarterly reporting to continue. The signed AOC with Unit Data Sheets (UDS) are **due Feb. 15** reflecting the entire previous year (Jan 1 – Dec 31). The Non-profit addendum must also be completed and submitted if the site was funded out of the non-profit set-aside. These forms are to be submitted electronically via Sharefile to OHFA LIHTC Compliance.
* **A copy of the Annual Owner Certification with a copy of the Non-profit addendum can be found in Appendix I, and a copy of the Unit Data Sheets can be found in Appendix J of the OHFA LIHTC Compliance Manual.**

**Certification Portal (CP):**

* This is OHFA’s electronic method of gathering demographic and LIHTC data per building and in summary. These submissions are **due Feb. 15** to OHFA. Please submit via CP the Annual Owner’s Cert. first, then the tenant data for each building.

**Compliance Monitoring Fees:**

* Owners are invoiced annual compliance fees for the preceding year via email. The Compliance Fees are **due January 28.**

**Form 8609 with Part II Completed:**

* Copies of completed 8609’s as filed on behalf of the ownership with the IRS must be submitted to the OHFA Compliance Department via email by **May 10 for the FIRST CREDIT YEAR ONLY.** *(This due date was extended to Sept in 2020 and July 10 in 2021).*