



## **Welcome Home Ohio**

### **Fiscal Year 2024-2025 Program Guidelines**

The Welcome Home Ohio (WHO) program was created to award grants for the purchase of qualifying residential properties, the cost of construction or rehabilitation, or a nonrefundable tax credit for qualifying activities.

Each of the three program offerings will be funded up to \$25 million in each fiscal year. This opportunity has the potential to fund the incorporation of at least 2,150 affordable, owner-occupied homes across the state of Ohio.

These program guidelines expand on statutory terms and requirements included in the Ohio Revised Code (ORC) Section 122.631-122.633 of House Bill 33.

### **Eligible Program Activities**

#### Welcome Home Ohio – Purchasing (WHO-P)

- Grant funds to pay the cost of purchasing qualifying residential property.
- No maximum defined for the purchase of property.

#### Welcome Home Ohio – Rehabilitation/Construction (WHO-RC)

- Grant funds to assist in the cost of rehabilitation or construction of qualifying residential property.
- A maximum of \$30,000 can be applied to each qualified residential property.

#### Welcome Home Ohio – Tax Credits (WHO-TC)

- Tax credit is allocated once the qualifying residential property is sold to a qualifying individual.
- Maximum of \$90,000 or one-third of the cost of rehab/construction, whichever is less.
- If the director of the Ohio Department of Development determines the applicant qualifies for a tax credit, a tax credit certificate will be issued to the applicant identified with a Unique Entity Identifier (UEI) and listing the amount of credit that is eligible to be transferred or claimed on income and financial institutional taxes.
- Tax credits shall be issued up to June 30, 2025.

WHO-Purchase (WHO-P) grant funds shall only be used to pay the cost of purchasing qualifying residential property. WHO-Rehabilitation or New Construction (WHO-RC) grant funds shall only be used to pay the cost of rehabilitation or construction of qualifying residential property. WHO funded projects can be leveraged with other funding sources such as other residential rehab/construction grants. WHO-TC credit is allocated once the qualifying residential property is sold to a qualifying individual.

Additional funds are not available for administration.

## Definitions

- **Community Improvement Corporation:** The economic development corporation or a county land reutilization corporation.
- **Electing Subdivision:** A municipal corporation that has enacted an ordinance or a township or county that has adopted a resolution of adopting and implementing procedures to facilitate the effective reutilization of nonproductive land situated within its boundaries.
- **Eligible Developer:** A nonprofit corporation based in Ohio with a primary activity of the development and preservation of affordable housing; a limited partnership, domestic limited partnership, or limited liability company whose general partner or manager is this type of nonprofit; a community improvement corporation; a community urban redevelopment corporation.
- **Lead Entity:** The award recipient and the responsible party with whom Development executes a grant agreement for the grant funds.
- **Qualifying Median Income:** 80% of median income for the county where the property is located; area median income.
- **Qualifying Residential Property:** Single-family residential property that has at least 1,000 square feet of habitable space per unit. Includes a single unit in a multi-unit property containing 10 or fewer units and excludes manufactured homes.
  - **Not Allowed - Manufactured Home:** A building unit or assembly of closed construction that is fabricated in an off-site facility and constructed in conformance with the federal construction and safety standards, and that has a permanent label or tag affixed to it certifying compliance with all applicable federal construction and safety standards.
  - **Allowed - Industrialized Unit (Modular Home):** A building unit or assembly of closed construction fabricated in an off-site facility, that is substantially self-sufficient as a unit or as part of a greater structure, and that requires transportation to the site of intended use.

## Applicant Qualifications

WHO Purchasing (WHO-P) and WHO Rehabilitation/Construction (WHO-RC) funding is available to land banks, county land reutilization corporations, and electing subdivisions.

WHO Tax Credits (WHO-TC) are available for land banks, county land reutilization corporations, electing subdivisions, and eligible developers.

An applicant may apply for any of the WHO programs for which they are eligible. For individual properties, the following funding streams are the only ones permitted:

- WHO-P
- WHO-P and WHO-RC
- WHO-P and WHO-TC
- WHO-RC
- WHO-TC

Applicants must have in place sufficient administrative capacity to perform the required monitoring. Individuals will not be applying for program funding on their own behalf – they must work with an organization who is eligible to apply for program funding.

## Welcome Home Ohio Fund Requirements

Qualifying properties are owner-occupied and have at least 1,000 square feet habitable space. Single-family homes and a single unit in a multi-family property both qualify. This includes:

- A single-family house
- One unit of a duplex, triplex, or fourplex
- A townhouse
- A row house
- One condo in a complex/community
- Modular homes (industrialized units)
- A residence zoned as mixed-use

Ineligible properties include:

- Rental properties
- Residential properties with more than 10 connected residential units
- Apartments
- Commercial property
- Manufactured homes
- Mobile homes

Qualifying residential properties on which program funds are spent shall be sold with a deed restriction ensuring only eligible individuals own and occupy the property. Eligible Individuals are defined as those who meet all of the following requirements:

- Have annual income not more than 80% of the area median income. Area median income is updated annually and found at <https://www.huduser.gov/portal/datasets/il.html>
- Demonstrate the financial means to purchase the qualifying residential property.
- For at least five years after the date of purchase, agree to maintain ownership of the qualifying residential property, to occupy it as a primary residence, and not to rent any portion of the property to another individual for use as a dwelling.
- For the 20 years following the date of sale, agree to sell the qualifying residential property to any purchaser/household who has an income more than 80% of the area median income.
- Agree the director of development is a third-party beneficiary of the purchase agreement.
- Agree to pay the penalty if ownership is not maintained according to regulations.

Qualifying residential properties on which grant funds are spent or tax credits will be requested shall not be sold for more than \$180,000 per property.

## Program Limits

An organization may apply for the funding of as many qualifying properties as their capacity allows. There is not a maximum grant ceiling for applications. Administrative and construction capacity must be detailed in the application.

There are no minimums to any of the WHO programs. WHO-P does not have a maximum amount that can be spent on a per-property basis. WHO-RC has a maximum of \$30,000 per property. WHO-TC can be reimbursed for one-third of the cost of rehab/construction up to \$90,000 per property.

## Construction Standards

The rehabilitation or construction of qualifying residential property(ies) for all activities funded by WHO must be completed according to all applicable construction and design standards. All rehabilitation and new construction activities completed with WHO funds must be completed to local building code, at minimum. Residential Code of Ohio is applicable to all new construction units.

## Monitoring and Reporting

Applicants will be responsible for the following monitoring and reporting processes:

- Reviewing and documenting income eligibility for qualifying buyers
- A minimum of one year of financial literacy and counseling requirement
  - This may be fulfilled with either pre-purchasing or post-purchasing financial literacy programs and then follow-ups throughout the year following the date of sale.
- Applicants must report to Development the date the qualifying residential property closes and is sold. This is only required for the initial sale of the qualifying residential property.
- Annually certify to Development the buyer remains in the property for the entire five years following the date of sale and not renting any portion of the home.
- Assist in monitoring the 20-year affordability requirement by income qualifying future buyers.

Development will be responsible for the following monitoring requirements:

- Calculating the penalty and collecting the penalty if it is violated.
- Maintain a list of homes that are still subject to the 20-year affordability deed restriction.
  - This list will not be public record.
- Monitor and enforce the 20-year affordability requirement by income qualifying future buyers.

## Penalties

The applicant would repay all funds expended for the following reasons:

- Expenses are for activities other than the purchase, construction, or rehabilitation of qualifying residential properties or for admin (as eligible).
- The qualifying residential property is not sold to an eligible buyer.
- The property is sold without a deed restriction.

The homebuyer would be accountable for the following penalties:

- The homebuyer must occupy the home as a primary residence and not rent any portion of it for five years after the date of purchase. The penalty for not abiding by this requirement is the homeowner must pay Development \$90,000 reduced by 20% (\$18,000) for each full year they owned the property and met the requirements.
  - If only tax credits funds were expended on the property, the total penalty amount would be the tax credit authorized reduced by 20% for each full year they owned the property and met the requirements.
- The property must be sold to an individual who earns not more than 80% the local median income at the time of sale for 20 years after the date of purchase. To enforce this, all homes will have a deed restriction and Development is granted authority and standing to sue for the enforcement of the deed restriction.

Development may waive penalties faced by the homeowner if it is determined that making a repayment would constitute a hardship to the seller. Hardship, with respect to the homeowner, may

include divorce, disability, illness, loss of income, or any other hardship supported by documentation and approved by Development.

## Application Schedule and Procedures

Landbanks and eligible developers will apply for the program or programs by proposing a package of planned projects. These projects can either be in concept or with specific addresses. Individual addresses will be required at the reporting phase.

All applications will be reviewed for completeness and compliance with these guidelines. Applications for the two grant programs can be filed during two application periods: a one-month application period and then rolling applications for the remainder of the fiscal year. For Fiscal Year 2024, the application period will run from Jan. 9-Feb. 9, 2024, and rolling applications will be accepted Feb. 12-May 31, 2024. For Fiscal Year 2025, the month-long application period will run June 3-June 28, 2024, and rolling applications will be accepted July 1, 2024 through May 30, 2025.

The application for the tax credit program is the same as the one for the two grant programs, however, it is open on a rolling basis throughout the state fiscal year. For Fiscal Year 2024, the application will be open Jan. 9-May 31, 2024. For Fiscal Year 2025, the application will be open June 3, 2024 through May 30, 2025.

All applications are submitted online and received electronically. Applications can be accessed through the portal under the “Applications” tab. Please note, you may work on your application, but it is not filed until you have clicked on “Submit.”

Dec. 18, 2023: Application Training Webinar

Jan. 5, 2024: FAQs will be posted

Jan. 9, 2024: Application Live

- Application will be available through the portal. To access this, go to <https://development.my.site.com/ODSA/s/> and sign in or create your own account.

February 2024: Development reviews grant applications.

March 2024: Award Announcements

- Award announcements will be made public and grant agreements will be sent out to funded projects.
- Funding will be allocated in an effort to ensure statewide coverage and most households served.

April 2024: Funds can begin to be requested and disbursed

## Program Milestones

The grant agreement will establish milestones for production and expenditures. If funds are not expended in a timely manner, funds could be reduced by an amendment to allow Development to reallocate ensuring expenditure.

## **Updates to Program Guidelines**

Changes and/or corrections to any part of the program guidelines may be made from time to time and will be provided by Development to Applicants and posted on Development's website. Development reserves the right to make exceptions to these guidelines on a case-by-case basis for any reason.