



Welcome Home Ohio (WHO) Program Frequently Asked Questions (FAQs)

Applicants

Q: Could a land bank or land reutilization corporation enter into a subrecipient agreement with a community development partner?

A: Yes. An applicant may apply for any program they are eligible for and enter into an agreement with another organization to partner with in order to complete the project. Funds can only go towards eligible expenses and must be accurately reported. Administration is not an eligible expense category.

Q: Can individuals apply for the WHO programs?

A: Individuals will not apply for WHO funding directly from Development but rather will work with their local agencies/entities to find properties which have benefited from WHO and are for sale to eligible individuals.

Q: What are examples of eligible and ineligible entities?

A: The following are examples of entities that would be eligible for WHO Grant Programs (WHO-P and WHO-RC):

- Land reutilization corporation [\[ORC 5722.01 \(B\)\]](#)
- Land bank
- Electing subdivisions [\[ORC 5722.01 \(A\)\]](#)

The following are examples of entities that would be eligible for WHO Tax Credits (WHO-TC):

- Any entity eligible for WHO Grant Programs
- Eligible developers, which include:
 - Nonprofit corporations focusing on affordable housing [\[ORC 1702.01\]](#)
 - Limited Liability Corporation (LLC) in which the manager is a nonprofit corporation focusing on affordable housing [\[ORC 1706.01\]](#)
 - Community urban redevelopment corporation [\[ORC 1728.01\]](#)
 - Community improvement corporations [\[ORC 1724.01 \(A\)\(1\)\]](#)
- Community improvement corporation or community urban redevelopment corporations
- Habitat for Humanity affiliates

The following are examples of entities that would be ineligible to apply directly for any WHO Programs:

- Individuals
 - Private sector development or construction companies
 - Independent contractors
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Properties

Q: Are WHO-eligible properties for acquisition limited to foreclosed properties?

A: No. Grant funds may be used to purchase any qualifying residential property.

Q: Are only traditional stick-built properties eligible for infill or new builds?

A: No. The requirements are that the house is built to local and state building codes, are not manufactured homes, and does not connect more than 10 residential units. Traditional stick-built houses and modular houses are both examples of allowable properties.

Q: Are container homes allowed?

A: No. These are classified as manufactured homes and are therefore ineligible.

Q: Can basements count towards the 1,000 square foot requirement?

A: Yes, so long as the basement is finished as habitable space and up to code, it can count towards the 1,000 square feet of habitable space. Any bedrooms in a basement must meet proper egress requirements.

Q: In a multi-unit structure, is the 1,000 square foot requirement per unit or for the whole structure?

A: Each unit must have at least 1,000 square feet of habitable space.

Q: Can funding be used for ADUs (Accessory Dwelling Units)?

A: If an accessory dwelling unit is something you would like to pursue, please provide Development with context and details.

Q: Are there building standards or codes that must be followed for units being rehabbed or built? What if there are no local residential building codes?

A: All activities funded by WHO must be completed according to all applicable construction and design standards, including local building codes and residential code of Ohio when applicable. If no local building codes, applicant could use the [State of Ohio's Residential Rehabilitation Standards \(RRS\)](#), however not mandatory.

Q: Does the property need to be vacant, or can it be occupied by a qualified individual at the time of rehab?

A: The property must be owned by the entity applying for WHO funds. Applicants are able to enter into agreements and these can be detailed in their application.

Q: Is the maximum sale price (\$180,000) only applicable to the sale by the applicant/developer, or is it applicable to all sales over the 20-year affordability period?

A: The maximum sale price of \$180,000 is only applicable to the initial sale by the applicant/developer to a qualified individual. This is the only sales price restriction.

Q: Are there remedies that can be written into the purchase agreement when the land bank is purchasing?

A: Specifics of the purchase agreement can be determined between the seller and the land bank when acquiring property.

Q: Can the electing subdivision place a first right of refusal in an agreement and acquire the property during any future sale to maintain affordability?

A: No. The property must be sold to an income qualified individual. If the electing subdivision purchases the property, it would be in violation of the deed restriction.

Q: Can applicants utilize a subordinate mortgage in addition to the deed restriction?

A: Specifics of the purchase agreement can be determined at the time of sale between the WHO applicant and the qualified individual.

Homebuyers

Q: What will be required for the purchase agreement?

A: Purchase agreements are between the WHO applicants and qualified individuals. Per Ohio Revised Code sections [122.631 (D), 122.632 (B), 122.633 (C)], there are several required agreements of purchasers of WHO eligible properties, including that the director of Development must be identified as a third-party beneficiary to the purchase agreement.

Q: How will an interested individual apply to buy a property?

A: The process will be established by the owner of the property (the land bank, land reutilization corporation, eligible developer, or electing subdivision) as they are the ones selling the property. The interested individual will contact the seller to purchase the property.

Q: How will a buyer demonstrate the financial means to purchase a property?

A: This will be at the discretion of the owner of the property (the land bank, land reutilization corporation, eligible developer, or electing subdivision). The ability to obtain a home mortgage loan could be used to demonstrate the financial means to purchase a property, but the decision is up to the local entity who owns the property.

Q: Is the buyer able to rent a portion of the home after the five-year occupancy period?

A: Yes. However, the eligible individual must maintain the home as their primary residence.

Q: Must the homebuyer remain at or below 80% AMI during the 20-year affordability timeframe?

A: No. The homebuyer must be at or below 80% AMI in order to be eligible to purchase the house, however, after the date of sale, their income will not be reverified.

Q: Can we begin a project with a homebuyer selected, or do all homes need to be openly bid out?

A: The homebuyer selection process will be defined by the entity applying for WHO funds. The only requirement on the homebuyer is that they meet all the qualifications defined in the program guidelines.

Q: What happens if, after the purchase, the homebuyer's income no longer meets the income requirement: would they be able to refinance?

A: Yes. Income eligibility is only verified at the time of sale.

Q: How are the potential penalties calculated for the homeowner?

A: The homeowner must occupy the home as a primary residence and not rent any portion of it for five years after purchase. If they violate either of these terms, the homeowner must pay Development \$90,000 reduced by 20% (\$18,000) for each year they met the requirements. If only WHO-TC funds were expended, then the penalty amount would be the tax credit authorized (instead of \$90,000) reduced by 20% for each year they owned the property.

Q: Are there hardship exemptions for the occupancy requirement penalties?

A: Development may waive penalties if it is determined that payment would constitute a hardship to the homeowner. Hardships may include divorce, disability, illness, loss of income, and any other hardship supported by documentation and approved by Development.

Q: How is equity calculated when the homebuyer sells the property?

A: Specifics of the purchase agreement can be determined at the time of sale between the WHO applicant and the qualified individual.

Q: Does the deed restriction prevent the original homebuyer from building equity since the sale price of the property needs to remain affordable for 20 years?

A: No. The deed restriction ensures the property remains affordable and owner-occupied. This prevents corporations or landlords from buying these properties at prices far greater than locals interested in homeownership would be able to afford.

Program Operations

Q: What criteria will be used to help prioritize how projects are selected?

A: The review process will strongly consider the organization's capacity and their "readiness to proceed." Applications with specific properties lined up that would be able to begin work within one to six months of award will be prioritized. Welcome Home Ohio aims to reach communities across the state in urban, suburban, and rural areas alike. Applications that extend the reach of WHO would also be prioritized. Funding amounts, however, will be reflective of the organization's capacity to complete its project.

Q: Are awards based on a first-come, first-served basis?

A: No. There will be a competitive application period and applications will be reviewed and selected. If there are still funds available after this initial round of awards, then the applications will be open and selected on a rolling basis until funds are all committed.

Q: Will the application be one-time or on a rolling basis?

A: Applications 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 month-long application period will be Jan. 9-Feb. 9, 2024, and rolling applications will be accepted Feb. 12 through May 31, 2024. For fiscal year 2025, the month-long application period will be June 3 through June 28, 2024, and rolling applications will be accepted July 1, 2024, through May 30, 2025.

Q: Does prevailing wage apply?

A: The funding for this program comes from the state operating budget and therefore are not federal dollars subject to Davis Bacon Wage Rates. WHO does not specifically require prevailing wage, but a grantee will be required to comply with Ohio prevailing wage laws as they may apply to the grantee and project.

Q: Is financial literacy an eligible expense?

A: Financial literacy and administration are not eligible expenses.

Q: How is “one year of financial literacy” defined? Is there a certain amount of class time required? How frequently do they need to meet?

A: Applicants shall define how they will meet one year of financial literacy provided. This can be achieved by class time, meetings, counseling, or a combination of all. Development will not provide a requirement of class time, meetings, etc. Only a minimum of one year of financial literacy.

Q: What happens if the homebuyer does not do financial literacy or does not do it over the course of a year?

A: Financial literacy is a legislative requirement which must be met. If not met, the homeowner is not completing all terms and a penalty could be imposed.

Q: What happens with recaptured funds?

A: Recaptured funds are returned to the Department of Development. The funds will be credited to the Welcome Home Ohio fund to continue WHO program activities.

Q: Would reimbursement of a land bank’s tax-foreclosure costs to acquire a property be an eligible acquisition cost?

A: Legal fees associated with acquisition, construction and rehabilitation are eligible costs for WHO-Purchase but not for tax credits (WHO-TC). Examples of eligible acquisition and development costs include, but are not limited to lawyer fees, closing costs, pre-development costs, utility setup, and costs supported by documentation and approved by Development.

Grant Funds

Q: What is the minimum and maximum grant award?

A: There is not a minimum or maximum grant award or amount available to applying entities. An organization may apply for the funding of as many qualifying properties as their capacity allows for timely implementation in a two-year grant.

Q: Will this be an ongoing reimbursement process?

A: WHO-P and WHO-RC will allow for an ongoing reimbursement process, with the stipulation that funds must be returned if the guidelines of the grant are not met. WHO-TC credits will only be released after providing Development proof of sale to a qualified buyer.

Q: Can Welcome Home Ohio funds be stacked with other grants and funding sources?

A: Yes. Welcome Home Ohio funds can be combined with other local, state, and federally funded grants. This includes (but is not limited to) ARPA, HUD, and HOME funding. If WHO funds are used on a property, the project must be compliant with the program requirements outlined here.

Q: Will “walkaway costs” be covered in any capacity?

A: No.

Tax Credits

Q: If the homeowner does not abide by the guidelines, will the applicant need to surrender their tax credits after they have been issued?

A: There is no provision for a tax credit to be refunded to the state once issued.

Q: What if my state taxes are less than the amount on the tax credit certificate I receive? Or what if we do not have income tax or financial institution tax liability?

A: Tax credits can be applied to that year’s income taxes. Any unused amount may be carried forward for the following five taxable years. Certificates are allowed to be transferred so long as written notice is provided to Ohio Department of Taxation. This allows a land bank or developer to sell the right to claim the credits, and purchasers may claim the credits for the taxable year or tax year that the certificate is issued and claim any unused amount in the five ensuing taxable or tax years.

Q: How do you sell tax credits?

A: Tax credits can be transferred by completing a Transfer of Credit form (found on the Welcome Home Ohio webpage) and submitting it to the Ohio Department of Taxation. Examples of entities you might sell the credit to include syndicators and tax credit brokers.

More Information

Q: Where can I get more information and help?

A: For more information, visit our website at www.development.ohio.gov/welcomehome
If you have questions, feel free to contact OCE@development.ohio.gov