



Common Sense Initiative

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Business Impact Analysis

Agency, Board, or Commission Name: The Ohio Housing Finance Agency

Rule Contact Name and Contact Information: Anthony Palmer, apalmer@ohiohome.org

Regulation/Package Title (a general description of the rules' substantive content):

Ohio Low-Income Housing Tax Credit Program

Rule Number(s): 175-8-01

Date of Submission for CSI Review: November 25, 2025

Public Comment Period End Date: December 2, 2025

Rule Type/Number of Rules:

New/___ rules

No Change/___ rules (FYR? __)

Amended/ 1 rules (FYR? No)

Rescinded/___ rules (FYR? __)

The Common Sense Initiative is established in R.C. 107.61 to eliminate excessive and duplicative rules and regulations that stand in the way of job creation. Under the Common Sense Initiative, agencies must balance the critical objectives of regulations that have an adverse impact on business with the costs of compliance by the regulated parties. Agencies should promote transparency, responsiveness, predictability, and flexibility while developing regulations that are fair and easy to follow. Agencies should prioritize compliance over punishment, and to that end, should utilize plain language in the development of regulations.

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Reason for Submission

1. R.C. 106.03 and 106.031 require agencies, when reviewing a rule, to determine whether the rule has an adverse impact on businesses as defined by R.C. 107.52. If the agency determines that it does, it must complete a business impact analysis and submit the rule for CSI review.

Which adverse impact(s) to businesses has the agency determined the rule(s) create?

The rule(s):

- a. ☐ Requires a license, permit, or any other prior authorization to engage in or operate a line of business.
- b. ☐ Imposes a criminal penalty, a civil penalty, or another sanction, or creates a cause of action for failure to comply with its terms.
- c. ☒ Requires specific expenditures or the report of information as a condition of compliance.
- d. ☐ Is likely to directly reduce the revenue or increase the expenses of the lines of business to which it will apply or applies.

Regulatory Intent

2. Please briefly describe the draft regulation in plain language.

Please include the key provisions of the regulation as well as any proposed amendments.

The current rule addresses how the agency allocates low-income housing tax credits under federal law. The proposed revisions addresses the Ohio low-income housing tax credit program under state law.

3. Please list the Ohio statute(s) that authorize the agency, board or commission to adopt the rule(s) and the statute(s) that amplify that authority.

Authorized by: R.C. 175.05 and 175.16; Amplifies: R.C. 175.06 and 175.16

4. Does the regulation implement a federal requirement? Is the proposed regulation being adopted or amended to enable the state to obtain or maintain approval to administer and enforce a federal law or to participate in a federal program?

If yes, please briefly explain the source and substance of the federal requirement.

No.

5. If the regulation implements a federal requirement, but includes provisions not specifically required by the federal government, please explain the rationale for

exceeding the federal requirement.

N/A

6. What is the public purpose for this regulation (i.e., why does the Agency feel that there needs to be any regulation in this area at all)?

The agency is required under R.C. 175.16(H) to adopt rules to implement the Ohio low-income housing tax credit program.

7. How will the Agency measure the success of this regulation in terms of outputs and/or outcomes?

In the reservations made as a result of the guidelines used by the agency.

8. Are any of the proposed rules contained in this rule package being submitted pursuant to R.C. 101.352, 101.353, 106.032, 121.93, or 121.931?

If yes, please specify the rule number(s), the specific R.C. section requiring this submission, and a detailed explanation.

No.

Development of the Regulation

9. Please list the stakeholders included by the Agency in the development or initial review of the draft regulation.

If applicable, please include the date and medium by which the stakeholders were initially contacted.

Housing developers, housing policy advocates, the Ohio Department of Taxation, and the Ohio Department of Insurance. The agency also posted the draft rule for public comment.

10. What input was provided by the stakeholders, and how did that input affect the draft regulation being proposed by the Agency?

The agency received one comment about the rule. The agency considered the comment but did not revise the draft regulation.

11. What scientific data was used to develop the rule or the measurable outcomes of the rule? How does this data support the regulation being proposed?

N/A

- 12. What alternative regulations (or specific provisions within the regulation) did the Agency consider, and why did it determine that these alternatives were not appropriate? If none, why didn't the Agency consider regulatory alternatives?**
Alternative regulations may include performance-based regulations, which define the required outcome, but do not dictate the process the regulated stakeholders must use to comply.

The agency uses guidelines making selection decisions for funding of projects. Using guidelines established by the agency's board is consistent with agency practice.

- 13. What measures did the Agency take to ensure that this regulation does not duplicate an existing Ohio regulation?**

The agency reviewed its existing rules and confirmed that there was not an existing regulation on reservations under the Ohio low-income housing tax credit program established in R.C. 175.16.

- 14. Please describe the Agency's plan for implementation of the regulation, including any measures to ensure that the regulation is applied consistently and predictably for the regulated community.**

The agency's board establishes guidelines for each year that reservations are made. The guidelines are established after conducting at least one public hearing.

Adverse Impact to Business

- 15. Provide a summary of the estimated cost of compliance with the rule(s). Specifically, please do the following:**

- a. Identify the scope of the impacted business community, and**

Owners of qualifying affordable rental projects can claim tax credits against state taxable liabilities under the Ohio low-income housing tax credit. Under R.C. 175.16, the state tax credit can only be paired with a federal tax credit reservation. The state tax credits can be exchanged by investors and syndicators for equity to help construct or preserve affordable rental housing throughout the state.

- b. Quantify and identify the nature of all adverse impact (e.g., fees, fines, employer time for compliance, etc.).**

The adverse impact can be quantified in terms of dollars, hours to comply, or other factors; and may be estimated for the entire regulated population or for a representative business. Please include the source for your information/estimated impact.

The impact is largely: (1) administrative costs in preparing applications for the tax credit reservation and (2) program fees (e.g., application fees, bond issuance fees, compliance monitoring fees) associated with the administration of the program. These costs would be incurred by the project owners.

- 16. Are there any proposed changes to the rules that will reduce a regulatory burden imposed on the business community? Please identify. (*Reductions in regulatory burden may include streamlining reporting processes, simplifying rules to improve readability, eliminating requirements, reducing compliance time or fees, or other related factors*).**

No.

- 17. Why did the Agency determine that the regulatory intent justifies the adverse impact to the regulated business community?**

The intent of the enabling statute is to provide a state tax credit to encourage the development of affordable rental housing in the state. The reservations of tax credits would be made competitively, necessitating an application from a project owner. Fees are included to cover the costs of administering the program.

Regulatory Flexibility

- 18. Does the regulation provide any exemptions or alternative means of compliance for small businesses? Please explain.**

No, the regulation addresses how reservations of the state tax credits will be made.

- 19. How will the agency apply Ohio Revised Code section 119.14 (waiver of fines and penalties for paperwork violations and first-time offenders) into implementation of the regulation?**

N/A

- 20. What resources are available to assist small businesses with compliance of the regulation?**

Agency staff provide technical assistance to owners who want to submit applications.