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# 4% LIHTC with Bond Gap Financing

## Program Year 2024 Guidelines

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Office of Multifamily Housing | **Effective July 17, 2024**

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## A. 4% LIHTC with Bond Gap Financing Overview

### Purpose

The 4% Low-Income Housing Tax Credit (LIHTC) with Bond Gap Financing (BGF) program (hereinafter the “BGF” program) couples 4% LIHTCs with limited gap financing resources to assist in the financing of affordable rental housing throughout the state of Ohio. The Ohio Housing Finance Agency’s (OHFA’s) gap financing resources are “soft” loans payable only if positive cash flow is generated during project operations. Because 4% LIHTCs generate less than half the amount of equity as a congruent amount of limited 9% LIHTCs—all else equal—OHFA uses gap financing through the BGF program to bolster the financial feasibility of 4% LIHTC affordable rental housing proposals and further incentivize use of 4% LIHTCs, which are not subject to the annual state LIHTC ceiling.

### Federal 4% LIHTCs

For information on 4% LIHTCs and 26 U.S.C §142(d) tax-exempt residential rental private activity bonds (PABs), see the most recently published [4% LIHTC Qualified Allocation Plan \(QAP\)](#).

### Bond Gap Financing Resources

OHFA’s uses three main resources as gap financing in the BGF program to help applicants of 4% LIHTC-funded properties achieve financial feasibility: the Ohio Housing Trust Fund (OHTF), national Housing Trust Fund (NHTF), and the HOME Investment Partnerships (HOME) program. The Ohio Department of Development (Development) serves as the administrating agency for these resources; OHFA allocates such resources through a subgrant agreement with Development. From time to time, OHFA may receive other temporary resources that can be administered through the BGF program. Together, these resources help to close the financing gap between total development costs (TDC) and sources such as 4% LIHTC equity, first mortgage debt, deferred developer fee, and other funding, if applicable.

OHTF and HOME resources are structured as “soft” loans, payable only if cash flow is available from ongoing property operations during the term of the loan. NHTF is structured as a deferred loan with payment due upon sale. By structuring BGF in this way, BGF allocations do not reduce the ability of a project to maximize first mortgage debt.

While each of the above BGF resources includes program-specific requirements, OHFA determines which source(s) of funding will be used for all applicants invited to submit a Final Application. If an applicant is unable to accept one of the available funding sources, a Programmatic Exception Request must be submitted in accordance with the Program Calendar. Please see the respective appendices on each funding source to understand program-specific requirements.

## B. Program Calendar

Date	Programmatic Benchmark
Thursday, July 18– Friday, August 16, 2024 at 5:00 p.m. Eastern Time (ET)	Window to submit Frequently Asked Questions (FAQ)
Thursday, September 12, 2024 by 5:00 p.m. ET	Application submission deadline for Proposal Applications
Friday, November 8, 2024	OHFA release of Preliminary Competitive Scoring and Proposal Application Reviews
Thursday, November 14, 2024 by 5:00 p.m. ET	Applicant response deadline for OHFA's Preliminary score and Proposal Application reviews.
Wednesday, December 18, 2024 at OHFA's Board Meeting	OHFA announces invitations to submit Final Applications
Thursday, March 13, 2025 by 5:00 p.m. ET	Applicant deadline to submit Final Applications
Two weeks from notification letter	Applicant deadline to respond to OHFA's Final Application review deficiencies

Applications for a particular project may only be submitted in one round at a time (4% LIHTC with BGF or 4% LIHTC only). OHFA encourages applicants to carefully consider which round best suits the financial needs of the proposed project. Due to time constraints, applicants not awarded competitive funding in this round wishing to resubmit as a 4% LIHTC Only application will need to submit an application under the 4% LIHTC Qualified Allocation Plan in the 2025 Open Round.

## C. Application Process

### How to Submit

All Proposal Application, and Final Application submissions must be made via the Agency's [Multifamily Development File Transfer Site \(FTS\)](#). If an applicant does not already have access to the FTS, he or she must email [MultifamilyFTP@ohiohome.org](mailto:MultifamilyFTP@ohiohome.org) prior to the Proposal Application deadline to secure user access. All application materials must be submitted in .ZIP format. Avoid using any special characters (e.g. "\*", "&", or "@", among others) in naming conventions for projects. OHFA will not accept applications submitted via e-mail, another online file sharing site (e.g. Dropbox, Google Drive), or flash drive. Projects must be individually uploaded to the FTS using the following process:

- Step 1. Upload one, singular .zip file for each individual application.
- Step 2. Insert project name and select funding round (4% LIHTC with BGF) and application type.
- Step 3. Click Validate File.

After submitting an application, a confirmation email will be automatically sent to the contact's email address.

Additionally, a hard copy 80% permit set of architectural plans is required to be submitted at Final Application in accordance with the most recently published Design and Architectural Standards (DAS). Please submit architectural plans to the following address:

Ohio Housing Finance Agency, 3<sup>rd</sup> Floor  
Attn: Office of Multifamily Housing  
2600 Corporate Exchange, 3<sup>rd</sup> Floor  
Columbus, Ohio 43231

## Ex Parte Discussions

After submission of the Proposal Application through OHFA Board approval, no staff member working on the application review or OHFA Board member shall discuss the merits of the application with any entity identified in the Development Team Entity Identification spreadsheet or Affordable Housing Funding Application (AHFA), unless all similarly-situated applicants have been notified and given the opportunity to be present or to participate by telephone unless it is an official communication and response as provided for in the Program Calendar or a full disclosure of the communication insofar as it pertains to the subject matter of the application is made publicly on the OHFA application webpage.

When an *ex parte* discussion occurs, either verbally or in writing, a representative of the applicant or applicants participating in the discussion shall prepare a document identifying all the participants and the location of the discussion, and fully disclosing the communications made. Within two business days of the occurrence of the *ex parte* discussion, the document shall be provided to the OHFA chief legal counsel or designee. Upon completion of the review, the final document with any necessary changes shall be publicly made available and communicated to all applicants. The document filed and served shall include the following language:

*Any participant in the discussion who believes that any representation made in this document is inaccurate or that the communications made during the discussion have not been fully disclosed shall prepare a letter explaining the participant's disagreement with the document and shall file the letter with the chief legal counsel of OHFA who will transmit the letter to all known applicants and make it publicly available within two business days of receipt of this document.*

Failure of any staff member working on the application review process or OHFA Board Member or their designee to abide by this section may, at the discretion of the OHFA Board, lead to that individual's removal from the application review process and final award.

## Proposal Application and Final Application Submission Disclaimer

All Proposal Application and Final Application materials submitted become the property of OHFA and shall be public information unless a statutory exception exists which would thereby determine that such information cannot be released to the public. If information in your Proposal Application or Final Application has a good faith legal basis for an exemption to the public records laws, each and every occurrence of the information must be identified in the Proposal Application and/or Final Application on a separate page titled "Exemptions to the Public Records Law" and clearly label the material as such. OHFA may publicly post materials received.

## Proposal Application Package

OHFA will require a Proposal Application package submitted via the FTS by the date listed in the Program Calendar. The proposal package must include all the items detailed in [Appendix A: Submission Requirements](#).

### Experience and Capacity, Underwriting, Threshold, and Scoring Review

Staff analysts will provide applicants a written summary of any identified experience and capacity, underwriting and/or threshold deficiencies in the Proposal Application. Applicants will be provided a brief cure period to submit corrections, which may include documentation not previously submitted in accordance with the Program Calendar. Any additional information submitted during the cure period will be used solely for Proposal Application deficiencies and will not be used in determining the final competitive score. **Any applicant who fails to correct identified deficiencies during this period may be removed from consideration.**

Staff analysts will concurrently review competitive scoring documentation submitted with the Proposal Application against the applicant's "self-score". Once complete, OHFA will send preliminary competitive scoring to the applicant. Applicants have until the date listed in the Program Calendar to either confirm agreement with OHFA's preliminary score or appeal any competitive scoring reductions for specific criteria. Applicants may not provide any additional documentation for competitive criteria; applicants may only state where, in the original submission, documentation was provided. If the applicant does not respond to OHFA's preliminary score by the deadline, OHFA's preliminary score will become final.

After receiving responses from applicants to OHFA's preliminary scoring, OHFA staff will review such responses and determine whether any scoring reductions should be restored. Final scoring determinations will be noted on the competitive scoring worksheet. Once all Proposal Application scores have been finalized, OHFA will rank competitive scores against each other for each funding pool and subpool. Projects meeting OHFA's set asides and those with the highest scores are invited to submit a Final Application until all BGF resources are exhausted and all programmatic funding goals are achieved.

### Invitations to submit a Final Application presented to the OHFA Board

OHFA will present projects that are invited to submit a Final Application and a waitlist to the OHFA Board on the date indicated in the Program Calendar. Following OHFA Board presentation, a spreadsheet of all projects invited to submit a Final Application will be uploaded to the [Pending Applications & Funded Projects Website](#). Applicants with an invitation to submit a Final Application will receive a letter indicating the potential amount of BGF and the anticipated BGF source. OHFA may swap the anticipated BGF source if necessary to meet federal and/or state requirements. An invitation to submit a Final Application does not assure a commitment of OHFA resources; a Final Application must be received, all threshold and underwriting requirements must be met, and the project must receive OHFA Board approval prior to a reservation of funds. Federal HOME and NHTF regulations prohibit a Funding Agreement from being issued until OHFA's legal staff determines the project meets the respective source's federal commitment requirements as referenced in [CPD-15-09](#) and [CPD-18-12](#), respectively.

# Final Application Process

## Submission Requirements

Applicants will find all Final Application submission items in [Appendix A: Submission Requirements](#). If invited to submit a Final Application, the Final Application process involves three major steps:

### (1) Full Threshold, Underwriting, Competitive, and Architectural Review

Final Applications must be submitted via the Agency's FTS by the deadline noted in the Program Calendar. Applicants are welcome to submit a Final Application earlier than the deadline. Following receipt of a Final Application, OHFA analysts will complete a full Threshold and Underwriting Review. This review involves a comprehensive analysis of the project's compliance with the most recent LIHTC Underwriting Guidelines and threshold requirements outlined in these Guidelines and the most recent 4% LIHTC QAP. Additionally, OHFA analysts will review the Final Application to ensure that competitive scoring upon which the application was selected continues to be met. The assigned OHFA analyst will draft a review letter detailing any deficiencies. Applicants will have two weeks to cure any outlined deficiencies. Unless otherwise stated, deficiencies must be cured; otherwise, the application will not move forward to OHFA Multifamily Committee and Board for approval of BGF. If not invited to move forward to Board approval, OHFA will contact the next highest-scoring project in the same funding pool or subpool on the waitlist.

Concurrently, OHFA staff will perform an architectural review for compliance with the most recent Design and Architectural Standards (DAS). Without architectural Conditional Approval, the application will not move forward to OHFA Multifamily Committee and Board approval of BGF.

### (2) OHFA Multifamily Committee and Board Approval

All projects that have successfully completed threshold and underwriting review must seek and secure OHFA Multifamily Committee recommendation and Board approval. The OHFA Multifamily Committee and Board monthly calendar can be found on the [OHFA Board Website](#). Once scheduled for a specific month, the assigned OHFA analyst will work with the applicant to complete an Executive Summary, which provides summary information about the project to the OHFA Multifamily Committee and Board. Once complete, the Executive Summary will be posted to [OHFA's BoardDocs Website](#). Applicants are required to attend the Multifamily Committee and Board meeting either in person or virtually at which the project is to be presented. If BGF funding is approved at Board, BGF funding is considered reserved.



### (3) Financial Closing and Construction Monitoring

Following Board approval of BGF and subject to federal commitment requirements, OHFA will enter into a Funding Agreement with the BGF recipient. The project team must compile and submit all required due diligence before requesting a closing date, as described in the OHFA Loan Closing Procedures document on the [OHFA Loan Closing webpage](#). OHFA cannot commence the closing process without all due diligence being submitted no later than 30 days prior to the estimated loan closing date.

Below are estimated terms and deadlines for projects awarded PY2024 BGF funding:

• Commitment/Closing Deadline:	May 31, 2026
• Construction Commencement Deadline:	1 year after OHFA Board approval of BGF
• Construction Completion Deadline:	December 31, 2027
• Final Draw Deadline:	March 1, 2028
• Final Performance Report Deadline:	March 1, 2028

Once developments have a signed Funding Agreement, the project will be transitioned to a Project Administration Analyst. The analyst will guide them through the construction, draw, 8609 and closeout process. Requirements are posted on the OHFA [Project Administration webpage](#).

## Construction Completion and Project Operations

### Compliance

Completion of the Compliance Next Steps (CNS) meeting is required for all properties as they transition from the Agency's Development office to the Office of Program Compliance. If not completed, the issuance of Form 8609 will be delayed. The [Compliance Next Steps Process webpage](#) contains the most current information on the CNS meeting, including scheduling information and required forms and documents.

Compliance Monitoring requirements can be found on the [Compliance Policies](#) page of the OHFA website. OHFA encourages all owners and managers to stay informed by taking advantage of free [training opportunities](#) so that owners and management companies are fully compliant with all requirements.

### Asset Management

All LIHTC projects must submit annual, independently-prepared audited financial statements throughout the 15-year Compliance Period. During the Extended Use Period, projects with 50 or more units will continue to submit independently-prepared audited financial statements; projects with less than 50 units will submit independently-prepared reviewed financial statements. OHFA may request additional information.

For more information, visit OHFA's Asset Management website [here](#).

## D. Threshold Requirements

### Compliance with Other OHFA Policy Documents

Except as specifically waived or modified in these Guidelines, applications must comply with the most recently-published Agency Guidelines as found on the [4% LIHTC with BGF website](#), including the following:

- The most-recently published [4% LIHTC QAP](#)
- The most-recently published [LIHTC Rental Underwriting Guidelines](#)
- The most-recently published [Design and Architectural Standards \(DAS\)](#)
- The most recently published [Housing Development Loan Program Guidelines](#), if seeking HDL

### Rent and Income Restrictions

All applicants seeking BGF must commit to the following rent and income restriction(s), based on the location and funding source of the proposed project:

#### State-Required Restricted Units

Regardless of the amount of BGF resources, the state of Ohio through its [2020-2024 Consolidated Plan \(ConPlan\)](#) requires a specific number of units restricted to households at or below 50% AMI depending on the project's location. OHFA has provided a list of HUD Participating Jurisdictions in [Appendix B](#)

- Project is located in a HUD Participating Jurisdiction:

A minimum of 40% of the affordable units must be affordable to and occupied by households with incomes at or below 50% of AMI; or

- Project is located outside of a HUD Participating Jurisdiction

A minimum of 35% of the affordable units must be affordable to and occupied by households with incomes at or below 50 percent of AMI.

#### Federally-Required Assisted Units

All BGF resources follow the HOME program's cost allocation method referenced in [24 C.F.R. §92.205\(d\)\(1\)](#) and [CPD-16-15](#) to determine the number of Assisted Units. HOME and OHTF have the same restrictions on Assisted Units because OHFA uses OHTF as state match under [24 C.F.R. §92.219\(b\)\(2\)](#). NHTF requires deeper rent targeting.

- HOME and OHTF Assisted Units:

- < 5 Assisted Units: Assisted Units must be restricted at the lower of (1) 65% AMI or (2) Fair Market Rent (High HOME) per [24 C.F.R. §92.252\(a\)](#)
- ≥ 5 Assisted Units: At least 20% of the Assisted Units must be restricted at the lower of (1) 50% AMI or (2) Fair Market Rent (Low HOME). The remaining 80% may meet the High HOME requirements outlined above.

- NHTF Assisted Units: All NHTF-Assisted Units must be restricted at or below 30% AMI.

State-required Restricted Units can overlap with federally-required Assisted Units, but such units must be underwritten to the most restrictive of the two standards. Per the [2020-2024 Ohio Consolidated Plan](#), Restricted Units are only calculated off the “affordable units”, which are strictly the LIHTC units for purposes of these Guidelines. Developers do not have to identify the HDAP Assisted or Restricted units in the AHFA. If the units float, OHFA verifies the project has enough units that will meet the HOME requirements. While the Assisted Units are allocated proportionally based on the distribution of bedroom types, Restricted Units can float among all units. The Unit Comparability form determines whether the Assisted Units are fixed or floating. Projects with units that are not comparable will have fixed Assisted Units.

## Maximum BGF Requests

Applicants may request **no more** than the below amounts. No Exception Requests may be submitted to exceed the maximum BGF request.

Funding Pool/Subpool	Maximum BGF Request
Preserved Affordability – In a Participating Jurisdictions	\$3,000,000
Preserved Affordability – Outside a Participating Jurisdiction	\$4,000,000

The following limits also apply:

- The amount requested may not exceed 50 percent of the total development costs of the project.
- The amount requested may not exceed the federally-mandated 2024 HOME per-unit maximum subsidy on Assisted Units per [24 C.F.R. §92.250\(a\)](#) and [CPD-15-003](#), regardless of the funding source, as referenced below:

Bedrooms	2024 Ohio HOME Per Unit Maximum
0	\$181,488
1	\$208,048
2	\$252,993
3	\$327,922
4+	\$359,263

- The amount requested must be reduced by any prior Housing Development Assistance Program (HDAP) awarded to the project that is still within its Affordability Period.

## Application Limits

	Maximum Proposal Application Submissions	Maximum Invitations to Submit a Final Application
Development Teams meeting OHFA Experience and Capacity Requirements and successfully placed in service at least one LIHTC deal <b>in Ohio over the past 10 years.</b>	2	2
Development Teams meeting OHFA Experience and Capacity Requirements that have not successfully placed in service at least one LIHTC deal in Ohio over the past 10 years but have successfully placed in service one LIHTC deal with federal HOME or NHTF financing in <b>another state over the past 10 years.</b>	1	1

## Ineligible Developments

Projects ineligible to be submitted in the BGF round include:

- LIHTC developments in their initial 15-year Compliance Period as of the Proposal Application deadline listed in the Program Calendar.
- Affordable Assisted Living (AAL) projects.

## Cost Containment

Applicants will be required to meet the Agency's [2024 4% LIHTC Cost Containment Standards](#). Applicants must use the TDC/Unit and TDC/gross square foot (GSF) caps that aligns with the correct geography. OHFA will evaluate projects to ensure compliance at Proposal Application, Final Application, and 8609 submission. Projects that do not demonstrate compliance with the caps will be removed from consideration. An Underwriting Exception Request must be submitted at Proposal Application to exceed such standards with sufficient detail to conclude higher costs.

## Fees

Application fees must be paid using Automated Clearing House (ACH) by the Proposal Application or Final Application deadline, as applicable. OHFA will not accept checks. Payments should be submitted via your bank. **ACH payment instructions are posted on the FTS site.**

Non-refundable fees noted below must be submitted with the respective item.

Fee Type	Fee Amount
Proposal Application Fee	\$2,500
Final Application Fee	\$2,500
HDL Application Fee ( <i>at Final Application, if applicable</i> )	See the <a href="#">most current HDL Guidelines</a>
Amendments to a funding agreement	\$1,000 per request
Extensions of a funding agreement	\$1,000 per extension
Federal LIHTC <b>Reservation Fee</b>	6% of annual LIHTC
Compliance Monitoring Fee	\$2,400/unit

## Developer Fee Limit

### Maximum Budgeted Developer Fee

The maximum budgeted developer for the BGF program is 20% of the project's LIHTC eligible basis net of the Developer Fee calculation below:

Developer Fee is calculated as the sum of the following fees:

- Developer Fee
- Application/development consultant fees
- Construction management fees
- Guarantee fees
- Developer-charged financing fees
- Developer-charged asset management fees

### Maximum Paid Developer Fee

Paid Developer Fee may not exceed 70% of the budgeted developer fee. OHFA has established the maximum budgeted developer fee is referenced in the most recently-published [4% LIHTC QAP](#). Paid developer fee is calculated as follows:

Paid Developer Fee = Budgeted Developer Fee – Deferred Developer Fee – General Partner/Managing Member Capital Contributions – Sponsor Loan(s)

## Exception Requests

OHFA will review Exception Requests submissions for allowable exceptions as outlined in the [4% LIHTC QAP](#), [LIHTC Rental Underwriting Guidelines](#), [Design and Architectural Standards](#), and those outlined specifically in these Guidelines. Applicants must submit Programmatic and Underwriting Exception Requests with the Proposal Application as outlined in the Program Calendar. Design Exception Requests are submitted with the Final Application. Exception Requests must be submitted on the Exception Request Form, which will be made available with other application materials on the [4% LIHTC with BGF website](#).

## NHTF Minimum Eligibility Requirements

In accordance with [24 C.F.R. §91.320\(k\)\(5\)](#) and [Ohio's NHTF Allocation Plan](#), NHTF funding must be prioritized based on several federally-mandated factors. To qualify for NHTF, applicants must meet the following threshold requirements. If an applicant does not meet these requirements, the subject project will not be eligible for NHTF resources, which may negatively impact the probability of being invited to submit a Final Application.

- The calculated number of Assisted Units must be restricted at or below 30% AMI.
- The submitted application must demonstrate a minimum 10% of the total permanent financing comes from non-OHFA, non-Federal funding<sup>1</sup>. This must be demonstrated by a conditional commitment.
- At least 5% of the total units must be encumbered by a federal, state, or local project-based rental assistance contract meeting the requirements of the Rental Subsidy Contract threshold requirement and the [LIHTC Rental Underwriting Guidelines](#).

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<sup>1</sup> Ohio's NHTF Allocation Plan defines "Non-Federal, non-OHFA funding sources" as private debt from a non-related entity, funds from the Federal Home Loan Bank's Affordable Housing Program, state historic tax credit equity, private capital from a non-related entity, and grants or loans from the state or local government. Under this definition, private debt from a non-related entity would count; it is silent on whether such debt is federally-insured.

## Related-Party Acquisitions

If a proposed project includes acquisition costs stemming from the purchase of land and/or buildings owned by a related party of the development team, the applicant must submit documentation demonstrating adherence to the following conditions:

### Seller Financing

The maximum seller note amount may be sized no larger than the lower of (1) the purchase price or (2) the as-is restricted appraised value.

### Cash Out to a Related-Party Seller

No consideration to a related-party seller (cash out to seller) is permitted. Cash out to seller is calculated as follows:

Cash out to seller = as-is restricted appraised value of the property – payoff of debt from unrelated parties – seller note
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To demonstrate compliance with OHFA's prohibition on cash out to seller, applicants must provide the following information at Proposal Application and at Final Application:

- The most recent audited financial statements of the property to be acquired,
- Current and projected balances on existing debt as of the estimated financial closing date; and
- Current and projected reserve balances as of the estimated financial closing date.

Additionally, at least two weeks prior to closing on BGF, the applicant must provide the most up-to-date settlement statement for OHFA to review and approve. OHFA may request additional information to demonstrate such compliance.

Holding costs, broker fees, deferred management fees, deferred maintenance or similar costs will not be reimbursed through seller cash out.

## E. Geographic Distribution and Funding Pools

### Geographic Distribution

#### County Limits

Given limited resources in the program, Cuyahoga, Franklin, Hamilton, Summit, Montgomery, and Lucas Counties may not receive more than two reservations—and all other counties may not receive more than one reservation—unless doing so is necessary to meet one of the following set asides or to fully utilize the Agency’s BGF resources.

#### Non-Participating Jurisdictions

At least 75% of all BGF will be set-aside for projects located in areas outside of Participating Jurisdictions. If not enough financially-viable Final Applications are received for projects located outside of Participating Jurisdictions, OHFA will reallocate funding to projects located in Participating Jurisdictions, so long as OHFA meets its mandatory minimum funding requirement of 50% in OHTF.

### Set Asides

#### Appalachian Set Aside

OHFA will reserve set-aside BGF resources for at least one of the highest-scoring housing developments that meet the Agency’s threshold, underwriting, and architectural standards located in an Ohio Appalachian County<sup>2</sup>.

#### CHDO Set Aside

OHFA may set-aside HOME funds for applications sponsored by a Community Housing Development Organization (CHDO) as referenced on [OHFA’s Website](#) and defined in [24 C.F.R. §92.300](#), if necessary to meet the state of Ohio’s 15% CHDO set aside.

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<sup>2</sup> Ohio Appalachian Counties include the following: Adams, Ashtabula, Athens, Belmont, Brown, Carroll, Clermont, Columbiana, Coshocton, Gallia, Guernsey, Harrison, Highland, Hocking, Holmes, Jackson, Jefferson, Lawrence, Mahoning, Meigs, Monroe, Morgan, Muskingum, Noble, Perry, Pike, Ross, Scioto, Trumbull, Tuscarawas, Vinton, and Washington



## Funding Pools

Applications for BGF funds will be evaluated based on the competitive criteria specific to the funding pool in which the application is eligible. The funding pool is based on the characterization of the majority of units in the development. The funding pools are as follows:

**(1) Preserved Affordability – LIHTC Resyndications** (approximately 75% of total BGF resources)

Projects meeting the definition of Preserved Affordability and are seeking a new allocation of LIHTCs to preserve an existing LIHTC property.

**(2) Preserved Affordability – Non-LIHTC Rental Subsidy** (approximately 25% of total BGF resources)

Projects meeting the definition of Preserved Affordability that are seeking an allocation of LIHTCs for the first time to preserve an existing affordable housing property with 75% or more of the units encumbered by a project-based rental assistance contract.

## F. Competitive Scoring

If the total requests for BGF are less than the total funding available, OHFA will not competitively score applications that pass proposal review.

Preserved Affordability Scoring	Points	Maximum Points as a Percent of Total Points
1. Discount to Market Rent	10	50%
2. Expiring Low-Income Housing Commitment	2	10%
3. BGF per Unit	8	40%
<b>Total Points</b>	<b>20</b>	<b>100%</b>

### 1. Discount to Market Rent

Maximum points: 10

Rationale: LIHTC rents are based on the Area Median Income (AMI) for the metropolitan statistical area (MSA) in urban areas and counties in rural areas. Because changes in AMI can diverge from actual rent costs in an area, LIHTC rents may be equivalent to or—in some instances—higher than market rents in the Primary Market Area (PMA). This criterion incentivizes developments located in areas in which LIHTC rents provide a discount to the market rent.

To avoid incentivizing projects with the lowest absolute LIHTC rent restrictions and offer reasonable comparison, OHFA will compare the maximum gross (i.e. without reducing for a utility allowance) 50% AMI Multifamily Tax Subsidy Projects (MTSP) rent for a hypothetical one-bedroom unit against 110% of the one-bedroom 2024 [Small Area Fair Market Rent \(SAFMR\)](#)—if the project is located in a MSA—or 110% of the 2024 [Fair Market Rent \(FMR\)](#) for projects located outside of an MSA.

Discount to Market Rent = 1 – (the maximum gross 50% AMI MTSP rent for a one-bedroom unit ÷ 110% of SAFMR or FMR)

Discount to Market Rent	Points
14.2% and above	10
5.4% to 14.1%	8
0.8% to 5.3%	6
-3.6% to 0.7%	4
-8.8% to -3.7%	2
< -8.8%	0

#### How can points be demonstrated to OHFA?

Points will be determined based on the Zip Code and county in which the majority of units in the defined project is located.

## 2. Expiring Extended Low-Income Housing Commitment (LIHTC Resyndications Pool Only)

### Maximum points: 2

Rationale: Per 26 U.S.C §42(h)(6), all LIHTC properties must have an extended low-income housing commitment in place during the first year in which the owner is claiming LIHTCs and extended an additional 15 years beyond the 15-year Compliance Period—for a total of 30 years. During this period, a restrictive covenant must be recorded that requires owners to maintain the selected applicable fraction, allow Section 8 voucher holders, limit rent increases to the maximum allowable under the LIHTC program, and only terminate tenancy on LIHTC units for good cause. After the minimum 30-year period, such restrictions will no longer be enforceable. OHFA is providing consideration for projects near the end of their 30-year Extended Use period to ensure that they remain affordable for another 30 years under the LIHTC program.

Years Remaining in Extended Use	Points
Less than 3	2
3 to 5	1
More than 5	0

### How can points be demonstrated to OHFA?

Points will be determined based on internal OHFA data using IRS Form 8609 and the Extended Low-Income Housing Commitment restrictive covenant.

All applicants competing in Non-LIHTC Rental Subsidy pool will automatically receive these two points.

### 3. Bond-Gap Financing per LIHTC Unit

Maximum points: 8

Rationale: By providing an incentive for lowering the amount of BGF requested on an LIHTC unit basis, OHFA can bolster the number of affordable housing units preserved given the limited amount of BGF resources. The criterion also incentivizes larger projects which pair well with the 4% LIHTC.

BGF per LIHTC Unit Request		
Project Located <u>within</u> a Participating Jurisdiction	Project Located <u>outside</u> a Participating Jurisdiction	Points
\$23,710 or less	\$44,342 or less	8
\$23,711 to \$25,000	\$44,343 to \$54,730	6
\$25,001 to \$29,999	\$54,731 to \$65,241	4
\$30,000 to \$31,256	\$65,242 to \$75,752	2
\$31,257 or more	\$75,753 or more	0

#### How can points be demonstrated to OHFA?

The AHFA auto-calculated BGF per unit and will therefore automatically calculate the competitive score for this criterion.

### Tiebreakers

When two or more projects maintain the same competitive score, OHFA will use the following two tiebreakers to determine the selection order:

- (1) Greatest number of LIHTC units preserved
- (2) Highest Discount to Market Rent percentage

## G. Modification and Interpretation

OHFA's actions, determinations, decisions, or other rulings pursuant to these Guidelines are not a representation or warranty by OHFA as to a development's compliance with applicable legal requirements, the feasibility or viability of any development, or of any other matter whatsoever.

These Guidelines are subject to modification pending developments in state law, federal law, and OHFA policy. OHFA makes no representation that underwriting, threshold, or architectural responses from a prior year will be determinative in future application rounds. Identical year-over-year submissions may receive differing treatment, with or without notice to an applicant, due to new insights gained during prior review periods, shifts in policy, the need for consistent in-year interpretation, increased applicant competition, or any other reason OHFA deems necessary.

OHFA will resolve all conflicts, inconsistencies, or ambiguities, if any, in these Guidelines or which may arise in administering, operating, or managing the reservation and allocation of resources. This includes the interpretation of requirements and guidelines and the determination of a development meeting the intent of those requirements and guidelines. OHFA may modify or waive, on a case-by-case basis, any provision of these Guidelines that is not required by law. All such modifications or waivers are subject to written approval by the Executive Director, Senior Director of Housing Programs, or Director of Multifamily Housing.

# Appendix A: Submission Requirements

## 1. Affordable Housing Financing Application (AHFA)

When is this due? Proposal Application  Final Application  8609

Applicants must submit a completed AHFA, OHFA's proforma, designed specifically for the 4% LIHTC with BGF program, which will be posted with other application materials on the 4% LIHTC with BGF website. Please note, OHFA will not accept applications that use the incorrect AHFA (e.g. the 9% LIHTC AHFA, 4% LIHTC Only AHFA, or previous 4% LIHTC with BGF AHFAs). Include a PDF of the executed Program Certification.

## 2. Appraisal

When is this due? Proposal Application  Final Application  8609

Applications must include an as-is appraisal for all development site(s) which complies with all Appraisal Requirements in the [LIHTC Rental Underwriting Guidelines](#).

## 3. Architectural Plans and Design & Construction Features Form (DCFF)

When is this due? Proposal Application  Final Application  8609

Applications must include architectural plans for all development site(s) in accordance with the [OHFA Design & Architectural Standards](#) and a completed Design & Construction Features Form, including the Construction Certification. Architectural plans must be submitted both in 11" x 17" hard copy and electronically.

## 4. Articles of Incorporation (Non-Profit Developers Only)

When is this due? Proposal Application  Final Application  8609

Applications submitted by non-profit developers and/or co-developers must include the organizational articles of incorporation evidencing 501(c)(3) or 501(c)(4) status.

## 5. Audited Financial Statements for Existing Properties (Preserved Affordability Only)

When is this due? Proposal Application  Final Application  8609

Applications for projects submitted in the Preserved Affordability pool must include the most recent two years of audited financial statements for the project.

## 6. Authorization to Release Tax Information

When is this due? Proposal Application  Final Application  8609

Final Applications must include a completed [Authorization to Release Tax Information Form](#) for the parent company of each member of the ownership entity. If the title of the Authorized signer is other than President, Vice-President, Director, Executive Director or CEO, the form must be accompanied by a letter from the ownership entities legal staff indicating that the title of the Authorized signor is the highest official and authorized to sign on behalf of the entity.

## 7. Board Resolution (Non-Profit Owners Only)

When is this due? Proposal Application  Final Application  8609

Applications submitted with a non-profit in the ownership must include a board resolution authorizing an application for the BGF resources. The resolution must be dated and executed within 60 days of the Final Application deadline as outlined in the Program Calendar, specify the amount of the request, and identify the individuals authorized to execute legal documents on behalf of the nonprofit.

## 8. Competitive Support Documents

When is this due? Proposal Application  Final Application  8609

For any competitive scoring criterion which requires additional documentation, the application must include a separate folder titled "Competitive Support Documents", which includes such documentation in PDF format. Each competitive scoring criterion that requires supporting documentation must have a separate PDF file in this folder.

## 9. Conditional Financial Commitments

When is this due? **Proposal Application**  **Final Application**  8609

Applications must include financial commitments for all non-OHFA sources. All commitments must be fully executed and dated within 60 days of the application deadline.

Conditional financial commitments must be evidenced by a letter from the funding entity stating the following:

- up to loan or grant amount.
- loan term and amortization schedule/term (and/or payment requirements).
- interest rate.
- fees associated with the loan or grant.
- reserve requirements; and
- lien position of the loan.

The applicant must provide supporting documentation detailing the terms and conditions of any assumed or restructured debt including the current outstanding balance.

Competitive sources that have not been conditionally committed do not meet OHFA requirements. Applicants submitting a competitive source that is not conditionally committed will be considered to have a funding gap and the application will be rejected.

## 10. Condominimized Space Description

When is this due? **Proposal Application**  **Final Application**  8609

If any portion of the development will be condominimized, the application must include a brief description of the governing agreement (costs and maintenance of common space, parking availability, air rights, default remedies, commercial uses, and tenant selection).

## 11. Development Team Consultant Statement

When is this due? **Proposal Application**  **Final Application**  8609

The application must include a statement regarding any development consultant(s) describing:

- their role in the project.
- scope of their authority to negotiate for and bind the development team; and
- a summary of all projects they are currently advising and the scope of those agreements.

For the purposes of this section, development consultants include any person or entity providing professional advice or assistance with the preparation of an application to the LIHTC program, but do not include syndicators.

Consultants may not serve as the primary point of contact for OHFA or as the Project Manager as listed on the Development Tab of the AHFA.



## 12. Development Team Experience and Capacity Review

When is this due? **Proposal Application**  Final Application  8609

OHFA will evaluate the experience and capacity of the development team, including general partners, managing members, developers, co-developers, and management companies at Proposal Application.

Developers, co-developers, general partners, and managing members that received Pre-Application Approval from a LIHTC round in Calendar Year 2024—including the SFY2024 4% LIHTC with OLIHTC, 2024 9% LIHTC, and 2024 4% LIHTC Only rounds—prior to the publishing of these Guidelines are approved for Development Team Experience and Capacity Review in the SFY2024 4% LIHTC with BGF round. However, such entities must provide an attestation there have been no material changes from the previously submitted Lien and Litigation Report and Real Estate Owned (REO) schedule. If there are any material changes to either of these documents, current versions must be submitted.

For all others, a Development Team Experience and Capacity Review Spreadsheet must be completed with the following elements:

- Each member of the development team, including general partners, managing members, developers, co-developers and management companies' information must be completed. This includes every entity name, all parent entities, addresses, contact information and FTI numbers. If fields for parent entities are completed with "To Be Determined" or "To Be Formed", or anything indicating the development team is not completed are in the Proposal Application, the review cannot be completed.
- For owners, a Lien and Litigation Report dated within thirty (30) days of submission of the Proposal Application. A Lien and Litigation Report is a standard real estate due diligence search provided by an independent third-party organization to help OHFA and other funding entities such as lender and syndicators/investors determine if there are any legal risks associated with the proposed development team and proposed project site. The search includes Uniform Commercial Code (UCC) liens, fixture filings, federal and state tax liens and judgment liens, bankruptcy, and any outstanding federal or state litigation. This search concludes with a report which OHFA legal staff will analyze.

Lien reports shall include the county where the projects are located and the state of Ohio. This requirement is for in-state and out of state entities, however the search would be limited to Ohio for out of state entities. Litigation reports shall include Ohio courts and any federal court. If a developer owns the general partnership, provide the lien and litigation report for both entities. OHFA expects project owners to be single-purpose entities and wants to verify such entities do not have unexpected liens against the project property or pending litigation. Lien searches can be limited to the project property. A Lien and Litigation Report is not required for entities that have not yet been created.

For the purposes of this section "owner" means (1) the entity that owns the project, (2) the general partner/managing member of the entity referenced in (1), (3) the owner of entity/entities referenced in (2), and (4) the developer and co-developer.

- For the lead developer and all co-developers, the following items must be submitted:
  - A current real estate owned (REO) schedule for all existing LIHTC projects for which the lead developer and any co-developers (if applicable) maintain an ownership interest indicating the debt coverage ratio and income to expense ratio, with an explanation for any project that is below 1.0.
  - Proof of LIHTC experience as a developer or co-developer, demonstrated by submitting the following documentation:

- Form(s) 8609 and Amended and Restated Limited Partnership Agreement and/or Operating Agreement, and
- For developers that have not participated in the LIHTC Program in Ohio, a letter from the state allocating agency indicating they were the developer on the project.
- An organizational chart indicating the internal structure of each entity, including a hierarchy of individuals relevant to the development of the proposed project
- Resumes and biographies for all staff members assisting in the application and development of the proposed project
- A complete list of LIHTC projects in the respective entity's development pipeline, including those in the pre-development phase up to, but not including, execution of IRS Form 8609
- A Financial Capacity Analysis spreadsheet to be completed by the accounting firm that prepared audited financial statements for the lead developer and any co-developers (if applicable) or prepared by the CFO or an authorized representative when audited financial statements are not available.

Changes to the Development Team and Ownership Structure are not permitted after Proposal Application unless otherwise approved by the 4% LIHTC Section Chief.

OHFA may disqualify applications that do not maintain the core competency and experience necessary to successfully develop and manage a project.

### 13. Evidence of Site Control

When is this due? Proposal Application  Final Application  8609

The application must comply with the following. Any updates to site control documents must be submitted with the final application. All forms of site control may not expire within six months of the Proposal and Final Application.

- a. Related Party: If a related party of the ownership entity currently owns the real estate, copies of the executed and recorded deed(s) and an executed purchase or ground lease contract
- b. Arm's-Length: If the current owner is not a related party of the ownership entity, then:
  - i. a purchase contract or option.
  - ii. a ground lease contract or option; or
  - iii. documentation from the local government/land bank regarding the transfer of property.
    1. If parcels will be acquired from a city land bank a copy of the final city council resolution, city council ordinance, letter from a board of control or designated official, or contingent purchase agreement approving the legal description and transfer of all applicable sites.
    2. If parcels will be acquired from a county land bank a letter from the board of control or a designated official approving the transfer of all applicable sites.
- c. Ground Lease: Any ground lease must be for a minimum term of 35 years. Evidence of site control may not expire until a reasonable period following the scheduled announcement date for BGF awards.
- d. Scattered Site Developments: Scattered site developments must have 100% of the sites under control.

#### 14. Exception Requests

When is this due? Proposal Application  Final Application  8609

OHFA will consider exceptions only for those items specifically allowed under these Guidelines, as detailed in the Exception Request Form. Any response issued applies exclusively to the year in which the application was submitted and cannot be used for future applications.

Programmatic and Underwriting Exception Requests are due at Proposal while Design Exception Requests are due at Final Application. If a project encounters changes after submission of a Proposal Application—but before submission of a Final Application—which would require an Exception Request, the project may include such an Exception Request in the Final Application with sufficient justification demonstrating how the need for the request was unforeseen at the time of Proposal Application.

#### 15. Federal Tax Identification Number

When is this due? Proposal Application  Final Application  8609

The application must include the ownership entity's Federal Tax Identification Number.

#### 16. Green Certification

When is this due? Proposal Application  Final Application  8609

All developments must obtain one of the energy efficiency or green building certifications outlined in OHFA's [Design and Architectural Standards](#). The request for IRS Form 8609 must include evidence of final certification from a HERS rater, green building certification organization, or otherwise qualified and licensed professional as approved by OHFA.

#### 17. Legal Description

When is this due? Proposal Application  Final Application  8609

The application must include a legal description, street address, and permanent parcel number in Microsoft Word format of each parcel that will be included in the development.

#### 18. LIHTC Lease Addendum

When is this due? Proposal Application  Final Application  8609

The application must include a written statement from the owner certifying use of the LIHTC Lease Addendum (other than units under a HUD model or USDA model lease).

### 19. Limited Partnership Agreement

When is this due? Proposal Application  Final Application  LIHTC Closing  8609

Applicants must submit a copy of the Amended and Restated Limited Partnership Agreement and/or Operating Agreement for the LIHTC ownership entity detailing the roles and responsibilities of each partner or entity at LIHTC equity closing and again at request of IRS Form 8609. It must include all exhibits such as the project proforma.

### 20. List of Changes from Proposal Application

When is this due? Proposal Application  Final Application  8609

The Final Application must include a description of any substantive changes made to the development represented in the proposal, including but are not limited to changes in ownership or development team, design, construction or configuration, site(s) excluding scattered site developments, targeted populations, and any items affecting competitive scoring. OHFA must approve any changes.

### 21. Market Study

When is this due? Proposal Application  Final Application  8609

Applications must include a market study conducted by an OHFA-approved market study professional updated or approved within 12 months of the application submission date. Refer to the [LIHTC Rental Underwriting Guidelines](#) for OHFA's market study requirements. The rent and income restriction breakdown must match those referenced in the submitted AHFA. **If any changes occur between the rent and income restriction breakdown between Proposal Application and Final Application, the market study must be updated at Final Application.**

All multi-site developments must be within the boundaries of a single Primary Market Area (PMA) other than the following exceptions:

- The market analyst determined that an entire county constitutes a single PMA.
- Scattered site Service Enriched developments that span multiple submarket areas if the Primary or Secondary Priority Letter specifies how supportive services will be provided in a manner that is accessible to all residents despite being geographically dispersed.
- Proposals seeking to combine multiple existing developments into one project for financing purposes with an explanation of the Sponsor and Management Agent's capacity to continue operating these properties under a single financing structure (may include documentation from other government entities giving permission to combine projects).

## 22. Multifamily Bond Financing Information

When is this due? Proposal Application  Final Application  8609

For OHFA issued bonds, applicants must follow the [Multifamily Bond Guidelines](#). The Final Application must include a letter from the bond underwriter (if publicly offered) or the bond purchaser (if privately placed) detailing the following:

- the bond financing structure,
- cost of bond issuance and terms,
- calendar outlining anticipated actions,
- responsible parties for closing the transaction, and
- the timeframe for approving OHFA-issued bonds (dates for inducement and final approval).

For non-OHFA issued bonds, an inducement resolution or final bond resolution must be submitted by the bond-issuing entity detailing the anticipated bond amount and the expiration date. Additionally, a letter from the bond underwriter (if publicly offered) or bond purchaser (if privately placed) must be provided detailing the following:

- the bond financing structure,
- cost of bond issuance and terms,
- calendar outlining anticipated actions,
- responsible parties for closing the transaction, and
- the timeframe for seeking a final bond resolution, if not already secured.

The Multifamily Bond Financing documentation costs must match the amounts in the AHFA.

## 23. Ohio Housing Locator

When is this due? Proposal Application  Final Application  8609

Owners must list properties on the [Ohio Housing Locator](#) (or other equivalent substitute at OHFA's direction) and new construction on the Lead-Safe Rental Registry. Owners are responsible for keeping the property listings current.

## 24. Organizational Chart (for the LIHTC Ownership Entity)

When is this due? Proposal Application  Final Application  8609

An organizational chart for the lower-tier LIHTC entity must be provided indicating all general partners, managing members, investor members, limited partners, and any other entities with an interest in the lower-tier LIHTC entity. Ownership percentages for each entity must be disclosed. All principals must be identified. Trusts must list all beneficiaries that have the legal ability to control or direct activities of the trust.

## 25. Phase I and II Environmental Site Assessments

When is this due? Proposal Application  Final Application  8609

Applications must include a Phase I Environmental Site Assessment (ESA) for all sites dated no later than six months prior to the Final Application deadline completed in accordance with the most current ASTM Standard and include the following non-scope considerations: Mold; Asbestos-containing building materials; Radon; Lead-based paint; Lead-in-drinking-water; and Wetlands. Applicants may submit a Phase I ESA dated between six months and one year prior to the application deadline but must submit an update at Final Application.

Owners must complete a Phase II ESA and/or additional testing if recommended in the Phase I ESA and submit the Phase II ESA at Final Application.

OHFA may reject any sites indicated to have environmental problems or hazards.

## 26. Physical Capital Needs Assessment

When is this due? Proposal Application  Final Application  8609

Applications must include a Physical Capital Needs Assessment (PCNA). The PCNA must reflect current building conditions, conform to the standards in the [LIHTC Rental Underwriting Guidelines](#) and [Design and Architectural Standards](#).

## 27. Prior OHFA Funding Documents

When is this due? Proposal Application  Final Application  8609

Projects previously funded with OHFA resources, including LIHTC, HDAP, and MLP must provide copies of all legal documents and amendments associated with OHFA funding, including, but not limited to, the following:

- LIHTC restrictive covenant(s)
- HDAP restrictive covenant(s)
- HDAP mortgage(s)
- HDAP note(s)
- HDAP Funding Agreement(s)
- HDAP loan agreement(s)
- MLP mortgage(s)
- MLP note(s)

## 28. Proposal Summary (.PDF format)

When is this due? Proposal Application  Final Application  8609

The Proposal Application must include a copy of the Proposal Summary tab. Please note, OHFA posts the Proposal Summary on its [Pending Applications and Funded Projects website](#) upon submission of a Proposal Application and may be shared with other interested parties, if requested.

### 29. Public Notification (All Projects)

When is this due? Proposal Application  Final Application  8609

In accordance with [26 U.S.C. §42\(m\)\(1\)\(A\)\(ii\)](#) and [O.R.C. §175.07](#), at Final Application, the applicant must include evidence of completing the public notification process using the [OHFA template letter](#), and the notification must include all information requested, be in writing, and be sent via certified mail, return receipt requested. Applicants must submit a copy of the stamped post office receipt, return receipt not required, for certified mail and copies of notification letters with the Final application. The name and address of the officials must be on the return receipts. Public notification must be submitted to the following individuals:

- The chief executive officer and the clerk of the legislative body of any municipal corporation in which the project is proposed to be constructed or that is within one-half mile of the project's boundaries.
- The clerk of any township in which the project is proposed to be constructed or that is within one-half mile of the project's boundaries; and
- The clerk of the board of county commissioners of any county in which the project is proposed to be constructed or that is within one-half mile of the project's boundaries.
- Notifications shall be made no more than 30 days prior to the application submission.

Updated evidence of completing the public notification process must be provided at Final Application if there are any changes to the information listed on the [OHFA template letter](#).

### 30. Related Party Transaction Questionnaire

When is this due? Proposal Application  Final Application  8609

Applications must include the [Related Party Transaction Questionnaire](#) for any transactions between related parties.

### 31. Relocation Plan (existing rental units only)

When is this due? Proposal Application  Final Application  8609

Any development involving rehabilitation of occupied units that will result in permanent displacement must submit a complete [Acquisition, Relocation, and Demolition Questionnaire](#) and [Relocation Assistance Plan](#). OHFA may prohibit, limit, or mitigate any permanent displacement.

If a development will result in resident relocation during the construction period, the application must include a narrative detailing the tenant relocation plan addressing the method(s) for relocating residents, provide a breakdown of any associated costs, and identify if tenants will be permanently displaced.

### 32. Rental Subsidy Contract

When is this due? Proposal Application  Final Application  8609

OHFA will only consider subsidy that is awarded to a specific project (project-based) by a third-party such as a public housing authority, the U.S. Department of Agriculture Rural Development (USDA) or other entity. If the public housing authority is part of the development team, the third-party requirement is waived. All rental subsidy contracts or commitments must include the number of units and bedroom types with rents matching those being assumed in the AHFA. If, at Proposal Application, rents cannot be estimated by the rental subsidy provider, OHFA will underwrite such rents at the achievable LIHTC rents referenced in the market study.

For existing Section 8 Housing Assistance Payment (HAP) contracts, the application must include the following:

- Original HAP contract
- The most recent renewal contract (if applicable)
- The current rent schedules
- For applications in which the development team is seeking an Option 1: Mark-Up-To-Market Renewal, the Final Application must include the rent comparability study (RCS) submitted to HUD with documentation evidencing that HUD has received such RCS for review.

For projects seeking Project-Based Voucher (PBV) contracts from a local Public Housing Authority (PHA), the application must include a rent reasonableness determination at Proposal Application.

For projects seeking to utilize the HUD Rental Assistance Demonstration (RAD) program under Components 1 or 2 must have a Commitment to Enter into a Housing Assistance Payments (CHAP) at Proposal Application.

For all other forms of project-based rental assistance, the following information is required

- The number of units per bedroom size that will receive rent subsidies;
- The amount of rent subsidy that will be provided for each unit;
- Utility allowances for each unit type;
- If the subsidy will increase as rents increase;
- The history of success in receiving the rent subsidies;
- Statement of understanding that there is a 30-year rent restriction associated with the HDAP; and
- How long the subsidy will be provided

### 33. Scattered Site Development Map

When is this due? Proposal Application  Final Application  8609

Any application with 10 or more sites, 50% or fewer of which are contiguous, must provide a detailed map clearly identifying the location of all buildings and parcels considered for the application.



### 34. Scope of Work

When is this due? Proposal Application  Final Application  8609

At Final Application, and 8609, applicants must submit a complete [Scope of Work Form](#) for rehabilitation and adaptive reuse projects.

### 35. Site Visit Documents

When is this due? Proposal Application  Final Application  8609

Unless required at an earlier stage, OHFA may conduct a site review to ensure the site is suitable.

Applications must include:

- a detailed aerial map clearly depicting the physical location of the site, the nearest intersection, and all roads leading to the site; and
- photos of the site and surrounding properties.

### 36. Supportive Services Plan & Providers

When is this due? Proposal Application  Final Application  8609

At Final Application:

For projects that propose providing supportive services (including all Service-Enriched Housing applications), the applicant must provide a narrative detailing the specific services to be provided, the proposed service provider(s), its (their) history providing such services, and a budget.

At 8609 Submission:

For Service-Enriched housing developments, Supportive Services Plans (SSP) are due no later than the request for IRS Form 8609. Applications or requests for Form 8609 must include evidence of salaried or in-kind service coordination on-site, contiguous, or accessible to the development and linkages to information and resources appropriate to the population. All service coordinators must have a history of serving the targeted area or population.

### 37. Unit Comparability Form

When is this due? Proposal Application  Final Application  8609

An architect certification of the Unit Comparability Form must be completed at Pre-Application. This form verifies whether units are considered comparable per [CPD-16-15 Section V.B.](#) so the correct cost allocation methodology for determining the number of Assisted Units is used.

### 38. Utility Allowance Information

When is this due? Proposal Application  Final Application  8609

Applications must include a utility allowance projection determined using any permissible or reliable calculation method consistent with [26 C.F.R. §1.42-10](#) and [OHFA's Utility Allowance Request Procedure](#). Please note that OHFA does not approve utility allowances until a project has been placed in service.

Applications with HOME funds may not use the Public Housing Authority (PHA) utility allowance and must comply with [24 C.F.R. §92.252\(d\)\(1\)](#) and [HOMEfires Volume 13, Number 2](#).

### 39. State Prevailing Wage-Rate Determination

When is this due? Proposal Application  Final Application  8609

Applicants applying for OHTF or NHTF resources must include a wage-rate determination from Ohio Department of Commerce to evidence if the payment of State Prevailing Wages is triggered.

### 40. Zoning

When is this due? Proposal Application  Final Application  8609

Applications must include either:

- a valid building permit
- a letter from the local municipality stating that the site is appropriately zoned for the planned rehabilitation.

Evidence must be dated within 60 days of the Proposal Application deadline as referenced in the Program Calendar.

If applicable, approval of all variances must be secured prior to submission of the Final Application.

## Summary of Submission Requirements

Doc No.	Document Naming Convention	When is this due?			
		Proposal App	Final App	LIHTC Closing	8609 Request
1	Affordable Housing Financing Application (AHFA)	X	X		
2	Appraisal		X		
3	Architectural Plans & DCF Form		X		
4	Articles of Incorporation (non-profits only)		X		
5	Audited Financial Statements for Projects		X		
6	Authorization to Release Tax Information		X		
7	Board Resolution (non-profit only)		X		
8	Competitive Support Documents	X			
9	Conditional Financial Commitments	X	X		
10	Condominimized Space Description		X		
11	Development Team Consultant Statement	X			
12	Development Team Experience and Capacity Review	X			
13	Evidence of Site Control	X	X		
14	Exception Requests	X	X		
15	Federal Tax Identification Number Documentation		X		
16	Green Certification				X
17	Legal Description (Microsoft Word format)		X		
18	LIHTC Lease Addendum		X		
19	Limited Partnership Agreement			X	X
20	List of Changes from Proposal Application		X		
21	Market Study	X			
22	Multifamily Bond Financing Information		X		
23	Ohio Housing Locator				X
24	Organizational Chart (for the LIHTC Ownership Entity)	X	X		
25	Phase I/II Environmental Site Assessment	X	X		
26	Physical Capital Needs Assessment		X		
27	Prior OHFA Funding Documents	X			
28	Proposal Summary PDF	X	X		
29	Public Notification	X	X		
30	Related-Party Transaction Questionnaire		X		
31	Relocation Plan (if applicable)		X		
32	Rental Subsidy Contract (if applicable)	X	X		
33	Scattered Site Development Map		X		
34	Scope of Work		X		X
35	Site Visit Documents		X		
36	Supportive Services Plan & Providers (If applicable)		X		X
37	Unit Comparability Form	X			
38	Utility Allowance Information		X		
39	State Prevailing Wage Rate Determination		X		
40	Zoning	X			

# Appendix B: HUD Participating Jurisdictions

## What are Participating Jurisdictions?

Participating Jurisdictions are states and local jurisdictions that are eligible to receive federal HOME Investment Partnerships Program (HOME) funds. All states are automatically considered Participating Jurisdictions, but local jurisdictions are eligible if the unit of local government is a metropolitan city, urban county, or consortium receives a formula allocation of more than \$750,000 (or \$500,000 if Congress appropriates less than \$1.5 billion) in HOME funds as outlined in [24 C.F.R. §92.50](#). 60% of HOME funds are allocated directly from HUD to eligible local jurisdictions with the remaining 40% to state governments.

### Local Participating Jurisdictions and Respective FY2024 HOME Allocations

Participating Jurisdiction	Consortium?	FY2024 HOME Allocation
City of Akron	No	\$1,482,466.39
City of Canton	No	\$689,182.92
City of Cincinnati	No	\$2,436,819.50
City of Cleveland	No	\$4,200,828.80
City of Columbus	No	\$4,264,710.51
City of Dayton	No	\$1,121,655.41
City of East Cleveland	No	\$192,739.62
City of Hamilton	No	\$327,176.28
City of Lima	No	\$278,741.03
City of Lorain	No	\$523,052.26
City of Mansfield	No	\$342,670.79
City of Springfield	No	\$427,332.34
City of Toledo	No	\$1,899,014.76
City of Warren	Yes	\$622,589.46
City of Youngstown	No	\$612,428.35
Butler County	Yes	\$746,960.14
Clermont County	No	\$494,408.90
Cuyahoga County	Yes	\$2,642,111.54
Franklin County	No	\$815,406.18
Hamilton County	No	\$1,346,908.16
Lake County	No	\$416,737.63
Montgomery County	No	\$951,838.62
Stark County	Yes	\$845,221.58
Summit County	No	\$362,324.08

# Appendix C: Experience and Capacity Standards

## Developer Experience

The lead developer or co-developer as represented in the Affordable Housing Funding Application (AHFA) must have successful experience with the LIHTC program to participate in the BGF program as demonstrated by one of the following minimum standards:

- The lead developer or co-developer has successfully placed at least one LIHTC project in service, as evidenced by Form(s) 8609\*, in Ohio within the last 10 years; or
- The lead developer or co-developer has successfully placed in service at least one LIHTC project in service in a state other than Ohio that utilized HOME financing. Documentation must be submitted that the project was placed into service, as evidenced by Form(s) 8609\*, within the past 10 years.

If OHFA staff cannot conclude lead developer and/or co-developer experience through IRS Forms 8609 alone, OHFA may require developers to submit organizational contracts, development agreements, or other evidence to document serving as the lead developer on such projects.

## Disqualifying Developer and Owner Characteristics

Any member of the development team or ownership that has (1) failed to pay any fee or expense due to OHFA, (2) been in default or in major non-compliance with any OHFA program, (3) been debarred or suspended from any OHFA, HUD, or Rural Housing programs, (4) is currently in foreclosure or been foreclosed, or (5) is under felony investigation, indicted or been convicted of a felony, may not participate in the 2024 BGF program until the event or events are corrected or resolved. OHFA may contact other local, state, and/or federal housing agencies to solicit feedback related to a specific developer or development team member.

Any member of the development team or ownership that is federally debarred may not participate in the 2024 BGF round. OHFA will confirm through the [System for Award Management \(SAM\) website](#) that no member of the development team has been debarred or suspended from doing business with the federal government.

OHFA may pull business credit reports on any or all members of the development team to determine if outstanding liens or judgements exist, depending on the results provided in the Lien and Litigation Reports.

Developer and/or owners who have received an award of HDAP in Program Year 2022 or earlier and have not yet closed with OHFA's Legal Office on the BGF award as of the Program Year 2024 Proposal Application deadline may not participate in the 2024 BGF program. However, if closing was delayed due to unforeseen circumstances outside of the developer's control, an Exception Request may be submitted for consideration by OHFA.

# Appendix E: Ohio Housing Trust Fund Requirements

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## Applicable Statutory and Regulatory Authority

Ohio Revised Code (ORC): [O.R.C. Chapter 174](#)  
Ohio Administrative Code (OAC): [O.A.C. Chapter 122:6](#)

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## Background

The OHTF was created in October 1991 through passage of House Bill 339 in Ohio's 119<sup>th</sup> General Assembly to provide funding for "...activities that provide housing and housing assistance for specifically-targeted low- and moderate-income families and individuals." Certain activities are required to receive an annual allocation under [O.R.C. §174.02](#); however, the annual amount dedicated to OHFA under [O.R.C. §174.03](#) is not specifically outlined. Under [O.R.C. §174.03](#), OHTF includes several program-specific targets by which OHFA must abide, including the following:

- At least 45% of annual OHTF funds must be awarded to non-profit organizations
- At least 50% must be awarded to housing and housing assistance for families and individuals outside of Participating Jurisdictions as defined under the HOME program; and
- At least 75% of funds must be awarded for housing and housing assistance to families and individuals whose income is equal to or less than 50% of AMI with preference to viable activities that benefit families and individuals whose income is equal to or less than 35% AMI.

## Rent and Income Restrictions

Developers seeking OHTF resources for projects must commit to the following Restricted and Assisted Unit rent and income restrictions. Restricted and Assisted Units may overlap, but the more restrictive of the two must be underwritten.

### State-Required Restricted Units

Regardless of the amount of OHTF resources, the state of Ohio through its [2020-2024 Consolidated Plan \(ConPlan\)](#) requires a minimum of 35% of the affordable units must be affordable to and occupied by households with incomes at or below 50 percent of AMI for projects located outside of Participating Jurisdictions (PJs).

### Federally-Required Assisted Units

OHTF resources follow the HOME program's cost allocation method referenced in [24 C.F.R. §92.205\(d\)\(1\)](#) and [CPD-16-15](#) to determine the number of Assisted Units because the state of Ohio uses OHTF as state match for federal HOME resources under [24 C.F.R. §92.219\(b\)\(2\)](#).

- < 5 Assisted Units: Assisted Units must be restricted at the lower of (1) 65% AMI or (2) Fair Market Rent (High HOME) per [24 C.F.R. §92.252\(a\)](#).
- ≥ 5 Assisted Units: At least 20% of the Assisted Units must be restricted at the lower of (1) 50% AMI or (2) Fair Market Rent (Low HOME). The remaining 80% may meet the High HOME requirements outlined above.

# Appendix F: National Housing Trust Fund Requirements

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## Applicable Statutory and Regulatory Authority

United State Code (USC): 12 U.S.C. §4568  
Code of Federal Regulations (CFR): 26 C.F.R. §1.42

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## Background

The national Housing Trust Fund (NHTF) program was established by Section 1338 of the [Housing and Economic Recovery Act of 2008](#) to "...increase and preserve the supply of rental housing for extremely low- and very low-income families, including homeless families and to increase homeownership for extremely low- and very low-income families", among other goals. Development serves as the administrator and OHFA serves as the singular allocating agency. The program is implemented according to the State's [NHTF Allocation Plan](#), which is incorporated as part of the [State's Consolidated Plan Annual Action Plan](#). Funding comes from 65% of a 4.2 basis point assessment on Federal Home Loan Mortgage Corporation (Freddie Mac) and the Federal National Mortgage Association (Fannie Mae) unpaid principal balances of its new business purchases. In accordance with [24 C.F.R. §93.250\(a\)](#), all Assisted Units must serve Extremely Low-Income—at or below 30% AMI—families so long as the total NHTF allocation to all states is less than \$1 billion.

## Rent and Income Restrictions

Developers seeking NHTF resources for projects must commit to the following Restricted and Assisted Unit rent and income restrictions. Restricted and Assisted Units may overlap, but the more restrictive of the two must be underwritten.

### State-Required Restricted Units

Regardless of the amount of NHTF resources, the state of Ohio through its [2020-2024 Consolidated Plan \(ConPlan\)](#) requires a minimum of 35% of the affordable units must be affordable to and occupied by households with incomes at or below 50 percent of AMI for projects located outside of Participating Jurisdictions (PJs).

### Federally-Required Assisted Units

NHTF resources follow the HOME program's cost allocation method referenced in [24 C.F.R. §92.205\(d\)\(1\)](#) and [CPD-16-15](#) to determine the number of Assisted Units. All NHTF-Assisted Units must be restricted at or below 30% AMI.

# Appendix G: HOME Investment Partnerships Requirements

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## Applicable Statutory and Regulatory Authority

United State Code (USC): 42 U.S.C. §§12721-12840  
Code of Federal Regulations (CFR): 24 C.F.R. Part 92

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## Background

The HOME program was created by Title II, Subtitle A of the 1990 [Cranston-Gonzalez National Affordable Housing Act](#) “to expand the supply of decent, safe, sanitary, and affordable housing with primary attention to rental housing, for very low-income and low-income Americans.” HOME resources are administered by the U.S. Department of Housing and Urban Development (HUD), with state and local Participating Jurisdictions serving as allocating entities. Of the total annual HOME resources, 40% are allocated to state Participating Jurisdictions and 60% are allocated to local Participating Jurisdictions. 15 Ohio cities and eight counties serve as local Participating Jurisdictions and receive formula allocations in addition to the State of Ohio. Development serves as the State Participating Jurisdiction and OHFA is one of several subgrantees. HOME resources must be allocated according to the applicable Participating Jurisdiction’s four-year Consolidated Plan and an Annual Action Plan.

## Rent and Income Restrictions

### State-Required Restricted Units

Regardless of the amount of OHTF resources, the state of Ohio through its [2020-2024 Consolidated Plan \(ConPlan\)](#) requires a minimum of 35% of the affordable units must be affordable to and occupied by households with incomes at or below 50 percent of AMI for projects located outside of Participating Jurisdictions (PJs).

### Federally-Required Assisted Units

The HOME program’s cost allocation method is referenced in [24 C.F.R. §92.205\(d\)\(1\)](#) and [CPD-16-15](#) to determine the number of HOME-Assisted Units.

- < 5 Assisted Units: Assisted Units must be restricted at the lower of (1) 65% AMI or (2) Fair Market Rent (High HOME) per [24 C.F.R. §92.252\(a\)](#).
- ≥ 5 Assisted Units: At least 20% of the Assisted Units must be restricted at the lower of (1) 50% AMI or (2) Fair Market Rent (Low HOME). The remaining 80% may meet the High HOME requirements outlined above.



# Appendix H: Build America, Buy America

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## Applicable Statutory and Regulatory Authority

United State Code (USC): [41 U.S.C. Chapter 83](#)  
Code of Federal Regulations (CFR): [2 C.F.R. Part 184](#)

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HOME Investment Partnership Program (HOME) and national Housing Trust Fund (NHTF) resources obligated on or after August 23, 2024 are subject to the “Buy America Preference” (BAP), imposed by the Build America, Buy America Act (BABA), enacted under Division G, Title IX of the Infrastructure Investment and Jobs Act (IIJA, Pub. L. No. 117-58). The BAP requires that all iron, steel, manufactured products, and construction materials must be produced in the United States as outlined in [2 C.F.R. §184.3 “Produced in the United States”](#). For more information, see [CPD-2023-12](#).

OHFA will incorporate language referenced in Addendum 3 of CPD-2023-12 for all HOME and NHTF Funding Agreements beginning in Calendar Year 2024.