Housing Finance Agency

9% LIHTC Qualified Allocation Plan

Program Years 2024-2025 with 2025 Technical Amendments

Office of Multifamily Housing | **September 18, 2024**

Table of Contents

A. 9% LIHTC QAP Overview

9% LIHTC Qualified Allocation Plan Purpose

Pursuant to **26 U.S.C. §42(m)**, each state credit agency must craft a Qualified Allocation Plan (QAP) for the allocation of federal Low-Income Housing Tax Credits (LIHTCs). Although the LIHTC program is governed by the Internal Revenue Service (IRS), each state credit agency must design and administer a QAP setting forth the "selection criteria to be used to determine housing priorities of the housing credit agency which are appropriate to local conditions." As the state credit agency for the state of Ohio, this document serves as the QAP for allocating 9% LIHTCs—previously known as 70% Present Value LIHTCs prior to enactment of Section 131 of the **Consolidated Appropriations Act, 2016** (P.L. 114-113)—subject to the state credit ceiling under 26 U.S.C. §42(h)(3).

For the OHFA process of administering 4% LIHTCs—previously known as 30% Present Value LIHTCs prior to passage of Section 201 of the **Consolidated Appropriations Act, 2021** (P.L. 116-260)—which are not subject to the state credit ceiling, please see the Agency's 4% LIHTC QAP.

9% LIHTCs

United States Code: **26 U.S.C. §42**
Code of Federal Regulations: **24 C.F.R. §§1.42-1 – 1.42-19T**

The LIHTC program was created by Section 242 of the **Tax Reform Act of 1986** (P.L. 99-514) and serves as the federal government's central mechanism for the development of affordable rental housing today. Although governed by the Internal Revenue Service (IRS), it is administered on a state-by-state basis through state housing credit agencies. As Ohio's state credit agency, OHFA retains responsibility for allocating federal LIHTCs to facilitate the development of affordable rental housing throughout the state.

Tax credits are dollar-for-dollar reductions in federal tax liability. Because affordable rental housing cannot be funded with LIHTCs directly, developers enter into an agreement with investors directly or through syndicators—intermediaries that act on behalf of investors—to pass the benefits of LIHTCs on to entities that can use them. In exchange, these direct investors or syndicators provide equity that, along with other resources, helps finance the development of affordable rental housing. Federal statute ensures that properties funded with LIHTC equity serve low-income tenants by requiring LIHTC property owners execute an Extended Low-Income Housing Commitment per 26 USC §24(h)(6)(b) which regulates operations for a minimum 30-year period.

The LIHTC program includes two distinct types of LIHTCs: 9% and 4%. The 9% LIHTC is a limited resource with an annual credit ceiling determined by multiplying the state's population by a statutorily defined per capita multiplier. Since 2016, the 9% LIHTC value has been calculated as 9% of a proposed project's qualified basis over 10 years. Contrarily, the 4% LIHTC is not limited by the state's annual credit ceiling; however, it's value is only worth 4% of a project's qualified basis over 10 years, or 2.25 times less, on average. Exhibit 1 below details how 9% and 4% LIHTCs are calculated.

Exhibit 1: Calculating LIHTCs and LIHTC Equity, Example 9% vs. 4% LIHTC Project

Assume a hypothetical 60-unit new construction project is being proposed in which 100% of the units will be LIHTC-restricted and the site is located outside of a Qualified Census Tract (QCT)[1] or Difficult Development Area (DDA)[2].

LIHTC Calculation	4% LIHTC Project	9% LIHTC Project
Total Development Costs (TDC):	$17,000,000	$17,000,000
- Ineligible Costs[3]	$2,000,000	$2,000,000
= Eligible Basis	$15,000,000	$15,000,000
+ QCT/DDA Basis Boost:	N/A	N/A
= Qualified Basis:	$15,000,000	$15,000,000
X Credit Rate	4%	9%
= Annual LIHTCs	$600,000	$1,350,000
X 10 Years (Total LIHTC):	$6,000,000	$13,500,000
X Equity Price[4]:	$0.87	$0.87
= Total LIHTC Equity:	$5,220,000	$11,745,000

TDC Funded with LIHTC Equity:	30%	69%

Annual Ohio 9% LIHTC Allocation

The 9% LIHTC is a limited resource with an annual credit ceiling determined by multiplying the state's population by a statutorily defined per capita multiplier referenced in **26 U.S.C. 42(h)(3)(C)**. The IRS typically posts the national per capita multiplier annually in October and state population figures in the following March through Revenue Procedures. OHFA will not be able to finalize its potential 9% LIHTC allocation for Program Year (PY) 2025 until both numbers are released by the IRS. Historical credit ceiling information and estimates for PY2025 are referenced below in Exhibit 2.

Exhibit 2: Ohio's Annual 9% LIHTC Ceiling, 2020-2025 (Est.)

Program Year	2020	2021	2022	2023	2024	2025 (Est.)
IRS Ohio Population Estimate	11,689,100	11,693,217	11,780,017	11,756,058	11,785,935	11,798,959
IRS Per Capita Multiplier	$2.8125	$2.8125	$2.6000	$2.7500	$2.9000	$2.9800
Annual 9% LIHTC Ceiling	$32,875,593	$32,887,172	$30,628,044	$32,329,159	$34,179,211	$35,160,898
9% LIHTC Reservations	43	39	31	31	24	TBD

Given the limited nature of the 9% LIHTC, Affordable Assisted Living Projects are ineligible to compete in this program.

[1] The term Qualified Census Tract (QCT) is defined in **26 U.S.C. §42(d)(5)(B)(ii)** as any census tract designated by HUD in which either (a) 50% or more of households have an income less than 60% of the area median income (AMI) or (b) has a poverty rate of at least 25%.
[2] The term Difficult Development Area (DDA) is defined in **26 U.S.C. §42(d)(5)(B)(iii)** as any area defined by HUD which has high construction, land, and utility costs relative to AMI.
[3] Eligible basis is defined in the **Internal Revenue Code (IRC) §42 Audit Technique Guide** as the total allowable cost associated with the depreciable residential rental project. Chapter 8 identifies specific development costs that are ineligible and must be removed from eligible basis.
[4] Based on the March 2024 three-month average **LIHTC equity price** from Novogradac

Federally-Mandated QAP Preferences and Selection Criteria

Federal Statutory Preferences

In accordance with **26 U.S.C. §42(m)(2)(B)(ii)**, housing credit agencies must include, at a minimum, the following three federal statutory preferences for allocating LIHTCs. The table below details these preferences and indicates where OHFA's implementation of such preferences can be found in this document.

Statutory Reference	Preference of Allocating LIHTCs	OHFA Implementation Reference
26 U.S.C. §42(m)(2)(B)(ii)(I)	Projects serving the lowest income tenants	See ELI Requirements
26 U.S.C. §42(m)(2)(B)(ii)(II)	Projects obligated to serve qualified tenants for the longest periods	See Extended Use Requirements
26 U.S.C. §42(m)(2)(B)(ii)(III)	Projects which are located in qualified census tracts (as defined in subsection (d)(5)(b)(ii)) and the development of which contributes to a concerted community revitalization plan	See Areas of Opportunity and Revitalization scoring criteria

Federal Statutory Selection Criteria

In accordance with **26 U.S.C. §42(m)(2)(C)**, housing credit agencies must include, at a minimum, the following 10 federal selection criteria for allocating LIHTCs. The table below details these selection criteria and indicates where OHFA's implementation of such preferences can be found in this document.

Statutory Reference	Selection Criteria	OHFA Preference
26 U.S.C. §42(m)(2)(C)(i)	Project location	See Areas of Opportunity Scoring and Discount to Market Rent
26 U.S.C. §42(m)(2)(C)(ii)	Housing needs characteristics	See Discount to Market Rent Scoring
26 U.S.C. §42(m)(2)(C)(iii)	Project characteristics, including whether the project includes the use of existing housing as part of a community revitalization plan	See Areas of Opportunity and Revitalization Scoring
26 U.S.C. §42(m)(2)(C)(iv)	Sponsor characteristics	See Experience and Capacity
26 U.S.C. §42(m)(2)(C)(v)	Tenant populations with special housing needs	See 811 PRA Requirements; Service-Enriched Housing
26 U.S.C. §42(m)(2)(C)(vi)	Public housing waiting lists	Allowable, but No Scoring Preference
26 U.S.C. §42(m)(2)(C)(vii)	Tenant populations of individuals with children	See New Affordability General Occupancy
26 U.S.C. §42(m)(2)(C)(iii)	Projects intended for eventual tenant ownership	See Appendix D: Single Family Lease Purchase
26 U.S.C. §42(m)(2)(C)(ix)	The energy efficiency of the project	See Design and Architectural Standards
26 U.S.C. §42(m)(2)(C)(z)	The historic nature of the project	See Preserved Affordability

B. Modification and Interpretation

OHFA's actions, determinations, decisions, or other rulings pursuant to this QAP 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. The QAP is subject to modification pending developments in federal, state, and OHFA policy.

OHFA makes no representation that underwriting or competitive decisions 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 clarify and issue responses to commonly posed questions regarding the QAP through a Frequently Asked Questions (FAQ) document that will be posted on the OHFA website. The FAQ, as well as the OHFA LIHTC Rental Underwriting Guidelines, Design and Architectural Standards, and Affordable Housing Funding Application (AHFA) are specifically incorporated herein and binding on all applicants. Notwithstanding the foregoing, errors and omissions in the AHFA are not binding on OHFA and do not modify the QAP.

The allocation of LIHTCs is made at the sole discretion of OHFA. OHFA will resolve all conflicts, inconsistencies, or ambiguities, if any, in this QAP or which may arise in administering, operating, or managing the reservation and allocation of LIHTCs. 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 this QAP 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.

C. 2025 Program Calendar

Date	Programmatic Benchmark
TBD November 2024	2025 9% LIHTC Technical Assistance Session
Friday, January 3, 2025, by 5:00 p.m. EST	Deadline to submit Pre-Applications and CHDO Certifications. For more information, see OHFA's website **here**.
Friday, January 10, 2025, by 5:00 p.m. EST	Deadline to submit Frequently Asked Questions (FAQ)
Friday, January 24, 2025	OHFA decisions on Pre-Applications and CHDO Certifications
Wednesday, January 29, 2025	Deadline to appeal Pre-Application decisions
Thursday, February 27, 2025, by 5:00 p.m. EST	Deadline to submit Proposal Applications
Friday, April 11, 2025	OHFA release of Preliminary Competitive Scoring and Minimum Financial and Threshold Review
Thursday, April 17, 2025, by 5:00 p.m. EDT	Deadline to respond to OHFA's Preliminary Competitive Score and Minimum Financial and Threshold Review
May 2025 OHFA Board Meeting (est. Wednesday, May 21, 2025)	Results of 2025 9% LIHTC reservations presented for approval to the OHFA Board
Friday, May 23, 2025	Conditional Qualification Letters (CQLs) issued
Thursday, September 18, 2025, by 5:00 p.m. EST	Deadline to submit Final Applications
Friday, December 5, 2025	Deadline to issue Carryover Allocation (COAs) for reservations of 2025 9% LIHTCs.

D. 9% LIHTC Application Process

How to Submit

All Pre-Application, 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, the individual must email **MultifamilyFTP@ohiohome.org** prior to the Pre-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 email, 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 (9% LIHTC) and application type.
- Step 3. Click Validate File.

After submitting your project(s), a confirmation email will be automatically sent to the contact's email address.

Additionally, an 11" X 17" hard copy of the preliminary architectural plans at Proposal Application or 80% permit set architectural plans at Final Application are required to be submitted in accordance with pages 25 to 27 of the **Design and Architectural Standards**. Please submit architectural plans to the following address:

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

Application Submission Disclaimer

All Pre-Application, 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 you have information in your Pre-Application or Final Application that you believe has a good faith legal basis for an exemption to the public records laws, you must identify each and every occurrence of the information in the proposal on a separate page titled "Exemptions to the Public Records Law" and clearly label the material as such. OHFA may publicly post materials received.

Pre-Application Package

Prior to submitting a Proposal Application, OHFA will require a Pre-Application package submitted via the FTS by the date listed in the Program Calendar. The Pre-Application package includes the following components:

- Pre-Application Proposal Summary spreadsheet to assist OHFA with program preparation.
- Programmatic Exception Requests (if applicable)
- Experience and Capacity Review. For Experience and Capacity Standards, see Appendix B.
- For projects being sponsored by a Community Housing Development Organization (CHDO) as outlined in **24 C.F.R. §92.300(a)(4)** and seeking federal HOME Investment Partnerships Program (HOME) resources, the following items are required:
    - The Site and Neighborhood Standards Form for proposed New Affordability projects. Federal regulations require that any such projects financed with HOME meet Site and Neighborhood Standards in accordance with **24 C.F.R. §§983.57(e)(2)-(3)**.
    - The Unit Comparability Form. For all projects financed with HOME, the architect must certify whether units are comparable in accordance with **CPD-16-15 Section V.B**.

Ex Parte Discussions

After submission of the Pre-Application through the release of final competitive results to the OHFA Board, 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 Final 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 their 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 Process

The Proposal Application process involves three major steps:

(1) Developer submission of Proposal Applications via the Agency's FTS

Proposal Applications must be submitted via the Agency's FTS by the deadline noted in the Program Calendar. Following the Proposal Application deadline, OHFA will post all individual project Proposal Summaries and a spreadsheet of basic information for all submitted projects on its **Pending Applications & Funded Projects Website**.

(2) OHFA Preliminary Competitive Scoring and Minimum Threshold and Underwriting Review

Staff analysts will review competitive scoring documentation submitted with the Proposal Application against the applicant's "self-score". Concurrently, OHFA will perform a Minimum Threshold and Underwriting Review for compliance with OHFA's most current Multifamily Underwriting Guidelines and threshold requirements detailed in this 9% LIHTC QAP to comport with **26 U.S.C. §42(m)(2)(C)(i)(I)**. Specifically, OHFA will be reviewing—at a minimum—compliance with cost containment, conditional financial commitments, debt service coverage ratio (DSCR) standards (if applicable), and documentation of rental subsidy commitments (if applicable). OHFA will provide (1) the Preliminary Competitive Scoring workbook and (2) a Minimum Threshold and Underwriting Review with any noted deficiencies to the applicant by the date listed in the Program Calendar.

Preliminary Competitive Scoring and Minimum Threshold and Underwriting Review Cure Period. Applicants will have a brief cure period, per the Program Calendar, to correct deficiencies identified in the Preliminary Competitive Scoring, Minimum Threshold, and Underwriting Review workbooks. During this time, applicants may appeal any competitive scoring reductions by submitting supplemental or revised evidence to address preliminary scoring deficiencies where insufficient or incorrect evidence was initially provided. No new amenities or scored items can be submitted. Further, applicants may submit missing or revised documentation related to the Minimum Threshold and Underwriting Review to cure any deficiencies during this period.

If the applicant does not respond to OHFA's Preliminary Competitive Score by the date listed in the Program Calendar, OHFA's Preliminary Competitive Score will become final. Unless otherwise stated, Minimum Threshold and Underwriting deficiencies must be cured; otherwise, the subject application will not move forward.

After receiving responses from applicants to OHFA's Preliminary Competitive Scoring and Minimum Threshold and Underwriting Review, 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 workbook. Once all Proposal Application scores have been finalized, OHFA will rank competitive scores against each other for each funding pool. Projects with the highest scores are funded until all available 9% LIHTC resources are exhausted and all programmatic funding goals are achieved.

(3) 9% LIHTC results presented to the OHFA Board

OHFA will present 9% LIHTC results on the date indicated in the Program Calendar. Following the OHFA Board presentation and approval, a spreadsheet of all 9% LIHTC applications that can move forward to Final Application will be uploaded to the **Pending Applications & Funded Projects Website**. Applicants with 9% LIHTC reservations will receive a Conditional Qualification Letter (CQL) indicating the amount of 9% LIHTCs, gap financing (if applicable), and Housing Development Loan (HDL) reserved (if applicable). A CQL is not a funding commitment; a Final Application must be received, and all threshold and underwriting requirements must be met for OHFA to issue a Carryover Allocation Agreement.

Final Application Process

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 LIHTC Rental Underwriting Guidelines and threshold requirements outlined in these Guidelines. 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 a Carryover Allocation Agreement. If not invited to move forward with a Carryover Allocation Agreement, OHFA may 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 Carryover Allocation Agreement.

(2) OHFA Multifamily Committee and Board Approval

The OHFA Board has inherent authority to affirm all 9% LIHTC reservations. Additionally, the OHFA Board must approve all direct funding allocations such as HDL and HDAP reservations made through the 9% LIHTC application process. 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 encouraged to attend the Multifamily Committee and Board meeting either in person or virtually at which the project is to be presented.

(3) Carryover Allocation, Financial Closing, 10% Test

For same-year LIHTC reservations, (i.e. a 2025 LIHTC application with a reservation of 2025 LIHTCs) OHFA will execute a Carryover Allocation Agreement, which provides a development team with two additional calendar years to place in service by the date listed in the Program Calendar. Forward-allocated LIHTCs (i.e. a 2025 LIHTC application with a reservation of 2026 LIHTCs) will receive a Carryover Allocation Agreement by the following July. In accordance with **26 U.S.C. §42(H)(1)(E)(ii) and 26 C.F.R. §1.42-6**, applicants must demonstrate that at least 10% of the reasonably-expected basis as expended within the close of the second calendar year following the calendar year the allocation is made (the "10% Test"). Once OHFA verifies that the 10% Test has been met, the project will be transferred to a Project Administration Analyst who will guide the development team through the construction, 8609 and closeout process. Requirements are posted on the OHFA **Project Administration webpage**.

Projects must submit their 8609 request within 365 days from the last building placed-in-service. If OHFA does not receive this request, the applicant may be noncompliant with the Good Standing Policy as outlined in Appendix C.

If seeking HDAP or HDL, 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.

Within thirty (30) days of LIHTC equity closing, applicants must electronically submit by e-mail to equitydocs@ohiohome.org, executed copies of the following, as applicable:

(1) a copy of the Amended and Restated Limited Partnership/Operating Agreement admitting the limited partner/investor member;
(2) LIHTC equity documents;
(3) loan documents;
(4) final title policy; and
(5) updated Phase 1 (collectively, the "Closing Documents").

The Closing Documents should state clearly if they are non-public or confidential at the time of submission.

Future Credit Ceiling Special LIHTC Allocation

Any development team that is unable to meet the federal statutory placed-in-service deadlines associated with a LIHTC allocation made under this 9% LIHTC QAP may seek a special allocation of LIHTCs in a future year. An applicant must meet all the following requirements:

(1) The applicant must have received an allocation of 9% LIHTCs from OHFA under this 9% LIHTC QAP. The owner must have returned the allocation or OHFA must have revoked it prior to the required placed-in-service date.
(2) The underlying reason for the inability of the development to proceed must relate to actions by unrelated parties that affect the purchase of the site, plan approval or building permit issuance.
(3) The applicant must obtain a final legal judgment in favor of the owner, a settlement among the parties (including, but not limited to, HUD, USDA Rural Development, a local government or property owner) that will enable the development to proceed, or other documentation as permitted by OHFA evidencing an imminent resolution.
(4) The applicant must complete a future-year LIHTC application in accordance with that year's 9% LIHTC QAP. Any monetary damages received that are related to the development, less direct costs of litigation apportioned between damages that are related and unrelated to the development, must be pledged to the development.
(5) The request must be submitted no later than two calendar years after the previous LIHTC allocation was returned or revoked.

OHFA has no affirmative obligation to grant approval to any development seeking relief. Developments approved for a special allocation must pay a new reservation fee under the subsequent 9% LIHTC QAP. The original reservation fee will not be refunded.

Projects that received a Special Allocation in a prior program year, must conform to the QAP of the year in which they will receive credits, with the exception of scored amenity items.

Placed-In-Service Relief

OHFA may grant relief to applicants unable to meet their placed-in-service deadline due to circumstances outside their control that could not be reasonably anticipated before the proposal application date. The applicant must meet all the following requirements:

(1) Submit a formal request outlining reasons that the placed-in-service deadline cannot be met.

(2) Agree to return the LIHTC allocation to OHFA prior to the placed-in-service deadline.

(3) Demonstrate significant progress (roughly 75%) toward completion of the construction and/or rehabilitation of the development at the time the request is submitted.

(4) Pay a new reservation fee equal to 10% of the allocation amount.

For approved requests OHFA will make a new LIHTC allocation, which would extend the placed-in-service deadline for up to one year.

Construction Completion and Project Operations

Compliance Next Steps Meeting

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 may 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.

Ongoing Program Compliance

In accordance with **26 U.S.C. §42(m)(1)(B)(iii)**, OHFA provides monitoring procedures for identifying and notifying the IRS of non-compliance with the LIHTC program, including non-compliance with habitability standards through regular site visits. These requirements can be found on the **Compliance Policies** page of the OHFA website, which may be amended from time to time. A summary of such requirements is provided below:

Compliance Training

A representative of the owner and/or management company is required to attend a LIHTC training at least once every two years. The owner is required to certify attendance through the submission of the Annual Owner Certification indicating that this requirement has been met. OHFA will accept LIHTC training offered by nationally-recognized trainers or consultants (e.g. US Housing Consultants, E&A Team, Costello, Zeffert & Associates, Quadel). The training must incorporate such items as LIHTC fundamentals, qualifying tenants, assets and income and IRS regulations.

Compliance Monitoring

Owners receiving a 9% LIHTC allocation are responsible for compliance with all LIHTC requirements outlined in **26 U.S.C. §42** and **26 C.F.R. §1.42** including such statute, regulations, administrative revenue proclamations and revenue rulings, which may be issued from time to time.

OHFA will monitor each development for compliance during the term of the Restrictive

Covenant. Monitoring requirements and the protocol for compliance monitoring may be adjusted as deemed necessary or appropriate by OHFA which includes compliance with **24 C.F.R. §1.42-5** and **IRS Section 42 Audit Guide**, which may be amended from time to time by the IRS.

The initial audit for new properties must be conducted by the end of the second year after the last building is placed in service. The IRS permits agencies to monitor the lesser of 20% of the units on a project or the number provided in the minimum unit sample size delineated in **26 C.F.R. §1.42-5(c)(2)(iii)(B)**.

LIHTC owners must request access to a property in the Agency's on-line reporting system prior to qualifying residents. Once owners gain access, they must approve access for other users of the online reporting system. Owners must ensure property managers and the appropriate on-site staff register and have access to necessary projects in the system.

Notice of Noncompliance

Should OHFA discover that a development is not in compliance LIHTC statute or regulations outlined in **26 U.S.C. §42** and **26 C.F.R. §1.42**, or that LIHTC has been claimed or will be claimed for units that are ineligible, OHFA will notify the owner promptly. The owner shall have a minimum of 30 days from the date of notification to cure the noncompliance. In extraordinary circumstances, and only if OHFA determines that there is good cause, an extension of up to six months may be granted to complete a cure for noncompliance. OHFA will notify the Internal Revenue Service, utilizing Form 8823, no later than 45 days after the end of the correction period, and no earlier than the end of the correction period, of the nature of the noncompliance and will indicate to the IRS whether or not the owner has made appropriate corrections.

While OHFA will notify the owner of compliance issues, neither a finding of non-compliance nor a determination that non-compliance has been cured is binding on the Internal Revenue Service. Owners who have received a notification from OHFA that a project is in compliance may still be subject to an IRS audit and the possibility of loss or recapture of LIHTCs.

Annual Reporting

Owners must annually submit certifications and reports to remain in compliance with program requirements. The owner will be required to prepare and submit to OHFA an Annual Owner Certification (AOC) which certifies that for the preceding 12-month period the project met the requirements of **26 U.S.C. §42**. **26 C.F.R. §1.42-5(c)(1)** lists the annual certification requirements. Owners are required to submit the AOC and Tenant Data to OHFA electronically. Owner reports are due March 1 of each year unless amended by OHFA. Importantly, Owners must report all code violations issued by state and local authorities responsible for making inspections as a part of the Annual Owner Certification (AOC) submission process. Failure to report code violations at AOC submission is grounds for noncompliance with the LIHTC program and OHFA guidelines. Refer to **OHFA's Compliance Policies webpage** in the Annual Reporting section for current information and requirements as may be amended from time to time.

Fair Housing Requirements

The owner shall comply with all requirements of the federal Fair Housing Act as codified in **42 U.S.C. Chapter 45**, **Ohio Revised Code Section 4112**, and local fair housing requirements, as each may be amended. The owner shall ensure the project does not discriminate, as defined by **42 U.S.C. §3604**, against any person because of sexual orientation or gender identity or expression. Also see **24 C.F.R. Part 100 Subpart H** for the Quid Pro Quo and Hostile Environment Harassment and Liability for Discriminatory Housing Practices under the Fair Housing Act. Additionally, OHFA directly and affirmatively seeks to promote the Olmstead and ADA integration principles through its policies and funded developments.

Tenant Selection Plans

Owners will adopt Tenant Selection Plans (TSPs) allowing individuals with a criminal record to access LIHTC housing while ensuring the safety of all residents. The TSP must be in compliance with OHFA's **Tenant Selection Plan (TSP) Guidelines** as may be amended from time to time.

- The TSP must explicitly prohibit the denial of admission, termination of assistance or eviction on the basis of arrest records alone, not accompanied by additional conditions that ultimately diminish or negate the effect of the prohibition. The TSP may create reasonable look-back periods for review of crimes but must not have blanket prohibitions on any person with any conviction record. The housing provider should have a policy that considers the nature, severity, and recency of criminal conduct.
- The TSP must include an individual assessment of each tenant applicant's history and provide the tenant applicant an opportunity to provide mitigating information before denying housing based on upon the result of criminal screening. This item requires the consideration of additional information before denying housing based on an individual's criminal record. The TSP must reflect that the housing provider will request mitigating information from the applicant before denying housing based on the applicant's criminal history without the tenant applicant needing to request an individualized assessment or submitting an appeal. In all cases, this should occur before a denial/decision has been made.
- The TSP is also required to be submitted and reviewed by OHFA as part of the Compliance Next Steps process for the project. When developing their TSPs, Owners should refer to HUD's Office of General Counsel Guidance on Application of Fair Housing Act Standards to the Use of Criminal Records by Providers of Housing and Real Estate-Related Transactions (HUD Guidance) and this model criminal background screening policy.

Domestic Violence Protection and Prevention

In conformity with the Violence Against Women's Act (VAWA) Reauthorization of 2022 as codified in **34 U.S.C. Chapter 121 Subpart III**, an applicant for or tenant of housing assisted under the LIHTC program, or any affiliated individual thereof, may not be denied admission, denied assistance, terminated or evicted from the housing on the basis that they are a victim of domestic violence, dating violence, sexual assault or stalking, if the applicant, tenant, or affiliated individual otherwise qualifies for admission, assistance, participation, or occupancy. Every tenant and applicant must be provided a Notice of Occupancy Rights when admitted as a tenant, denied admission, denied assistance, or being terminated/evicted.

An incident of domestic violence, dating violence, sexual assault, or stalking shall not be considered a lease violation by the victim, nor shall it be considered good cause for an eviction of the victim. If a tenant or affiliated individual who is a victim requests an early lease termination, lease bifurcation from the abuser, or transfer to another unit because she/he is in danger, the owner/manager shall make every effort to comply with the request and shall not penalize the tenant.

Each owner/manager shall have an emergency transfer plan for victims seeking safety, which incorporates reasonable confidentiality measures to ensure that the owner or manager does not disclose the location of the dwelling unit of a tenant to a person that commits an act of violence or stalking against the tenant. Be advised that an emergency transfer plan incorporates many features in addition to a transfer plan, since an emergency transfer often may not be possible.

An owner/manager may request documentation from a victim before these protections are triggered. If the owner/manager requests documentation, the applicant, tenant, or affiliated individual may provide any one of the following documents and owner/manager shall accept it as adequate documentation: a letter or form signed by the victim, including HUD's Self Certification Form 5382; a letter signed by a domestic violence service provider, attorney, or medical/mental health professional who assisted the victim; a police report; or a court or administrative record. This submission shall be confidential as defined in **81 FR 80724** and **24 C.F.R. §5.2007(c)**. Owners/managers shall also comply with all court orders.

Guidance related to complying with VAWA at OHFA-funded projects can be found on the OHFA Compliance Policies webpage.

Violence Against Women Act (VAWA) Ongoing Compliance

Adherence to the requirements of VAWA is required for all projects receiving funding through one or more of OHFA's Multifamily Housing programs. Properties that receive HOME, OHTF, and/or NHTF funding are required to follow the HUD 2022 VAWA Final Rule. Although the IRS has not provided guidance on how to comply with the VAWA, OHFA requires properties with LIHTC funding follow the HUD 2022 VAWA Final Rule when implementing VAWA Rule protections for their tenants. For more information on ongoing compliance with VAWA, visit OHFA's Compliance Policies webpage.

Evictions

Owners will neither advertise "no evictions" screening policies nor deny an application for tenancy based on the following:

- Credit information or report, tenant screening report, or any other consumer report demonstrating a failure to pay rent or utility bills during the COVID-19 emergency period.
- An eviction proceeding that sealed, did not result in a judgment in favor of the plaintiff was brought during the COVID-19 emergency period for nonpayment, or was filed against tenants subsequent to a foreclosure of the rental property. 3. An eviction judgment by agreement or a judgement that has been either vacated or marked satisfied.
- Cases in which the tenant
    - prevailed on any significant defense or setoff claim, even if possession was awarded to the landlord; or
    - was named but at the time of the eviction suit was either a minor or not residing in the premises.
- Cases filed based on lease violations from household members who will not be included in the proposed future household.
- Any eviction case filed, or eviction judgment entered, four or more years before the application to rent was submitted.

Affirmative Fair Housing Marketing Plans

Affirmative Fair Housing Marketing Plans (AFHMP) and affirmative marketing procedures are required for all projects receiving funding through one or more of OHFA's Multifamily Housing programs, including but not limited to LIHTC, HOME, OHTF, and/or NHTF funds and any recipients of federal funds such as Section 8, 202, 236, BMIR projects or USDA/Rural Development Section 515. Projects receiving any of these funding sources are required to have Affirmative Fair Housing Marketing Plans. Federal regulations for Affirmative Fair Marketing are in **24 C.F.R. Part 200, Subpart M**.

Information and guidance related to completing the AFHMPs can be found on OHFA's Compliance Policies webpage under "Affirmative Fair Housing Marketing". The project's AFHMP must be submitted to OHFA's Compliance Office for approval. For developments allocated OHFA funding on or after 2021, the AFHMP must be approved by OHFA prior to issuance of Form 8609.

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.

Changes in owner and/or management companies or sale of the project that occur after a project has placed-in-service must be submitted to OHFA's Division of Asset Management.

For more information, visit OHFA's Asset Management website **here**.

E. Threshold Requirements

Compliance with OHFA Policy Documents and other Requirements

Except as specifically waived or modified in these Guidelines, applications must comply with the following Agency Guidelines:

- Most recently published **LIHTC Rental Underwriting Guidelines**
- Most recently published **Design and Architectural Standards**
- Most recently published HOME Investment Partnership Program Guidelines, if seeking HOME
- Most recently published **Housing Development Loan Program Guidelines**, if seeking HDL

Broadband Infrastructure

All developments must install broadband infrastructure in compliance with **Federal Register 81 FR 31181 "Narrowing the Digital Divide through Installation of Broadband Infrastructure"**. Installation must result in speeds in each unit (living or dining room and each bedroom) and all common areas meeting the Federal Communications Commission's **Fourteenth Broadband Deployment Report** or the speed required to qualify as Tier 2 broadband service under **Ohio Revised Code 122.40**, whichever speed requirement is higher at the time of generating pre-construction estimates. Owners are not required to pay for tenants' service but must provide free access in all common areas (exclusive of circulation space) through the Extended Use Period (does not apply to developments in areas that lack adequate broadband service according to the most recent Federal Communications Commission maps).

Extended Use Agreement

In accordance with **26 U.S.C. §42(h)(6)**, all LIHTC developments must record a minimum 30-year Extended Use Agreement in the form of a restrictive covenant. In accordance with the statutory preference outlined in **26 U.S.C. §42(m)(1)(B)(II)** to "…serve qualified tenants for the longest periods", applicants, OHFA requires all LIHTC development teams to waive the right of the owner to petition OHFA to have the extended use period terminated as described in **26 U.S.C. §42(h)(6)(F)**.

Fraud, Waste, and Abuse

Documented instances of fraud, waste, or abuse may result in any action listed in the Penalties section herein and/or any other action OHFA deems necessary.

Penalties

Violations of the QAP, missed deadlines, failure to honor commitments made in the application process, failure to properly complete the Annual Owner Certification (AOC), a pattern of uncorrected 8823s within the developer's portfolio (owned or managed), failure to address local inspection findings associated with developer's properties (owned or managed) within Ohio in a timely and appropriate manner, or other instances of noncompliance with OHFA requirements may result in any or all of the following actions:

- Reduction in the number of applications an entity may submit or awards an entity may receive in future funding cycles.
- Removal from application consideration (if during the current application round).
- Cancellation or reduction of an award.

- Monetary fee in an amount determined by OHFA.
- Referral for independent cost audit (commissioned by OHFA but paid for by the owner/developer).
- Additional and/or enhanced physical inspection/site visit at the applicant's cost.
- Other actions at the sole discretion of OHFA.

Rent and Income Restrictions

Minimum Set Asides

All LIHTC proposals must select one of three federally-mandated Minimum Set Asides as referenced in **26 U.S.C. §42(g)** and listed below:

(1) 20-50 Set Aside:

At least 20% of the residential units must be both rent restricted and occupied by households at or below 50% of the Area Median Income (AMI).

(2) 40-60 Set Aside:

At least 40% of the residential units must be both rent restricted and occupied by households at or below 60% AMI.

(3) Average Income:

At least 40% of the residential units must be both rent restricted and occupied by households that do not exceed the imputed income limitation of the respective unit so long as the average of the imputed income limitations does not exceed 60% AMI. Imputed income limits can range from 20% to 80% AMI in 10% increments. Please see OHFA's **Average Income Policy** for more details.

Extremely Low-Income Units

In accordance with the statutory preference outlined in **26 U.S.C. §42(m)(1)(B)(I)** for "…serving the lowest-income tenants", applicants seeking 9% LIHTCs in the New Affordability General Occupancy and New Affordability Senior funding pools must include units that target households at or below 30% AMI. The percent of units at or below 30% AMI will be determined as follows:

- In a location with a positive (greater than 0%) Discount to Market Rent as referenced in the New Affordability pool: 10%
- In a location with a zero or negative (less than or equal to 0%) Discount to Market Rent as referenced in the New Affordability pool: 15%

Eligible Basis Boost

(1) Codified Basis Boost

In accordance with **26 U.S.C. §42(d)(5)(B)**, buildings located in Qualified Census Tracts (QCTs) or Difficult Development Areas (DDAs) are statutorily eligible for an increase in eligible basis of up to 130%. Such designations are typically determined by HUD in October of the prior year in which such buildings are eligible. To determine if a building is located in a QCT or DDA, visit HUD's Office of Policy Development and Research (PD&R) Web site **here**.

Preserving an expiring QCT or DDA: If an area is not on a subsequent list of QCTs or DDAs, an applicant may submit a request to the 9% Housing Tax Credit Section Chief to preserve its respective QCT(s) or DDA(s) if the Carryover Allocation Agreement is made no later than the end of the 730-day period after the applicant submits a final application to OHFA needing no more than de minimis clarification, and the final application submission is made before the effective date of the subsequent lists. OHFA will execute a QCT(s)/DDA(s) preservation letter after meeting the aforementioned items.

(2) Discretionary Basis Boost

In accordance with **26 U.S.C. §42(d)(5)(B)(v)**, state housing credit agencies may allow for buildings to be considered located in a DDA and therefore eligible for an increase in eligible basis of up to 130% if needed for such buildings to be financially feasible as part of a qualified 9% LIHTC project. To qualify for the agency discretionary basis boost, OHFA will require the deferral or recontribution of 1% of the total developer fee for every 1% in state-designated basis boost. Such deferral or recontribution must be permanent financing in the form of a deferred developer fee, general partner/managing member capital contribution, sponsor loan, or any combination thereof.

Maximum LIHTC Requests

Applicants may request **no more** than the below amounts, which will be adjusted to the **Multifamily Residential Construction Index** and updated with the Final draft submitted for OHFA Board Approval, estimated September 2024. No Exception Requests may be submitted to exceed such maximum requests.

Funding Pool/Subpool	Maximum Annual LIHTC Request	Total 10-Year LIHTC Request
New Affordability	$1,781,500	$17,815,000
Preserved Affordability	$1,527,000	$15,270,000
Service-Enriched Housing	$1,781,500	$17,815,000

HOME Gap Financing for CHDO-Sponsored Projects

To assist the state of Ohio in meeting its Community Housing Development Organization (CHDO) set-aside referenced in **24 C.F.R. §92.300(a)**, applications in any pool may request up to $1 million in HOME Investment Partnerships Program (HOME) funds if sponsored by a state-certified CHDO as defined in **24 C.F.R. §92.300(a)(4)**. Applicants seeking to be CHDO certified must submit a CHDO Certification request by the date listed in the Program Calendar and secure certification from OHFA.

Any award of HOME funds will be made in a manner consistent with **24 C.F.R. §92.250(b)**. See the most recently published HOME Guidelines for more information on federal and state requirements related to a request of HOME resources.

Application Limits

	Maximum Proposal Application Submissions	Maximum Application Reservations
Development Teams meeting OHFA Experience and Capacity Requirements and successfully placed in service at least four LIHTC deals **in Ohio over the past 10 years** as of the date of the Proposal Application deadline indicated in the Program Calendar.	4	2
Development Teams meeting OHFA Experience and Capacity Requirements and successfully placed in service at least one LIHTC deals over the past 10 years in **Ohio over the past 10 years** as of the date of the Proposal Application indicated in the Program Calendar.	2	1
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 in **another state over the past 10 years** as of the date of the Proposal Application deadline indicated in the Program Calendar.	1	1

Cost Containment

Applicants will be required to meet the Cost Containment standards outlined below, which will be adjusted to the **Multifamily Residential Construction Index** and updated with the Final draft submitted for OHFA Board Approval, estimated September 2024. Applicants must use the TDC/Unit and TDC/GSF caps that most closely align with their project type. OHFA will evaluate projects to ensure compliance at Proposal Application, Final Application, and at 8609 submissions. Projects that do not demonstrate compliance with the caps will be removed from consideration, unless an Underwriting Exception Request is submitted. Cost Containment Underwriting Exception Requests will only be considered for the following reason(s): if one of the two cost containment standards fails to be met, but can be explained (e.g., larger unit sizes, less common space, scattered-site developments, projects using Federal Historic Tax Credits, Davis-Bacon wage rates, etc.).

	Central City & Metro/Suburban		Rural		Any Geography
Cost Standard	New Construction	Preservation	New Construction	Preservation	Adaptive Reuse
TDC* per Unit	$361,268	$277,573	$307,027	$245,828	$494,683
TDC* per GSF	$378	$304	$348	$264	$436

*Total development cost (TDC) is the sum of acquisition, predevelopment, site, hard construction, interim/finance, professional fees, compliance, and reserve costs. It includes the cost of all items that will be considered within the legal description incorporated as part of the Agency's LIHTC restrictive covenant. For a detailed list of these items, please refer to the Sources and Uses tab in our Affordable Housing Funding Application located here: **https://ohiohome.org/ppd/resources.aspx**

Fees

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

Fee Type	When is it due?	Fee Amount
Proposal Application Fee	Proposal Application	$5,000
Final Application Fee	Final Application	$3,000
HDL Application Fee (if applicable)	Final Application	See the **most current HDL Guidelines**
Reservation Fee	Carryover Allocation	6% of the annual LIHTC reservation
Amendments to a funding agreement	With request	$1,000 per request
Extensions of a funding agreement	With request	$1,000 per extension
Compliance Monitoring Fee	With 8609 request	$2,400/unit

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. Please note, OHFA does not have an online ACH payment portal. Payments should be submitted via your bank. ACH/Wiring payment instructions are included on OHFA's File Transfer Site (FTS).

Developer Fee Limit

Maximum Budgeted Developer Fee

Developer Fee is defined as the sum of Developer Fee and the following developer-charged fees:

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

The maximum budgeted developer fee for the 9% LIHTC program is 20% of the project's LIHTC eligible basis net of the Developer Fee defined above, but no more than $3 million.

Exception Requests

OHFA will review Exception Requests as outlined in the LIHTC Rental Underwriting Guidelines, Design and Architectural Standards, and those outlined specifically in these Guidelines. Applicants must submit Programmatic Exception Requests with the Pre-Application as outlined in the Program Calendar. Underwriting and Design Exception Requests are submitted with the Proposal Application. Each individual Exception Request must be submitted on its own Exception Request Form, which will be made available with other application materials in accordance with the Program Calendar.

Related-Party Acquisitions

If a proposed project includes acquisition costs stemming from the purchase of income-generating land and/or vacant or income-generating 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. For new construction projects, if the existing related party-owned land is not generating income, then cash out to seller is allowed.

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

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 LIHTC equity, the applicant must provide the most up-to-date settlement statement for OHFA for review and approval. 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.

Exceptions to allow cash out on a related party transaction may be considered in the following circumstances:

- The applicant successfully demonstrates that proceeds from related-party debt encumbering the to-be-acquired property was used to fund critical repairs or operating deficits within 12 months prior to the proposal application submission.
- The applicant clearly evidences that the proposed project is infeasible without seller cash out.

F. Funding Pools, Set Asides, and County Limits

Applications for 9% LIHTC resources 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.

Overall CHDO Sponsor Set Aside (All Funding Pools)

OHFA will reserve LIHTC resources for at least two of the highest-scoring projects sponsored by a Community Housing Development Organization (CHDO) as referenced on **OHFA's Website** and defined in **24 C.F.R. §92.300** and secure at least 70% of total competitive points.

Community Impact Strategic Initiative (New Affordability and Service-Enriched Housing Pools Only)

OHFA will reserve resources for no more than two new construction housing developments meeting the Agency's threshold, underwriting, and architectural standards. The project must complete the Community Impact Strategic Initiative narrative in the AHFA to be considered. Decisions will be made at OHFA Board's sole discretion based on staff recommendation, but preference will be given to counties not having received an OHFA tax credit award in the last five years. The project must demonstrate local support from any municipal corporation in which the project is proposed to be constructed or that is within one-half mile of the project's boundaries, including support from their County. Additionally, the project must include how it addresses a documented need, description of project's proposed impact on the community, and a connection to workforce demand. Letters of support or a resolution are required from the municipal corporation in which the project is proposed to be constructed or that within one-half mile of the project's boundaries. Support letters, resolutions and/or any other supporting documentation must be provided under 8. Competitive Support Documentation.

New Affordability – General Occupancy

Allocation Targets and Definitions

Allocation Goal: 39% of total 9% LIHTC ceiling (≈60% of the New Affordability pool)

Eligible developments include those in which either (1) the majority of units are newly constructed—including those that are adaptively reused from a non-housing use—or (2) existing units are neither currently income-restricted nor occupied and will be rehabilitated. General occupancy housing is that which is not restricted to any specific population such as seniors or service-enriched populations referenced in the Service-Enriched Housing pool.

Three-Bedroom Units

All projects competing in the New Affordability – General Occupancy pool must designate <u>at least 10%</u> of total units as three-bedroom units.

Subpools

OHFA has two subpools in this funding pool. These subpools will follow the same competitive criteria but will be scored only against other projects submitted in and eligible for the subpool.

(1) New Affordability – Central City and Metro/Suburban:

55% of New Affordability – General Occupancy LIHTCs

Projects meeting the definition of New Affordability and General Occupancy that are located in either Central City or Metro/Suburban geographies as defined by OHFA's **2024-2025 Urban Suburban Rural (USR) index**.

(2) New Affordability – Rural

45% of New Affordability – General Occupancy LIHTCs

Projects meeting the definition of New Affordability and General Occupancy that are located in Rural geographies as defined by OHFA's **2024-2025 USR Index**.

Set Asides

(1) Appalachian Set Aside

OHFA will reserve 9% LIHTC resources for at least two of the highest-scoring housing developments that are located in an Appalachian County[5] and secure at least 70% of total competitive points.

(2) Transformative Economic Development

OHFA will reserve LIHTC resources for the highest-scoring project located within 15 miles of an approved Megaproject as designated by the **Ohio Tax Credit Authority** with more than 2,000 permanent jobs committed to the project.

To be eligible for this set aside, the Proposal Application must also include a letter of support from the local jurisdiction in which the project is to be located. A zoning confirmation letter will not qualify as a letter of support. Such project must secure at least 70% of total competitive points.

***(3)* Refugee Settlement Agency Partnership**

OHFA will reserve LIHTC resources for the highest-scoring project that partners with a **Refugee Resettlement Agency** as referenced on the Ohio Department of Job and Family Services website. Such project must provide a memorandum of understanding (MOU) from a qualified Refugee Resettlement Agency to accept tenant referrals from the applicable Agency. The project must continue to meet **26 C.F.R. §1.42-9**. Such project must secure at least 70% of total competitive points.

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[5] Appalachian counties in Ohio 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.

New Affordability – Seniors

Allocation Targets and Definitions

Allocation Goal: 26% of total 9% LIHTC ceiling (≈40% of the New Affordability pool)

Developments in which the majority of units are newly constructed or existing units that are neither currently income-restricted nor occupied and will be rehabilitated may participate in this pool. Senior housing is that which is restricted to households with at least one member age 55 or above. In accordance with **42 U.S.C. §3607(a)(2)** and **24 C.F.R. §100.304** properties that are restricted to households with at least one person age 55 or above can receive a Housing for Older Persons exemption from the Federal Fair Housing Act so long as, among other requirements, at least 80% of the total units are restricted to households with at least one person age 55 or above. Projects that are restricted to households with at least one person age 62 or above must be solely occupied by persons 62 years of age or older.

Subpools

OHFA has two subpools for this funding pool. These subpools will follow the same competitive criteria but will be scored only against other projects submitted in the subpool.

(1) New Affordability – Central City and Metro/Suburban

55% of New Affordability – Senior LIHTCs

Projects meeting the definition of New Affordability, will serve seniors at or above age 55, and are located in either Central City or Metro/Suburban geographies as defined by OHFA's **2024-2025 USR index**.

(2) New Affordability – Rural

45% of New Affordability – Senior LIHTCs

Projects meeting the definition of New Affordability, will serve seniors at or above age 55, and are located in rural geographies as defined by OHFA's **2024-2025 USR index**.

Preserved Affordability

Allocation Targets and Definitions

Allocation Goal: 20% of the total annual credit ceiling

Developments in which the majority of units preserve existing affordability by maintaining project-based rental assistance, project-based operating subsidies, and/or LIHTC can participate in this pool.

Subpools

OHFA has two subpools for this funding pool. These subpools will follow the same competitive criteria but will be scored only against other projects submitted in and eligible for the subpool.

(1) Preserved Affordability – Rental Assistance:

50% of Preserved Affordability – Rental Assistance

Projects meeting the definition of Preserved Affordability that will have project-based rental assistance on at least 75% of units, regardless of whether such projects are currently LIHTC restricted.

(2) Preserved Affordability – LIHTC Resyndications

50% of Preserved Affordability – LIHTC Resyndications

Projects meeting the definition of Preserved Affordability and are seeking a new allocation of credits to preserve an existing LIHTC property, but have less than 75% of units encumbered by a project-based rental assistance contract. The subject property must meet the federal LIHTC requirements of a LIHTC resyndication (e.g., the project has exited its 15-year compliance period).

Set Asides

(3) USDA Subsidy Preservation

OHFA will reserve LIHTC resources for the highest-scoring project that will maintain an existing project-based rental subsidy from a program administered by the U.S. Department of Agriculture's Rural Development office.

Service-Enriched Housing

Allocation Targets and Definitions

Allocation Goal: 15% of the total annual credit ceiling

All projects competing in the Service-Enriched Housing pool must meet all of the following criteria:

(1) At least 50% of the total units serve target populations at or below 30% AMI with a disability, as defined in the Interagency Council on Homelessness and Affordable Housing **Permanent Supportive Housing Policy Framework** and, as evidenced by one of the following factors set forth in Section II.B.3 of HUD Coordinated Entry Notice **CPD-17-01**:

- significant challenges or functional impairments, including physical, mental, developmental, or behavioral health challenges, which require a significant level of support in order to maintain permanent housing;
- high utilization of crisis or emergency services to meet basic needs, including but not limited to emergency rooms, jails, and psychiatric facilities;
- vulnerability to illness or death;
- high risk of homelessness; and/or
- vulnerability to victimization, including physical assault, trafficking, or sex work.

(2) A minimum of 50% of the total LIHTC units in the development must have a commitment for project-based rental subsidy.

(3) The majority general partner or managing member must be a non-profit organization with experience developing, owning, or managing permanent supportive housing.

(4) The proposed project has support from the applicable Continuum of Care (CoC) or other public entity (e.g., Mental Health and Recovery system board, local child welfare system of care) which has no affiliation with any member of the Development Team through a primary or secondary priority letter:

- demonstrating that the CoC or entity believes the project can prevent homelessness;
- summarizing what, if any, relationship the development will have with the CoC regarding the coordinated entry system, referral services, and data sharing; and
- confirming there is sufficient market demand for the project in its defined market area.

Set Asides

(1) Balance of State/Small CoC

OHFA will reserve LIHTC resources for the highest-scoring project in Canton/Stark, Youngstown/Mahoning, Lucas County, or the Balance of State Continuum of Care.

County Limits

OHFA will make no more than the following LIHTC awards per county. If applications across multiple funding pools qualify for awards in excess of these limits, OHFA will base the order on how each placed in its respective competition. County Limits will only apply to New Affordability and Service-Enriched Housing Pools.

County Limits:

- Five: Cuyahoga, Franklin, Hamilton
- Three: Lucas, Montgomery, Summit
- Two: Butler, Delaware, Lake, Lorain, Mahoning, Stark, Warren
- One: All other counties

G. Competitive Scoring

New Affordability – General Occupancy

The following competitive criteria will be used to evaluate projects in the New Affordability – General Occupancy pool, including subpools.

Scoring Criteria	Maximum Points	Maximum Points as a Percent of Total Points
1. Areas of Opportunity and Revitalization	10	18%
2. Building Amenities	10	18%
3. Discount to Market Rent	5	9%
4. Proximity to Amenities	17	30%
5. 811 PRA Participation	5	9%
6. Annual LIHTC Request per LIHTC Unit	10	18%
Total	**57**	**100%**

1. Areas of Opportunity and Revitalization

Maximum points: 10

Rationale: The Urban Suburban Rural (USR) Opportunity Index created in partnership with The Ohio State University's **Kirwan Institute for the Study of Race and Ethnicity** distills five critical categories of opportunity with 15 total indicators into one Opportunity Index Score number that aims to identify access to economic and social opportunity by individual Census Tracts. These categories include transportation, education, employment, housing, and health.

In addition, **26 U.S.C. §42(m)(1)(B)(III)** requires housing credit agencies like OHFA to offer preference for "…projects located in qualified census tracts… and the development of which contributes to a concerted community revitalization plan…"

The project has an Opportunity Index Score as delineated in OHFA's 2024-2025 **Opportunity and Community Change Index** that matches one of the following ranges or is located in a QCT that contributes to a concerted community revitalization plan.

Metric	Points
Opportunity Index: 90-100	10
Opportunity Index: 80-89	9
Opportunity Index: 70-79	8
Opportunity Index: 60-69	7
Opportunity Index: 50-59	6
Project is located within a QCT and contributes to a revitalization plan	6
Opportunity Index: 40-49	5
Opportunity Index: 30-39	4
Opportunity Index: 20-29	3
Opportunity Index: 10-19	2
Opportunity Index: 0-9	1

How can points be demonstrated to OHFA?

Opportunity Index: The AHFA will automatically calculate the Opportunity Index Score based on the project's location within a 2020 Census Tract.

Located in a QCT and Contributes to a Revitalization Plan: The AHFA will automatically determine whether the project is located in a QCT for the year in which the application is being submitted. To demonstrate that the project contributes to a concerted community revitalization plan, the plan must meet the standards outlined in Concerted Community Revitalization Plan in Appendix A and applicants must include a copy of such plan in the Competitive Support Documents folder with specific threshold items highlighted.

2. Building Amenities

Maximum points: 10

Rationale: Additional amenities improve the tenant experience and can also drive improved marketability. The following list of amenities and associated points are as follows:

Amenity	Points	How can points be demonstrated to OHFA?
Property-wide Wi-Fi at no cost to residents	4	The AHFA operating budget must include the annual cost of providing Wi-Fi throughout the project, the AHFA Development Budget must include the initial cost of equipment and installation, and the applicant must provide a quote from an internet provider matching cost outlined in the AHFA.
Energy Star-certified washer and dryer in all units	2	The developer must provide a screenshot of the preliminary architectural plans in the Competitive Support Documentation and highlight the subject amenity.
Energy Star-certified dishwasher in all units	2	The developer must provide a screenshot of the preliminary architectural plans in the Competitive Support Documentation and highlight the subject amenity.
Exercise Room	2	The developer must provide a screenshot of the preliminary architectural plans in the Competitive Support Documentation and highlight the subject amenity. A narrative must also be provided with a description of the space, dimensions, and equipment to be included.
A minimum 400 square foot, outdoor patio area for residents that is at least 50% covered	2	The developer must provide a screenshot of the preliminary architectural plans in the Competitive Support Documentation and highlight the subject amenity.
An outdoor playground area designed for children	2	The developer must provide a of the preliminary architectural plans in the Competitive Support Documentation and highlight the subject amenity.
Tenant credit reporting system participation	1	The owner must provide an executed commitment to report on-time rent payments made by residents to the three national credit bureaus using a service acceptable to OHFA. The AHFA operating budget must include the annual cost of providing the service. The service must be free to participating residents for the 15-year Compliance Period.

3. Discount to Market Rent

Maximum points: 5

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 2023 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 2023 **Small Area Fair Market Rent** (SAFMR)—if the project is located in a MSA—or 110% of the 2023 **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
25% and above	5
15.0% to 24.9%	4
5.0% to 14.9%	3
-5.0% to 4.9%	2
-15.0% to -5.1%	1
Less than -15.0%	0

How can points be demonstrated to OHFA?
Points will be determined based on the Zip Code and/or county in which the majority of units in the defined project is located.

4. Proximity to Amenities

Maximum points: 17

Rationale: OHFA aims to incentivize projects that are within a close distance of important amenities that improve the tenant experience.

The maximum linear distance for amenities within or outside of Ohio will be scaled based on the **USR Index** geography designation of the census tract in which the site is located and referenced below. Buffers are not permissible in these Guidelines.

USR Geography	Maximum Linear Distance from Amenity (miles)
Central City	1
Metro/Suburban	2
Rural	5

Amenity	Amenity Definition	Points
Grocery Store	A business establishment with the primary purpose of selling food for home consumption and preparation, which regularly provides products in each of the following categories: fresh fruits (eight or more types), fresh vegetables (eight or more types), fresh meat (five or more types), dairy, and bread. The supermarket must be a permanent location that is currently in operation.	9
Medical Clinic	An establishment with the primary purpose of medically diagnosing or treating outpatient clients. This must be a generalist, non-specialty, non-referral based medical establishment involved in the treatment and/or diagnosis of general or urgent health conditions.	2
Childcare	A childcare facility that accepts the Publicly Funded Childcare Program, as defined on the Ohio Department of Jobs and Family Services Early Care and Education Programs **website**. Childcare facilities include the following: Licensed Type A Family Child Care Home, Licensed Type B Family Child Care Home, Licensed Child Care Center, Ohio Department of Education Licensed Preschool, or Ohio Department of Education Licensed School Age Childcare (SACC).	2
Pharmacy	An establishment which fills prescriptions and sells or dispenses medicinal prescription or over-the-counter drugs. The pharmacy must be a permanent location that is currently in operation.	2
Public Library	An establishment with the primary purpose of providing library resources to the general public and is usually funded from public and/or philanthropic sources. Membership and the use of the library facilities are accessible without fees. The library must be a permanent location that is currently in operation.	2
Public Park	A public playground, public greenspace area, and other public areas, created, established, designated, maintained, provided, or set aside by a City, State,	2

	or Federal institution, for the purposes of public rest, play, recreation, enjoyment, or assembly, with all buildings, facilities and structures located thereon or therein. The public park must be a permanent location that is currently in operation.	
Transit	Project is located within a census block group that has an AllTransit Performance Score greater than 1 as defined on the Center for Neighborhood Technology's **website**. To demonstrate points for this amenity, you only need to submit a screenshot of the website that shows the project's location and the AllTransit Performance Score of greater than 1.	2

How can points be demonstrated to OHFA?
For each amenity being submitted for point consideration, except Transit, the applicant must submit all three of the following: 1) a self-provided map (e.g., Google Map screenshot) that indicates the linear distance between the location of the development and the amenity being claimed; 2) documentation of how the amenity meets the definition outlined above; and 3) evidence that the amenity is currently in operation. Documentation/Evidence may include screenshots from Google that document the amenity's current hours of operation as well as the types of products or services it provides. If information cannot be found online, then you must visit the amenity and provide evidence of how it meets the applicable definition and that it is currently in operation.

5. 811 PRA Participation

Points: 5

Rationale: The federal 811 Project Rental Assistance (PRA) program provides rental subsidy for Extremely Low-Income households with at least one or more disabled adults between the ages of 18 and 62 to live in an integrated setting with access to supportive services. OHFA—along with its state interagency partners including the Ohio Department of Medicaid (ODM), the Ohio Department of Developmental Disabilities (DODD), and the Ohio Department of Mental Health and Addiction Services (OhioMHAS)—have collectively committed to serve 232 households through its FY2019 grant with HUD. By incentivizing General Occupancy projects to set aside 811 PRA units, OHFA can bolster the number of units serving this important population and meet its commitment to HUD. For more information on the 811 PRA Program, please visit OHFA's Web site here.

Please note: based on demand and federal requirements, OHFA may reduce or fully release a reservation of 811 PRA units encumbered through this competitive criterion. If reduced or removed based on OHFA determination, an applicant will not lose such competitive points if originally awarded.

Metric	Points
Applicant commits 20% of the total LIHTC units or 11 units total, whichever is lower, to being encumbered by 811 PRA and accept referrals from the Interagency 811 PRA team.	5

How can points be demonstrated to OHFA?
The AHFA's rent breakdown includes 20% of the total LIHTC units (rounded up to the nearest whole unit) or 11 total units, whichever is lower, being underwritten at or below 50% AMI or Fair Market Rent (FMR), whichever is lower.

6. Annual LIHTC Request per LIHTC Unit

Maximum points: 10

Rationale: By providing an incentive for lowering the amount of annual LIHTC requested on a per LIHTC unit basis, OHFA can bolster the number of affordable housing units given its limited 9% LIHTC resources.

Annual LIHTC Request per LIHTC Unit	Points
Less than $25,000	10
$25,000 to $29,999	8
$30,000 to $34,999	6
$35,000 to $39,999	4
$40,000 to $44,999	2
At or above $45,000	0

How can points be demonstrated to OHFA?
The AHFA will automatically calculate the competitive score for this criterion.

New Affordability – General Occupancy Tiebreakers

1. Highest raw Opportunity Index rating
2. Largest number of LIHTC units

New Affordability – Senior

The following competitive criteria will be used to evaluate projects in the New Affordability – Senior pool:

Scoring Criteria	Maximum Points	Maximum Points as a Percent of Total Points
1. Areas of Opportunity and Revitalization	10	17%
2. Building Amenities	15	25%
3. Discount to Market Rent	5	8%
4. Proximity to Amenities	16	27%
5. Experienced Service Coordinator	4	7%
6. Annual LIHTC Request per LIHTC Unit	10	17%
Total	**60**	**100%**

1. Areas of Opportunity and Revitalization

Maximum points: 10

Rationale: The Urban Suburban Rural (USR) Opportunity Index created in partnership with The Ohio State University's **Kirwan Institute for the Study of Race and Ethnicity** distills five critical categories of opportunity with 15 total indicators into one Opportunity Index Score number that aims to identify access to economic and social opportunity by individual Census Tracts. These categories include transportation, education, employment, housing, and health.

In addition, **26 U.S.C. §42(m)(1)(B)(III)** requires housing credit agencies like OHFA to offer preference for "…projects located in qualified census tracts… and the development of which contributes to a concerted community revitalization plan…"

The project has an Opportunity Index Score as delineated in OHFA's 2024-2025 **Opportunity and Community Change Index** that matches one of the following ranges or is located in a QCT that contributes to a concerted community revitalization plan.

Metric	Points
Opportunity Index: 90-100	10
Opportunity Index: 80-89	9
Opportunity Index: 70-79	8
Opportunity Index: 60-69	7
Opportunity Index: 50-59	6
Project is located within a QCT and contributes to a revitalization plan	6
Opportunity Index: 40-49	5
Opportunity Index: 30-39	4
Opportunity Index: 20-29	3
Opportunity Index: 10-19	2
Opportunity Index: 0-9	1

How can points be demonstrated to OHFA?
Opportunity Index: The AHFA will automatically calculate the Opportunity Index Score based on the project's location within a 2020 Census Tract. Located in a QCT and Contributes to a Revitalization Plan: The AHFA will automatically determine whether the project is located in a QCT for the year in which the application is being submitted. To demonstrate that the project contributes to a concerted community revitalization plan, the plan must meet the standards outlined in Concerted Community Revitalization Plan in Appendix A and applicants must include a copy of such plan in the Competitive Support Documents folder with specific threshold items highlighted.

2. Building Amenities

Maximum points: 15

Rationale: Additional amenities improve the tenant experience and can also drive improved marketability. The following list of amenities and associated points are as follows:

Amenity	Points	How can points be demonstrated to OHFA?
Property-wide Wi-Fi at no cost to residents	8	The AHFA operating budget must include the annual cost of providing Wi-Fi throughout the project, the AHFA Development Budget must include the initial cost of equipment and installation, and the applicant must provide a quote from an internet provider matching cost outlined in the AHFA.
Energy Star-certified washer and dryer in all units	5	The developer must provide a cropped screenshot of the preliminary architectural plans in the Competitive Support Documentation and highlight the subject amenity.
Energy Star-certified dishwasher in all units	5	The developer must provide a cropped screenshot of the preliminary architectural plans in the Competitive Support Documentation and highlight the subject amenity.
Exercise Room	2	The developer must provide a screenshot of the preliminary architectural plans in the Competitive Support Documentation and highlight the subject amenity. A narrative must also be provided with a description of the space, dimensions, and equipment to be included.
A minimum 400 square foot, outdoor patio area for residents that is at least 50% covered	2	The developer must provide a screenshot of the preliminary architectural plans in the Competitive Support Documentation and highlight the subject amenity.
Roll-in showers in at least 50% of the total units	2	The developer must provide a screenshot of the preliminary architectural plans in the Competitive Support Documentation and highlight the subject amenity.

3. Discount to Market Rent

Maximum points: 5

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 2023 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 2023 **Small Area Fair Market Rent** (SAFMR)—if the project is located in a MSA—or 110% of the 2023 **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
25% and above	5
15.0% to 24.9%	4
5.0% to 14.9%	3
-5.0% to 4.9%	2
-15.0% to -5.1%	1
Less than -15.0%	0

How can points be demonstrated to OHFA?
Points will be determined based on the Zip Code and/or county in which the majority of units in the defined project is located.

4. Proximity to Amenities

Maximum points: 16

Rationale: OHFA aims to incentivize projects that are within a close distance of important amenities that improve the tenant experience.

The maximum linear distance for amenities within or outside of Ohio will be scaled based on the **USR Index** geography designation of the census tract in which the site is located and referenced below. Buffers are not permissible in these Guidelines.

USR Geography	Maximum Linear Distance from Amenity (miles)
Central City	1
Metro/Suburban	2
Rural	5

Amenity	Amenity Definition	Points
Grocery Store	A business establishment with the primary purpose of selling food for home consumption and preparation, which regularly provides products in each of the following categories: fresh fruits (eight or more types), fresh vegetables (eight or more types), fresh meat (five or more types), dairy, and bread. The supermarket must be a permanent location that is currently in operation.	5
Senior Center	An establishment intended for the primary purpose of providing older adults a space to congregate and fulfill many of their social, physical, emotional, and intellectual needs. Acceptable senior centers must be free and/or available to people with low income and no assets. Senior centers should be open and accessible at least five days each week. Senior center programs include activities, educational opportunities, counseling and support groups, volunteer opportunities, and wellness programs. It must be a permanent location that is currently operational.	4
Medical Clinic	An establishment with the primary purpose of medically diagnosing or treating outpatient clients. This must be a generalist, non-specialty, non-referral based medical establishment involved in the treatment and/or diagnosis of general or urgent health conditions.	3
Pharmacy	An establishment which fills prescriptions and sells or dispenses medicinal prescription or over-the-counter drugs. The pharmacy must be a permanent location that is currently in operation.	2
Public Library	An establishment with the primary purpose of providing library resources to the general public and is usually funded from public and/or philanthropic sources. Membership and the use of the library facilities are accessible without fees. The library must be a permanent location that is currently in operation.	2

Public Park	A public playground, public greenspace area, and other public areas, created, established, designated, maintained, provided, or set aside by a City, State, or Federal institution, for the purposes of public rest, play, recreation, enjoyment or assembly, with all buildings, facilities and structures located thereon or therein. The public park must be a permanent location that is currently in operation.	2
Transit	Project is located within a census block group that has an AllTransit Performance Score greater than 1 as defined on the Center for Neighborhood Technology's **website**. To demonstrate points for this amenity, you only need to submit a screenshot of the website that shows the project's location and the AllTransit Performance Score of greater than 1.	2

How can points be demonstrated to OHFA?
For each amenity being submitted for point consideration, except Transit, the applicant must submit all three of the following: 1) a self-provided map (e.g., Google Map screenshot) that indicates the linear distance between the location of the development and the amenity being claimed; 2) documentation of how the amenity meets the definition outlined above; and 3) evidence that the amenity is currently in operation. Documentation/Evidence may include screenshots from Google that document the amenity's current hours of operation as well as the types of products or services it provides. If information cannot be found online, then you must visit the amenity and provide evidence of how it meets the applicable definition and that it is currently in operation.

5. Experienced Service Coordinator

Points: 4

Developments demonstrating a commitment by an experienced local or regional service entity to coordinate appropriate services on-site or allows for the resident to be connected to services while on-site at least 15 minutes per unit per week for the duration of the compliance period. The service coordinator must have a history of serving the targeted area.

In addition, the general partner, managing member, or a contracted third-party entity of the local or regional service entity that will be providing the services must obtain at least one of the following prior to the first building placing in service and maintain such designation for the duration of the compliance period:

a. Certified Organization for Resident Engagement & Services (CORES); or
b. Organization participates in the Professional Service Coordinator Program through The Ohio State University and the American Association of Service Coordinators; or
c. Entities whose service coordinators are community health workers certified through the Ohio Board of Nursing; or
d. Designation as an Area Agency on Aging by the Ohio Department of Aging as established by the Older Americans Act of 1965.

Resident participation in service coordination must be optional in accordance with **26 C.F.R. §1.42-11**.

How can points be demonstrated to OHFA?
Applicants must evidence this requirement in the Supportive Services Plan due at proposal (requirements outlined in the document submission section), identifying partnerships with qualified service coordination agencies, detailing the specific services to be provided, including at least 15 minutes of on-site services or allows for the resident to be connected to services while on-site per unit per week for the 15-year Compliance Period, the commitment to achieve one of (a) through (d) above, and the service coordinator's demonstrated history of serving the target area.

6. Annual LIHTC Request per LIHTC Unit

Maximum points: 10

Rationale: By providing an incentive for lowering the amount of annual LIHTC requested on a per LIHTC unit basis, OHFA can bolster the number of affordable housing units given its limited 9% LIHTC resources.

Annual LIHTC Request per LIHTC Unit	Points
Less than $25,000	10
$25,000 to $29,999	8
$30,000 to $34,999	6
$35,000 to $39,999	4
$40,000 to $44,999	2
At or above $45,000	0

How can points be demonstrated to OHFA?
The AHFA will automatically calculate the competitive score for this criterion.

New Affordability - Senior Tiebreakers

1. Highest raw Opportunity Index rating
2. Largest number of LIHTC units

Preserved Affordability

Preserved Affordability Scoring	Points	Maximum Points as a Percent of Total Points
1. Discount to Market Rent	5	14%
2. Rehabilitation Hard Costs per Unit	10	27%
3. Building Amenities	6	16%
4. Annual LIHTC Amount per LIHTC Unit	16	43%
Total Points	**37**	**100%**

1. Discount to Market Rent

Maximum points: 5

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 2023 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 2023 **Small Area Fair Market Rent** (SAFMR)—if the project is located in a MSA—or 110% of the 2023 **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
25% and above	5
15.0% to 24.9%	4
5.0% to 14.9%	3
-5.0% to 4.9%	2
-15.0% to -5.1%	1
Less than -15.0%	0

How can points be demonstrated to OHFA?
Points will be determined based on the Zip Code and/or county in which the majority of units in the defined project is located.

2. Rehabilitation Hard Construction Costs per Unit

Maximum points: 10

Rationale:. By incentivizing higher hard construction costs beyond the minimum $40,000 per unit, development teams are encouraged to reinforce the scope of work with enough improvements that will allow for long-term sustainability while leveraging construction mobilization. Hard construction costs are calculated as the sum of the following costs and are detailed in the AHFA:

- Hard Construction (Residential Rehabilitation)
- Construction Contingency
- Furniture, Fixtures & Equipment

Rehabilitation Hard Construction Costs per Unit	Points
$80,000 or more	10
$70,000 to $79,999	8
$60,000 to $69,999	6
$50,000 to $59,999	4
$40,000 to $49,999	2
Below $40,000	0

How can points be demonstrated to OHFA?
The AHFA auto-calculated rehabilitation hard construction costs and will therefore automatically calculate the competitive score for this criterion.

3. Building Amenities

Maximum points: 6

Rationale: Additional amenities improve the tenant experience and can also drive improved marketability. The following list of amenities and associated points are as follows:

Amenity	Points	How can points be demonstrated to OHFA?
Property-wide Wi-Fi at no cost to residents	4	The AHFA operating budget must include the annual cost of providing Wi-Fi throughout the project, the AHFA Development Budget must include the initial cost of equipment and installation, and the applicant must provide a quote from an internet provider matching cost outlined in the AHFA.
Energy Star-certified washer and dryer in all units	2	The developer must provide a screenshot of the preliminary architectural plans in the Competitive Support Documentation and highlight the subject amenity.
Energy Star-certified dishwasher in all units	2	The developer must provide a screenshot of the preliminary architectural plans in the Competitive Support Documentation and highlight the subject amenity.
Exercise Room	2	The developer must provide a screenshot of the preliminary architectural plans in the Competitive Support Documentation and highlight the subject amenity. A narrative must also be provided with a description of the space, dimensions, and equipment to be included.
A minimum 400 square foot, outdoor patio area for residents that is at least 50% covered	2	The developer must provide a screenshot of the preliminary architectural plans in the Competitive Support Documentation and highlight the subject amenity.
An outdoor playground area designed for children	2	The developer must provide a of the preliminary architectural plans in the Competitive Support Documentation and highlight the subject amenity.
Tenant credit reporting system participation	1	The owner must provide an executed commitment to report on-time rent payments made by residents to the three national credit bureaus using a service acceptable to OHFA. The AHFA operating budget must include the annual cost of providing the service. The service must be free to participating residents for the 15-year Compliance Period.

4. Annual LIHTC Request per LIHTC Unit

Maximum points: 16

Rationale: By providing an incentive for lowering the annual amount of LIHTC requested on a per LIHTC unit basis, OHFA can bolster the number of affordable housing units given its limited 9% LIHTC resources.

Annual LIHTC Request per LIHTC Unit	Points
$25,000 and below	16
$25,001 to $30,000	14
$30,001 to $35,000	12
$35,001 to $40,000	10
$40,001 to $45,000	8
$45,001 to $50,000	6
$50,001 to $55,000	4
$55,001 to $60,000	2
Greater than $60,000	0

How can points be demonstrated to OHFA?
The AHFA will automatically calculate the competitive score for this criterion.

Preserved Affordability Tiebreakers

1. Highest raw Opportunity Index rating
2. Largest number of LIHTC units

Service-Enriched Housing

The following competitive criteria will be used to evaluate projects in the Service-Enriched Housing pool:

Scoring Criteria	Maximum Points	Maximum Points as a Percent of Total Points
1. Areas of Opportunity and Revitalization	10	13%
2. Proximity to Amenities	10	13%
3. Building Amenities	10	13%
4. Experienced Service Coordinator	15	20%
5. Local Partners	15	20%
6. Expert Recommendations	15	20%
Total	**75**	**100%**

1. Areas of Opportunity and Revitalization

Maximum points: 10

Rationale: The Urban Suburban Rural (USR) Opportunity Index created in partnership with The Ohio State University's **Kirwan Institute for the Study of Race and Ethnicity** distills five critical categories of opportunity with 15 total indicators into one Opportunity Index Score number that aims to identify access to economic and social opportunity by individual Census Tracts. These categories include transportation, education, employment, housing, and health.

In addition, **26 U.S.C. §42(m)(1)(B)(III)** requires housing credit agencies like OHFA to offer preference for "…projects located in qualified census tracts… and the development of which contributes to a concerted community revitalization plan…"

The project has an Opportunity Index Score as delineated in OHFA's 2024-2025 **Opportunity and Community Change Index** that matches one of the following ranges or is located in a QCT that contributes to a concerted community revitalization plan.

Metric	Points
Opportunity Index: 90-100	10
Opportunity Index: 80-89	9
Opportunity Index: 70-79	8
Opportunity Index: 60-69	7
Opportunity Index: 50-59	6
Project is located within a QCT and contributes to a revitalization plan	6
Opportunity Index: 40-49	5
Opportunity Index: 30-39	4
Opportunity Index: 20-29	3
Opportunity Index: 10-19	2
Opportunity Index: 0-9	1

How can points be demonstrated to OHFA?
Opportunity Index: The AHFA will automatically calculate the Opportunity Index Score based on the project's location within a 2020 Census Tract. Located in a QCT and Contributes to a Revitalization Plan: The AHFA will automatically determine whether the project is located in a QCT for the year in which the application is being submitted. To demonstrate that the project contributes to a concerted community revitalization plan, the plan must meet the standards outlined in Concerted Community Revitalization Plan in Appendix A and applicants must include a copy of such plan in the Competitive Support Documents folder with specific threshold items highlighted.

2. Proximity to Amenities

Maximum points: 10

Rationale: OHFA aims to incentivize projects that are within a close distance of important amenities that improve the tenant experience.

The maximum linear distance for amenities within or outside of Ohio will be scaled based on the **USR Index** geography designation of the census tract in which the site is located and referenced below. Buffers are not permissible in these Guidelines.

USR Geography	Maximum Linear Distance from Amenity (miles)
Central City	1
Metro/Suburban	2
Rural	5

Amenity	Amenity Definition	Points
Grocery Store	A business establishment with the primary purpose of selling food for home consumption and preparation, which regularly provides products in each of the following categories: fresh fruits (eight or more types), fresh vegetables (eight or more types), fresh meat (five or more types), dairy, and bread. The supermarket must be a permanent location that is currently in operation.	5
Medical Clinic	An establishment with the primary purpose of medically diagnosing or treating outpatient clients. This must be a generalist, non-specialty, non-referral based medical establishment involved in the treatment and/or diagnosis of general or urgent health conditions.	4
Pharmacy	An establishment which fills prescriptions and sells or dispenses medicinal prescription or over-the-counter drugs. The pharmacy must be a permanent location that is currently in operation.	1
Public Library	An establishment with the primary purpose of providing library resources to the general public and is usually funded from public and/or philanthropic sources. Membership and the use of the library facilities are accessible without fees. The library must be a permanent location that is currently in operation.	1
Public Park	A public playground, public greenspace area, and other public areas, created, established, designated, maintained, provided, or set aside by a City, State, or Federal institution, for the purposes of public rest, play, recreation, enjoyment or assembly, with all buildings, facilities and structures located thereon or therein. The public park must be a permanent location that is currently in operation.	1
Transit	Project is located within a census block group that has an AllTransit Performance Score greater than 1 as defined on the Center for Neighborhood Technology's **website**. To demonstrate points for this	1

	amenity, you only need to submit a screenshot of the website that shows the project's location and the AllTransit Performance Score of greater than 1.	

How can points be demonstrated to OHFA?
For each amenity being submitted for point consideration, except Transit, the applicant must submit all three of the following: 1) a self-provided map (e.g., Google Map screenshot) that indicates the linear distance between the location of the development and the amenity being claimed; 2) documentation of how the amenity meets the definition outlined above; and 3) evidence that the amenity is currently in operation. Documentation/Evidence may include screenshots from Google that document the amenity's current hours of operation as well as the types of products or services it provides. If information cannot be found online, then you must visit the amenity and provide evidence of how it meets the applicable definition and that it is currently in operation.

3. Building Amenities

Maximum points: 10

Rationale: Additional amenities improve the tenant experience and can also drive improved marketability. The following list of amenities and associated points are as follows:

Amenity	Points	How can points be demonstrated to OHFA?
Property-wide Wi-Fi at no cost to residents	8	The AHFA operating budget must include the annual cost of providing Wi-Fi throughout the project, the AHFA Development Budget must include the initial cost of equipment and installation, and the applicant must provide a quote from an internet provider matching cost outlined in the AHFA.
Energy Star-certified washer and dryer in all units	5	The developer must provide a cropped screenshot of the preliminary architectural plans in the Competitive Support Documentation and highlight the subject amenity.
Energy Star-certified dishwasher in all units	5	The developer must provide a cropped screenshot of the preliminary architectural plans in the Competitive Support Documentation and highlight the subject amenity.
Exercise Room	2	The developer must provide a screenshot of the preliminary architectural plans in the Competitive Support Documentation and highlight the subject amenity. A narrative must also be provided with a description of the space, dimensions, and equipment to be included.
A minimum 400 square foot, outdoor patio area for residents that is at least 50% covered	2	The developer must provide a screenshot of the preliminary architectural plans in the Competitive Support Documentation and highlight the subject amenity.
Tenant credit reporting system participation	1	The owner must provide an executed commitment to report on-time rent payments made by residents to the three national credit bureaus using a service acceptable to OHFA. The AHFA operating budget must include the annual cost of providing the service. The service must be free to participating residents for the 15-year Compliance Period.

4. Experienced Service Coordinator

Points: 15

Developments demonstrating a commitment by an experienced local or regional service entity to coordinate appropriate services on-site or allows for the resident to be connected to services while on-site at least 15 minutes per unit per week for the duration of the compliance period. The service coordinator must have a history of serving the targeted area.

In addition, the general partner, managing member, or a contracted third-party entity of the local or regional service entity that will be providing the services must obtain at least one of the following prior to the first building placing in service and maintain such designation for the duration of the compliance period:

a. Certified Organization for Resident Engagement & Services (CORES);
b. Organization participates in the Professional Service Coordinator Program through The Ohio State University and the American Association of Service Coordinators; or
c. Entities whose service coordinators are community health workers certified through the Ohio Board of Nursing; or
d. Designation as an Area Agency on Aging by the Ohio Department of Aging as established by the Older Americans Act of 1965.

Resident participation in service coordination must be optional in accordance with **26 C.F.R. §1.42-11**.

How can points be demonstrated to OHFA?
Applicants must evidence this requirement in the Supportive Services Plan due at proposal (requirements outlined in the document submission section), identifying partnerships with qualified service coordination agencies, detailing the specific services to be provided, including at least 15 minutes of on-site services or allows for the resident to be connected to services while on-site per unit per week for the 15-year Compliance Period, the commitment to achieve one of (a) through (d) above, and the service coordinator's demonstrated history of serving the target area.

5. Local Partners

Points: 15

Proposals including both of the following:

1. The Development Team has established a memorandum of understanding (MOU) with referral agency (e.g., CoC, Mental Health and Recovery system board, local child welfare system of care) to submit referrals from a coordinated entry system and will target households including individuals and families meeting the applicable target population.
2. Evidence of a partnership with a service provider who will coordinate provision of Medicaid-funded services.

How can points be demonstrated to OHFA?
For CoC/Referral Partnership, provide a contractual agreement outlining the specific services, methods of delivery, and terms of the partnership(s). Or provide a referral partnership with the local ADAMH Board to refer the target population. For Medicaid Partnership, submit evidence of the partnership and also brief information about the partner including their services relevant to the resident population, where they are based, and their experience working in the local community.

6. Expert Recommendations

Maximum points: 15

Proposals that have been designated a primary priority/recommendation (15 points) or secondary priority/recommendation (10 points) by the applicable CoC for PSH applicants.

Proposals with a letter of support/recommendation from outside of a CoC meeting the following criteria:

- from a public entity (e.g., Mental Health and Recovery system board, local child welfare system of care) which has no affiliation with any member of the Development Team,
- accurately addresses multiple aspects specific to the application, and
- does not express expectations inconsistent with QAP limitations or requirements.

How can points be demonstrated to OHFA?
Applicants must submit the applicable letter of designation or recommendation in the Competitive Support Documents section of the Proposal Application.

Service-Enriched Housing Tiebreakers

1. Projects with the greatest number of units encumbered by a project-based rental assistance contract that meets the requirements of the Rental Subsidy Contract section in Appendix A.
2. Highest raw Opportunity Index rating

Appendix A: Submission Requirements

1. Affordable Housing Financing Application (AHFA)

When is this due?	Pre-Application		**Proposal Application**	**X**	**Final Application**	**X**	8609	

Applicants must submit a completed AHFA, OHFA's proforma, designed specifically for the 9% LIHTC program, which will be posted with other application materials by the deadline indicated in the Program Calendar. Please note, OHFA will not accept applications that use the incorrect AHFA (e.g., the 4% LIHTC with BGF AHFA, 4% LIHTC Only AHFA, or previous 9% LIHTC AHFAs).

2. Appraisal

When is this due?	Pre-Application		Proposal Application		**Final Application**	**X**	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?	Pre-Application		**Proposal Application**	**X**	**Final Application**	**X**	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?	Pre-Application		**Proposal Application**	**X**	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?	Pre-Application		**Proposal Application**	**X**	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?	Pre-Application		Proposal Application		**Final Application**	**X**	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 Developers Only)

When is this due?	Pre-Application		Proposal Application		**Final Application**	**X**	8609	

Applications submitted by non-profit developers and/or co-developers must include a board resolution authorizing an application for the LIHTC 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?	Pre-Application		**Proposal Application**	**X**	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. Applicants wishing to be considered for any of the funding pool set asides must include supporting documents in this folder to be considered.

If a development has multiple sites and crosses scoring boundaries, regardless of whether it meets the definition of scattered site, the competitive support documents must be targeted to the development area with the most units.

9. Concerted Community Revitalization Plan

When is this due?	Pre-Application		**Proposal Application**	**X**	Final Application		8609	

To qualify for a point category related to a concerted community revitalization plan, applicants must provide a copy of the plan and proof that the proposed development is located within its target area and consistent with the plan. Revitalization Plans must satisfy the substance of the components below.

The following are not eligible: draft plans, short-term work plans, consolidated plans, municipal zoning plans, planned unit developments, or plans OHFA determines were created exclusively for the purposes of satisfying QAP criteria.

a. Scope: The Revitalization Plan must include a delineated target area and an assessment of the conditions existing in the community. If the Community Revitalization Plan is more than ten years old, the Applicant must also provide a supplemental letter or other evidence from the administrator describing progress made and confirming that the proposal continues to meet target area needs.
b. Community Input & Ownership: The Revitalization Plan must have been developed through a public process as evidenced by any of the following:
    i. creation of the Revitalization Plan by a Community Development Corporation;
    ii. adoption or endorsement of the Revitalization Plan by the local government; or
    iii. proof of solicitation of public and stakeholder input.
c. Housing Policy: The Revitalization Plan must include:
    i. the incorporation and integration of affordable and other housing throughout the geographic area, including but not necessarily limited to the use of existing housing.

10. Conditional Financial Commitments

When is this due?	Pre-Application		**Proposal Application**	X	**Final Application**	X	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.

HOME Investment Partnerships Program (HOME) and other federal funds not administered by OHFA: The applicant must submit a preliminary award letter or commitment letter reserving the funds that includes the anticipated term, amortization, rate, fees or specify that the funds will be a grant.

Federal Historic Tax Credits (FHTC):

Developers seeking FHTC for a project must submit the following items at proposal application:

1. A Historic Part 1 – Evaluation of Significance that has been approved by the State Historic Preservation Office (SHPO).
2. A conditional equity commitment letter from the syndicator with the proposed terms and conditions and a detailed equity installment schedule.
3. A Scope of Work, DCF, and applicable Design Exception Request(s) that are consistent with the Historic Part 1's Description of Physical Appearance, outlining the project's historic features.

If the developer cannot supply an approved Historic Part 1 (item 1) by the proposal application deadline as indicated in the program calendar, the developer must submit the following piece of evidence in lieu of item 1 with the proposal application:

- The Historic Part 1 application sent to SHPO that documents the eligibility of the project/building to receive FHTC along with confirmation that SHPO has received the application.

The developer is then required to send evidence that SHPO has approved the project's Historic Part 1 to the project's assigned analyst with the project's response to OHFA's Preliminary Competitive Score and Minimum Financial and Threshold Review as indicated in the program calendar.

If the property is deemed not eligible by SHPO or if OHFA does not receive the project's approved Historic Part 1 by the project's response to OHFA's Preliminary Competitive Score and Minimum Financial and Threshold Review as indicated in the program calendar, then OHFA will remove this project from consideration in the 9% LIHTC round.

If the project receives a 9% LIHTC award and has an approved Historic Part 1, the developer must submit the following with the final application:

- An approved Historic Part 1 from National Park Service.
- A copy of the submitted Historic Part 2 application.

11. Condominimized Space Description

When is this due? Pre-Application [ ] Proposal Application [ ] **Final Application** [X] 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).

12. Development Team Consultant Statement

When is this due? Pre-Application [ ] **Proposal Application** [X] 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.

13. Development Team Experience and Capacity Review

When is this due?	**Pre-Application**	**X**	Proposal Application		**Final Application**	**X**	8609	

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

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, and contact information. While the LIHTC Ownership Entity may be noted as "To Be Determined" or "To Be Formed", developer, co-developer, and general partner/managing member parent entities must be disclosed.
- For owners, a Lien and Litigation Report dated within thirty (30) days of submission of the Pre-Application and Final 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:
  - Form(s) 8609 and the 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 Pre-Application unless otherwise approved by the Director of Multifamily Housing.

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

14. Evidence of Site Control

When is this due?	Pre-Application		**Proposal Application**	**X**	**Final Application**	**X**	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 9% LIHTC awards.

d. Scattered Site Developments: Scattered site developments must have 100% of the sites under control at the time of Proposal Application.

15. Exception Requests

When is this due?	**Pre-Application**	**X**	**Proposal Application**	**X**	Final Application		8609	

OHFA will consider exceptions only for those items specifically allowed under these Guidelines and represented 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 Exception Requests are due at Pre-Application while all other Exception Requests are due at Proposal Application.

16. Federal Tax Identification Number

When is this due?	Pre-Application		Proposal Application		**Final Application**	**X**	8609	

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

17. Green Certification

When is this due?	Pre-Application		Proposal Application		Final Application		**8609**	**X**

a. All multifamily developments must obtain one of the energy efficiency or green building certifications outlined in OHFA's **Design and Architectural Standards**.

b. Use of a HERS rater is required for all projects, and certification by a HERS rater for the following:

   - The development meets or exceeds the higher of either the certification selected or the Ohio Energy Code using the current ASHRAE 90.1 (e.g. 2019)
   - For Rehab: The post-construction blower door test demonstrates 150% improvement over the pre-rehabilitation test, up to 12 ACH.

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.

18. Legal Description

When is this due?	Pre-Application		Proposal Application		**Final Application**	**X**	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.

19. LIHTC Lease Addendum

When is this due?	Pre-Application		Proposal Application		**Final Application**	**X**	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).

20. Limited Partnership Agreement

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

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.

21. List of Changes from Proposal Application

When is this due?	Pre-Application		Proposal Application		**Final Application**	**X**	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 including special needs populations, and any items affecting competitive scoring. OHFA must approve any changes.

22. Market Study

When is this due?	Pre-Application		**Proposal Application**	**X**	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 rent and income restrictions change 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).

23. Notification to Accessibility Groups (newly affordable units only)

When is this due?	Pre-Application		Proposal Application		**Final Application**	**X**	8609	

Applicants proposing newly affordable units must notify all **accessibility groups** in the county of the proposal. Applicants agree to accept referrals for prospective residents and consider design recommendations for the property. The application shall include copies of all correspondence between the applicant and accessibility groups.

If requested by an accessibility group, the applicant will provide the most current copy of the development's architectural plans prior to submitting the final application.

24. Ohio Housing Locator

When is this due?	Pre-Application		Proposal Application		Final Application		**8609**	**X**

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.

25. Organizational Chart (for the LIHTC Ownership Entity)

When is this due?	Pre-Application		Proposal Application		**Final Application**	**X**	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.

26. Phase I and II Environmental Site Assessments

When is this due?	Pre-Application		**Proposal Application**	**X**	**Final Application**	**X**	8609	

Applications must include a Phase I Environmental Site Assessment (ESA) for all sites dated no later than six months prior to the Proposal Application deadline completed in accordance with the most current ASTM Standard and include an acknowledgement of the likelihood of 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.

27. Physical Capital Needs Assessment (rehabilitation or adaptive reuse only)

When is this due?	Pre-Application		**Proposal Application**	**X**	Final Application		8609	

Applications for the rehabilitation of existing housing units and adaptive reuse 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**.

OHFA will use the PCNA and AHFA to determine if the project meets the threshold requirement of rehabilitation.

28. Prior OHFA Funding Documents

When is this due?	Pre-Application		**Proposal Application**	**X**	Final Application		8609	

If a submitted project was previously funded with OHFA resources, including LIHTC, HDAP, or MLP, the applicant must provide copies of all legal documents and amendments associated with the project's 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)

29. Proposal Summary (.PDF format)

When is this due?	Pre-Application		**Proposal Application**	**X**	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.

30. Public Notification (All Projects)

When is this due?	Pre-Application		**Proposal Application**	**X**	**Final Application**	**X**	8609	

In accordance with **26 U.S.C. §42(m)(1)(A)(ii)** and **O.R.C. §175.07**, at Proposal 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 proposal 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.

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**.

31. Related Party Transaction Questionnaire

When is this due?	Pre-Application		Proposal Application		**Final Application**	**X**	8609	

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

32. Relocation Plan (existing, occupied rental units only)

When is this due?	Pre-Application		Proposal Application		**Final Application**	**X**	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.

33. Rental Subsidy Contract

When is this due?	Pre-Application		**Proposal Application**	**X**	**Final Application**	**X**	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 Proposal 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.

34. Scattered Site Development Map

When is this due? Pre-Application [ ] **Proposal Application [X]** 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.

35. Scope of Work

When is this due? Pre-Application [ ] **Proposal Application [X]** **Final Application [X]** **8609 [X]**

At Proposal Application, Final Application, and 8609, all applications must include a complete **Scope of Work Form**.

36. Site and Neighborhood Standards Form (New Construction seeking HOME Only)

When is this due? **Pre-Application [X]** Proposal Application [ ] Final Application [ ] 8609 [ ]

Applications sponsored by a CHDO seeking HOME resources must include a completed Site and Neighborhoods Standards Form at Pre-Application. Federal regulations require that any new construction projects financed with HOME meet Site and Neighborhood Standards in accordance with **24 C.F.R. §§983.57(e)(2)-(3)**.

37. Site Visit Documents

When is this due? Pre-Application [ ] **Proposal Application [X]** Final Application [ ] 8609 [ ]

Unless required at an earlier stage, OHFA may conduct a site review prior to Final Application submission and may deem the site unsuitable.

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.

38. Supportive Services Plan & Providers

When is this due?	Pre-Application		**Proposal Application**	**X**	Final Application		**8609**	**X**

At Proposal Application:

For projects that propose providing supportive services (including all Senior projects seeking points for Experienced Service Coordinator and 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 New Affordability – Senior projects securing points for Experienced Service Provider and all 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.

39. Unit Comparability Form (Applicants seeking HOME only)

When is this due?	**Pre-Application**	**X**	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.

40. Utility Allowances

When is this due?	Pre-Application		**Proposal Application**	**X**	**Final Application**	**X**	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 seeking 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**.

Applications that include 100% owner-paid utilities as evidenced in the AHFA do not need to supply a utility allowance.

41. Zoning

When is this due?	Pre-Application		**Proposal Application**	**X**	Final Application		8609	

Applications must include either:

- a valid building permit
- a letter from the local municipality stating that either the current zoning will permit the proposed development or no zoning regulations are in effect.

For preserved affordability/rehabilitation projects, Applicants must submit a zoning certification letter as well as the zoning ordinance that provides evidence that the property conforms to existing zoning requirements or that the project is nonconforming existing and can or cannot be rebuilt upon a casualty loss.

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

For scattered site developments only, any sites added to the project after proposal application must be identified in the final AHFA and applicable zoning documentation provided at Final Application.

OHFA may waive or modify zoning requirements for projects involving new construction that encounter an extreme and unforeseeable delay where final zoning approval was not granted due to circumstances beyond the applicant's control if the applicant can demonstrate all of the following:

- correctly following the local zoning process,
- providing all necessary documents for local review, and
- giving adequate time for local consideration.

The Exception Request form must include a narrative describing the circumstances and a letter from the unaffiliated entity responsible for the delay describing the situation and the timeline for obtaining the appropriate approval. OHFA may require zoning evidence prior to reservation announcements as outlined in the Program Calendar.

Appendix B: 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 9% LIHTC 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 IRS 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. Documentation must be submitted that the project was placed into service, as evidenced by IRS Form(s) 8609, within the past 10 years.

*In addition to IRS Form(s) 8609, OHFA may require developers to submit organizational contracts, development agreements, or other evidence to document serving as the lead developer.

Any developer or co-developer that has not had an IRS Form 8609 issued in the state of Ohio within the past 10 years may not participate in more than one project, regardless of partners, funding program, or funding source.

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 9% LIHTC 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 9% LIHTC 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.

Financial Capacity

OHFA will review the financial capacity of the developer and co-developer (if applicable) associated with a submitted application. To comply with these standards, OHFA requires the most recently-available three years of audited financial statements for such organizations associated with a proposed project and a real estate owned (REO) schedule for all existing projects for which the lead developer and co-developer (if applicable) maintain an ownership interest. OHFA will review the following three metrics:

- Net worth
- Current ratio (current assets ÷ current liabilities)
- Portfolio risk as defined by any projects in identified in an REO schedule with a debt service coverage ratio at or below 1.0.

Developers that are sole proprietors must submit executed and dated personal financial statements for the last three years and a letter of reliance from a third-party accounting firm indicating that personal financial statements have been reviewed and that that OHFA can rely on the personal financial statements.

If audited financials for a developer entity are not available, a tax return is acceptable with a certification from an authorized person stating that audited financials are not available.

Appendix C: Good Standing Policy

OHFA will evaluate the Good Standing Policy for each participant at Pre-Application, Proposal Application, Final Application, and at any time as necessary during the process.

Program participants will be considered to be in Good Standing unless one or more of the following apply to a project in which a member of the Development Team has:

(1) Outstanding uncorrected IRS Form 8823.
(2) Default on any OHFA loan.
(3) Failure to submit an AOC.
(4) Before the issuance of IRS Form 8609, the project has non-compliance issues that would be reported to the IRS if Form 8609 had been issued.
(5) Failure to request Form 8609 in a timely manner.
(6) Failure to abide by the regulations of the Housing Development Assistance Program (HDAP).
(7) Violating the terms of a HDAP funding agreement.
(8) Failure to pay applicable program fees.
(9) Failure to maintain good standing with an Ohio Department of Development program.
(10) Deviating from an approved project plan without OHFA approval.
(11) Providing false, misleading, or incomplete information on an application or other document required by the OHFA.
(12) Failure to respond in a reasonable period to requests for information or documentation.
(13) Changing a management company or other approved project participant without OHFA approval.
(14) Other determinations made by OHFA based on a pattern of mismanagement or noncompliance as evidenced by monitoring reviews or other information. Determinations may be directly appealed to the OHFA Multifamily Committee as described below.

The OHFA Board and Multifamily Committee Members will be notified of any applicant that is not in good standing. A designation of not in good standing will result in the entity or individual so designated being unable to participate in any OHFA programs until the violations resulting in such designation are resolved. Parties deemed to be not in good standing under any of the above items may, upon submission of additional information, request that OHFA remove such designation. In the event OHFA denies a request, the applicant may appeal to the Multifamily Committee of the OHFA Board. The Multifamily Committee will make a recommendation to the OHFA Board. Designations of not in good standing resulting from Item 14 (above) may be appealed directly to the Multifamily Committee. The Multifamily Committee will make a recommendation to the OHFA Board. The decision of the OHFA Board is final.

Projects may request that the OHFA waive violations of the good standing policy as described in Items 1-13 above. Examples of circumstances where a waiver may be issued include when a management company or owner “inherits” uncorrected Forms 8823, or in the event of a casualty loss. The OHFA Staff will make a recommendation to the OHFA Board who may waive violations.

Appendix D: Single Family Lease Purchase

Development Team Requirements

OHFA will only accept applications that include owners, developers, and property managers with experience in overseeing single-family lease-purchase LIHTC housing in Ohio. The minimum experience requirements are as follows and proof must be provided by the applicant:

- The development team must include a local nonprofit owner that can demonstrate a history of providing housing or supportive services for the target population in the target area. The organization must have at least 25% general partner or managing member interest in the proposed development. The applicant must reflect the minimum ownership percentage in its application.
- The development must include a local nonprofit owner that is certified to and will provide HUD-approved credit, financial, homebuyer, and/or rental counseling to residents. The organization must have at least 25% general partner or managing member interest in the proposed development. The applicant must reflect the minimum ownership percentage in its application.
- The owner/developer has developed one or more successful lease-purchase communities, evidenced by an average occupancy rate of 90 percent or greater over the past 10 years.
- The management company has experience marketing and leasing one or more lease-purchase communities. To qualify for this criterion, there can be no outstanding Uniform Physical Condition Standards (UPCS) violations and/or uncorrected IRS Form 8823s.
- The majority General Partner also controls majority General Partnership interest in one or more lease-purchase communities and can demonstrate disposition of no less than 50 percent of sale-eligible, affordable units to income-qualified buyers over the past ten years from the date of application.

Project Requirements

Single-family lease purchase projects are ineligible for HDAP.

Single-family lease purchase projects must not be age-restricted to seniors (i.e. they must be general occupancy).

Single-family lease purchase projects may not transfer any of the responsibilities of the owner or management company to the renter or prospective homeowner until and unless the project has transitioned to homeownership. This includes, but is not limited to yardwork, maintenance or repairs.

In addition to meeting all requirements of the most recently published Design and Architectural Standards, all architectural plans and specifications must demonstrate that the design and configuration of all units is consistent with the design and architecture of the surrounding neighborhood. All single-family homes or townhomes must include at least three bedrooms.

Transition Reserve

The applicant must commit to capitalize a prefunded replacement reserve in the amount of $2,500 per unit set aside in an escrow account and matched over 15 years. The funds (a minimum of $5,000 per unit) must be used to either provide down-payment assistance or assistance with closing costs.

The Escrow Account must be maintained as a separate account on the LIHTC ownership’s financial statements and may not be accessed without prior written approval from OHFA.

Applicants must submit evidence of sources of financing for the transition funds, including, but not limited to: general partner or managing member capital contributions, private and/or foundation funding, etc. The applicant must provide firm commitment letters which indicate the funding is to be used for the development.

Supportive Services and Homeownership Strategy Plan

Single-family lease purchase projects must include a Supportive Services and Homeownership Strategy Plan detailing the following:

- An ownership exit strategy that specifies the methods for determining the value and calculation of purchase price(s) at the time of sale;
- The transition of any local HOME funds and/or permanent debt from the project;
- The service provider’s history of providing services;
- A commitment from the service provider detailing the nature and frequency of services. The commitment must include homeownership counseling, education, and training;
- The terms and conditions of any mortgage or loan product offered to assist residents with purchasing the home after Year 15; and
- When and how often eligible tenants of the proposed development will be notified of their option to eventually purchase the home and offered a right of first refusal.

Transition to Homeownership

Within 90 days of the transition to homeownership, the owner must commission a third-party Physical Capital Needs Assessment (PCNA) at its own expense to determine the capital needs of the property. The ownership must ensure that all issues identified by the PCNA and any major component with an Expected Useful Life (EUL) of less than five years are repaired and/or replaced prior to sale. Prior to transition, the ownership must commission a third-party appraisal to establish the value of the property.

Any loan or mortgage must include escrow for taxes and insurance.