



**Housing Finance
Agency**

Housing Development Gap Financing (HDGF) Guidelines

Program Year 2026

~~Draft 2~~

Office of Multifamily Housing | **~~November~~October 210,**
2025

Seeking to provide input?

OHFA will accept comments on these draft guidelines
beginning October 10, 2025, through October 27, 2025 at
5:00 p.m. Comments may be submitted via e-mail to
~~QAP@ohiohome.org~~

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I. Housing Development Gap Financing Program Overview

Purpose

The Housing Development Gap Financing (HDGF) program provides financing for smaller-scale affordable housing projects (four to 24 units) that do not include the use of Low-Income Housing Tax Credits (LIHTC). Given these types of projects often lack financing options for development, the HDGF program fills that need by providing gap financing for smaller-sized affordable housing projects.

Housing Development Gap Financing Resources

OHFA uses two main resources as gap financing in the HDGF program to help applicants achieve financial feasibility: the Ohio Housing Trust Fund (OHTF) and Recycled-Tax Credit Assistance Program (R-TCAP) resources. While these resources are options for the HDGF Round, OHFA may, at its ~~sole~~ discretion, limit or add to which HDAP sources (OHTF, NHTF, and/or HOME) will be used in this round.

The Ohio Department of Development (Development) serves as the administering agency granting OHTF resources for Housing Development Assistance Program (HDAP) to OHFA. OHFA allocates the HDAP resources through a subgrant agreement with Development. From time to time, OHFA may receive other temporary resources that can be administered through the HDGF program. Together, these resources help close the financing gap between total development costs (TDC) and sources.

OHTF and R-TCAP resources are structured as “soft” loans, payable only if cash flow is available from ongoing property operations during the term of the loan.

While each of the above HDGF resources includes program-specific requirements, OHFA determines which source(s) of funding will be used for all applicants invited to submit a Final Application. Regardless of funding source, all projects must conform to the ~~Ohio Housing Trust Fund~~OHTF program requirements unless notified by OHFA.

II. 2026 Program Calendar

Date	Programmatic Benchmark
December 42, 2025, thru ough January through January 98, 2026	Submission window for Experience and Capacity and Reviews
Friday, December 19, 2025, by 5:00 p.m.	Deadline to submit Frequently Asked Questions* (FAQ)
Thursday, February 5, 2026, by 5:00 p.m.	Deadline to submit Proposal Applications
Friday, February 27, 2026	OHFA release of Preliminary Competitive Scoring and Minimum Financial and Threshold Review
Friday, March 12, 2026, by 5:00 p.m.	Deadline to respond to OHFA's Preliminary Competitive Score and Minimum Financial and Threshold Review
April 2026 OHFA Board Meeting	OHFA announces invitations to submit Final Applications
Thursday, July 30, 2026, by 5:00 p.m.	Deadline to submit Final Applications
Two weeks from notification letter	Applicant deadline to respond to deficiencies in OHFA's Final Application Review

* The answers posted in the FAQ clarify and modify the Guidelines and will be considered during the program round.

OHFA will clarify and issue responses to commonly posed questions regarding the ~~QAP~~ Guidelines through a Frequently Asked Questions (FAQ) document that will be posted on the OHFA website. The FAQ, as well as the OHFA Experience and Capacity Standards, Multifamily 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~~ Guidelines.

III. HDGF Application Process

How to Submit

All Experience and Capacity, 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 Experience and Capacity 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 (HDGF) 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~~ and 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 Experience and Capacity, 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 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.

Ex Parte Discussions

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

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

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

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

Experience and Capacity

Eligible Applicants

Eligible HDGF applicants are private for-profit housing developers, not-for-profit 501(c)(3) and 501(c)(4) organizations and public housing authorities. Religious organizations and their subsidiaries/affiliates must meet the provisions in 24 CFR Part 92.257.

No members of the development team may be in default or in material non-compliance with any OHFA program, including having any outstanding 8823s on any low-income housing tax credit (LIHTC) project (without an approved exception). No member of the development team (lead and/or co-developer) may currently be involved in an OHFA-funded HDAP project that has been granted additional time in order to successfully complete that project.

Development consultants include any person or entity receiving compensation for providing professional advice or assistance with the preparation of an application to the HDGF program. OHFA understands that consultants may provide a valuable service to the development community. Consultants may not be used to evidence the required experience and/or capacity to develop or own rental housing.

Applicants must partner with an experienced developer, defined below, if they have no experience in developing affordable housing. OHFA may consider consultants as co-developers and hold them responsible for the overall success of the development depending on their level of contribution to the project.

OHFA requires all applicants to contract with a qualified construction management company to evaluate the progress and quality of construction and provide written reports to OHFA. Exceptions will be considered if oversight is being provided by another lender/entity approved by OHFA, and that entity agrees to share their reports with OHFA.

Minimum Experience

Experience and Capacity **must be completed prior to submitting an HDGF proposal application** as indicated in the Program Calendar. OHFA will require an Experience and Capacity package submitted via the FTS. Applicants will not be allowed to submit a proposal application unless Experience and Capacity has been approved by OHFA staff.

Applicants must meet ~~one of the following criteria to be eligible~~ the Minimum Requirements for HDGF Program as outlined in the **Experience and Capacity Standards Policy**.

1. LHHC Experience

~~The **Experience and Capacity Standards Policy** outlines the minimum eligibility and evaluation criteria. The Experience and Capacity package is available on the OHFA website.~~

OR

2. OHFA HDAP Experience

~~The lead developer or co-developer as represented in the AHFA must have successful experience with OHFA HDAP to participate as demonstrated by the following **minimum standard**:~~

~~The lead developer or co-developer has successfully closed out at least one HDAP project, as evidenced by an OHFA issued Final Performance Report within the last 10 years.~~

A development entity that has been approved for the current calendar year, must submit its approval letter on OHFA letterhead with the proposal application. Applicants must disclose changes to any entity between the Experience and Capacity review and proposal and/or final application. OHFA may disqualify applications that do not maintain the core competency and experience necessary to successfully develop and manage a project.

Proposal Application Package

OHFA will require a Proposal Application package submitted via the FTS by the date listed in the Program Calendar. Proposal applications may be uploaded only once. Any subsequent uploads, full or partial, must be approved by OHFA prior to uploading. The proposal package must include all the items detailed in [**Appendix A: Submission Requirements**](#).

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 Guidelines. 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 via the FTS by the date listed in the Program Calendar. Once OHFA uploads these documents to OHFA's FTS, an automated email from MultifamilyFTP@ohiohome.org will be sent to the applicant registered with OHFA's FTS to notify them a file has been uploaded to OHFA's FTS. This automated email will serve as notice OHFA has reviewed and uploaded the documents to the FTS.

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 and/or 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 items can be submitted for point consideration. 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. ~~Set Asides Projects will be funded first and any remaining funds will be used to fund the highest scoring project in the below noted Award Sequence. In the event of a tie, the tiebreakers will then be used to allocate all remaining resources.~~

Invitations to submit a Final Application

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

Final Application Process

Submission Requirements

Applicants will find all Final Application submission items in [Appendix A: Submission Requirements](#). Final Applications must match the proposal application and will not be considered if there are reductions in the number of units, bedrooms, bedroom mix, or scoring criteria. If invited to submit a Final Application, the Final Application process involves three major steps:

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. Any applications submitted in a manner out of compliance with the Program Calendar Deadlines may be removed from consideration for that sole reason. 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 Multifamily Underwriting Guidelines and threshold requirements outlined in these Guidelines. Additionally, OHFA analysts will review the Final Application to ensure competitive scoring upon which the application was selected continues to be met. The assigned OHFA analyst will upload the Threshold and Underwriting Review tool detailing any deficiencies to OHFA's FTS. Applicants will have two weeks to cure any outlined deficiencies. Unless otherwise stated, deficiencies must be cured; otherwise, the application will not move forward to OHFA Multifamily Committee and Board for approval of HDGF funds. If not invited to move forward through the approval process, OHFA will notify the developer in writing electronically and contact the next highest-scoring project in the same funding pool ~~or subpool~~ on the waitlist.

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

OHFA Multifamily Committee and Board Approval

All projects that have successfully completed Threshold and Underwriting Review must seek and secure OHFA Multifamily Committee recommendation and Board approval. The OHFA Multifamily Committee and Board monthly calendar can be found on the [OHFA Board Website](#). Once scheduled for a specific month, the assigned OHFA analyst will work with the applicant to complete an Executive Summary, which provides summary information about the project to the OHFA Multifamily Committee and Board. Once complete, the Executive Summary will be posted to [OHFA's BoardDocs Website](#). Applicants are required to attend the Multifamily Committee and Board meeting either in person or virtually. If HDGF funding is approved at Board, HDGF funding is considered reserved. All deficiencies must be cured no later than the first business day of the month prior to the month of the requested OHFA Board meeting. For example, a project seeking OHFA Board approval in August, must be cured by July 1.

Financial Closing and Construction Monitoring

OHFA will not issue a funding agreement for the HDGF award until 1) Board approval, 2) federal commitment requirements have been met, and 3) until OHFA’s legal department has determined that all required due diligence has been submitted. Due Diligence shall be submitted before requesting a closing date, as described in the OHFA Loan Closing Procedures document on the [OHFA Loan Closing webpage](#). OHFA cannot commence the closing process without all due diligence being submitted no later than 30 days prior to the estimated loan closing date.

Below are estimated terms and deadlines for projects awarded PY2026 HDGF funding:

Commitment/Closing Deadline:	May 31, 2027
Construction Commencement Deadline:	1 year after OHFA Board approval of HDGF
Construction Completion Deadline:	December 31, 2028
Final Draw Deadline:	March 1, 2029
Final Performance Report Deadline:	March 1, 2029

Once developments have a signed Funding Agreement, the project will be transitioned to a Project Administration Analyst. The analyst will guide them through the construction, draw, and Final Performance closeout process. Requirements are posted on the OHFA [Project Administration webpage](#). A summary of OHFA’s Construction Monitoring process is available in the current OHFA DAS.

Subsequent Changes

Following application approval and continuing through the affordability period, the HDGF recipient must notify OHFA immediately of proposed changes to the project and seek OHFA approval. Such changes include, but are not limited to, changes in the development team (developer, general contractor, sales agent/management entity, etc.), changes in the number of units or unit mix and changes to the target population.

Prior to submitting the final closeout report, notification must be directed to the project’s assigned OHFA Analyst.

After project closeout, notification must be sent to the Project Portfolio Manager at OHFAProjectChanges@ohiohome.org.

Construction Completion and Project Operations

Compliance Next Steps Meeting

Completion of the Compliance Next Steps (CNS) process is required for all properties as they transition from the Agency’s Development office to the Office of Program Compliance. The Closeout of the HDGF funding source will not occur until the compliance next steps process is complete. The [Compliance Next Steps Process webpage](#) contains the most current information on the CNS process, including required forms and documents.

Ongoing Program Compliance

In accordance with federal and state requirements, OHFA provides monitoring procedures for identifying and notifying Development or applicable regulating agency of non-compliance with the HDGF 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 and also in OHFA's HDAP Compliance Manual](#). The manual is designed to assist owners and property management agents with maintaining compliance with the regulatory requirements associated with these funds in multifamily projects. This manual is to be used only as a supplement to compliance with the applicable laws and regulations. This manual should not be considered a complete guide to HDAP compliance. The responsibility for compliance with federal and state program regulations lies with the owner(s) of a HDGF project.

A summary of such requirements is provided below:

Compliance Training

Owners/management agents are encouraged to attend OHFA or OHFA sponsored compliance trainings. OHFA may require attendance from the owner/management agent for a history of noncompliance or other reasons as determined by OHFA.

Compliance Monitoring

Owners receiving HDGF funding are responsible for compliance with all requirements outlined in guidance from the applicable regulating agency including such statutes, regulations, 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.

The initial audit for new properties must be conducted by the end of the first year after project completion, and every three years thereafter during the affordability period. The minimum unit sample size is determined based on the regulatory requirements for the specific source. HDGF owners must request access to a property in the Agency's online 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 with the with the requirements of the HDGF funding source, OHFA will notify the owner promptly. The owner shall have a minimum of 60 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. 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 regulatory bodies for the HDGF funding source. Owners who have received a notification from OHFA that a project is in compliance may still be subject to an audit by the regulatory body.

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 for the preceding 12-month period. 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. Owners must report all code violations issued by state and local authorities responsible for making inspections as a part of the AOC submission process. Failure to report code violations at AOC submission is grounds for noncompliance with 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 applicable federal, state, and local fair housing laws, including the federal Fair Housing Act as codified in [42 U.S.C. Chapter 45](#), including protections defined under [42 U.S.C. §3604](#); the [Ohio Revised Code Section 4112](#); and applicable local fair housing requirements, as each may be amended. The owner shall also comply with all U.S. Department of Housing and Urban Development (HUD) regulations, guidance, and enforcement policies implementing the Fair Housing Act, including but not limited to: [24 C.F.R. Part 100 Subpart H](#) – Quid Pro Quo and Hostile Environment Harassment and Liability for Discriminatory Housing Practices and reasonable accommodation and accessibility requirements under Section 504 of the Rehabilitation Act and the Americans with Disabilities Act (ADA). 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 (TSP) allowing individuals with a criminal record to access HDGF 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.

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).

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 Subchapter III](#), an applicant for or tenant of housing assisted under the HOME, OHTF, or R-TCAP programs, 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 and Certification of Domestic Violence Form when admitted as a tenant, denied admission, denied assistance, being evicted, or termination of assistance.

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.

Guidance related to complying with Violence Against Women Act 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 R-TCAP funding are required to follow the HUD 2022 VAWA Final Rule. 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:

- An eviction proceeding that sealed; or was filed against tenants subsequent to a foreclosure of the rental property.
- 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.

Note: This is subject to update based on any federal regulatory updates.

Asset Management

All HDGF projects must submit annual, independently prepared audited financial statements throughout the ~~15-year Compliance~~Affordability Period. 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~~received its Final Performance Report must be submitted to OHFA's Division of Asset Management.

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

IV. Threshold Requirements

Compliance with Other OHFA Policy Documents

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

- [Experience and Capacity Standards](#)
- [Multifamily Rental Underwriting Guidelines](#)
- [Design and Architectural Standards \(DAS\)](#)

Rent and Income Restrictions

All applicants seeking HDGF must commit to the following rent and income restriction(s), based on the location and funding source of the proposed project. Please note R-TCAP funds will follow all OHTF rent and income restrictions and must comport with all OHTF requirements outlined in Appendix D.

State Required Restricted Units

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

Project is located **in** a HUD Participating Jurisdiction:

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

Project is located **outside** of a HUD Participating Jurisdiction

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

Federally Required Assisted Units

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

HOME and OHTF Assisted Units:

Fewer than 5 Assisted Units: Assisted Units must be restricted at the lower of (1) 65% AMI or (2) Fair Market Rent (High HOME) per [24 C.F.R. §92.252\(a\)](#)

Greater than or equal to 5 Assisted Units: At least 20% of the Assisted Units must be restricted at the lower of (1) 50% AMI or (2) Fair Market Rent (Low HOME)). The remaining 80% may meet the High HOME requirements outlined above.

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

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

Previously Assisted Project Eligibility

As detailed in [24 CFR 92.214\(a\)\(6\)](#), HOME funds may not be used to provide assistance to a project previously assisted with HOME funds during the period of affordability established by the funding agreement.

Notwithstanding, [24 CFR 92.210](#) provides provisions to an existing HOME-assisted rental project within the HOME period of affordability that is no longer financially viable, or its physical viability has substantively deteriorated due to unforeseen circumstances. Therefore, projects with any prior HDAP still in their affordability period as detailed in the original unamended funding agreement at the date of Proposal Application must submit documentation verifying the property is troubled. Note: As OHTF is the state of Ohio's HOME-match, it shall be treated the same as HOME funds. NHTF started in 2016, therefore a project previously assisted with NHTF would not be eligible to apply as the project would still be in the ~~15-year compliance~~[project's affordability](#) period.

The project shall provide documentation it meets one of the following:

- (1) For purposes of this section, a HDAP-assisted rental project is no longer financially viable through the period of affordability if:
 - (i) The project's operating costs exceed its operating revenue, considering project reserves;
 - (ii) The owner is unable to pay for necessary capital repair costs or ongoing expenses for the project; or
 - (iii) The project reserves are insufficient to be able to operate the project.

- (2) For purposes of this section, physical viability means a project's current or future ability to maintain affordability based on the physical characteristics and factors of the project's site and improvements.

V. Program-Specific Requirements

Eligible Activities

Funds may be used for non-related party acquisition, hard costs associated with new construction or rehabilitation, and developer fees associated with the proposed development. Please note OHFA cannot reimburse for acquisition costs if purchased more than three years prior without prior OHFA approval. Property acquisition occurring prior to OHFA approval is done at the applicant's own risk.

Funds may not be used for costs associated with development of market-rate housing, commercial spaces and/or stand-alone community buildings or management offices.

Development budget line items that are HDGF-eligible are identified in the AHFA.

Environmental Review

OHFA will conduct an Environmental Review for all projects receiving R-TCAP, OHTF, or HOME funds, as required by those funding sources¹.

OHFA will assign the review to an environmental consultant who will coordinate with the project contact and complete the review according to the specific requirements of the funding source.

Projects are not permitted to begin construction prior to the completion of the environmental review process and the issuance of a funding agreement. Projects that do begin any construction or construction-related activity (other than obtaining site control) prior to the issuance of a funding agreement and receipt of all appropriate clearances will be subject to penalties, including rescission of the award.

Wage Rate Compliance

Funding from OHTF may be subject to Ohio's Residential Prevailing Wage Rates as detailed in [ORC 176.05](#). Applicants are encouraged to review these requirements, and contact the Bureau of Wage & Hour Administration within the [Ohio Department of Commerce, Division of Industrial Compliance](#) for a determination. OHFA reserves the right to require developers who have not had experience in Wage Rate Compliance to partner with an experienced developer or to identify an experienced consultant. With final application, a wage-rate determination from Ohio Department of Commerce must be submitted to evidence if the payment of State Prevailing Wages is triggered.

¹ OHTF Environmental Review Standards can be found here: <https://ohiohome.org/ppd/documents/OHTF-EnvironmentalReviewStandards.pdf>
HOME Environmental Review Standards can be found here: <https://ohiohome.org/ppd/documents/2016-HOME-EnvironmentalReviewStandards.pdf>

VI. Funding Availability, Terms, and Application Limits

Maximum HDGF Requests

OHFA anticipates awarding approximately \$10,000,000 through the HDGF program in Program Year 2026 (PY26) using Recycled-Tax Credit Assistance Program funds (R-TCAP). If OHTF, ~~NHTE~~, or ~~HOME~~ funds are available, those funds may be utilized as well.

An applicant may request **no more than** the below amounts. No Exception Requests may be submitted to exceed the maximum HDGF request.

Project Type	Maximum HDGF Request	Est. Total Funds Available
Projects located in a Non-Participating Jurisdiction (Non-PJ)	\$2,000,000	\$7,000,000
Projects located in a Participating Jurisdiction	\$1,500,000	\$3,000,000

While applicants may request no more than the above amounts, OHFA reserves the right to increase ~~or decrease~~ a project award based on funding availability and need.

The following limits also apply:

- The amount requested may not exceed 50 percent of the total development costs of the project.
- The amount requested may not exceed the most recently HUD-published, federally mandated HOME per-unit maximum subsidy on Assisted Units per [24 C.F.R. §92.250\(a\)](#) and [CPD-15-003](#), regardless of the funding source, as referenced here. OHFA will utilize the most recently HUD-published HOME per-unit maximum for Proposal and Final application.
- The amount requested must be reduced by any prior Housing Development Assistance Program (HDAP) awarded to the project that is still within its Affordability Period.

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

Financing Terms

All OHTF and R-TCAP loans have a standard term of 30 years. Applicants should work with legal counsel to ensure a 30-year term is appropriate for all funding sources. If a term longer than 30 years is needed, applicants must communicate the proposed length and reasons for the longer term to OHFA prior to the application review process or in the contents of the application materials.

The following requirements will apply:

- Two percent interest will be charged unless otherwise agreed to by OHFA.
- Loan will mature at the end of the affordability period, which is defined as 30 years.
- Collateral will be a subordinate mortgage. OHFA must be in second or shared-second lien position unless otherwise agreed to by OHFA based upon good cause and sufficient supporting documentation.

- On a case-by-case basis, OHFA may agree to subordinate to other government investors and accept payments consistent with their terms.

4) Payments will be based on 50 percent of cash flow. If loan payments flow from a third party to the HDGF recipient, they will be excluded from cash flow analysis provided they are transferred to OHFA in full. Any remaining balance on the HDGF loan will be due as a balloon payment at the end of the term or upon sale, whichever is first.

5) Loan interest will accrue, and repayment obligations will start following the closeout of the project, regardless of the Placed in Service/Final Performance Report date. Closeout means the HDGF recipient leased the assisted units, provided the appropriate documentation to OHFA and OHFA has approved the documentation as evidenced by a closeout letter from the Analyst.

Application Limits

	Maximum Proposal Application Submissions	Maximum Application Reservations
Development TeamsThe lead developer or co-developer meeting OHFA's Experience and Capacity Minimum Requirements <u>for HDGF Program in the 2026 Experience and Capacity Standards</u> and has either: • successfully placed <u>at least three</u> LIHTC projects in service as evidenced by IRS Form 8609 <u>or</u> • successfully completed <u>at least three</u> Final Performance Reports; in Ohio over the past 10 years as of the date of the Proposal Application deadline indicated in the Program Calendar.	4	2
Development TeamsThe lead developer or co-developer meeting OHFA's Experience and Capacity Minimum Requirements <u>for HDGF Program in the 2026 Experience and Capacity Standards</u>, and has either: • successfully placed at least one LIHTC project in service as evidenced by IRS Form 8609 or • successfully completed at least one Final Performance Report; in Ohio over the past 10 years as of the date of the Proposal Application indicated in the Program Calendar.	2	1

Developer and/or owners who have received an OHFA award of HDAP (OHTF, NHTF, HOME, etc.) in Program Year 2023 or earlier and have not yet closed with OHFA's Legal Office on the award as of the Program Year 2026 Proposal Application deadline may not participate in the 2026 HDGF program. However, if closing was delayed due to unforeseen circumstances outside of the developer's control, an Exception Request may be submitted for consideration by OHFA.

Eligible Project Types

Eligible developments create or preserve affordable rental housing consisting of four to 24 units. All HDGF-assisted units must meet HOME rent limits, with at least 35 to 40% of units restricted at or below 50% AMI (depending on location). Exceptions to the maximum number of units will be considered with compelling justification.

Ineligible developments include the following:

- Projects seeking or include Low-Income Housing Tax Credit resources
- Projects located in more than one county
- Affordable Assisted Living (AAL) projects
- Residential care/assisted living/memory care facilities
- Projects that received a prior HDAP award. OHFA will consider exceptions to this requirement. Projects should seek an exception if the award was made prior to January 1, 2024
- Projects that include or constitute Single-Room Occupancy (SRO) housing, congregate housing, group homes, shared housing or cooperative housing as defined by HUD in Chapter 17 of the HUD Housing Choice Voucher Program Guidebook
- Projects that require residents to occupy the unit with another person (roommate)
- Projects that will not result in a certification of residential occupancy by the local government or project architect
- Hospitals, nursing homes, sanitariums, life care facilities, retirement homes (if providing significant services other than housing are mandatory for residents), employer housing, mobile homes, and student housing
- Projects that include for-sale homes currently under construction or were recently approved for LIHTC or are currently within a LIHTC compliance period
- HUD Section 9 developments not converting to Project-Based Rental Assistance

Cost Containment

Applicants will be required to meet the Agency's **2026 9% LIHTC QAP** Cost Containment Standards. Applicants must use the TDC/Unit and TDC/gross square foot (GSF) caps that aligns with the correct geography. OHFA will evaluate projects to ensure compliance at Proposal Application, Final Application, and Final Performance Report. 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, Davis-Bacon/Prevailing wage rates, Build American, Buy American (BABA), etc.).

Fees

OHFA will assess the following non-refundable fees. Fees must be submitted with the respective item, as noted below.

Fee Type	When is it due?	Fee
Proposal Application Fee	Proposal Application	\$2,500
Final Application Fee	Final Application	\$2,500
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 Final Performance Report/Close Out Request	\$2,550 per 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

The maximum budgeted developer fee for the HDGF program is 15% of the project's total development costs net of the calculation below:

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

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

Maximum Paid Developer Fee

Paid developer fee may not exceed 70% of the budgeted developer fee. Paid developer fee is calculated as follows:

$$\text{Paid Developer Fee} = \text{Budgeted Developer Fee} - \text{Deferred Developer Fee} - \text{General Partner/Managing Member Capital Contributions} - \text{Sponsor Loan(s)}$$

VII. Geographic Distribution & Funding Pools

Geographic Distribution

County Limits

OHFA will limit the number of HDGF awards to ~~no more than~~ one per county.

Non-Participating Jurisdictions

At least 70% of all HDGF will be set-aside for projects located in areas outside of Participating Jurisdictions. If not enough financially viable Proposal Applications are received for projects located outside of Participating Jurisdictions, OHFA will reallocate funding to projects located in Participating Jurisdictions.

Tenant Populations with Special Housing Needs

Allocation Targets and Definitions

Allocation Goal: 60% of the total HDGF Funding

All projects competing in this funding pool must meet the following criteria:

- 1) At least 25% of the total units serve tenant populations with special housing needs at or below 30% AMI. Eligible target populations include:
 - i) Populations at or below 30% AMI with a disability, as defined in the Interagency Council on Homelessness and Affordable Housing [Permanent Supportive Housing \(PSH\) 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](#):
 - (a) 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;
 - (b) high utilization of crisis or emergency services to meet basic needs, including but not limited to emergency rooms, jails, and psychiatric facilities;
 - (c) vulnerability to illness or death;
 - (d) high risk of homelessness; and/or
 - (e) vulnerability to victimization, including physical assault, trafficking, or sex work;
 - ii) Transition-Aged Youth (TAY), those 18-24 years of age who are exiting or formerly involved in the foster care, juvenile justice, or behavioral health systems without a qualifying disability under item (i);
 - iii) Expectant mothers or parents experiencing housing instability, particularly those engaged with public health or maternal health programs aimed at reducing infant mortality;
 - iv) Parenting students that are 18 years of age, the custodial parent of at least one child, and are enrolled in a degree-seeking program at an accredited college or university (e.g., Scholar House model);
 - v) Refugees identified by a Refugee Resettlement Agency, as referenced on the Ohio Department of Job and Family Services website, that are experiencing housing barriers.

- 2) 100% of the total units serving the target population must have a firm commitment for project-based rental subsidy or rental assistance, excluding HUD 811 PRA.
- 3) The majority general partner or managing member must be a non-profit organization with experience developing, owning, or managing housing for the proposed target population(s).
- 4) Supportive services must be available and appropriate to the needs of the target population.
- 4) The proposed project must be made available for rental to the general public. Units may not be restricted to a particular segment of the population except where specifically permitted by federal or state law.
- 5)

Threshold Requirements – Tenant Populations with Special Housing Needs

Expert Recommendation

Projects competing in this pool must have a designation of a primary or secondary priority/recommendation at the time of Proposal Application from the applicable CoC for those targeting populations outlined in the PSH Policy Framework or, for PSH Framework populations that utilize a parallel public coordination system such as individuals with developmental disabilities, from the applicable County Board of Developmental Disabilities, or from a public entity (e.g., Mental Health and Recovery Board, County Board of Developmental Disabilities, local child welfare system of care, maternal health agency, refugee resettlement agency, post-secondary institution, local ADAMH board, etc.) which has no affiliation with any member of the Development Team for those targeting populations outside of the PSH Framework.

Applicants must submit the applicable letter of designation or recommendation in the 8. Competitive Support Documentation of the Proposal Application that includes the following:

1. Summarizing what, if any, relationship the development will have with the local partner, below;
2. Confirming there is sufficient market demand for the project and its target population in its defined market area;
3. Identifying funding resources that the expert entity has allocated, committed, or can access to support the target population, and confirming whether the proposed project would be eligible to apply for such funding if constructed;
4. Confirming that the expert entity has evaluated the proposed project's Supportive Services Plan, including the project's service provider, service plan budget, and identified funding sources, and agrees the plan is reasonable, incorporates documented best practices, and has a strong likelihood of success; and
5. Stating that the expert entity will either serve as a coordinated referral agency for the community to the project or will provide long-term support by marketing the project and its units to the target population for a minimum of 15 years.

Please note: For projects serving populations with a statutory or regulatory 'free choice of provider' requirement, the expert entity may, in lieu of evaluating a single designated service provider, attest that it has reviewed and approved a comprehensive Service Delivery Plan. This Plan must detail the robust process for connecting residents to a wide array of Medicaid-funded service providers, the formal role of the County Board of DD in service coordination and quality assurance, and the mechanisms for ensuring individual resident needs are met through person-centered planning.

Exception: If the applicable Mental Health & Recovery Board, County Board of Developmental Disabilities, or other eligible public entity is serving as a member of the Development Team, the Applicant may still satisfy the Expert Recommendation requirement provided all of the following conditions are met:

1. The need for the development and the targeted population is documented in an adopted community plan, strategic housing plan, Continuum of Care plan, or other publicly adopted planning document developed independently of the current application;
2. The public entity provides a written statement confirming the recommendation is based on documented community need and population demand identified through the independent planning process referenced above, and not solely based on the entity's role in the proposed development;
3. The public entity's financial interest and development role in the project is fully disclosed in the Proposal Application; and
4. The Supportive Services Plan is independently evaluated and endorsed by a qualified service coordination entity that is not under the supervision or ownership of the co-developer public entity (e.g., an independent PSH services provider, Care Management Entity, or Lead Service Agency).

Projects approved under this exception will be subject to review to ensure the service delivery structure, referral process, and long-term operations align with best practices and maintain resident choice.

Local Partners/Tenant Referral System

The parent entity of the non-profit majority general partner of the project competing in this pool must have an established memorandum of understanding (MOU) with a referral agency (e.g., Continuum of Care, Mental Health and Recovery Board, County Board of Developmental Disabilities, local child welfare system of care, maternal health agency, refugee resettlement agency, post-secondary institution, local ADAMH board, etc.) that has:

1. A county-wide level reach for the proposed Special Housing Needs target population.
2. An agreement for priority or preference in place with the local Housing Authority for the proposed Special Housing Needs target population.
3. Policies and procedures that have been reviewed to ensure compliance with all Fair Housing Laws.

Applicants must submit the MOU with the referral agency outlining the above criteria in the 8. Competitive Support Documentation of the Proposal Application.

Experienced Service Coordinator

Projects competing in this funding pool must demonstrate at Proposal and Final Application a commitment by an experienced local or regional service entity to coordinate appropriate services on-site or allows for the resident to connect to services while on-site (e.g., remote services) at least 15 minutes per unit per week for the duration of the affordability 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 affordability 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. Council on Accreditation (COA); or
- e. Commission on Accreditation of Rehabilitation Facilities (CARF); or
- f. The Joint Commission; or
- g. Ohio Department of Medicaid; or
- h. Department of Developmental Disabilities (DODD).

Resident participation in service coordination must be optional.

Applicants must evidence this requirement in the Supportive Services Plan due at Proposal Application, Final Application, and Final Performance Report (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)

Threshold Requirements—Tenant Populations with Special Housing Needs

Expert Recommendation

Projects competing in this pool must have a designation of a primary or secondary priority/recommendation at the time of Proposal Application from the applicable CoC for those targeting populations outlined in the PSH Policy Framework or, for PSH Framework populations that utilize a parallel public coordination system such as individuals with developmental disabilities, from the applicable County Board of Developmental Disabilities, or from a public entity (e.g., Mental Health and Recovery Board, County Board of Developmental Disabilities, local child welfare system of care, maternal health agency, refugee resettlement agency, post-secondary institution, local ADAMH board, etc.) which has no affiliation with any member of the Development Team for those targeting populations outside of the PSH Framework.

Applicants must submit the applicable letter of designation or recommendation in the 8. Competitive Support Documentation of the Proposal Application that includes the following:

1. Summarizing what, if any, relationship the development will have with the local partner, below;
 - Confirming there is sufficient market demand for the project and its target population in its defined market area;
2. Identifying funding resources that the expert entity has allocated, committed, or can access to support the target population, and confirming whether the proposed project would be eligible to apply for such funding if constructed;
2. Confirming that the expert entity has evaluated the proposed project's Supportive Services Plan, including the project's service provider, service plan budget, and identified funding sources, and agrees the plan is reasonable, incorporates documented best practices, and has a strong likelihood of success; and
2. Stating that the expert entity will either serve as a coordinated referral agency for the community to the project or will provide long-term support by marketing the project and its units to the target population for a minimum of 15 years.

Please note: For projects serving populations with a statutory or regulatory 'free choice of provider' requirement, the expert entity may, in lieu of evaluating a single designated service provider, attest that it has reviewed and approved a comprehensive Service Delivery Plan. This Plan must detail the robust process for connecting residents to a wide array of Medicaid-funded service providers, the formal role of the County Board of DD in service coordination and quality assurance, and the mechanisms for ensuring individual resident needs are met through person-centered planning.

Local Partners/Tenant Referral System

The parent entity of the non-profit majority general partner of the project competing in this pool must have an established memorandum of understanding (MOU) with a referral agency (e.g., Continuum of Care, Mental Health and Recovery Board, County Board of Developmental Disabilities, local child welfare system of care, maternal health agency, refugee resettlement agency, post-secondary institution, local ADAMH board, etc.) that has:

- 3)
 - A county-wide level reach for the proposed Special Housing Needs target population.
 - 0. An agreement for priority or preference in place with the local Housing Authority for the proposed Special Housing Needs target population.
 - 0. Policies and procedures that have been reviewed to ensure compliance with all Fair Housing Laws.

Applicants must submit the MOU with the referral agency outlining the above criteria in the 8. Competitive Support Documentation of the Proposal Application.

Experienced Service Coordinator

Projects competing in this funding pool must demonstrate at Proposal and Final Application a commitment by an experienced local or regional service entity to coordinate appropriate services on-site or allows for the resident to connect to services while on-site (e.g., remote services) at least 15 minutes per unit per week for the duration of the affordability 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 affordability period:

- Certified Organization for Resident Engagement & Services (CORES); or
- Organization participates in the Professional Service Coordinator Program through The Ohio State University and the American Association of Service Coordinators; or
- Entities whose service coordinators are community health workers certified through the Ohio Board of Nursing; or
- Council on Accreditation (COA); or
- Commission on Accreditation of Rehabilitation Facilities (CARF); or
- The Joint Commission; or
- Ohio Department of Medicaid; or
- Department of Developmental Disabilities (DODD).

Resident participation in service coordination must be optional.

Applicants must evidence this requirement in the Supportive Services Plan due at Proposal Application, Final Application, and Final Performance Report (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.

General Housing Pool

Allocation Targets and Definitions

Allocation Goal: 40% of the total HDGF Funding

To complement the Tenant Populations with Special Housing Needs (TPSHN) pool, this funding pool is intended to support projects that do not require specialized rental subsidies, supportive service requirements, or deep targeting overlays.

Projects competing in this pool must meet the following criteria in addition to the overall HDGF requirements:

- 1) **Occupancy Type:** May serve general occupancy or senior populations.
- 2) **Affordability:** Must comply with all rent and income restrictions applicable to HDGF/OHTF resources, but are not required to provide project-based rental assistance or supportive services. Projects may target households up to 80% AMI, as long as it is supported by the supplied market study.
- 3) **Ownership/Management:** May be sponsored by nonprofit or for-profit developers and are not subject to the nonprofit experience requirements established under the TPSHN pool.

VIII. Award Sequence

To ensure HDGF resources are distributed in a way that balances Ohio's priority for Tenant Populations with Special Housing Needs (TPSHN) with the broader demand for General Housing across both Participating and Non-Participating Jurisdictions, OHFA will allocate awards in the following sequence.

- **Appalachian TPSHN Priority:** OHFA will reserve approximately 40% of HDGF resources to fund the highest scoring Tenant Population with Special Housing Needs (TPSHN) project(s) that meet the following criteria:
 - a. Project is located in an Appalachian County²
 - b. Project has a firm financial commitment from the respective county's ADAMH Board
 - c. Project has a firm financial commitment from Department of Behavioral Health (formerly OMHAS)
 - d. Project has a firm commitment for project-based rental subsidy or rental assistance on 100% of the units
 - e. Letter(s) of Support:
 - ~~—Letters must be project-specific (include project name and address) and indicate compliance with applicable program requirements.~~
 - i. ~~1.~~ For projects serving persons with a developmental disability: a letter of support from the Ohio Department of Developmental Disabilities and the local County Board of Developmental Disabilities.
 - ii. ~~2.~~ For projects serving persons with severe and persistent mental illness: a letter of support from Department of Behavioral Health and the local County ADAMH Board.
 - ~~—Letters must be project-specific (include project name and address) and indicate compliance with applicable program requirements.~~
- **TPSHN in Participating Jurisdictions (PJ):** Next, OHFA will reserve HDGF resources for the highest scoring TPSHN project located in a Participating Jurisdiction.
- **General Housing Pool in Non-PJ:** Next, OHFA will reserve HDGF resources for the highest scoring General Housing Pool project located in a Non-Participating Jurisdiction.
- **General Housing Pool in PJ:** Next, OHFA will reserve HDGF resources for the highest scoring General Housing Pool project located in a Participating Jurisdiction.

² 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.

- **Remaining Funds:** Next, OHFA will reserve HDGF resources for the next highest-scoring project that can be fully funded with the remaining amount of funds OHFA has available. If no project can be fully funded with the remaining resources, OHFA will contact the highest-scoring project to determine whether the development can proceed with the funds available. If that project cannot move forward, OHFA will continue down the ranking order until all available resources are allocated.

IX. Competitive Scoring

The following competitive criteria will be used to evaluate all projects to support small, impactful affordable housing developments with alignment to place-based needs, depth of affordability, and effective resource leveraging.

Scoring Criteria	Maximum Points	Maximum Points as a Percent of Total Points
Placed-Based Impact		
1. Neighborhood Opportunity Index	15	15%
2. Housing Needs Index	15	15%
3. Neighborhood Change Index	10	10%
Affordability		
4. Percent of Units at 60% AMI or Less to Total Units	30	30%
Leveraging		
5. Percent of Non-OHFA Gap Funds committed at Proposal Application	30	30%
Total	100	100%

1. Neighborhood Opportunity Index

Maximum points: 15

The Neighborhood Opportunity Index was created in partnership with the Urban Institute.

The Neighborhood Opportunity – General Occupancy Index distills four critical categories of neighborhood opportunity with 20 total indicators into one Neighborhood Opportunity – General Occupancy Index Score number that aims to identify access to economic and social opportunity by individual Census Tracts. These categories include opportunity-rich and inclusive neighborhoods, high-quality education, rewarding work, and healthy environment and access to good healthcare.

To learn more about this index, please see the [Ohio Opportunity Indices Methodology](#) document on our website.

How can points be demonstrated to OHFA?

Neighborhood Opportunity Index: The AHFA will automatically calculate the Neighborhood Opportunity – General Occupancy Index Score based on the project's location (majority of units) within a 2020 Census Tract.

Calculation: Census Tract Raw Neighborhood Opportunity – General Occupancy Index Score * 0.15

2. Housing Needs Index

Maximum points: 15

The Housing Needs Index was created in partnership with the Urban Institute.

The Housing Needs Index distills three critical categories of Housing Need with four indicators total into one Housing Need Index Score, which aims to identify census tracts with the greatest housing need across Ohio. These categories include housing supply, affordable housing stock, and affordability.

To learn more about this index, please see the [Ohio Opportunity Indices Methodology](#) document on our website.

How can points be demonstrated to OHFA?

Housing Needs Index: The AHFA will automatically calculate the Housing Needs Index Score based on the project's location (majority of units) within a 2020 Census Tract.

Calculation: Census Tract Raw Housing Needs Index Score * 0.15

3. Neighborhood Change Index

Maximum points: 10

The Neighborhood Change Index was created in partnership with the Urban Institute.

The Neighborhood Change Index captures recent trends across five dimensions—Opportunity Change, Growth, Housing Value, Economic Base, and Early Signs of Change—using longitudinal data to identify areas experiencing change in opportunity and housing need over both five-year and one-year time periods.

To learn more about this index, please see the [Ohio Opportunity Indices Methodology](#) document on our website.

How can points be demonstrated to OHFA?

Neighborhood Change Index: The AHFA will automatically calculate the Neighborhood Change Index Score based on the project's location (majority of units) within a 2020 Census Tract.

Calculation: Census Tract Raw Neighborhood Change Index Score * 0.10

4. Percent of 60% AMI or Less Units to Total Units

Maximum points: 30

Projects will be evaluated on the number of units that target households earning at or below 60% AMI. Encouraging a higher share of units for households earning at or below 60% of AMI targets resources for project's balancing affordability with project viability. Rewarding affordability ensures HDGF advances equity and meets the housing needs of low-income Ohioans.

How can points be demonstrated to OHFA?

The AHFA will automatically calculate the competitive score for this criterion.

Calculation: (Number of units at or below 60% AMI / Total Units) * 30

5. Percent of Non-OHFA Gap Funds Committed at Proposal Application

Maximum points: 30

Projects will be evaluated based on the extent to which they ~~incorporate the use of leverage~~ committed ~~or conditionally committed~~, permanent, ~~and~~ subordinate non-OHFA gap funding sources from public, quasi-public, lenders, or philanthropic sources ~~unassociated with that are~~ independent of the Development Team. Examples include, ~~but are not limited to~~, permanent soft loans or grants from ~~sources such as~~ local HOME and CDBG programs, Federal Home Loan Bank grants/awards, and local ~~or regional~~ housing trust funds.

This approach encourages cross-sector collaboration, reduces reliance on OHFA as the sole subsidy provider, and maximizes the reach of OHFA's limited resources. A higher score, reflects a stronger local and external investment in affordable housing.

Please note ~~that~~ the percent of non-OHFA Gap Funds committed at the proposal application must be maintained or increased at final application and at close out/final performance report. However, it may not decrease from what was committed at proposal application.

How can points be demonstrated to OHFA?

The AHFA will automatically calculate the competitive score for this criterion.

Calculation: (Total Committed Non-OHFA Gap Funds / (Total Development Costs*50%)) * 30

X. Tiebreakers

~~4. Highest number of total units~~

1. Lowest HDGF Request per HDGF Unit

2. ~~Highest number of total units~~

~~1.~~

~~2.~~ 3. Highest Housing Need Index raw score

~~3.~~ 4. Highest Neighborhood Opportunity General Occupancy Index raw score

~~4.~~ 5. OHFA Discretion

XI. Modification and Interpretation

OHFA's actions, determinations, decisions, or other rulings pursuant to the Guidelines are not a representation or warranty by OHFA as to a development's compliance with applicable legal requirements, the feasibility or viability of any development, or of any other matter whatsoever. The Guidelines 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 Guidelines through a Frequently Asked Questions (FAQ) document that will be posted on the OHFA website. The FAQ, as well as the OHFA Multifamily [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 Guidelines.

The allocation of HDGF funds is made at the sole discretion of OHFA. OHFA will resolve all conflicts, inconsistencies, or ambiguities, if any, in these guidelines or which may arise in administering, operating, or managing the reservation and allocation of HDGF funds. 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 the Guidelines that is not required by law. All such modifications or waivers are subject to written approval by the Executive Director.

Appendix A: Submission Requirements

1. Affordable Housing Financing Application (AHFA)

When is this due? Experience & Capacity (E&C) ☐ **Proposal Application** ☒ **Final Application** ☒ Final Performance Report (FPR) ☐

Applicants must submit a completed AHFA, OHFA's proforma, designed specifically for the HDGF 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? E&C ☐ Proposal Application ☐ **Final Application** ☒ FPR ☐

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

Developments that do not identify any acquisition costs in the development budget are exempted from this requirement.

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

When is this due? E&C ☐ **Proposal Application** ☒ **Final Application** ☒ FPR ☐

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 (preliminary set at proposal and 80% set at final) must be submitted both in 11" x 17" hard copy and electronically.

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

When is this due? E&C ☐ **Proposal Application** ☒ Final Application ☐ FPR ☐

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? E&C ☐ **Proposal Application** ☒ Final Application ☐ FPR ☐

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

6. Authorization to Release Tax Information

When is this due? E&C ☐ Proposal Application ☐ **Final Application** ☒ FPR ☐

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? E&C ☐ Proposal Application ☐ **Final Application** ☒ FPR ☐

Applications submitted by non-profit developers and/or co-developers must include a board resolution authorizing an application for the HDGF 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? E&C ☐ **Proposal Application** ☒ Final Application ☐ FPR ☐

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 HDGF units.

9. Conditional Financial Commitments

When is this due? E&C ☐ Proposal Application ☒ Final Application ☒ FPR ☐

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 HDGF round.

If the project receives a HDGF 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.

10. Condominimized Space Description

When is this due? E&C ☐ Proposal Application ☐ **Final Application** ☒ FPR ☐

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

11. Development Team Consultant Statement

When is this due? E&C ☐ **Proposal Application** ☒ Final Application ☐ FPR ☐

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 HDGF project

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

12. Development Team Experience and Capacity Review

When is this due? E&C ☒ Proposal Application ☐ **Final Application** ☒ FPR ☐

Experience and Capacity must have approval prior to the HDGF proposal application as detailed in the Program Calendar. The [Experience and Capacity Standards Policy](#) outlines the minimum eligibility and evaluation criteria. Applicants will not be allowed to submit a proposal application unless each entity of the Development Team have Experience and Capacity approval by OHFA staff for the calendar year. Applicants should allow one month for OHFA to review and respond to Experience and Capacity submission.

Each entity of the Development Team must submit its approval letter on OHFA letterhead with the proposal application. Applicants must disclose changes to any entity between the experience and capacity review and proposal and/or final application. Changes to the Development Team and Ownership Structure are not permitted after Proposal Application unless otherwise approved by the 9% LIHTC Section Chief. OHFA may disqualify applications that do not maintain the core competency and experience necessary to successfully develop and manage a project.

The Development Team tab of the AHFA must be completed with 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 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.

13. Evidence of Site Control

When is this due? E&C ☐ Proposal Application ☒ Final Application ☒ FPR ☐

The application must comply with the following. Any updates to site control documents from the proposal application 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%~~ **HDGF** awards.
- d. Scattered Site Developments: Scattered site developments must have 100% of the sites under control at the time of Proposal Application.

14. Exception Requests

When is this due? E&C ☒ Proposal Application ☒ Final Application ☐ FPR ☐

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 Proposal Application.

15. Federal Tax Identification Number

When is this due? E&C ☐ Proposal Application ☐ **Final Application** ☒ FPR ☐

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

16. Green Certification

When is this due? E&C ☐ Proposal Application ☐ Final Application ☐ **FPR** ☒

- 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 Final Performance Report must include evidence of final certification from a HERS rater, green building certification organization, or otherwise qualified and licensed professional as approved by OHFA.

17. Legal Description

When is this due? E&C ☐ Proposal Application ☐ **Final Application** ☒ FPR ☐

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

18. List of Changes from Proposal Application

When is this due? E&C ☐ Proposal Application ☐ **Final Application** ☒ FPR ☐

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.

19. Market Study

When is this due? E&C ☐ **Proposal Application** ☒ Final Application ☐ FPR ☐

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 **Multifamily 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~~ **Tenant Population with Special Housing Needs** 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).

Projects that include rental assistance/subsidy on 100% of the units may provide a written narrative (in lieu of a Market Study) briefly summarizing market conditions in the area to be served by the proposed development. The narrative shall be made by a third party not related to the development team, with significant knowledge of local market conditions and the population being served including, but not limited to, a market study provider, a local government, a Continuum of Care, or a social service organization serving the proposed population. The narrative should also include, or be supported by, data or other documentation evidencing the housing needs stated, including applicable waiting lists or data specific to the target population.

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

When is this due? E&C ☐ Proposal Application ☐ **Final Application** ☒ FPR ☐

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.

21. Ohio Housing Locator

When is this due? E&C ☐ Proposal Application ☐ Final Application ☐ FPR ☒

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.

22. Phase I and II Environmental Site Assessments

When is this due? E&C ☐ Proposal Application ☒ Final Application ☒ FPR ☐

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 OHFA 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.

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

When is this due? E&C ☐ Proposal Application ☒ Final Application ☐ FPR ☐

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 ~~Multifamily Underwriting Guidelines~~[Multifamily 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.

24. Prior OHFA Funding Documents

When is this due? E&C ☐ **Proposal Application** ☒ Final Application ☐ FPR ☐

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)

25. Proposal Summary (.PDF format)

When is this due? E&C ☐ **Proposal Application** ☒ Final Application ☐ FPR ☐

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.

26. Public Notification (All Projects)

When is this due? E&C ☐ **Proposal Application** ☒ **Final Application** ☒ FPR ☐

In accordance with [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](#).

27. Related Party Transaction Questionnaire

When is this due? E&C ☐ Proposal Application ☐ **Final Application** ☒ FPR ☐

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

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

When is this due? E&C ☐ Proposal Application ☐ **Final Application** ☒ FPR ☐

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.

29. Rental Subsidy Contract

When is this due? E&C ☐ **Proposal Application** ☒ **Final Application** ☒ FPR ☐

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 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.

30. Scattered Site Development Map

When is this due? E&C ☐ **Proposal Application** ☒ Final Application ☐ FPR ☐

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.

31. Scope of Work

When is this due? E&C ☐ **Proposal Application** ☒ **Final Application** ☒ **FPR** ☒

At Proposal Application, only rehab projects must include a complete [Scope of Work Form](#).

At Final Application and Final Performance Report, all applications must include a complete [Scope of Work Form](#).

32. Site Visit Documents

When is this due? E&C ☐ **Proposal Application** ☒ Final Application ☐ FPR ☐

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.

33. State Prevailing Wage Rate Determination

When is this due? E&C ☐ Proposal Application ☐ **Final Application** ☒ FPR ☐

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

34. Supportive Services Plan & Providers

When is this due? E&C ☐ Proposal Application ☒ Final Application ☒ FPR ☒

At Proposal & Final Application:

For projects that propose providing supportive services, 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 FPR Submission:

For projects with supportive services, the applicant must supply the Supportive Services Plans (SSP) no later than the request for Final Performance Report. Applications at Final Performance Report 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.

35. Utility Allowances

When is this due? E&C ☐ Proposal Application ☒ Final Application ☒ FPR ☐

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.

36. Zoning

When is this due? E&C ☐ **Proposal Application** ☒ Final Application ☐ FPR ☐

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: HUD Participating Jurisdictions

What are Participating Jurisdictions?

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

Local Participating Jurisdictions and Respective FY2025 HOME Allocations

Participating Jurisdiction	Consortium?	FY2025 HOME Allocation
City of Akron	No	\$1,494,470.34
City of Canton	No	\$659,234.32
City of Cincinnati	No	\$2,571,769.89
City of Cleveland	No	\$4,257,956.71
City of Columbus	No	\$4,305,145.80
City of Dayton	No	\$1,080,865.21
City of East Cleveland	No	\$213,163.12
City of Hamilton	No	\$330,444.17
City of Lima	No	\$243,935.61
City of Lorain	No	\$497,901.90
City of Mansfield	No	\$329,092.36
City of Springfield	No	\$439,153.88
City of Toledo	No	\$1,965,724.17
City of Warren	Yes	\$615,318.83
City of Youngstown	No	\$584,977.36
Butler County	Yes	\$766,119.62
Clermont County	No	\$524,476.72
Cuyahoga County	Yes	\$2,581,380.72
Franklin County	No	\$803,456.50
Hamilton County	No	\$1,325,937.64
Lake County	No	\$450,279.80
Montgomery County	No	\$971,959.78
Stark County	Yes	\$807,395.35
Summit County	No	\$360,898.22

Appendix C: Ohio Housing Trust Fund (OHTF) Requirements

Applicable Statutory and Regulatory Authority

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

Background

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

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

Rent and Income Restrictions

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

State Required Restricted Units

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

Federally Required Assisted Units

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

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

Appendix D: Good Standing Policy

OHFA will evaluate the Good Standing Policy for each participant at Experience and Capacity Review, 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 E: National Housing Trust Fund (NHTF)

Requirements

Applicable Statutory and Regulatory Authority

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

Background

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

Rent and Income Restrictions

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

State Required Restricted Units

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

Federally Required Assisted Units

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

NHTF Minimum Eligibility Requirements

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

- The calculated number of Assisted Units must be restricted at or below 30% AMI.
- The submitted application must demonstrate a minimum 10% of the total permanent financing comes from non-OHFA, non-Federal funding³. This must be demonstrated by a conditional commitment.
- At least 5% of the total units must be encumbered by a federal, state, or local project-based rental assistance contract meeting the requirements of the Rental Subsidy Contract threshold requirement and the **Multifamily LIHTC** Rental Underwriting Guidelines.

³ Ohio's NHTF Allocation Plan defines "Non-Federal, non-OHFA funding sources" as private debt from a non-related entity, funds from the Federal Home Loan Bank's Affordable Housing Program, state historic tax credit equity, private capital from a non-related entity, and grants or loans from the state or local government. Under this definition, private debt from a non-related entity would count; it is silent on whether such debt is federally-insured.