



**Housing Finance  
Agency**

**Experience and  
Capacity Standards  
LIHTC Entities**

**Office of Multifamily Housing | Effective March 19, 2025**

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## A. Experience and Capacity Standards

The Experience and Capacity Standards for a LIHTC Entity applies to the following programs:

- [9% LIHTC](#)<sup>1</sup>
- [4% LIHTC Only](#)
- [4% LIHTC Affordable Assisted Living](#)
- [4% LIHTC with Ohio LIHTC](#)
- [4% LIHTC with Bond Gap Financing](#)

The Ohio Housing Finance Agency (OHFA) will review and approve the Experience and Capacity of an entity each calendar year, prior to the entity submitting a LIHTC program application. The Experience and Capacity approval must then be submitted with the subsequent application(s) made in the current calendar year. For example, if an entity has been approved in the current calendar year for Experience and Capacity (i.e., 4% LIHTC with competitive gap financing or Ohio LIHTC), the entity is not required to submit another approval request for 4% LIHTC only. The entity will only need to submit its approval letter with subsequent applications in the calendar year. Each entity/member of a Development Team identified in the submitted project's Affordable Housing Funding Application (AHFA), must be evaluated for Experience and Capacity independently and be approved.

### Submission Calendar

For information regarding submission and documentation for any of the identified programs, please refer to the program's specific guidelines for when to submit.

### Definitions

Entity: A person as defined in R.C. 1.59, organization, or business with separate legal identity distinct from its owners or members. This includes the legal rights and responsibilities with the ability to own property, enter contracts, sue and be sued, and pay taxes. Legal entities are subject to laws at the local, state, and federal levels.

Development Team: A combination of entities (Lead Developer, Co-Developer(s) (if applicable), and General Partner(s)/Member(s)) outlined in the AHFA.

Lead Developer/Developer: The primary entity whose responsibilities include but are not limited to working with the General Partners/Members to:

- Identifying the site(s),
- Securing financing,
- Selecting and collaborating with third party contractors including but not limited to co-developers, general contractor, architect, market study professional, etc.
- Overseeing the construction process, and
- Delivering the credits upon construction completion and stabilized occupancy.

Co-Developer(s): An additional entity whose responsibilities include but are not limited to:

- Assisting the Lead Developer/Developer

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<sup>1</sup> This policy will not be applicable to 9% LIHTC until Program Year 2026.

General Partners/Members: Entities participating in the project whose primary responsibilities include but not limited to:

- Selecting an experienced developer/co-developer;
- Overseeing the developer and the development process;
- Selecting a qualified Management Entity; and
- Ensuring the project meets all requirements for the funding sources.

Mentor Developer: An OHFA experienced entity which meets the minimum qualifications established in the Experience and Capacity Standards and has two or more 8609s issued in Ohio in the last ten years that partners with an entity without an IRS Form 8609 in Ohio or other state to guide the new entity through their first Ohio project.

Reservation: For the purposes of the entity Experience and Capacity, a reservation shall be considered as below for each program:

- 9% LIHTC: Issuance of a Conditional Qualification Letter (CQL)
- 4% LIHTC: Issuance of a 42(m) Letter of Eligibility

## **B. Modification and Interpretation**

OHFA's actions, determinations, decisions, or other rulings pursuant to these Standards 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 Standards are subject to modification pending developments in federal, state, and OHFA policy.

OHFA makes no representation that underwriting or funding decisions from a prior year will be determinative in future application rounds. Identical year-over-year submissions may receive differing treatment, with or without notice to an applicant, due to new insights gained during prior review periods, shifts in policy, the need for consistent in-year interpretation, increased applicant competition, or any other reason OHFA deems necessary. OHFA will clarify and issue responses to commonly posed questions regarding the QAP or Standards through a Frequently Asked Questions (FAQ) document that will be posted on the OHFA website. Notwithstanding the foregoing, errors and omissions in the Experience and Capacity Workbook or AHFA are not binding on OHFA and do not modify the QAP or Standards.

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

## C. Minimum Requirements

These are the minimum requirements to participate in any LIHTC program administered by OHFA. However, each funding round may include additional requirements and/or application limitations specific to the round and the funding sources available.

The lead developer or co-developer as represented in the AHFA must have successful experience with the LIHTC program to participate as demonstrated by one of the following **minimum standards**:

1. The lead developer or co-developer has successfully placed at least one LIHTC project in service, as evidenced by IRS Form 8609\*, in Ohio within the last 10 years; or
2. The lead developer or co-developer has successfully placed at least one LIHTC project in, as evidenced by IRS Form 8609\*, in another state\*\* within the last 10 years.

Entities who have not successfully completed a LIHTC project in any state, and do not have an IRS Form 8609, will be required to partner with a mentor developer entity. See [#2 in the Reservation Limitations section](#) below for more details on this requirement.

During any stage of the review process (pre-application to final application), OHFA reserves the right to evaluate the participation of each entity to determine their role and level of involvement in the development process. As determined by OHFA's staff, a material and substantive effort related to the success of the project must be demonstrated by the entity. If OHFA determines the entity listed in the AHFA to meet the minimum requirements is not acting as a developer or co-developer in the development process, the application may be removed from consideration.

*\*In addition to IRS Form(s) 8609, OHFA may require the entity to submit organizational contracts, development agreements, or other evidence to document the experienced entity served as the lead developer. For entities with experience in Ohio, OHFA will evaluate their involvement in prior applications to determine if they were acting as the lead developer or co-developer. Entities that served as a co-developer on a project receiving an IRS Form 8609 will not receive credit for that 8609 unless the entity can demonstrate that they performed essential duties of the Lead Developer outlined above.*

*\*\* For entity(ies) with only out-of-state experience, the entity must provide documentation evidencing the project received the IRS Form(s) 8609 for the project used to meet this requirement and the documentation evidencing it was the lead developer on the project (such as LP Agreement, Development Agreement, Operating Agreement, Letter from State HFA indicating the entity(ies) meet OHFA's definition of Lead Developer/Developer noted above). Documentation shall tie the entity to IRS Form 8609.*

## Reservation Limitations

These reservations limits apply to entities regardless if they partner with another entity or act as a sole Developer. It will be detailed below if the entity must partner to meet the requirements.

Entity Type	IRS Form(s) 8609 Experience		Outcome	
	Issued in Ohio in the last 10 years	Issued in another State in the last 10 years	LIHTC Application Reservations	Additional Requirements
<b>Non-Capacity Building Track</b>				
1. An entity without IRS Form(s) 8609; non-capacity building	None	None	May act as a co-developer only with entity meeting minimum requirements.	None
<b>Capacity Building Track</b>				
2. New Entities without IRS Form(s) 8609; Capacity Building	None	None	1 annually with an OHFA Experienced Mentor Developer <sup>2</sup>	See Item #2 below for additional information.
3. New to OHFA Entities with 8609s in Other States (1-3)	None	1-3	1 annually	N/A
4. New to OHFA Entities with 8609s in Other States (4+)	None	4+	3 annually	See Item #4 below about sequence of submission.
5. OHFA Experienced Entity	1+	N/A	Unlimited*	N/A
6. OHFA Experienced Mentor Developer	2+	N/A	Unlimited*	See Item #6 below for additional information.

\*See #5 below for clarifying information.

### 1. Entities without IRS Form(s) 8609; non-capacity building

If an entity without an IRS Form 8609 is acting as a co-developer and does not intend to build experience and capacity to act as a sole developer, partnering with a mentor developer does not apply. This entity may act as co-developer with an entity meeting the minimum requirements section above. This allows OHFA Experienced Entities to add an entity without needing to meet the mentor developer requirements. The entity must indicate this entity status in their Experience and Capacity submission.

## 2. New Entities without IRS Form(s) 8609; Capacity Building

Entities who have not successfully completed a LIHTC project in any state (i.e. no IRS Form 8609) will be required to partner with an OHFA experienced Mentor Developer. The Mentor Developer must act as the lead developer for the project, with the new entity as co-developer for the first project. OHFA may require a meeting with the lead developer (Mentor Developer) and co-developer. At a minimum, the following will also be required:

- The new development entity must participate in all meetings and be included in all written communications; and,
- A formal developer agreement must be in place detailing the terms and conditions of the partnership and submitted to OHFA.

Once the first project has successfully moved through the application process, received a reservation, and paid all applicable fees, the new entity may be eligible to receive a second reservation as a lead developer with a mentor developer as co-developer. The following conditions apply:

- Both the new entity and mentor developer must meet with OHFA prior to submitting the second application. If the application does not advance, a subsequent meeting will not be required before an additional application may be submitted.
- OHFA encourages the new entity to partner with same mentor developer on the second application as it did on the first application. However, if not, the new mentor developer must meet the mentor developer requirements or successfully placed in service more than four LIHTC projects in the last 10 years in other state(s).
- There can be no significant loss of staffing of the new entity.
- For the second application, the new entity must be the primary contact with OHFA, with the mentor developer participating in all meetings and written communications.
- If the second application receives a reservation, both entities must contact OHFA to see if a subsequent meeting is necessary to discuss the application process and if there are any areas of concern.

Once both projects have been completed and IRS Forms 8609 have been issued by OHFA, OHFA may request to meet with the new development entity for a post-process informational meeting.

OHFA will consider an exception to some of these requirements if the principals of the new entity without an IRS Form 8609 have vast experience. This will require a meeting with OHFA prior to submission of an experience and capacity submission.

## 3. New to OHFA Entities with 8609s in Other States (1-3)

Entities who have successfully placed in service **one to three LIHTC projects in the last 10 years in a state other than Ohio as evidenced by submission of IRS Forms 8609 are limited to one reservation of LIHTC annually.**

## 4. New to OHFA Entities with 8609s in Other States (4+)

Entities who have successfully placed in service **four or more LIHTC projects in the last 10 years in a state other than Ohio as evidenced by submission of IRS Forms 8609 are limited to three LIHTC reservations annually.**

However, the first application submitted to OHFA must be submitted and fully processed before the subsequent application(s) may be submitted. Thus, the next application(s) may not be submitted until the

first application has received OHFA Board approval for all OHFA funding sources, a reservation, and paid all fees, including the Housing Credit Reservation Fee.

## 5. OHFA Experienced Entity

Entities with an IRS Form 8609 issued on LIHTC (9% and/or 4%) reservations in Ohio in the last 10 years do not have an overall/combined reservation limit for LIHTC unless outlined in a specific QAP or Guidelines (e.g., 9% LIHTC, 4% LIHTC with Ohio LIHTC, and/or 4% LIHTC with Bond Gap Financing).

## 6. OHFA Experienced Mentor Developer

OHFA has established a higher minimum requirement for OHFA experienced entities serving as a mentor developer to entities without an IRS Form 8609, which includes:

- The experienced entity has successfully completed two LIHTC project in Ohio in past ten years, evidenced by IRS Form(s) 8609;
- The experienced entity must have been the sole or lead developer as evidenced in the submitted project AHFA and the development agreement or organizational contracts;
- If the project is requesting HDAP resources, the mentor developer must have completed a project that included HDAP resources within the past ten years as evidenced by an OHFA close out letter for the project's Final Performance Report. The projects must have been completed without extensions to the HDAP Agreement(s).
  - Exceptions will be considered if no more than one of the projects experienced delays due to circumstances outside of the control of the developer.

## Exception Requests

For Experience and Capacity, all exception requests, must be submitted to [4percentcomments@ohiohome.org](mailto:4percentcomments@ohiohome.org) and [QAP@ohiohome.org](mailto:QAP@ohiohome.org). All exception requests will be reviewed for experience and capacity and a recommendation will be presented to the Director of Multifamily Housing or Senior Housing Director. If approved by the Director of Multifamily Housing, the entity may proceed with submitting an application. If denied by the Director of Multifamily Housing or Senior Housing Director, the entity will have the ability to appeal to the OHFA Board.

When evaluating an exception request to submit more applications in Ohio, OHFA will consider the entities' demonstrated knowledge of OHFA's policies and program requirements, the entities' responsiveness, and performance with Ohio applications/projects.

If the exception request is to exceed the annual limit of an open-cycle program, the request may not be submitted until each of applications have successfully moved through the approval process for all OHFA funding sources, received a reservation of credits, and paid all fees, including the Housing Credit Reservation Fee.

## Disqualifying Developer and Owner Characteristics

Any member of the development team or ownership that has (1) failed to pay any fee or expense due to OHFA, (2) been in default or in major non-compliance with any OHFA program, (3) been debarred or suspended from any OHFA, HUD, or Rural Housing programs, (4) is currently in foreclosure or been foreclosed, (5) is under felony investigation, indicted or been convicted of a felony, (6) bankruptcy, or (7) an entity not in compliance with the Good Standing Policy, may not participate in the program until the event or events are corrected or resolved. OHFA may contact other local, state, and/or federal housing agencies to solicit feedback related to a specific developer or development team member.

Any member of the development team or ownership that is federally debarred may not participate in the program. OHFA will confirm through the [System for Award Management \(SAM\) website](#) that no member of the development team has been debarred or suspended from doing business with the federal government. OHFA may pull business credit reports on any or all members of the development team to determine if outstanding liens or judgements exist, depending on the results provided in the Lien and Litigation Reports.

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

## Financial Capacity

Financial Capacity will be demonstrated by the Development Teams ability to secure construction and permanent financing, and tax credit equity. If seeking Housing Development Assistance Program (HDAP) sources, additional requirements may be necessary and set forth in the program guidelines.

## D. Good Standing Policy

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.

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.

# E.Submission Requirements

OHFA will require an Experience and Capacity package submitted via the FTS. Applicants will not be allowed to submit an Application (proposal or final) unless Experience and Capacity has been approved by OHFA staff for the calendar year. The Experience and Capacity package will be available on the OHFA website and will be due by the date indicated in the program guidelines. The Experience and Capacity package includes the following components:

Submission Number	Submission Item
1	<p><b>Certification(s)</b>            Program Certification (in E/C workbook) individually completed for entity and each parent of the general partner/managing member associated with the application. Each form must be executed and saved in .PDF format.</p>
2	<p><b>Complete list of LIHTC project(s)</b>            A list of projects in any stage of development, from pre-development up to 8609.</p>
3	<p><b>Experience and Capacity Workbook:</b>            Entities must submit a completed Experience and Capacity Workbook in the .xlsx format; not PDF.</p>
4	<p><b>Lien and Litigation Report</b>            All entities, including ownership entities, will be required to submit the Lien and Litigation reports. A Lien and Litigation report dated within 30 days of the Experience and Capacity submission for the state of Ohio, and any federal courts.</p> <p>Note: If approval for Experience and Capacity is dated more than 90 days prior to the application, an updated Lien and Litigation must be submitted.</p>
5	<p><b>Minimum Experience and Capacity Requirements</b></p> <ul style="list-style-type: none"> <li>• Complete the minimum qualifications spreadsheet.</li> <li>• Submit the IRS Form(s) 8609 and LPA or Operating Agreement to support development experience for the project(s) for which the entity is claiming experience</li> <li>• New entities that have not completed LIHTC in Ohio, will be required to submit the following for the project they are claiming experience:               <ul style="list-style-type: none"> <li>○ LPA or Operating Agreement to support the entity was the Lead Developer for the project for which the entity is claiming experience, or</li> <li>○ A letter from the allocating agency indicating the entity was the lead developer on the project.</li> </ul> </li> </ul>
6	<p><b>Organizational Chart</b>            An organizational chart indicating the internal structure of each entity, including a hierarchy of individuals relevant to the development of the proposed project.</p>

7	<p><b>Programmatic Exception Requests</b>          If seeking a programmatic exception request for these standards, it shall be submitted prior to the E/C submission as detailed in the exception request section. Approval of the exception shall be submitted.</p>
8	<p><b>Real Estate Owned (REO) Schedule</b>          A current real estate owned (REO) schedule for all existing LIHTC projects in which the entity maintains an ownership interest indicating the debt coverage ratio and income to expense ratio, with an explanation for any project that is below 1.0.</p>
9	<p><b>Resumes and/or Biographies</b>          Resumes and/or biographies for all staff members assisting in the application and development of the proposed project.</p>
<p>AAL Specific Requirements: See AAL Guidelines page 7 for more details.</p>	
10	<p>Owners demonstrated experience of two assisted living facilities: Submit two (2) Certifications of Residential Care Facility in Ohio or comparable certification in another state.</p>
11	<p>Operator demonstrated experience: Submit two (2) Management Agreements evidencing LIHTC Experience for an Operator Entity.</p>
12	<p>Medicaid Services Provider, if different than Operator, submit documentation of experience providing services.</p>