



**Housing Finance  
Agency**

# **4% LIHTC with Bond Gap Financing Program Year 2025 Guidelines Second Draft**

**Office of Multifamily Housing | April 16, 2025**

## **Seeking to provide Input?**

OHFA will be accepting comments on these draft guidelines beginning April 16, 2025 through May 16, 2025. Comments may be submitted via e-mail to [BGF@ohiohome.org](mailto:BGF@ohiohome.org). Please **do not** combine comments related to these draft guidelines with other draft programmatic guidelines such as the 2026 4% LIHTC with Ohio LIHTC program.

# Table of Contents

|  |                    |
|--|--------------------|
| <b>A. 4% LIHTC with Bond Gap Financing Overview .....</b>                              | <b>4</b>           |
| Purpose .....  | 4                  |
| Federal 4% LIHTC .....   | 4                  |
| Bond Gap Financing Resources .....   | 4                  |
| <b>B. Program Calendar .....</b>   | <b>5</b>           |
| <b>C. Application Process .....</b>  | <b>6</b>           |
| <i>Ex Parte</i> Discussions .....  | 6                  |
| Proposal Application and Final Application Submission Disclaimer .....                 | 7                  |
| Proposal Application Package .....   | 7                  |
| Final Application Process .....  | 8                  |
| <b>D. Threshold Requirements .....</b>   | <b>10</b>          |
| Compliance with Other OHFA Policy Documents .....                                      | 10                 |
| Rent and Income Restrictions .....   | 10                 |
| Maximum BGF Requests .....   | 12                 |
| Application Limits .....   | 12                 |
| See 4% LIHTC QAP for Developer experience and capacity standards and limitations ..... | 12                 |
| Ineligible Developments .....  | 13                 |
| Cost Containment .....   | 13                 |
| Fees .....   | 13                 |
| Developer Fee Limit .....  | <u>1544</u>        |
| Exception Requests .....   | <u>1544</u>        |
| NHTF Minimum Eligibility Requirements .....  | <u>1645</u>        |
| Related-Party Acquisitions .....   | <u>1645</u>        |
| <b>E. Geographic Distribution and Funding Pools .....</b>                              | <b><u>1746</u></b> |
| Geographic Distribution .....  | <u>1746</u>        |
| Set Asides .....   | <u>1746</u>        |
| Funding Pools .....  | <u>1847</u>        |
| <b>F. Competitive Scoring .....</b>  | <b><u>1948</u></b> |
| Tiebreakers .....  | <u>2224</u>        |
| <b>G. Modification and Interpretation .....</b>  | <b><u>2322</u></b> |
| <b>Appendix A: Submission Requirements .....</b>                                       | <b><u>2423</u></b> |
| Summary of Submission Requirements .....   | <u>3835</u>        |
| <b>Appendix B: HUD Participating Jurisdictions .....</b>                               | <b><u>3936</u></b> |
| What are Participating Jurisdictions? .....  | <u>3936</u>        |
| <b>Appendix D: Ohio Housing Trust Fund Requirements .....</b>                          | <b><u>4037</u></b> |
| Background .....   | <u>4037</u>        |

|  |                        |
|--|------------------------|
| Rent and Income Restrictions .....                                 | <del>4037</del>        |
| <b>Appendix E: National Housing Trust Fund Requirements .....</b>  | <b><del>4138</del></b> |
| Background .....   | <del>4138</del>        |
| Rent and Income Restrictions .....                                 | <del>4138</del>        |
| <b>Appendix F: HOME Investment Partnerships Requirements .....</b> | <b><del>4239</del></b> |
| Background .....   | <del>4239</del>        |
| Rent and Income Restrictions .....                                 | <del>4239</del>        |

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

### Purpose

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

### Federal 4% LIHTC

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

### Bond Gap Financing Resources

OHFA’s uses three main resources as gap financing in the BGF program to help applicants of 4% LIHTC-funded properties achieve financial feasibility: the Ohio Housing Trust Fund (OHTF), National Housing Trust Fund (NHTF), and the HOME Investment Partnerships (HOME) program. While all three sources are options for the BGF Round, OHFA may, at its sole discretion, limit which sources will be used in this round. The Ohio Department of Development (Development) serves as the administering agency granting for these resources for Housing Development Assistance Program (HDAP) to OHFA; OHFA allocates ~~such 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 BGF program. Together, these resources help to close the financing gap between total development costs (TDC) and sources such as 4% LIHTC equity, first mortgage debt, deferred developer fee, and other funding, if applicable.

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

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

## B. Program Calendar

| Date   | Programmatic Benchmark   |
|--|--|
| Thursday, <del>April-June 1947</del> –<br>Friday, <del>June 20</del> July 18, 2025 at<br>5:00 p.m. Eastern Time (ET) | Window to submit Frequently Asked Questions* (FAQ)   |
| Thursday, <del>July 17</del> August 14, 2025<br>by 5:00 p.m. ET  | Application submission deadline for Proposal Applications                                  |
| Friday, September <del>1948</del> , 2025   | OHFA release of Preliminary Competitive Scoring and Proposal Application Reviews           |
| Thursday, September <del>18</del> 25, 2025<br>by 5:00 p.m. ET  | Applicant response deadline for OHFA's Preliminary score and Proposal Application reviews. |
| Wednesday, October 15, 2025 at<br>OHFA's Board Meeting   | OHFA announces invitations to submit Final Applications                                    |
| Thursday, <del>February-January 295</del> ,<br>2026 by 5:00 p.m. ET  | Applicant deadline to submit Final Applications  |
| Two weeks from notification letter   | Applicant deadline to respond to OHFA's Final Application review deficiencies              |

\* 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 through a Frequently Asked Questions (FAQ) document that will be posted on the OHFA website. The FAQ, as well as the OHFA LIHTC Rental Underwriting Guidelines, Design and Architectural Standards, and Affordable Housing Funding Application (AHFA) are specifically incorporated herein and binding on all applicants. Notwithstanding the foregoing, errors, and omissions in the AHFA are not binding on OHFA and do not modify the QAP.

Applications for a particular project may only be submitted in one round at a time (4% LIHTC with BGF or 4% LIHTC only). OHFA encourages applicants to carefully consider which round best suits the financial needs of the proposed project. ~~Due to time constraints, applicants not awarded competitive funding in this round wishing to resubmit as a 4% LIHTC Only application will need to submit an application under the 4% LIHTC Qualified Allocation Plan in the 20265 Open Round.~~ Any project on the waitlist submitting in another round, will be removed from the waitlist.

## C. Application Process

Applicants shall see 4% LIHTC Qualified Allocation Plan (QAP) for submission instructions—Notification of uploads shall be sent to [BGF@ohiohome.org](mailto:BGF@ohiohome.org).

### Experience and Capacity

Experience and Capacity must be completed prior to the BGF proposal application. 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 for 4% LIHTC. The Experience and Capacity Standards Policy outlines the minimum eligibility and evaluation criteria. The Experience and Capacity package is available on the OHFA website and the 4% QAP details the Experience and Capacity Program Calendar.

A Development entity that has been approved in 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.

### Ex Parte Discussions

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

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

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

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

## Proposal Application and Final Application Submission Disclaimer

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

## Proposal Application Package

OHFA will require a Proposal Application package submitted via the FTS by the date listed in the Program Calendar. 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](#).

### ~~Experience and Capacity Threshold, Underwriting Exception Requests, and Scoring Review~~

~~OHFA staff will provide applicants with a written summary of any identified deficiencies with experience and capacity, lien and litigation for the county of the project site, and threshold deficiencies in the Proposal Application. Applicants must comply with the 4% LIHTC QAP for Developer Experience and Capacity Standards. Staff will review the experience and capacity documentation for entities that have not been previously approved and provide applicants a written summary of any identified experience and capacity deficiencies in the Proposal Application. In accordance with the Program Calendar, Applicants will be provided a brief cure period to submit corrections, which may include documentation not previously submitted in accordance with the Program Calendar. Any additional information submitted during the cure period will be used solely for experience and capacity deficiencies and will not be used in determining the final competitive score. Any applicant who fails to correct identified deficiencies during this period may be removed from consideration.~~

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

After receiving responses from applicants to OHFA's preliminary scoring, OHFA staff will review such responses and determine whether any scoring reductions should be restored. Final scoring determinations will be noted on the competitive scoring worksheet. Once all Proposal Application scores have been finalized, OHFA will fulfill set-asides, ~~then the remaining proposal application will be and ranked by competitive scores against each other for within~~ each funding pool and subpool, ~~and the selected proposals will be invited to submit a Final Application until all BGF resources are exhausted. Projects meeting OHFA's set-asides and those with the highest scores are invited to submit a Final Application until all BGF resources are exhausted and all programmatic funding goals are achieved. If funds remain and sufficient funds are not available to invite a project to submit a final application, OHFA may move any remaining BGF funds to another funding round.~~

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

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 BGF and the anticipated BGF source. OHFA may swap the anticipated BGF source if necessary to meet federal and/or state requirements. An invitation to submit a Final Application does not assure a commitment of OHFA resources; a Final Application must be received, all threshold and underwriting requirements must be met, and the project must receive OHFA Board approval prior to a reservation of funds. Federal HOME and NHTF regulations prohibit a Funding Agreement from being issued until OHFA's legal staff determines the project meets the respective source's federal commitment requirements as referenced in [CPD-15-09](#) and [CPD-18-12](#), respectively.

## Final Application Process

### Submission Requirements

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

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

Final Applications must be submitted via the Agency's FTS by the deadline noted in the Program Calendar. Applicants are welcome to submit a Final Application earlier than the deadline. 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 most recent [LIHTC Underwriting Guidelines](#), the threshold requirements outlined in these Guidelines, and the most recent 4% LIHTC QAP. 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 draft a review letter detailing any deficiencies. Applicants will have two weeks to cure any outlined deficiencies. OHFA staff have the discretion to allow additional time for cures if necessary. Unless otherwise stated, deficiencies must be cured; otherwise, the application will not move forward to OHFA Multifamily Committee and Board for approval of BGF. If not invited to move forward through the approval process, OHFA will notify the developer in writing 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 BGF.

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

All projects that have successfully completed threshold and underwriting review must seek and secure OHFA Multifamily Committee recommendation and Board approval. The OHFA Multifamily Committee and Board monthly calendar can be found on the [OHFA Board Website](#). Once scheduled



for a specific month, the assigned OHFA analyst will work with the applicant to complete an Executive Summary, which provides summary information about the project to the OHFA Multifamily Committee and Board. Once complete, the Executive Summary will be posted to [OHFA's BoardDocs Website](#). Applicants are required to attend the Multifamily Committee and Board meeting either in person or virtually. If BGF funding is approved at Board, BGF 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.

### (3) Financial Closing and Construction Monitoring

OHFA will not issue a funding agreement for the BGF award until 1) Board approval, 2) federal commitment requirements have been met, and 3) ~~submission of all required due diligence 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 PY2025 BGF funding:

|                                       |  |
|---------------------------------------|--|
| • Commitment/Closing Deadline:        | <u>May 31, 2027</u>                            |
| • Construction Commencement Deadline: | <u>1 year after OHFA Board approval of BGF</u> |
| • Construction Completion Deadline:   | <u>December 31, 2028</u>                       |
| • Final Draw Deadline:                | <u>March 1, 2029</u>                           |
| • Final Performance Report Deadline:  | <u>March 1, 2029</u>                           |

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

See 4% LIHTC QAP- Appendix D: Construction Completion and Project Operations for next steps.

## D. Threshold Requirements

### Compliance with Other OHFA Policy Documents

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

- [4% LIHTC QAP](#)
- [Experience and Capacity Standards](#)
- [LIHTC Rental Underwriting Guidelines](#)
- [Design and Architectural Standards \(DAS\)](#)
- [Multifamily Bond Guidelines](#)
- [Housing Development Loan Program Guidelines](#), if seeking HDL

### Rent and Income Restrictions

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

#### State Required Restricted Units

Regardless of the amount of BGF resources, the state of Ohio through its annual [Ohio Consolidated Plan](#) (ConPlan) requires a specific number of units restricted to households at or below 50% AMI depending on the project's location. OHFA has provided a list of HUD Participating Jurisdictions [\(PJ\)](#) 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 BGF resources follow the HOME program's cost allocation method referenced in [24 C.F.R. §92.205\(d\)\(1\)](#) and [CPD-16-15](#) to determine the number of Assisted Units. HOME and OHTF have the same restrictions on Assisted Units because OHFA uses OHTF as state match under [24 C.F.R. §92.219\(b\)\(2\)](#). NHTF requires deeper rent targeting.

##### HOME and OHTF Assisted Units:

- 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, (2) Fair Market Rent (Low HOME), or (3) LIHTC rent not greater than the gross rent for rent-restricted residential units as determined by under 26 U.S.C. 42(g)(2). 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 LIHTC units for purposes of these Guidelines. Developers do not have to identify the HDAP Assisted or Restricted units in the AHFA. If the units float, OHFA verifies the project has enough units that will meet the HOME requirements. While the Assisted Units are allocated proportionally based on the distribution of bedroom types, Restricted Units can float among all units. The Unit Comparability form determines whether the Assisted Units are fixed or floating. Projects with units that are not comparable will have fixed Assisted Units.

## Maximum BGF Requests

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

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

While applicants may request no more than the above amounts, ~~OHFA has additional funds available,~~ OHFA reserves the right to increase 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 below:

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

\*OHFA will utilize the most recently HUD-published HOME per-unit maximum for Proposal and Final application.

## Application Limits

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

**See ~~4% LIHTC QAP for Developer e~~Experience and ~~C~~capacity ~~S~~standards and for additional information on requirementslimitations.**

Developer and/or owners who have received an award of HDAP ([BGF resources](#)) in Program Year 2023 or earlier and have not yet closed with OHFA's Legal Office on the BGF award as of the Program Year 2025 Proposal Application deadline may not participate in the 2025 BGF program. However, if closing

was delayed due to unforeseen circumstances outside of the developer's control, an Exception Request may be submitted for consideration by OHFA.

## Ineligible Developments

Projects ineligible to be submitted in the BGF round include:

- LIHTC developments in their initial 15-year Compliance Period as of the Proposal Application deadline listed in the Program Calendar.
- Projects located in more than one county.
- ~~If a project is still in its~~ As detailed in 24 CFR 92.214(a)(6), HOME funds maybe not be used to provide assistance to a project previously assisted with HOME funds during the period of affordability established by the funding agreement. Therefore, P projects with any prior HDAP still in their affordability period as detailed in the original unamended funding agreement -at the date of Proposal Application- may not apply for additional HDAP.
- Affordable Assisted Living (AAL) projects.
- Projects not meeting, at minimum, the definition of Moderate Rehabilitation B in the DAS.
- New Construction only projects.

## Cost Containment

Applicants will be required to meet the Agency's 2025 4% LIHTC Cost Containment Standards.

Applicants must use the TDC/Unit and TDC/gross square foot (GSF) caps that aligns with the correct geography. OHFA will evaluate projects to ensure compliance at Proposal Application, Final Application, and 8609 submission. Projects that do not demonstrate compliance with the caps will be removed from consideration 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 wage rates, BABA, etc.).

~~– Exceptions to these standards will not be considered.~~

## Fees

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

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

| Fee Type   | Fee Amount  |
|--|---|
| Proposal Application Fee   | \$2,500   |
| Final Application Fee  | \$2,500   |
| <b><u>Bond Issuance Fee</u></b>                                  | <u>1/10 of 2% of the bond amount OR \$3,000, whichever is greater</u> |
| HDL Application Fee <i>(at Final Application, if applicable)</i> | See the <u>most current HDL Guidelines</u>                            |
| Amendments to a funding agreement                                | \$1,000 per request   |
| Extensions of a funding agreement                                | \$1,000 per extension   |
| Federal LIHTC <b>Reservation Fee</b>                             | 6% of annual LIHTC  |
| Compliance Monitoring Fee  | \$2,400 per unit  |

|

## Developer Fee Limit

### Maximum Budgeted Developer Fee

The maximum budgeted developer fee for the BGF program is 20% of the project's LIHTC eligible basis 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. OHFA has established the maximum budgeted developer fee is referenced in the most recently published [4% LIHTC QAP](#). Paid developer fee is calculated as follows:

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

## Exception Requests

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

## NHTF Minimum Eligibility Requirements

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

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

## Related-Party Acquisitions

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

### Seller Financing

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

### Cash Out to a Related-Party Seller

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

Cash out to seller = as-is restricted appraised value of the property – payoff of debt from unrelated parties – seller note

To demonstrate compliance with OHFA's prohibition on cash out to seller, applicants must provide the following information at Proposal Application and at Final Application:

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

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

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

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



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

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

## E. Geographic Distribution and Funding Pools

Set asides will be fulfilled first ~~for gap financing resources~~. Geographic distribution will include set asides. Upon fulfillment of set asides, OHFA will move to the funding pools. Projects meeting a set aside will be factored into the allocation goals of the funding pools.

### Geographic Distribution

#### County Limits

Given limited resources in the program a county may not ~~more than one reservation~~ receive more than one invitation to submit a final application—unless doing so is necessary to meet one of the following set asides or to fully utilize all the Agency's BGF resources.

#### Non-Participating Jurisdictions

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

### Set Asides

#### Appalachian Set Aside

OHFA will ~~reserve~~ invite set-aside BGF resources for at least one of the highest-scoring housing developments to submit a final application that meeting the Agency's ~~threshold, underwriting, and architectural standards~~ proposal application requirements located in an Ohio Appalachian County<sup>2</sup>.

#### CHDO Set Aside

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

---

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

## Funding Pools

Applications for BGF funds will be evaluated based on the competitive criteria specific to the funding pool in which the application is eligible.

**Preserved Affordability:** Defined as developments that preserve existing affordability by maintaining project-based rental assistance or LIHTC.

For projects with rental subsidies, the proposal application must include the current contract, and the rents noted in the contract must agree with the AHFA.

Section 9 Public Housing properties planning to convert from public housing to project-based subsidy is eligible for BGF. The applicant must include a rental subsidy commitment for Section 8 project-based subsidy in all units at the time of final application. Section 9 properties not converting to project-based subsidy are ineligible.

The funding pool is based on the characterization of the majority of units in the development. The funding pools are as follows:

**(1) Preserved Affordability – LIHTC Resyndications** (approximately ~~75~~50% of total BGF resources)

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

**(2) Preserved Affordability – Non-LIHTC Rental Subsidy** (approximately ~~25~~50% of total BGF resources)

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

## F. Competitive Scoring

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

| Preserved Affordability Scoring           | Points    | Maximum Points as a Percent of Total Points |
|---|-----------|---|
| 1. Discount to Market Rent                | 2         | 10%   |
| 2. Expiring Low-Income Housing Commitment | 2         | 10%   |
| 3. BGF per Unit                           | 8         | 40%   |
| 4. Number of Units                        | 8         | 40%   |
| <b>Total Points</b>                       | <b>20</b> | <b>100%</b>                                 |

### 1. Discount to Market Rent

**Maximum points: 2**

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

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

Discount to Market Rent =  $1 - (\text{the maximum gross 50\% AMI MTSP rent for a one-bedroom unit} \div 110\% \text{ of SAFMR or FMR})$

| Discount to Market Rent | Points |
|-------------------------|--------|
| 14.2% and above         | 2      |
| 5.4% to 14.1%           |        |
| 0 % to 5.3%             | 1      |
| Less than 0             | 0      |

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

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

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

Maximum points: 2

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

| Years Remaining in Extended Use <u>as of December 31, 2025</u> | Points |
|--|--------|
| Less than 3  | 2      |
| 3 to 5   | 1      |
| More than 5  | 0      |

### How can points be demonstrated to OHFA?

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

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

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

Maximum points: 8

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

| BGF per LIHTC Unit Request                          |  |        |
|---|--|--------|
| Project Located within a Participating Jurisdiction | Project Located outside a Participating Jurisdiction | Points |
| \$23,710 or less                                    | \$44,342 or less                                     | 8      |
| \$23,711 to \$25,000                                | \$44,343 to \$54,730                                 | 6      |
| \$25,001 to \$29,999                                | \$54,731 to \$65,244                                 | 4      |
| \$30,000 to \$31,256                                | \$65,242 to \$75,752                                 | 2      |
| \$31,257 or more                                    | \$75,753 or more                                     | 0      |

  

| BGF Request per LIHTC unit                           |   |        |
|--|---|--------|
| Projects Located within a Participating Jurisdiction | Projects Located outside a Participating Jurisdiction | Points |
| \$35,000 or less                                     | \$56,000 or less                                      | 8      |
| \$35,001 to \$40,000                                 | \$56,001 to \$66,000                                  | 6      |
| \$40,001 to \$45,000                                 | \$66,001 to \$67,500                                  | 4      |
| \$45,001 to \$50,000                                 | \$67,501 to \$69,000                                  | 2      |
| \$50,001 or more                                     | \$69,001 or more                                      | 0      |

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

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

### 4. Number of Units

Maximum points: 8

Rationale: By providing an incentive for number of units, OHFA can bolster the number of affordable housing units preserved given the limited amount of BGF resources.

| Number of LIHTC Units | Points |
|-----------------------|--------|
| 100+ units            | 8      |
| 81 to 99 units        | 6      |
| 61 to 80 units        | 4      |
| 41 to 60 units        | 2      |
| 40 units or less      | 0      |

| Number of LIHTC Units |         |    |        |         |        |
|-----------------------|---------|----|--------|---------|--------|
| PJ                    |         |    | Non-PJ |         |        |
|                       |         |    |        |         | Points |
| 80                    | +       |    | 60     | +       | 8      |
| 76                    | to      | 79 | 58     | to      | 59     |
| 72                    | to      | 75 | 56     | to      | 57     |
| 68                    | to      | 71 | 54     | to      | 55     |
| 64                    | to      | 67 | 52     | to      | 53     |
| 60                    | to      | 63 | 50     | to      | 51     |
| 56                    | to      | 59 | 48     | to      | 49     |
| 52                    | to      | 55 | 46     | to      | 47     |
| 51                    | or less |    | 45     | or less | 0      |

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

The points will be calculated based on the LIHTC units entered in the AHFA and will therefore automatically calculate the competitive score for this criterion.

## Tiebreakers

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

1. Greatest number of affordable housing units.
2. Project with the lowest BGF per unit
3. ~~Largest-Highest~~ number of bedrooms for population served; general occupancy or seniors.  
General Occupancy and Senior projects would not compete against one-another for this tiebreaker.
4. Population -served- opposite of project already funded for competing pool. (i.e. If a general occupancy project has already been invited to submit a final application for the pool, and now a general occupancy and a senior project is in a tiebreaker for that same pool, the senior occupancy project would win this tiebreaker category as a general occupancy has already been invite.)
5. Greatest number of ELI (30% AMGI) units
6. ~~Lottery draw~~ OHFA Discretion

## G. Modification and Interpretation

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

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

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

# Appendix A: Submission Requirements

All files must be submitted as PDF unless specifically noted below. Each file shall be named as detailed below, and not submitted inside a folder. For example, 1. Affordable Housing Finance Application (AHFA).xls would be the first file name in the Proposal Application submission.

## 1. Affordable Housing Financing Application (AHFA)

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

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

## 2. Appraisal

When is this due? **Proposal Application** ☐ **Final Application** ☒

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

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

When is this due? **Proposal Application** ☐ **Final Application** ☒

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

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

When is this due? **Proposal Application** ☐ **Final Application** ☒

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

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

When is this due? **Proposal Application** ☐ **Final Application** ☒

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



## 6. Authorization to Release Tax Information

When is this due? Proposal Application ☐ Final Application ☒

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

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

When is this due? Proposal Application ☐ Final Application ☒

Applications submitted with a non-profit in the ownership must include a board resolution authorizing an application for the BGF and HDL 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. Build America, Buy America (BABA)

When is this due? Proposal Application ☐ Final Application ☒

The [BABA applicability checklist](#) follows the analysis steps as described in [Notice CPD 2023-12](#) and must be submitted with the final application. This [Certification form](#) can be used to document compliance during construction.

## 9. Competitive Support Documents

When is this due? Proposal Application ☒ Final Application ☐

For any competitive scoring criterion which requires additional documentation, the application must include multiple PDF files which includes such documentation in PDF format. Each competitive scoring criterion that requires supporting documentation must have a separate PDF file.

## 10. Conditional Financial Commitments

When is this due? Proposal Application ☐ Final Application ☒

In addition to the requirements in the most recently approved underwriting guidelines, conditional financial commitments must be evidenced by a letter from the funding entity stating the following:

- 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.

Projects that have received an Inducement Resolution from the OHFA Board must include a copy of the executed Inducement Resolution.

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

Commitment letters are required for Capital Contributions, Deferred Developer Fee, Equity and Seller Financing.

Projects including Federal Historic Tax Credits must submit the SHPO recommendation of approval from their Part 2 Application.

No letter may indicate it is not a commitment, or it is a term sheet.

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.

Examples of filenames:

- 8. LIHTC Equity Commitment.pdf
- 8. Bank Name Permanent Commitment.pdf

## 11. Condominimized Space Description

When is this due? Proposal Application ☐ Final Application ☒

If any portion of the development will be condominiumized, the application must include a draft of the governing agreement detailing costs and maintenance of common space, parking availability, air rights, default remedies, commercial uses, and tenant selection.

## 12. Development Team Consultant Statement

When is this due? Proposal Application ☒ Final Application ☐

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

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

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

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

### 13. Development Team ~~Experience and Capacity Review~~

When is this due? **Proposal Application** ☒ Final Application ☐

~~Experience and Capacity must have approval prior to the Ohio LIHTC proposal application. The **Experience and Capacity Standards Policy** outlines the minimum eligibility and evaluation criteria. Applicants will not be allowed to submit a proposal application unless Experience and Capacity has been approved by OHFA staff for 4% LIHTC. 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 4% LIHTC Section Chief. OHFA may disqualify applications that do not maintain the core competency and experience necessary to successfully develop and manage a project. OHFA will evaluate the experience and capacity of the development team, including general partners, managing members, developers, co-developers, and management companies at Proposal Application.~~

~~Note, a Lien and Litigation Report dated within thirty (30) days of the submission of the proposal application must be submitted for **each approved entity for the county in which the project will be located**. Each developer, co-developer, general partner, and managing member that received Pre-Application Approval from a LIHTC round in Calendar Year 2025 prior to the publishing of these Guidelines must submit their experience and capacity approval letter on OHFA letterhead indicating which team roles and which programs they may participate in. If there are any material changes to either of these documents, current versions must be submitted.~~

~~For all others, a The (-Development) Team Experience and Capacity Review Spreadsheet tab of the AHFA must be completed with the following elements:~~

~~Each member of the development team, including general partners, managing members, developers, co-developers, and management companies' information must be completed. This includes every entity name, all parent entities, addresses, contact information and FTI numbers. If fields for parent entities are completed with While the LIHTC Ownership Entity may be noted as "To Be Determined" or "To Be Formed", or anything indicating the development team is not completed are in the Proposal Application, the review cannot be completed developer, co-developer and general partner/managing member parent entities must be disclosed.~~

- ~~For owners, a Lien and Litigation Report dated within thirty (30) days of submission of the Proposal Application. A Lien and Litigation Report is a standard real estate due diligence search provided by an independent third-party organization to help OHFA and other funding entities such as lender and syndicators/investors determine if there are any legal risks associated with the proposed development team and proposed project site. The search includes Uniform Commercial Code (UCC) liens, fixture filings, federal and state tax liens and judgment liens, bankruptcy, and any outstanding federal or state litigation. This search concludes with a report which OHFA legal staff will analyze.~~

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

~~the project property. A Lien and Litigation Report is not required for entities that have not yet been created.~~

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

- ~~For the lead developer and all co-developers, the following items must be submitted:~~
  - ~~A current real estate owned (REO) schedule for all existing LIHTC projects for which the lead developer and any co-developers (if applicable) maintain an ownership interest indicating the debt coverage ratio and income to expense ratio, with an explanation for any project that is below 1.0.~~
  - ~~Proof of LIHTC experience as a developer or co-developer, demonstrated by submitting the following documentation:~~
    - ~~Form(s) 8609 and Amended and Restated Limited Partnership Agreement and/or Operating Agreement, and~~
    - ~~For developers that have not participated in the LIHTC Program in Ohio, a letter from the state allocating agency indicating they were the developer on the project.~~
  - ~~An organizational chart indicating the internal structure of each entity, including a hierarchy of individuals relevant to the development of the proposed project~~
  - ~~Resumes and biographies for all staff members assisting in the application and development of the proposed project~~
  - ~~A complete list of LIHTC projects in the respective entity's development pipeline, including those in the pre-development phase up to, but not including, execution of IRS Form 8609~~
  - ~~A Financial Capacity Analysis spreadsheet to be completed by the accounting firm that prepared audited financial statements for the lead developer and any co-developers (if applicable) or prepared by the CFO or an authorized representative when audited financial statements are not available.~~

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

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

~~Examples of filenames:~~

~~12- Lien and Litigation Developer Name~~

~~12- Financial Capacity Analysis Developer Name~~

#### 14. Evidence of Site Control

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

The application must comply with the following. Any updates to site control documents must be submitted with the final application.

At proposal, All forms of site control, including extension options, must not expire within six months. At final, all forms of site control must not expire within six months of the Final Application; extensions will not be considered deadline.

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

## 15. Exception Requests

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

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

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

## 16. Federal Tax Identification Number

When is this due? **Proposal Application** ☐ **Final Application** ☒

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

## 17. Legal Description

When is this due? **Proposal Application** ☐ **Final Application** ☒

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. Lien and Litigation

When is this due? Proposal Application ☒ Final Application ☒

For all approved entities, a Lien and Litigation Report dated within thirty (30) days of the submission of the proposal application must be submitted for the county in which the project will be located.

If Experience and Capacity approval was more than 90 days prior, Provide an updated Lien and Litigation Report for each parent entity of the Ownership Entity(ies), and each development entity. Lien and Litigation reports should be for the county in which the project is located, the state of Ohio and any federal courts.

## 19. LIHTC Lease Addendum

When is this due? Proposal Application ☐ Final Application ☒

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

## 20. List of Changes from Proposal Application

When is this due? Proposal Application ☐ Final Application ☒

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

## 21. Market Study

When is this due? Proposal Application ☐ Final Application ☒

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

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

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

operating these properties under a single financing structure (may include documentation from other government entities giving permission to combine projects).

## 22. Multifamily Bond Financing Information

When is this due? Proposal Application ☐ Final Application ☒

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

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

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

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

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

A development team may seek an inducement resolution for OHFA-issued bonds before an application is submitted. This does not constitute any commitment of competitive resources for the project. The inducement resolution shall communicate OHFA's non-binding intent to issue such bonds and allow for the reimbursement of pre-development costs with bond proceeds up to 60 days prior to the date of inducement. Projects qualify for 4% LIHTC as long as at least 50% of the project's aggregate basis is financed with qualified residential rental private activity bonds as detailed in 26 U.S.C. §142(d).

Applicants should review the Multifamily Bond Financing Guidelines. Additional information will be required to be provided to OHFA one month prior to an OHFA Board meeting.

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

When is this due? Proposal Application ☒ Final Application ☒

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



## 24. Phase I and II Environmental Site Assessments

When is this due? Proposal Application ☐ Final Application ☒

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

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

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

## 25. Physical Capital Needs Assessment

When is this due? Proposal Application ☐ Final Application ☒

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

## 26. Prior OHFA Funding Documents

When is this due? Proposal Application ☐ Final Application ☒

Projects with any prior award(s) of HDAP [still in the affordability period, as detailed in the HDAP Funding Agreement, as of the date of the Proposal Application](#), may not participate. Projects previously funded with OHFA resources, including LIHTC, and MLP must provide copies of all legal documents and amendments associated with OHFA funding, including, but not limited to, the following:

- LIHTC restrictive covenant(s)
- MLP mortgage(s)
- MLP note(s)

## 27. Program Certification (.PDF format)

When is this due? Proposal Application ☒ Final Application ☒

An executed OHFA Program Certification must be executed and individually submitted in .PDF format by each developer, general partner, and/or managing member participating in the project. An original signature is not required; electronic signatures and signature images will be accepted. Do not edit or alter this text; the page is unlocked singularly to permit uploading signature images.

## 28. Project Summary (.PDF format)

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

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

## 29. Public Notification (All Projects)

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

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

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

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

## 30. Related Party Transaction Questionnaire

When is this due? **Proposal Application** ☐ **Final Application** ☒

Applications must include the [Related Party Transaction Questionnaire](#).

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

When is this due? **Proposal Application** ☐ **Final Application** ☒

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

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

### 32. Rental Subsidy Contract

When is this due? Proposal Application ☐ Final Application ☒

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 Final Application, rents cannot be estimated by the rental subsidy provider, OHFA will underwrite such rents at the achievable LIHTC rents referenced in the market study.

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

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

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

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

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

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

### 33. Scattered Site Development Map

When is this due? Proposal Application ☐ Final Application ☒

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

### 34. Scope of Work

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

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

### 35. Site Visit Documents

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

OHFA may conduct a site review at 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.

### 36. Supportive Services Plan & Providers

When is this due? **Proposal Application** ☐ **Final Application** ☒

At Final Application:

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

### 37. Unit Comparability Form

When is this due? **Proposal Application** ☐ **Final Application** ☒

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

### 38. Utility Allowance Information

When is this due? Proposal Application ☐ Final Application ☒

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

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

### 39. State Prevailing Wage-Rate Determination

When is this due? Proposal Application ☐ Final Application ☒

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

### 40. Zoning

When is this due? Proposal Application ☒ Final Application ☒

Applications must include either:

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

Evidence must be dated within one year of the ~~Final Application~~ deadline as referenced in the Program Calendar. ~~At proposal, -and approval of all variances, if needed, is not required. At final application, approval of all variance must be secured prior to submission of the Final Application. Note: OHFA will not accept zoning regulations, references to code, etc., as evidence of zoning.~~

See [OHFA's Website](#) for items required at 8609 Request.

## Summary of Submission Requirements

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

## 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 FY2024\* HOME Allocations

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

\*OHFA will update the Participating Jurisdictions with the most recently HUD-published allocations at final draft.

# Appendix D: Ohio Housing Trust Fund 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 119<sup>th</sup> General Assembly to provide funding for "...activities that provide housing and housing assistance for specifically-targeted low- and moderate-income families and individuals." Certain activities are required to receive an annual allocation under [O.R.C. §174.02](#); however, the annual amount dedicated to OHFA under [O.R.C. §174.03](#) is not specifically outlined. Under [O.R.C. §174.03](#), OHTF includes several program-specific targets by which OHFA must abide, including the following:

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

## Rent and Income Restrictions

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

### State Required Restricted Units

Regardless of the amount of OHTF resources, the state of Ohio through its [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, (2) Fair Market Rent (Low HOME), or (3) LIHTC rent not greater than the gross rent for rent-restricted residential units as determined by under 26 U.S.C. 42(g)(2). The remaining 80% may meet the High HOME requirements outlined above.



# Appendix E: National Housing Trust Fund Requirements

---

## Applicable Statutory and Regulatory Authority

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

---

## Background

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

## Rent and Income Restrictions

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

### State Required Restricted Units

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

### Federally Required Assisted Units

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

# Appendix F: HOME Investment Partnerships Requirements

---

## Applicable Statutory and Regulatory Authority

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

---

## Background

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

## Rent and Income Restrictions

### State-Required Restricted Units

Regardless of the amount of OHTF resources, the state of Ohio through its [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

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

- 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, (2) Fair Market Rent (Low HOME) , or (3) LIHTC rent not greater than the gross rent for rent-restricted residential units as determine by under 26 U.S.C. 42(g)(2). The remaining 80% may meet the High HOME requirements outlined above.