



**Housing Finance
Agency**

Ohio LIHTC

State Fiscal Year 2026

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 through May 16, 2025. Comments may be submitted via e-mail to StateTaxCredits@ohiohome.org. Please do not combine comments related to these draft guidelines with other draft programmatic guidelines such as the PY2025 4% LIHTC with Bond Gap Financing (BGF) program.

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A. Ohio LIHTC Overview

Purpose

The state of Ohio Low-Income Housing Tax Credits (Ohio LIHTC) are a state supplement to the federal Low-Income Housing Tax Credits (LIHTC) designed to create additional housing units that would not have otherwise been created with other state, federal, or private financing throughout state fiscal years (SFY) 2024 to 2027 (July 1, 2023 to June 30, 2027). Modeled after the federal LIHTC, Ohio LIHTC allows owners of qualifying affordable rental projects to claim tax credits against certain state taxable liabilities over a 10-year Credit Period. These credits are then exchanged by investors and syndicators for equity to help develop affordable rental housing throughout the state.

In SFY 2026, OHFA will implement Ohio LIHTC exclusively as gap financing on 4% LIHTC New Affordability proposals that would not otherwise be financially feasible without the addition of Ohio LIHTC. Because 4% LIHTC are worth less than half of a congruent amount of limited 9% LIHTC—all else equal—OHFA will use Ohio LIHTC to bolster the financial feasibility of 4% LIHTC affordable rental housing proposals and further incentivize use of 4% LIHTC, which, unlike 9% LIHTC, are exempt from the annual state LIHTC ceiling under [26 U.S.C. §42\(h\)\(2\)\(B\)](#).

Definitions

New Affordability developments are those in which all residential units are newly constructed and/or adaptively reused, where “adaptive reuse” means converted and updated or adapted for a new purpose. In determining whether an adaptive reuse project qualifies for the program, OHFA will consider (1) whether the project is being converted from a prior, primarily non-residential use and, if not, (2) whether the existing structure has been designated by an agency that is responsible for the enforcement of housing, building, or fire codes as unfit for human habitation, such that the project would create new housing units that were previously unavailable.

Ohio LIHTC

Ohio Revised Code: [R.C. 175.16](#)

Ohio Administrative Code: any provisions enacted at a subsequent date.

The Ohio LIHTC program was created by the Ohio Legislature's 135 General Assembly through R.C. 175.16 of [Am. Sub. H.B. No. 33](#). The Ohio Housing Finance Agency (OHFA) serves as the allocating entity for Ohio LIHTC. Under state statute, OHFA may reserve Ohio LIHTC from July 1, 2023, through June 30, 2027. Unless otherwise reauthorized, the Ohio LIHTC program will sunset on June 30, 2027. Per [R.C. 175.16\(C\)](#), Ohio LIHTC are limited by a state statutory credit ceiling of \$100 million per state fiscal year, net of the amount by which the prior year's credit cap exceeded the credits reserved by the OHFA Executive Director in that year, if applicable. The \$100 million annual credit cap is the full 10-year Credit Period amount.

Per [R.C. 175.16\(B\)](#), Ohio LIHTC must be paired with affordable rental housing proposals that have secured a reservation of LIHTC pursuant to the applicable Qualified Allocation Plan (QAP). Specifically, 4% LIHTC projects must receive a 42(m) Letter of Eligibility from OHFA under the most recent [4% LIHTC QAP](#) before formally committing Ohio LIHTC. OHFA is required to size the Ohio LIHTC in an amount necessary—when combined with the federal LIHTC—to ensure financial feasibility of the proposed project; therefore, it is not an automatic credit and may only be used as “gap financing”, or funding that helps bridge the difference between total development costs and other sources.

Although Ohio LIHTC must be paired with federal LIHTC, equity investors (referred to as “equity owners” in the statute) need not overlap. Per [R.C. 175.16\(f\)\(5\)](#), Ohio LIHTC equity owners need only to have acquired a partnership interest prior to claiming the credit, irrespective of whether the equity owner would be eligible to receive Federal LIHTC.

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 QAP](#).

Ohio Housing Trust Fund (OHTF)

OHFA will utilize Ohio Housing Trust Fund (OHTF) resources as gap financing in the Ohio LIHTC program to help applicants of 4% LIHTC-funded properties achieve financial feasibility in the rural counties. The Ohio Department of Development (Development) serves as the administering agency for these resources; OHFA allocates such resources through a subgrant agreement with Development. 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 resources are structured as “soft” loans, payable only if cash flow is available from ongoing property operations during the term of the loan. By structuring in this way, OHTF allocations do not reduce the ability of a project to maximize first mortgage debt.

B. Program Calendar

Date	Programmatic Benchmark
Thursday, April 17 June 19 – Friday, June 20 July 18, 2025, at 5:00 p.m. Eastern Time (ET)	Window to submit Frequently Asked Questions (FAQ)*
Thursday, July 17 August 14, 2025, by 5:00 p.m. ET	Application submission deadline for Proposal Applications including Experience and Capacity
Friday, September 4 19, 2025	OHFA release of Preliminary Competitive Scoring Experience and Capacity Reviews
Thursday, September 18 25, 2025 by 5:00 p.m. ET	Applicant response deadline for OHFA's Preliminary Competitive Scoring and Experience and Capacity reviews
Wednesday, October 15, 2025, at OHFA's Board Meeting	OHFA announces invitations to submit Final Applications
Thursday, February January 29 5 , 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

*FAQ answers posted will 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 Ohio LIHTC 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 2026 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 StateTaxCredit@ohiohome.org.

Experience and Capacity

Experience and Capacity must be completed prior to the Ohio LIHTC 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% LIHTC 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 the 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 their designee. Upon completion of the review, the final document, with any necessary changes, shall be publicly made available and communicated to all applicants. The document 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

OHFA requires a Proposal Application package submitted via the FTS by the date listed in the Program Calendar. Proposal applications may be uploaded only once. If it's necessary to make changes prior to the deadline, applicants shall first seek OHFA approval of any subsequent uploads. The proposal package includes the items detail in [Appendix A: Submission Requirements](#)

~~Experience and Capacity, Threshold, 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 cCounty of the project site, and threshold deficiencies in the Proposal Application. Applicants must comply with the 4% LIHTC QAP for Staff will review the experience and capacity documentation for entities that have not been previously approved and provide applicants with 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, if applicable. Any applicant who fails to correct identified deficiencies during this period may be removed from consideration.~~

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 appeal agreement with~~ OHFA's preliminary score ~~for appeal~~ any competitive scoring reductions for specific criteria. Applicants may not provide any additional documentation for competitive criteria; ~~a~~ 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 first, as defined below. 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 Ohio LIHTC resources are exhausted. Projects meeting OHFA's set asides and those with the highest scores will be invited to submit a Final Application until all Ohio LIHTC resources are exhausted and all programmatic funding goals are achieved.

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

OHFA will present projects 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 funding. 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.

Final Application Process

Submission Requirements

All Final Application submission items can be found 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 or four major steps:

(1) Full Threshold, Underwriting, 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 that competitive scoring upon which the application was selected continues to be met. The assigned OHFA analyst will draft a review letter detailing any deficiencies. Applicants will have two weeks to cure any outlined deficiencies. Unless otherwise stated, deficiencies must be cured; otherwise, the application will not move forward to OHFA Multifamily Committee and Board approval. If not invited to move forward through the approval process, OHFA will notify the applicant and then 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.

(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 funding is approved by the Board, the funding is reserved.

(3) Ohio LIHTC Commitment

Following (1) Board approval of Ohio LIHTC, (2) receipt of bond inducement resolution approval from OHFA or another qualified issuer meeting the requirements of [26 C.F.R. §1.150-2\(e\)](#) for 26 U.S.C. §142(d) residential rental private activity bonds in an amount sized at no less than 50% of aggregate basis and land, and (3) issuance of a 42(m) Letter of Eligibility, OHFA will enter into an Ohio LIHTC commitment with the overall LIHTC ownership entity.

Once an Ohio LIHTC Commitment is executed with the LIHTC ownership entity, the project will be transitioned to a Project Administration analyst. The assigned analyst will guide the development team through the construction, draw, 8609 and closeout process. Requirements are posted on the OHFA [Project Administration webpage](#).

(4) OHTF Closing for Eligible Developments located in Rural Counties

OHFA will not issue a funding agreement for the OHTF Award until 1) Board approval, and 2) until OHFA's legal department has determined that all required due diligence has been submitted. ~~submission of all required due diligence.~~ 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](#). All due diligence must be submitted in the form required by the due diligence checklist no later than 30 days prior to the estimated loan closing date.

Below are estimated terms and deadlines for projects awarded OHTF funding:

• Closing/Commitment Deadline	<u>May 31, 2027</u>
• Construction Commencement Deadline:	<u>1 year after OHFA Board approval of OHTF</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>

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

Claiming Ohio LIHTC

In accordance with [R.C. 175.16\(D\)](#), upon submitting the final owner cost certification and documentation evidencing the placed-in-service date required as part of the referenced 8609 submission, OHFA will compute the annual Ohio LIHTC amount and issue an Ohio LIHTC Credit Certificate to the project ownership. Per [R.C. 175.16\(E\)](#), each Ohio LIHTC Credit Certificate must include the following information:

- The annual Ohio LIHTC amount
- The years that comprise the 10-year Credit Period
- For each project owner, the following information
 - The entity name
 - The date the Ohio LIHTC Credit Certificate was issued
 - A unique identifying number
 - Any additional information prescribed by any rules adopted under [R.C. 175.16\(H\)](#)

OHFA will send copies of the Ohio LIHTC Credit Certificate to the Ohio Department of Taxation during each year of the 10-year Ohio LIHTC Credit Period.

Recapture of Ohio LIHTC

Pursuant to [R.C. 175.16\(G\)](#), if any portion of allocated federal LIHTC is recaptured under [26 U.S.C. §42\(j\)](#) or is otherwise disallowed, OHFA will recapture a proportionate amount of Ohio LIHTC for the project in coordination with the Ohio Department of Taxation and Ohio Department of Insurance.

D. Threshold Requirements

Compliance with Other OHFA Policy Documents

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

- [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

Ineligible Projects

Projects ineligible to be submitted in the Ohio LIHTC round include, but may not be limited to, the following:

- Projects with an existing reservation of OHFA-administered resources, including, but not limited to, LIHTC or Housing Development Assistance Program (HDAP) as evidenced by a 42(m) Letter of Eligibility or an HDAP reservation or Funding Agreement executed within the past two calendar years as of the first day Proposal Applications may be submitted referenced in the Program Calendar.
- Projects that include any residential units that will be rehabilitated.
- Projects that involve Affordable Assisted Living (AAL).

Maximum Ohio LIHTC Requests

Per [R.C. §175.16\(D\)\(1\)](#), the Ohio LIHTC request may not exceed the amount of the federal LIHTC generated in the first year of the 10-year LIHTC Credit Period if not for the adjustment referenced in [26 U.S.C. §42\(f\)\(2\)](#). Additionally, **no more** than the below amounts may be requested. No Exception Requests may be submitted to exceed such maximum requests.

Funding Pool	Maximum Annual Ohio LIHTC Request	Maximum 10-Year Ohio LIHTC Request
Metropolitan County	Lesser of \$1,000,000 or the annual federal LIHTC generated	Lesser of \$10,000,000 or the 10-Year federal LIHTC generated
Rural County	Lesser of \$1,250,000 or the annual federal LIHTC generated	Lesser of \$12,500,000 or the 10-Year federal LIHTC generated

Maximum OHTF Request for Projects Located in Rural Counties

Applicants of projects located in Rural Counties may request the lower of (1) \$4 million in Ohio Housing Trust Fund (OHTF) resources or (2) the maximum amount based on the federally-mandated **2024-HOME** per-unit maximum subsidy at the time of application on Assisted Units per [24 C.F.R. §92.250\(a\)](#) and [CPD-15-003](#) or (3) the amount necessary to ensure financial viability of the proposed project over the 15-year Compliance Period.

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 2025 Ohio HOME Per Unit Maximum for applications once published by HUD.*

Maximum HDL Request

In accordance with page 4 of the [Housing Development Loan \(HDL\) Guidelines](#), the maximum amount of HDL an applicant can apply for in the SFY2026 Ohio LIHTC round is \$2,500,000 per project.

Application Limits

Over SFY2026, OHFA will limit the number of Ohio LIHTC commitments any one lead developer and/or co-developer in a respective development team can submit and receive based on the following standards:

	Maximum Proposal Application Submissions	Maximum Invitations to Submit a Final Application
Development Teams <u>Entities</u> meeting OHFA Experience and Capacity Requirements and successfully placed in service <u>at least one</u> 4% LIHTC deal over the past 10 years in Ohio over the past 10 years as of the date of the Proposal Application indicated in the Program Calendar.	3	2
Development Teams <u>Entities</u> meeting OHFA Experience and Capacity Requirements that have not successfully placed in service at least one 4% LIHTC deal in Ohio over the past 10 years but have successfully placed in service <u>at least one</u> LIHTC deal in Ohio or another state over the past 10 years as of the date of the Proposal Application deadline indicated in the Program Calendar.	2	1

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. ~~Exceptions to these standards will not be considered, 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, etc.).~~

Developer Fee Limit

Maximum Budgeted Developer Fee

The maximum budgeted developer fee for the Ohio LIHTC 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. 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 Capital Contributions – General Partner Loan

Exception Requests

OHFA will accept Exception Requests 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 Ohio LIHTC Program [website](#).

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

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. For new construction projects, if the existing related party-owned land is not generating income, then cash out to seller is allowed.

Cash out to seller is calculated as follows:

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

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

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

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

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

E. Geographic Distribution and Funding Pools

Geographic distribution will include set asides. The Appalachian and Transformative Economic Development Set asides will be fulfilled first for Ohio LIHTC resources and competitive gap financing resource (OHTF). Upon fulfillment of set asides, OHFA will move to the funding pools and subpools. Projects meeting a set aside will be factored into the allocation goals of the funding pools and subpools.

In the previous funding year (SFY2025), if a project was publicly announced as receiving an invitation to submit a final application, the application received a perfect score, passed minimum threshold and underwrite review, can demonstrate additional costs were incurred in response to the public announcement of receiving an invitation to submit a final application, and was subsequently not provided an opportunity to submit a full application due to an OHFA math calculation error, the project will be invited to submit a final application in this program year (SFY2026). This project will not be counted toward the county limit.

Geographic Distribution

County Limits

Given limited Ohio LIHTC resources in SFY2026, counties may not receive more than two reservations invitations to submit a final application unless doing so is necessary to meet one of the following set asides or to fully utilize its annual credit cap.

Set Asides

Appalachian Set Aside

OHFA will reserve Ohio LIHTC resources invite for at least two 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 County¹.

Community Impact Strategic Initiative

OHFA will reserve resources invite for no more than two new construction housing developments meeting the Agency's threshold, underwriting, and architectural standards proposal application requirements to submit a final application. The project must have a minimum score of 70% and complete the Community Impact Strategic Initiative narrative in the AHFA to be considered. The project must include how it addresses a documented need, description of project's proposed impact on the community, and a connection to workforce demand. Decisions will be made at the OHFA Board's sole discretion based on considering staff OHFA staff recommendation, but preference will be given to:

- eProjects in counties not having received a New Affordability LIHTC reservation (9% or 4% LIHTC) in the last five years; program years 2020-2024, or
- Proposals meeting a quantifiable need and targeted policy and/or geographic areas left underserved through the competitive selection process.

The project must demonstrate local support from any municipal corporation in which the project is proposed to be constructed or that is within one-half mile of the project's boundaries, including support

^[4] 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

from their County. Additionally, the project must include how it addresses a documented need, description of project's proposed impact on the community, and a connection to workforce demand. Letters of support or a resolution are required from the municipal corporation in which the project is proposed to be constructed or that within one-half mile of the project's boundaries. Support letters, resolutions and/or any other supporting documentation must be provided in the Competitive Support Documentation file.

Transformative Economic Development

OHFA will reserve Ohio LIHTC resources for the highest-scoring general occupancy project located within the specified range of 15 miles of an approved Megaproject as designated by the Ohio Tax Credit Authority with more than 2,000 permanent jobs committed to the project. If the Megaproject is located in a metropolitan county, the housing development must be located within 15 miles. For a Megaproject located in a rural county, the housing development must be located within 20 miles.

To be eligible for this set aside, the Proposal Application must also include a letter of support from the local jurisdiction in which the project is to be located. A zoning confirmation letter or conditional financial commitment from the subject jurisdiction will not qualify as a letter of support.

Refugee Settlement Agency Partnership

~~OHFA will reserve LIHTC resources for the highest-scoring general occupancy project for which the ownership entity partners with a~~ **Refugee Resettlement Agency** ~~as referenced on the Ohio Department of Job and Family Services website. Such project must provide a memorandum of understanding (MOU) from a qualified Refugee Resettlement Agency to accept tenant referrals from the applicable Agency. The project must continue to meet~~ 26 C.F.R. §1.42-9.

Funding Pools

OHFA will geographically target funding in two Funding Pools. Counties eligible under the New Affordability in a Rural County pool are those defined as rural or distressed as referenced in R.C. §122.23. A map of the geographic categories can be found here.

(A) New Affordability in a Metropolitan County

Allocation Goal: \$75,000,000 (75%) of total Ohio LIHTC

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

(1) General Occupancy: Approximately 70% of Metropolitan County Funding Pool

General occupancy housing is that which is not restricted to any specific population, such as seniors.

(2) Seniors: Approximately 30% of Metropolitan County Funding Pool

To be eligible for this subpool, the majority of the units must be reserved for this population. Senior housing is that which is restricted to households with at least one member age 55 or above. In accordance with 42 U.S.C. §3607(a)(2) and 24 C.F.R. §100.304 properties that are restricted to households with at least one person age 55 or above can receive a Housing for Older Persons exemption from the Federal Fair Housing Act so long as, among other requirements, at least 80% of the total units are restricted to households with at least one person age 55 or above. Projects that are restricted to households with at least one person age 62 or above must be solely occupied by persons 62 years of age or older.

(B) New Affordability in a Rural County

Allocation Goal: \$25,000,000 (25%) of total Ohio LIHTC

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

(1) General Occupancy: Approximately 50% of Rural County Funding Pool

General occupancy housing is that which is not restricted to any specific population such as seniors.

(2) Seniors: Approximately 50% of Rural County Funding Pool

To be eligible for this subpool, the majority of the units must be reserved for this population. Senior housing is that which is restricted to households with at least one member age 55 or above. In accordance with 42 U.S.C. §3607(a)(2) and 24 C.F.R. §100.304 properties that are restricted to households with at least one person age 55 or above can receive a Housing for Older Persons exemption from the Federal Fair Housing Act so long as, among other requirements, at least 80% of the total units are restricted to households with at least one person age 55 or above. Projects that are restricted to households with at least one person age 62 or above must be solely occupied by persons 62 years of age or older.



F. Competitive Scoring

If the total requests for resources are less than the total funding available, OHFA will not competitively score applications that meet the Agency's Minimum Financial and Threshold review.

Scoring Criteria	Points	Maximum Points as a Percent of Total Points
1. <u>Areas of Opportunity</u>	10	20 17%
<u>Discount to Market Rent</u>		
2. <u>Annual Ohio LIHTC per LIHTC Unit</u>	20	40 33%
3. <u>Number of units</u>	20	40 33%
<u>4A. Number of LIHTC Bedrooms (General Occupancy)</u>	<u>10</u>	<u>17%</u>
<u>4B. Senior Amenities (Seniors)</u>		
Total Points	650	100%

1. Areas of Opportunity or Discount to Market Rent

Maximum points: 10

Areas of Opportunity and Discount to Market Rent are both worth 10 points, however the project score will be the higher of the two categories. Thus, if a project receives six points for Areas of Opportunity and a score of 10 in Discount to Market, the project will receive 10 points for the category.

Areas of Opportunity

Rationale: The [Urban Suburban Rural \(USR\) Opportunity Index](#), created in partnership with The Ohio State University's Kirwin Institute for the Study of Race and Ethnicity, distills five critical categories of opportunity with 15 total indicators into an Opportunity Index Score that aims to measure access to economic and social opportunity at the Census Tract level. These categories include the following: transportation, housing, health, employment, and education.

The project has an Opportunity Index Score as delineated in the [2024-2025 USR Opportunity Index](#) that matches one of the following ranges.

Opportunity Index Score	Points
60-100	10
40-59	7
20-39	4
0-19	2

How can points be demonstrated to OHFA?

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

Discount to Market Rent

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. To view mapped data for Discount to Market Rate, [click here](#).

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
5.4% and above	10
0.8% to 5.3%	7
-3.6% to 0.7%	4
-8.8% to -3.7%	2
< -8.8%	0

How can points be demonstrated to OHFA?

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

32. Annual Ohio LIHTC per LIHTC Unit

Maximum points: 20

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

Annual Ohio LIHTC Request per LIHTC unit				
Metropolitan County		Rural County		Points
\$4,000	or less	\$9,000	or less	20
\$4,001	to \$5,500	\$9,001	to \$10,500	18
\$5,501	to \$7,000	\$10,501	to \$12,000	16
\$7,001	to \$8,500	\$12,001	to \$13,500	14
\$8,501	to \$10,000	\$13,501	to \$15,000	12
\$10,001	to \$11,500	\$15,001	to \$16,500	10
\$11,501	to \$13,000	\$16,501	to \$18,000	8
\$13,001	to \$14,500	\$18,001	to \$19,500	6
\$14,501	to \$16,000	\$19,501	to \$21,000	4
\$16,001	to \$17,500	\$21,001	to \$22,500	2
\$17,501	+	\$22,501	+	0

Annual Ohio LIHTC Request per LIHTC unit				
Metropolitan County		Rural County		Points
\$8,750	or less	\$13,500	or less	20
\$8,751	to \$9,950	\$13,501	to \$14,700	18
\$9,951	to \$11,150	\$14,701	to \$15,900	16
\$11,151	to \$12,350	\$15,901	to \$17,100	14
\$12,351	to \$13,550	\$17,101	to \$18,300	12
\$13,551	to \$14,750	\$18,301	to \$19,500	10
\$14,751	to \$15,950	\$19,501	to \$20,700	8
\$15,951	to \$17,150	\$20,701	to \$21,900	6
\$17,151	to \$18,350	\$21,901	to \$23,100	4
\$18,351	to \$19,550	\$23,101	to \$24,300	2
\$19,551	+ -	\$24,301	+ -	0

How can points be demonstrated to OHFA?

The AHFA auto-calculates Ohio LIHTC per LIHTC unit and will therefore automatically calculate the competitive score for this criterion.

43. Number of LIHTC Units

Maximum points: 20

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

Number of LIHTC Units					
Metropolitan County			Rural County		
150	+	-	65	+	-
140	to	149	62	to	64
130	to	139	59	to	61
120	to	129	57	to	58
110	to	119	55	to	56
90	to	109	53	to	54
80	to	89	51	to	52
70	to	79	49	to	50
60	to	69	47	to	48
50	to	59	45	to	46
49	or less		44	or less	

Number of LIHTC Units					
Metropolitan County			Rural County		
100	+	-	55	+	-
95	to	99	53	to	54
90	to	94	51	to	52
85	to	89	49	to	50
80	to	84	47	to	48
75	to	79	45	to	46
70	to	74	43	to	44
65	to	69	41	to	42
60	to	64	39	to	40
55	to	59	37	to	38
50	or less		35	or less	

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.

4A. Number of LIHTC Bedrooms (General Occupancy only)

Maximum points: 10

Rationale: By providing an incentive for number of bedrooms, OHFA can bolster the number of affordable housing units created for families.

<u>Number of LIHTC Bedrooms</u>	
<u>Percentage of total units with 3 or more bedrooms</u>	<u>Points</u>
<u>15.00%</u>	<u>10</u>
<u>12.50%</u>	<u>8</u>
<u>10.00%</u>	<u>6</u>
<u>7.50%</u>	<u>4</u>
<u>5.00%</u>	<u>2</u>
<u>0%</u>	<u>0</u>

How can points be demonstrated to OHFA?

The points will be calculated based on the information entered in the AHFA and will therefore automatically calculate the competitive score for this criterion. Percentages will be rounded to the nearest tenth.

4B. Senior Amenities (Senior only)

Maximum points: 10

Rationale: Amenities improve the tenant experience and can also drive improved marketability. Applicants may provide a combination of amenities to achieve the maximum points.

<u>Senior Amenities</u>	
<u>Amenity</u>	<u>Points</u>
<u>Roll-in Showers in at least 80% of the units.</u>	<u>3</u>
<u>Outdoor walking path for residents which is at least 400 meters long.</u>	<u>3</u>
<u>Outdoor Patio: A minimum 400-square-foot, outdoor patio area for residents that is at least 50% covered.</u>	<u>3</u>
<u>Free Wi-Fi: Property-wide Wi-Fi at no cost to residents.</u>	<u>3</u>
<u>Towels bars installed in 100% of resident bathrooms structurally equivalent to grab bars (in-wall blocking to be load-bearing).</u>	<u>1</u>
<u>Benches provided beside all elevators on all floors.</u>	<u>1</u>

How points will be demonstrated to OHFA at proposal application:

The points will be calculated based on the information entered in the AHFA and will therefore automatically calculate the competitive score for this criterion. Additionally, the applicant shall provide a signed certification the amenities will be provided in the final application. If amenities do not match in the final application, the application will not be considered.

How points must be demonstrated to OHFA at final application to receive consideration:

The developer must provide a screenshot of the architectural plans in the Competitive Support Documentation and highlight the subject amenity.

For Wi-Fi, the AHFA operating budget must include the annual cost of providing Wi-Fi throughout the project, the AHFA Development Budget must include the initial cost of equipment and installation, and the applicant must provide a quote from an internet provider matching cost outlined in the AHFA.

Tiebreakers

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

1. Projects located in a county with the lowest number of New Affordability LIHTC* units generated in the county over the past 5 years (2020-2024 calendar years)
2. Project is in a census tract which has not received a new ~~construction affordability~~ LIHTC* award ~~in census tract~~ (or other geography, such as zip code) from past two program years (9% LIHTC and 4% LIHTC in 2023-2024 and Ohio LIHTC SFY 2024-2025)
3. ~~Greatest-Highest~~ number of affordable housing units
4. Project with the lowest Ohio LIHTC per unit
5. Project with the lowest Ohio Housing Trust Fund per unit, if applicable
6. ~~Largest-Highest~~ number of bedrooms for subpool.
6. ~~Highest Area of Opportunity raw score for population served~~
7. ~~Highest Discount to Market Rent percentage~~
- ~~Population served—opposite of project already funded for competing pool to balance~~
8. ~~Greatest-Highest~~ number of ELI (30% AMGI) units
9. ~~OHFA Discretion Lottery draw~~

* New affordability includes 9% LIHTC and 4% LIHTC awards.

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, architectural responses, or competitive decisions from a prior year will be determinative in future application rounds. Identical year-over-year submissions may receive differing treatment, with or without notice to an applicant, due to new insights gained during prior review periods, shifts in policy, the need for consistent in-year interpretation, increased applicant competition, or any other reason OHFA deems necessary.

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

The allocation of Ohio LIHTC is made at the sole discretion of OHFA. OHFA will resolve all conflicts, inconsistencies, or ambiguities, if any, in these Guidelines or which may arise in administering, operating, or managing the reservation and allocation of Ohio LIHTC. 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 Ohio LIHTC program, which will be posted with other application materials on the 4% LIHTC with Ohio LIHTC 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 Ohio LIHTC AHFAs). 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) (including a land appraisal for new construction for which acquisition basis is not being claimed) 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. 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.

6. 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 Ohio LIHTC, HDL, and/or OHTF resources, if applicable. 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.

7. Competitive Support Documentation

When is this due? Proposal Application ☒ Final Application ☒

For any competitive scoring criterion which requires additional documentation, the application must include multiple pdf file,, which includes such documentation in PDF format. Each competitive scoring criterion that requires supporting documentation must have a separate PDF file. Applicants wishing to be considered for the Community Impact Strategic Initiative must include supporting documents in this folder to be considered. Example of filenames:

7. ~~Refugee Resettlement~~Senior Amenities.pdf
7. ~~Community Impact~~ Strategic Initiative.pdf

8. 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

9. 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.

10. 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 Team tab of the AHFA.

11. 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. 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. 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.~~

~~Each developer, co-developers, general partners, and managing members 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. 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.**~~

~~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, and contact information. While the LIHTC Ownership Entity may be noted as "To Be Determined" or "To Be Formed", developer, co-developer, and general partner/managing member parent entities must be disclosed.~~

- ~~For owners, a Lien and Litigation Report dated within thirty (30) days of submission of the 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 the Amended and Restated Limited Partnership Agreement and/or Operating Agreement, and~~

~~for developers that have not participated in the LIHTC program in Ohio, a letter from the state allocating agency indicating they were the developer on the project.~~

~~An organizational chart indicating the internal structure of each entity, including a hierarchy of individuals relevant to the development of the proposed project~~

~~Resumes and biographies for all staff members assisting in the application and development of the proposed project~~

~~A complete list of LIHTC projects in the respective entity's development pipeline, including those in the pre-development phase up to, but not including, execution of IRS Form 8609~~

~~A Financial Capacity Analysis spreadsheet to be completed by the accounting firm that prepared audited financial statements for the lead developer and any co-developers (if applicable) or prepared by the CFO or an authorized representative when audited financial statements are not available.~~

~~Changes to the Development Team and Ownership Structure are not permitted after 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:~~

~~11. Lien and Litigation Developer Name~~

~~11. Financial Capacity Analysis Developer Name~~

12. Eligible Project File

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

The application must provide documentation for any project utilizing adaptive reuse detailing and providing proof of eligibility to meet the definition of Adaptive Resue defined prior in the guidelines.

13. 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 ~~may~~ must not expire within six months of the Final Application; extensions will not be considered.

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

14. 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.

15. Federal Tax Identification Number

When is this due? Proposal Application ☐ Final Application ☒

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

16. Lease Purchase

When is this due? Proposal Application ☐ Final Application ☒

The applicant must provide evidence that it meets all the requirements as detailed in Appendix D.

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 rent and income restrictions**

change between Proposal Application and Final Application, the market study must be updated at Final Application.

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

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

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. Notification to Accessibility Groups

When is this due? Proposal Application ☒ Final Application ☒

Applicants proposing newly-affordable units must notify all accessibility groups in the county.

Applicants agree to accept referrals for prospective residents and consider design recommendations for the property. The application shall include copies of all correspondence between the applicant and accessibility groups.

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

24. 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.

25. 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.

26. Physical Capital Needs Assessment (Adaptive reuse only)

When is this due? Proposal Application ☐ Final Application ☒

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

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 an 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 Proposal Application, the applicant must include evidence of completing the public notification process using the [OHFA template letter](#), and the notification must include all information requested, be in writing, and be sent via certified mail, return receipt requested. Applicants must submit a copy of the stamped post office receipt, return receipt not required, for certified mail and copies of notification letters with the 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. 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, the rental subsidy provider cannot estimate rents, 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 Final 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 Final 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

32. 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.

33. Scope of Work

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

At **Proposal**, **Final Application**, and request for IRS Form 8609, applicants must submit a complete **Scope of Work Form**.

34. 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.

35. Supportive Service and Homeownership Strategy Plan

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

At Final Application:

For projects that propose providing supportive services (~~including all Service-Enriched Housing applications, and~~ single-family lease purchase projects), 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. For Single Family Lease Purchase, also reference Appendix D.

36. Unit Comparability Form (projects seeking OHTF only)

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.

37. 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](#).

38. State Prevailing Wage Rate Determination

When is this due? Proposal Application ☐ Final Application ☒

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

39. Zoning

When is this due? Proposal Application ☒ Final Application ☒

In order to evidence the site is appropriately zoned, the applicant must submit either:

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

Evidence must be dated within one year of the application deadline as referenced in the Program Calendar. At proposal, approval of variances, if needed, is not required. At final application, approval of all variances must be secured.

Note: OHFA will not accept zoning regulations, references to code, etc., as evidence of zoning.

~~Evidence must be dated within one year of the Final Application deadline as referenced in the Program Calendar, and approval of all variances must be secured prior to submission of the Final Application.~~

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

Summary of Submission Requirements

Document Number	Document Naming Convention	Proposal	Final
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	Authorization to Release Tax Information		X
6	Board Resolution (non-profit only)		X
7	Competitive Support Documents	X	
8	Conditional Financial Commitments		X
9	Condominized Space Description		X
10	Development Team Consultant Statement	X	
11	Development Team Experience and Capacity Review	X	
12	Eligible Project	X	X
13	Evidence of Site Control	X	X
14	Exception Requests	X	X
15	Federal Tax Identification Number Documentation		X
16	Lease Purchase		X
17	Legal Description (Microsoft Word format)		X
18	Lien and Litigation	X	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	Notification to Accessibility Groups	X	
24	Organizational Chart for LIHTC Ownership Entity	X	X
25	Phase I/II Environmental Site Assessment		X
26	Physical Capital Needs Assessment		X
27	Program Certification	X	X
28	Project Summary PDF	X	X
29	Public Notification	X	X
30	Related-Party Transaction Questionnaire		X
31	Rental Subsidy Contract (if applicable)		X
32	Scattered Site Development Map		X
33	Scope of Work		X
34	Site Visit Documents	X	X
35	Supportive Services Plan & Providers (if applicable)		X
36	Unit Comparability Form		X
37	Utility Allowance Information		X
38	State Prevailing Wage Rate Determination		X
39	Zoning	X	X

Appendix B: OHTF Requirements

Applicable Statutory and Regulatory Authority

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

Background

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

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

Rent and Income Restrictions

Developers seeking OHTF resources for projects located in Rural Counties 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 to 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 C: Single Family Lease Purchase

Development Team Requirements

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

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

Project Requirements

Single-family lease purchase projects are ineligible for HDAP.

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

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

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

Transition Reserve

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

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

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

Supportive Services and Homeownership Strategy Plan

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

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

Transition to Homeownership

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

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