OHIO HOUSING FINANCE AGENCY

4% LIHTC with Bond Gap Financing

Program Year 2023 Guidelines

Office of Multifamily Housing | **July 19, 2023**

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A. 4% LIHTC with Bond Gap Financing Overview

Purpose

The 4% Low-Income Housing Tax Credit (LIHTC) with Bond Gap Financing (BGF) program (hereinafter the "BGF" program) couples non-competitive 4% LIHTCs with limited gap financing resources to assist in the financing 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% LIHTCs are worth 2.25 times less than a congruent amount of limited 9% LIHTCs—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% LIHTCs, which are not subject to the annual state LIHTC allocation authority.

4% LIHTCs

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

The LIHTC program was created through the Tax Reform Act of 1986 and serves as the federal government's central mechanism for the development of affordable housing today. Although governed by the Internal Revenue Service (IRS), it is administered on a state-by-state basis through state Housing Finance Agencies (HFAs). As the HFA for the state of Ohio, OHFA retains responsibility for allocating federal LIHTCs by establishing housing priorities appropriate to local conditions through a Qualified Allocation Plan (QAP) referenced in 26 USC §42(m).

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

The LIHTC program includes two distinct types of LIHTCs: 9% and 4%. The 9% LIHTC is a limited resource with an annual credit ceiling determined by multiplying the state's population by a statutorily defined per capita multiplier. The 9% LIHTC value is calculated as 9% of a proposed project's qualified basis over 10 years. The 9% LIHTC policies and competitive criteria can be found in the most recently-published QAP. Contrarily, the 4% LIHTC is not limited by the state's annual credit ceiling; however, it's value is only worth 4% of a project's qualified basis over 10 years, or 2.25 times less, on average. Therefore, 4% LIHTC deals typically must secure funding from additional sources to achieve financial feasibility. BGF is one such source. Exhibit 1 below details how 9% and 4% LIHTCs are calculated.

Unlike the 9% LIHTC, to claim the full amount of 4% LIHTC, at least 50% of a project's land and aggregate basis[1] must be funded with residential rental private activity bonds (PABs) per 26 U.S.C. §42(h)(4)(B). If a project is financed with less than 50%, the LIHTC amount is pro-rated on the portion of aggregate basis that is financed with PABs, cutting the resulting LIHTC by at least half. Therefore, PABs remain an essential piece of structuring 4% LIHTC projects.

[1] Aggregate basis is essentially depreciable basis. Unlike eligible basis, aggregate basis can include the cost of commercial space.

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

Assume a hypothetical 60-unit new construction project is being proposed in which 100% of the units will be LIHTC-restricted and the site is located outside of a Qualified Census Tract (QCT)[2] or Difficult Development Area (DDA)[3].

LIHTC Calculation	4% LIHTC Project	9% LIHTC Project
Total Development Costs (TDC):	$17,000,000	$17,000,000
- Ineligible Costs[4]	$2,000,000	$2,000,000
= Eligible Basis	$15,000,000	$15,000,000
+ QCT/DDA Basis Boost:	N/A	N/A
= Qualified Basis:	$15,000,000	$15,000,000
X Credit Rate	**4%**	**9%**
= Annual LIHTCs	$600,000	$1,350,000
X 10 Years (Total LIHTC):	$6,000,000	$13,500,000
X Equity Price:	$0.91	$0.91
= Total LIHTC Equity:	**$5,460,000**	**$12,285,000**
TDC Funded with LIHTC Equity:	32%	72%

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. The Ohio Department of Development (Development) serves as the administrating agency for these resources; OHFA allocates such 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 reserved for all successful applications. 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.

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

B. Program Calendar

Date	Programmatic Benchmark
No later than Friday, August 11, 2023	Application materials available on the OHFA website
Thursday, August 24, 2023, by 5:00 PM ET	Pre-Applications uploaded to the File Transfer Site (FTS)
No later than Friday, September 8, 2023	OHFA Response to Pre-Application submissions
Two business days following release	Developer appeal deadline for Pre-Application denials
Thursday, September 28, 2023, by 5:00 PM ET	Proposal Applications uploaded to the FTS
No later than Friday, October 27, 2023	OHFA Release of Minimum Threshold and Underwriting Review
One week following release	Developer response to OHFA Minimum Threshold and Underwriting Review
No later than Thursday, November 16, 2023	OHFA release of individual preliminary competitive scores
No later than Tuesday, November 28, 2023	Developer response to OHFA preliminary competitive scoring
Wednesday, December 20, 2023	OHFA announcement of BGF reservations
Thursday, March 14, 2024, by 5:00 PM ET	Final Applications due to OHFA

C. Application Process

How to Submit

All Pre-Application, Proposal Application, and Final Application submissions must be made via the Agency's Multifamily Development File Transfer Site (FTS). If an applicant does not already have access to the FTS, he or she must email MultifamilyFTP@ohiohome.org prior to the Pre-Application deadline to secure user access. All application materials must be submitted in .ZIP format. Avoid using any special characters (e.g. "*", "&", or "@", among others) in naming conventions for projects. OHFA will not accept applications submitted via email, another online file sharing site (e.g. Dropbox, Google Drive), or flash drive. Projects must be individually uploaded to the FTS using the following process:

- Step 1. Upload one, singular .zip file for each individual application.
- Step 2. Insert project name and select funding round (4% LIHTC with BGF) and application type.
- Step 3. Click Validate File.

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

Additionally, an 11" X 17" hard copy of the preliminary architectural plans at Proposal Application or 80% permit set architectural plans at Final Application are required to be submitted in accordance with page 22 the 2023 Design and Architectural Standards. Please submit architectural plans to the following address:

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

Pre-Application Package

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

- Pre-Application spreadsheet to assist OHFA with program preparation.
- The Site and Neighborhood Standards Form for proposed New Affordability projects. Federal regulations require that any new construction projects financed with HOME or NHTF meet Site and Neighborhood Standards in accordance with 24 C.F.R. §§983.57(e)(2)-(3). Since OHFA will not know which source will be applied to projects that secure a BGF reservation, this requirement applies to all BGF New Affordability projects.
- The Unit Comparability Form. For all BGF projects, the architect must certify whether units are comparable in accordance with CPD-16-15 Section V.B.
- Programmatic Exception Requests (if applicable)
- Experience and Capacity Review. For Experience and Capacity Standards, see Appendix C.

OHFA will make the Pre-Application package available by the date listed on the Program Calendar.

Proposal Application Process

The Proposal Application process involves four major steps:

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

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

(2) OHFA Minimum Threshold and Underwriting Review

OHFA's first review of Proposal Applications involves a minimum review of compliance with OHFA's most current Multifamily Underwriting Guidelines and threshold requirements detailed in these Guidelines. Specifically, OHFA will be reviewing—at a minimum—compliance with cost containment, conditional financial commitments, debt service coverage ratio (DSCR) standards (if applicable), and documentation of rental subsidy commitments (if applicable). OHFA will provide a Minimum Threshold and Underwriting review with any noted deficiencies. Applicants will have one calendar week to respond to any deficiencies. Unless otherwise stated, deficiencies must be cured; otherwise, the subject application will not move forward to competitive scoring.

(3) OHFA scoring against competitive criteria

Staff analysts will review competitive scoring documentation submitted with the Proposal Application against the applicant's "self score". Once complete, OHFA will send preliminary competitive scores to the applicant. Applicants have until the date listed in the Program Calendar to either confirm agreement with OHFA's preliminary score or appeal any competitive scoring reductions for specific criteria. Applicants may not provide any additional documentation for competitive criteria; applicants may only state where, in the original submission, documentation was provided. If the applicant does not respond to OHFA's preliminary score within one calendar week, 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 rank competitive scores against each other for each funding pool and subpool. Projects with the highest scores are funded until all BGF resources are exhausted and all programmatic funding goals are achieved.

(4) BGF reservations and waitlist presented to the OHFA Board

OHFA will present BGF reservations and a waitlist to the OHFA Board on the date indicated in the Program Calendar. Following the OHFA Board presentation, a spreadsheet of all BGF reservations will be uploaded to the Pending Applications & Funded Projects Website. Applicants with BGF reservations will receive a Reservation Letter indicating the amount of BGF and the anticipated BGF source. A reservation is not a funding commitment; a Final Application must be received, all threshold and underwriting requirements must be met, and OHFA board approval must be secured for OHFA to issue a Funding Agreement. OHFA may swap the anticipated BGF source if necessary to meet federal and/or state requirements. Federal HOME and NHTF regulations prohibit a Funding Agreement from being issued until OHFA's legal staff determines that the project will close within 30 days and all other firm financial commitments have been received.

Final Application Process

If invited to submit a Final Application, the Final Application process involves three major steps:

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

Final Applications must be submitted via the Agency's FTS by the deadline noted in the Program Calendar. Applicants are welcome to submit a Final Application earlier than the deadline. Following receipt of a Final Application, OHFA analysts will complete a full Threshold and Underwriting Review. This review involves a comprehensive analysis of the project's compliance with the most recent Multifamily Underwriting Guidelines and threshold requirements outlined in these Guidelines. Additionally, OHFA analysts will review the Final Application to ensure that competitive scoring upon which the application was selected continues to be met. The assigned OHFA analyst will draft a review letter detailing any deficiencies. Applicants will have two weeks to cure any outlined deficiencies. Unless otherwise stated, deficiencies must be cured; otherwise, the application will not move forward to OHFA Multifamily Committee and Board approval of BGF. If not invited to move forward to Board approval, OHFA will 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 with a BGF reservation 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 encouraged to attend the Multifamily Committee and Board meeting either in person or virtually at which the project is to be presented. If BGF funding is approved at Board, the BGF reservation is then considered an award.

(3) Financial Closing and Construction Monitoring

Following Board approval of BGF—and subject to federal commitment requirements—OHFA will enter into a Funding Agreement with the BGF recipient. The project team must compile and submit all required due diligence before requesting a closing date, as described in the OHFA Loan Closing Procedures document on the OHFA Loan Closing webpage. OHFA cannot commence the closing process without all due diligence being submitted no later than 30 days prior to the estimated loan closing date

Below are estimated terms and deadlines for projects awarded PY2023 BGF funding:

- Construction Commencement Deadline: 12 months after OHFA Board approval of BGF
- Construction Completion Deadline: December 31, 2026
- Final Draw Deadline: March 1, 2027
- Final Performance Report Deadline: March 1, 2027

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.

Construction Completion and Project Operations

Compliance

Completion of the Compliance Next Steps (CNS) meeting is required for all properties as they transition from the Agency's Development office to the Office of Program Compliance. If not completed, the issuance of Form 8609 will be delayed. The Compliance Next Steps Process webpage contains the most current information on the CNS meeting, including scheduling information and required forms and documents.

Compliance Monitoring requirements can be found on the Compliance Policies page of the OHFA website. OHFA encourages all owners and managers to stay informed by taking advantage of free training opportunities so that owners and management companies are fully compliant with all requirements.

Asset Management

All LIHTC projects must submit annual, independently-prepared audited financial statements throughout the 15-year Compliance Period. During the Extended Use Period, projects with 50 or more units will continue to submit independently-prepared audited financial statements; projects with less than 50 units will submit independently-prepared reviewed financial statements. OHFA may request additional information.

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

D. Threshold Requirements

Compliance with Other OHFA Policy Documents

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

- 2023 Multifamily Underwriting Guidelines
- 2023 Design and Architectural Standards
- Most recently-published Housing Development Loan Program Guidelines, if seeking HDL

Rent and Income Restrictions

All developments applying to the BGF program must commit to the following rent and income restriction(s), based on the location and funding source of the proposed project. A list of HUD Participating Jurisdictions can be found in Appendix B. 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.

State-Required Restricted Units

Regardless of the amount of BGF resources, the state of Ohio through its 2020-2024 Consolidated Plan (ConPlan) requires a specific number of units restricted to households at or below 50% AMI depending on the project's location.

- 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% 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:
  - < 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)
  - ≥ 5 Assisted Units: At least 20% of the Assisted Units must be restricted at the lower of (1) 50% AMI or (2) Fair Market Rent (Low HOME). The remaining 80% may meet the High HOME requirements outlined above.
- NHTF Assisted Units: All NHTF-Assisted Units must be restricted at or below 30% AMI.

Maximum BGF Requests

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

Funding Pool/Subpool	Maximum BGF Request
811 PRA New Construction	$3,500,000
New Affordability – In a Participating Jurisdiction	$3,500,000
New Affordability – Outside a Participating Jurisdiction	$4,500,000
New Affordability – Outside a Participating Jurisdiction with HOME-ARP	$4,500,000
Preserved Affordability	$3,000,000

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 federally-mandated 2023 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	2023 Ohio HOME Per Unit Maximum
0	$173,011
1	$198,331
2	$241,176
3	$312,004
4+	$342,482

- The amount requested must be reduced by any prior Housing Development Assistance Program (HDAP) awarded to the project that is still within its Affordability Period.

Application Limits

	Maximum Application Submissions	Maximum Application Reservations
Development Teams meeting OHFA Experience and Capacity Requirements and successfully placed in service at least one LIHTC deal **in Ohio over the past 10 years**.	3	2
Development Teams meeting OHFA Experience and Capacity Requirements that have not successfully placed in service at least one LIHTC deal in Ohio over the past 10 years but have successfully placed in service one LIHTC deal with federal HOME financing in **another state over the past 10 years**.	2	1

Ineligible Developments

The following developments are not eligible for BGF funding:

- 4% LIHTC developments in their initial 15-year Compliance Period as of the Proposal Application deadline listed in the Program Calendar; or
- 9% LIHTC developments that have not completed at least 20 years of the Extended-Use Period s of the Proposal Application deadline listed in the Program Calendar.

Cost Containment

Applicants will be required to meet the Cost Containment standards outlined below. Applicants must use the TDC/Unit and TDC/GSF caps that most closely aligns with their project type. OHFA will evaluate projects to ensure compliance at Proposal Application, Final Application, and at 8609 submission. Projects that do not demonstrate compliance with the caps will be removed from consideration. Applicants must submit an Underwriting Exception Request if Cost Containment standards are exceeded.

	Urban		Non-Urban	
Cost Standard	New Construction and Adaptive Reuse	Preservation	New Construction and Adaptive Reuse	Preservation
TDC per Unit	$403,000	$350,000	$388,000	$250,000
TDC per GSF	$410	$370	$390	$280

Fees

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
HDL Application Fee *(at Final Application, if applicable)*	See the most current HDL Guidelines
Amendments to a funding agreement	$1,000 per request
Extensions of a funding agreement	$1,000 per extension
Compliance Monitoring Fee	$2,400/unit

Application fees must be paid using Automated Clearing House (ACH) by the Proposal Application or Final Application deadline, as applicable. OHFA will not accept checks. Please note, OHFA does not have an online ACH payment portal. Payments should be submitted via your bank. Following approval of the Pre-Application package, Agency staff will send OHFA's account information to process the ACH payment.

Developer Fee Limit

Maximum Budgeted Developer Fee

The maximum budgeted developer for the BGF program is 20% of the project's LIHTC eligible basis net of the Developer Fee 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 $20,000 per LIHTC unit. 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 2023 Multifamily Underwriting Guidelines, 2023 Design and Architectural Standards, and those outlined specifically in these Guidelines. Applicants must submit Programmatic Exception Requests with the Pre-Application as outlined in the Program Calendar. Underwriting and Design Exception Requests are submitted with the Proposal Application. Exception Requests must be submitted on the Exception Request Form, which will be made available with other application materials in accordance with the Program Calendar.

Design and Architectural Standards

Minimum Rehabilitation Requirements

Per the 2023 Multifamily Underwriting Guidelines, any rehabilitation projects seeking LIHTC must meet the definition of Substantial Rehabilitation as outlined in the 2023 Design and Architectural Standards.

Green Standards

Projects applying for funding through the 2023 BGF program must commit to one of the Green Building Certifications listed on page 13 of the 2023 Design and Architectural Standards. Rehabilitation projects seeking to use the OHFA Limited Scope Rehabilitation Sustainability Standards must also secure a HERS rater certification, congruent to the requirements of Competitive 9% LIHTC projects.

504-Mobility Units

Projects submitted under the New Affordability pools and subpools must include twice the number of federally-mandated 504-mobility units as defined in the 2023 Design & Architectural Standards, regardless if Section 504 of the Rehabilitation Act of 1973 is triggered. To calculate the number of 504-mobility units needed to meet this threshold standard, first multiply the total number of units by 5%, round up to the nearest whole unit, and multiply the result by two. Please note that the 2023 Design and Architectural Standards require all 504-mobility units have one roll-in shower.

Universal Design

All projects applying for funding under the 2023 BGF program must incorporate all mandatory Universal Design components as outlined in Appendix B of the 2023 Design and Architectural Standards and either of the following:

- 10 additional Universal Design components in 50% of the units
- 5 additional Universal Design components in 100% of the units

Detrimental Land Uses

Projects submitted under the New Affordability pools and subpools shall not be sited adjacent to or in close proximity to any detrimental land use that impairs a resident's proper use of the residence as outlined in the 2023 Design & Architectural Standards.

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 able to secure NHTF resources and may not receive a reservation, regardless of its competitive score within a pool.

- The calculated number of Assisted Units must be restricted at or below 30% AMI.
- The submitted application must demonstrate that a minimum of 10% of the funding comes from non-OHFA, non-Federal funding. This must be demonstrated by a conditional commitment submitted at Proposal Application.
- 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 2023 Multifamily 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:

- The maximum seller note amount may be sized at the purchase price or appraised value, whichever is lower.
- 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 for review and approval. OHFA may request additional information to demonstrate such compliance.

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

Geographic Distribution and Set Asides

Given limited gap financing resources in Program Year 2023, no county will receive more than two reservations unless doing so is necessary to meet one of the following set asides.

At least 55% of all BGF reservations will be reserved for projects located in areas outside of Participating Jurisdictions. If not enough financially-viable Proposal Applications are received for projects located outside of Participating Jurisdictions, OHFA will reallocate such reservations to projects located in Participating Jurisdictions, so long as OHFA meets its mandatory minimum funding requirement of 50% in OHTF.

OHFA will reserve BGF resources for at least two housing developments that meet the Agency's threshold, underwriting, and architectural standards located in an Appalachian County[5].

OHFA will reserve BGF resources for at least one project that is sponsored by a Community Housing Development Organization (CHDO) as referenced on OHFA's Website and defined in 24 C.F.R. §92.300.

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

1. **New Affordability**

    Allocation Goal: 65% of total BGF

    Developments in which the majority of units are newly constructed or existing units that are not currently rent or income-restricted and will be substantially rehabilitated may participate in this pool.

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

    A. New Affordability in a Participating Jurisdiction**:**

        Allocation Goal: 20% of total BGF

        Projects that meet the definition of New Affordability and are sited within a Participating Jurisdiction.

[5] Appalachian counties in Ohio include the following: Adams, Ashtabula, Athens, Belmont, Brown, Carroll, Clermont, Columbiana, Coshocton, Gallia, Guernsey, Harrison, Highland, Hocking, Holmes, Jackson, Jefferson, Lawrence, Mahoning, Meigs, Monroe, Morgan, Muskingum, Noble, Perry, Pike, Ross, Scioto, Trumbull, Tuscarawas, Vinton, and Washington.

B. <u>New Construction with 811 Project Rental Assistance in a Participating Jurisdiction</u>:

Allocation Goal: 10% of the total BGF, but at least one project

New construction projects for which the ownership commits to providing at least 15%, but no more than 20%, of total units to serve residents with a qualifying disability through the 811 Project Rental Assistance (PRA) program can participating in this pool. More information about the 811 PRA program can be found on OHFA's website here. The following additional criteria must be met in order to participate:

- The project must be sited in either a Central City or Metro/Suburban area as determined by OHFA's Property Locator Search Tool.
- 40% of the total units must be one-bedroom units.
- 40% of the total units must meet 504-mobility standards.
- The project must not be restricted to serving seniors (i.e. it must be general occupancy)
- The building(s) must be elevator serviced.
- 811 PRA-subsidized units must be underwritten at 50% for rent restrictions, but 30% AMI for occupancy.
- The property management firm must have demonstrated experience with HUD project-based rental assistance contracts, Tenant Rental Assistance Certification System (TRACS) and Enterprise Income Verification (EIV).

C. <u>New Affordability Outside a Participating Jurisdiction:</u>

Allocation Goal: 25% of total BGF.

Projects that meet the definition of New Affordability and are sited outside of a Participating Jurisdiction.

D. <u>New Construction HOME-American Rescue Plan Outside a Participating Jurisdiction</u>

Allocation Goal: 10% of total BGF, but at least one project

New Construction projects that meet the requirements of the HOME-American Rescue Plan (HOME-ARP) as outlined in Section 3205 of the American Rescue Plan of 2021, CPD-21-10, and the Ohio HOME-American Rescue Plan Act Allocation Plan, as amended. Projects seeking this set-aside must meet the following requirements:

- The project site must not be located in an Area of Minority Concentration
- Project-based rental assistance must be committed on at least 50% of the units with a minimum subsidy term of 15 years
- All HOME-ARP Assisted Units must serve Qualifying Populations
- An MOU between the ownership entity and the applicable Continuum of Care (CoC) for referral of HOME-ARP Assisted Units must be executed at Proposal Application for a period no less than 15 years or the term of the rental subsidy contract, whichever is longer.
- Demonstrate a commitment by an experienced local or regional service provider(s) to deliver comprehensive services. All service providers must have a history of serving the area.

2. Preserved Affordability

Allocation Goal: 35% of total BGF

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

OHFA has two subpools ; these subpools will follow the same competitive criteria but will be scored only against other projects submitted in the subpool.

A. Preserved Affordability in a Participating Jurisdiction**:**

Allocation Goal: 15% of total BGF

Projects that meet the definition of Preserved Affordability and are sited within a Participating Jurisdiction.

B. New Affordability Outside a Participating Jurisdiction:

Allocation Goal: 20% of total BGF

Projects that meet the definition of Preserved Affordability and are sited outside of a Participating Jurisdiction.

F. Competitive Scoring

If the total requests for BGF are less than the total funding available, OHFA will not competitively score applications that pass Minimum Threshold and Underwriting Review.

New Affordability

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

Scoring Criteria	Maximum Points	Maximum Points as a Percent of Total Points
1. Areas of Opportunity	10	20%
2. Areas of Minority Concentration	0	0%
3. Discount to Market Rent	15	30%
4. Leverage	5	10%
5. Building Amenities	10	20%
6. BGF per Unit	10	20%
Total	**50**	**100%**

1. Areas of Opportunity

Maximum points: 10

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 one Opportunity Index Score number that aims to identify access to economic and social opportunity by individual Census Tracts. These categories include transportation, education, employment, housing, and health. For more information, see the Kirwin Institute's "Overview of the Ohio 2022-2023 USR Opportunity Index" document.

The project has an Opportunity Index Score as delineated in OHFA's 2022-2023 Opportunity and Community Change Index that matches one of the following ranges:

Opportunity Index Score	Points
90-100	10
80-89	9
70-79	8
60-69	7
50-59	6
40-49	5
30-39	4
20-29	3
10-19	2
0-9	1

How can points be demonstrated to OHFA?
The AHFA will automatically calculate the Opportunity Index Score based on the project's location within a 2010 Census Tract.

2. Areas of Minority Concentration

Maximum points: 0

Rationale: HUD disincentivizes new construction projects from being located in Areas of Minority Concentration in both the HOME and NHTF programs per 24 C.F.R. §92.202(b) and 24 C.F.R. §93.150(a), respectively. Additionally, projects in the BGF round that are in an Area of Minority Concentration must meet at least one of only two exceptions to secure funding under HUD regulations. In concert with HUD policy, OHFA is providing priority for projects located outside of Areas of Minority Concentration. OHFA will reference HUD's Rental Assistance Demonstration (RAD) program Minority Concentration Analysis map to determine if a project is located in an Area of Minority Concentration.

Areas of Minority Concentration	Points
Project is located inside an Area of Minority Concentration	-1

How can points be demonstrated to OHFA?
A screenshot of the project on HUD's RAD Minority Concentration Analysis website must be provided in the Competitive Support Documentation folder. The applicant must select "Show Minority & Tracts" on the left-hand side of the Web site and have a zoom level at or above 9.

3. Discount to Market Rent

Maximum points: 15

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 2023 Small Area Fair Market Rent (SAFMR)—if the project is located in a MSA—or 110% of the 2023 Fair Market Rent (FMR) for projects located outside of an MSA.

Discount to Market Rent = 1 – (the maximum gross 50% AMI MTSP rent for a one-bedroom unit ÷ 110% of SAFMR or FMR)

Discount to Market Rent	Points
25% and above	15
15.0% to 24.9%	12
5.0% to 14.9%	9
-5.0% to 4.9%	6
-15.0% to -5.1%	3
< -15.0%	0

How can points be demonstrated to OHFA?
Points will be automatically calculated based on the Census Tract in which the majority of units in the defined project is located.

4. Leverage

Maximum points: 5

Rationale: OHFA aims to incentivize projects for which the development team has sought and conditionally secured local, permanent soft resources or grants, thereby bolstering the impact of OHFA's limited gap financing resources on the development of affordable housing.

Amount of Leverage (In Participating Jurisdictions)	Amount of Leverage (Outside Participating Jurisdictions)	Points
$2 million or more	$250,000 or more	5
$1.50 million to $1.99 million	$200,000 to $249,999	4
$1.00 million to $1.49 million	$150,000 to $199,999	3
$500,000 to $999,999	$100,000 to $149,000	2
$250,000 to $499,999	$50,000 to $99,000	1

How can points be demonstrated to OHFA?
Leveraged resources must be either permanent soft loans in which debt payments are contingent upon cash flow of the project or grants. The lender or grantor, respectively, must be a local government such as a city, county, township, or other comparable unit of local government. Financial commitments must meet the requirements of a Conditional Financial Commitment as outlined in Appendix A.

5. Building Amenities

Maximum points: 10

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

Amenity	Points	How can points be demonstrated to OHFA?
A minimum 400 square foot, outdoor patio area for residents that is at least 50% covered	2	The developer must provide a screenshot of the preliminary architectural plans in the Competitive Support Documentation and highlight the subject amenity.
Tenant credit reporting system participation	2	The owner must provide an executed commitment to report on-time rent payments made by residents to the three national credit bureaus using a service acceptable to OHFA. The AHFA operating budget must include the annual cost of providing the service. The service must be free to participating residents for the 15-year Compliance Period.
Energy Star-certified dishwasher in all units	5	The developer must provide a cropped screenshot of the preliminary architectural plans in the Competitive Support Documentation and highlight the subject amenity.
Energy Star-certified washer and dryer in all units	5	The developer must provide a cropped screenshot of the preliminary architectural plans in the Competitive Support Documentation and highlight the subject amenity.
Property-wide Wi-Fi at no cost to residents	8	The AHFA operating budget must include the annual cost of providing Wi-Fi___33 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 costs outlined in the AHFA.

6. BGF per LIHTC Unit

Maximum points: 10

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

BGF Request per LIHTC Unit	Points
< $30,000	10
$30,000 to $34,999	8
$35,000 to $39,999	6
$40,000 to $44,999	4
$45,000 to $49,999	2
≥ $50,000	0

New Affordability Tiebreakers

1. Largest amount of local leverage as outlined in the Leverage criterion above.
2. Largest number of LIHTC units

Preserved Affordability

Preserved Affordability Scoring	Points	Maximum Points as a Percent of Total Points
1. Discount to Market Rent	15	30%
2. Rehabilitation Hard Costs per Unit	14	28%
3. Leverage	5	10%
4. BGF per LIHTC Unit	16	32%
Total Points	**50**	**100%**

1. Discount to Market Rent

Maximum points: 15

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 actually 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 2023 Small Area Fair Market Rent (SAFMR)—if the project is located in a MSA—or 110% of the 2023 Fair Market Rent (FMR) for projects located outside of an MSA.

Discount to Market Rent = 1 – (the maximum gross 50% AMI MTSP rent for a one-bedroom unit ÷ 110% of SAFMR or FMR)

Discount to Market Rent	Points
25% and above	15
15.0% to 24.9%	12
5.0% to 14.9%	9
-5.0% to 4.9%	6
-15.0% to -5.1%	3
< -15.0%	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. Rehabilitation Hard Construction Costs per Unit

Maximum points: 14

Rationale: Per the 2023 Design and Architectural Standards, OHFA only allows prospective rehabilitation projects to seek LIHTC only if the rehabilitation is substantial. By incentivizing higher hard construction costs beyond the minimum $40,000 per unit, development teams are encouraged to reinforce the scope of work with enough improvements that will allow for long-term sustainability while leveraging construction mobilization. Hard construction costs are calculated as the sum of the following costs and are detailed in the AHFA:

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

Rehabilitation Hard Construction Costs per Unit	Points
$100,000 and above	14
$90,000 to $99,999	12
$80,000 to $89,999	10
$70,000 to $79,999	8
$60,000 to $69,999	6
$50,000 to $59,999	4
$40,000 to $50,000	2
< $40,000	0

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

3. Leverage

Maximum points: 5

Rationale: OHFA aims to incentivize projects for which the development team has sought and conditionally secured local, permanent soft resources or grants, thereby bolstering the impact of OHFA's limited gap financing resources on the development of affordable housing.

Amount of Leverage (In Participating Jurisdictions)	Amount of Leverage (Outside Participating Jurisdictions)	Points
$2 million or more	$250,000 or more	5
$1.50 million to $1.99 million	$200,000 to $249,999	4
$1.00 million to $1.49 million	$150,000 to $199,999	3
$500,000 to $999,999	$100,000 to $149,000	2
$250,000 to $499,999	$50,000 to $99,000	1

How can points be demonstrated to OHFA?
Leveraged resources must be either permanent soft loans in which debt payments are contingent upon cash flow of the project or grants .The lender or grantor, respectively, must be a local government such as a city, county, township, or other comparable unit of local government. Financial commitments must meet the requirements of a Conditional Financial Commitment as outlined in Appendix A.

4. BGF per LIHTC Unit

Maximum points: 16

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

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

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

Preserved Affordability Tiebreakers

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

Appendix A: Submission Requirements

1. Affordable Housing Financing Application (AHFA)

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

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

2. Appraisal

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

Applications must include an as-is appraisal for all development site(s) which complies with all Appraisal Requirements in the 2023 OHFA Multifamily Underwriting Guidelines.

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

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

Applications must include architectural plans for all development site(s) in accordance with the 2023 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. Authorization to Release Tax Information

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

Final Applications must include a completed Authorization to Release Tax Information Form for the parent company of each member of the ownership entity and the parent company of the HDAP recipient.

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

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

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

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

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

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

7. Board Resolution (Non-Profit Developers Only)

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

Applications submitted by non-profit developers and/or co-developers must include a board resolution authorizing an application for the BGF resources. The resolution must be dated and executed within 60 days of the Proposal Application deadline as outlined in the Program Calendar, specify the amount of the request, and identify the individuals authorized to execute legal documents on behalf of the nonprofit.

8. Competitive Support Documents

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

For any competitive scoring criterion which requires additional documentation, the application must include a separate folder titled “Competitive Support Documents”, which includes such documentation in PDF format. Each competitive scoring criterion that requires supporting documentation must have a separate PDF file in this folder.

9. Conditional Financial Commitments

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

Applications must include financial commitments for all non-OHFA sources. All commitments must be fully executed and dated within 60 days of the application deadline.

Proposal Application: At a minimum, documentation must include a letter of interest or term sheet specific to the project indicating the following:

- loan or grant amount,
- loan term, and
- interest rate.

For any sources from a competitive or contingent source, (e.g. city or county HOME funds, Federal Home Loan Bank) documentation must detail that reservations for such sources will be announced prior to the Final Application submission deadline as referenced in the Program Calendar The applicant must provide either of the following:

- a letter or other documentation from the funder detailing when the funding round will be open, the maximum awards available, and when funding decisions will be released, or
- a letter from the funding entity detailing the minimum amount of funding it will provide to the project upon successful completion of regulatory reviews and funding availability.

If seeking a competitive or contingent source, applicants must provide evidence of an alternative plan to fill the funding gap if unsuccessful. Any alternative funding plan must include financial commitments that can feasibly be secured prior to Final Application. If increasing deferred developer fee, sponsor loans, or general partner capital contributions are part of such an alternative plan, the total amount of deferred developer fee, sponsor loans, and general partner capital contributions cannot exceed 100% of the budgeted developer fee.

Final Application: 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.

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

10. Condominimized Space Description

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

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

11. Development Team Consultant Statement

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

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

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

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

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

12. Development Team Experience and Capacity Review

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

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

In accordance with 24 C.F.R. §92.250(b)(2), 24 C.F.R. §93.300(b)(2), and Section VI(B)(10)(iii) of CPD-21-10, OHFA must review the financial capacity of developers. To successfully implement these requirements, Pre-Applications must include the last three years of audited financial statements for the developer and co-developer(s), if applicable and a real estate owned (REO) schedule for all existing LIHTC projects for which the lead developer and co-developer(s) (if applicable) maintain an ownership interest.

At Pre-Application and Final Application, the owner of the project must provide a Lien and Litigation Report dated within thirty (30) days of submission of the Pre-Application and Final Application, respectively.

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.

Appendix C: Experience & Capacity Characteristics outlines the minimum eligibility and evaluation criteria. Consultants may not be the only source of team experience.

Applicants must disclose changes to any development team between the Proposal and Final Application. OHFA may disqualify applications that do not maintain the core competency and experience necessary to successfully develop and manage a project.

13. Evidence of Site Control

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

The application must comply with the following. Any updates to site control documents must be submitted with the final application. All forms of site control may not expire within six months of the Proposal and Final Application.

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

14. Exception Requests

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

OHFA will consider exceptions only for those items specifically allowed under these Guidelines and represented in the Exception Request Form. Any response issued applies exclusively to the year in which the application was submitted and cannot be used for future applications. Programmatic Exception Requests are due at Pre-Application while all other Exception Requests are due at Proposal Application.

15. Federal Tax Identification Number

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

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

16. Green Certification

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

a. All multifamily developments must obtain one of the energy efficiency or green building certifications outlined in OHFA's 2023 Design and Architectural Standards. Additionally, applicants proposing New Construction developments must obtain one of the following energy efficiency or green building certifications:
   i. 2020 Enterprise Green Communities
   ii. Leadership in Energy & Environmental Design (LEED) – silver or higher
   iii. ICC 700 National Green Building Standard (NGBS) – silver or higher

b. Rehabilitation and adaptive reuse projects unable to obtain one of the above certifications may use the OHFA Limited Scope Rehabilitation Sustainability Standards as an alternative. Projects selecting this option must also demonstrate:
   i. meeting or exceeding the higher of either the Overlay criteria or the current Ohio adopted standard; and
   ii. post-construction blower door test 150% improvement over the pre-rehabilitation test, up to 12 ACH.

   The request for IRS Form 8609 must include evidence of final certification from a HERS rater, green building certification organization, or otherwise qualified and licensed professional as approved by OHFA.

17. Legal Description

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

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

18. LIHTC Lease Addendum

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

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

19. Limited Partnership Agreement

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

Applicants must submit a copy of the Limited Partnership Agreement or Operating Agreement for the ownership entity detailing the roles and responsibilities of each partner or entity at request for IRS Form 8609.

20. List of Changes from Proposal Application

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

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

21. Market Study

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

Applications must include a market study conducted by an OHFA-approved market study professional updated or approved within 12 months of the application submission date. Refer to the 2023 Multifamily Underwriting Guidelines for OHFA's market study requirements. The rent and income restriction breakdown must match those referenced in the submitted AHFA. If any 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?	Pre-Application		Proposal Application		**Final Application**	**X**	8609	

For OHFA issued bonds, 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.

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

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

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

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

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

24. Ohio Housing Locator

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

Owners must list properties on the Ohio Housing Locator (or other equivalent substitute at OHFA's direction) and new construction on the Lead-Safe Rental Registry. Owners are responsible for keeping the property listings current.

25. Phase I and II Environmental Site Assessments

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

Applications must include a Phase I Environmental Site Assessment (ESA) for all sites dated no later than six months prior to the Proposal Application deadline completed in accordance with the most current ASTM Standard and include 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 (rehabilitation or adaptive reuse only)

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

Applications for the rehabilitation of existing housing units and adaptive reuse must include a Physical Capital Needs Assessment (PCNA). The PCNA must reflect current building conditions, conform to the standards in the 2023 Multifamily Underwriting Guidelines and 2023 Design and Architectural Standards.

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

27. Prior OHFA Funding Documents

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

Projects previously funded with OHFA resources, including LIHTC, HDAP, 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)
- HDAP restrictive covenant(s)
- HDAP mortgage(s)
- HDAP note(s)
- HDAP Funding Agreement(s)
- HDAP loan agreement(s)
- MLP mortgage(s)
- MLP note(s)

28. Proposal Summary (.PDF format)

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

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

29. Public Notification (All Projects)

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

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

- The chief executive officer and the clerk of the legislative body of any municipal corporation in which the project is proposed to be constructed or that is within one-half mile of the project's boundaries.
- The clerk of any township in which the project is proposed to be constructed or that is within one-half mile of the project's boundaries; and
- The clerk of the board of county commissioners of any county in which the project is proposed to be constructed or that is within one-half mile of the project's boundaries.

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

30. Related Party Transaction Questionnaire

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

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

31. Relocation Plan (existing rental units only)

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

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

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

32. Rental Subsidy Contract

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

OHFA will only consider subsidy that is awarded to a specific project (project-based) by a third-party such as a public housing authority, the U.S. Department of Agriculture Rural Development (USDA) or other entity. If the public housing authority is part of the development team, the third-party requirement is waived. All rental subsidy contracts or commitments must include the number of units and bedroom types with rents matching those being assumed in the AHFA. If, at Proposal Application, rents cannot be estimated by the rental subsidy provider, OHFA will underwrite such rents at the achievable LIHTC rents referenced in the market study.

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

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

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

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

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

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

33. Scattered Site Development Map

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

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

34. Scope of Work (Rehabilitation or Adaptive Reuse Only)

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

At Proposal Application, Final Application, and 8609, applicants must submit a complete Scope of Work Form for rehabilitation and adaptive reuse projects.

35. Site and Neighborhood Standards Form (New Construction Only)

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

Applications must include a completed Site and Neighborhoods Standards Form at Pre-Application. Federal regulations require that any new construction projects financed with HOME or NHTF meet Site and Neighborhood Standards in accordance with 24 C.F.R. §§983.57(e)(2)-(3). Since OHFA will not know which source will be applied to projects that secure a BGF reservation, this requirement applies to all BGF new construction projects.

36. Site Visit Documents

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

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

Applications must include:

- a detailed aerial map clearly depicting the physical location of the site, the nearest intersection, and all roads leading to the site; and
- photos of the site and surrounding properties.

37. Supportive Services Plan & Providers

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

<u>At Final Application:</u>

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

<u>At 8609 Submission:</u>

For HOME-ARP and Service-Enriched housing developments, Supportive Services Plans (SSP) are due no later than the request for IRS Form 8609. Applications or requests for Form 8609 must include evidence of salaried or in-kind service coordination on-site, contiguous, or accessible to the development and linkages to information and resources appropriate to the population. All service coordinators must have a history of serving the targeted area or population.

38. Unit Comparability Form

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

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

39. Utility Allowance Information

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

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

Applications with reserved 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.

40. Zoning

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

Applications must include either:

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

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

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

- OHFA may waive or modify zoning requirements for projects involving new construction that encounter an extreme and unforeseeable delay where final zoning approval was not granted due to circumstances beyond the applicant's control if the applicant can demonstrate all of the following:
    - correctly following the local zoning process,
    - providing all necessary documents for local review, and
    - giving adequate time for local consideration.

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

Summary of Submission Requirements

Document No.	Document Naming Convention	When is this due? Pre-App	Proposal	Final	8609
1	Affordable Housing Financing Application (AHFA)		X	X	
2	Appraisal			X	
3	Architectural Plans & DCF Form		X	X	
4	Articles of Incorporation (non-profits only)		X		
5	Audited Financial Statements for Projects (Rehab Only)		X		
6	Authorization to Release Tax Information			X	
7	Board Resolution (Non-Profit Developers Only)		X		
8	Competitive Support Documents		X		
9	Conditional Financial Commitments		X	X	
10	Condominimized Space Description			X	
11	Development Team Consultant Statement		X		
12	Development Team Experience and Capacity Review	X			
13	Evidence of Site Control		X	X	
14	Exception Requests	X	X		
15	Federal Tax Identification Number Documentation			X	
16	Green Certification				X
17	Legal Description (Microsoft Word format)			X	
18	LIHTC Lease Addendum			X	
19	Limited Partnership Agreement				X
20	List of Changes from Proposal Application			X	
21	Market Study		X		
22	Multifamily Bond Financing Information			X	
23	Notification to Statewide Accessibility Groups			X	
24	Ohio Housing Locator				X
25	Phase I/II Environmental Site Assessment		X	X	
26	Physical Capital Needs Assessment		X		
27	Prior OHFA Funding Documents		X		
28	Proposal Summary PDF		X		
29	Public Notification		X		
30	Related-Party Transaction Questionnaire			X	
31	Relocation Plan (if applicable)			X	
32	Rental Subsidy Contract (if applicable)		X	X	
33	Scattered Site Development Map		X		
34	Scope of Work		X	X	X
35	Site and Neighborhood Standards Form	X			
36	Site Visit Documents		X		
37	Supportive Services Plan & Providers (If applicable)			X	X
38	Unit Comparability Form	X			
39	Utility Allowance Information		X	X	
40	Zoning		X		

Appendix B: HUD Participating Jurisdictions

What are Participating Jurisdictions?

Participating Jurisdictions 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 from HUD to eligible local jurisdictions with the remaining 40% to state governments.

Local Participating Jurisdictions and Respective FY2023 HOME Allocations

Participating Jurisdiction	Consortium?	FY2023 HOME Allocation
City of Akron	No	$1,742,494
City of Canton	No	$829,190
City of Cincinnati	No	$2,890,863
City of Cleveland	No	$5,462,346
City of Columbus	No	$5,079,688
City of Dayton	No	$1,555,007
City of East Cleveland	No	$269,963
City of Hamilton	No	$393,677
City of Lima	No	$337,282
City of Lorain	No	$628,402
City of Mansfield	No	$386,242
City of Springfield	No	$569,232
City of Toledo	No	$2,551,780
City of Warren	Yes	$813,262
City of Youngstown	No	$770,649
Butler County	Yes	$941,722
Clermont County	No	$594,057
Cuyahoga County	Yes	$3,117,046
Franklin County	No	$968,689
Hamilton County	No	$1,711,675
Lake County	No	$522,694
Montgomery County	No	$1,144,864
Stark County	Yes	$1,029,006
Summit County	No	$442,718

Appendix C: Experience and Capacity Standards

Developer Experience

The lead developer or co-developer as represented in the Affordable Housing Funding Application (AHFA) must have successful experience with the LIHTC program to participate in the BGF program as demonstrated by one of the following minimum standards:

- The lead developer or co-developer has successfully placed at least one LIHTC project in service in Ohio within the last 10 years; or
- The lead developer or co-developer has successfully placed in service at least one LIHTC project in service in a state other than Ohio that utilized HOME financing. Documentation must be submitted that the project was placed into service within the past 10 years.

Disqualifying Developer and Owner Characteristics

Any member of the development team or ownership that has (1) failed to pay any fee or expense due to OHFA, (2) been in default or in major non-compliance with any OHFA program, (3) been debarred or suspended from any OHFA, HUD, or Rural Housing programs, (4) is currently in foreclosure or been foreclosed, or (5) is under felony investigation, indicted or been convicted of a felony, may not participate in the 2023 BGF program until the event or events are corrected or resolved. OHFA may contact other local, state, and/or federal housing agencies to solicit feedback related to a specific developer or development team member.

Any member of the development team or ownership that is federally debarred may not participate in the 2023 BGF round. OHFA will confirm through the System for Award Management (SAM) website that no member of the development team has been debarred or suspended from doing business with the federal government.

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

Developer and/or owners who have received an award of BGF in Program Year 2021 or earlier and have not yet closed with OHFA's Legal Office on the BGF award as of the Program Year 2023 Proposal Application deadline may not participate in the 2023 BGF program.

Financial Capacity

In accordance with 24 C.F.R. §93.300(b)(2) and 24 C.F.R. §92.250(b)(2), OHFA must review the financial capacity of the developer and co-developer (if applicable) associated with a submitted application. To comply with these standards, OHFA requires the most recently-available three years of audited financial statements for such organizations associated with a proposed project and a real estate owned (REO) schedule for all existing projects for which the lead developer and co-developer (if applicable) maintain an ownership interest. OHFA will review the following three metrics:

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

Appendix D: Residential Rental Private Activity Bonds

Applicable Statutory and Regulatory Authority

United States Code (USC):	*26 U.S.C. §142*
Code of Federal Regulations (CFR):	*26 C.F.R. §§1.141-1.150-5*

Applicants of 4% LIHTC projects must fund at least 50% of a project's land and aggregate basis with 26 U.S.C. §142(d) residential rental private activity bonds (PABs) to claim the full LIHTC amount. PABs are debt securities issued by state and local governments to finance activities that advance a public interest, of which residential rental projects is just one of 30 such federally-defined activities. PABs issued for qualified private activities benefit from federal tax exemption on interest payments made to bondholders. This tax exemption typically reduces PAB interest rates vis-à-vis debt that is not tax exempt.

PABs are limited by an annual state volume cap ceiling. For 2023, the total state of Ohio volume cap for PABs is approximately $1.41 billion[6]; however, this is across all private activities. Under Ohio Administrative Code (OAC) Chapter 122-4, the Ohio Department of Development (Development) serves as the administrating agency on behalf of the state of Ohio for annual PAB volume cap. Volume cap is distributed among private activities in accordance with OAC Chapter 122-4-02; the lesser of $120 million or 15% of the state ceiling is set aside for residential rental projects. More information on PAB volume cap can be found on Development's website.

Per 26 U.S.C. §142(k)(5)(B)(ii), any unused PAB volume cap in a calendar year can be carried forward for three calendar years following the year in which the volume cap was left unused. OHFA retains the ability under OAC Chapter 122-4-05(A)(6) to carry forward unused PAB volume cap for single-family mortgage revenue bonds and use such "carryforward" for any of its lawful purposes, including residential rental projects. When OHFA still has available state PAB volume cap under the regulatory allocation described above or receives carryforward, OHFA itself can act as the PAB issuer; otherwise, applicants must seek residential rental PABs either directly from Development or a qualified local issuer.

[6] Per IRS Revenue Procedure 2022-38 Section 3.20, the State of Ohio's 2023 volume cap for PABs is $120 multiplied by the state population of 11,756,058 per IRS Bulletin 2023-12.

Appendix E: 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*

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.

Appendix F: 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

The NHTF program was established by Section 1338 of the Housing and Economic Recovery Act of 2008 to ''…increase and preserve the supply of rental housing for extremely low- and very low-income families, including homeless families and to increase homeownership for extremely low- and very low-income families", among other goals. 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.

Appendix G: 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

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.