Seeking to provide Input?

OHFA will be accepting comments on these draft guidelines beginning August 13, 2026 through August 27, 2026. Comments may be submitted via e-mail to BGF@ohiohome.org Please do not combine comments related to these draft guidelines with other draft programmatic guidelines.

Ohio Housing Finance Agency

4% LIHTC with Bond Gap Financing - DRAFT

Program Year 2026 Guidelines

Office of Multifamily Housing | August 13, 2026

Table of Contents

A. 4% LIHTC with Bond Gap Financing Overview

Purpose

The 4% Low-Income Housing Tax Credits (LIHTC) with Bond Gap Financing (BGF) program (hereinafter the "BGF" program) couples 4% LIHTC with gap financing resources to assist in the preservation 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 generate less than half the amount of equity as a comparable project using 9% LIHTCs, OHFA uses financing through the BGF program to bolster the financial feasibility of 4% LIHTC affordable rental housing and further incentivize use of 4% LIHTCs, which are not subject to the annual state LIHTC ceiling.

Federal 4% LIHTC

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

Bond Gap Financing Resources

The Ohio Department of Development (ODOD) awards OHFA funding through the Housing Development Assistance Program (HDAP). HDAP provides OHFA Ohio Housing Trust Fund (OHTF), National Housing Trust Fund (NHTF), and the HOME Investment Partnerships (HOME) program funds to utilize in the 9% LIHTC, 4% LIHTC with Bond Gap Financing, 4% LIHTC with Ohio LIHTC, and Housing Development Gap Financing (HDGF) programs to help applicants achieve financial feasibility. These resources help close the financing gap between total development costs (TDC) and sources such as 4% LIHTC equity, first mortgage debt, deferred developer fee, and other applicable funding. While all three sources are potential options for the BGF program, OHFA may, at its sole discretion, limit which sources are used.

As the recipient of the HDAP funds, OHFA allocates the HDAP resources to Project Owners, also referred to as Subrecipients. OHFA may also, from time to time, receive additional temporary resources, or have funds remaining from prior years that can be administered through the BGF program.

Each BGF resource has its own program-specific requirements. OHFA determines which source(s) of funding will be used for all applicants awarded BGF. 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. It is the applicant's responsibility to understand the regulations and requirements of each program source and certify compliance with all applicable requirements.

B. Program Calendar

Date	Programmatic Benchmark
Board Approval through Thursday, December 2, 2026	Window to submit questions for OHFA to include in Frequently Asked Questions* (FAQ)
Tuesday, November 30, 2026 by 5:00 p.m. Eastern Time (ET)	Deadline to submit for Experience and Capacity
Tuesday, February 16, 2027 by 5:00 p.m. ET	Final Applications Due
Thursday, March 18, 2027	OHFA releases Preliminary Competitive Scoring and Minimum Financial and Threshold Review
Thursday, March 25, 2027 by 5:00 p.m. ET	Applicant response deadline for OHFA's Preliminary Competitive Scoring and Minimum Financial and Threshold reviews
No later than April 15, 2027	OHFA posts Final Scoring Results
April 2027	Environmental Review NHTF: ~3-9 months HOME: ~6-12 months
Starting Tuesday, April 20, 2027	Full Threshold and Underwriting review notifications sent
July – December 2027	Projects presented to Multifamily and Board for Approval
OHFA's December 2027 Board Meeting	Deadline for Final Bond Approval
April 30, 2028	Closing Deadline
April 30, 2030	Final Performance Report Deadline

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

OHFA will clarify and issue responses to commonly posed questions regarding our Guidelines and the QAP through a Frequently Asked Questions (FAQ) document that will be posted on the OHFA website. The FAQ, as well as the OHFA Multifamily Rental Underwriting Guidelines and its FAQ, Design and Architectural Standards and its FAQ, 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 or Guidelines.

Applications for a particular project may only be submitted in one round at a time (9% LIHTC, 4% LIHTC with BGF or 4% LIHTC only). OHFA encourages applicants to carefully consider which round best suits the financial needs of the proposed project. Any project on the waitlist submitting in another round will be removed from the waitlist.

Deadlines:

- OHFA Board Approval for HDAP and Final Bond Approval: December 2027
- Commitment/Closing Deadline: April 30, 2028
- Construction Commencement Deadline: August 31, 2028
- Construction Completion Deadline: February 28, 2030
- Final Draw Deadline: April 30, 2030
- Final Performance Report Deadline: April 30, 2030

OHFA cannot provide flexibility on these deadlines due to the grant agreement deadlines with ODOD and federal expenditure deadlines.

C. Application Process

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

Experience and Capacity

Experience and Capacity **must be completed by the date indicated in the program calendar**. OHFA will require an Experience and Capacity package submitted via the FTS. Applicants will not be allowed to submit an 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.

A development entity that has an active approval must submit its approval letter on OHFA letterhead with the application. Applicants must disclose changes to any entity between the Experience and Capacity review and 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

Following the window to submit Frequently Asked Questions, until OHFA announces invitations to proceed, no staff member or OHFA Board member shall discuss the merits of the application with any entity identified in the Development Team Entity Identification spreadsheet or Affordable Housing Funding Application (AHFA), or any person acting on their behalf, 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 unless 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.

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

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

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

Application Submission Disclaimer

All application materials submitted become the property of OHFA and shall be public information unless a statutory exception exists which would prevent such information being released to the public. If an Applicant believes that any information in its Application is exempt from Ohio's public records laws, Applicant must identify the information to be protected by submitting a separate page titled "Exemptions to the Public Records Law" which described the nature of the exempt information, the legal basis relied upon in support, and the specific harm or injury that would result from disclosure.

Application Package

OHFA will require an application package submitted via the FTS by the date listed in the Program Calendar. Applications may only be uploaded once. Any subsequent uploads, full or partial, must be approved by OHFA prior to uploading. The application package must include all the items detailed in **Appendix A: Submission Requirements**.

(1) Minimum Threshold and Financial, and Scoring Review

OHFA staff will provide applicants with a written summary of any identified deficiencies with experience and capacity, lien and litigation for the county of the project site, and minimum financial and threshold deficiencies in the application. In accordance with the Program Calendar, applicants will be provided with a brief cure period to submit corrections, which may include documentation not previously submitted. Any additional information submitted during the cure period will be used solely for deficiencies and will not be used in determining the final competitive score. **Any applicant who fails to correct identified deficiencies during this period may be removed from consideration.**

OHFA staff will review competitive scoring documentation submitted with the 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 appeal OHFA's preliminary score for 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 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 application scores have been finalized, OHFA will rank applications by score within each BGF category. If funds remain and sufficient funds are not available to award another project, OHFA may move remaining funds to another funding round.

Invitations to Proceed

OHFA will present projects invited to proceed and a waitlist to the OHFA Board on the date indicated in the Program Calendar. Following an OHFA Board presentation, a spreadsheet of all projects invited to proceed will be uploaded to the **Pending Applications & Funded Projects Website**. Applicants who are advancing will receive a formal invitation to proceed, which will include the potential amount of BGF and the anticipated BGF source and funding year. OHFA may swap the anticipated BGF source if necessary to meet federal and/or state requirements. An invitation to submit a final application does not assure a commitment of OHFA resources. All threshold and underwriting requirements must be met, and the project must receive OHFA Board approval prior to a reservation of funds. Federal HOME and NHTF regulations prohibit a funding agreement from being issued until OHFA's legal staff determines the project meets the respective source's federal commitment requirements as referenced in **CPD-15-09** and **CPD-18-12**, respectively.

OHFA will require applicants to formally accept the invitation to proceed. If at any point an applicant determines the project is infeasible or likely to miss a required deadline, the applicant must promptly notify the Director of Multifamily Housing and decline the BGF funding, thereby removing the project from further consideration. This action may also be treated as a formal withdrawal from the BGF program. Applicants that withdraw an application within 30 days after an invitation to proceed will not be adversely affected with regards to Experience and Capacity determinations.

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

OHFA analysts will complete a full Threshold and Underwriting Review to assess the project's compliance with the current Multifamily Rental Underwriting Guidelines, BGF Guidelines, and the 4% LIHTC QAP. The assigned analyst will issue a review letter outlining any deficiencies. Applicants will have two weeks to address the deficiencies, and the analyst may allow additional time if it does not conflict with guideline requirements or deadlines. Unless otherwise stated, deficiencies must be cured for the application to be presented to the OHFA Multifamily Committee and OHFA Board. Concurrently, OHFA 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 the OHFA Multifamily Committee and Board.

OHFA also will assign a firm to complete the environmental review. Once assigned, the environmental firm will contact the development team to request any information necessary to complete the process. Depending on the funding sources involved and the project site, this process may take between 3-12 months to complete.

For projects with OHFA as the bond issuer, the development teams Bond Counsel must work with OHFA's Bond Counsel to meet all deadlines as stated in the program calendar. The development team should reach out to their analyst to request contact information.

OHFA will require projects to work through the Build America, Buy America (BABA) process.

(3) 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. All deficiencies must be cured no later than the first business day of the month prior to the month of the requested OHFA Board meeting. For example, a project seeking OHFA Board approval in August, must be cured by July 1.

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 Board Website. Applicants are required to attend the Multifamily Committee and Board meeting either in person or virtually. If BGF funding is approved at Board, BGF funding is considered reserved.

(4) Financial Closing and Construction Monitoring

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

Once developments have received their 4% LIHTC Letter of Eligibility for Housing Credits, 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**.

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

D. Threshold Requirements

Compliance with Other OHFA Policy Documents

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

- **4% LIHTC QAP**
- **Experience and Capacity Standards**
- **LIHTC Rental Underwriting Guidelines**
- **Design and Architectural Standards (DAS)**
- **Multifamily Bond Guidelines**, if using OHFA as the Bond Issuer
- **Housing Development Loan Program Guidelines**, if seeking HDL
- **PY 2026 Annual Action Plan**
- **PY 2026 National Housing Trust Fund Allocation Plan**
- **PY 2025-2029 Ohio Consolidated Plan**

Rent and Income Restrictions

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

State Required Restricted Units

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

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

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

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

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

Federally Required Assisted Units

All 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:

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

- Greater than or equal to 5 Assisted Units: At least 20% of the Assisted Units must be restricted at the lower of (1) 50% AMI, (2) Fair Market Rent (Low HOME), or (3) LIHTC rent not greater than the gross rent for rent-restricted residential units as determine by under 26 U.S.C. 42(g)(2). The remaining 80% may meet the High HOME requirements outlined above.

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

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

Any project which has 12 or more Assisted Units is required to comply with Davis-Bacon wage rate requirements. With the amount of BGF per project, OHFA expects most, if not all the projects in the funding round will be required to comply with Davis-Bacon Wage rates.

Previously Assisted Project Eligibility

As detailed in **24 CFR 92.214(a)(6),** HOME funds may not be used to provide assistance to a project previously assisted with HOME funds during the period of affordability established by the funding agreement. Although, **24 CFR 92.210** provides provisions to an existing HOME-assisted rental project within the HOME period of affordability that is no longer financially viable or its physical viability has substantively deteriorated due to unforeseen circumstances, due to the timing of the 2026 Bond Gap Financing round and limited funding, OHFA will not be considering previously assisted projects still within their federal affordability period (15 years for rehabilitation and 20 years for new construction projects).

Loan Terms and Structure

Below are estimated terms and deadlines for projects awarded 2026 BGF funding:

Structure: 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.

Terms:

NHTF:

a) Awarded NHTF funds are structured as a deferred loan with payment due on sale;
b) Loans will be made to the development's ownership entity;
c) The mandatory rental affordability period and the loan term are no less than 30 years;
d) The interest rate is 0%; and
e) Additional requirements are set forth in HUD's Interim Rule in 24 CFR Parts 91 and 93 and Interim Rule FR-5246-I-03.

HOME:

a) 2% simple interest will be charged unless otherwise agreed to by OHFA;
b) Loan will mature at the end of the affordability period. The affordability period is defined as the minimum term required in 24 CFR Part 92 and any extended affordability period imposed by OHFA;
c) Collateral will be a subordinate mortgage. OHFA must be in second or shared-second lien position. Payments will be based on a percentage of the available cash flow as defined by OHFA. If loan payments flow from a third party to the recipient, they will be excluded from cash flow analysis provided they are transferred to OHFA in full. Any remaining balance on the loan is due as a balloon payment at the end of the term or sale, whichever is first. On a case-by-case basis, OHFA may agree to subordinate to other government investors and accept payments consistent with their terms;
d) Loan interest will accrue, and repayment obligations will start following the closeout of the project, regardless of the Placed-in-Service date. Closeout means the recipient leased the "Assisted" units, provided the appropriate documentation to OHFA, and OHFA approved the documentation as evidenced by a closeout letter from Analyst; and Loans will be made to the development's ownership entity.

Maximum BGF Requests

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

Funding Pool	Maximum BGF Request
HOME – Outside a Participating Jurisdiction	$4,000,000
NHTF – Rental Assistance Demonstration (RAD)	$4,000,000

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

The following limits also apply:

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

Bedrooms	2025 HOME Per Unit Maximum
0	$187,658
1	$215,122
2	$261,595
3	$338,419
4+	$371,477

Application Limits

	Maximum Application Submissions	Maximum Invitations to Proceed
Development Entities meeting OHFA Experience and Capacity Requirements and successfully placed in service at least one LIHTC deal **in Ohio over the past 10 years**.	2	2

See **Experience and Capacity Standards and FAQ** for additional information on requirements.

Developer and/or owners who have received an award of HDAP in Program Year 2024 or earlier and have not yet closed with OHFA's Legal Office on the award as of the Program Year 2026 final application deadline may not participate in the 2026 BGF program. However, if closing was delayed due to unforeseen circumstances outside of the developer's control, an Exception Request may be submitted for consideration by OHFA.

Ineligible Developments

Projects ineligible to be submitted in the BGF round include:

- LIHTC developments with 10 or more years remaining on their Extended Use Period as of the final application deadline listed in the Program Calendar.
- Affordable Assisted Living (AAL) projects.
- Projects not meeting, at minimum, the definition of Moderate Rehabilitation B in the DAS.
- New Affordability only projects.

Cost Containment

Applicants will be required to meet the Agency's **2026 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 application, and 8609 submission. Projects that do not demonstrate compliance with the caps will be removed from consideration unless an Underwriting Exception Request is submitted. Cost Containment Underwriting Exception Requests will only be considered for the following reason(s): if one of the two cost containment standards fails to be met, but can be explained (e.g., larger unit sizes, less common space, scattered-site developments).

Exception Requests

OHFA will review allowable Exception Requests submissions as outlined in the **4% LIHTC QAP**, **Multifamily Rental Underwriting Guidelines**, **Design and Architectural Standards**, and those outlined specifically in these Guidelines. Applicants must submit Exception Requests with the final application as outlined in the Program Calendar. Exception Requests must be submitted on the Exception Request Form, which will be made available with other application materials on the **4% LIHTC with BGF website**.

Fees

Application fees must be paid using Automated Clearing House (ACH) by the 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
Application Fee	$2,500
Bond Issuance Fee	1/10 of 2% of the bond amount OR $3,000, whichever is greater
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
Federal LIHTC Reservation Fee	6% of annual LIHTC
Compliance Monitoring Fee	$2,550 per unit

Developer Fee Limit

Maximum Budgeted Developer Fee

The maximum budgeted developer fee for the BGF program is 20% of the project's LIHTC eligible basis net of the calculation below:

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

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

Maximum Paid Developer Fee

Paid developer fee may not exceed 70% of the budgeted developer fee. OHFA has established the maximum budgeted developer fee is referenced in the most recently published **4% LIHTC QAP**. Paid developer fee is calculated as follows:

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

NHTF Minimum Eligibility Requirements

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

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

Related-Party Acquisitions

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

Seller Financing

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

Cash Out to a Related-Party Seller

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

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

To demonstrate compliance with OHFA's prohibition on cash out to seller, applicants must provide the following information at final application:

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

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

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

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

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

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

E. Cross Cutting Regulations

Build America, Buy America

HOME Investment Partnership Program (HOME) and National Housing Trust Fund (NHTF) resources are subject to the “Buy America Preference” (BAP), imposed by the Build America, Buy America Act (BABA). See **Appendix C: Build America, Buy America (BABA)** for more information. Necessary waivers must be identified by the applicant and must be submitted with the application to ensure timely compliance with this requirement.

Environmental Review

All projects receiving funding through HOME, OHTF, NHTF, CDBG-DR, FHA Risk Share (via MLP), or HOME-ARP must go through an environmental review (ER) process once awarded and before construction may commence.

Projects will be assigned to a contractor following the award announcement. Depending on the funding source and ER requirements from ER assignment to completed ER report may take between 3-12 months. Once the review is completed, project contacts will receive an Environmental Review Clearance letter from OHFA that must be signed and returned, acknowledging any mitigations that must be completed before, during, or after construction. The project will then be required to provide evidence of mitigations in order to proceed with construction and/or close out the project.

For additional information including standards specific to funding sources review the **Environmental Site Assessments and Review page.**

Prevailing Wage

Developments receiving funding from OHFA may be subject to the Davis-Bacon Act or Ohio's prevailing wage law. The applicant will be responsible for compliance with any state and federal wage rates that may be applicable to the project. Appropriate wage rates must be factored into the applicant's construction budget.

Davis-Bacon Act

The Davis-Bacon Act may apply if the project receives HOME funding. Twelve or more HOME-assisted units in a development trigger federal Davis-Bacon wage rates.

- **U.S. Department of Labor, Davis-Bacon and Related Acts**

State Prevailing Wage

Ohio prevailing wage law may apply if the project receives funding through the OHTF or the NHTF. The ownership and number of units in the project will determine if the state prevailing wage law applies.

- **Ohio Revised Code, Chapter 176.05: Establishing residential prevailing rate of wages.**
- **Ohio Revised Code, Chapter 4115: Wages and Hours on Public Works**
- **Ohio Department of Commerce, Division of Industrial Compliance Wage & Hours**

Section 3

All HOME and NHTF awardees must complete documentation to comply with Section 3 requirements. Documentation, at minimum, includes:

a. identifying the total hours, Section 3 hours and Section 3 targeted hours for all contractor employees working on the project monthly;
b. identification of if the contractor has Section 3 business concern status; and
c. to the greatest extent feasible, meet or exceed the benchmark goals.

For additional details on all Section 3 requirements review the **Ohio Department of Development resource page**. At minimum the following must be reviewed and utilized:

- **Monthly Section 3 Utilization Report**
- **Section 3 Worker Status Certification (for each worker)**
- **Contractor Workforce Section 3 Certification**
- **Policy 21-04**

All Section 3 submissions to OHFA will be attached to the **OHFA Quarterly Construction Monitoring Form**.

F. Geographic Distribution and Funding Pools

Geographic Distribution

County Limits

Given limited resources in the program, a county may not receive more than one award unless doing so is necessary (as determined by OHFA) to fully utilize all the Agency's BGF resources.

Scattered Site Option

OHFA will allow scattered site projects to extend over county lines. The project must be in counties that are adjacent to one another and are nonparticipating jurisdictions. For scoring purposes, the county and/or census tract is the tract with the most units.

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.

OHFA anticipates approximately $12 million to be awarded through the BGF program. At least one project from each funding pool will be awarded. The balance of funds will be redistributed between the funding pools for the next project which can be completed with the balance of funds and eligible for the funding source.

HOME – Outside a Participating Jurisdiction

As detailed in the state of Ohio's Annual Action Plan, HOME funds will be primarily focused on rural areas and small cities outside of a participating jurisdiction. Unless funding must be used in a participating jurisdiction to utilize the full allocation of HOME funds. See **Appendix B: HUD Participating Jurisdiction** for more information.

NHTF – Rental Assistance Demonstration

NHTF will be focused on developments serving extremely low-income households with incomes at or below 30% of the AMI, without geographic preferences. The **Rental Assistance Demonstration (RAD) program** provides a powerful tool to preserve and improve affordable housing currently supported under contract rent programs. Projects with an approved RAD contract from HUD may compete for NHTF funds.

G. Competitive Scoring

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

Funding Pool: HOME – Outside a Participating Jurisdiction

HOME Funding Pool	Points	Maximum Points as a Percent of Total Points
1. Expiring Low-Income Housing Commitment	20	50%
2. BGF per Unit	10	25%
3. Percentage of Expiring LIHTC units per County	10	25%
Total Points	**40**	**100%**

1. Expiring Extended Low-Income Housing Commitment

Maximum points: 10

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

Years Remaining in Extended Use as of December 31, 2026	Points
Expired in last 18 months	20
Less than 2	10
2-3 years	7
No More than 5	0

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

2. Bond-Gap Financing per LIHTC Unit

Maximum points: 10

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

BGF Request per LIHTC unit		
Projects Located within a Participating Jurisdiction	Projects Located outside a Participating Jurisdiction	Points
$45,000 or less	$65,000 or less	10
$45,001 to $49,500	$65,001 to $75,000	8
$49,501 to $54,000	$75,001 to $79,500	6
$54,001 to $58,500	$79,501 to $84,000	4
$58,501 to $63,000	$84,001 to $88,500	2
$63,001 or more	$88,501 or more	0

How can points be demonstrated to OHFA?
The AHFA auto-calculated BGF per unit and will therefore automatically calculate the competitive score for this criterion.

3. Percentage of Expiring LIHTC Units per County

Maximum points: 10

Rationale: By providing an incentive for counties which have a large number of LIHTC units expiring by 2031, OHFA can prioritize preserving affordable housing in counties which will be largely impacted by expiring LIHTC affordable housing. See **Projects Exiting LIHTC Program Affordability Period** for the county level detail of percentage of units.

Percentage of LIHTC units Expiring	
%	Points
100%	10
60%	8
50%	6
20%	4
10%	2
Less than 10%	0

How can points be demonstrated to OHFA?
The points will be calculated based on the information provided in **the mapping tool** and the county with the majority of the units in the AHFA and will therefore will automatically calculate the competitive score for this criterion.

HOME Funding Pool Tiebreakers

When two or more projects maintain the same competitive score, OHFA will use the following tiebreakers to determine the selection order. OHFA will work through the tiebreakers, one at a time, until the tie is broken between the competing projects.

1. Project with the least amount of time before the LIHTC Extended Use Period expires.
2. Projects located in a county with the lowest number of LIHTC units.
3. Highest number of affordable housing units.
4. Project with the lowest BGF per unit.
5. Highest number of ELI (30% AMGI) units.
6. OHFA Discretion

Funding Pool: NHTF – RAD

NHTF Funding Pool	Points	Maximum Points as a Percent of Total Points
1. Community Revitalization Plan	20	50%
2. Readiness to Proceed	10	25%
3. BGF per unit	10	25%
Total Points	**40**	**100%**

1. Community Revitalization Plan

Maximum Points: 20

Projects must be located in a program year qualified census tract (QCT) (as defined in subsection (d)(5)(b)(ii)) and the development of which contributes to a concerted community revitalization plan as referenced in **26 U.S.C. § 42(m)(1)(B)(ii)(III)**. The applicant must supply the community revitalization plan and demonstrate how the project contributes to the community revitalization plan, including a description of project's proposed impact on the community. The applicant must also submit a local support letter from the local municipal corporation and township in which the project is proposed to be constructed, detailing how this development supports the local community revitalization plan.

How can points be demonstrated to OHFA?
The AHFA will automatically determine whether the project is located in a QCT for the year in which the application is being submitted. To demonstrate that the project contributes to a concerted community revitalization plan, the plan must meet the standards outlined in Appendix A. Applicants must include a copy of such plan in the 9. Competitive Support Documents folder with specific threshold items highlighted and other documentation highlighted above.

2. Readiness to Proceed

Maximum Points: 10

The NHTF regulation at § 93.400(d)(1) and (2) states that funds will be reduced or recaptured in the NHTF Treasury account by the amount of any grant funds that are not committed within 24 months and any grant funds that are not expended within five years after the date of the execution of the NHTF grant agreement (between ODOD and HUD). Therefore, the ability for a project to close and execute a funding agreement timely is imperative to meet this statutory regulation.

To achieve the September 2027 closing deadline, a detailed narrative must be submitted in the 9. Competitive Support Documents folder reviewing the steps needed to achieve closing and anticipate timeline.

If applicants do not achieve the closing deadline detailed for scoring, the members of the Development Team will be referred to OHFA's Program Adherence Committee for review of 'Good Standing' with OHFA.

Closing Date	
Month	Points
September 2027	10
October 2027	8
November 2027	6
January 2028	4
March 2028	2
April 2028	0

How can points be demonstrated to OHFA?
The AHFA will automatically calculate this from the Anticipated Development Schedule on the Details tab of the AHFA.

3. Bond-Gap Financing per LIHTC Unit

Maximum points: 10

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

BGF Request per LIHTC unit		
Projects Located within a Participating Jurisdiction	Projects Located outside a Participating Jurisdiction	Points
$45,000 or less	$65,000 or less	10
$45,001 to $49,500	$65,001 to $75,000	8
$49,501 to $54,000	$75,001 to $79,500	6
$54,001 to $58,500	$79,501 to $84,000	4
$58,501 to $63,000	$84,001 to $88,500	2
$63,001 or more	$88,501 or more	0

How can points be demonstrated to OHFA?
The AHFA auto-calculated BGF per unit and will therefore automatically calculate the competitive score for this criterion.

NHTF Funding Pool Tiebreakers

When two or more projects maintain the same competitive score, OHFA will use the following tiebreakers to determine the selection order. OHFA will work through the tiebreakers, one at a time, until the tie is broken between the competing projects.

1. Highest number of ELI (30% AMGI) units.
2. Highest number of affordable housing units.
3. Project with the lowest BGF per unit.
4. OHFA Discretion

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

OHFA will clarify and issue responses to commonly posed questions regarding the Guidelines through a Frequently Asked Questions (FAQ) document that will be posted on the OHFA website. The FAQ, as well as the 4% LIHTC QAP, OHFA Multifamily Underwriting Guidelines, Design and Architectural Standards, and Affordable Housing Funding Application (AHFA) are specifically incorporated herein and binding on all applicants. Notwithstanding the foregoing, errors and omissions in the AHFA are not binding on OHFA and do not modify the Guidelines.

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

Appendix A: Submission Requirements

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

1. Affordable Housing Financing Application (AHFA)

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

2. Appraisal

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

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

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 will only be submitted electronically.

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

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

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

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

6. Authorization to Release Tax Information

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

7. Board Resolution (Non-Profit Owners Only)

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

8. Build America, Buy America (BABA)

Applicants must submit all necessary waivers with the application on the required forms with supporting documentation to justify the waiver request.

9. Competitive Support Documents

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

10. Concerted Community Revitalization Plan (NHTF Funding Pool only)

To qualify for the set aside related to a concerted community revitalization plan, applicants must provide a copy of the plan and proof that the proposed development is both located within its target area and is consistent with the plan. The Revitalization Plans must be sanctioned by either the city, county, or by the HUD and must satisfy the substance of the components below.

a. Scope: The Revitalization Plan must include a delineated target area and an assessment of the conditions existing in the community. If the Community Revitalization Plan is more than ten years old, the Applicant must also provide a supplemental letter or other evidence from the administrator describing progress made and confirming that the proposal continues to meet target area needs.
b. Community Input & Ownership: The Revitalization Plan must have been developed through a public process as evidenced by any of the following:
    i. creation of the Revitalization Plan by a Community Development Corporation;
    ii. adoption or endorsement of the Revitalization Plan by the local government; or
    iii. proof of solicitation of public and stakeholder input.
c. Housing Policy: The Revitalization Plan must include:
    i. the incorporation and integration of affordable and other housing throughout the geographic area, including but not necessarily limited to the use of existing housing.

The following plans are not eligible: draft plans, short-term work plans, consolidated plans, municipal zoning plans, planned unit developments, or plans OHFA determines were created exclusively for the purposes of satisfying QAP criteria.

11. Conditional Financial Commitments

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 State Historic Preservation Office (SHPO) approval from their Part 1 application and a SHPO Part 2 application approval must be submitted prior to closing.

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

12. Condominium Agreement

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.

13. Development Team Consultant Statement

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.

14. Development Team Review

Experience and Capacity must have approval prior to the application. The **Experience and Capacity Standards Policy** outlines the minimum eligibility and evaluation criteria. Applicants will not be allowed to submit an 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 from OHFA with the application. Applicants must disclose changes to any entity between the experience and capacity review and final application. Changes to the Development Team and Ownership Structure are not permitted after 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.

The Development Team tab of the AHFA must be completed with each member of the development team, including general partners, managing members, developers, co-developers, and management companies' information must be completed. This includes every entity name, all parent entities, addresses, 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.

15. Evidence of Site Control

All forms of site control must not expire within six months of the 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 BGF awards.
d. Scattered Site Developments: Scattered site developments must have 100% of the sites under control.

16. Exception Requests

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 and round which the application was submitted and cannot be used for future applications.

17. Federal Tax Identification Number

The application must include the Federal Tax Identification Number for every development team member. Single Purpose entities created for the application must provide evidence of the FTI number.

18. Legal Description

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.

19. Lien and Litigation

Lien and Litigation Report shall be submitted for each parent entity of the Ownership Entity(ies) and each development entity. The Lien and Litigation Report for the county in which the project will be located, the state of Ohio, and any federal courts must be dated within 30 days of the submission of the application.

20. LIHTC Lease Addendum

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).

21. Market Study

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.
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.
- Applicants 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

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

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

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

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

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

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

23. Organizational Chart (for the LIHTC Ownership Entity)

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

24. Phase I and II Environmental Site Assessments

Applications must include a Phase I Environmental Site Assessment (ESA) for all sites dated no later than six months prior to the 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.

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 application.

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

25. Physical Capital Needs Assessment

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

26. Prior OHFA Funding Documents

Projects previously funded with OHFA resources, including LIHTC, and MLP must provide copies of all legal documents and amendments associated with OHFA funding, including, but not limited to, the following:

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

27. Program Certification (.PDF format)

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)

The 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)

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

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

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

30. Related Party Transaction Questionnaire

Applications must include the **Related Party Transaction Questionnaire**.

31. Relocation Plan (existing rental units only)

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

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.

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 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) or Commitment Approval Letter at 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

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

At application, and 8609, applicants must submit a complete **Scope of Work Form** .

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

Applications which include new construction as part of their preservation project must include a completed Site and Neighborhoods Standards Form at application. Federal regulations require that any new construction projects financed with HOME and NHTF meet Site and Neighborhood Standards in accordance with **24 C.F.R. § 983.55(e)(2)-(3)** and **24 CFR 93.150**

36. Site Visit Documents

OHFA may conduct a site review at application submission to ensure compliance with OHFA standards and site and neighborhood standards (**24 CFR 891.125**). If not compliant, OHFA may deem the site unsuitable. If the project is rehabilitation, OHFA shall coordinate with the Development team to provide prior proper notice.

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

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

38. Unit Comparability Form

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.

39. Utility Allowance Information

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(b)** and **HOMEfires Volume 13, Number 2**.

40. State Prevailing Wage-Rate Determination

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

41. Zoning

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

Evidence must be dated within one year of the application deadline as referenced in the Program Calendar Approval of all variance(s) must be secured. Note: OHFA will not accept zoning regulations, references to code, etc., as evidence of zoning.

See **OHFA's Website** for items required at 8609 Request.

Summary of Submission Requirements

1.	Affordable Housing Financing Application (AHFA)
2.	Appraisal
3.	Architectural Plans & DCF Form
4.	Articles of Incorporation (non-profits only)
5.	Audited Financial Statements for Projects
6.	Authorization to Release Tax Information
7.	Board Resolution (non-profit only)
8.	Build America, Buy America (BABA)
9.	Competitive Support Documents
10.	Concerted Community Revitalization Plan
11.	Conditional Financial Commitments
12.	Condominium Agreement
13.	Development Team Consultant Statement
14.	Development Team Review
15.	Evidence of Site Control
16.	Exception Requests
17.	Federal Tax Identification Number Documentation
18.	Legal Description (Microsoft Word format)
19.	Lien and Litigation
20.	LIHTC Lease Addendum
21.	Market Study
22.	Multifamily Bond Financing Information
23.	Organizational Chart (for the LIHTC Ownership Entity)
24.	Phase I/II Environmental Site Assessment
25.	Physical Capital Needs Assessment
26.	Prior OHFA Funding Documents
27.	Program Certification
28.	Project Summary PDF
29.	Public Notification
30.	Related-Party Transaction Questionnaire
31.	Relocation Plan (if applicable)
32.	Rental Subsidy Contract (if applicable)
33.	Scattered Site Development Map
34.	Scope of Work
35.	Site and Neighborhood Standards Form
36.	Site Visit Documents
37.	Supportive Services Plan & Providers (If applicable)
38.	Unit Comparability Form
39.	Utility Allowance Information
40.	State Prevailing Wage Rate Determination
41.	Zoning

Appendix B: HUD Participating Jurisdictions

What are Participating Jurisdictions?

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

Local Participating Jurisdictions and Respective FY2026 HOME Allocations

Participating Jurisdiction	Consortium?	FY2026 HOME Allocation
City of Akron	No	$1,570,710.20
City of Canton	No	$632,424.06
City of Cincinnati	No	$2,596,978.03
City of Cleveland	No	$4,151,355.80
City of Columbus	No	$4,395,313.60
City of Dayton	No	$1,101,168.74
City of East Cleveland	No	$244,248.53
City of Hamilton	No	$338,747.42
City of Lima	No	$310,232.57
City of Lorain	No	$486,961.55
City of Mansfield	No	$304,958.81
City of Springfield	No	$451,776.00
City of Toledo	No	$1,971,147.86
City of Warren	Yes	$628,417.22
City of Youngstown	No	$395,891.10
Butler County	Yes	$756,343.32
Clermont County	No	$498,043.13
Cuyahoga County	Yes	$2,437,530.17
Franklin County	No	$891,916.56
Hamilton County	No	$1,310,028.92
Lake County	No	$490,718.18
Montgomery County	No	$976,803.13
Stark County	Yes	$806,746.96
Summit County	No	$385,604.96

Appendix C: Build America, Buy America (BABA)

Applicable Statutory and Regulatory Authority

United State Code (USC):	**41 U.S.C. Chapter 83**
Code of Federal Regulations (CFR):	**2 C.F.R. Part 184**

HOME Investment Partnership Program (HOME) and National Housing Trust Fund (NHTF) resources obligated on or after August 23, 2024 are subject to the “Buy America Preference” (BAP), imposed by the Build America, Buy America Act (BABA), enacted under Division G, Title IX of the Infrastructure Investment and Jobs Act (IIJA, Pub. L. No. 117-58). The BAP requires all iron, steel, manufactured products, and construction materials must be produced in the United States as outlined in **2 C.F.R. §184.3 “Produced in the United States”**. For more information, see **CPD-2025-01**.
OHFA will incorporate language referenced in Addendum 3 of CPD-2025-01 for all HOME and NHTF Funding Agreements. Documentation will be required to demonstrate compliance with BABA and shall be maintained in accordance with the funding agreement (i.e. five years post project completion).

Resources

BABA Quick Guide

BABA Checklist

BABA Training Resources

BABA Waiver Resources

HUD reviews waivers before they are posted to the Federal Register for public comment and sent to the Made in America Office (MIAO) for approval. In general, the BABA Waiver Process follows these steps for approval:

1. Contact the OHFA Program Administration Section for BABA technical assistance, as needed.
2. Prepare a waiver application with the information required by the MIAO.
3. The waiver and all supporting documentation must be submitted to the OHFA program analyst. The projects must collect the necessary information for a waiver application using the PDF form **here**.
4. OHFA will submit the waiver to Ohio Department of Development (ODOD) for review. Please note that only the direct HUD recipients (Ohio Department of Development) may submit the waiver application to HUD who submits to MIAO.
    a) ODOD may review and approve/deny waivers for:
        - **De Minimis**: BABA requirements do not apply for a De Minimis portion of an infrastructure project, meaning a cumulative total of no more than 5 percent of the total cost of the iron, steel, manufactured products, and construction materials, up to a maximum of $1 million.
        - **Exigent Circumstances**: This waiver applies when there is an urgent need by a grantee to immediately complete an infrastructure project because of a “exigent circumstances,” or a threat to life, safety, or property of residents and the community.

b) All Project specific waivers, ODOD will submit to MIAO for review and approval. Project specific waivers include:

- **Public Interest Waiver**: This waiver is granted if requiring the use of the American made product would be inconsistent with the public interest. In their waiver application, projects must:
    - Explain how waving the BABA requirement for this project or product serves the public interest.
    - Demonstrate definite impacts on the community if specific items, products, or materials are not utilized in an infrastructure project.
- **Non-Availability Waiver**: This waiver is granted if the product needed is not produced in the United States in sufficient quantities or of a satisfactory quality. In their waiver application, projects must:
    - Demonstrate that they have conducted market research and adequately considered alternate items that meet the definition of **Made in America**.
    - Consider reaching out to MEPs, Ohio has regional MEPs: **Ohio Manufacturing Extension Partnership (Ohio MEP) | Development**
    - Describe the due diligence performed, including information, quotes, and/or responses from manufacturers, distributors, or suppliers.
- **Unreasonable Cost Waiver**: This waiver is granted if the inclusion of the product produced in the United States will increase the cost of the overall project by more than 25 percent. In their waiver application, projects must:
    - Demonstrate that BABA compliance increases total project cost by more than 25%.
    - Determine the additional cost of BABA compliant products.
    - Determine the dollar amount to be waived.
    - Demonstrate that no domestic alternatives are available within the project budget.

5. OHFA staff will work with the development team and ODOD throughout approval process.

Appendix D: Ohio Housing Trust Fund (OHTF) Requirements

Applicable Statutory and Regulatory Authority

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

Background

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

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

Rent and Income Restrictions

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

State Required Restricted Units

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

Federally Required Assisted Units

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

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

- Greater than or equal to 5 Assisted Units: At least 20% of the Assisted Units must be restricted at the lower of (1) 50% AMI, (2) Fair Market Rent (Low HOME), or (3) LIHTC rent not greater than the gross rent for rent-restricted residential units as determine by under 26 U.S.C. 42(g)(2). The remaining 80% may meet the High HOME requirements outlined above.

Appendix E: National Housing Trust Fund (NHTF) Requirements

Applicable Statutory and Regulatory Authority

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

Background

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

Rent and Income Restrictions

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

State Required Restricted Units

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

Federally Required Assisted Units

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

Appendix F: HOME Investment Partnerships Requirements

Applicable Statutory and Regulatory Authority

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

Background

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

Rent and Income Restrictions

State-Required Restricted Units

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

Federally Required Assisted Units

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

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

- Greater than or equal to 5 Assisted Units: At least 20% of the Assisted Units must be restricted at the lower of (1) 50% AMI, (2) Fair Market Rent (Low HOME) , or (3) LIHTC rent not greater than the gross rent for rent-restricted residential units as determine by under 26 U.S.C. 42(g)(2). The remaining 80% may meet the High HOME requirements outlined above.