



## Summary of Changes and Rationale from Draft 1 to Draft 2 of the 2026-2027 9% LIHTC Qualified Allocation Plan (QAP)

---

### Overview

- A total of [74 comment letters](#) were submitted by 64 organizations between July 2 and August 1, 2025 for the first draft of the 2026-2027 9% LIHTC QAP.
- Commentors included nonprofit housing providers, developers, local governments, public health agencies, advocates for seniors, tenant populations with special housing needs, and families.
- While feedback was diverse, a number of clear themes emerged from this process.
- Please note: This document does not include all changes. The [redlined version documents](#) all changes between Draft 1 and Draft 2.

### Guiding Principles for Change Decisions

Change recommendations were evaluated against the following policy principles:

- Alignment with Statutory Requirements: Ensure compliance with federal LIHTC regulations and state housing policy objectives.
- Equity and Geographic Balance: Preserve opportunities for rural, urban, and revitalization areas while promoting fair regional distribution.
- Feasibility and Cost Efficiency: Avoid requirements that create undue burden on applicants or risk feasibility of developments.
- Mission-Driven Development: Maintain support for place-based, community-led housing strategies.
- Transparency and Predictability: Clarify requirements and scoring to reduce applicant uncertainty.

### Preserving Place-Based Development Opportunities

Several stakeholders expressed concern the draft QAP could diminish the role of place-based developers and undermine their ability to continue mission-driven work in the communities they serve. However, the QAP includes three dedicated pathways that preserve opportunities for community-based development efforts. Collectively, these represent a potential minimum of five out of twenty (25%) total LIHTC awards.



1. Community Housing Development Organizations (CHDO) Sponsor Set-Aside
  - Reserved for CHDO, this set-aside guarantees awards to at least the two highest-scoring CHDO-sponsored projects. To increase accessibility, the former 70% competitive score threshold was removed, thereby opening participation to more geographies and project types.
2. Qualified Census Tract (QCT) with Concerted Community Revitalization Plan Set-Aside
  - This set-aside will fund the two highest-scoring projects located in QCTs that demonstrate alignment with a formally adopted community revitalization plan.
  - Applicants must submit a local support letter from the relevant municipal corporation or township detailing how the proposed development supports the broader community revitalization strategy.
3. Community Impact Strategic Initiative Set-Aside
  - Designed to fund at least one new construction project, this initiative requires projects to demonstrate broad local and county support.
  - Proposals must describe the development's impact on community needs, including connections to workforce demand.
  - Letters of support or resolutions are required from each municipal corporation and county either within or adjacent (within ½ mile) to the project site. All documentation must be submitted in accordance with Section 8: Competitive Support Documentation.

## Feedback Themes

Stakeholders expressed broad support for several aspects of Draft 1:

- Targeted Support for Infant Mortality Reduction
  - 12 commenters praised the inclusion of expectant mothers and parenting families within the Tenant Populations with Special Housing Needs (TPSHN) pool that aim to reduce infant mortality.
- Technical and Structural Improvements
  - Regional allocation methodology and recognition of future population changes.
  - Flexibility with the discretionary basis boost.
  - Transparent processes related to Federal Historic Tax Credits, Placed in Service (PIS) relief, and the new Credit Exchange/Refresh.

- Preservation of the Community Impact Strategic Initiative and introduction of the QCT revitalization set-aside.
- Continued support for extremely low-income (ELI) targeting and cost realism (e.g., inflation indexing) for max LIHTC award, cost containment, annual LIHTC request per LIHTC unit.

### Areas of Significant Change and Rationale

Topic	Stakeholder Concern	Decision	Rationale
Minimum Neighborhood Opportunity Index Threshold	27 commenters: threshold eliminates ~50% of census tracts, harming rural/revitalization areas.	Threshold removed.	Improves geographic equity and access; maintains scoring differentials to incentivize opportunity areas without exclusion.
Building/Unit/Lifestyle Amenities	15 commenters: cost burden; request flexibility.	Reduce from 3-2-3 to 2 each category; waiver if equivalent amenities within ½ mile.	Balances quality-of-life objectives with cost containment and flexibility.
Application Limits & Developer Experience	14 commenters: PIS vs 8609 inequity; barrier for smaller/out-of-state developers.	Use 8609 as completion metric; reduce highest tier from 4 to 3 Ohio deals.	Better aligns with project completion realities; modestly lowers barrier while retaining quality controls.
Lien & Litigation Reports	12 commenters: duplication (due at proposal and final application) and cost burden.	Required at final application only.	Reduces administrative costs without affecting review quality.
Tie-Breaker Criteria	12 commenters: top tie-breaker overly favors 30% AMI targeting.	Move to second-to-last tie-breaker; new first tie-breaker prioritizes census tracts without recent awards.	Promotes geographic diversity while retaining affordability incentive.

Topic	Stakeholder Concern	Decision	Rationale
Funding Priorities Clarification	10 commenters: confusion over interaction of set-asides with regional allocations.	Clarify CHDO/QCT exemptions from regional allocation.	Increases transparency and avoids unintentional competition within regions.
Tenant Populations with Special Housing Needs (TPSHN) Threshold Criteria	10 commenters: request earlier Supportive Services Plan (SSP) submission and more detail in expert recommendation requirement.	Adopt revisions; SSP due at proposal.	Improves review process and service integration. Strengthens threshold requirements.
811 PRA Requirements	3 commenters: feasibility concerns.	Reduce from 20% to 15% or 11 units (whichever lower).	Increases project feasibility without reducing intent to serve ELI households and meets our HUD obligation.

### Other Technical Adjustments

- Southeast Regional Allocation: Included language to preference counties that have not received awards in the past three years.
- Scoring Clarification: Included details on rounding methodology and further clarified scoring calculations.
- TPSHN Balance of State (BoS) Set Aside Definition: Modify set aside definition to match BoS Continuum of Care definition, effectively further excluding, Montgomery and Summit Counties. However, this is only a geography update.
- Compliance Monitoring Fee: 9 commenters opposed fee increase. Thus, reduced from \$2,700 to \$2,550/unit as a compromise to cost concerns.
- Scope of Work Form: Updated to only required at proposal for rehab projects.
- Fair Housing Section: Updated to correctly reference in existing citations.

### Topics that were commented on, but no changes recommended

- Tenant Populations with Special Housing Needs (TPSHN) Definitions
  - 17 commenters opposed expanding this pool.
  - Clarification: populations outside of PSH policy framework are named (e.g., Transition-Aged Youth) as they do not need to meet disability criteria unless required under PSH. This expansion was intentional to expand access as not all populations that need services and rental subsidy meet the definitions outlined in the PSH policy Framework. Also increased min age of TAY to 18.
  - Did not add veterans as these individuals are covered under the PSH policy framework; Removed people with developmental, intellectual, physical, or sensory disabilities as these individuals are covered under the PSH policy Framework.
- TPSHN Location Scoring
  - 15 commenters questioned the location scoring's impact. With the Neighborhood Opportunity Index threshold removed, broader geography eligible; scoring remains fair across funding pools.
- Design & Architectural Standards (DAS)
  - 6 commenters requested changes. Standards remain under review and will be considered during the next DAS update.
- Broadband Infrastructure Threshold Requirement
  - 4 commenters misunderstood this as requiring free Wi-Fi in units. Clarification: only infrastructure (not service) is mandated under the Broadband Infrastructure requirement. Building Amenity options may include unit Wi-Fi at no cost to resident, but the project does not need to select this amenity.
- Experienced Service Coordinator
  - 2 commenters requested inclusion of remote options and CORES certification. Both are already acceptable under current guidelines.