# Exception Request Form: Programmatic & Underwriting Exceptions

# SFY 2026 4% LIHTC with Ohio LIHTC Guidelines

Exceptions to the 4% LIHTC Qualified Allocation Plan (QAP), [2026 Ohio LIHTC Guidelines](https://ohiohome.org/ppd/4percent-olihtc.aspx), LIHTC Rental Underwriting Guidelines, and Design and Architectural Standards (DAS) must be requested through this Exception Request Form and are considered on a case-by-case basis with compelling justification. Exceptions will not be considered for competitive criteria.

Instructions:

1. **Send a separate form for each individual Exception Request**
2. Include this form and all supporting documentation as directed in the 4% LIHTC QAP, Ohio LIHTC guidelines, and any applicable FAQ’s with the Application. Exception requests submitted via email will not be considered.

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| **Date** |  |
| **Funding Round** | State Fiscal Year 2026 Ohio LIHTC |
| **Project Name** |  |
| **Project Address** |  |
| **Developer** |  |
| **Developer Contact Name** |  |
| **Developer Contact Email** |  |
| **Developer Contact Address** |  |
| **Developer Contact Phone** |  |
| **Architect/Architectural Firm** |  |
| **Construction Type** *(Check All)* | New Construction  Adaptive Reuse  Mixed  New Construction  Adaptive Reuse |
| **Population Served** *(Check All)* | General Occupancy  Senior |
| **Other Important Information** |  |

## Exceptions

Exceptions are **due with the Proposal and Final Application** (if applicable). For each category below be as specific as possible and describe what actions you will take to best further the intent of the requirement. Provide supporting documentation as necessary to justify your request. Refer to the most recently-published [LIHTC Rental Underwriting Guidelines](https://ohiohome.org/ppd/resources.aspx) for further requirements and details on each of the below.

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| **Check** | **Guidelines Section**  **(Select One)** | **Exception** |
|  | Development Budget: Construction Contingencies | OHFA may allow exceptions to this limit if the applicant can demonstrate that another funding source requires a higher contingency. |
|  | Development Budget: Replacement Reserves | OHFA may permit an exception to these minimum replacement reserves if required by another funding source. *This must be evidenced by a commitment letter restricting the replacement reserves to a lower amount.* |
|  | Income & Expense: Income/Expense Escalation | Exceptions will be permitted for properties in which operating subsidy is provided by HUD, RD, or the local public housing authority to achieve break-even operations. |
|  | Income & Expense: Service Coordination | OHFA may grant exceptions to Service Enriched developments, senior developments, or developments that must have a higher service coordination fee based on a federal program requirement. |
|  | Income & Expense: Debt Coverage Ratio (DSCR) | The minimum acceptable DCR is 1.20 for the first year of stabilized operations. OHFA may make exceptions for the first year of stabilized operations where improved and upward trends in DCR are sustained over 15 years. OHFA may grant exceptions for Rural Development properties and developments that contain small hard debt amounts. |
|  | Program Guidelines:  Related Party Cash Out | Exceptions to allow cash out on a related party transaction may be considered in the following circumstances: 1) the applicant successfully demonstrates that proceeds from related-party debt encumbering the to-be-acquired property was used to fund critical repairs or operating deficits within 12 months prior to the proposal application submission, or 2) the applicant clearly evidences that the proposed project is infeasible without seller cash out. |
|  | Program Guidelines:  Cost Containment | 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, projects using Federal Historic Tax Credits, Davis-Bacon wage rates, etc.). If both standards fail to be met, exception requests will not be considered. |

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| **Justification** |
| * For each category selected above, describe your justification for the request and the actions you will take to best further the intent of the requirement. * Provide supporting documentation as necessary to justify your request. Refer to the most recently-approved LIHTC Rental Underwriting Guidelines for further requirements and details. |
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