July 28, 2025

Cody Price
9% Tax Credit Section Chief
Ohio Housing Finance Agency
2600 Corporate Exchange Drive, Suite 300
Columbus, OH 43231

Re: Comments on the 1st draft of the *9% LIHTC Qualified Action Plan Program Year 2026-2027*

Dear Dr. Price,

On behalf of the Ohio Housing Council (OHC) membership, thank you for the opportunity to comment on the first draft of the Program Year 2026–2027 *9% LIHTC Qualified Allocation Plan (QAP)*. It's clear you and your team have invested significant time and effort in preparing this draft, and we appreciate your continued engagement with stakeholders throughout the process.

We also want to express our appreciation for several recent improvements, including the revised interpretation of eligibility for HOME and other HDAP resources for previously assisted projects, as well as the steps OHFA has taken to eliminate many prohibitions on exception requests. We encourage OHFA to continue in this direction and remove any remaining prohibitions so that the agency has the option—but not the obligation—to address unforeseen issues as they arise.

As always, our comments are offered in the spirit of strengthening the QAP and enhancing the LIHTC program's ability to support financially viable, community-responsive, and affordable housing developments across Ohio. As you know from our previous conversations, we are increasingly concerned about the cumulative cost implications of certain policy choices embedded in the QAP. While we recognize that these choices are well-intended, they can significantly increase development costs, ultimately limiting the number of units that can be built and the number of Ohioans we can serve. Our comments below offer suggestions aimed at better balancing program integrity, resident benefit, and development feasibility.

Cost-Driving Policies

Threshold vs. Scoring Criteria

We urge OHFA not to make amenities and features threshold requirements. While developers are required to select only a subset of items from a menu, making these items mandatory still ensures that some combination of cost-generating features will be imposed regardless of a project's location, market context, or funding stack. This, by definition, imposes additional costs on every project.

We understand that even when items remain scored, the competitiveness of the 9% credit effectively compels developers to pursue every available point. In that sense, the difference between scoring and threshold requirements may appear nominal. But the distinction is not meaningless. Scoring criteria preserve discretion on the part of the developer and provide OHFA with more projects to work with to meet strategic goals. Thresholds, by contrast, create hard lines and reduce the agency's ability to support innovative or context-specific proposals.

Additionally, we understand that the higher subsidy level of the 9% credit may be viewed as justification for the imposition of additional requirements. We urge caution with that logic. In a statewide housing crisis, it is not advisable to make cost-adding features an agency-imposed requirement. Developers are in the best position to determine how to serve their target market within available resources, and industry partners like lenders and investors are well equipped to validate that proposed features support the financial and operational assumptions of a deal.

Compliance Monitoring Fee Increase

We were concerned to see the compliance monitoring fee increase from $2,400 to $2,700 per unit. This fee first appeared in the final draft of the OLIHTC guidelines without the opportunity for public input and is now incorporated into the QAP. At a time when OHFA and the development community are working together to manage and contain costs, this increase undercuts those shared efforts.

We urge OHFA to revisit the fee increase, reassess its necessity and scale, and ideally rescind the change, not only for the upcoming QAP cycle, but retroactively from the OLIHTC implementation as well.

Lien and Litigation Reports

The requirement to submit lien and litigation reports, particularly at both the proposal and final application stages, adds cost and administrative burden without a clear benefit. Lenders and investors already require these reports during underwriting and closing, and their reviews are often more comprehensive and more directly aligned with financial risk management.

While we would prefer this requirement be eliminated, at a minimum we recommend OHFA limit it to a single submission per project cycle.

Experience & Capacity Review Process

Another area with significant cost and process implications is the Experience & Capacity Review process. While we are firmly on record supporting OHFA's goal of fostering a development community committed to producing high-quality affordable housing, we are concerned the current system over-engineers the solution, particularly for experienced developers in good standing.

As we understand it, even the most qualified and proven developers are required to submit extensive documentation annually to remain eligible. We recommend streamlining this process by allowing those developers to submit a certification of material changes rather than re-submitting the same materials each year. This would reduce burden on both applicants and OHFA staff without compromising oversight.

Additionally, stakeholders, particularly those pursuing 4% and mixed-source projects, have continued to express confusion about the review's requirements. We encourage OHFA to clarify expectations and ensure alignment between written guidance and staff communications.

Design and Architectural Standards

Although not the central focus of this QAP draft, OHFA's *Design and Architectural Standards* remain among the most significant cost drivers developers face. These standards are more prescriptive than those used by many peer agencies and often create measurable delays and added costs without reliably delivering equivalent value.

We appreciate OHFA's commitment to review and improve these standards and look forward to supporting that work. Given their outsized impact on development costs—often greater than many QAP scoring criteria—we believe updates to how these standards are administered and enforced should be prioritized. Even if formal revisions are not ready in time for this QAP cycle, administrative or procedural improvements can and should be implemented as soon as possible.

Regional Distribution, Mapping, and Tiebreaker Structure

We appreciate OHFA's reintroduction of flexibility around the redistribution of unused credits. The draft recognizes the need to ensure high-quality deals can still be awarded, even if regional allocations fall short. This kind of discretion is critical to preserving responsiveness to actual project pipelines and market realities.

That said, we have several concerns with the current approach to regional structuring, especially the use of map-based scoring and eligibility criteria.

Neighborhood Opportunity Index Threshold

We are particularly concerned by the proposed exclusion of census tracts that fall below the regional median Neighborhood Opportunity Index score. This policy disqualifies half of all tracts in each region and severely limits the universe of eligible sites, especially in rural areas, legacy cities, and communities with revitalization priorities.

We appreciate OHFA's publication of draft maps and believe they validate our concerns. While we have broader questions about the validity and application of the Neighborhood Opportunity Index, our immediate recommendation is simple: eliminate the regional median threshold and rely solely on scoring. The current approach duplicates the scoring function and exposes the QAP to unnecessary political and legal scrutiny. Even without a formal threshold, projects in low-scoring areas are already at a disadvantage, but categorical exclusion prevents consideration of potentially transformative projects that advance other policy goals.

Tiebreaker Priorities

Many OHC members expressed concern with the use of 30% AMI units as the first tiebreaker. While extremely low-income targeting is important, it introduces significant cost and risk, particularly in rural or lower-cost markets, where it can crowd out otherwise strong proposals.

Given the diversity of views on the issue, we have encouraged our members to submit individual comments. We recommend OHFA consider alternate or parallel tiebreakers that reflect feasibility and unit production.

Clarification on County Awards and Set-Asides

We would appreciate additional clarity on how regional and county-level limitations interact with set-aside allocations. We are aware of situations in which a set-aside project in a given county was denied funding because a general pool project in that same county received a higher score, even though both projects were aligned with program intent. Clear guidance on how county limit rules interact with multiple funding streams would improve predictability and avoid unnecessary confusion.

Scoring Transparency

Several stakeholders noted difficulty in understanding how scores are calculated under the proposed framework. As OHFA continues to refine the AHFA, we encourage publication of timely and transparent documentation, ideally including a scoring flowchart or similar tool. Predictable, understandable scoring has long been a strength of OHFA's QAP administration, and we urge continued commitment to that principle.

Appreciation for Adjustments in Eligibility Interpretation

As noted above, we are appreciative of OHFA for its revised treatment of previously assisted project eligibility. Earlier interpretations risked disqualifying viable projects from gap funding based on overly restrictive readings of federal and state guidance. We were pleased to see an updated interpretation that allows more developments to access HOME and Housing Trust Fund resources without compromising compliance. We appreciate the agency's openness to revisiting this language and its responsiveness to stakeholder feedback.

Conclusion

We value our longstanding partnership with OHFA and remain committed to working collaboratively to ensure the QAP supports the production and preservation of affordable housing across Ohio. Thank you for your consideration of these comments. We welcome further discussion as the QAP is finalized.

Sincerely,

Ryan Gleason

Ryan Gleason
Executive Director

cc: Bill Beagle, Executive Director, Ohio Housing Finance Agency
Matt Sutter, Senior Director of Housing Programs, Ohio Housing Finance Agency
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