August 27, 2026

Ben Peyton
4% Housing Tax Credit Section Chief
Ohio Housing Finance Agency
2600 Corporate Exchange Drive, Suite 300
Columbus, OH 43231

Dear Mr. Peyton,

On behalf of the Ohio Housing Council (OHC), a statewide trade association representing affordable housing developers, syndicators, architects, and allied professionals, thank you for the opportunity to comment on the draft *Program Year 2026 4% LIHTC with Bond Gap Financing (BGF) Guidelines*. OHC's Policy Committee reviewed the draft and offers the following comments for the Agency's consideration.

Construction Document Requirement at Application

The draft Guidelines call for a single application, due February 16, 2027, with no proposal round to establish an award before an applicant must commit to a full design package. Given that this funding will likely support only two or three projects statewide, requiring every applicant to reach a complete construction document set before OHFA has indicated any interest represents a substantial and, in many cases, unrecoverable cost.

OHC recommends that applicants be permitted to submit a lower-percentage design set with the February application, with a complete set due within 90 days following an Invitation to Proceed. Full Threshold and Underwriting Review does not begin until April 20, 2027, and OHFA has until its December 2027 Board meeting to complete approvals. A submission deadline roughly 90 days after the expected April invitation date would still leave several months for OHFA's design team to complete its review, while sparing applicants the cost of finalizing drawings for a project that may not receive an award.

Readiness Scoring and Consequences Tied to a Committed Closing Date

Under the NHTF funding pool, the "Readiness to Proceed" criterion awards up to 10 of 40 total points based on a closing date entered in the AHFA, on a fixed schedule from September 2027 (10 points) down to April 2028 (zero points). Separately, the Guidelines provide that a development team that does not meet the closing date used for scoring will be referred to OHFA's Program Adherence Committee for review of its "Good Standing" with the Agency.

OHC recognizes OHFA's interest in demonstrating progress toward NHTF expenditure deadlines. That said, the premise behind this criterion is worth examining. In tax-credit-financed transactions, the credit award itself—and, in this program, the BGF award—is typically what moves a project forward, not the last piece filled into an otherwise-complete financing stack. Few if any LIHTC-financed developments are "shovel ready" pending only these funds at the time of application; the award is usually what triggers the very steps the criterion measures, including HUD's CHAP issuance, the environmental review, and the financing plan. Scoring readiness by a committed closing date assumes a sequencing that does not reflect how these transactions actually proceed.

The Guidelines' own calendar reinforces this: NHTF environmental review alone can take 3 to 9 months. With applications due in February and full points requiring a September 2027 closing, an applicant has roughly seven months to clear environmental review, secure a CHAP, finalize a financing plan with HUD, and reach closing—even before accounting for a federal shutdown or HUD processing backlog, neither of which an applicant controls. A team could do everything right and still lose points, and separately face a Good Standing referral, because of a sequencing problem built into the criterion itself.

OHC recommends that readiness be demonstrated through milestone achievement rather than a committed closing date: a CHAP letter in place, a financing plan in place or underway with HUD, and a completed or substantially advanced environmental review. These milestones could be structured as threshold requirements or graduated points in place of the closing-date schedule. At minimum, OHC recommends that a missed closing date attributable to documented HUD delay not trigger a Good Standing Committee referral.

Lien and Litigation Reports for Development Entities Not Yet Formed

The Guidelines require a Lien and Litigation Report, dated within 30 days of submission, for each parent entity of the ownership entity and each development entity. For most applicants, the eventual LIHTC ownership entity is a single-purpose entity that will not be formed unless and until an award is received, so this requirement creates cost and administrative work for entities that may never come into existence.

OHC recommends that the Lien and Litigation Report requirement apply only to the parent or sponsor entity at application, with a report for any newly formed development entity provided prior to closing.

OHC appreciates OHFA's continued engagement with the development community on these Guidelines and would welcome the opportunity to discuss any of the above in more detail. Please do not hesitate to reach out with questions.

Sincerely,

Ryan Gleason
Executive Director

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