

# Ohio State Low-Income Housing Tax Credits

Ohio Housing Council Fall Symposium

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- OLIHTC is available for state fiscal years 2024 through 2027 (July 1, 2023 through June 30, 2027)
- For FY 2024 and 2025, OHFA will use it exclusively for gap financing on **4% new construction projects**.
- OLIHTC of \$100 Million is available per FY with no ability to carry any remaining unallocated balance forward.
- OLIHTC must be paired with Federal LIHTC.
- The OLIHTC is non-refundable.
- OLIHTC investor must be a partner/member of the project owner. However, the OLIHTC may be allocated in whatever manner the partners/members may agree.

# Application Process

- Similar to 4% application process. Submitted via file transfer site in zip format.
- Must also submit a hard copy 80% permit set of architectural plans.
- At least 30 days prior to submitting Final Application, must submit a Pre-Application package.
- Cannot submit a Final Application unless a Pre-Application has been approved by OHFA.
- Final Application will go through Minimum Financial and Threshold Review. If doesn't meet, can correct and re-submit.
- If project passes Minimum Financial and Threshold Review, OHFA will preliminarily reserve OLIHTC. Such reservation is NOT a commitment.
- Project then goes through Full Threshold, Underwriting, and Architectural Review. 2 weeks to cure any identified deficiencies - if not timely cured, applications may be resubmitted once cured.
- All applications require OHFA Board approval and, at discretion of OHFA, Multifamily Committee recommendation.
- Following Board approval, receipt of valid bond inducement equal to at least 50% of basis and issuance of 42(m) letter, project owner will receive OLIHTC commitment.

# Claiming OLIHTCs

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- In connection with 8609 submission, OHFA will determine final OLIHTC amount and issue OLIHTC credit certificate.
- OHFA will send copies of the OLIHTC credit certificate to Ohio Department of Taxation during each year of the 10 year credit period.
- OHFA will recapture a proportionate share of OLIHTC if any portion of the federal LIHTC is recaptured.

# Limitations and Pools

Applicants can request no more OLIHTC than will generate the following amount of equity:

- New Construction – Central City: \$3,500,000
- New Construction – Metro/Suburban: \$3,500,000
- New Construction – Rural: \$4,500,000

Limitation on how many OLIHTC commitments each lead developer and/or co-developer can receive:

- No more than 3 OLIHTC commitments if have placed at least one LIHTC deal in Ohio over last 10 years.
- No more than 1 OLIHTC commitment if have not placed in service at least one LIHTC deal in Ohio over last 10 years but have placed in service at least one LIHTC deal in another state over the last 10 years.

## Limitations and Pools (continued)

- Cost containment provisions will apply.
  - Central City and Metro/Suburban: \$403,000 per unit and \$410 per GSF
  - Rural: \$388,000 per unit and \$390 per GSF
- Paid developer fee limitations: no more than 50% of budgeted developer fee.
- County limits: No more than 4 reservations per county for FY 204-2025 unless necessary to meet set-asides or fully utilize annual cap.
- Appalachian set-aside: at least 2 housing developments.

### Geographic Pools (expressed as goals)

- Urban: 40% of OLIHTC
- Metropolitan/Suburban Areas: 35% of OLIHTC
- Rural: 25% of OLIHTC

# Important Dates

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- Wednesday, November 15, 2023 (estimated): Final OLIHTC guidelines approved by OHFA board and pre-application materials posted to OHFA website.
- Tuesday, November 28, 2023: First day OHFA will accept and review pre-applications on first come, first serve basis
- No later than Friday, December 15, 2023: Final application materials posted to OHFA website
- Tuesday, January 9, 2024: First day OHFA will accept and review OLIHTC final applications on first come, first serve basis.
- June 2024 OHFA board meeting (date TBD): OHFA announcement of FY 2024 OLITC commitments to Board; last month for FY 2024 projects to seek Board approval.
- June 2025 OHFA board meeting (date TBD): OHFA announcement of FY 2025 OLITC commitments to Board; last month for FY 2025 projects to seek Board approval.

# Questions?

