



July 30, 2025

Barbara Richards  
Director of Multifamily Housing  
Ohio Housing Finance Agency  
57 E Main Street  
Columbus OH 43215

Dear Ms. Richards:

Thank you for the opportunity to contribute this feedback on Ohio Housing Finance Agency's (OHFA) 2026-27 9% Qualified Allocation Plan. Lincoln Avenue Communities is a mission-driven affordable housing developer currently active in thirty states. Please note, all page number references below refer to the 2026-2027 9% LIHTC Draft Qualified Allocation Plan.

#### Threshold Requirements

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We urge OHFA to reconsider the following proposed changes to the competitive 9% LIHTC programs threshold requirements:

- Minimum percent of 30% AMI Extremely Low-Income (ELI) Units;
- Increase in the minimum number of 3-bedroom units for general occupancy units from 10% to 15%.

While we understand from a policy outcomes perspective that both proposed changes would serve targeted housing needs in Ohio, we observe that if implemented the combined changes will also result in higher per unit development costs, decreased permanent debt proceeds, the need to secure vouchers and/or other subordinate resources at a time when gap funding resources are scarce and total development costs are under increased scrutiny. We suggest these policy goals would be better served as set-asides or as competitive points criteria.

#### Application Limits

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We concur OHFA that experience should be a threshold requirement to apply, and that conditions set out in QAP are reasonable threshold standards. However, we urge OHFA to reconsider its Application Limits as it relates to development teams that have not placed-in-service at least one LIHTC deal in Ohio over the past 10 years. We suggest that OHFA allow all development teams that meet OHFA's Experience and Capacity requirements the ability to submit two competitive 9% applications and receive 1 reservation regardless of whether they have placed-in-service a project in Ohio in the past 10 years. This change would still align with the current reservation limitations in OHFA's current Experience and Capacity Standards (pg. 6) which allow for up to 3 LIHTC Reservations annually for New to OHFA entities with 8609s in Other States (4+). We note that this change would require a change in Experience and Capacity

Standards [“4. New to OFHA Entities with 860s in Other States (4+)” (pg. 7-8)] to allow for two simultaneous applications.

#### Preserved Affordability – Minimum Rehabilitation Costs

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We believe OHFA’s policy objective in increasing the minimum rehabilitation hard construction cost per unit of \$80,000 is to ensure that sufficient rehabilitation scope of work is undertaken to maintain a project up to reasonable standards during the 15-year compliance period. We agree that this is an important policy priority; however, we suggest that OHFA reconsider the per unit rehab floor amount. As OHFA is aware, one of the most debt executions for preservation transaction leverages FHA 223(f) loan. FHA 223(f) loans have several desirable qualities for preservation transactions including low-interest rates, 35-year amortization and, unlikely the FHA 221(d)4 program, does not trigger Davis-Bacon wage scales. Unfortunately, FHA 223(f) loans per unit loan limits are far below the \$80,000 rehab threshold. The current FHA 223(f) loan limit threshold in the highest cost adjustment areas is \$45,854 per unit. Even accounting for tax credit equity, if OHFA were to enact this change it would effectively eliminate the ability for tax credit developers to utilize this preferential financing because acquisition costs for a typical Year 15 and/or Section 8 community in today’s marketplace range between \$70,000 and \$150,000 per unit.

The proposed minimum rehabilitation threshold also eliminates the ability of developers to utilize this structure in order to qualify for acquisition credits on a project that has a broken 10-year hold, which makes the resyndication of these communities infeasible and makes it much more likely that the affordability of these communities will not be preserved past the existing extended use period.

Furthermore, while many properties require significant rehabilitation scope of work, others that have been maintained well may require significantly less than \$80,000 per door of rehab scope of work. We do not believe it is a responsible use of scarce financing resources to ‘over-scope’ rehabs if the Capital Needs Assessment (CNA) confirms that a lesser scope of work is appropriate.

Additionally, we observe that well maintained properties in desirable markets where there is significant rent advantage between subsidized units and comparable market units are most at risk to be lost from the program and will also command the highest acquisition prices. Setting the rehabilitation threshold too high for these assets will make them unfinanceable as affordable assets and will increase the likelihood that they will be sold to conventional buyers or converted either via the qualified contract process or at the end of a project’s extended-use period. This is a highly undesirable outcome that should be avoided at all costs.

As such, we recommend revising the proposed regulations, lowering the rehabilitation threshold from \$80,000 a door to the greater of \$28,000 a door or the scope of work specified

in the Capital Needs Assessment. If reducing the rehab limits to the FHFA 223(f) threshold is not possible, we suggest at least restoring the \$50k minimum (from the 2025 9% QAP).

#### Credit Refreshes/Exchanges

Pg. 13-14

We support OFHA's proposed new policy relating to credit refreshes and exchanges for projects unable to meet their 10% test deadline due to circumstances outside their control.

#### Maximum LIHTC Requests

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We support the proposed increase to the maximum annual LIHTC request.

#### Cost Containment

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We support the proposed increase to the maximum TDC cost standards.

#### Discount to Market Rents

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We support the elimination of the discount to market rents point category.

#### Conclusion

Lincoln Avenue Communities appreciates the opportunity to work with OHFA on the drafting of its 2026 9% QAP. We welcome the opportunity to discuss them with you further at your leisure and/or answer any questions you may have regarding our feedback. I can be reached at 646-585-5526 or [tamdur@lincolnavenue.com](mailto:tamdur@lincolnavenue.com).

Regards,



Thom Amdur

Senior Vice President, Policy & Impact

Cc: Cody Price

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#### About Lincoln Avenue Communities

Lincoln Avenue Communities is one of the nation's fastest-growing developers, investors, and operators of affordable and workforce housing, providing high-quality, sustainable homes for lower- and moderate-income individuals, seniors, and families nationwide. LAC is a mission-driven organization that serves residents across 30 states, with a portfolio of 170 properties comprising 30,500+ units.