



August 1, 2025

Ohio Housing Finance Agency (OHFA)  
2600 Corporate Exchange Dr., Suite 300  
Columbus, OH 43231

Re: 2026-27 Ohio Qualified Allocation Plan (QAP)

On behalf of Midwest Building Decarbonization Coalition (Midwest BDC), our Affordable Housing Working Group members, and other signing organizations, I thank you for the opportunity to weigh in on the first draft of Ohio's Qualified Allocation Plan (QAP) for 2026-27. In line with Midwest BDC's mission to reduce energy burden and advance a renter-inclusive transition to clean energy, we believe there are important steps OHFA can take to continue encouraging developers to incorporate higher levels of energy efficiency and decarbonization measures.

After reviewing the draft QAP and current Design & Architectural standards, we recommend the following:

1. Encourage greater overall affordability of all units through reduced utility costs by giving adopting additional optional point tiers beyond the minimum sustainable certification requirements in Section H of the OHFA Design & Architectural Standards, creating incentives for projects to aim for higher performance goals
2. Require new construction projects to be at least electrification-ready and award points for electrification
3. Incentivize on-site and community solar/renewables that allow tenants of OHFA-supported developments to directly benefit from the clean energy transition

We recognize that consideration of these items currently resides primarily in the OHFA Design & Architectural Standards, but feel they are relevant to discussion of the QAP as well. We would also welcome any chance to give input to revisions of the Design and Architectural Standards.

- 1. Encourage greater overall affordability of all units through reduced utility costs by giving adopting additional optional point tiers beyond the minimum sustainable certification requirements in Section H of the OHFA Design & Architectural Standards, creating incentives for projects to aim for higher performance goals**

Offering optional points for established green building certifications is a proven way for QAPs to encourage developers to prioritize higher levels of energy efficiency and conservation<sup>1</sup>, which will directly reduce the energy burden of low-income residents, as well as improve the comfort and preservation of affordable homes. We recognize that the current OHFA Design and

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<sup>1</sup> [green-building-standards-final-formatted-updated.pdf \(nationalhousingtrust.org\)](#)

Architectural Standards (DAS) set minimum green certification thresholds for project eligibility, however we see two areas for significant improvement:

1. The current limited list of approved third party certifications in the DAS is limited and places the burden of demonstrating equivalency on the development team, reducing uptake of equivalent regional offerings (ex. GreenHome Institute's Green Star certification) or certifications with an emphasis on deep energy efficiency (ex. PHIUS)
2. Only having a minimum threshold with no "stretch" options means developers are disincentivized to pursue higher certification levels or more stringent certification that typically correlate with higher levels of energy efficiency benefits to tenants.

Ohio should give more flexibility in what third-party standards can meet the DAS minimum thresholds and create optional scoring pathways in the QAP that incentivize developers to go beyond those base requirements. Minnesota and Wisconsin are regional models that address both these issues:

- Wisconsin Housing and Economic Development Authority overhauled the Energy Efficiency and Sustainability scoring section for their 2025-26 QAP<sup>23</sup>, with a new tiered points system for green building certifications. In addition to the minimum threshold level, projects can achieve 10 optional points for identified "Advanced Certifications" or 20 optional points for identified "Stretch/Net-Zero Certifications" (out of a total 204 points). Additionally, projects at the minimum threshold or advanced certification level can add 2-8 points if their project also incorporates certain renewable energy measures.
- Minnesota Housing also utilizes a tiered point system for green building certifications. Their 2026-27 QAP<sup>4</sup>, addressed feedback from developers on what would drive uptake of the higher tiers, doubling the points given for each level and allowing a new maximum of 12 points in the category.

Both of these models encourage developers to consider going further on energy efficiency by offering intermediate options and stretch options. They also incorporate a number of additional third party certifications that are currently "By Exception Only" in the DAS, giving OHFA a clear idea of how those additional options compare to the pre-approved list without having to consider them on a burdensome case by case basis.

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<sup>2</sup> [2025-26-qap.pdf](#)

<sup>3</sup> [wheda-2025-multifamily-application-v25.1.9.xlsx](#)

<sup>4</sup> [2024-2025 HTC QAP](#)

### C.1. Energy Efficiency and Sustainability

#### NOTES:

- See Appendix W - Energy Efficiency and Sustainability for a detailed overview of the Threshold and Scoring components of this Category.
- All projects are required to meet Threshold-level certifications defined in Appendix M - WHEDA Housing Tax Credit Design Requirements
- Applicants may elect to pursue Advanced Certifications to earn additional points in the HTC Application Process
- Projects should carefully assess whether Net Zero is feasible, as it may not be the best option for most developments.
- Threshold and Advanced Certifications can earn additional points by including renewable energy.
- Stretch Goal - Net Zero Certifications are not eligible for additional renewable points.
- Proof of certification must be submitted before the issuance of the IRS Forms() 8609 or the Wisconsin Low-Income Housing Credit Allocation Certificate.

#### New Construction Projects (maximum of 20 points)

Program	Advanced Certifications (10 pts)	Stretch Goal - Net Zero Certifications (20 pts)
Enterprise 2020 Green Communities	Certification	Certification Plus via Criterion 5.4
LEED	Gold/Platinum	LEED Zero Energy
Passive House Institute US	PHIUS Core	PHIUS Zero
Wisconsin Green Built Homes	Gold Plus	Gold Zero Energy

Optional: Select Green Building Certification

Please answer Yes/No	Additional Renewable Energy Items
	A Geothermal HVAC System serving the entire building (4 pts)
	Solar that offsets 20% or more of the total building annual load OR Solar that offsets 70%-80% of common area annual load (2 pts)
	A Centralized Geothermal HVAC System with Solar that offsets at least 20% of the annual load (8 pts)

#### Rehab of Existing Buildings Requirements (maximum of 20 points)

For purposes of this category, both rehab of existing residential buildings and adaptive reuse of nonresidential structures may qualify.

Rehab Projects pursuing threshold certifications are required to meet one of the following building performance standards:

- A HERS index score of 80 or less for properties built in or after 1980 or demonstrate that the energy performance of the completed building will be equivalent to, or better than, ASHRAE 90.1-2013 using an energy model created by a qualified energy services provider according to Appendix G 90.1-2016.
- A HERS index score of 100 or less for properties built before 1980 or Demonstrate that the energy performance of the completed building will be equivalent to, or better than, ASHRAE 90.1-2013 using an energy model created by a qualified energy services provider according to Appendix G 90.1-2016.
- A post-rehab HERS index score at least 15% less than the pre-rehab HERS index score.

Program	Advanced Certifications (10 pts)	Stretch Goal - Net Zero Certifications (20 pts)
Enterprise 2020 Green Communities	Certification	Certification Plus via Criterion 5.4
Passive House Institute US	PHIUS Core	PHIUS Zero
Wisconsin Green Built Homes	Gold	Gold Zero Energy

Optional: Select energy efficiency program

Screenshot of WHEDA multi-family LIHTC application energy efficiency and sustainability scoring section

## 2. Require or incentivize new construction projects to be at least electrification-ready

Moving to all-electric homes powered by increasingly clean electricity will deliver enormous economic and health benefits to communities across Ohio and allow communities to tackle a major source of indoor and outdoor air pollution. High-efficiency electric solutions, like heat pumps for space heating and cooling, are efficient and cost-effective and lead to more comfortable indoor temperatures and better access to affordable heating and cooling.<sup>5</sup> All-electric homes also shield low-income housing residents from fuel price volatility and inflation that exacerbates energy burden. For instance, the average residential gas rates in Ohio for December 2022 and January 2023 were approximately 75% higher than the average rate in December 2017 and January 2018.<sup>6</sup> Residential electric rates in Ohio over that same period stayed much more consistent, rising around 18% when comparing those same winter months.<sup>7</sup> Additionally, a Roosevelt Institute study indicates that in 2021-22 energy-related expenses accounted for as much as 70% of household cost inflation, largely due to fossil fuel cost increases. Lower-income households were harder hit by these price spikes, and experienced a

<sup>5</sup><https://www.nrdc.org/experts/alex-hillbrand/thinking-buying-air-conditioner-consider-heat-pump>

<sup>6</sup>[Ohio Price of Natural Gas Delivered to Residential Consumers \(Dollars per Thousand Cubic Feet\)](#)

<sup>7</sup>[Electricity data browser - Average retail price of electricity](#)

3% increase in household energy burden compared to 0.3% for high-income households.<sup>8</sup> The Energy Information Administration (EIA) forecasts indicate that OHFA should plan on natural gas prices continuing to be volatile and not reverting back to previous lows when considering what types of design measures will keep housing units truly affordable. Due to the wider variety of fuels, including renewables, used in electricity generation, electric heating customers are more shielded from energy cost spikes. The historical and expected impacts on electricity and gas prices indicate that switching to electric appliances can help households in low-income housing keep their utility bills stable and protect them from rising gas prices.

Along with benefits to tenants, OHFA should be mindful that incorporating all-electric heating, water heating, and cooking can be up to four times more cost-effective during new construction than making the switch from fossil fuel appliances as a retrofit or future end-of-life replacement. This is primarily due to costs (estimated to range from \$1,000 to \$5,000 in single-family homes) associated with upgrading panels and outlets that were not sized or located with electric heating and water heating appliances in mind.<sup>9</sup> However, for projects that still opt to design around natural gas as their initial primary heating fuel, implementing “electric-ready” measures such as:

- panels sized for future heat pumps, induction cooktops, and electric vehicle chargers
- 240V outlets for future heat pump water heaters
- solar-ready conduits

can typically be included during initial construction for minimal upfront cost increases (and at fractions of the cost of performing future electric system retrofits).<sup>10</sup> Electric-ready units would have the added benefit of making participation in the Home Energy Savings Program still anticipated through the Ohio Dept. of Development’s Energy Assistance office<sup>11</sup>, or future state and/or utility-sponsored heat pump incentive programs, much more accessible to future tenants and property owners.

Midwest BDC currently sees the U.S. Department of Energy’s (DOE) Zero-Energy Ready Home (ZERH) standard as the best available option to reference for states looking to incorporate electric-readiness as a consideration in their QAPs, with electric-ready provisions and PV-/EV-ready checklists designed to address the issues raised above. ZERH offers single- and multi-family versions, making it a standard that can be applied to most potential LIHTC projects.

An easy path to incorporate this could be making ZERH certification approved as an option for meeting third party sustainability certification requirements. OHFA could also reference the electrification-ready elements on their own and require all projects to meet that standard. The electric-ready provisions, PV-ready checklist, and EV-ready checklist are all available as stand-alone documents on DOE’s website<sup>12</sup> and could easily be referenced or incorporated into the QAP document. This would ensure that even projects not pursuing the higher levels of Green Building Certification or Energy Efficiency Certification points still implement these cost-effective, tenant-benefitting measures.

### **3. Create incentives for on-site solar/renewables**

Nationally, many housing finance agencies have been successful in encouraging on-site renewable energy generation located at low-income housing through partnerships with existing city or statewide initiatives. Incorporating renewable energy systems can provide immediate

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<sup>8</sup>[https://rooseveltinstitute.org/wp-content/uploads/2022/05/RI\\_EnergyPriceStability\\_IssueBrief\\_202205.pdf](https://rooseveltinstitute.org/wp-content/uploads/2022/05/RI_EnergyPriceStability_IssueBrief_202205.pdf)

<sup>9</sup> [PNL-32183.pdf](#)

<sup>10</sup> [BuildingDecarbCostStudy.pdf \(newbuildings.org\)](#)

<sup>11</sup> [Home Energy Savings Program | Development](#)

<sup>12</sup> [DOE Zero Energy Ready Home \(ZERH\) Multifamily Version 2 | Department of Energy](#)

energy burden benefits to residents, mitigate energy burden concerns associated with all-electric projects, facilitate a projects inclusion in community resilience or micro-grid projects, and ensure the long-term resiliency of projects by insulating them from volatile and inflationary energy prices. Usually, points are awarded to new construction or rehabilitation projects that incorporate renewable energy to offset residential or common area energy load. The requirements HFAs set forth for renewables vary by renewable energy systems allowed (solar photovoltaic, solar thermal, wind power, or geothermal, etc.) and whether renewable energy systems are required to offset a minimum level of energy load, either common area load or tenant load, and the percentage required.<sup>13 14</sup> OHFA, should consider that the Ohio Air Quality Development Authority is also on track to offer funding by the end of 2025 for multi-family solar projects that deliver financial relief to low-income families, offering developers another funding source to braid with LIHTC<sup>15</sup>. Examples of states incorporating this into their QAP include:

- The Nebraska Investment Finance Authority awards three points to projects that include a geothermal (ground source) heat pump system or active solar system that meets at least 25% of the total energy loads for each unit.
- As previously noted, Wisconsin Housing and Economic Development Authority awards projects at the minimum threshold or advanced certification level an additional 2-8 points if their project also incorporates certain renewable energy measures.

Sincerely,

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<sup>13</sup> <https://nationalhousingtrust.org/sites/default/files/documents/Renewable-Energy--5-29-24.pdf>

<sup>14</sup> [https://assets.ctfassets.net/ntcn17ss1ow9/7r1ftuS6Fp6ExJ09xGCSeN/0627f8bb57b3cd1a304da7082ec83153/Energy\\_Efficiency\\_Strategies\\_in\\_LIHTC\\_properties.pdf](https://assets.ctfassets.net/ntcn17ss1ow9/7r1ftuS6Fp6ExJ09xGCSeN/0627f8bb57b3cd1a304da7082ec83153/Energy_Efficiency_Strategies_in_LIHTC_properties.pdf)

<sup>15</sup> [Federal Funding Opportunities | Ohio Air Quality Development Authority](#)