



September 2, 2025

Cody Price, PhD
9% Housing Tax Credit Manager
Ohio Housing Finance Agency
2600 Corporate Exchange Drive, Suite 300
Columbus, Ohio 43231

RE: Public Comment on Draft 2, 2026-2027 9% LIHTC Qualified Allocation Plan

Dr. Price,

On behalf of Hill Tide Partners, we commend the Ohio Housing Finance Agency (OHFA) for its proactive and significantly improved stakeholder engagement process for the 2026-2027 9% LIHTC Qualified Allocation Plan (QAP) cycle. By initiating engagement in early April and releasing two drafts before the traditional September timeframe, OHFA has provided the development community with its most crucial asset: time. This extended window for due diligence, site selection, and design will undoubtedly lead to higher-quality, more thoughtfully planned affordable housing communities for Ohioans—a welcome and impactful change from the compressed timelines of past cycles.

We are supportive of many changes incorporated between the first and second drafts of the 9% LIHTC QAP, including the following:

- **Replacing the first tiebreaker** with a metric that prioritizes geographic diversity. This will help avoid a “race to the bottom” whereby developers overcommit on the number of 30% AMI units at the expense of long-term financial sustainability.
- **Clarifying the award sequence** to fund CHDO sponsor and QCT set-asides first before proceeding by region.
- **Removing the Scope of Work document** as a Proposal Application submission requirement for new construction projects.

The following comments are offered in that same spirit of partnership. Our goal is to help refine an already strong QAP through two targeted, data-driven adjustments designed to enhance the plan's alignment with OHFA's own strategic goals.

Recommendation #1: Rebalancing Geographic Scoring to Fulfill the Promise of Opportunity

We strongly support the Agency's decision to remove the Neighborhood Opportunity Index (NOI) minimum threshold. This change, which responded directly to feedback from numerous commenters, correctly noted that the threshold could inadvertently exclude nearly half of the state's census tracts, harming both rural development and urban revitalization efforts. By eliminating this eligibility floor, OHFA has reopened pathways for mission-driven development across the full geographic and economic spectrum of Ohio.

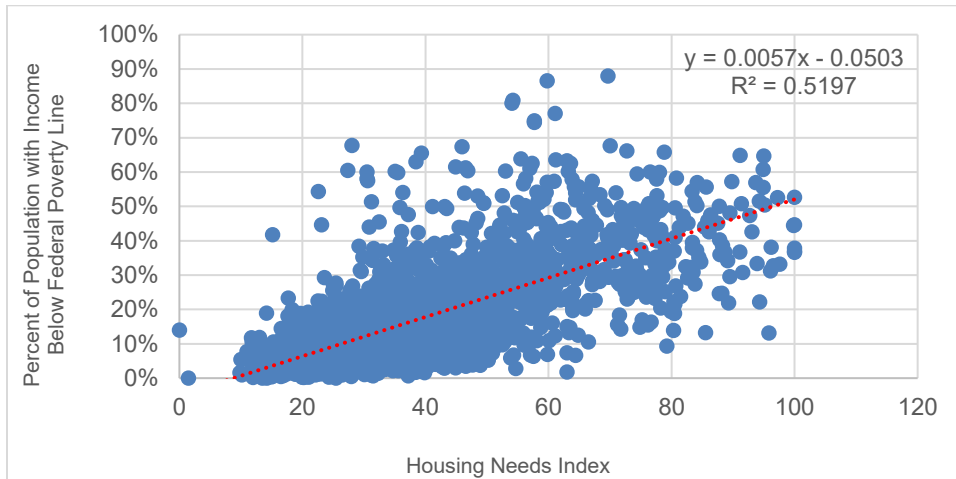
However, the removal of this threshold makes the competitive scoring formula more critical than ever. With the eligibility floor gone, OHFA simultaneously removed the only hard guardrail preventing the QAP from inadvertently incentivizing development in areas of concentrated poverty. This elevates the importance of the scoring formula's balance from a matter of preference to one of fundamental policy alignment.

To complete the policy change initiated by removing the threshold, the scoring weights must now be properly calibrated to ensure the QAP achieves its intended effect of affirmatively furthering fair housing, a core strategic priority for the Agency.

A Data-Driven Diagnosis: The Neutralizing Effect of the Current Formula

As currently drafted, the QAP's geographic score is now a function of two fundamentally opposing indices. As our previous public comment cautioned, **the Housing Needs Index (HNI) exhibits a strong, positive correlation with poverty** ($R^2=0.5197$), meaning that as a census tract's poverty rate increases, so does its HNI score as illustrated in Exhibit 1.

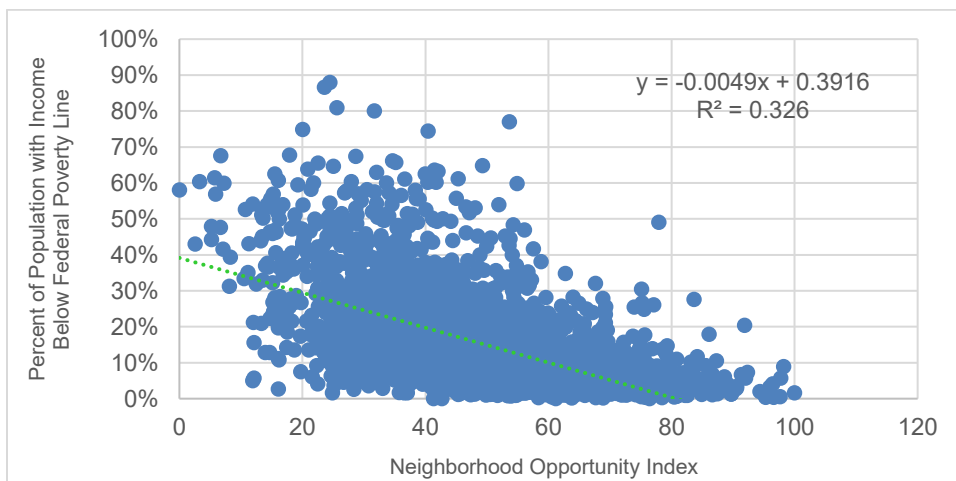
Exhibit 1: Housing Needs Index vs. Percent of Population with Income Below the Federal Poverty Line



Source: [OHFA 2026-2027 9% LIHTC QAP Second Draft](#) and [U.S. Census Bureau American Community Survey](#)

Conversely, the new draft Neighborhood Opportunity Index effectively incentivizes development in low-poverty areas, showing a strong inverse relationship ($R^2=.326$) with poverty rates as demonstrated in Exhibit 2.

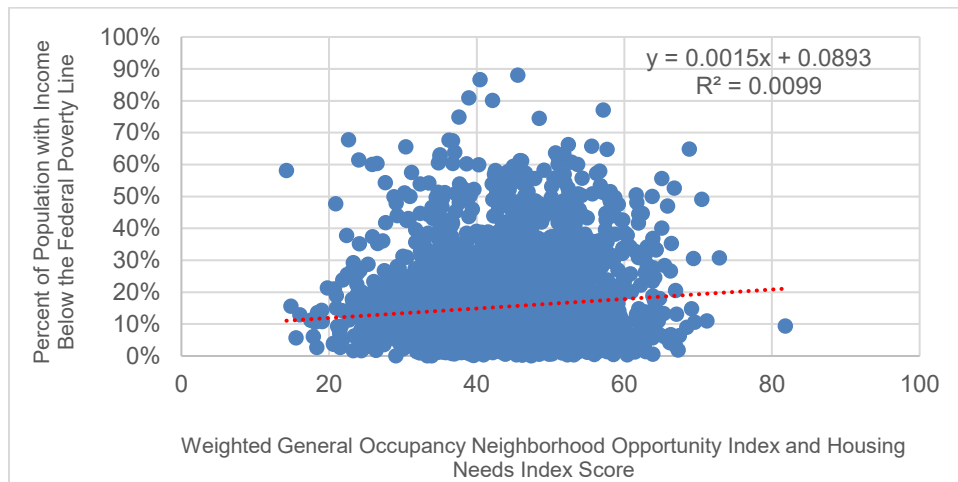
Exhibit 2: Opportunity Index vs. Percent of Population with Income Below the Federal Poverty Line



Source: [OHFA 2026-2027 9% LIHTC QAP Second Draft](#) and [U.S. Census Bureau American Community Survey](#)

With the current scoring weights—40 points for the NOI and 35 points for the HNI—these two forces cancel each other out, resulting in a policy stalemate. The result is a composite geographic score that is, at best, agnostic towards poverty and, at worst, **mildly incentivizes development in higher-poverty areas**. Exhibit 3 demonstrates how there is a weak ($R^2 = .0099$), positive relationship between OHFA's geographic score and the poverty level in a Census Tract.

Exhibit 3: Current Weighted General Occupancy Neighborhood Opportunity Index and Housing Needs Index vs. Percent of Population with Income at or Below the Federal Poverty Limit



Source: [OHFA 2026-2027 9% LIHTC QAP Second Draft](#) and [U.S. Census Bureau American Community Survey](#)

This outcome inadvertently undermines [the very purpose of the Opportunity Index](#), which was created to counteract historical tendencies toward concentrating affordable housing and to expand housing choices. With the NOI minimum threshold removed, there is no longer a backstop to prevent the HNI from steering LIHTC resources away from areas of opportunity. Subsequently, it's no surprise that among the top 5% of highest-scoring Census Tracts, the average percent of residents living below the federal poverty line is 20%, nearly 30% higher than the average for the State of Ohio as a whole.

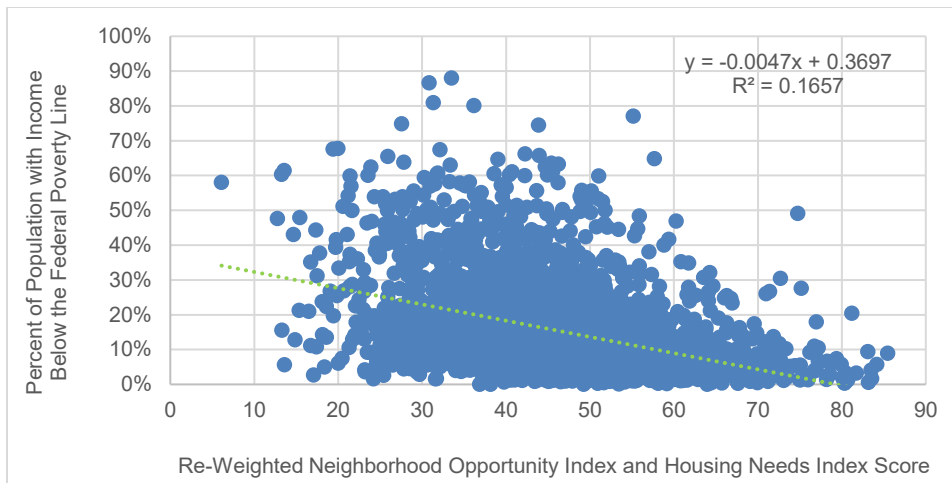
Two Census Tract clearly underscore this issue:

- (1) [Census Tract 269, Hamilton County](#): This tract scores 49.2 on the General Occupancy Neighborhood Opportunity Index and a 91.12 in the Housing Needs Index, yielding a weighted score of 68.81—the **99th percentile** of all Ohio Census Tracts. This tract, located in the West End neighborhood of Cincinnati, is a Qualified Census Tract where the median household income is roughly \$18,000 annually and nearly 65% of the population lives below the federal poverty line, including 90% of children. In this tract, five LIHTC projects are already operating including [Magnolia Heights](#) (98 units), [Losantiville Apartments](#) (87 units), [Abigail Apartments](#) (71 units), [Baymiller Apartments](#) (31 units), and [Sands Senior Apartments](#) (65 units).
- (2) [Census Tract 1208.02, Cuyahoga County](#): This tract scores 26.39 on the General Occupancy Neighborhood Opportunity Index and a 94.29 on the Housing Needs Index, yielding a weighted score of 58.08—the 95th percentile of all Ohio Census Tracts. This tract, located in the Mount Pleasant neighborhood on the east side of Cleveland, has a median household income of approximately \$19,000 annually with 51.5% of the population living below the federal poverty line—including 61% of children.

The Proposed Solution: A Targeted Recalibration for Clear Policy Alignment

We recommend rebalancing the formula to align with the QAP's foundational goals. By increasing the weight of the Neighborhood Opportunity Index from 40 to 60 points and reducing the Housing Needs Index from 35 to 15 points, OHFA can achieve a more intentional balance. This adjustment would maintain the geographic inclusivity achieved by removing the threshold while ensuring that a higher geographic score is predictably and negatively correlated poverty. Moreover, that relationship would be statistically significant, not just a coincidence. As shown in Exhibit 4 and the accompanying table, the 60/15 weighting is the inflection point at which the relationship between score and poverty becomes statistically significant, transforming the QAP from a tool of random outcomes to one of intentional policy.

Exhibit 4: Re-Weighted Opportunity Index and Housing Needs Index vs. Percent of Population with Income Below the Federal Poverty Line



Source: [OHFA 2026-2027 9% LIHTC QAP Second Draft](#) and [U.S. Census Bureau American Community Survey](#)

Table 1: Weighting Options: Opportunity Index and Housing Needs Index vs. Percent of Population with Income Below the Federal Poverty Line

Opportunity Index Points	Housing Needs Index Points	Opportunity Index Weight	Housing Needs Index Weight	Slope	Coefficient of Determination (R^2)	Explanation of Relationship Between OHFA Weighted Indices and Percent of Population Living Below the Federal Poverty Line
40	35	53%	47%	0.0015	0.0099	Very weak positive relationship, statistically insignificant
45	30	60%	40%	-0.0008	0.0032	Very weak negative relationship, statistically insignificant
50	25	67%	33%	-0.0027	0.0392	Weak negative relationship, very low significance
55	20	73%	27%	-0.0039	0.0809	Weak to moderate negative relationship, borderline significance
60	15	80%	20%	-0.0047	0.1657	Moderate negative relationship, statistically significant
65	10	87%	13%	-0.0049	0.2278	Moderate to strong negative relationship, statistically significant
70	5	93%	7%	-0.005	0.2814	Moderate to strong negative relationship, statistically significant
75	0	100%	0%	-0.0048	0.326	Strong negative relationship, statistically significant

Source: [OHFA 2026-2027 9% LIHTC QAP Second Draft](#) and [U.S. Census Bureau American Community Survey](#)

This recalibration ensures the QAP can both maintain access for mission-driven developers in all communities *and* fulfill the federal mandate to affirmatively further fair housing.

Recommendation 2: Enhancing Competition by Aligning Application Limits with Agency Precedent

To foster a more competitive and innovative development environment in Ohio, we recommend OHFA adjust the application limits for experienced developers who may not have a recent project within the state.

A Policy Paradox in Application Tiers

The current 9% LIHTC QAP draft limits a developer with a robust national LIHTC portfolio—but no Ohio projects in the last 10 years—to a single application submission. While the agency laudably lowered the requirement for the highest tier of developers from four to three Ohio deals, the fundamental barrier for new, experienced entrants remains.

This restrictive approach creates a policy paradox, as it is inconsistent with the Agency's own more flexible policy in the recent State Fiscal Year (SFY) 2026 4% LIHTC with Ohio LIHTC (OLIHTC) round. In [those guidelines](#), an experienced developer without a recent Ohio project was permitted to submit two applications, though they could only receive one award. It is counterintuitive to offer more submission flexibility in the much smaller OLIHTC round—which is expected to fund only 10-11 deals—while being more restrictive in the 9% LIHTC round, which will fund more than twice as many projects. The larger 9% LIHTC program, with its greater number of available awards, should logically be the venue for encouraging the widest possible range of high-quality proposals.

OHFA has already created and successfully implemented the exact policy mechanism being requested, but in a different program. This is not a request for a new, untested policy, but a request for internal consistency.

A Low-Risk, High-Reward Solution to Bolster Ohio's Housing Supply

We propose modifying the application tiers to align with the precedent set in the most recent OLIHTC round. A new tier should be created allowing a developer who has successfully completed four or more LIHTC projects in other states to submit two proposals—while retaining the limitation of just one award.

This modest adjustment would yield significant benefits for Ohio with minimal risk. It would:

- Enhance Competition: A deeper applicant pool encourages all developers to submit their highest-quality, most competitive proposals.
- Drive Innovation: Attracting developers with diverse national experience can bring new ideas, financing structures, and design concepts to the Ohio market.
- Create Policy Coherence: Aligning rules across OHFA's programs fosters the predictability and trust that the Agency lists as a guiding principle.
- Mitigate Risk: The "one award" limitation ensures that this policy does not lead to a single developer dominating the funding round.

This change would work directly in favor of increasing Ohio's affordable housing supply by attracting experienced partners who can deliver exceptional projects.

Conclusion: Finalizing a QAP for Maximum Effectiveness, Efficiency, and Predictability

The second draft of the 2026-2027 9% LIHTC QAP reflects a significant and laudable effort by OHFA to create a thoughtful, effective, and stakeholder-informed plan. The recommendations outlined in this letter are intended to build upon that strong foundation. By making these two targeted refinements, OHFA can create a QAP that is more effective, efficient, and predictable:

1. Recalibrating the geographic scoring will ensure LIHTC resources are directly supporting the Agency's strategic priority to "Administer funding programs in a manner that affirmatively furthers fair housing" and promotes "Equity and Geographic Balance".
2. Aligning application limits with other OHFA programs will provide the consistency that encourages a more robust and competitive applicant pool, furthering the principles of "Feasibility and Cost Efficiency" and "Transparency and Predictability".

Hill Tide Partners looks forward to continuing to partner with OHFA in its vital mission to house Ohioans.

Sincerely,

A handwritten signature in black ink, appearing to read 'Taylor Koch', with a stylized, cursive script.

Taylor Koch
Development Officer
Hill Tide Partners