



Development
Services Agency

Mike DeWine, Governor
Jon Husted, Lt. Governor

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Ohio New Markets Tax Credit: Program Guidelines Revised August 2020

1. Application Process and Timeline:

- 1.1. The Ohio Development Services Agency (“Development”) may allocate the full amount of authorized tax credits for each fiscal year through an annual competitive application process.
- 1.2. Development will accept applications on an annual schedule. Distinct application review and approval periods shall be referred to as “rounds”. The following schedule will guide Round 10:
 - Application Released – August 10, 2020
 - Application Submission Deadline – September 18, 2020
 - Application Review Period – September and October 2020
 - Approved Applicants Announced – November 2020
- 1.3. The applicant must submit one electronic copy of the application to Development. Each document should be labeled with the name of the applicant followed by the name of the document, or attachment number if applicable (ex.: Applicant XXXX: Attachment 2.3). **Electronic copies should be emailed to Carrie Manno at carrie.manno@development.ohio.gov.**
- 1.4. To be considered, the applicant will be required to pay a non-refundable application fee as established in these guidelines by the application submission deadline. The application fee must be mailed to the following address, postmarked no later than September 18, 2020:

**Ohio Development Services Agency
Office of Strategic Business Investments, Attn: Carrie Manno
77 South High Street, 28th Floor
Columbus, OH 43215**
- 1.5. Once an application has been submitted, it may not be amended during the application submission period. However, an applicant may withdraw its application and submit a new application prior to the final day of the application submission period.
- 1.6. Applications must be received by close of business (5 p.m. Eastern Time) on the final day of the application submission period to be considered in that evaluation period. Any application received after the last day of the application submission period will not be evaluated.
- 1.7. Applicants must identify potential projects which will receive an allocation of Ohio New Markets Tax Credits in Part C of the application.
- 1.8. An application review period will follow the application deadline. During this review period, applications will first be reviewed for completeness. Development may request that applicants provide additional information. Applicants may only submit additional information in direct response to correspondence from Development. If the applicant does not submit the requested information within 10 business days of the request, the application will be evaluated as submitted.
- 1.9. Applications will be evaluated based on the criteria outlined in the application, but it is not the sole determinant for the selection of allocatees. The Director will balance the program objectives, program guidelines and products offered to ensure that all program goals will be met. The Director may fund all or a portion of the requested allocation authority identified in an application.

- 1.10. For Round 10, applicants will be required to prove the existence of available Federal tax credit allocation authority prior to receiving an Ohio new markets tax credit award.
- 1.11. All applicants are eligible to re-apply in any subsequent round. Applicants are required to submit a new application to be considered for subsequent rounds.

2. Allocation Agreements:

- 2.1. Approved applicants ("State Allocatees") are required to sign an allocation agreement with Development prior to initiating any business activities related to the Ohio New Markets Tax Credit program. The allocation agreement will describe in detail the investment parameters agreed to by the applicant during the application process. These include, but are not limited to:
 - 2.1.1. Investments shall meet the program objectives as identified by the applicant in the application.
 - 2.1.2. All financial products must be offered as described in the application.
 - 2.1.3. Investments shall meet the community impact measures (poverty level, median family income and unemployment rate) identified by the applicant in its application.
 - 2.1.4. Investments shall meet the percentage of planned investments of their allocated federal New Markets Tax Credits in Ohio.
 - 2.1.5. Investments shall meet the identified commitment levels to Qualified Active Low-Income Community Businesses as identified by the applicant in the application.
 - 2.1.6. Approved applicants are required to make 85% of Qualified Equity Investments within the 12-month allocation period established in administrative rules applicable to the program under Ohio Administrative Code (OAC) section 122:22-1-02 (E).
 - 2.1.7. Approved applicants are required to maintain a minimum of 85% of Qualified Equity Investments throughout the seven-year credit allowance period.
 - 2.1.8. The projects identified in the application will be memorialized in the allocation agreement as an attachment to the agreement. A State Allocatee that wishes to invest in a project that was not identified in the application will be required to seek amendment approval from the Director of Development prior to investing in the project. The amendment process is discussed below in Section 2.2.
- 2.2. Allocation agreements may be amended only in writing. Any applicant that desires to amend an allocation agreement may submit a request in writing, signed by an authorized representative of the State Allocatee. Requests to amend will be reviewed by Development and best efforts to make a determination will be made within 30 calendar days of receipt of such request. The Director may request additional information. If the State Allocatee does not respond to a request for additional information within the time permitted by the Director (which shall not be less than 30 calendar days), the Director will decide on the requested amendment based on the information originally provided. No amendment will be effective until signed by the Director.
- 2.3. As indicated by OAC section 122:22-1-02 (E), the Director may extend the period of time during which an investment may be made upon the written request of a State Allocatee. The request must be made at least 30 days, but not more than 60 days, before the scheduled expiration date of the allocation agreement. The Director may extend the allocation agreement for up to six months if the State Allocatee demonstrates that an investment commitment has been made but will not be closed prior to the scheduled expiration of the credit allocation award.

3. Notices and Reporting:

- 3.1. State Allocatees are required to file an annual report with Development within 180 days following the end of the Community Development Entity's ("CDE") fiscal year as published in OAC 122:22-1-04(A) for each of the seven years of the Ohio New Markets Tax Credit investment period. The annual report shall include a complete copy of any report submitted by the State Allocatee to the Community Development Financial Institutions Fund (or any successor fund or agency

administering the federal new markets tax credit program) for the corresponding reporting period, together with an Ohio annual report supplement.

- 3.2. All State Allocatees are required to comply with reporting requirements as further described in the administrative rules for the program (OAC 122:22-1-04(A)). The Director shall publish the form of annual report supplement on Development's website. Unless otherwise expressly indicated in the annual report supplement form or accompanying instructions, all requested information is required.
- 3.3. State Allocatees who do not file required annual reports within 180 of the end of the CDE's fiscal year will be subject to fines of up to \$100 per day. The application of these fines is at the discretion of the Director.
- 3.4. Development has established and published on its website a standard notification of qualified equity investment form. State Allocates must complete the standard notification form for each qualified equity investment in accordance with program rule OAC 122:22-1-02(E).
- 3.5. Development has established and published on its website a standard notification of qualified low-income community investment form. State Allocates must complete the standard notification form for each qualified low-income community investment in accordance with program rule OAC 122:22-1-03(A).

4. Schedule of fees (effective January 1, 2011):

- 4.1. The application fee will be \$1,500 per application. The fee is non-refundable and must be submitted with the application.
- 4.2. The servicing fee will be \$17,500 per State Allocatee (\$2,500/year for seven years). The servicing fee is non-refundable and must be paid in full upon execution and delivery of the allocation agreement by the State Allocatee.