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**DATE:** May 8, 2019

**TO:** OHFA Multifamily Committee

**FROM:** Diane Alecusan, Program and Policy Manager, PP&D

**RE:** Draft Housing Development Loan (HDL) Program Guidelines

The Office of Planning, Preservation, and Development is presenting these guidelines for public review and comment. Comments will be taken until June 3 and staff anticipate that a final draft will be presented to the Multifamily Committee of the OHFA Board in June.

The Housing Development Loan (HDL) program provides financial support for the development of affordable housing and may be used in conjunction with the 9 and 4 percent Housing Tax Credit programs. The program receives its funding from the Division of Unclaimed Funds at the Ohio Department of Commerce (DOC). Principal and interest payments on HDL loans are repaid to OHFA and returned to DOC for reuse.

The HDL Guidelines were last updated in March 2015. While no significant program changes have occurred since then, several items in the guidelines required clarification and alignment with other policies that have since been updated. Additionally, the guidelines reflect the \$100M (\$50M/year) in funds available in years 2019 and 2020.

The Draft HDL Guidelines reflect the following updates:

- Decrease in maximum loan amount for 9% tax credit projects from \$1.5M to \$1.25M
  - Language included allowing OHFA flexibility to increase or decrease award amounts based on funding availability.
- Addition of minimum term (five years) to construction/permanent loan option
- Clarification around repayment schedule
- Updates to fees, including clarifying language
- Alignment of terminology with other program and agency documents and materials
- Organization and consolidation of sections
- Addition of detail to review schedule, commitment letter, and conditions and process for extensions
- Addition of sample equity letter as appendix item, as well as minimum required items to be included in letter