As we begin 2018, I would first like to thank all of our partners and the entire affordable housing industry for your efforts to preserve the Low Income Housing Tax Credit (LIHTC) and private activity bonds (PABs) during the past two months. Thanks to your diligent work, the final tax reform bill preserved both the LIHTC and PABs. As we move on to other matters, we must continue to highlight the strengths of these programs so we can maintain the support from our members of Congress and the general public.

This year could bring upcoming bills regarding fixes to the tax reform legislation, infrastructure, housing finance reform and the possible re-introduction of the Affordable Housing Credit Improvement Act, which includes a 50 percent increase in the LIHTC allocation for each state. As Congress begins to work on these issues, we must improve the messaging used to promote affordable housing and these programs. We have a good story to tell, a story that demonstrates how affordable housing positively impacts the lives of citizens and the communities where they reside.

At the Ohio Housing Finance Agency, we look forward to another busy year. The Office of Planning, Preservation and Development is working to implement the new Qualified Allocation Plan (QAP) as new applications are due on February 15. From our partners we expect to receive an innovative and diverse pool of proposals for developments across Ohio. In addition to the new QAP, we continue the efforts to allocate our 811 Project Rental Assistance Program funding, which provides rental assistance for extremely low-income individuals with disabilities. The first project to receive a formal 811 rental assistance contract, Kensington Square Apartments, was approved by HUD in late December. Finally, the Office of Program Compliance plans to over 350 properties in 2018, ensuring that our residents continue to enjoy high-quality affordable housing.

The Office of Homeownership helped over 3,800 Ohioans become homeowners last year and anticipates helping even more homebuyers in the upcoming year. Fifteen new mortgage lenders also joined OHFA’s list of participating lending partners, bringing the total to 115 lenders. In addition to helping new homeowners, OHFA continues to help residents avoid foreclosure and fight blight in their neighborhoods through Save the Dream Ohio. Through the Neighborhood Initiative Program, OHFA has surpassed $100 million in funding to remove blighted and vacant structures in communities throughout the state.

In December, OHFA joined the fight to reduce infant mortality rates through increasing affordable housing opportunities. OHFA awarded nearly $1 million to CelebrateOne to implement a comprehensive pilot program that will provide housing assistance, social services, medical care and more to families at risk of infant mortality. A final report evaluating the results of OHFA’s investment will be submitted to the Ohio Commission on Infant Mortality in order to develop further statewide policies and programs.

Finally, I am proud to announce that OHFA will be coordinating, in collaboration with the Ohio Capital Corporation for Housing, a 5K run/walk on April 7. The Race for a Place (to Call Home) 5K will promote the importance of affordable housing and raise funding for a local housing charity. This year, the race will benefit the Community Shelter Board. Registration for the race will be available soon. I hope to see many of you there as we support a good cause, along with improving individual health and wellness.

With that, I wish everyone a happy and successful new year, and I am excited to help more Ohioans find a place to call home in 2018.

Respectfully submitted,

Sean Thomas
Congressional Republicans and the White House came together late last year to enact the first comprehensive tax code overhaul since 1986. H.R. 1, originally titled The Tax Cuts and Jobs Act, will eliminate most itemized personal deductions and cut the corporate tax rate from 35 to 21 percent. While H.R. 1 retains the Low Income Housing Tax Credit (Housing Credit) and the tax exemption for Private Activity Bonds (PABs), including single and multifamily Housing Bonds, it is likely that a lower corporate rate will reduce Housing Credit values and cause a decline in affordable multifamily housing production.

From the bill’s introduction on November 2 until its signing on December 22, it was a rough ride for affordable housing advocates. Initial joy over the Housing Credit being one of two preserved business credits turned to concern when it was discovered that the tax exemption for PABs would be eliminated. In addition to damaging the competitiveness of OHFA’s homeownership programs, it was estimated that losing the tax exemption for Housing Bonds that are used in conjunction with 4% Housing Credits would cut Ohio’s affordable rental housing production nearly in half.

A concerted lobbying effort was undertaken to educate lawmakers on the detrimental effects that this proposed change would have. After failing to convince House leadership to restore the tax exemption, efforts turned to the Senate where Ohio’s Rob Portman played a key role. Working together with Finance Committee Chair Orrin Hatch (R-UT), Senate leadership was persuaded to leave the PAB tax exemption in place. The final hurdle was cleared when the Senate’s position on this issue prevailed in subsequent conference committee discussions with House members.

Next steps for 2018 include a possible corrections bill to make adjustments to H.R. 1 and continued efforts to move legislation (S. 548 and H.R. 1661) that would strengthen and enhance Housing Credits and Housing Bonds. Following a series of continuing resolutions to temporarily fund federal government operations, an omnibus spending bill could be introduced to provide a longer term solution. This legislation might contain a “tax package” that would provide a vehicle for the Housing Credit/Bond changes that OHFA, the National Council of State Housing Agencies and housing advocates want.
In 2017, OHFA’s Office of Homeownership conducted over 75 outreach events and continuing education courses for real estate agents, mortgage lenders and members of the public throughout the state of Ohio. Real estate agents received continuing education credits for attending these events and learned about OHFA’s homeownership programs. In-office trainings and webinars were also conducted for mortgage lenders and their teams to better understand how to use these programs. In total, OHFA presented to over 2,600 Ohioans.

OHFA also added 15 new mortgage lenders to its list of partners offering its homeownership programs. By expanding partner outreach in 2017, OHFA has continued its pace of increased loan production over the last several years and helped over 3,800 homebuyers achieve homeownership this past year.

In addition, OHFA has significantly shifted production from government loans to conventional loans over the past two years as lenders and borrowers are seeing some of the advantages of a Fannie Mae or Freddie Mac HFA product compared to an FHA loan. OHFA is also working on a new 203-K purchase and rehabilitation program to help address the limited and aging housing stock available in the $125,000 price range.

The Office of Homeownership also focused on stabilizing economically distressed areas through Save the Dream Ohio’s foreclosure prevention programs, made possible via funding from the Hardest Hit Fund. Since the inception of these programs, a total of 26,000 homeowners have received financial assistance, allowing them to avoid foreclosure. So far, the program has kept 104,000 residents in stable housing. Furthermore, to avoid a decline in property values, OHFA partnered with 44 county land banks to demolish over 2,500 vacant and blighted residential properties by the close of FY17. Through the first half of FY18, this count has exceeded 7,000 units and $100 million in funding. Another 70,000 homeowners were positively impacted by eradicating these blighted structures in their neighborhoods.

If you are interested in hosting a training or outreach event for real estate agents or have questions about our homeownership and foreclosure prevention programs, please contact us at communication@ohiohome.org.
In December 2016, the NRP Group LLC, a developer, builder and property management company, held its grand opening for A Place for Us and unveiled a property that has been 20 years in the making.

In the late 1990s, Linda Krasienko began searching for housing options for seniors in the LGBTQ community. To her dissatisfaction, she realized that no affordable options existed, so for two decades, she advocated for the creation of such a community. With the help of NRP, her dreams finally became a reality.

During a blizzard, Aaron Pechota, a developer with NRP, met Krasienko at an IHOP to discuss her idea for A Place for Us. After their meeting, he realized that this development perfectly fit what the Ohio Housing Finance Agency was currently looking for in an affordable housing development.

The NRP Group began in Cleveland in 1995 with a goal-centered on developing apartment communities and revitalizing urban neighborhoods. The organization began by building affordable housing properties and bringing investment back to these communities. Their developments focus on improving the lives of residents and providing them with quality, affordable housing. Soon, NRP expanded into 15 other states, bringing the lessons they learned back to their base in Ohio.

When Pechota began working on A Place for Us, he knew the location of this property would be critical to its success. The NRP Group eventually settled on the border of Cleveland and Lakewood in a neighborhood showing signs of early reinvestment. The LGBTQ community also had a strong presence in the neighborhood, which NRP knew would be important in ensuring residents felt safe and at home. Furthermore, NRP was able to find a site that would involve the demolition of several blighted and foreclosed properties. The removal of these blighted structures and the creation of a new development would help raise property values in the neighborhood and encourage future investments.

Finally, NRP began the process of applying for Low Income Housing Tax Credits through OHFA. Pechota knew that OHFA would not shy away from this unique idea and would approach the proposal with a positive dialogue.

Through dozens of projects, the NRP Group and OHFA have created a successful partnership focused on creating exceptional affordable housing developments across Ohio, and A Place for Us proved no different. Before applying for the tax credits, NRP requested feedback from OHFA on the project and were able to use that advice as they developed their application.

The development faced few issues during its creation. The surrounding community was very supportive of the removal of blight in the area, and NRP had excellent legal advice on creating a development that supports the LGBTQ community while also adhering to fair housing requirements.
In 2014, A Place for Us was approved for over $800,000 in 9% Housing Tax Credits. The development planned to offer services to LGBTQ residents through their new Service Coordinator. The complex contains 24 one-bedroom and 21 two-bedroom units and is located directly across the street from a rapid transit station. The property also features a community room, computer lab, fitness center, meditation room and garden terrace.

For resident Kevin Borowiak, A Place for Us came just in time.

After his relationship of 15 years ended, Kevin worried he wouldn’t be able to find an affordable place to live. A former science teacher and chemist for GE, Kevin now lives on a fixed income due to an autoimmune disease. He was waitlisted by 15 other properties and searched for over three years to find a place to call home with no success.

When he heard about A Place for Us, he felt relieved at the idea of living in a place with fellow members of the LGBTQ community. He moved in the day the property opened and repainted the walls of his apartment bright green. The two-bedroom apartment is covered with plants and artwork from his travels across the country, and his walk-in closet has been turned into a studio where he makes one-of-a-kind, handcrafted greeting cards. Thanks to this development, he and his two cats, Nutmeg and Ginger, have a peaceful and safe place to live.

Jeanine Fox, the Regional Manager for A Place for Us, says residents’ favorite part of the development are the activities hosted by the property’s Service Coordinator. Even Kevin says he loves going to the frequent potlucks, movie nights, Bingo games and other events. He uses the common phrase, “Birds of a common feather flock together,” to describe the community he’s found here.

Another resident, a father and former veteran, said he never thought he would be able to live in a development like A Place for Us. This property is more than an affordable place to live; it’s a community where residents can be themselves and be together.

Nearby, a single-family neighborhood is revitalizing with increased interest and home sales. An adjacent property will soon became a mixed-use development with more local businesses and market-rate housing. Furthermore, this partnership between the NRP Group and the Ohio Housing Finance Agency shows what can be accomplished through creative ideas, hard work and programs like the Low Income Housing Tax Credit. As the surrounding neighborhood improves, A Place for Us stands as a shining example that quality, affordable housing can improve communities and residents’ lives.
The Planning, Preservation and Development team warmly welcomes the new year and enthusiastically resolves to master any new challenges it brings. At the top of the list for potential disruptors is the roll-out of the Tax Cuts and Jobs Act. Certain aspects of this new law are expected to rattle the Housing Tax Credit world, including the reduction of the corporate tax rate, the addition of Base Erosion and Anti-Abuse Tax and the switch to a chained Consumer Price Index. Luckily, the overall HTC impact is minor, particularly when compared to early proposals that risked eliminating the 4% Program and altered the basis boost calculation. Should a technical corrections bill prove necessary, affordable housing advocates will look to gain lost ground by closing these loopholes and supporting the common-sense HTC modernizations contained in the Affordable Housing Credit Improvement Act.

In Ohio, tax reform will not trigger revisions to the 2018 Qualified Allocation Plan (QAP), which already contemplated a lower tax rate and largely retained 2017 pricing assumptions.

Other federal policy changes will also stay on OHFA’s radar through 2018, including budget developments that may impact our gap financing programs, postponement of the Affirmatively Furthering Fair Housing Implementation as it relates to our role in the Ohio Development Services Agency’s Consolidated Planning process and strategies which emerge in the housing finance reform conversation.

At the state-level, OHFA is excited to see the results of its new QAP when competitive applications come in on February 15, 2018. How these new initiatives were able to shape the cost containment and siting narratives will be closely watched as we begin to prepare for the next QAP. OHFA also expects to draft new Consolidated Housing Development Assistance Program (HDAP) guidelines in the coming weeks to align its policy agenda across programs and continue to streamline application processes.

2018 is expected to be a big year for intersectional programming that addresses both health and housing. OHFA’s partnership with CelebrateOne to reduce infant mortality through housing stabilization and support services is emblematic of this work. Our collaborative efforts to promote affordable recovery housing and assisted living models are similarly designed to serve high-need populations and are poised to have a very successful year.

The battle against homelessness will also ramp up in 2018 as the Ohio Housing and Homelessness Collaborative adopts the Blueprint for Change: Aligning Resources with Results, recommendations that propose expanding availability of affordable housing resources, strengthening partnerships with social service organizations and expanding the data warehouse and its analytic powers.

OHFA is confident that our 2018 journey will result in greater outcomes for all we serve because of the invaluable partnerships we’ve curated with Ohio’s housing professionals. We are certain that Benjamin Franklin’s interminable guidance will lead all us through the uncertainty each new year brings: “Be at war with your vices, at peace with your neighbors and let every new year find you a better man.”

OHFA ANNOUNCES HOUSING ASSISTANCE TO REDUCE INFANT MORTALITY PROGRAM

The Ohio Housing Finance Agency announced that CelebrateOne, a Franklin County-based organization created to reduce infant mortality, was competitively awarded funding to implement a two-year pilot program called Healthy Beginnings At Home. CelebrateOne’s program takes a comprehensive approach to reducing infant mortality by providing women with rental assistance, medical care and social services both before and after their baby is born.

At the conclusion of the program, CelebrateOne will help families create a housing retention plan, become more financially stable and ensure long-term ties to community supports. The program includes housing stabilization services in partnership with the Homeless Families Foundation and CareSource. The Columbus Metropolitan Housing Authority will administer OHFA-funded rental assistance and provide ten units of public housing at the newly renovated Sawyer Manor and Trevitt Heights. Children’s Health Watch and Nationwide Children’s Hospital will evaluate the pilot program.

At the conclusion of the pilot program, the final report will be sent to the Commission on Infant Mortality to inform future housing policies and create a model for the state of Ohio.
Since the spring of 2016, there have been several rulings issued by the U.S. Department of Housing and Urban Development (HUD) that focus on practices for all of those involved in affordable housing. Understanding these new rules and guidance is paramount to preserving the rights of those we house.

On April 4, 2016, HUD issued a white paper on Fair Housing Guidance and clarified information regarding the use of criminal records in tenant screening.

In this guidance, HUD is notifying owners and agents of rental housing that it is illegal to engage in discriminatory practices (intentional or unintentional) when screening applicants as it relates to criminal history. HUD cites several sources of data gathered by the U.S. Department of Justice’s Bureau of Justice Statistics, the FBI’s Criminal Justice Information Services Division and U.S. census data to identify that African Americans and Hispanics are arrested, convicted and incarcerated at a disproportionate rate as compared to the general population of the United States.

In particular, HUD is severely limiting the use of arrest records when conducting screenings. The basis of this decision is that an arrest may not lead to charges or a conviction. HUD also indicates that the use of blanket statements in tenant selection plans such as “anyone with a criminal record will be denied housing” are prohibited. However, owners can have policies regarding certain criminal activity when it concerns the safety of the property and the residents.

On September 13, 2016, HUD issued a final rule on victims of harassment and survivors of domestic violence entitled Quid Pro Quo and Hostile Environment Harassment and Liability for Discriminatory Housing Practices under the Fair Housing Act. This final rule is effective as of October 14, 2016.

The definition, in new Section 100.600(a)(1), states:

“Quid pro quo harassment refers to an unwelcome request or demand to engage in conduct where submission to the request or demand, either explicitly or implicitly, is made a condition related to: the sale, rental, or availability of a dwelling; the terms, conditions, or privileges of the sale or rental, or the provision of services or facilities in connection with the sale or rental; or the availability, terms, or conditions of a residential real estate-related transaction. An unwelcome request or demand may constitute quid pro quo harassment even if a person acquiesces in the unwelcome request or demand.”
The definition of hostile environment harassment is also unchanged from the proposed rule. The definition, in new Section 100.600(a)(2), states:

“Hostile environment harassment refers to unwelcome conduct that is sufficiently severe or pervasive as to interfere with: the availability, sale, rental, or use or enjoyment of a dwelling; the terms, conditions, or privileges of the sale or rental, or the provision or enjoyment of services or facilities in connection with the sale or rental; or the availability, terms, or conditions of a residential real estate-related transaction. Hostile environment harassment does not require a change in the economic benefits, terms, or conditions of the dwelling or housing-related services or facilities, or of the residential real-estate transaction.”

In this rule, a person could be directly liable if that person failed to take prompt action to correct and end harassment by a third-party when the person knew or should have known of the harassment. This is not only limited to incidents between owner and agent and tenant, but also includes incidents between tenants. Owners and agents should be sure in these circumstances to issue verbal and written warnings and possibly evictions. In these incidents, the aggrieved person should not be penalized or harmed.

Owners should also be aware of the reference to vicarious liability of the principal for the acts of its agents.

All of these rules are in place to curtail situations of disparate impact. Disparate impact occurs when a policy or practice has an adverse impact against any group based on race, national origin, color, religion, sex, familial status or disability when there is no legitimate, non-discriminatory business need for the policy, regardless of whether it appears to be facially neutral. In HUD-funded properties, sexual orientation, gender identity and marital status are protected groups. The state of Ohio also includes ancestry and military status as protected classes. Owners and agents should also understand if there are additional local protected classes.

How can an owner or agent avoid creating situations of disparate impact? First, any project that has been allocated funding through the Ohio Housing Finance Agency must have a written Tenant Selection Plan. This plan will outline the process for applying for housing, including the types and manner screening that will occur. It should also explain the appeal process for any household that would be rejected from being housed at that property.

In reviewing your own policies and practices, ensure that the elements of screening are uniformly and consistently applied. Decisions should allow for mitigating circumstances to be taken into consideration. Owners and agents are well advised to review the screen criteria rules utilized by third-party screening companies to avoid creating situations of disparate impact.

Also, we encourage all staff that engage with the public to have Fair Housing training. There are many organizations across the country that offer both instructor-led and e-learning opportunities on this very important subject.

If you have questions regarding any of these topics, please contact Christine Bennett, Training and Technical Assistance Manager for the Office of Program Compliance, at cbennett@ohiohome.org or via phone at 614-387-1663.
The Sheakley Center for Youth
Cincinnati, Hamilton County

The Sheakley Center for Youth by Lighthouse Youth Services, Inc. is the adaptive reuse of an existing warehouse into 39 units of permanent supportive housing. This development follows the Housing First model and provides housing to homeless youth and young adults. In addition, all units will receive rental subsidies through their local Continuum of Care (CoC) Program.

This property focuses on safety for this vulnerable population and strives to provide the best services to help these residents succeed. Each young adult will work with a case manager to develop and implement a plan that will best help the resident. The goal of this property is to move residents from the center into safe and stable housing within 30 days. To fund this project, OHFA provided over $600,000 in Low Income Housing Tax Credits and a Housing Development Loan of $2 million.
Milo-Grogan Homes
Columbus, Franklin County

Milo-Grogan Homes is a 33-unit lease purchase project located within the revitalizing neighborhood of Milo-Grogan in Columbus. These single-family homes will provide an affordable rent-to-own option to residents of this community. Homeport has successfully developed 15 similar communities comprised of over 500 single-family houses. OHFA provided a $1.5 million Housing Development Loan (HDL) and $723,349 in Low Income Housing Tax Credits (LIHTC).

The Milo-Grogan neighborhood has a rich history, due to the former presence of the Timken manufacturing site. Now, in its place, Rogue Fitness has redeveloped the site and added 350 jobs to this community. In addition, neighborhoods around Milo-Grogan are quickly developing with homes selling for upwards of $250,000. As these communities redevelop and thrive, this development provides an affordable homeownership option to longstanding residents of Milo-Grogan.

Wellness Village at Midway
Canton, Stark County

The Wellness Village at Midway provides 36 units of affordable housing to seniors in Canton, Ohio. This property involved the new construction of a two-story building and eight one-story cottages with garages. All of the units contain two bedrooms and accessible design features. OHFA provided Housing Development Assistance Program (HDAP) funding of $750,000 and a Housing Development Loan of $1.5 million.

In addition to providing affordable housing to seniors, this development also features a farmers market, nutritional services and cold storage for produce to ensure residents have access to healthy food. The Wellness Village at Midway is also part of a larger effort to revitalize the city of Canton through historic renovations and new constructions. As the need for affordable senior housing grows in Ohio, this development will provide quality homes and serve as a model for future projects.

Other Grand Openings and Ground Breakings

Abbey Church Village
Dublin, Franklin County

Avondale Town Center North (GB)
Cincinnati, Hamilton County

Commons at Little Bark Creek
Fremont, Sandusky County

Hough Heritage
Cleveland, Cuyahoga County

Londonerry Apartments
London, Madison County

The Key Terrace
Kettering, Montgomery County

Valley Bridge (GB)
Toledo, Lucas County

Wheatland Crossing
Columbus, Franklin County
Kathy Berry
Housing Grant Analyst II,
Office of Planning, Preservation and Development

Kathy excels in team environments and is always willing to help coworkers, learn from others and suggest new ideas. For example, when the Office of Planning, Preservation and Development (PP&D) began developing the Underwriting Guide and the HDAP Guidelines, Kathy already had a list of practical solutions. While helping test the new Affordable Housing Funding Application, Kathy was the most active on the team and sent an entire list of suggestions. When her office was short-staffed, she even assisted with the 9% Housing Tax Credit round without complaint.

OHFA’s developers also appreciate Kathy’s extensive knowledge of OHFA’s programs and requirements. When customers call with questions, Kathy is always willing to assist them and provides patient and thorough answers. She even created many of the forms that the Office of Planning, Preservation and Development uses.

Outside of OHFA, Kathy and her family fosters youth and is described as a “giving soul” by her colleagues. Her empathetic and helpful personality shines both outside of the office and through her daily work on behalf of the Agency. Thanks to Kathy’s industrious efforts, OHFA is better able to implement its mission of creating more affordable housing across the state of Ohio.