Ohio Housing Finance Agency

We Open the Doors to an Affordable Place to Call Home

WWW.OHIOHOME.ORG
888.362.6432
2020-2021 Qualified Allocation Plan Webinar

2021 Technical Revisions

July 15, 2020
1. 2020 9% Application and Award Analysis
2. 2021 QAP - Overview of First Draft
3. Items for Consideration or Still in Progress
4. Community Outreach in the time of COVID
5. Q&A
2020 9% HTC APPLICATION AND AWARD ANALYSIS
<table>
<thead>
<tr>
<th>Priority</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide housing opportunities for a range of incomes, family types,</td>
<td>• Almost all projects that could obtain points for offering units with 3+ bedrooms, did</td>
</tr>
<tr>
<td>and vulnerable populations</td>
<td>• For Accessible Design criteria, 41% of NA applicants chose Universal Design, 59% chose additional 504 units</td>
</tr>
<tr>
<td>Direct new unit production through the use of data-driven criteria</td>
<td>• 25% of NA applicants were located in areas with highest Affordable Housing Demand</td>
</tr>
<tr>
<td>Site development in areas that are well-connected to services,</td>
<td>• 58% were in areas identified as having the most severe housing problems</td>
</tr>
<tr>
<td>amenities, transportation, and economic activity</td>
<td>Amenity scores ranged from 7-10 points, with 59% of NA applicants achieving all 10 points.</td>
</tr>
<tr>
<td>Incorporate comprehensive, population specific health and wellness</td>
<td>• Option for senior developments to achieve transportation points via owner-provided transportation was successful.</td>
</tr>
<tr>
<td>supports into developments</td>
<td>• For Resident Amenities criteria, 61% of NA applicants chose Exercise &amp; Wellness option, 49% chose Design Features option.</td>
</tr>
<tr>
<td></td>
<td>• Experienced Service Provider criteria more clearly conveyed our expectations for service provision.</td>
</tr>
</tbody>
</table>
2020 Competitive HTC Awards

- **SUBMITTED PROJECTS**: 88
- **FUNDED PROJECTS**: 38

**TOTAL TAX CREDITS REQUESTED**: $76,268,680
- **AWARDED**: $32,589,955

**TOTAL HDAP FUNDS REQUESTED**: $14,100,000
- **AWARDED**: $6,700,000
  - **OHIO HOUSING TRUST FUNDS**: $4,300,000
  - **HOME FUNDS**: $2,400,000

**TOTAL HDL FUNDS REQUESTED**: $106,606,327
- **AWARDED**: $48,750,000
Populations Served

2,104 AFFORDABLE UNITS

1,168 affordable units for families

722 affordable units for seniors

214 affordable units for PSH population
Geographic Distribution

- **25** unique cities
- **20** unique counties
- Including 4 counties that haven’t had any LIHTC awards in past 5 years

- **24** in Urban areas
- **14** in Non-Urban areas
Competitive Criteria Selections

New Affordability

NA: LOCAL PARTNER SELECTIONS

<table>
<thead>
<tr>
<th>Partnership Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonprofit Partner</td>
<td>56%</td>
</tr>
<tr>
<td>Housing Authority Partner</td>
<td>3%</td>
</tr>
<tr>
<td>CHDO Partner</td>
<td>22%</td>
</tr>
<tr>
<td>In-State Partner</td>
<td>39%</td>
</tr>
</tbody>
</table>
Competitive Criteria Selections
New Affordability

NA: Resident Amenities Selections

- Exercise and Wellness: 61%
- Design Features: 49%
Competitive Criteria Selections
New Affordability

INCOME DIVERSITY SELECTIONS

- ELI TARGETING: 83%
- PROJECT-BASED SUBSIDY: 5%
- MARKET INTEGRATION: 14%
- AVERAGE INCOME: 0%
Competitive Criteria Selections
New Affordability

**HOUSING NEED SELECTIONS**

- **Affordable Housing Demand**: 25%
- **Severe Housing Problems**: 58%
Competitive Criteria Selections
New Affordability

ACCESSIBLE DESIGN SELECTIONS

41%

UNIVERSAL DESIGN

519%

504 UNITS
Competitive Criteria Selections
New Affordability

COST EFFICIENCY SELECTIONS

<table>
<thead>
<tr>
<th>Credits Per Unit</th>
<th>Leverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>83%</td>
<td>75%</td>
</tr>
</tbody>
</table>
2021 QAP: OVERVIEW OF FIRST DRAFT
Year 2 of a 2-year QAP!

Predictability and Consistency, as requested by you

In keeping with the intent of a two-year QAP, certain items will not be addressed or modified in this version to maintain as much consistency as possible with the 2020 QAP.

Consider, “Is this a more appropriate comment/suggestion for next year?”
Overview of Updates

• First draft incorporates feedback received since the 2020 QAP was approved in September 2019, as well as revisions and clarifications arising out of our review of 2020's 9% HTC applications.

• Data/maps will not be updated with new data

• This presentation will not cover every change made!
Overview of Updates

1. General Overview and Requirements
2. HTC Requirements
3. Housing Policy Pools
4. Competitive Criteria
5. Appendices
Updates:

• Application Process
  - Addition of optional Pre-Application Meeting
  - Addition of Development Team Pre-Approval process

• Program Calendars
  - Addition of dates for events above
General Overview and Requirements

Application Process

1. **OPTIONAL** Pre-Application Meeting
2. Development Team Pre-Approval Submission
3. Development Team Pre-Approval Review
4. Proposal Application Submission
5. Proposal Review
6. Pre- or Post-Award Site Visit
7. Announcement of HTC Awards
8. Final Application Submission
General Overview and Requirements

Program Calendars

• 9% HTC Applications Due: **February 11, 2021**

• Optional Pre-Application Meeting:
  – **Dec. 1, 2020**: Last day to request a pre-application meeting
  – **Dec. 14, 2020**: Last day pre-application meetings will be held

• Development Team Pre-Approvals:
  – **Dec. 1, 2020** – **January 8, 2021**: Development Team Pre-Approval Forms due
  – **Jan. 22, 2021**: Last date by which Development Team Pre-Approvals will be issued
Updates:

• Cost Containment
  – OHFA plans to adjust limits based on inflation rates closer to final QAP approval.

• Basis Boost Policy
  – 115% Discretionary Basis Boost- Added eligibility for HUD Subsidy Preservation projects located in a Non-Urban area.
Updates:

• Development Team Experience & Capacity Review
  ➢ Addition of Development Team pre-approval requirement

• Competitive Application Limitations
  ➢ Addition of tiers based on experience
  ➢ Revised process for applicant to rank proposals prior to awards
 Applicants should review all items in the below sections as part of Experience & Capacity:

- **Document Submission Requirements**
  - Development Team Consultant Statement (document submission requirements)
  - Development Team Experience & Capacity Review
    - For Competitive HTC only, ALL development teams are required to receive pre-approval from OHFA in order to submit a proposal application.

- **HTC Programmatic Requirements**
  - Competitive Application Limitations

- **Appendix C: Experience & Capacity Characteristics**
## HTC Requirements

### Competitive Application Limitations

<table>
<thead>
<tr>
<th>Type of Previous Experience</th>
<th>Number of Applications</th>
<th>Number of Awards</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Allocated Ohio 9% HTC, 8609(s) not yet issued</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Applicant has received their first award of Ohio HTCs but has not yet received Form 8609 for the associated project.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- These applicants may request an exception to submit 1 application and receive 1 award.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>No Previous Ohio 9% HTC Allocated</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Applicant has never received Ohio 9% HTCs but meets the minimum eligibility requirements as described in Appendix C.</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Allocated Ohio 9% HTC, 8609(s) issued</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Applicant has received Ohio 9% HTCs and received 8609s for at least one project in the past 10 years.</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>- Applicant has received Ohio 9% HTCs and received 8609s for at least two projects in the past 10 years.</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>- Applicant has received Ohio 9% HTCs and received 8609s for at least three projects in the past 10 years.</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>- Applicant has received Ohio HTCs and received 8609s for at least 5 projects in the last 10 years and has a staff of at least 10 persons.</td>
<td>5</td>
<td>3</td>
</tr>
</tbody>
</table>
Housing Policy Pools

Updates:

- Pool Eligibility: Bedroom exception for 811
  - Urban Opportunity, General Occupancy, and Non-Urban – Family
  - “No more than 35 percent of affordable units may be one-bedroom and/or efficiencies, however, up to 10 additional percent of affordable units may be one-bedroom provided they are enrolled in the 811 program”
Updates:

• Pool Amounts: Substance Abuse Recovery
• Pool Set-Asides: PSH – Lucas County
<table>
<thead>
<tr>
<th>POOL</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NEW AFFORDABILITY</strong></td>
<td>$17,000,000</td>
<td>$17,000,000</td>
</tr>
<tr>
<td>New Affordability: Urban Opportunity Housing</td>
<td>$4,500,000</td>
<td>$4,500,000</td>
</tr>
<tr>
<td>New Affordability: General Occupancy Urban Housing</td>
<td>$3,000,000</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>New Affordability: Senior Urban Housing</td>
<td>$3,500,000</td>
<td>$3,500,000</td>
</tr>
<tr>
<td>New Affordability: Non-Urban Housing</td>
<td>$6,000,000</td>
<td>$6,000,000</td>
</tr>
<tr>
<td><strong>PRESERVED AFFORDABILITY</strong></td>
<td>$5,500,000</td>
<td>$5,500,000</td>
</tr>
<tr>
<td>Preserved Affordability: HUD Subsidy Preservation</td>
<td>$3,500,000</td>
<td>$3,500,000</td>
</tr>
<tr>
<td>Preserved Affordability: USDA Subsidy Preservation</td>
<td>$2,000,000</td>
<td>$2,000,000</td>
</tr>
<tr>
<td><strong>SERVICE ENRICHED HOUSING</strong></td>
<td>$5,000,000</td>
<td>$5,250,000</td>
</tr>
<tr>
<td>Service Enriched Housing: PSH</td>
<td>$4,250,000</td>
<td>$4,250,000</td>
</tr>
<tr>
<td>Service Enriched Housing: Substance Abuse Recovery</td>
<td>$750,000</td>
<td>$1,000,000</td>
</tr>
<tr>
<td><strong>SINGLE FAMILY DEVELOPMENT</strong></td>
<td>$1,000,000</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Strategic Initiatives (pre-funded)</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

**Housing Policy Pools Amounts**
# Housing Policy Pools
## Set-Asides

<table>
<thead>
<tr>
<th>POOL</th>
<th>SET-ASIDE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NEW AFFORDABILITY</strong></td>
<td></td>
</tr>
<tr>
<td>New Affordability: Urban Opportunity Housing</td>
<td>Non-R/ECAP Area</td>
</tr>
<tr>
<td>New Affordability: General Occupancy Urban Housing</td>
<td>Revitalization Area</td>
</tr>
<tr>
<td>New Affordability: Senior Urban Housing</td>
<td>none</td>
</tr>
<tr>
<td>New Affordability: Non-Urban Housing</td>
<td>Non-Urban Opportunity Area (2); Low- or Mid-Population County</td>
</tr>
<tr>
<td><strong>PRESERVED AFFORDABILITY</strong></td>
<td></td>
</tr>
<tr>
<td>Preserved Affordability: Urban Subsidy Preservation</td>
<td>RAD Conversion</td>
</tr>
<tr>
<td>Preserved Affordability: Non-Urban Subsidy Preservation</td>
<td>Rural Subsidy Preservation</td>
</tr>
<tr>
<td><strong>SERVICE ENRICHED HOUSING</strong></td>
<td></td>
</tr>
<tr>
<td>Service Enriched Housing: PSH</td>
<td>Balance of State and Smaller CoCs (2); Transition Aged Youth</td>
</tr>
<tr>
<td>Service Enriched Housing: Substance Abuse Recovery</td>
<td>None</td>
</tr>
<tr>
<td><strong>SINGLE FAMILY DEVELOPMENT</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>None</td>
</tr>
</tbody>
</table>
Competitive Criteria
All Applicable Pools

Updates:

• Local Partner
• Accessible Design: 504 units
• Inclusive TSP
• Proximity to Amenities
Competitive Criteria
All Pools: Local Partner

• Reduced point value from 10 to 5.
• **Nonprofit Partner:** Removed reference to Supportive Services Plan specific to this competitive criterion as SSPs for most developments are not submitted until the Compliance Next Steps meeting or 8609 submission.
• **CHDO Partner:** Clarified that CHDO partners must be seeking HOME funds from OHFA as part of the proposal.
• **In-State Partner:** Removed architect of record from list of partners.
Competitive Criteria
All Pools: Accessible Design - 504 Units

504 Units. Developments providing twice as many fully accessible 504 mobility units as are otherwise required by OHFA as defined in the Design & Architectural Standards.

1. Total number of units in development x 5% = Number of 504 mobility units required by OHFA
2. If the above resulting number is not a whole number, round up to the next whole number.
3. Multiply the whole number from #2 by two to get the number of units required for points.

Example:
Total units in development = 65
Number of 504 mobility units required by OHFA = (65 x 5% = 3.25) → 4
4 x 2 = 8 504 mobility units are required in order to get points
Competitive Criteria
All Pools: Inclusive TSP

1. The TSP explicitly prohibits the denial of admission, termination of assistance or eviction on the basis of arrest records alone.
2. The TSP may create reasonable look-back periods for review of crimes.
3. The TSP must include an individual assessment of each tenant applicant’s history and provide the tenant applicant an opportunity to provide mitigating information before denying housing based on upon the result of criminal screening.

HUD’s Office of General Counsel Guidance
Model criminal background screening policy
Competitive Criteria
All Pools: Proximity to Amenities

- Amenity definitions updated
- Removal of 500-foot buffer
- More detailed submission requirements

https://ohiohome.org/ppd/htc.aspx
Competitive Criteria
New Affordability

Updates:

• Income Diversity
  ➢ PBRA: Clarification around ported rental assistance contracts
  ➢ Average Income: Removed as an option

• Cost Efficiency - Leverage
  ➢ Incorporated language from Frequently Asked Questions; removed New Community Authority and Property Assessed Clean Energy Financing from list of eligible sources.

• Experienced Service Provider
  ➢ Removed requirement for Memorandum of Understanding at proposal application.
Competitive Criteria
New Affordability

Updates:

• Integrated Communities
  ➢ New scoring category for 811 units.
  ➢ This category will only be implemented if OHFA receives an award of Section 811 PRA funds from HUD. These awards are expected to be announced at the end of July.
Updates:

• Development Characteristics
  ➢ Rehab Scope: Additional detail regarding document submission requirements
  ➢ Design Features: Features must be new or being replaced or renovated to be eligible for points.

• Preservation Priorities
  ➢ Good Management: Additional detail regarding document submission requirements
Competitive Criteria
Preserved Affordability

Updates:

• Preservation Leveraging
  ➢ Bond Leveraging: At least 25 units for 4% HTC project; Must include letter from the syndicator confirming that the 4% HTC development has been underwritten as proposed and is financially feasible as its own project.
Competitive Criteria
Service Enriched Housing

Updates:

• Local Service Providers
  ➢ Removed requirement for Memorandum of Understanding at proposal application.
Appendices

Updates:

• Appendix A: Fee Schedule
• Appendix B: Submission Requirements
• Appendix C: Experience & Capacity Characteristics
• Appendix F: Tiebreaker #1, Composite Formula
Appendix C: Experience & Capacity Characteristics

Minimum Eligibility Requirements (9% HTC)

• Developers:
  – At least one 9% HTC project has been placed in service in Ohio within the past 10 years; or
  – At least three 9% HTC projects have been placed in service in other states within the past 10 years.

• Or one of the below, with approved exception request:
  – Applicant has received their first award of Ohio 9% HTCs but has not yet received Form 8609 for the associated project; or
  – Applicant will be partnering with an entity who does have the required experience (see requirements for eligible partners below); or
  – Applicant has 9% HTC experience gained while working at a different organization; or
  – Applicant has 4% LIHTC experience.
Eligibility to Serve as Experienced Partner (9% HTC)

- Applicant has received Ohio 9% HTCs and received 8609s for at least three projects in the past 10 years.
ITEMS FOR CONSIDERATION OR STILL IN PROGRESS
For Consideration

Scoring adjustments to the following criteria:

• New Affordability
  – Number of bedrooms
  – ELI Targeting
  – Credits per Affordable Unit

• Preserved Affordability
  – Credits per Affordable Unit
New Affordability: Number of Bedrooms

Developments that will provide units with three or more bedrooms for large families.

a. >5% - 10% of units have three or more bedrooms = 3 points  (0 projects)
b. >10% - 15% of units have three or more bedrooms = 4 points  (0 projects)
c. >15% of units have three or more bedrooms = 5 points  (28 projects)
New Affordability: ELI Targeting

Developments that will commit to a minimum percentage of all affordable units being occupied by and affordable to households at or below 30% AMI.

a. At least 5% of affordable units = 4 points  (0 projects)
b. 6% - 10% of affordable units = 6 points  (0 projects)
c. 11% - 15% of affordable units = 8 points  (0 projects)
d. >15% of affordable units = 10 points  (49 projects)
New Affordability: Credits per Affordable Unit

Developments requesting housing tax credits per affordable unit in one of the below ranges.

a. $21,001 - $22,000 per unit = 1 point  (0 projects)
b. $20,001 - $21,000 per unit = 2 points  (1 project)
c. $19,001 - $20,000 per unit = 3 points  (4 projects)
d. $18,001 - $19,000 per unit = 4 points  (3 projects)
e. $18,000 or less per unit = 5 points  (49 projects)
Preserved Affordability: Credits per Affordable Unit

Developments requesting housing tax credits per affordable unit in one of the below ranges.

- a. $15,001 - $16,000 per unit = 1 point (0 projects)
- b. $14,001 - $15,000 per unit = 2 points (0 projects)
- c. $13,001 - $14,000 per unit = 3 points (1 project)
- d. $12,001 - $13,000 per unit = 4 points (1 project)
- e. $12,000 or less per unit = 5 points (HUD- 12/14 projects; USDA- 4/5 projects)
Still in Progress

• Requirements, process, and/or forms for the following:
  – Development Team Pre-Approval
  – Developer serving as experienced partner/co-developer to applicant who does not meet minimum LIHTC eligibility requirements on their own
  – PCNA, specifically as it relates to competitive scoring items (Rehab Scope, Good Management)
Still in Progress

- Updates to the following sections:
  - Training and Technical Assistance
  - Program Compliance
  - Housing Credit Gap Financing
  - Universal Design components
Timeline

July
QAP Webinar
First Draft comment period

August
Second Draft release and comment period

September
Presentation to OHFA MF Committee and OHFA Board for approval
COMMUNITY OUTREACH AND ENGAGEMENT
Community Outreach in the time of COVID
Community Outreach in the time of COVID

• Research local restrictions and any guidance already shared
• Work with the municipality and the neighborhood group to see what they suggest
• Make sure that any project websites or web surveys are mobile-friendly as some have access to phones but not computer.
• Consider engagement options for older adults and non-English speaking population.
• Let people participate on their own schedule.
• Don’t forget about good old fashioned flyers and paper surveys
QUESTIONS AND (HOPEFULLY) ANSWERS
Thank you!

Send questions and feedback at any time to QAP@ohiohome.org