

August 26, 2026

Ohio Housing Finance Agency
2600 Corporate Exchange Drive, Suite 300
Columbus, OH 43231

RE: 4% LIHTC with Bond Gap Financing 2026 – Public Comment Period

Dear OHFA,

On behalf of our organization, along with the communities we serve, The Community Builders (TCB) offers these comments in response to OHFA's published draft of the 2026 Bond Gap Financing Guidelines. TCB appreciates OHFA's goals to evolve its policies to help meet Ohio's housing needs. As in prior years, TCB values OHFA's transparency on the drafting process and intent, as well as the organization's willingness to consider adjustments to the draft to get to the best possible policy instrument and housing outcomes.

NHTF - RAD Funding Pool: TCB endorses the overall modification of the award of 4% BGF funds to include two separate and fundamentally different funding pools in the 2026 4% BGF Guidelines draft. TCB strongly supports the targeted approach to allow for flexibility in the type of federal funding that applicants can apply for, as well as the specific focus on developments supporting ELI households with the new NHTF-RAD funding pool. Over the last 30 years, TCB has partnered with public housing authorities to serve the ELI population through the redevelopment of former public housing and, since 2012, through utilization of the Rental Assistance Demonstration program. TCB's national portfolio includes 6,390 units developed with housing authority partners and TCB's current pipeline includes several RAD conversion projects, including a HUD Choice Neighborhoods redevelopment initiative in Cleveland, Ohio.

In order to modify the existing BGF program to best serve RAD development opportunities, additional programmatic details must be considered. First, HUD funded affordable housing projects are more expensive than a typical LIHTC deal, with federal prevailing wage requirements, federal environmental review expenses, and now the additional application of Build America, Buy America preferences. Furthermore, serving former public housing residents at extremely low incomes necessitates higher operating expenditures to provide resident services and supports. In order to accommodate these additional project costs, TCB recommends that OHFA produce a separate cost containment standard for BGF deals, rather than applying the 4% cost containment standard to these deals. The current 4% standard is too restrictive to produce high-quality affordable housing that best serves our communities' most vulnerable families.

Second, RAD development opportunities have elongated construction closing periods, as multiple HUD divisions are involved in reviewing and approving the deal, on top of the other traditional funding partners like the construction lender and equity investor. Additionally, given that HUD is the driver of

the closing timeline for RAD projects, BGF applicant developers have less control over meeting a specific closing deadline. Knowing this, TCB recommends revising the “Readiness to Proceed” scoring category. Currently, in order to score maximum points within the “Readiness to Proceed” category, applicants must close by September 2027, which is only 5 months after the stated date for final scoring results to be posted by OHFA (April 15, 2027). There seems to be unnecessary risk being applied to the developer/applicant as they are being asked to close on a large scale, federally financed development project in less than 5 months from being awarded 4% BGF funds. Additionally, given OHFA’s acknowledgment that the required federal Environmental Review process can take 3-12 months “from ER assignment to completed ER report,” and that said ER process must be complete “before construction may commence,” it seems unlikely that any applicant would be able to close soon enough to receive full points.

Competitive Scoring: TCB recommends the following alternative point scoring opportunities for the NHTF – RAD Funding Pool:

1. In order to maintain a “Readiness to Proceed” category, OHFA could prioritize applications that have already obtained the required environmental approvals. All RAD project-based voucher or project based rental assistance projects are required to submit a Part 58 ER and Request for Release of Funds (RROF) and to obtain the Authority to Use Grant Funds (AUGF) from HUD. And OHFA has acknowledged within the draft guidelines that obtaining such approvals can take up to 12 months. Therefore, if a project is truly ready to proceed, it will have already engaged in the environmental approval process. Projects could score points for having already submitted the RROF, and additional points for having already obtained the AUGF. TCB has experienced this type of scoring system in other states QAPs.
2. The draft guidelines provide a NHTF Minimum Eligibility Requirement that at least 5% of the project’s total units be encumbered by a federal, state, or local project-based rental assistance contract. In order to prioritize awards to projects that are going the furthest to “improve affordable housing currently supported under contract rent programs,” TCB recommends adding a scoring opportunity that benefits applicant projects that are taking on a higher proportion of units with project based rental assistance contracts. Points could be tiered, with those taking on 50% or more units with contract rent programs scoring the highest.

Geographic Distribution - County Limiter: Clarification of the geographic distribution of funds is required. Currently, on page 20 of the draft guidelines, it is stated at the top of the page that County limits apply to OHFA’s BGF resources but then at the bottom of the page, it states that NHTF will be awarded “without geographic preferences.” It is unclear if BGF funding awarded from the NHTF Pool is exempt from the County limits. The guidelines are structured in a manner where the HOME and NHTF funding pools and their award structure do not compete and therefore one county could support two projects working under these two different federal funding programs. In general, TCB strongly supports a revision to the draft’s Geographic Distribution County Limits, to allow for a county to receive more than one 4% BGF award.

Community Revitalization Plan: TCB supports the inclusion of the Community Revitalization Plan as the highest scoring category in the NHTF funding pool scoring criteria. The RAD deals that NHTF funds are attempting to support should face tougher scrutiny and be fully supported by their local communities and politicians. By making this scoring category the highest points total OHFA is appropriately prioritizing RAD projects that already have a functioning community revitalization plan and community

support to compete for NHTF funds, even if they do not qualify for full points under the other two scoring categories.

TCB values its longstanding partnership with OHFA and remain committed to working collaboratively to ensure that OHFA programs support the production and preservation of affordable housing across Ohio. Thank you for your consideration of these comments.

Sincerely,

George Tabit
Senior Vice President of Housing
The Community Builders, Inc.