



February 18, 2025

Barbara Richards
Multifamily Housing Director
Ohio Housing Finance Agency
2600 Corporate Exchange Drive, Suite 300
Columbus, OH 43231

Dear Ms. Richards,

On behalf of the Ohio Housing Council (OHC), we appreciate the opportunity to provide comments on the first draft of the *4% LIHTC with Bond Gap Financing (BGF) Program Year 2025 Guidelines*. We recognize and value OHFA's efforts in structuring a program that effectively addresses Ohio's affordable housing needs.

We especially appreciate the timeline that allows unsuccessful BGF applicants to pivot toward the 9% LIHTC round, ensuring that viable developments remain in the pipeline. We are also grateful for OHFA's work to build schedules that give OHFA staff and developers the time needed to produce a quality product. As these calendars are being refined, we encourage OHFA to continue coordinating the 9% LIHTC, 4% LIHTC Only, 4% LIHTC w/HOME-ARP, 4% LIHTC w/BGF, and 4% LIHTC w/OLIHTC program calendars. Finally, we appreciate that OHFA responded to our concerns about the Discount to Market Rent scoring criterion by significantly reducing the points allocated to this category. This demonstrates a thoughtful approach to balancing program priorities with stakeholder feedback.

Key Recommendations

We would like to emphasize three areas where we feel strongly about adjustments to the guidelines:

Prior HDAP Awards and BGF Eligibility

The current language excludes projects with prior Housing Development Assistance Program (HDAP) awards from HDAP eligibility. We recommend modifying this provision to allow participation with adjustments, preferably by deducting the prior HDAP award from the eligible HDAP amount. If this is not acceptable to OHFA, an alternative approach would be to permit repayment of the previous HDAP with new HDAP funds. This approach would prevent the unintended consequence of rendering preservation projects ineligible.

Cost Containment and Exception Requests

The guidelines currently prohibit Total Development Cost (TDC) exception requests under BGF, unlike other OHFA programs. We urge OHFA to allow reasonable exceptions, particularly for developments with unique cost factors like historic preservation, prevailing wage requirements, or BABA compliance. Given high interest rates, potential tariffs, and BABA uncertainty, maintaining flexibility for exceptions would help developers adapt to changing economic conditions while ensuring cost efficiency and accountability.

Part II Historic Approval Timing

The requirement for State Historic Preservation Office (SHPO) Part II approval at the proposal application stage is problematic. Given that obtaining Part II approval necessitates near-final architectural drawings, this requirement places an undue burden on developers before funding is secured. We recommend that OHFA modify this requirement to align with the 9% QAP requirements for both proposal and final application phases.

Additional Considerations

In addition to the key recommendations above, we would like to raise the following concerns and suggestions:

Geographic Distribution and Funding Pools

We are concerned about the revised order of operations in the Geographic Distribution and Funding Pools section, where set-asides are allocated first, followed by funding pools. We do not understand the rationale behind this change and question whether it improves the overall funding distribution. Without further clarification, we believe this adjustment may have unintended consequences. We encourage OHFA to provide additional insight into this decision and consider whether the previous approach may be more effective.

Build America, Buy America (BABA) Compliance

We acknowledge that BABA requirements may be applicable to this program. However, we caution against a blanket requirement in the guidelines, as there are nuances that may necessitate case-by-case considerations. Given the uncertainty surrounding BABA applicability, we encourage OHFA to leave the requirement out of the guidelines and handle compliance on a case-by-case basis.

Minimum Rehabilitation Threshold

To ensure meaningful investment in preservation projects, we suggest including a minimum rehabilitation threshold of \$50,000 per unit. This would help prevent superficial

rehab while maintaining financial feasibility for developments needing substantial improvements.


Tie Breaker Clarification

We are unclear about what Tie Breaker #4 is or how it would be applied. We encourage OHFA to clarify this criterion to avoid ambiguity in future funding rounds.

We appreciate OHFA's openness to stakeholder input and its commitment to refining the BGF program. OHC remains committed to working collaboratively to ensure that these policies continue to support the development and preservation of affordable housing across Ohio. Please do not hesitate to reach out if further discussion on these points would be beneficial.

Thank you for your time and consideration.

Sincerely,



Ryan Gleason
Executive Director