



April 1, 2024

Taylor Koch
Director of Multifamily Development
Ohio Housing Finance Agency
2600 Corporate Exchange Drive, Suite 300
Columbus, OH 43231

Dear Mr. Koch,

We really appreciate your willingness to accept input prior to the drafting of the FY2025 Ohio Low income Housing Tax Credit (OLIHTC) Guidelines. We recently convened a meeting of the Ohio Housing Council's Policy Committee to discuss issues and concerns among those in the development community. We were able to reach consensus on the following issues:

Experience and Capacity Reviews. We understand and appreciate OHFA's desire to ensure that those who receive awards of tax credits are well-positioned to successfully complete the development of their projects. However, we believe the experience and capacity reviews should be valid for a period of two years, rather than being required for every application cycle across different programs. This streamlined approach will not only save OHFA valuable time but also provide developers with more certainty and avoid unnecessary expenditures for unsuccessful applications. Given that any substantial negative changes in a developer's status during the two-year period would preclude them from securing necessary debt and equity for their developments, we believe this strikes a more appropriate balance.

Draft Document Redlines. We have found it to be tremendously helpful when you have provided redlined versions of draft documents. In those few instances in which redlined versions were not provided, it was much more difficult to evaluate and understand some of the changes that were being proposed. As you issue new versions of guidelines, we hope that you will again provide redlined versions along with the clean drafts.

OLIHTC Application Cycle. Our members would appreciate clarification on the timing of the upcoming OLIHTC application cycle. We understand that you intend to adopt a process more like that used for the 9% LIHTC program in which developers submit preliminary applications and you issue preliminary reservations before a 90-120 day period to submit a final application. We strongly agree that this would be helpful and eliminate unnecessary capital expenditures for developers who are not successful. Additionally, our members

would prefer spacing out the application windows rather than having them monthly until you have reserved all available funding.

Application Rejections. We have discussed with you before our concern regarding the high percentage of applicants and applications that have recently been rejected from OHFA programs. We appreciate that you are incorporating cure periods into the process, and we're hopeful that this will help prevent applicants from being completely removed from a funding round for insubstantial oversights. We remain concerned, though, that OHFA's new approach to reviewing applicants has resulted in a shockingly large number of applicants failing the threshold review. Given the quality of the applicants in Ohio, the complete removal of from an application cycle should be the exception, not a commonplace occurrence.

OLIHTC Differentiating Factors. OHC members would like to see a broader range of differentiating factors considered in determining which OLIHTC applications receive awards. Legislators have expressed a desire for state credits to align with job growth areas and we are concerned that resources may not be effectively addressing the housing burden in markets that are – or will be – experiencing significant job growth. The inclusion of a *Transformative Economic Development* set aside is a good first step toward meeting this legislative desire, and we would encourage you to continue efforts to make this a priority.

AHFA Feedback. There was widespread appreciation for the work you put in to revising the Affordable Housing Funding Application (AHFA) and general agreement that it is a significant improvement. The only suggestion from our members is related to the timing of its release. In the future, we would greatly appreciate it if future delays in releasing application materials result in correspondingly extending the application deadlines.

As always, we stand willing to meet with you to discuss any of these issues in greater detail, and we are grateful for your consideration of our suggestions.

Sincerely,



Ryan Gleason
Executive Director

cc: Shawn Smith, Executive Director, Ohio Housing Finance Agency
Joe Hewitt, Senior Director of Housing Programs, Ohio Housing Finance Agency