

## 2010 Qualified Allocation Plan (QAP)



### Policy Statements

OHFA will utilize the all funding programs to create sustainable affordable housing (both financially and physically) by distributing resources through a transparent allocation process that addresses the mandates of the law, the needs of our primary customers and respects the interests of our stakeholders. Primary customers include low- and moderate-income residents, the development community, and owners of existing Housing Credit properties.

The following policy statements have been developed using input and feedback from OHFA Board members, program stakeholders, and primary customers, as well as the expertise of our staff and available research and data regarding affordable housing needs in Ohio. These policy statements are the basis for the award of resources to projects throughout OHFA's various funding sources. These policies relate to OHFA programs in general and a specific policy might not directly relate to a given funding source. As an example, single-family homeownership is an ineligible use in the LIHTC program, but a core product of the Housing development Gap Financing Program. The statements are not listed in any particular order; rather, the priority of each policy is reflected in the allocation process.

OHFA will award resources to proposals that promote the policies and goals indicated in the following policy statements and are determined to be in the best interest of the citizens of the State of Ohio. OHFA reserves the right to award credits, irrespective of competitive ranking, if a proposal furthers the policies stated in the plan.

1. Types and locations of housing
  - a. OHFA supports the development of four broad types of housing: Multifamily apartments including Permanent Supportive Housing; properties designed for senior populations; single-family homeownership and single-family rental homes with a Lease-Purchase model.
  - b. While OHFA recognizes the need to create new housing units in some areas of the state, this goal must be balanced by maintaining existing affordable units currently in service. Therefore, OHFA values the preservation of existing affordable housing that is in the greatest need of rehabilitation and has Section 8 or equivalent federal rental assistance contracts in danger of expiring.
  - c. As OHFA is committed to serve the affordable housing needs of all Ohio citizens, OHFA supports the development of Permanent Supportive Housing for the homeless and other populations with special needs.
  - d. Consideration will be given to distribute resources throughout various geographic regions of the state when possible and areas of greatest need when necessary.
  - e. As the challenges to development in Ohio increase, the need for strategic collaborative partnership and investment is critical. OHFA values construction in areas demonstrating collaboration through neighborhood revitalization plans as well as in areas currently experiencing significant investment.
  - f. As our national economy continues to struggle and the foreclosure crisis continues to have a devastating effect on Ohio communities, OHFA will follow the recommendations of the Ohio Foreclosure Prevention Task Force by valuing the re-development of vacant properties in areas of the state most impacted by this epidemic.
  - g. OHFA values the development of affordable housing in all areas of need including areas within a qualified census tract, Difficult Development Areas, and in areas of moderate, median and high income.
  - h. OHFA values projects that access either the Federal or State Historic Tax credit program.

2. Types of subsidy
  - a. As the need for affordable housing is constant and resources to develop such housing become scarcer, OHFA values assisting properties that leverage substantial federal, state or local development subsidies, such as the USDA Rural Development Section 515 program and the HUD HOPE VI program.
  - b. While the economic struggles within our state impact all Ohio citizens, those in extreme poverty are hit the hardest. OHFA values the development of projects that will serve very and extremely low-income populations and/or provide rental subsidy for the residents.
3. Project characteristics
  - a. As strong market demand is essential to successful housing development, OHFA will evaluate properties based on strength of the market area where possible, including vacancy rates, penetration rates, the condition of existing or recently approved projects funded through OHFA, and the projected growth rate of the low-income population.
  - b. As OHFA values sustainable development, multifamily projects need to remain competitive in the market for the life of the compliance period, OHFA will evaluate project and unit amenities during the selection process.
  - c. OHFA values Universal Design in all properties. Visitability guidelines shall be incorporated into all newly constructed properties.
  - d. In order to create healthy and sustainable affordable housing in a cost-effective manner, OHFA supports development of properties that meet Green Communities or other designated standards and achieve the highest energy efficiency ratings.
  - e. As innovation and creativity are critical to meeting the changing demands of the consumer, OHFA will evaluate other unique characteristics with tangible benefit for the residents and/or housing in the selection process.
4. Development team characteristics
  - a. OHFA values development team members with successful experience in the location and type of housing being proposed.
  - b. OHFA supports the endeavors of community-based non-profit housing organizations to develop housing in their service area.
  - c. OHFA values development teams with a strong financial base.
  - d. OHFA values development teams with the ability to meet key responsibilities in a timely and efficient manner; Development team members include the general partners, developers, contractors and property manager.
  - e. Development teams will also be evaluated on any prior and/or outstanding financial obligations with OHFA. The staff will evaluate the repayment histories of all loans extended to previous projects as well as payments of all other fees and monies due to OHFA.
5. Financial considerations
  - a. OHFA will require the development of multifamily properties that meet OHFA financial underwriting requirements and are forecast to have sufficient long-term operating income to secure sustainability.
  - b. OHFA will consider construction costs of a reasonable level when comparing proposals for similar types of projects.