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## Comments on Draft 2026-2027 9% QAP

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From Tony Love <tony.love@bwe.com>

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To QAP, OHFA <QAP@ohiohome.org>

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Good morning and thank you for staff's willingness to consider comments to the draft 2026-2027 9% QAP. Bellwether Enterprise Real Estate Capital, LLC (BWE) frequently provides first mortgage debt on tax credit projects, both 9% and 4%'s. While we typically defer to our developer clients to offer their comments on OHFA's QAP, I wanted to echo a couple of concerns I am hearing from them.

First and foremost, the draft QAP relies heavily on the Neighborhood Opportunity Index and the Housing Needs Index maps. I understand these maps and the data they contain can offer the appearance of being objective. However, their delineation among census tracts do not reflect the reality of neighborhood or community dynamics. Potential projects located within a reasonable proximity to employment, service and retail establishments, and other community institutions and services will not score well unless it is explicitly located in a high scoring census tract with these features. Yet, residents in lower scored tracts routinely travel through higher scoring tracts within minutes to reach these outlets, whether by public transit or personal transit. Developer clients with whom I speak with about this describe it as a policy prohibits place based development from occurring. If OHFA staff believe these maps must remain in consideration when scoring potential projects, I suggest they broaden the delineation and consider travel time within a reasonable distance from nearby higher scoring census tracts.

I have also been made aware that the extent to which these maps are used in project scoring effectively eliminates a vast majority of communities from qualifying for a 9% project. Recently, I met with representatives of Richland County and the City of Mansfield. They have undertaken a significant amount of work to entice prospective developers yet according to these maps, projects will not score well enough to be competitive.

Speaking as a lender, and this may sound self serving, I often find that LIHTC investors want to also provide the construction financing and in exchange for this additional CRA opportunity, they will offer better pricing on the tax credit equity. Yet developers may be incurring higher interest costs by excluding the ability to consider other mortgage programs such as a 221(d)4 FHA insured mortgage or a USDA 538 insured mortgage. Some projects will then have to lock in a higher rate permanent loan that effectively locks them out from the ability to seek a lower cost mortgage when the project is completed and stabilized. OHFA might want to consider the lock out and prepayment terms of a permanent loan in an effort to allow projects with looser prepayment terms the ability to refinance or choose a lower cost mortgage option. It seems to me that projects would benefit from this option.

Thank you for your consideration of these comments. Should staff wish to discuss these further, please feel free to contact me.

Sincerely,



**Tony Love**

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