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## Draft 1 Comments

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To QAP, OHFA <QAP@ohiohome.org>

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Thank you for allowing me to comment on the first draft of the 2026 QAP.

The Low-Income Housing Tax Credit (LIHTC) program is one of the most powerful tools we have to address Ohio's affordable housing crisis. As we look ahead to OHFA's 2026 Qualified Allocation Plan (QAP), it is essential to ensure that the scoring system reflects the full spectrum of policy goals. There are 3 types of neighborhoods that I believe we want to direct LIHTC resources: currently high opportunity census tracts (Opportunity Index); places where there is great demand (Housing Need) and neighborhoods that are transitioning (currently nothing). OHFA's current scoring measures Opportunity and Need but does not have any measurement to focus on neighborhoods in transition where the market is CURRENTLY building housing, but cannot score high enough in because of lower Opportunity Index scores. I would suggest an additional scoring category focused on these transitional neighborhoods (*such as Neighborhood Change Index*) as a scoring category alongside Opportunity Index and Housing Need.

I believe much of the frustration you hear from neighborhood leaders and community development professionals is because for the past few years in OHFA programs, your census tract (and opportunity index) is your destiny. This has raised acquisition prices and closed off 75% of census tracts and entire counties in the state to LIHTC development no matter how strong a project / partnership you have proposed. It also seems counter intuitive that in a time when 75% of neighborhoods have market rate investment and a desperate need for affordable housing they cannot access LIHTC resources.

### The Risk of Missed Opportunity

Over the past few years, OHFA's scoring system—by heavily emphasizing the Opportunity Index—has increasingly favored stable, well-established neighborhoods. While the desire to place LIHTC developments in high-opportunity areas is one valid policy goal, this approach inadvertently sidelines a broad swath of urban neighborhoods that are undergoing rapid change. These emerging neighborhoods are attracting substantial market-rate investment yet are essentially off-limits for affordable housing due to lower Opportunity Index scores. If we fail to act now, we risk losing the chance to preserve affordability in neighborhoods that will soon become unaffordable. The example of Over-the-Rhine (OTR) in Cincinnati is instructive. Twenty years ago, OTR would not have scored well on an Opportunity Index. But targeted LIHTC investments helped catalyze the revitalization that made it what it is today—a thriving, high-opportunity neighborhood. Without those early interventions, the affordable housing that exists there today would not be possible. The same story is playing out now in multiple neighborhoods across Ohio.

### Market Signals and Real-World Demand

Data tells one story—but market behavior tells another. In Cincinnati alone, much the of market-rate multifamily construction that is happening in neighborhoods that would not currently qualify under OHFA's Opportunity Index threshold. These are not hypothetical cases. Developers are placing real

capital at risk in these areas because they see the trajectory of demand and change. Yet the current QAP scoring system restricts LIHTC from participating in these same areas. This creates a situation where neighborhoods cannot access the tools of affordable housing investment—not because of lack of need or opportunity, but because the metrics being used have not caught up to the pace of change. Including another measurement like Neighborhood Change Index could help correct for this and allow OHFA to better align its policies with both current market realities and long-term equity goals.

### **A Balanced and Flexible Framework**

Concerns about scoring complexity are valid, but they are not insurmountable. OHFA has already demonstrated creativity in managing scoring flexibility, for example, allowing developments to choose between scoring on Opportunity Index or D2MR in the most recent OH LIHTC round. A similar model could be applied here: require all projects to demonstrate Housing Need and then allow the higher of Opportunity Index or Neighborhood Change Index to be used for scoring. Alternatively, OHFA could simply incorporate the Neighborhood Change Index into a weighted scoring system that balances all three factors. For example: 30% Opportunity Index, 25% Housing Needs, 20% Change Index, and 25% tied to annual request. This would ensure a wider range of neighborhoods—established, emerging, and underserved—are eligible for LIHTC investment.

### **The Policy Imperative: Affordability at Risk**

Neighborhoods undergoing change are exactly where affordability is most at risk. If we do not act now to secure affordable housing in these areas, the window will close—and with it, the opportunity to ensure that long-term residents, low-income families, and seniors can remain part of these communities. While I don't know if Change Index is a perfect tool, including a measurement that attempts to identify and reward the scoring of transitioning neighborhoods could help to broadening access and hit multiple policy goals. It allows LIHTC to serve its full purpose: not just placing units in stable neighborhoods, but anchoring affordability in places where the fabric of the community is still being woven. It is about fairness, foresight, and the kind of impact that endures for generations. Let's make sure the 2026 QAP opens more doors, not fewer.

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