



August 28, 2025

Bill Beagle, Executive Director  
Ohio Housing Finance Agency  
2600 Corporate Exchange Drive, Suite 300  
Columbus, Ohio 43231

Re: Comments on the 2026-27 Second Draft Qualified Allocation Plan

Dear Mr. Beagle:

On behalf of Homeport, I'm writing to provide comments on the second draft of the 2026-2027 Qualified Allocation Plan (QAP). Thank you for the hard work by OHFA's staff to create the QAP and for providing the opportunity to submit comments on its drafts. These comments are generally presented in the order they appear in the QAP:

#### General

We appreciate OHFA's ongoing discussion with the statewide industry on place-based development in the "summary of changes" published in response to comments on the QAP's first draft. We also appreciate the removal of the minimum requirement for a site's score in the "Neighborhood Opportunity Index."

As Homeport expressed in our earlier letter, we support the QAP's set-asides and that they will lead to about one-quarter of 9% LIHTC awards in 2026. At the same time, we encourage OHFA to consider for all competitive application rounds other priorities that complement the scoring criteria's emphasis on two indices. We hope that criteria in future rounds can emphasize alignment with a local government's priorities, partnerships with community organizations, redevelopment of blighted property, and other priorities in community development.

We also suggest re-considering the increase in units per project for 9% LIHTC developments. As Exhibit 2 in the QAP indicates, the number of annual reservations has declined from 31 in 2022 to 23 in 2025 and about 20 forecasted for next year. We acknowledge the tension in this idea because larger developments' operations are easier to underwrite. As an individual project's size has increased from about 45 units to about 65 units, OHFA may want to consider modestly revising its per-project and per-unit LIHTC allocations so that there are more awards per round. That would allow OHFA to distribute its resources to more communities in Ohio.

#### Threshold Requirements

Thank you for reducing the required number of amenities per category and allowing the opportunity for a waiver. We suggest clarifying the details of two amenities:

- *Building Amenity, Bike Parking:* How many outdoor racks and indoor lockers are required to satisfy this design feature? Some cities' zoning ordinances already require that developments provide parking for bikes. We suggest deferring to the local requirement if it exists.



- *Unit Amenity, Storage Space*: Do coat and linen closets and bathrooms' vanity cabinets count toward the square footage?
- *General Occupancy, Section 811 Units*: Please correct the typo for the minimum percentage of these units – 15% or 20%. We believe it should be 15%, based on OHFA's "summary of changes."

#### Cost Containment

We suggest revising the maximum total development cost per unit and per gross square foot for preservation developments. These projects' acquisition costs are based on their appraisals, which can be relatively high, especially for properties with project-based subsidy. The QAP prohibits the seller from receiving any cash proceeds on a related-party sale. The cost-containment ceilings could pose a problem for a property's acquisition price while also delivering OHFA's desired amount of physical improvements.

#### Preserved Affordability

We encourage OHFA to use 20% of its annual credit ceiling for preservation developments, not 15%. That will align with OHFA's recent history. Please don't undercut the important policy role of preservation. We continue to support OHFA's policy choice to support LIHTC re-syndications.

We'll repeat an earlier comment to consider more scoring categories to evaluate applications in this pool. The "Neighborhood Opportunities Index" and "Housing Needs Index" consider present-day conditions. Every developer proposing applications in this pool starts with site-selection decisions that were made more than 15 years ago. We suggest two ideas:

1. Move the "Oldest LIHTC Award" criterion from a tiebreaker to a scoring metric, as OHFA has done in recent "Bond Gap Financing" application rounds. We think that a property within five years of the expiration of its 30-year affordability covenant has a more pressing need for preservation and renovation than a property between years 16 and 25 of its covenant.
2. Add the "Discount to Market Rent" metric to the scoring criteria, as OHFA has used in recent application rounds. This metric has seemed like a useful tool to determine which properties are more likely to convert to market-rate rents, leading to tenants' probably displacement, when their affordability covenant expires.

#### Submission Requirements

Thank you for reducing the number of "Lien and Litigation" reports required per project!

Thank you for considering these comments, and I'm glad to discuss them with any of OHFA's staff as you like.

Sincerely,  
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