



September 8, 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 first draft of the 2026 Housing Development Gap Financing (HDGF) Guidelines. Thank you for the hard work by OHFA's staff to create these guidelines and for providing the opportunity to submit comments on its drafts. These comments are generally presented in the order they appear in the guidelines:

General

We're very glad to see OHFA revive the HDGF program after two dormant years! Thank you! Not every development is well suited for the scale of tax credits – whether it's the sponsor's capacity, the target population served, or the surrounding community's urban design. We hope that OHFA will continue to fund developments annually via this program.

Program Calendar

We ask that OHFA set the proposal application's deadline later than January and adjust subsequent deadlines accordingly. OHFA has just revived this program without much advance notice (at least to our knowledge), and there are typically about three more months between the time that the Qualified Allocation Plan's first draft is published and the proposal application's deadline for 9% Low Income Housing Tax Credit (LIHTC) applications. Sponsors likely need more time to prepare their proposals.

Program-Specific Requirements

Please clarify if a development's soft costs are eligible for HDGF.

Cost Containment

We suggest considering a higher per-unit ceiling for this program, compared to the ceiling for projects financed by 9% LIHTC. HDGF-financed projects are inherently smaller and have less efficiency for their soft costs, such as architecture, engineering and legal. These projects' soft costs are less than those for a LIHTC development but not necessarily in a directly proportionate relationship.

Developer Fee

We suggest not using the OHFA's standard for the 9% LIHTC programs to cap a project's amount of paid developer fee. Similar to the above comment, HDGF-financed projects are inherently smaller and their gross amount of developer fee will be a relatively small amount. Sponsors' amount of time spent on these projects is less than on a 9% LIHTC development but not necessarily in a directly proportionate relationship. These sponsors are likely going to be smaller organizations, and this fee



will be a larger percentage of their organization's annual budget. In addition, smaller properties will deliver less annual cash flow that can be used to repay deferred developer fee. We suggest instead that paid developer fee not exceed 95% of the budgeted developer fee.

Competitive Scoring

We suggest reducing the number of points awarded for the percent of 50% AMI units in a proposal. HDGF's requirement for units at this income level is already large, compared to a LIHTC-financed development, and we're concerned about creating a financially feasible proforma when the guidelines incentivize less revenue.

Appendix A: Submission Requirements

In general, we suggest OHFA consider aligning the proposal application's requirements for HDGF with those of Ohio LIHTC. Developments financed via HDGF will have smaller budgets for carrying pre-development costs, such as architecture, and their associated interest. If OHFA is comfortable awarding Ohio LIHTC to much larger developments with fewer due-diligence materials, please consider reducing the items needed for this program's proposal application:

- *Architectural Plans:* We suggest delaying these to the final application round, which matches the Ohio LIHTC requirements.
- *Conditional Financial Commitments:* We suggest delaying these to the final application round, which matches the Ohio LIHTC requirements. Also, HDGF-financed projects will likely use a wider array of funding sources whose schedules aren't as regularly attuned to this program's calendar in the way that non-OHFA sources are to annual LIHTC application cycles. Local governments and other sources may need time to award funding to a project.
- *Green Certification:* We suggest removing this requirement entirely from the HDGF program. The design and certification costs are a relatively large percentage of a smaller development's budget.
- *Market Study:* We suggest delaying these to the final application round, which matches the Ohio LIHTC requirements.
- *Phase I Environmental Assessment:* We suggest delaying these to the final application round, which matches the Ohio LIHTC requirements.
- *Physical Capital Needs Assessment:* We suggest delaying these to the final application round, which matches the Bond Gap Financing requirements for 2025.

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

Sincerely,
Aaron Wasserman
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