
HDGF Guidelines

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To QAP, OHFA <QAP@ohiohome.org>

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Respectfully, please consider these suggestions for the final version:of HDGF.

- 1) Please clarify the language on P.7: "*No member of the development team* may currently be involved in an OHFA-funded project that has been granted additional time in order to successfully complete that project." Does this include the architect, builder, consultant, attorney, etc. or just the developer(s)? If it is just the developers, I suggest referencing the definition of dev team in the Exp & Cap guidelines.
- 2) P. 8: "OHFA requires all applicants to contract with a qualified construction management company to evaluate the progress and quality of construction and provide written reports to OHFA." There are small projects without bank debt, where the only professional available is the architect. This should be acknowledged.
- 3) I continue to think the language on P. 8 is too restrictive: "The lead developer or co-developer has successfully closed out at least one HDAP project, as evidenced by an OHFA issued Final Performance Report within the last 10 years." First, I think OHFA would be better off having the guidelines in just one place, i.e. the Exp & Cap guidelines, where having LIHTC experience qualifies. When you put guidelines in 2 places and the language is not identical it creates confusion. Second, I believe developers who have a good track record using HOME funds from their local jurisdictions should be eligible to submit a single HDGF project. Is the point to exclude incompetent/untrustworthy players or to exclude new developers entirely? OHFA keeps tightening access to its programs so that new players often can't participate. It is much more difficult (and often less meaningful than OHFA seems to think) to find joint venture opportunities with experienced partners that add value and this is especially true for small projects with small upsides. Just because OHFA will receive enough fundable applications doesn't mean there weren't equal or better projects that weren't submitted due the bar being set too high.
- 4) I think the 60/40 split for special needs/general occupancy project is reasonable.
- 5) P. 29 lays out the sequence of funding. Presumably OHFA has data supporting a much higher need in Appalachia for these projects, but, even if so, why require funding letters from Dept of Behavioral Health and ADAMH if it is a developmental disabilities project? The letters of support requirement seems to allow for either MH or DD projects within this priority.
- 6) Critical points again turn on census tract selection. OHFA seems committed to this approach for every program, yet it seems to me largely divorced from the realities of real estate development, which relate to a broader set of factors: the availability of affordable sites, zoning/political acceptance in the local market, perception of the location, buildability, and proximity to services. OHFA seems to favor opportunistic firms disconnected from relationships in particular counties, communities, or neighborhoods. This is no attack on them--they are simply responding to OHFA's incentives when they chase high-scoring census tracts regardless of other considerations. Especially for the 60% of this money targeted at special needs housing where such local connections are critical and where the

"market" for the project may be county-wide, this CT-based scoring may produce illogical results. A minimum opportunity/housing need score used as a threshold makes some sense, but greater imagination is needed to evaluate project merit and housing needs for the target population. Most people in the industry I've talked to agree with this view.

Thank you.

Roy

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