

Advisory Committee Meeting II: Notes

National Housing Trust Fund

- I. Welcomed group and completed introductions
- II. OHFA reviewed purpose of NHTF, Advisory Committee, and past meetings
- III. Break Out Sessions:
 - a. **Achieving lower rents in tax credit properties.**
 - i. Subset population. Group discussed whether the plan should serve a unique population in addition to ELI but determined that serving the broadest possible segment was preferable as it allowed local needs to be best served.
 - ii. Form. Group favored a model that would increase use of 4% Bond funds. A tenant-based voucher idea was dismissed due to practical concerns in favor of an enhanced developer fee model to capitalize a rent subsidy reserve that would drop units with planned subsidy at the 50% AMI rate to 30%. There was some discussion of mimicking the 811 structure. Continuing existing green/environmentally responsible priorities in LIHTC framework was recommended.
 - iii. Collateral funding. HOME, FHLB, CDBG, OMAS, ADAMH, and ODDD were considered as possible leverage sources. The group did not believe there was a risk of supplementation as affordability is not currently available at this level.
 - iv. Impact. Success would be defined as housing stability, measured by turn-over and eviction rates. Additional benefits could be set and measured by the individual project.
 - v. Next steps. Group recommended OHFA review past LIHTC projects to see how many units could be funded within NHTF parameters. Suggested reviewing how a similar model in Pennsylvania operates and consulting with that HFA on unintended consequences and program enhancements.
 - b. **Capital dollars to support small, non-LIHTC multifamily developments.**
 - i. Subset population. Group discussed linking to redevelopment areas and rural areas and considered crossover populations that will be served inherently in the program without specifically carving out a new population.
 - ii. Form. Group discussed using NHTF to enhance the HDAP program while being cautious to differentiate outcomes to avoid supplanting existing programs.
 - iii. Collateral funding. HOME, HDGF, and local funds were discussed as possible leveraging sources. Caution not to duplicate HDAP efforts was also recommended.

- iv. Impact. Success could be measured by occupancy rates, income-to-expense ratios, and qualitative impact on resident lives assessments.
- c. **Preserving existing affordable housing leveraging 4% credits.**
 - i. Subset population. The group did not recommend restricting NHTF dollars to a target subpopulation outside the ELI designation.
 - ii. Form. Group discussed strategies to reduce hard debt via the existing HDAP program as a vehicle to reduce rents. Increases in BGF funding were also suggested. Group considered lowering reserve thresholds and easing underwriting standards. Enhancing rental operating subsidies was also discussed.
 - iii. Collateral funding. While not a funding source per se, interaction with the Rental Assistance Demonstration was discussed. The group did not believe this model would risk supplanting existing funding sources.
- IV. Group will gather external feedback and invite additional participants
- V. Group will email notes to NHTFAllocation@ohiohome.org by May 18th
- VI. Group will reconvene on May 19th in the OHFA Board Room
- VII. OHFA thanked group for their attendance and adorned for the day



OHIO HOUSING FINANCE AGENCY

www.ohiohome.org | 888.362.6432



WE OPEN THE DOORS
TO AN **AFFORDABLE** PLACE
TO CALL **HOME**

NATIONAL HOUSING TRUST FUND ADVISORY GROUP

WORK SESSION II

TUESDAY, APRIL 26, 2016 1PM



AGENDA ■ ■ ■

- WELCOME
- PURPOSE AND REVIEW OF PAST MEETINGS
- COMMITTEE BREAKOUT SESSIONS
- NEXT STEPS

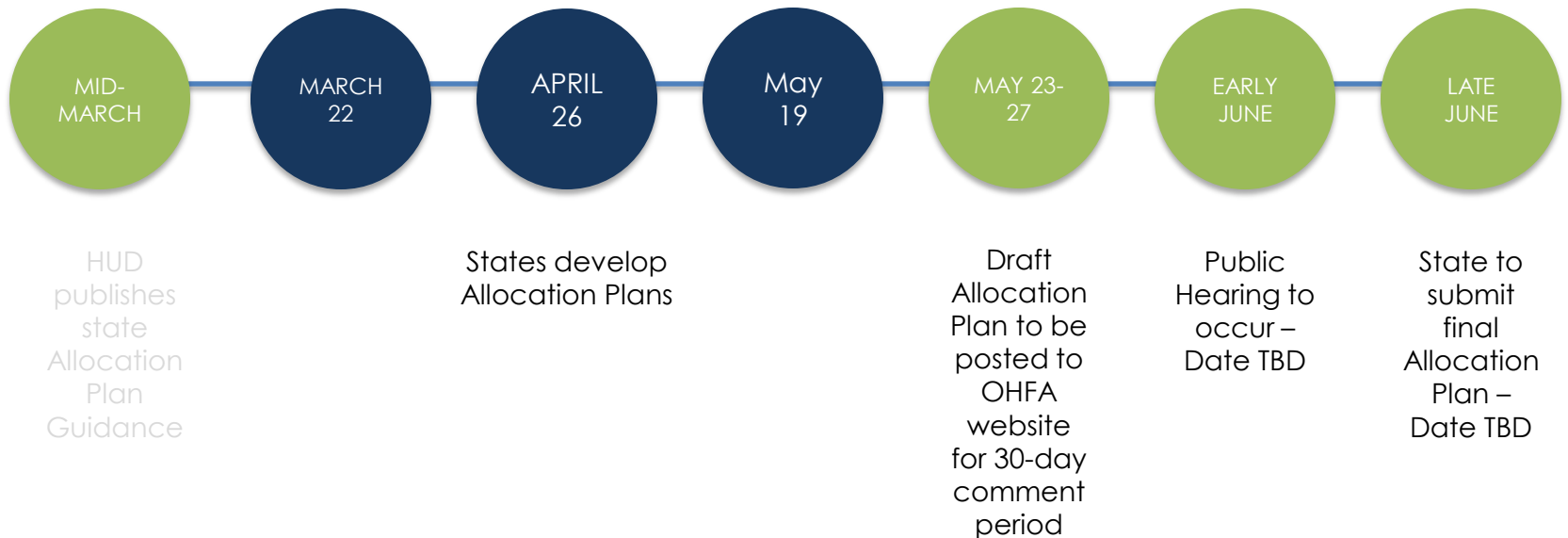
ADVISORY GROUP PURPOSE

- To involve community and stakeholder representatives in decision making concerning the use of National Housing Trust Fund resources in Ohio
- Members should be prepared to participate in one additional Advisory Group on May 19, 2016. Additional input may be gathered until submission of the final Allocation Plan.

REVIEW OF PAST MEETINGS ■ ■ ■

- NHTF Overview:
 - Administered by DSA, allocated by OHFA
 - Production, preservation, rehabilitation, and operation of housing
 - Focus on ELI households (under 30% AMI or below FPL in rural areas)
 - Year 1 Estimate \$3.7 mil
 - Rent at 30% of 30%AMI/FPL
 - Affordable for at least 30 years
 - Must have an Allocation Plan, distribution based on need in ConPlan
 - “Committed” within two years, spent in five
 - 6 HUD Priority Factors

NATIONAL HOUSING TRUST FUND ALLOCATION PLAN TENTATIVE TIMELINE



Achieving lower rents in tax credit properties

Capital dollars to support small, non-LIHTC multifamily developments

Preserve existing affordable housing leveraging 4% (non-competitive housing credits)

OFF-LINE ACTIVITY ■ ■ ■

- What Occurred Since March 22nd
 - Recruited additional participants and SME's
 - Gathered data and information to quantify and qualify need
 - Formulated logistical ideas regarding implementation

COMMITTEE BREAKOUT ■ ■ ■

- Today we will meet in subcommittee groups to:
 - Define the Objectives of the Proposed Initiative/Activity
 - Recommend the Level of Resources Required
 - Explore the Timeline Necessary to Complete
 - Identify who Should Be Involved in Planning and/or Implementation

ADVISORY GROUP **NEXT STEPS** ■ ■ ■

- Nominate a representative to report recommendations to the group
- Gather external feedback from colleagues and advocates
- Send an email summary to NHTFAllocation@ohiohome.org by May 18th

ADVISORY GROUP **FUTURE MEETING DATES**

WORK SESSION III

MAY 19, 2016

1PM

OHFA Board Room

ADVISORY GROUP RESOURCES ■ ■ ■

HUD's Exchange Webpage: National Housing Trust Fund

<https://www.hudexchange.info/programs/htf/>

OHFA's NHTF Webpage

<http://www.ohiohome.org/housingtrust/default.aspx>

National Low-Income Housing Coalition

<http://nlihc.org/issues/nhtf/videos>

2016 Ohio Housing Needs Assessment

<http://www.ohiohome.org/2016-HousingNeedsAssessment.pdf>

OHFA's Multifamily Development Programs

LIHTC Qualified Allocation Plan

http://www.ohiohome.org/lihtc/2016-2017_QAP-Final.pdf

Housing Development Assistance Programs (HDAP) – include 4% LIHTC/MF Bond (BGF) and non-LIHTC (HDGF)

http://www.ohiohome.org/hdap/Consolidated-HDAP-Guidelines_2016.pdf