Advisory Committee Meeting III: Notes
National Housing Trust Fund

I. Welcomed group and completed introductions
II. OHFA reviewed purpose of NHTF and Advisory Committee
III. OHFA provided overview of past meetings and planning calendar
IV. OHFA provided summary of the work-product from Meeting II committees
V. Group discussed how to best implement the program objectives within the HDAP structure proposed by working committees. Topics included:
   a. Application Streamlining. Group recommended OHFA embed NHTF within the existing application deadlines to avoid administrative obstacles.
   b. Experience and Capacity. Group discussed whether allowing newer developers to participate would be beneficial. While the proposition was generally supported, it was noted that some experience and capacity requirements are mandated by the Interim Rule and could not be avoided.
   c. Environmental Review. Group discussed whether Part 58 applies, further reference to the Interim Rule is needed. [The ER requirements are codified at §93.301(f) state, “All proposed multifamily (more than four housing units) HTF projects require a Phase I Environmental Site Assessment (ESA–ASTM). If the Phase I ESA identifies recognized environmental concerns (RECs), a Phase II (ESA–ASTM) will be required. ASTM reports shall be prepared in accordance with the most current ASTM standard. Single family housing does not require a Phase I ESA.”]
   d. Closing. Group recommended OHFA research whether a single closing, or single closing date, is possible to minimize administrative costs.
   e. Per Unit Costs. Group wanted clear guidance on per unit cost limitations and preferred incorporating the existing rules of other programs. Pairing with HOME cost limits was recommended.
   f. Compliance Period. Group recommended a 30 year compliance period.
   g. Leveraging. Group recommended leveraging incentives and capital caps to ensure that the small initial award is conserved and disbursed effectively.
   h. Training. Group requested comprehensive training after launch to ensure applicants understood the participation, construction, and operation requirements. OHFA discussed partnering with community leaders for peer training opportunities.
   i. Tracking and Reporting. Group indicated that PY16 can be tracked and studied to increase program efficiencies in future years.
   j. Program Income. Group discussed the benefits and risks of requiring repayment. Both alternatives could support the affordable housing mission and a final recommendation was not reached. If program income is returned, the group did recommend that it continue to be used for the ELI population, within HUD regulations.

VI. Group may email additional comments to NHTFAllocation@ohiohome.org
VII. OHFA thanked group for their attendance and adorned
OHIO HOUSING FINANCE AGENCY

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

- WELCOME AND INTRODUCTIONS
- PURPOSE AND REVIEW OF PAST MEETINGS
- FACILITATED DISCUSSION
- NEXT STEPS
NATIONAL HOUSING TRUST FUND
ALLOCATE PLAN TENTATIVE TIMELINE

APRIL
- HUD publishes state Allocation Plan Guidance

MARCH - MAY
- Advisory Group Meetings Held

MAY - JUNE
- OHFA Drafts Allocation Plan

JUNE 24
- Draft Allocation Plan posted to OHFA/ODSA website for 30-day comment period

JUNE 30
- Public Hearing – Time TBD

JULY 25
- Public Feedback Added into Final Draft

AUGUST 5
- Final Allocation Plan Submitted to HUD (Date Tentative)
To involve community and stakeholder representatives in decision making concerning the use of National Housing Trust Fund resources in Ohio

- February 25, 2016 – Public Forum Soliciting Feedback

- March 22, 2016 – Narrowed Inquiry to Three Priority Areas:
  - Achieving Lower Rents in Tax Credit Properties
  - Supporting Small, Non-LIHTC Multifamily Developments
  - Leveraging 4% Non-Competitive Credits

- April 26, 2016 – Developed Program Suggestions from Priority Areas...
<table>
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<tr>
<th>Achieving lower rents in tax credit properties</th>
<th>Preserve existing affordable housing leveraging 4% (non-competitive housing credits)</th>
<th>Capital dollars to support small, non-LIHTC multifamily developments</th>
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<tbody>
<tr>
<td>HDAP framework + operating subsidy</td>
<td>HDAP framework to reduce hard debt in bond transactions</td>
<td>HDAP framework to provide capital in non-LIHTC deals</td>
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Many Common Themes Emerged in Working Groups:

• Reducing hard debt enables developers to offer lower rents
• Modeling off an existing program provides greater likelihood of success
• Increasing volume cap utilization in 4% is a collateral objective
• Working within HDAP provides predictability to development community
• Targeting ELI generally without a subset population allows local tailoring
• May look to build off emerging fields: 811, green infrastructure, etc.
• Operating subsidies are desirable but costly given small Year 1 award
Setting Objectives to Operations

Acknowledging that need outpaces funding, the following questions may help us ‘zero in’ on the most supported and replicable proposals.

- What initiatives have the best track record?
- How can we leverage OHFA’s administrative experience?
- How can we provide developers predictability?
- Expanding access versus concentrating assistance?
- What HDAP “red flags” should we watch for in implementation?
  - Applications, Timing, Building Standards, Billing, Staffing, Compliance

HDAP/BGF + operating subsidy
HDAP framework to reduce hard debt in bond transactions
HDAP framework to provide capital in non-LIHTC deals
EMAIL
NHTFAAllocation@ohiohome.org

PUBLIC COMMENT
June 24, 2016

PUBLIC HEARING
June 30, 2016
Vern Riffe Center - Room 1932 at 11:00 am
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

OHFA’s Multifamily Development Programs

LIHTC Qualified Allocation Plan

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