

Affordable Housing Finance for Homeless Services Providers

Wednesday, April 12th 2023







We Open the Doors to an Affordable Place to Call Home



Current Funding Opportunities to Finance Affordable Supportive Housing

Ohio Housing Finance Agency
Resources



Competitive Housing Tax Credits

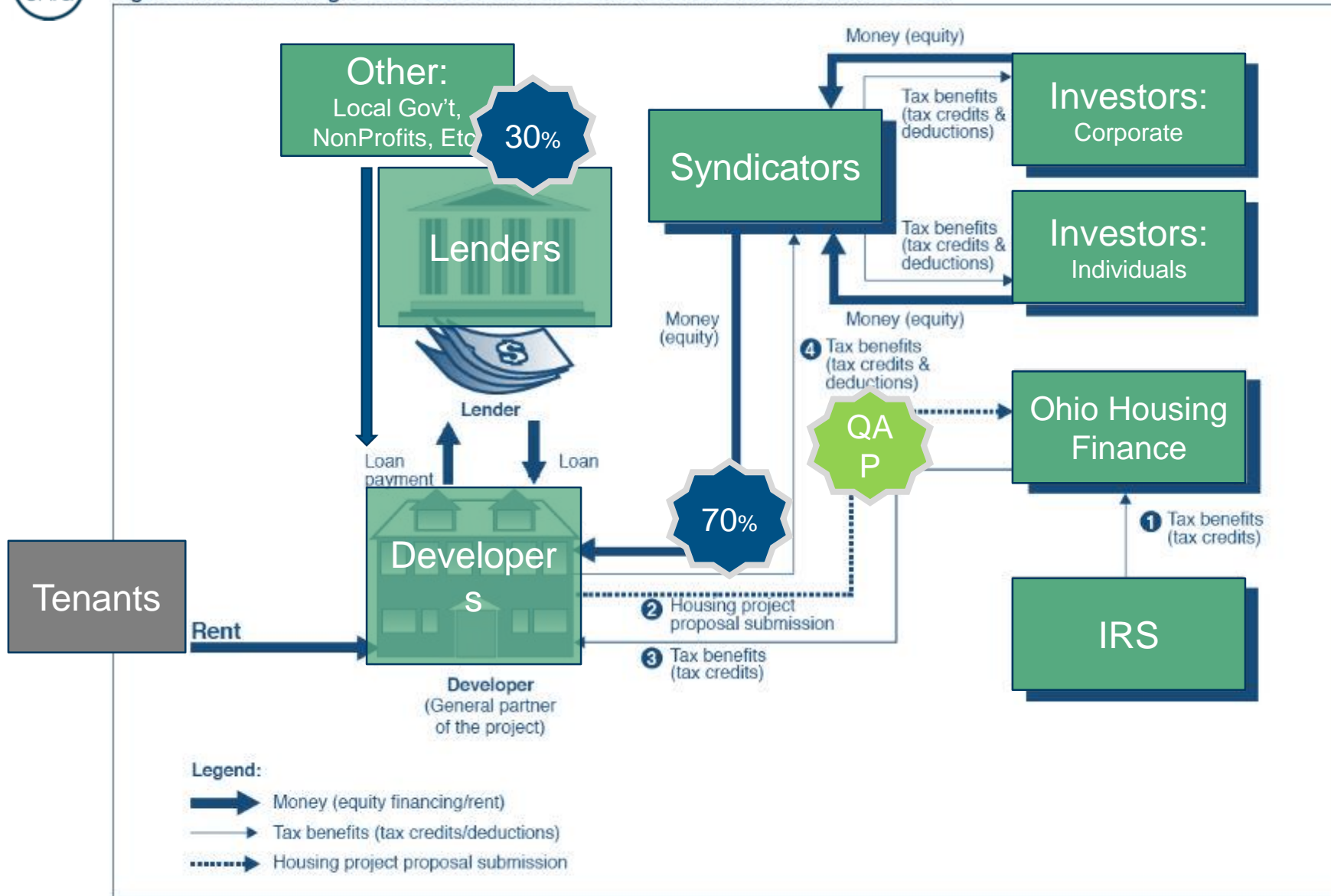
Big ideas, big competition.



What is HTC

- **“Bricks & Sticks”... a flagship program**
- The Housing Tax Credit (HTC) is the largest low income housing production program, housing over 2.5 mil households nationwide.
- Ohio distributes ~\$30 mil annually (10-yr)
- Gives investors a federal dollar-for-dollar tax reduction in exchange for equity investments in low income rental housing

Figure 1.1: Transferring Tax Credits From the Federal Government to the Private Sector



Source: GAO's discussions with IRS and state agency officials, syndicators, developers, and investors.



Rents must be affordable to those earning 60% of the Area Median Income.

Family of 2 in Franklin County:

- **60% Income \$45,000**
- **60% 2-Bdrm Rent \$1,266**
- 50% Rent \$1,055
- 30% Rent \$633

Seniors, families, homeless, high-need populations.





Permanent Supportive Housing

- ELI + Vulnerable + Disabled
- PSH Framework definition
- 50% @ 30%
- COC Support
- Deep Experience
- Set-Asides:
 - Balance of State & Smaller CoC



Fayette Landing



Housing Development Assistance Program

- Housing Credit Gap Financing
- Funded through OHTF & HOME
- PSH and high opportunity – up to \$300k
- HOME set aside – up to \$600k



Competitive HTC for PSH

Pros

- Deep Subsidy
- Community-wide Impact
- Creative Solutions
- Semi-Large Deals (40-60 units)
- Gap Financing Possible

Cons

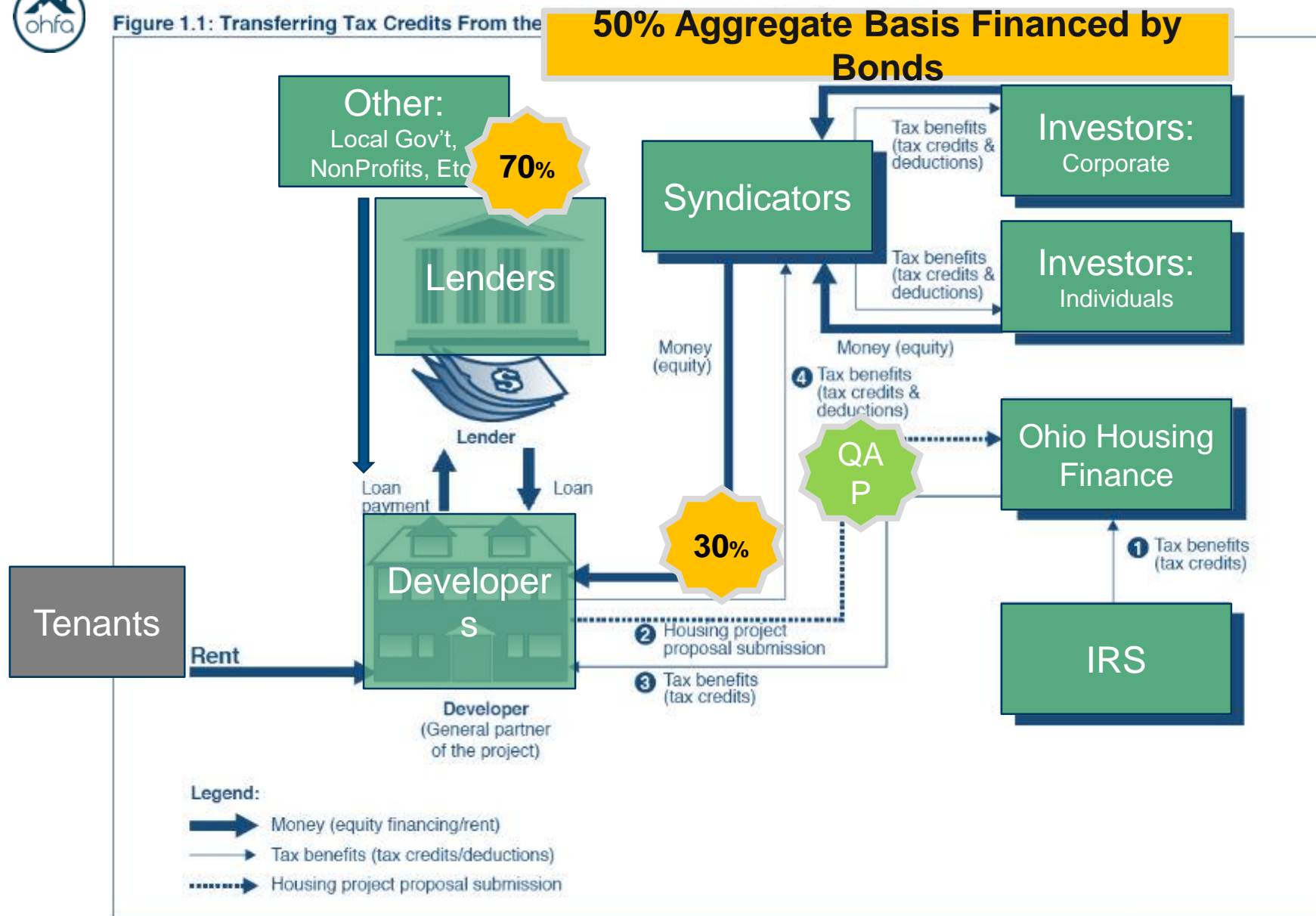
- Competitive
- Very complex
- Can be expensive
- Not Good for Small Deals



Non-Competitive Housing Tax Credits

Grand scale, grand debt.

Figure 1.1: Transferring Tax Credits From the



Source: GAO's discussions with IRS and state agency officials, syndicators, developers, and investors.



Housing Development Assistance Program

- Bond Gap Financing program
- Funded through OHTF and NHTF
- Up to \$5 mil combined funding
- Increasingly competitive
- Experience and capacity is a “big must”



Non-Comp HTC for PSH

Pros

- Not competitive
- Gap financing possible
- More collaborative
- Acquisition costs eligible
- Lower interest rates
- Possibly higher rents

Cons

- Even more complex
- Even more expensive
- Scale necessary
- “4%” rate not fixed
- Need to repay hard debt
- PSH isn’t high rent



Housing Development Gap Financing

Smaller projects, smaller subsidies.



What is HDGF?

- Need experience, but more introductory
- Funded by Ohio/National Housing Trust Fund
- Deals 2-24 units
- Can seek up to \$2 M in soft debt
- HDGF covers no more than 50% of costs
- Technically “competitive”

HDGF for PSH

Pros

- Good for small deals
- Simple(er)
- Plays well with others
- Builds profile with OHFA
- Easier site selection?

Cons

- Shallow(er) subsidy
- Still need experience
- Have to leverage
- Prevailing Wage?
- No shared living (etc.)



Multifamily Lending Program

Flexible resource, flexible planning.

What is MLP?

- This is debt. Hard. Debt.
- But with a favorable interest rate.
- Creative, flexible solutions.
- Not construction financing, just perm.
- “Choice MLP” doesn’t need tax credits.
- Can’t twin with HDGF
- Need experience or a partner
- Also need collateral and/or a guarantee

MLP for PSH

Pros

- Hyper flexible
- One-on-one support

Cons

- Real. Live. Debt.
- Shorter term.



Contact

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Historic YWCA Hamilton
244 Dayton Street

1931

Original Studio Apartments, historic building 2021



YWCA Hamilton New Campus 1570 Grand Blvd.

2022



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