

The logo for the Housing Ohio conference features the word "Housing" in a bold, blue, sans-serif font. A light gray outline of the state of Ohio is positioned behind the letters "i", "n", and "g". To the right of the outline, the word "Ohio" is written in a larger, bold, blue, sans-serif font. Below "Ohio", the word "conference" is written in a smaller, gray, lowercase, sans-serif font.

Housing Ohio *conference*

Community Development Tools for Creating Affordable Housing

Wednesday, May 8th, 2024

1

Advocacy

**Youth
Housing
Initiative**

**Race
Equity**



OHIO

Balance of State
Continuum of Care



COHHIO

Training and
Technical Assistance



COHHIO

Coalition on Homelessness
and Housing in Ohio



COHHIO

Homeless Management
Information System

Housing Ohio
conference

**SOAR
Ohio**

**Fair Housing
& Tenant
Information**



Healthy Beginnings
At Home

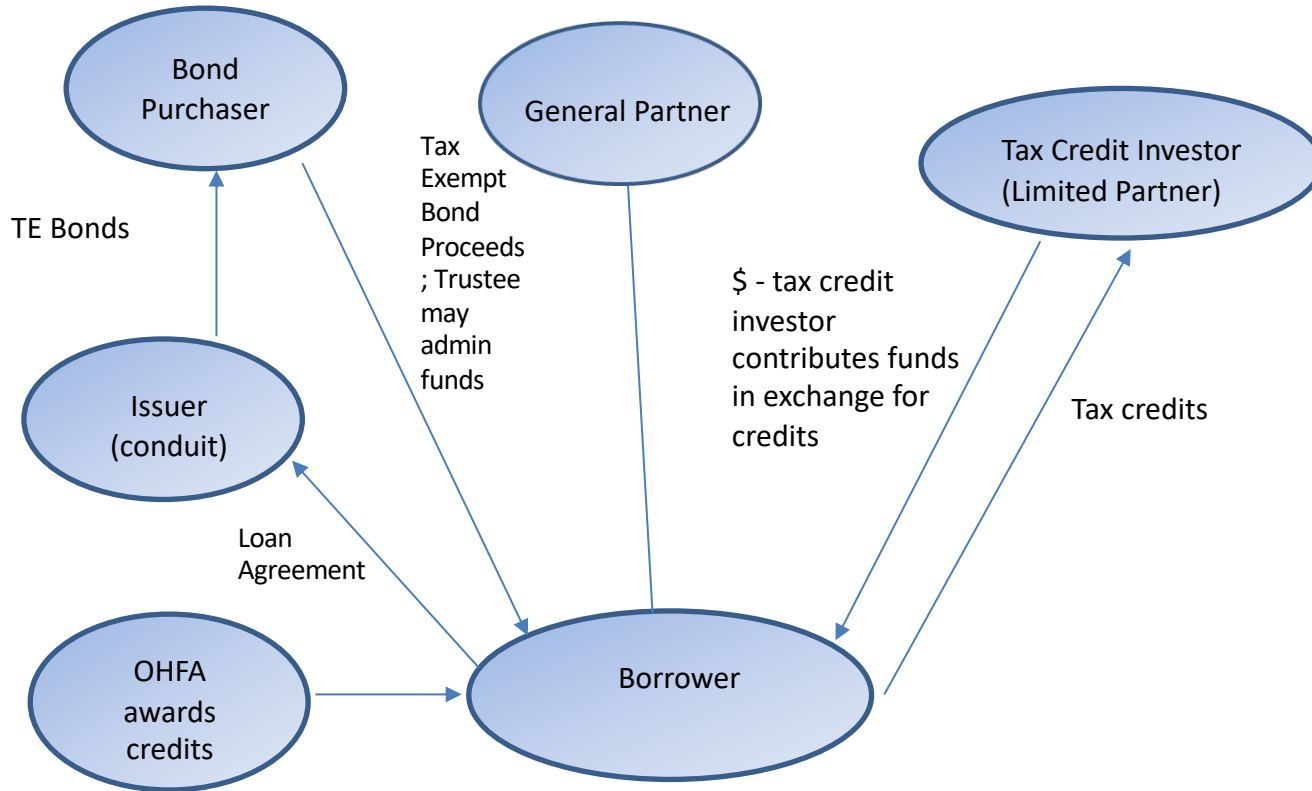
Two types of LIHTC Financing

- ➔ 9% tax credits – (70% Subsidy)
 - ➔ Allocated by OHFA, limited volume under federal law
 - ➔ Claimed over 10 years (by investors)
 - ➔ Roughly 9% of the project's construction cost
- ➔ 4% tax credits (30% subsidy)
 - ➔ Unlimited in volume
 - ➔ Require issuance of bonds.
 - ➔ Claimed over 10 years (by investors)
 - ➔ Roughly 4% of the project's construction cost

Two types of LIHTC Financing

- ➔ Use of either requires compliance with the 20/50 Rule or 40/60 Rule
- ➔ 20/50 rule – 20% of a property's units must be rented to tenants who earn 50% or less of area median income (AMI)
- ➔ 40/60 rule – 40% of a property's units must be rented to tenants who earn 60% of the AMI.

Bond and Credit Structure



Why Tax Exempt Bonds?

- ➔ Developer/Investor Perspective
 - ➔ Unlock 4% tax credits (50% test)
 - ➔ Lower interest rate?
 - ➔ Market exists for Tax Exempt Bonds
 - ➔ Ohio's new Ohio Low Income Tax Credit applies only to 4% deals.

Ohio's LIHTC Program

- ➔ Applies only to 4% LIHTC transactions for FY 2024 and FY 2025
- ➔ Applies only to “new” housing – rehabs or conversions do not appear to be eligible.
- ➔ Capped at \$10 million for Central City projects and metro/suburban markets and \$12.5 million for rural markets (measured over a 10 year period).
- ➔ Capped at \$100 million per year for fiscal years 2024 to 2027
- ➔ Tax is granted against state taxable liabilities over a 10 year credit period.
- ➔ 80% plans must be submitted for projects to be eligible.
- ➔ Must comply with OHFA Cost Containment guidelines (\$420/sf Central City/Suburban; \$390/sf Rural)

Ohio's LIHTC Program

- ➔ No more than 3 projects per County
- ➔ Two projects set aside in Appalachia
- ➔ Set aside for one project located within 20 miles of an approved “megaproject” as designated by the Ohio Tax Credit Authority
- ➔ One project for Refugee Resettlement.
- ➔ Geographic Targeting
 - ➔ 75% New Affordability in Central City and Metro/Suburban Census Tracts
 - ➔ 25% New Affordability in Rural Census Tracts

Other Local Incentives

- ➔ Property Tax Abatements
 - ➔ CRA
 - ➔ Housing Authority
- ➔ TIF
- ➔ Port Authority Financing
- ➔ Local Funds
- ➔ Linked Deposit

Property Tax Abatements – CRA's

➔ Community Reinvestment Areas

- ➔ Established under 3735.65-.70 of the Revised Code. Provides for property tax abatements for housing and commercial properties.
- ➔ Can be established by counties and municipalities and home rule townships after completion of housing survey.
 - ➔ Potentially can exempt incremental property taxes for up to 15 years, up to 100%
 - ➔ If established for residential purposes, no school district consent or compensation required.
 - ➔ But see local agreements.
- ➔ Procedure
 - ➔ Can be slow – typically not finalized until project completion

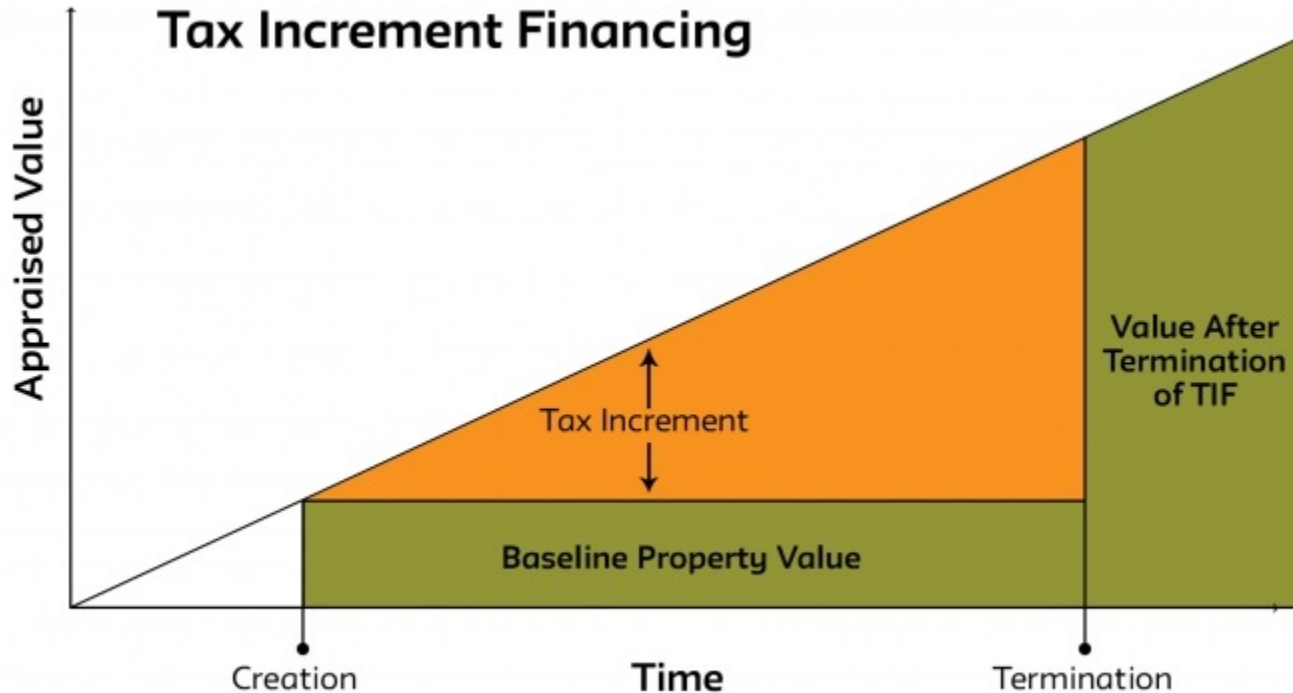
Property Tax Abatements – CRA's

- ➔ **CRA's are the most powerful incentive available to assist affordable housing in Ohio.**
- ➔ Annual savings on a \$10 million project in Lima Ohio would be approximately \$124,000 per year, much more in other areas.
- ➔ Developer may or may not be required to assume cost of housing study
- ➔ Budget a 4-6 month lead time.

Property Tax Abatements – Housing Authorities

- ➔ R.C. 3735.34 - All property, both real and personal, acquired or owned by a metropolitan housing authority, shall be public property used exclusively for a public purpose within the meaning of Section 2 of Article XII, Ohio Constitution, **and shall be exempt from all taxation.**
- ➔ This exemption is potentially quite powerful, but has been rarely used for projects with private parties.

Tax Increment Financing



Source: Planning Tank, *Tax Increment Financing (TIF) | Public Financing | Types of TIF*, <https://planningtank.com/finance/tax-increment-financing-tif-types-tif> (accessed 2018).

Tax Increment Financing

- ➔ **Tax Increment Financing (TIF)**
- ➔ 5709.40/.73/.77 of the Revised Code
 - ➔ Exempts increase in value of real property – up to 100% for 30 years with school district consent
 - ➔ Proceeds can be used for public improvements (including demolition, site work, utilities)
 - ➔ Does not work well with tax abatements, nor does TIF usually reduce costs, so generally not a helpful incentive for housing.
 - ➔ May work together with abatement to pay certain public improvement costs (TIF revenue after abatement has run).

New Community Authorities

➔ New Community Authority

- ➔ Established by entity that owns or controls land within a proposed district.
- ➔ May cooperate with local government to pay for community facilities owned by local governments
 - ➔ Parks, roads, recreation facilities, community centers, water, public parking garages and sanitary sewers.
- ➔ May also pay costs of maintenance.
- ➔ May be helpful in mixed use context, where certain revenues might be applied to property management or for public infrastructure (e.g. parking garages).
- ➔ District need not be contiguous.

Port Authorities

- ➔ Sales tax savings
- ➔ Capital leases
- ➔ Tax Exempt bond issuer.

Local Housing Loan Funds - Examples

- ➔ Affordable Housing Trust (Franklin County)
- ➔ Franklin County Affordable Housing Magnet Fund
- ➔ Affordable Housing Leverage Fund, Hamilton County
- ➔ Summit County Affordable Housing Trust Fund

Linked Deposit Program

- ➔ Implemented through County Treasurer
- ➔ County purchases Certificate of Deposit from Bank and agrees to accept below market rate of interest
- ➔ Bank lender passes the interest rate differential to Borrower
- ➔ Housing is an authorized purpose.
- ➔ Implemented by Franklin County Treasurer

Questions/Answers

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CRAIG L. TEAMER

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Toledo-Lucas County Port Authority



TOLEDO | LUCAS COUNTY
PORT AUTHORITY

Port Authorities Overview & Role in Community Housing

Craig Teamer

Director of Finance & Special
Projects

May 8, 2024

Presentation Agenda



- The Role of Ohio Port Authorities
- An Overview of the Toledo-Lucas County Port Authority
- Examples
- Questions

MORE THAN A *Port*

Ohio Port Authority Facts



- An Ohio Port Authority is an independent unit of local government created by one or more of a township, village, city or county under Ohio Revised Code Section 4582.
- Once created, a Port Authority is not a part of the governmental unit(s) which created the Port Authority.
- Ohio Port Authorities may, or may not, be associated with a water port and participate in maritime commerce.
 - Most of Ohio's port authorities do not border a navigable body of water.
 - Currently, there are 61 Port Authorities in Ohio
- All Port Authorities are involved in the retention and creation of jobs and the improvement of the quality of life in their communities.
- Under Ohio law, a Port Authority can perform “Activities that enhance, foster, aid, provide, or promote transportation, economic development, housing, recreation, education, governmental operations, culture, or research.”

Ohio Port Authority Powers



- Acquire real and personal property
- Own, lease, sell, and construct improvements to real property
- Issue revenue bonds for port authority facilities
- Issue voter-approved general obligation bonds for port authority facilities and other permanent improvements
- Levy voted taxes for all purposes of the port authority
- Receive federal and state grants and loans and other public funds
- Operate transportation, recreation, governmental, or cultural facilities, and set rates and charges for use of port authority facilities

What are the benefits of port authorities?



- Counties and/or cities can use port authorities as a tool in the community and economic development toolbox to attract and retain investments to their communities.
- Tax-exempt status
- Port authorities are partners in activities that enhance, foster, aid, provide or promote transportation, economic development, housing, recreation, education, governmental operations, culture, or research within the jurisdiction of the port authority with unique powers granted under the Ohio Revised Code.
- A Port Authority can own, lease, and finance land, buildings and equipment for credit-worthy entities.

About the Toledo Port....

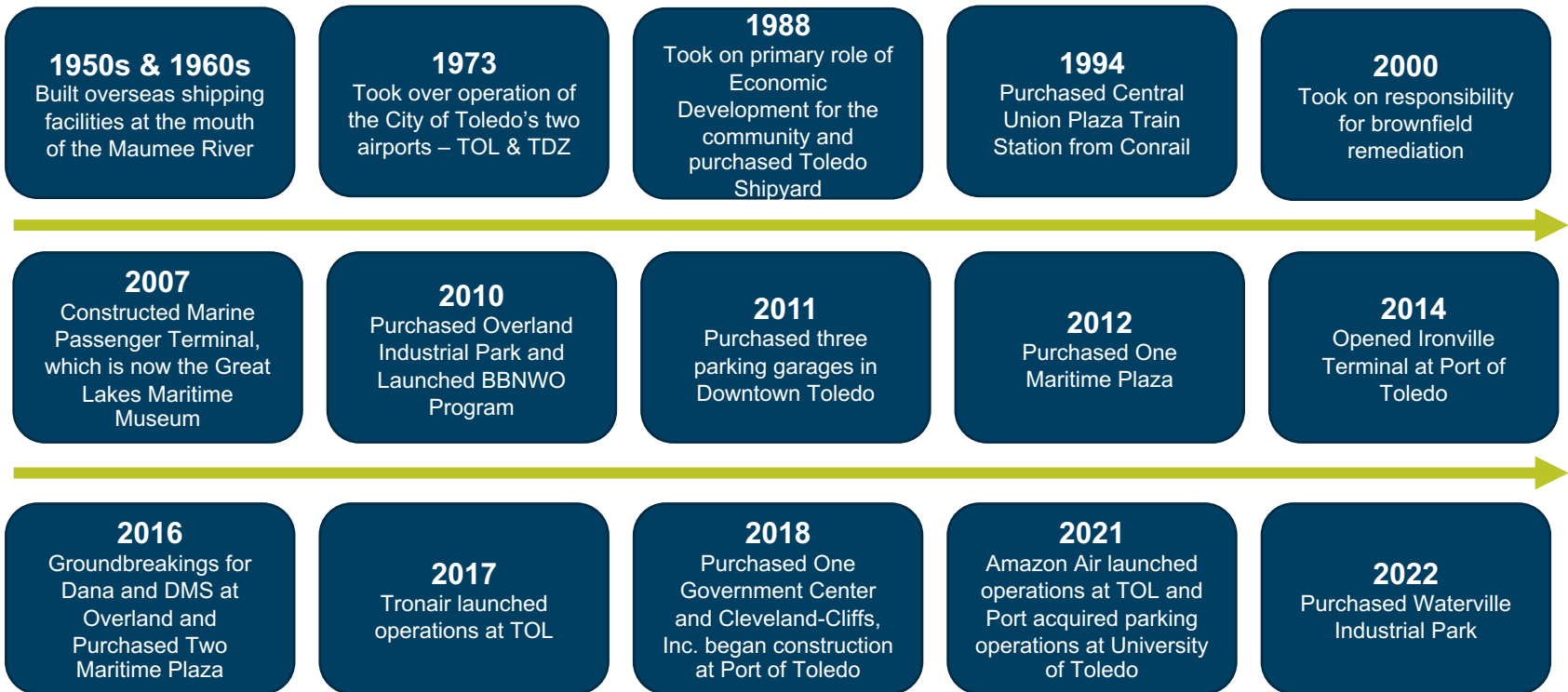


- Founded in 1955, The Toledo-Lucas County Port Authority was the first port authority in Ohio.
- The Toledo-Lucas County Port Authority's business is transportation and development. That business is shaped by our mission to move people and cargo through the region while employing innovative programs to stimulate development in our region.
- Today, we focus on three initiatives - Maritime, Aviation, and Development.

Our Mission Statement :

The mission of the Toledo-Lucas County Port Authority is to develop expertise and assets that drive and grow the region's transportation and logistics infrastructure and its economic prosperity for all.

Port Authority Timeline



Economic Development



- Innovative Finance Programs: Over 600 projects, 20,000 jobs, \$2.0B investments
 - Northwest Ohio Bond Fund (NWOBF), Capital Lease & Conduit Bonds
 - Small Business Administration (SBA) 504 Loan Program
 - Ohio 166 Regional Loan Program
 - BetterBuildings Northwest Ohio (BBNWO) Energy Efficiency Financing for Buildings
 - Northwest Ohio Revolving Loan Fund (RLF)
 - Toledo Microenterprise Development Initiative
 - Diversified Contractor Accelerator Program (DCAP)

Northwest Ohio Bond Fund



- Provides small and medium sized companies access to the national capital markets as if they were “A” investment grade companies.
 - Financing for projects from \$2 million to \$11 million
 - Fixed interest for full term of bonds
 - Typically, 90% financing & 10% equity
 - Up to 30 years for land/building/public infrastructure & 10 years for equipment
 - Tax-Exempt Bonds for Manufacturing, Non-profits and Governmental operations
 - Taxable Bonds for all other projects

MORE THAN A Port

Northwest Ohio Bond Fund



Conduit Bond Structure



- The Port Authority can issue bonds for the purpose of making proceeds available to an entity in furtherance of a public purpose.
 - Industrial Revenue Bonds
 - Hospital Revenue Bonds
 - Non-Profit Bonds
 - Housing Bonds
 - Financial strength based upon credit of the organization
 - Rated or non-rated bonds sold in capital markets or privately placed with banks

Capital Lease Financing



Incorporates a Capital Lease Structure into construction financing to provide borrower with sales tax savings:

- State and local sales tax savings on construction materials;
- Lease payment will fully amortize the debt;
- Buyout option allows asset transfer for \$100 at the end of lease;
- No prevailing wage requirement;
- Reduces construction cost and improves Loan to Value (LTV)



Better Buildings Northwest Ohio (BBNWO)



MORE THAN A Port

- Property Assessed Clean Energy (PACE) financing program created in 2010
- 100% financing for qualified energy improvements including lighting, HVAC, controls, roofing, insulation, windows, electric equipment, transformers
- Up to 25-year term (very flexible based upon owner need)
- Any project size - \$25,000+
- Repayment is through an energy special assessment placed on property tax bill
 - Does not affect borrowing capacity of building/business owner
- More than 185 buildings improved with over \$57 million in funding since inception



Northwest Ohio Bond Fund (NWOBF)



- Built in 1954
- Phase I - 64,380SF building renovation
 - \$10.8 million project;
 - Necessary structural improvements;
 - Will create 11 new resident rooms
- \$2.8 million tax-exempt bond
- 30-year term
- April 2024 closing



Northwest Ohio Bond Fund (NWOBF)



- Mixed-use development:
 - 262 apartments
 - Community Center
 - Retail Space (Old Bag of Nails and Flower Shop)
- \$44 million project
- Issued \$5,645,000 of taxable PACE bonds to finance energy efficiency improvements
- Closed in June 2023
- 30-year term

Colony Lofts



Conduit Bond Structure



- 165-unit multifamily facility, primarily for seniors; Built in 1976
- \$32 million project
- Issued \$17,000,000 of tax-exempt conduit revenue bonds to assist with the acquisition and renovation
- Closed in February 2024
- 30-year term

Alpha Towers



How can port authorities assist with affordable housing?



- The ability to acquire real and personal property
- Own, lease, sell, and construct improvements to real property
- Leveraging tax-exempt status to reduce overall costs
- Access to capital programs that provide lower cost of capital

Thank you!



Craig L. Teamer

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COMMUNITY DEVELOPMENT 4 ALL PEOPLE

Affordable Housing
Development Using Various
Funding Strategies

Rev. John Edgar
Founding Executive Director



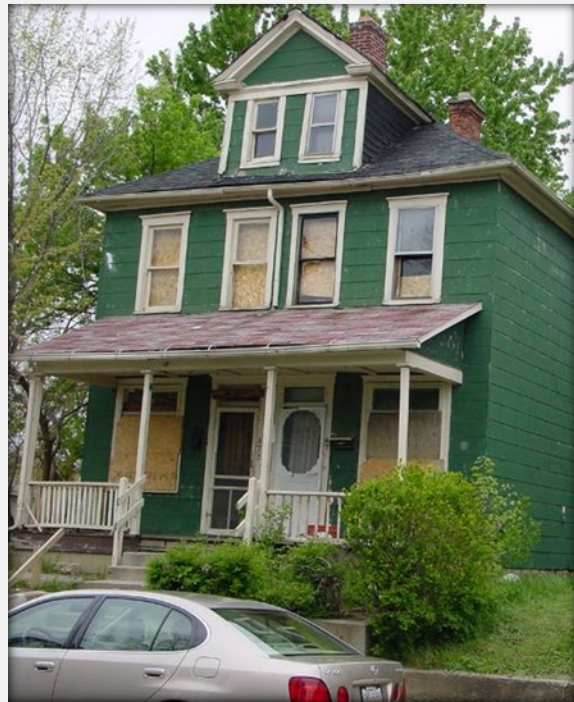
COMMUNITY DEVELOPMENT FOR ALL PEOPLE

Direct service to 35,000 people each year through free store and fresh market



FIRST RENOVATED HOUSE 2004

BEFORE



AFTER



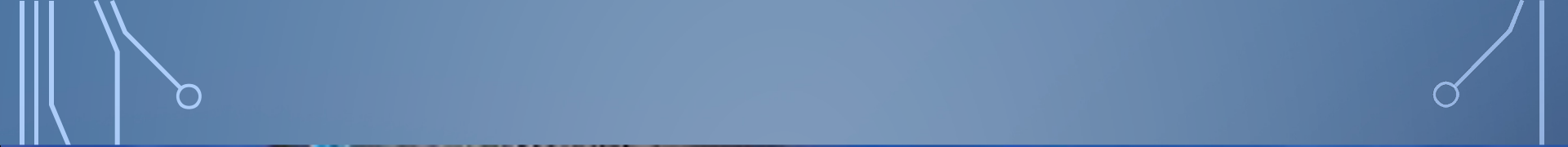


SOUTH SIDE HOME OWNERSHIP PROGRAM

Transforming
the BLIGHT



Into the LIGHT

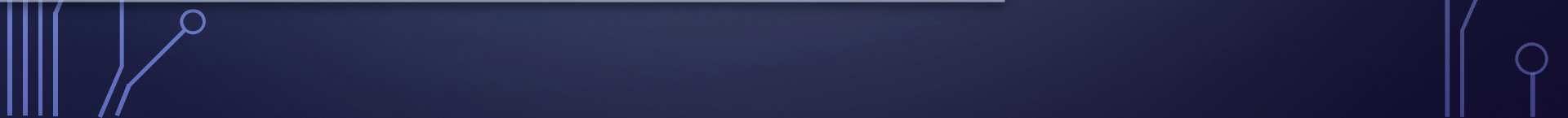


**HEALTHY NEIGHBORHOODS
HEALTHY FAMILIES HOUSING**
NATIONWIDE CHILDREN'S HOSPITAL AND CD4AP





HEALTHY HOMES

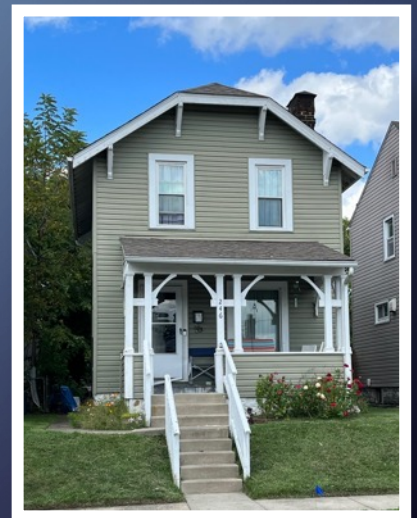




SOUTHERN GATEWAY, LLC

40 RENTAL UNITS ON VACANT LOTS

SOUTHSIDE RENAISSANCE, LLC





PARSONS VILLAGE I

- 56 Senior Housing Units



RESIDENCES AT CAREER GATEWAY

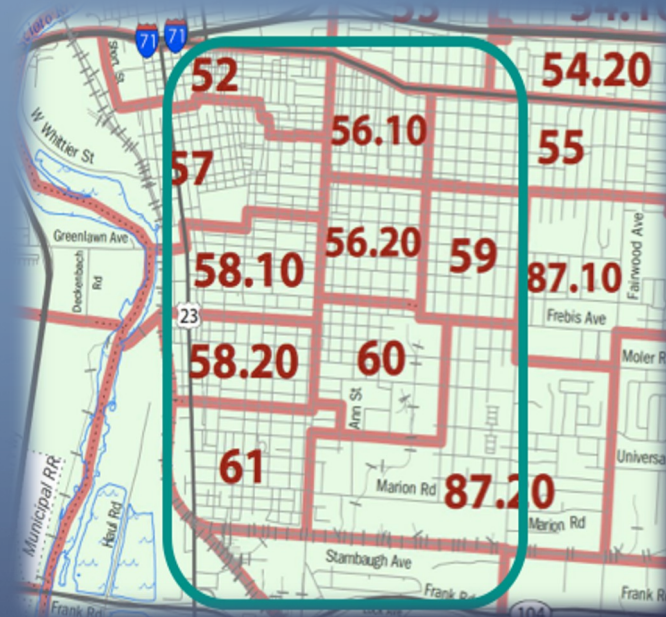
58 Units of Workforce
Housing + Training Center



SOUTH SIDE HOUSING STRATEGY

- Moving toward an Opportunity-Rich Community
- Avoiding displacement of lower income residents

Housing Strategy Focus Area





HEALTHY RENTAL HOMES



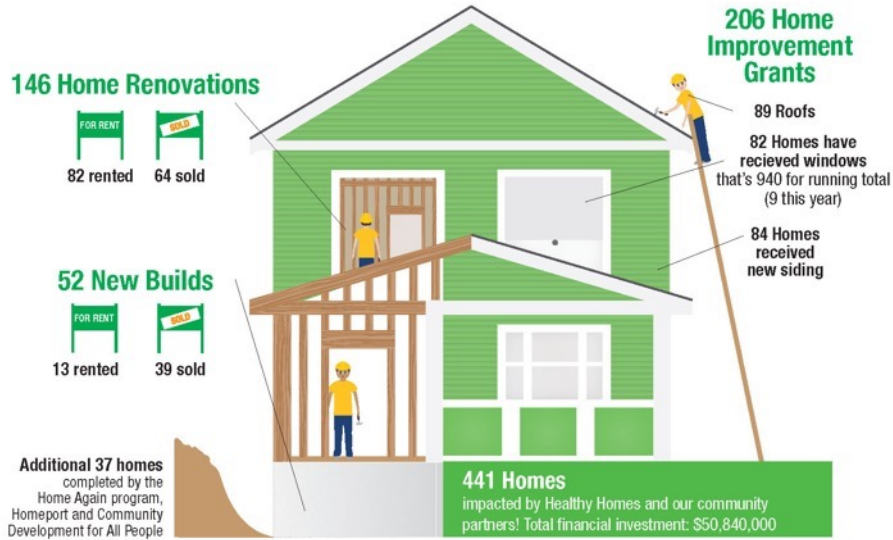
HEALTHY NEIGHBORHOODS HEALTHY FAMILIES
AFFORDABLE HOUSING

Improving the Neighborhood We Call Home

Healthy Homes

An affordable housing initiative aimed at creating and preserving affordable housing in the neighborhoods around Nationwide Children's. Focusing on blighted homes, Healthy Homes and its partners builds, rehabilitates and repairs homes.

Check out our South Side progress...



Our focus on partnerships and collaboration has fueled our effectiveness in our community. We are extremely grateful for our collaborators.



HEALTHY HOMES TOTAL PRODUCTION



LAND TRUST

MODULAR UNITS BUILT ON LAND BANK VACANT LOTS

LAND TRUST
FINISHED HOME





PARSONS VILLAGE II

- 60 Senior Housing Units



Lockbourne Greene – 4% LIHTC

60 Units of Family Housing



SOUTH END HOTEL APARTMENTS

(24 MICRO UNITS)





LINDEN HOUSES

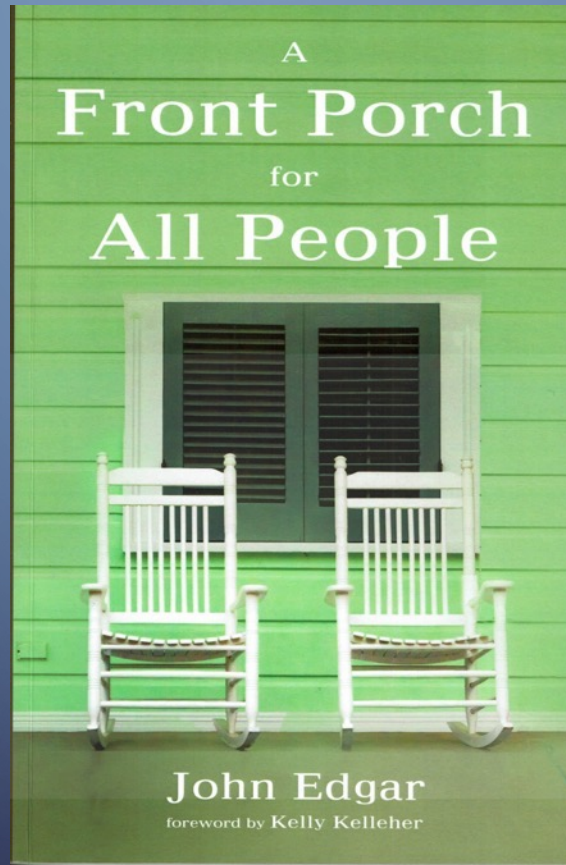
REPLICATING HEALTHY HOMES IN NORTHEAST COLUMBUS



For more information
about the work of
Community
Development
for All People go to

<https://4allpeople.org>

A FRONT PORCH FOR ALL PEOPLE



Kip Wahlers, Partner, Ice Miller

**Craig Teamer, Director of Finance &
Special Projects, Toledo-Lucas County
Port Authority**

**Rev. John Edgar, Executive Director and
Pastor Emeritus, United Methodist Church
& Community Development for All People**