



Department of Community and Economic Development Request for Information (RFI)

Ohio Housing Finance Agency FHAct50 Opportunity Fund
(Avondale, CUF, Evanston, Over-the-Rhine, Roselawn, Walnut Hills)

Philip M. Denning, Director

DUE DATE: March 22, 2019 at 3:00 PM ET

ACCEPTANCE PLACE: Department of Community and Economic Development
805 Central Avenue, Suite 700
Cincinnati, OH 45202

PRE-SUBMISSION MEETING: March 8, 2019 at 1:00 PM ET
805 Central Avenue, Suite 700
Cincinnati, OH 45202

Questions related to this solicitation should be directed to:

Anthony Cadle, Senior Development Analyst at: anthony.cadle@cincinnati-oh.gov or

Ryan Dyson, Development Analyst at: ryan.dyson@cincinnati-oh.gov

All questions must be submitted no later than March 15, 2019 at 3 PM ET

GENERAL INFORMATION & BACKGROUND

In the spring of 2018, Ohio Housing Finance Agency (OHFA) received an increase in the number of 9% Low-Income Housing Tax Credits (LITHC) it can award from 2019 -2021. OHFA has designated a portion of the increase, about \$9 million in tax credits to further the creation of diverse, accessible, mixed income communities in Cleveland, Columbus and Cincinnati. OHFA has designated this initiative the FHAct50 Building Opportunity Fund (FHAct50) in an effort to recognize the 50th anniversary of the Fair Housing Act. Each community would receive \$3 million in tax credits over the three-year period. This would add up to \$30 million in equity for projects in a targeted area.

On August 3, 2018, a final draft of the FHAct50 was released. The FHAct50 is focused on developing affordable housing in neighborhoods that are quickly revitalizing or demonstrating the beginnings of strong market rate activity.

The City of Cincinnati has formally expressed interest in participating in the FHAct50 and must select one target area for FHAct50 tax credits to be invested. The tax credits may support one or multiple projects within the target area.

OHFA FHAct50 BUILDING OPPORTUNITY FUND DESCRIPTION

The following is a synopsis of the draft FHAct50 issued by OHFA in 2018. The full FHAct50 description and requirements can be found in the following documents:

OHFA's FAQ of FHAct50 - <http://ohiohome.org/ppd/documents/FHAct50-FAQ.pdf>

QAP (Pages 43-44) - <http://ohiohome.org/ppd/documents/2018-19-QAP-TechnicalRevisions.pdf>

The FHAct50 Building Opportunity Fund

OHFA will set aside a total of \$9 million in Housing Tax Credits (HTC) in years 2019, 2020, and 2021 for the FHAct50 to further the creation of diverse and accessible communities. During that three-year period, each of Ohio's three largest cities will be permitted to commit up to \$3 million from this fund for eligible projects within the boundaries of one eligible Target Area Plan (TAP).

To draw down funds, cities must demonstrate that either (1) building permits or (2) certificates of occupancy were issued for an equivalent number of newly constructed, renovated residential, and adaptive re-use of market-rate rental units or newly constructed for-sale housing units within the eighteen months preceding the development application to OHFA. Renovated residential units include the "gut rehabilitation" as defined in the Design & Architectural Standards; "substantial rehabilitation" as defined in the Qualified Allocation Plan. Adaptive reuse includes the reuse of non-residential structures and/or the demolition and rebuilding of vacant buildings that were not habitable for residential purposes. This all intended to promote a mixed income community.

For these purposes, "market rate" is defined as units that are not rent or income restricted and are available to the general public. Any market-rate unit that is included within the proposed development may be used to satisfy this requirement. Cities may submit both building permits and certificates of occupancy for the same units on different occasions; they may only use a market-rate unit once, regardless of method.

Housing Development Assistance Program (HDAP) financing is only permitted for HOME set-aside eligible developments, contingent on availability. Applicants may seek Housing Development Loan (HDL), contingent on availability.

Cities Competitively Select Developments and/or Developers

Each city must adhere to the competitive selection process identified in the TAP. Project developers must submit an application to the city in the format they prescribe. All applications and any documents related to the competitive selection process shall be made available for public inspection upon request. Upon selection, cities will provide a commitment letter that specifies the amount of FHAct50 funds it is committing to the project. The commitment letter must also contain proof of leveraged market rate units.

Cities may commit funds on any schedule they determine necessary to furthering the TAP goals (all commitments may be evenly distributed through the three-year period, or may be skewed to the back-end to permit additional planning and stakeholder engagement). Cities may choose any number of developments that are necessary to further the TAP goals. At least fifty percent of affordable units must be in developments dedicated to serving a family population.

Cities Submit and OHFA Approves the Target Area Plan(s).

Each city may submit to and receive approval from OHFA from one TAP. TAPs must be approved by OHFA prior to committing any FHAct50 funds to individual developments. Once approved, the geographic boundaries of the TAPs may not be amended, altered, or substituted. All TAPs shall meet the following requirements:

- Must meet all the requirements set forth in the 2019 QAP for Revitalization Plan;
- TAPs may, but need not, identify proposed Housing Tax Credit (HTC) developments;
- TAPs must be geographically limited to a single neighborhood with boundaries that are generally accepted by the community and will likely be less than two miles east-west or north-south (defined by an existing Neighborhood Plan);
- Each TAP must include at least one high-impact partnership designed to promote resident wellbeing and neighborhood success which may include but is not limited to a school district, anchor institution, social service provider, philanthropic organization, or legal rights or advocacy organization;
- Each TAP must establish, identify, or otherwise incorporate a detailed competitive selection process for how FHAct50 developers will be solicited, reviewed, and committed;
- Each TAP, or the cover letter, thereto, must specify how the TAP responds to the conditions and objectives identified in the city's Affirmatively Further Fair Housing analysis or Analysis of Impediments whichever is most recent; and
- Each TAP must create or otherwise empower a committee that is responsible for advising and consulting on TAP implementation and serve as a single point of community contact to partners and potential funders regarding the TAP. The committee must include, but is not limited to, low-income neighborhood residents.

OHFA reserves the right to consult with relevant experts and/or local residents when reviewing each TAP to ensure it meets the intent of this QAP. OHFA may require modifications prior to approving a TAP to ensure it meets all requirements.

Developers Submit and OHFA Approves Individual Projects

Projects nominated by cities will not be scored competitively; in lieu of scoring, applicants must provide a copy of the city's commitment letter. Developments will be submitted in final application format, similar to a Non-Competitive application. OHFA will accept FHAct50 final applications from August 1 to August 15 in years 2019, 2020, and 2021 with the first round being in August of 2019.

Developments must meet all QAP General Requirements and HTC Requirements unless specifically exempted. Developments must also meet all criteria set for the in the Underwriting and Implementation Guidelines and Design and Architectural Standards. Lease-purchase, substance abuse recovery, and assisted living developments are not permitted.

Developments selected under the FHAct50 will not count against the developer application limits.

The following project-level requirements apply:

- Each project must have a local place-based, nonprofit owner with a 25 percent General Partnership interest;
- For New Affordability developments, costs are limited to \$18,000 credit/unit;
- For Preserved Affordability developments, costs are limited to \$11,000 credit/unit;
- For family developments, no more than 25 percent of affordable units may be one-bedroom. Five percent of all units must be three-bedroom or larger and also be affordable to those earning 60 percent AMI or less;
- For senior developments, no more than 25 percent of affordable units may be two-bedrooms. Three bedroom or larger affordable units are not permitted;
- All newly constructed affordable units must meet the Aging in Place requirements;
- One-for-one replacement is required for demolition of currently affordable units that have place-based rent and/or income restrictions; and
- All currently affordable development that have place-based rent and/or income restrictions must consult with residents on redevelopment plans.

Following underwriting approval, developments will progress through the construction monitoring and program compliances stages per usual. Participants agree to cooperate in any data collection and/or reporting requirements OHFA deems necessary for efficient program evaluation.

City of Cincinnati FHAct50 Request for Information (RFI)

This Request for Information (RFI) is intended to target potential affordable and/or mixed-income projects in the neighborhoods of Avondale, the CUF (Clifton Heights, University Heights, Fairview), Evanston, Over-the-Rhine, Roselawn, and Walnut Hills only. To help in the planning and development of the TAP and the selection of the target neighborhood, the City of Cincinnati (the City) Department of Community and Economic Development (DCED) is requesting information from affordable housing developers who have experience in the LIHTC program. This information will assist the City in selecting the target neighborhood and help the City identify projects that are currently under development in neighborhoods the development community thinks would be a good fit for the FHAct50 program. Of particular interest is an understanding of the existing partnerships or history working within the neighborhood and its community leaders.

The information collected through the RFI process is not intended to bind the City to any one developer or project. Project selection will occur through a competitive process once the target neighborhood has been identified and the TAP has been approved by OHFA.

DEVELOPER SUBMISSION REQUESTS

Please submit the following information. If the developer intends to submit information for multiple neighborhoods, please provide a separate submission for each neighborhood.

1. Statement of Interest for affordable or mixed income development in the proposed TAP Neighborhood. Submit a cover letter describing the developer's interest, history of LIHTC development, understanding of the OHFA's FHAct50 Building Opportunity Fund, and a rationale as to why the proposed neighborhood is a good fit for the program.
2. Proposed project description(s) for each LIHTC project planned for the duration of the TAP designation (2019-2021). Developer should briefly describe their project using the attached Project Description Form. Descriptions should minimally include, but not be limited to: Neighborhood, address, parcel ID, # and size of units, type of construction (new, renovation, adaptive reuse), target population, type of site control or site control plan, anticipated budget and sources, and anticipated timeline.
3. For all projects applying for the 2019 LIHTC round, demonstrate that either building permits or certificates of occupancy were issued for an equivalent number of market-rate residential units within the proposed TAP neighborhood during the last 18 months prior to the round (August 1, 2019). New construction, substantial rehabilitation, or adaptive reuse market-rate residential units are eligible to be considered for an equivalent unit by OHFA. Units should be listed with permit number, street address, parcel number, and number of units.
4. List of potential market-rate rental units or for-sale housing units under development that could occur over the next 12 to 24 months that you as the developer or development team are undertaking or are aware of and can demonstrate.

List of organizations that might participate in a high-impact partnership designed to promote resident wellbeing and neighborhood success which may include but is not limited to a school district, anchor institution, social service provider, philanthropic organization, or legal rights or advocacy organization.

METHOD FOR SELECTION

In an effort to maximize the use of the FHAct50, the following factors will be considered in evaluating and selecting the target neighborhood. The factors as follows will not necessarily be evaluated in the order in which they are presented. The criteria used for the selection will include:

- Evidence that one or more developers are interested in creating or preserving an affordable housing product and have viable LIHTC projects planned for development within the neighborhood throughout the duration of the TAP designation (2019-2021). Interested developer(s) should have familiarity with OHFA and have completed LIHTC projects in the past. **(maximum 40 points)**
- Evidence that there are at least 50 potential equivalent units of newly constructed residential, market-rate rental units or newly constructed for-sale housing units, based on building permits or certificates of occupancy, developed in the past 18 months prior to the round under which applications are due to OHFA. Substantial rehabilitation and adaptive reuse are also eligible to be considered an equivalent unit by OHFA. **(maximum 20 points)**
- Evidence of at least 50 potential equivalent units of newly constructed residential, market-rate rental units or newly constructed for-sale housing units to be underway in the next 12 to 24 months. Substantial rehabilitation and adaptive reuse are also eligible to be considered an equivalent unit by OHFA. **(maximum 15 points)**
- Evidence of Community/Neighborhoods Support for the FHAct50. This will be requested from directly by DCED from the community council. **(maximum 15 points)**
- List of high-impact partners that could be engaged. **(maximum 10 points)**

Total Points = 100

All applicable information is **due to the Department of Community and Economic Development at 805 Central Avenue, Suite 700, Cincinnati, Ohio 45202 no later than 3 PM ET on March 22, 2019**. All submissions will be time stamped and late submissions will not be accepted. Based off information received, DCED staff and appointees will recommend a neighborhood to participate in the FHAct50.

The City's Department of Community and Economic Development shall render and communicate a decision by a tentative date of April 1, 2019. ***NOTE: A separate procurement and approval process for projects will be established within the TAP once the TAP has been identified.***

TIMELINE

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| • Release of RFI | Week 1-March 1, 2019 |
| • Pre-submission Meeting | Week 2-March 8, 2019 |
| • Question submission deadline | Week 3-March 15, 2019 |
| • RFI Submissions Due | Week 4-March 22, 2019 |
| • TAP Announcement | Week 5-April 1, 2019 (tentative) |

Project Description form attached