

FISCAL YEAR 2003 OHIO CONSOLIDATED PLAN

Executive Summary

Introduction

The Ohio Department of Development's (ODOD's) Office of Housing and Community Partnerships (OHCP) annually receives funding from the U.S. Department of Housing and Urban Development (HUD) from four programs: the Community Development Block Grant (CDBG) Program, the HOME Investment Partnerships Program, the Emergency Shelter Grant (ESG) Program, and the Housing Opportunities for Persons With AIDS (HOPWA) Program. Prior to receiving and distributing these funds, Ohio must first prepare an annual Consolidated Plan, in accordance with the requirement at 24 CFR Part 91 Subpart D, Sections 91.300 – 91.330. HUD regulations require that, in preparing the annual plan, the state must develop and follow a planning process that incorporates a citizen participation plan. The plan must include a method of distribution, as well as a description of other actions that will be undertaken in support of the state's proposed programs and activities.

On February 13, 2003, both the House and the Senate passed H.J. Res. 2, a long-delayed omnibus appropriations package for FY 2003 spending. The federal budget figures are reflected in the table below, which shows HUD's allocations for those areas of Ohio that do not receive a direct allocation from HUD. Also shown are the FY 2002 allocations and the dollar and percentage change. Note that Ohio's HOME allocation decreased due to changes in Ohio's demographic characteristics, as reflected in the 2000 Census data, which HUD uses in its allocation formula.

Note that OHCP does not expect to receive any state General Funds this year, which have been a significant resource for the Supportive Housing and Emergency Shelter Programs. Hopefully, some other revenue source can be identified for these important programs.

Fund Source	FY 2003 Allocations	FY 2002 Allocations	Amount Change FY 2001-2002	Percent Change FY 2001-2002
CDBG	\$57,206,000	\$56,824,000	\$382,000	0.67%
HOME	\$30,343,000	33,329,000	-2,986,000	-8.96%
ESG	\$2,980,000	2,965,000	15,000	0.51%
HOPWA	\$1,071,000	1,020,000	51,000	5.00%
Total =	\$91,600,000	\$94,138,000	-\$2,538,000	-2.70%

Planning and Citizen Participation Process

The state of Ohio initiated the FY 2003 planning and citizen participation process on October 9, 2002 when the Public Hearing on Needs was held. No comments were received at the hearing. The Public Hearing on Needs was then followed by 10 Program Advisory Committee meetings held on October 28 and 29, 2002. The members of the Program Advisory Committees offered suggestions for improvement to current programs and responded to several proposed changes recommended by OHCP. Based on those meetings, OHCP prepared a draft FY 2003 Ohio Consolidated Plan. The proposed budget for the plan, which shows the allocations of funding among various programs, is attached (Table 1). This Executive Summary also includes a listing of all of the proposed program changes and an explanation.

The Draft FY 2003 Ohio Consolidated Plan was presented to the FY 2003 Consolidated Plan Program Advisory Committee on January 28, 2003. The committee members discussed the plan but did not suggest any major revisions.

The plan was made available for a 30-day public comment period from February 24 to March 25, 2003. This year, only the notice of availability of the Draft FY 2003 Consolidated Plan was mailed to 1,100 agencies and organizations. The plan document and the Executive Summary was posted on OHCP's web site at <http://www.odod.state.oh.us/cdd/ohcp/publications.htm>. Hardcopies of the plan could be requested by writing to ODOD's OHCP at 77 South High Street, P.O. Box 1001, Columbus, Ohio 43216-1001, or calling Mary Dupler at (614) 466-2285 or sending her a fax at (614) 752-4575.

A public hearing on the plan was held on March 12, 2003 at 1:30 p.m. in the Lobby Hearing Room at the State Office Tower located at 30 East Broad Street in Columbus. Oral and written testimony was accepted at that time. Written comments on the plan were also accepted during the 30-day public comment period. Several comments were received at the hearing and submitted to OHCP. Each comment is summarized in the plan and a response is provided by OHCP and/or OHFA.

Several modifications were made to the Consolidated Plan after the comment period expired. These included revisions to the budget table, based on final allocations from HUD as a result of Congress passing the HUD budget. The posted draft 2003 Consolidated Plan was based on estimated figures. The Community Housing Improvement Program was increased by \$1.2 million, the Housing Development Assistance Program was increased by \$500,000 and the Community Distress Program was increased by \$700,000. However, all of these revisions essentially restored funding that had been reduced based on preliminary budget estimates. Minor budget revisions were also made to the Emergency Shelter Grant Program, the HOPWA Program and the Training and Technical Assistance Funds.

Community Housing Improvement Program (CHIP)

In the “Grant Ceiling” section language was added that permits the additional rental rehabilitation funds request of up to \$50,000 to be included in the calculation of administrative funds. This activity, in particular, requires a commitment of local staff, and this policy change will permit that.

Language was added to the section on the Community Housing Improvement Strategy (CHIS) that places a moratorium on updating of CHIS plans, and extends expiring plans through 2003. This change is proposed because 2000 low and moderate-income data is not yet available and because the CHIS is being redesigned.

Housing Development Assistance Program (HDAP)

Throughout the HDAP guidelines, the affordability term has been changed to 30-years for consistency.

The section “Determination of and Requirements for HDAP-Assisted Units” was revised to use the total project costs for all units (not merely the affordable units) to determine the number of HDAP-Assisted units in the project. This is more consistent with HUD’s regulations and is less restrictive on projects.

The “Ineligible Projects” section was revised to add bond-financed projects. HUD 202 Capital Assistance Grants, projects that receive FAF funds specifically attributed to the development or revitalization of projects in connection with other OHFA programs. Projects funded with HOPE VI funds will be eligible. This change is due primarily to the expectation of a decrease in the availability of funds for HDAP next year.

The definition of “Redefined Fee Limits” was clarified and simplified.

The “Financing Terms: Grants” section was revised so that, to be eligible for a grant, the controlling general partner must be the applicant/recipient of the HDAP award. This gives the HDAP recipient more control over funds they are granting to the project.

Language added to “Financing Terms: Homeownership Loans” section to clarify that the development subsidy is considered to be a loan until the project has been completed.

The “Homeownership Eligible Activities” section was amended to permit reasonable broker fees. Such fees are a legitimate cost of selling homes.

“Homeownership” section was changed to allow Land Trusts to participate in the program. These are HOME-eligible projects and, in many areas, a viable option for homeownership.

Language was added to the section on “Funding Limits”, clarifying that the allocation of \$1,000 for HOME-Funded projects for the ER publication is allowed. “Preservation projects” language was amended to allow \$500,000 per project to acquire or acquire and rehabilitate. Rehabilitation only is limited to \$100,000. This makes acquisition-only an eligible activity, which fosters preservation of affordable housing communities that have been well maintained but may become market rate communities due to prepayment.

The Preservation Projects section (1)(c) was changed to allow Rural Development-defined “Troubled” projects, but requires additional documentation. This allows OHFA to fund another type of project to maintain existing affordable housing.

The “Funding Limits Non-Housing Credit Rental” section was changed to remove the per-unit limit for the non-housing credit program. The language for the rural housing exception was also removed. These changes allows for more HDAP to be utilized in smaller projects.

“Funding Limits : Housing Credit projects” section was revised to add a match requirement for projects located in HOME Participating Jurisdictions. In an economy of limited funds, this demonstrates a community’s desire for affordable housing in the area.

Section titled “Funding Limits: Homeownership: Option Two: 1% 30-yr. Loan” was revised to remove the per unit construction limit and the requirement that all funds be used for affordability subsidy. While this funding option offers an alternative to homebuyers, it has not been utilized by the HDAP applicants. Removing these two requirements may make this option more appealing to HDAP applicants and provide potential homebuyers with a lower mortgage payment.

The “Application Fees” section was added for non-housing credit applicants. Fees are based on Threshold Deficiencies, and designed to encourage applicants to submit complete and accurate information.

The “Criteria for Underwriting Rental Projects” section was removed. This is more appropriately addressed in the HDAP Guidelines. Removing this allows OHFA more freedom in underwriting “unique” projects.

Language was removed that allowed the Special Needs Housing exception to per unit limit. This is no longer needed in light of the removal of the per unit limits.

CHDO Operating Grant Program

No changes proposed.

Emergency Shelter Grant Program

The program has been amended to remove the Temporary Assistance to Needy Families (TANF) funding source, which is not anticipated to be allocated to the program in FY 2003. Also, due to the lack of funding this year, the Competitive ESG Program will not be offered and has been removed from the plan.

Supportive Housing for the Homeless Program

The Outcomes Management Framework was revised to include the following thresholds:

- All SHH-funded programs will maintain an average occupancy rate of 90%.
- All SHH-funded transitional housing programs will demonstrate that 60% of the households entering the program obtained permanent housing or detail a strategy to achieve this percentage.

- A greater emphasis will be placed on the percentage of customers maintaining permanent housing for 24 months (this figure is based on the number of households obtaining permanent housing).

Housing for Persons with AIDS Program

No changes are proposed

Housing Assistance Request For Proposals Program

The TANF funds were removed from the program description, as they will not be available in FY 2003.

Formula Allocation Program

The “Community Assessment and Strategy (CAS)” section was revised to clarify and explain the CAS requirements, and the following items were identified to be included in the CAS:

- Clearly define areas which have concentrations of persons over 51% low- and moderate-income based on the current census or income survey;
- Establish an inventory of needs within Ohio communities that is cumulative over time;
- Identify the type and degree of community development needs within areas of low- and moderate-income concentration or distressed areas (designated as slum and blighted areas); and

Community Distress Program

Under the “Ineligible Activities” section, clarification was added prohibiting large scale, single purpose water and sewer projects that extend beyond the investment area, which are better suited for the CDBG Water and Sanitary Sewer Program.

A clarification was added that communities are limited to one application and grant award per year.

An expenditure threshold was added for applicants who have a current open Community Distress Program grant, as follows: “Applications submitted by current CDP grantees that have not expended at least 60% of any active CDP grant funds, exclusive of administration will not be reviewed. OHCP will calculate the ratio of expended funds based on drawdown records, at the time of the application submission.”

Water and Sanitary Sewer Program

No changes are proposed.

Imminent Threat Set-Aside Fund

No changes are proposed.

Section 108 Loan Guarantee Program

No changes are proposed.

Economic Development Program

The “Eligible Activities” section was modified to make training funds available to any projects that would need to train lower-income persons for jobs, rather than just those on public assistance.

Language was added to the “Application Submission” section that indicated the Single Financial Assistance Application is available on-line.

The “Number of Grant Awards” section was amended to include a stipulation that additional grant requests for previously-funded projects will only be considered if the original grant has been completed, including job creation and retention, and the grant has been monitored and closed.

Language was added to the “Grant Ceiling” section to clarify that the grant maximums include project and administrative costs.

Comprehensive Downtown Revitalization Program

Language was added to the “Local Program Benefit” section that stipulates that applicants seeking funds for target areas that were funded in previous grants must still meet the requirement that 51% of the buildings or infrastructure are deteriorated. Also, a clarification was added indicating that communities opting to qualify under the Benefit to Low and Moderate Income National Objective could do so either based on Census data or an income survey.

Under the section “Ohio Main Street Program” a clarification was added that communities designated as Ohio Main Street Communities would receive additional points on their grant application.

Tier One: Downtown Revitalization Planning

In the “Application Status” section, language was added stipulating that communities designated as Ohio Main Street Communities would receive additional points on their grant application.

The “Leverage Requirements” section was revised to set a minimum \$1:\$1 leveraging ratio (reduced from \$2:\$1 in FY 2002), and that applicants committing additional leveraged funds would be awarded points based on a sliding scale.

Rating criteria number 6 was changed as follows: “Evidence of a firm financial commitment in cash from the local government for at least 10% of the CDBG downtown program amount requested; points will be awarded on a sliding scale based upon the amount of financial participation by the community (up to a maximum of 20% cash participation) relative to the status and size of community.”

The “Rating System Principles” section was revised to permit up to 40% of in-kind resources to be counted towards the match commitment (increased from 33% in FY 2002).

Tier Two: Downtown Building and Streetscape Revitalization

The “Applicant Status” section was revised to include a stipulation that communities designated as Ohio Main Street Communities would receive additional points on their grant application.

The “Program Rating System Principles” were amended, as follows:

- The extent to which building owners were part of the downtown business association would be considered;
- The required market study has to have been completed or updated within the last 5 years;
- Information on which the market study is based must include consumer and merchant surveys.

The “Project Assessment” section was revised to require that, for communities intending to apply for Tier Two funds, program threshold information must be submitted to OHCP, which will review it to determine whether the community is eligible to apply for funds. The threshold information will be required in lieu of the downtown self-assessment.

Microenterprise Business Development Program

The Eligible Activities section was revised to include the following stipulation: “Every activity assisted with CDBG or CDC funds must meet the low-moderate income benefit (HUD Section 8 Income Limits). Loans funded with CDBG or CDC funds must have applicant complete the Job Verification Employee Certification.” This language was added to clarify the documentation necessary to verify the jobs that were created as a result of the assistance.

Discretionary Grant Program

No changes are proposed.

New Horizons Fair Housing Assistance Program

No changes are proposed.

Table 1: FY 2003 Consolidated Plan Program Summary

Programs	Federal And State Funds Total	Pct. of Total	Consolidated Plan Total ⁽¹⁾	Pct. of Total	Funding Sources													
					1	2	3	4	6	7	8	9						
					Federal CDBG	Federal HOME	Federal ESG	Federal HOPWA	State OHTF ⁽²⁾⁽³⁾	State 406 ⁽³⁾	State 431 ⁽³⁾	State 440 ⁽³⁾						
Community Housing Improvement Program	\$28,258,700	22.7%	\$28,258,700	30.9%	\$9,000,000	\$19,258,700												
Housing Development Assistance Program ⁽²⁾	\$21,700,000	17.4%	\$7,500,000	8.2%		\$7,500,000				\$14,200,000								
CHDO Competitive Operating Program ⁽⁴⁾	\$550,000	0.4%	\$550,000	0.6%		\$550,000												
Emergency Shelter Grant Program - Formula	\$6,031,000	4.8%	\$3,231,000	3.5%	\$600,000		\$2,631,000			\$2,800,000								\$0
Emergency Shelter Grant Program - Competitive	\$0	0.0%	\$0	0.0%			\$0											\$0
Supportive Housing for the Homeless Program	\$2,358,000	1.9%	\$0	0.0%						\$2,358,000								\$0
Housing Opportunities for Persons With AIDS	\$1,050,000	0.8%	\$1,050,000	1.1%				\$1,050,000										
Housing Assistance RFP Program	\$10,500,000	8.4%	\$0	0.0%						\$10,500,000								
Housing, Shelter and Support Subtotal	\$70,447,700	56.5%	\$40,589,700	44.3%	\$9,600,000	\$27,308,700	\$2,631,000	\$1,050,000	\$1,050,000	\$29,858,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Formula Allocation Program	\$22,000,000	17.6%	\$22,000,000	24.0%	\$22,000,000													
Community Distress Program	\$2,200,000	1.8%	\$2,200,000	2.4%	\$2,200,000													
Water and Sanitary Sewer Program	\$11,000,000	8.8%	\$11,000,000	12.0%	\$11,000,000													
Imminent Threat Set-Aside Program	\$100,000	0.1%	\$100,000	0.1%	\$100,000													
Community Development Subtotal	\$35,300,000	28.3%	\$35,300,000	38.5%	\$35,300,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Economic Development Program	\$7,500,000	6.0%	\$7,500,000	8.2%	\$7,500,000													
Comprehensive Downtown Revitalization Prog ⁽⁵⁾	\$2,200,000	1.8%	\$2,200,000	2.4%	\$2,200,000													
Microenterprise Business Development Prog. ⁽⁵⁾	\$690,000	0.6%	\$200,000	0.2%	\$200,000					\$490,000								\$0
Economic Development Subtotal	\$10,390,000	8.3%	\$9,900,000	10.8%	\$9,900,000	\$0	\$0	\$0	\$0	\$490,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Discretionary Grant Program	\$1,032,500	0.8%	\$800,000	0.9%	\$800,000	\$0	\$200,000			\$232,500								
New Horizons Fair Housing Assistance Program	\$50,000	0.0%	\$50,000	0.1%	\$50,000													
Training and Technical Assistance Funds	\$663,900	0.5%	\$511,900	0.6%	\$511,900					\$152,000								\$0
Community Development Finance Fund	\$1,400,000	1.1%	\$0	0.0%	\$0					\$1,400,000								\$0
Administration ⁽⁶⁾	\$5,383,900	4.3%	\$4,448,400	4.9%	\$1,244,100	\$3,034,300	\$149,000	\$21,000	\$21,000	\$935,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Totals =	\$124,668,000	100%	\$91,600,000	100%	\$57,206,000	\$30,343,000	\$2,980,000	\$1,071,000	\$1,071,000	\$33,068,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

(1) The Consolidated Plan is required to cover all federal funds distributed through programs in columns 1 through 4 (CDBG, HOME, ESG and HOPWA); the Consolidated Plan Total includes only these funding sources.
(2) Allocation of Ohio Housing Trust Fund dollars is contingent on the OHTF Advisory Committee recommendations, grant awards are contingent on Controlling Board approval. OHFA will administer the Housing Development Assistance Program. OHFA will receive Admin funds of \$1,064,500 and \$250,000 for the Senior Services Program(not shown in Table 1). An Additional \$5,617,500 of OHTF is unallocated.
(3) The OHTF, 406, 431, and 440 GRF awards are eliminated in the State Fiscal year 2004 Biennium Budget, and these programs will be funded by OHTF.
(4) CHDO Competitive Operating Program will be administered by OHFA
(5) The Comprehensive Downtown Revitalization Program and the Microenterprise Business Development Program will receive additional funding from prior year unallocated CDBG dollars.
(6) A portion of the HOME and ESG administrative dollars will be distributed to grantees, 40% and 60%, respectively.