

# **FISCAL YEAR 2006 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. The table below, which shows Ohio's FY 2006 and FY 2005 allocations, indicates a substantial reduction in funding for both the CDBG and HOME program for the upcoming year. The attached Table 1 shows the proposed method of distribution of the FY 2006 funding among various programs. The Table 1 from the FY 2005 Consolidated Plan is included for comparison.

**Comparison of Ohio's FY 2006 and FY 2005 HUD Funding**

<b>Fund Source</b>	<b>FY 2006 Allocations</b>	<b>FY 2005 Allocations</b>	<b>Amount Change FY 2005-2006</b>	<b>Percent Change FY 2005-2006</b>
CDBG	\$48,995,436	\$54,560,938	-\$5,565,502	-10.20%
HOME	\$28,082,037	\$30,395,738	-2,313,701	-7.61%
ESG	\$3,203,209	\$3,207,588	-4,379	-0.14%
HOPWA	\$1,037,000	\$1,024,000	13,000	1.27%
<b>Total =</b>	<b>\$81,317,682</b>	<b>\$89,188,264</b>	<b>-\$7,870,582</b>	<b>-8.82%</b>

### **Planning and Citizen Participation Process**

OHCP carried out a number of activities designed to obtain comments, perspectives, and opinions of citizens during the preparation of the FY 2006 Ohio Consolidated Plan. Notification of all public hearings and meetings was made at least 10 days in advance of the meetings either through direct mailings or through publication in newspapers of general circulation. Records of these actions and documentation are available for review at the OHCP office, located on the 24th floor at 77 South High Street in Columbus, Ohio during regular business hours. The specific citizen participation activities are described below, pursuant to the Citizen Participation Plan that was adopted as part of the FY 2005 Consolidated Plan.

#### **Public Hearing On Needs**

OHCP held a public hearing on needs issues on October 4, 2005 in the Lobby Hearing Room of the State Office Tower, 30 East Broad Street, in Columbus. Several suggestions and comments were offered at the hearing and these comments were discussed and considered at the Program Advisory Committee meetings.

## **Program Advisory Committee Meetings**

Meetings were held with 10 Program Advisory Committees on October 18 and 19, 2005. Each of the Program Advisory Committees was comprised of at least 10 members and included local officials, program administrators, non-profit organizations, and other agencies, organizations and individuals familiar with OHCP's programs.

Community Development Program Advisory Committee  
Water and Sanitary Sewer Program Advisory Committee  
Fair Housing/New Horizons Program Advisory Committee  
Economic Development Program Advisory Committee  
Microenterprise Business Development Program Advisory Committee  
Community Housing Improvement Program Advisory Committee  
Housing Development Assistance Program Advisory Committee  
Comprehensive Downtown Revitalization Program Advisory Committee  
Emergency Shelter Programs/Supportive Housing Program Advisory Committee  
Housing Opportunities for Persons With AIDS Advisory Committee

## **Consolidated Plan Advisory Committee**

Based on the Program Advisory Committee meetings, a draft FY 2006 Ohio Consolidated Plan was prepared and was presented to the FY 2006 Consolidated Plan Advisory Committee on February 1, 2006. Based on comments received at the Consolidated Plan Advisory Committee meeting, further revisions were made to the plan.

## **Public Hearing and Comment on the Draft FY 2006 Ohio Consolidated Plan**

The draft FY 2006 plan was made available on OHCP's website at <http://www.odod.state.oh.us/cdd/ohcp/> under "Publications" on March 1, 2006, which was the start of a 30-day public review and comment period. Hardcopies of the plan also were also available from OHCP through the contact information listed below. A public hearing was held on March 15, 2006 in the Lobby Hearing Room at 30 East Broad Street in Columbus at 1:30 p.m. During the hearing, the draft plan was discussed and oral and written comments were accepted.

Written comments on the plan were also accepted by OHCP anytime during the 30-day public comment period from March 1 to March 31, 2006, by submitting them to Les Warner, Chief, Office of Housing and Community Partnerships, 77 South High Street, 24th Floor, P.O. Box 1001, Columbus, Ohio 43216-1001. Mailed comments were accepted also, but had to be postmarked by March 31, 2006.

After the comment period expired, final revisions were made to the plan, but only involved incorporating the public comments and responses into the plan document. No changes were made to the budget or method of distribution. The final FY 2006 Ohio Consolidated Plan was then submitted to HUD on April 20, 2006 for a 45-day review period. Notification was received from HUD on July 17, 2006 that the plan had been approved and funds released as of July 12, 2006.

In general, the content of the draft FY 2006 plan is similar to the FY 2005 plan. The significant changes proposed in draft FY 2006 plan are summarized below.

## **Community Housing Improvement Program (CHIP)**

- Project implementation costs will no longer be identified in a separate line item for the CHIP Program, but can be included as part of the project cost or as administrative costs. Based on past implementation cost data, OHCP will establish guidelines that will limit implementation costs according to the type of activity (i.e., housing rehabilitation, home repair, etc.).

- As of FY 2007, secondary activities (i.e. streets, sidewalks, etc.) will no longer be eligible through the CHIP. This policy change is necessary due to the continued reduction in HUD funding and the availability of funding for secondary activities from the Community Development Program.
- Starting with FY 2007 grants, all CHIP grantees that successfully competed for CHIP funds during the last funding cycle will be ineligible to apply for CHIP funds in the following funding cycle. For example, if a community receives CHIP funding in FY 2006, it will be ineligible to apply for CHIP funding in FY 2007.

### **Housing Development Assistance Program (HDAP)**

- Organizations submitting a full application for HDAP in the non-housing credit (fall) funding round will need to complete a mini Phase I assessment on all sites in the project.
- ODHM Capital Funded projects that provide permanent supportive housing would be eligible to participate in the preservation program.
- Acquisition would no longer be an eligible HDAP activity for projects, which receive an allocation of housing credits.
- For homeownership projects, Adjustable Rate Mortgages would only be approved on a case-by-case basis.
- An increase is proposed for the funding limit for organizations proposing to rehab an existing Section 8 or RD project in the non housing credit round to an amount up to \$300,000, based on funding availability.
- In addition to the standard award of HDAP funds, projects that qualify as Green Communities and receive an allocation of competitive housing credits could be eligible for \$4,000/unit of additional HDAP up to a total award of \$750,000.
  - ❑ The local government match may be met by a combination of government funds and funds allocated for the sole purpose of promoting Green Communities.
- Proposed revisions to project Funding Limits:
  - ❑ Increase the non-housing credit rental from \$300,000 in a PJ area to an amount up to \$600,000; increasing from \$600,000 in a non-PJ area to \$800,000, based on funding availability.
  - ❑ Increase the non-housing credit homeownership from \$350,000 in a PJ area to an amount up to \$700,000; increasing from \$400,000 in a non-PJ area up to \$800,000, based on funding availability.
- Proposed additions to fees:
  - \$500 fee to amend a funding agreement;
  - \$500 fee to extend a funding agreement;
  - \$1,000 fee to reinstate an expired funding agreement
- The rental underwriting criteria are proposed to be revised to allow for:
  - ❑ Annual 2% increase in revenues and 3% annual increase in expenses;
  - ❑ Annual vacancy rate of 7%
- Permanent Supportive Housing projects in the non housing credit (fall) funding round would be eligible for up to \$750,000 of HDAP
- For homeownership, OHFA would not require homebuyers to use a recognized mortgage lender. However, OHFA would place a cap on fees that may be charged to a homebuyer (whether paid by the borrower or seller). Lenders may not charge more than \$500 in miscellaneous non-third party fees (including, but not limited to, underwriting fee, processing fee, commitment fee, etc., but excluding fees assessed by OHFA if the homebuyer is using OHFA's first-time homebuyer Program).
- ODMH Capital Funded Projects would be a separate category in Preservation eligible under the Permanent Supportive Housing category.
- Removes the per unit development subsidy cap placed on homeownership projects. The overall cap of no more than 50% of the HDAP award remains in effect.
- Revises the second tie-breaker to give preference to a CHDO applicant. The lottery becomes the third tie-breaker.

### **Community Housing Development Organization (CHDO) Operating Grant Program**

- Preference would be given to all current grant recipients and unsuccessful applicants from the FY 2005 funding round.
- Grants would be awarded for a 12-month period commencing on July 1, 2006. (The grant period was 18 months in 2005, and originally had been proposed to be 24 months beginning in 2006).
- Applications will be reviewed by OHFA staff for threshold requirements. OHFA staff will review the continued eligibility of each applicant based primarily on goals and objectives provided in the application for funding in FY 2005. Applicants that demonstrate that they have met the goals and benchmarks as committed to in the FY2005 application would be considered for funding.

### **Homeless Assistance Grant Program** (the name has been changed from the Homeless RFP Program)

- Fiscal Year 2005 was the first year that OHCP operating the Homeless Assistance Grant Program on a competitive review basis. After evaluating this process, OHCP is proposing to update the review criteria slightly to improve the scoring mechanism.
- Homelessness Prevention/Housing Placement, Transitional Housing, Direct Housing and Permanent Supportive Housing activities will be limited to households at or below 35% of the area median income.
- Language was added noting that implementation costs should not exceed 20% of homelessness prevention funds.
- A clarification was added to indicate that PSH programs previously funded with Supportive Housing for the Homeless Program funds by OHCP may apply for previously funded activities.

### **Housing Assistance Grant Program** (the name has been changed from the Housing Assistance RFP Program)

- A few minor revisions have been made to the rating criteria for the Housing Assistance Grant Program to improve the scoring mechanism.
- Under “Eligible Activities”, language was added that gives preference to Down Payment Assistance activities that target households below 50% of the area median income.

### **Community Development Program**

#### Formula Allocation Grants:

- The Community Assessment and Strategy (CAS) requirements were clarified to define a neighborhood more precisely to avoid issues such as a community defining an entire county as an Investment Area neighborhood, which is inconsistent with the intent of the CAS:

Note: A neighborhood should be a geographic area that is generally recognized as such by local residents who are usually familiar with the needs and conditions of the area, is typically bounded by natural or manmade boundaries (river, railroad, highway, etc.), and where the population has similar socio-economic characteristics (income, housing type, etc.).

#### Community Distress Grants:

- The expenditure requirement will be changed such that 60% of any previously awarded Community Development Program funds would need to be expended prior to being eligible for FY 2006

Community Distress funds. Previously the expenditure requirement pertained only to Community Distress Program funds.

- A note was added to indicate that the Community Distress Set-Aside portion of the application should be comprehensive in scope and include a variety of program activities within the investment area. Applications that include only one or two activities will not rate well.

### **Water and Sanitary Sewer Program**

- Inclusion in the County's or City's CAS: The service area of the project submitted in the Water and Sanitary Sewer Grant application would be included in the county's or city's most current Community Assessment and Strategy (CAS). The proposed project would need to address at least one of the needs identified in the CAS. Water and Sanitary Sewer Grant applications whose project areas not identified as investment areas in the county's/city's CAS would not be considered for funding.
- To facilitate the construction of a project funded through the CDBG Water and Sanitary Sewer Program, OHCP is proposing to permit a grantee to enter into a Memorandum of Understanding (MOU) with a local water or sewer district, so that the district itself can implement the project. Grantees must obtain written approval from OHCP prior to entering into MOUs.
- To assure projects are ready to proceed, OHCP is proposing to add the following policy requirement: Projects will not be funded unless the applicant can document that it is ready to move forward. Ohio Environmental Protection Agency (OEPA) Permit To Install (PTI) or Plan Approval must be issued prior to grant award.

### **Microenterprise Business Development Program**

- The following is proposed to be deleted from the threshold requirements for CDC/OHTF applicants:

Project Development Costs (soft costs) requests cannot exceed \$25,000 unless the applicant is able to document that loan funds are available from other sources;

The applicant may request no more than 10% or less of the total grant amount for general administration.

- The following threshold requirement would be amended (language in bold added) for CDC/OHTF and CDBG applicants:

For applicants not previously funded with microenterprise funds ***within the last five years***, the applicant may not request more than \$40,000.

- The following language would be deleted from the rating requirements for program design/feasibility:

“program development costs cannot exceed \$25,000 unless documentation available that loan funds are from other sources.”

### **Comprehensive Downtown Revitalization Program**

- The following restriction will be added to Tier Three grants in order to assure sufficient discretionary funds were available for other purposes:

The total funds available through Tier Three cannot exceed 50% of the total FY 2006 CDBG Discretionary funds.

### **Economic Development Program**

- The restriction on administrative costs will be revised to read:

“Units of general local government receiving grants for economic development projects shall be allowed a maximum of \$10,000, for general administration and implementation.” Previously grantees were restricted to 10% of the grant not to exceed \$10,000. The 10% restriction tends to make the administrative costs more burdensome for smaller grants, which entail the same requirements and staff time as larger grants.

- The following language has been added to the Consolidated Plan, concerning recent policy directives from HUD concerning anti-job pirating requirements.

**Anti-Job Pirating:** Effective with the 2006 Consolidated Plan, the CDBG Economic Development Program will prohibit the use of CDBG funds to assist in job-pirating activities, which is referenced in the December 23, 2005 Federal Register. Further details will be provided in the 2006 Economic Development Application.

### **Discretionary Grant Program**

- The following restriction will be added to the Community Development Discretionary grant requirements in order to assure sufficient discretionary funds were available for other purposes:

The total funds available for the Comprehensive Downtown Revitalization Program Tier Three grants cannot exceed 50% of the total FY 2006 CDBG Discretionary funds.

**Table 1: FY 2006 Consolidated Plan Program Summary**

Programs	Federal And State Funds Total	Pct. of Total	Consolidated Plan Total <sup>(1)</sup>	Pct. of Total	Funding Sources				
					1	2	3	4	5
					Federal CDBG	Federal HOME(2)	Federal ESG	Federal HOPWA	State OHTF(3)
Community Housing Improvement Program <sup>(2)</sup>	\$26,216,040	20.9%	\$24,416,040	30.0%	\$7,800,000	\$16,616,040			\$1,800,000
Housing Development Assistance Program <sup>(3)</sup>	\$25,800,000	20.5%	\$7,800,000	9.6%		\$7,800,000			\$18,000,000
CHDO Competitive Operating Grant Program <sup>(4)</sup>	\$900,000	0.7%	\$900,000	1.1%		\$900,000			
Homeless Assistance Grant Program <sup>(5)</sup>	\$17,344,000	13.8%	\$2,944,000	3.6%	\$0		\$2,944,000		\$14,400,000
Housing Opportunities for Persons With AIDS	\$1,030,000	0.8%	\$1,030,000	1.3%				\$1,030,000	
Housing Assistance Grant Program	\$4,500,000	3.6%	\$0	0.0%					\$4,500,000
<b>Housing, Shelter and Support Subtotal</b>	<b>\$75,790,040</b>	<b>60.3%</b>	<b>\$37,090,040</b>	<b>45.6%</b>	<b>\$7,800,000</b>	<b>\$25,316,040</b>	<b>\$2,944,000</b>	<b>\$1,030,000</b>	<b>\$38,700,000</b>
Community Development Program <sup>(6)</sup>	\$20,800,000	16.6%	\$20,800,000	25.6%	\$20,800,000				
Water and Sanitary Sewer Program	\$9,800,000	7.8%	\$9,800,000	12.1%	\$9,800,000				
<b>Community Development Subtotal</b>	<b>\$30,600,000</b>	<b>24.3%</b>	<b>\$30,600,000</b>	<b>37.6%</b>	<b>\$30,600,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Economic Development Program	\$6,000,000	4.8%	\$6,000,000	7.4%	\$6,000,000				
Comprehensive Downtown Revitalization Program	\$2,400,000	1.9%	\$2,400,000	3.0%	\$2,400,000				
Microenterprise Business Development Program	\$750,000	0.6%	\$150,000	0.2%	\$150,000				\$600,000
<b>Economic Development Subtotal</b>	<b>\$9,150,000</b>	<b>7.3%</b>	<b>\$8,550,000</b>	<b>10.5%</b>	<b>\$8,550,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$600,000</b>
Discretionary Grant Program	\$600,000	0.5%	\$600,000	0.7%	\$500,000	\$0	\$100,000		* <sup>(3)</sup>
New Horizons Fair Housing Assistance Program	\$80,000	0.1%	\$80,000	0.1%	\$80,000				
Training and Technical Assistance Funds	\$575,530	0.5%	\$385,530	0.5%	\$385,530				\$190,000
Community Development Finance Fund	\$1,910,000	1.5%	\$0	0.0%					\$1,910,000
Resident Services Coordinator Program	\$300,000	0.2%	\$0	0.0%					\$300,000
Administration <sup>(7)</sup>	\$6,662,112	5.3%	\$4,012,112	4.9%	\$1,079,906	\$2,765,997	\$159,209	\$7,000	\$2,650,000
<b>Totals =</b>	<b>\$125,667,682</b>	<b>100%</b>	<b>\$81,317,682</b>	<b>100%</b>	<b>\$48,995,436</b>	<b>\$28,082,037</b>	<b>\$3,203,209</b>	<b>\$1,037,000</b>	<b>\$44,350,000</b>

(1) The "Consolidated Plan Total" column includes the CDBG, HOME, ESG and HOPWA funds awarded to the State of Ohio.

(2) The CHIP allocation includes \$422,063 of HOME funds set aside for the ADDI.

(3) OHTF allocations are contingent upon approval by the OHTF Advisory Committee. Further, OHTF grant awards are contingent upon Controlling Board approval. OHFA will administer the HDAP and ODA will administer the Resident Services Coordinator Program. Therefore, in addition to program funds, OHFA will receive HOME and OHTF administrative dollars and ODA will receive OHTF administrative dollars. In addition, the allocation of \$8,650,000 of FY 2006 OHTF dollars will be determined at a later date.

(4) OHFA will administer the CHDO Competitive Operating Grant Program.

(5) The Homeless Assistance Grant Program includes the 7% and 6% OHTF funding set asides required by ORC Section 174.02 and unrestricted OHTF dollars.

(6) The Community Development Program includes the funding allocation for both the Formula Allocation and the Community Distress Grants.

(7) 40% of the HOME and 60% of the ESG administration allocation will be awarded to grant recipients.

**Table 1: FY 2005 Consolidated Plan Program Summary**

Programs	Federal And State Funds Total	Pct. of Total	Consolidated Plan Total <sup>(1)</sup>	Pct. of Total	Funding Sources				
					1	2	3	4	5
					Federal CDBG	Federal HOME <sup>(2)</sup>	Federal ESG	Federal HOPWA	State OHTF <sup>(3)</sup>
Community Housing Improvement Program <sup>(2)</sup>	\$28,242,311	21.2%	\$26,442,311	29.6%	\$8,500,000	\$17,942,311			\$1,800,000
Housing Development Assistance Program <sup>(3)</sup>	\$26,500,000	19.9%	\$8,500,000	9.5%		\$8,500,000			\$18,000,000
CHDO Competitive Operating Program <sup>(4)</sup>	\$1,000,000	0.8%	\$1,000,000	1.1%		\$1,000,000			
Emergency Shelter Grant Program - Formula <sup>(5)</sup>	\$0	0.0%	\$0	0.0%	\$0		\$0		\$0
Homeless Assistance RFP Program <sup>(5)</sup>	\$18,425,500	13.9%	\$3,548,000	4.0%	\$600,000		\$2,948,000		\$14,877,500
Supportive Housing for the Homeless Program <sup>(5)</sup>	\$0	0.0%	\$0	0.0%					\$0
Housing Opportunities for Persons With AIDS	\$1,020,000	0.8%	\$1,020,000	1.1%				\$1,020,000	
Housing Assistance RFP Program	\$4,500,000	3.4%	\$0	0.0%					\$4,500,000
<b>Housing, Shelter and Support Subtotal</b>	<b>\$79,687,811</b>	<b>59.9%</b>	<b>\$40,510,311</b>	<b>45.4%</b>	<b>\$9,100,000</b>	<b>\$27,442,311</b>	<b>\$2,948,000</b>	<b>\$1,020,000</b>	<b>\$39,177,500</b>
Community Development Program <sup>(6)</sup>	\$23,200,000	17.4%	\$23,200,000	26.0%	\$23,200,000				
Water and Sanitary Sewer Program	\$10,500,000	7.9%	\$10,500,000	11.8%	\$10,500,000				
<b>Community Development Subtotal</b>	<b>\$33,700,000</b>	<b>25.3%</b>	<b>\$33,700,000</b>	<b>37.8%</b>	<b>\$33,700,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Economic Development Program	\$6,700,000	5.0%	\$6,700,000	7.5%	\$6,700,000				
Comprehensive Downtown Revitalizatio Prog.	\$2,500,000	1.9%	\$2,500,000	2.8%	\$2,500,000				
Microenterprise Business Development Prog.	\$700,000	0.5%	\$200,000	0.2%	\$200,000				\$500,000
<b>Economic Development Subtotal</b>	<b>\$9,900,000</b>	<b>7.4%</b>	<b>\$9,400,000</b>	<b>10.5%</b>	<b>\$9,400,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$500,000</b>
Discretionary Grant Program	\$1,722,500	1.3%	\$700,000	0.8%	\$600,000	\$0	\$100,000		\$1,022,500
New Horizons Fair Housing Assistance Program	\$100,000	0.1%	\$100,000	0.1%	\$100,000				
Training and Technical Assistance Funds	\$629,720	0.5%	\$469,720	0.5%	\$469,720				\$160,000
Community Development Finance Fund	\$1,640,000	1.2%	\$0	0.0%					\$1,640,000
Administration <sup>(7)</sup>	\$5,590,733	4.2%	\$4,308,233	4.8%	\$1,191,218	\$2,953,427	\$159,588	\$4,000	\$1,282,500
<b>Totals =</b>	<b>\$132,970,764</b>	<b>100%</b>	<b>\$89,188,264</b>	<b>100%</b>	<b>\$54,560,938</b>	<b>\$30,395,738</b>	<b>\$3,207,588</b>	<b>\$1,024,000</b>	<b>\$43,782,500</b>

(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) The HOME funds in the Community Housing Improvement Program include the ADDI set aside for FY 2005 funds of \$ 861,462.

(3) 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 \$ 967,500 and \$250,000 for the Senior Services Program(not shown in Table 1).

(4) CHDO Competitive Operating Program will be administered by OHFA

(5) The Emergency Shelter Grant Program (ESGP-Formula) and the Supportive Housing for the Homeless Program are being combined to create the Homeless Assistance RFP Program. The Homeless Assistance RFP Program will include the 7% emergency shelter housing and 6% transitional and permanent housing OHTF restrictions as required by ORC Section 174.02 and additional unrestricted OHTF dollars.

(6) The Community Development Program, is the combination of the previously funded Formula Allocation and Community Distress Programs.

(7) A portion of the HOME and ESG administrative dollars will be distributed to grantees, 40% and 60%, respectively.