

2012 NCSHA Award Nomination  
Ohio Housing Finance Agency



Special Needs Housing: Housing for  
Persons with Special Needs

**Permanent Supportive Housing Capital  
Investment Pilot Program**

Douglas Garver, Executive Director  
Sean Thomas, Director of Planning, Preservation  
and Development

## 2012 NCSHA Award Nomination

**HFA: Ohio Housing Finance Agency**

**Category: Special Needs Housing – Housing for Persons with Special Needs**

**Entry Name: Permanent Supportive Housing Capital Investment Pilot Program**

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The Ohio Department of Mental Health (ODMH) has provided capital funds since the late 1980's to develop housing for persons with severe and persistent mental illness. Since that time, it is estimated that 4,800 units of permanent supportive housing have been created throughout Ohio. As the existing housing stock ages, preserving units in Ohio's affordable housing portfolio becomes increasingly important. ODMH properties are especially challenging to preserve since they are comprised of a low number of units and are owned by small nonprofit organizations or county mental health boards with limited housing development experience and resources. Due to the number of units, these types of projects would be difficult to fund through other Ohio Housing Finance Agency (OHFA) programs, such as the Low-Income Housing Tax Credit Program or Multifamily Bonds.

In 2011 OHFA and ODMH partnered to create the Permanent Supportive Housing Capital Investment Pilot Program (CIPP) to assist ODMH properties with minor renovations and deferred maintenance in order to preserve the units. OHFA set aside \$1 million through the Ohio Housing Trust Fund (OHTF) to fund CIPP projects.

Eligible program activities include: renovations to roofs, windows, kitchen upgrades, etc. and upgrades to central air, new paint, durable flooring, etc. An applicant can apply for a maximum amount of \$250,000 in funding for a single site. However, applicants can submit up to three applications if more than one building is in need of assistance. See Attachment A for more information regarding the program guidelines.

The application process was a collaborative effort between OHFA and ODMH staff. OHFA and ODMH:

- Reviewed each applicant for experience and capacity,
- Reviewed applications for minimum program requirements,
- Conducted site visits,
- Attended proposal meetings with applicants, and
- Made selections based on OHFA's policy objectives.

The collaboration was seamless and stronger relationships were built between the two agencies during this process.

OHFA received 27 applications in September 2011. After the initial review process, OHFA and ODMH staff recommended funding for 18 applications consisting of 102 units. The OHFA Board approved the proposals in February and March of 2012 and awarded a total of \$992,049 in funding. Awardees have begun working on the properties and work is expected to be completed by end of the year. See Attachment B for a list of recipients.

Due to the success of the first round of funding, OHFA has allocated a second \$1 million set-aside for this program. This relatively small investment of funding has helped many households with special needs across the state and helped to build connections with another state agency to provide more housing opportunities. ODMH received additional capital funds from the state general revenue fund for the first time in many years and is working with OHFA staff to best leverage these funds.

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## **Attachment A – CIPP Guidelines**

### **OHFA/ODMH Permanent Supportive Housing Capital Investment Pilot Program**

#### **(OHFA/ODMH PSH CIPP)**

#### **Background/Purpose:**

ODMH has been providing capital funds since the late 1980's for housing for persons with severe and persistent mental illness. It is estimated that since that time 4800 units of permanent supportive housing have been created. As the existing housing stock continues to age, preservation becomes critical so as not to risk loss of units within Ohio's housing portfolio.

ODMH and OHFA are pleased to announce a pilot program through the Housing Development Gap Financing Program for the Permanent Supportive Housing Capital Investment Program. OHFA has set aside approximately \$1 million to assist ODMH mortgaged properties with minor renovation and deferred maintenance projects.

#### **Eligible Applicants:**

Nonprofit 501(c)(3) organizations that have:

1. An existing Permanent Supportive Housing Project, and
2. An existing ODMH contract, mortgage and note for the proposed property/properties.

#### **Ineligible Applicants:**

ADAMH/CMH Boards or other units of government/quasi-government;

Projects that have not already been identified as Permanent Supportive Housing.

#### **Eligible Activities:**

Eligible activities include:

- Minor renovations that will preserve the life and efficiency of the building (roofs, windows, kitchen upgrades)
- Items that improve the living environment for tenants (central air, new paint, durable flooring)

**Ineligible Activities:**

Ineligible activities include:

- Major rehabilitation or preservation (total gut of unit)
- Cosmetic repairs
- Furniture

**Award Amount:**

Applicant may apply for a maximum amount of \$250,000 per applicant/owner.

Funds can be requested for one site (single address). However, applicants may submit up to three applications if more than one building is in need of assistance.

All projects will be scored and prioritized for funding. Once the \$1 million has been awarded, a waiting list will be created. If additional funds become available or if a project does not move forward, OHFA will move to the next project on the waiting list.

**Program Dates:**

July 1-August 1, 2011 - Experience and capacity reviews. OHFA will notify applicants once reviews are complete.

July 15-September 1, 2011 - After successful completion of the experience and capacity review, applications must be submitted to OHFA, with ODMH performing initial threshold review and OHFA performing a second review. Once an application meets threshold reviews by both Departments, that application will undergo a complete review. Site review may occur during this time.

Sept 1, 2011 - Applications are due to OHFA by close of business 5:00 pm.

September 26, 2011 - Applications are reviewed by both departments and projects selected will be notified a fact to face meeting to discuss application.

October 3-28, 2011 - Face to face meetings occurred between applicant, ODMH and OHFA staff to further discuss the proposal.

November 10, 2011 - OHFA will release announcement of awards including the projects that will be on a wait list.

November – December 2011 - OHFA/ODMH will meet with selected applicants to review details of the grant, including but not limited to the Approval Process, Draw Process, Local Government Notification and legal documents.

Projects can begin renovations once the closing documents have been executed/recorded.

All projects must be completed by June 30, 2013.

### **Experience and Capacity Review - Deadline: August 1, 2011**

1. A brief narrative describing the experience of the organization with regard to the development of subsidized and/or affordable housing, including the number of projects and units that have been completed and placed into service.
2. A spreadsheet summary of all projects under construction in a state (or stage of completion), including their present status and expected completion date.
3. Full organizational chart, staff roster, and resumes of key development staff within the organization, focusing on their affordable housing development experience.
4. The most recent audited financial statements for the organization. If an organization is not required to prepare audited financial statements, then statements that have been reviewed or compiled by a third-party accountant may be submitted. The most recent internally prepared financial statements are acceptable only if audited, reviewed or compiled statements are not available.

NOTE: If the management company is not the applicant, information will be required for them, as well.

### **Application Requirements – Deadline September 1, 2011:**

- Successful completion of OHFA Experience and Capacity review
- Excel Application
- Required Narratives
- Description of the population being served
- Description of services provided and how those are being paid
- Description of how the applicant arrived at the project budget
- Description of how the replacement reserves have been used and the remaining balance
- History of the project, including its operations, financial position over the years.
- Description/history of the applicant
- Proposed Project Budget
- Scope of Work
- Project Proforma
- Letter of support and Resolution from the nonprofit Board and the local ADMH Board supporting the application for funding and agreement to sign a 4 way agreement.

### **Submission Requirements:**

Application must be received by September 1, 2011. Applications must be submitted on disc to:

Ohio Housing Finance Agency  
57 East Main St.  
Columbus, OH 43215  
Attn: HDAP Manager

Anyone wishing to hand-deliver an application must contact OHFA on or before August 26, 2011 to make arrangements. Applicants may contact either Virgie Vaido (614-995-4511) or Sally Mitchell (614-466-4393).

Applications for funding must be in an Excel format and must be submitted by disc. All documents must be clearly labeled or will not be reviewed.

Application must have a letter of support from local MH Board.

ODMH MH number must be included in the application.

ADAMH/CMH Boards will be required to submit a letter of support and will be part of the funding agreement.

The application and narrative responses MUST identify the property address requesting funds.

Applicants awarded funds will be required to enter into a mortgage with OHFA securing the project remains restricted for permanent supportive housing for persons with mental illness.

**Selection Process:**

- Applications will be submitted to OHFA
- ODMH will review each applicant for experience and capacity
- OHFA will review each applicant for experience and capacity
- OHFA will conduct a Threshold Review
- Applicants will be notified by email of any Threshold Deficiencies prior to the proposal meeting; deficiencies must be cured prior to the meeting
- OHFA and ODMH will conduct a site visit
- Staff from OHFA and ODMH will attend the proposal meeting
- Applicant will be required to present their project and answer questions
- OHFA and ODMH will make selections based on OHFA's policy objectives

**Legal Documents for approved projects:**

- Mortgage
- Note: pro-rated forgiveness
- Deed restriction for both income and occupancy (population being served)
- Funding Agreement/MOU

## Attachment B – CIPP Recipients

- 1.) Appleseed Community Mental Health Housing received \$136,718 in CIPP funds. Appleseed Community Mental Health Housing is located in Ashland, Ohio. The facility was originally constructed in 1963 to provide five units for persons with severe and persistent mental illness. Appleseed Community Mental Health Center, Inc. manages the facility.
- 2.) Emerald Development and Economic Network, Inc. (Eden, Inc.) received a total of \$176,720.50 in CIPP funds. Eden, Inc. administers 22 housing programs and owns nearly 90 properties throughout Cuyahoga County.
  - a. Bryant Avenue received \$36,708.00 in CIPP funds. The three buildings are located in Berea, Ohio. The buildings were purchased by Eden, Inc. in 1999 and provide 12 units for persons with severe and persistent mental illness.
  - b. Nelson Court received \$140,013 in CIPP funds. The two buildings are located in Lakewood, Ohio. The buildings were purchased by Eden, Inc. in 1994 and provide eight units for persons with severe and persistent mental illness.
- 3.) New Home Development Company, Inc. received a total of \$65,550.00 in CIPP funds. New Home Development Company, Inc. owns and manages a total of 46 housing units across four counties.
  - a. Horizon Apartments received \$65,550.00 in CIPP funds. Horizon Apartments are located in Bryan, Ohio. The apartment complex was originally constructed in 1997 to provide 10 units for very low-income persons with a severe and persistent mental illness.
- 4.) Housing Solutions of Greene County received a total of \$151,732 in CIPP funds. Housing Solutions of Greene County manages 18 units for the Mental Health and Recovery Board of Clark, Greene, and Madison counties.
  - a. 47 North Monroe Street received \$29,003 in CIPP funds. The building is located in Xenia, Ohio. The building was originally constructed in 1900 and provides two units for low-income families that have at least one family member with a severe and persistent mental illness.
  - b. 69 North Monroe Street received \$74,762.00 in CIPP funds. The building is located in Xenia, Ohio. The building was originally constructed in 1950 and provides four units for low-income families that have at least one family member with a severe and persistent mental illness.
  - c. 34 South Wright Avenue received \$47,967.00 in CIPP funds. The building is located in Fairborn, Ohio. The building was originally constructed in 1968 and provides eight units for low-income families that have at least one family member with a severe and persistent mental illness.
- 5.) ICAN Housing Solutions received a total of \$182,305 in CIPP funds. ICAN Housing Solutions owns and operates 119 rental units.
  - a. 802 12th Street received \$27,242.00 in CIPP funds. The building is located in Canton, Ohio. The building was originally constructed in 1974 and provides eight units to low-income persons or families that have at least one family member with a severe and persistent mental illness.



- b. 5th Street received \$138,215.00 in CIPP funds. The building is located in Canton, Ohio. The building was originally constructed in 1916 and provides seven units to low-income persons or families that have at least one family member with a severe and persistent mental illness.
  - c. Richard Place received \$16,848.00 in CIPP funds. The building is located in Canton, Ohio. The building was originally constructed in 1921 and provides four units to low-income persons or families that have at least one family member with a severe and persistent mental illness.
- 6.) Mercer Residential Services, Inc. received a total of \$27,727.00 in CIPP funds. Mercer Residential Services, Inc. has been providing residential supportive services to individuals with disabilities since 1977.
- a. Jessica Byrd Apartments received \$27,727.00 in CIPP funds. Jessica Byrd Apartments are located in Van Wert, Ohio. The apartment complex was originally constructed in 1988 and provides six units for persons with severe and persistent mental illness.
- 7.) Eastway Corporation received a total of \$45,905.00 in CIPP funds. Eastway Corporation manages 12 permanent supportive housing projects in total.
- a. Wilmington Pike Apartments received \$45,905.00 in CIPP funds. Wilmington Pike Apartments are located in Dayton, Ohio. The apartment complex was originally constructed in 1963 and provides eight units for persons with severe and persistent mental illness.
- 8.) Coleman Professional Services, Inc. received a total of \$125,350.00 in CIPP funds. Coleman Professional Services, Inc. has been involved in the new construction of 40 apartment units.
- a. 614 Cleveland Road received \$64,525.00 in CIPP funds. The building is located in Ravenna, Ohio. The building was originally constructed in 1901 and provides two units for persons with severe and persistent mental illness.
  - b. 209 South Prospect received \$60,825.00 in CIPP funds. The building is located in Kent, Ohio. The building was originally constructed in 1920 and provides three units for persons with severe and persistent mental illness.
- 9.) Extended Housing, Inc. received a total of \$457,041.00 in CIPP funds. Extended Housing, Inc. owns and manages 18 properties throughout Lake County.
- a. East Walnut Apartments received \$18,343.00 in CIPP funds. The building is located in Painesville, Ohio. The building was originally constructed in 1905 and provides four units for low-income families that have at least one family member with a severe and persistent mental illness.
  - b. Lost Nation Apartments received \$27,830.00 in CIPP funds. The building is located in Willoughby, Ohio. The building was originally constructed in 1951 and provides four units for low-income families that have at least one family member with a severe and persistent mental illness.
  - c. State Street House received \$10,868.00 in CIPP funds. The building is located in Painesville, Ohio. The three bedroom house was originally constructed in 1925 and provides one unit for low-income families that have at least one family member with a severe and persistent mental illness.

10.) Neighborhood Properties, Inc. received a total of \$23,000.00 in CIPP funds. Neighborhood Properties, Inc. owns and manages 24 projects in total.

- a. Berkley Apartments received \$23,000.00 in CIPP funds. The building is located in Toledo, Ohio. The building was originally constructed in 1923 and provides eight units for homeless persons with a severe and persistent mental illness.