June 16, 2026

Corey Bornemann
Oklahoma Housing Finance Agency
100 NW 63rd Street, Suite 200
Oklahoma City, OK 73116

Re: Proposed Revisions to Section 9 – Historic Nature Documentation Requirements, LIHTC Application

Dear Mr. Bornemann,

I'm writing to express my appreciation for OHFA's review of the Historic Nature documentation requirements under Section 9 of the LIHTC application. The proposed revisions are a genuine improvement to the program, and I want to formally acknowledge the agency's willingness to revisit this section and reiterate my support for the changes as proposed.

Following our exchange earlier this cycle, I have a real appreciation for the complexity involved in administering a program of this scope. The Historic Nature scoring category serves an important purpose; it incentivizes the rehabilitation of Oklahoma's historic building stock while expanding affordable housing opportunities. The revised documentation language establishes historic eligibility more effectively and equitably.

In practical terms, these changes will expand participation in the Historic Nature category, particularly for smaller, locally focused developers who are central to revitalization efforts in Oklahoma's communities. When documentation requirements are proportionate to a project's scope, more developers can responsibly pursue historic buildings for affordable housing without taking on unnecessary financial risk during the application phase, before any funding commitment has been made.

Oklahoma has a large inventory of underutilized historic buildings across communities of all sizes. Removing procedural barriers to the Historic Nature category will bring more of those buildings back into productive use as affordable housing — a direct benefit to the state's housing goals, preservation efforts, and local economies.

My advocacy on this issue has come from a straightforward desire to see OHFA's LIHTC program work as well as possible for Oklahoma. The agency's openness to feedback and willingness to refine the program reflects well on its leadership. These changes are exactly the kind of policy refinement that makes Oklahoma's housing programs stronger.

Thank you for the opportunity to engage on this, and for your continued commitment to expanding affordable housing across the state.

Respectfully,

Shane Hood
Principal | Director of Design
Align Design Build
918.810.7271
shane@align-db.com

BRINSHORE

July 9, 2026

Deborah Jenkins
Executive Director
Oklahoma Housing Finance Agency
100 NW 63rd Street
Oklahoma City, OK 73116

RE: Draft 2027 Qualified Allocation Plan – Comments

Dear Director Jenkins,

On behalf of Brinshore Development ("Brinshore"), in partnership with the Oklahoma City Housing Authority ("OCHA"), we appreciate the opportunity to provide comments on the Draft 2027 Qualified Allocation Plan ("QAP"). The QAP presents important opportunities for OCHA and Oklahoma City to leverage substantial federal funding and make a profound impact on the development and preservation of affordable housing.

CNI Set-Aside is Crucial to Transformative Development

The set-aside for projects financed with Choice Neighborhood Implementation ("CNI") funds is an incredibly valuable tool in the redevelopment of physically obsolete public housing and its surrounding community. It is central to the development strategy submitted to the Department of Housing and Urban Development ("HUD") for the redevelopment of Will Rogers Courts, the target public housing site, and implementation of the Westwood Exchange Transformation Plan.

The current 9% CNI set-aside is central to the Will Rogers Courts Housing Plan submitted to HUD. The ability to quickly and assuredly advance an off-site phase in 2027 will ensure that OCHA and Brinshore meet their obligation to HUD to close a phase within 18 months of award and provide an early relocation option for Will Rogers Courts residents. The proposed site will provide residents with increased economic opportunities and connect previously disparate communities. Without the CNI set-aside, the CNI Housing Plan is likely to experience delays in the construction of the first phase which will impact relocation, demolition, and the redevelopment of Will Rogers Courts.

From 2028 to 2030, the set-aside of 25% (or $1 million) of State Tax Credits for CNI projects, as proposed by Oklahoma Coalition for Affordable Housing ("OCAH") and supported by Brinshore and OCHA, will ensure that the CNI Housing Plan moves forward efficiently with projects adequately sized to the resources available.

In the CNI Notice of Funding Availability, HUD scores favorably applicants that can demonstrate a CNI set-aside in their state's QAP. The CNI set-aside signals to HUD that the state is committed to success and will partner with the applicants to see $26 million in federal funds efficiently utilized to transform communities and deliver high-quality, mixed income housing. Preserving the CNI set-aside in the proposed structure will maintain the CNI application's competitiveness, set the redevelopment of Will Rogers Courts up for success, and further ensure that $26 million in federal funding comes to Oklahoma City.

Extraordinary Infrastructure & Site Work Costs for Neighborhood Transformation

The scope of a CNI Housing Plan requires far more than the construction of new LIHTC units; it calls for the holistic reimagining of large and obsolete public housing sites to transform them into vibrant communities that are integrated with the surrounding neighborhood.

The Housing Plan contemplates the demolition of existing internal streets. Currently, emergency vehicles have difficulty accessing parts of the site and the lack of through streets isolate Will Rogers Courts from the Westwood Exchange neighborhood, further stigmatizing residents' experience. The Housing Plan calls for new streets that connect to existing streets and integrate Will Rogers Courts into the surrounding neighborhood. The development team anticipates extraordinary site work and infrastructure costs will be incurred to transform Will Rogers Courts into the vibrant and connected community that the Transformation Plan and HUD imagines.

The QAP's current cost limits do not account for project's undertaking the scope of infrastructure and site work necessary to transform a historically disinvested site. The cost limits hinder the development team's ability to implement the Transformation Plan and deliver on fundamental Choice Neighborhoods objectives. As such, Brinshore asks OHFA to consider an exception to the per unit cost limits for projects that anticipate extraordinary infrastructure and site work costs. We propose that OHFA remove costs associated with site work and infrastructure from the calculation of total development cost limits and per square foot hard cost limits. Those infrastructure and site work costs could be limited with a separate and appropriate cost limit tied to the size of the site, such as $268,000/acre. We welcome further conversation with OHFA as to how best to balance the need for extraordinary infrastructure and site improvements with OHFA's policy priorities and commitment to keeping development costs reasonable.

Thank you for your time and consideration. We appreciate your collaboration and commitment to affordable housing development in Oklahoma. Please contact me at toddl@brinshore.com with any questions or comments.

Sincerely,

Todd Lieberman
President
Brinshore Development

DOMINIUM

July 9, 2026

Darrell Beavers
Housing Development Programs Director
Oklahoma Housing Finance Agency
205 NW 63rd Street, Suite 140
Oklahoma City, OK 73116

Re: Dominium Comments on the OHFA 2027 Draft QAP

Dear Mr. Beavers:

Thank you for the opportunity to provide comments on the Oklahoma Housing Finance Agency 2027 Draft Qualified Action Plan.

With over 50 years of experience helping communities achieve successful affordable housing solutions, and a growing footprint in Oklahoma, Dominium's overriding objective is to continue to develop properties that people are proud to call home in the Sooner State. On behalf of Dominium, we respectfully offer comments for staff consideration in the final drafting of the 2027 QAP concerning the capacity and prior performance limitations for the New to Oklahoma designation.

Dominium commends OHFA's willingness to adjust and expand the New to Oklahoma framework in prior QAP drafts. Through this expansion, Dominium has demonstrated a capacity to work with OHFA to leverage resources to produce a significant number of units. As Dominium looks to expand to markets outside of Oklahoma City, we believe there is even further capacity for unit production through additional adjustment to the New to Oklahoma framework.

In the current rule, Dominium is precluded from applying for additional AHTC resources pending 8609 issuance and compliance staff visits to the first of its current five AHTC properties in the development pipeline. We understand that as an allocating agency, the New to Oklahoma limit is a tool used to mitigate risk of allocating significant resources to a singular developer with emerging participation in the state. We think there are other tools to mitigate this risk, such as mechanisms that demonstrate a robust financial position, as well as local government preference/support. Furthermore, we think there should be consideration for lifting the limitation where developments have closed and started construction. These criteria could be a way to allow for a case-by-case waiver of the existing limit while maintaining the guardrails in the existing rule. Removing this barrier ensures Oklahoma is open for meaningful affordable housing investment and utilization of bond allocation.

Dominium greatly appreciates your consideration of our comments and looks forward to working with you to ensure Oklahomans have a comfortable place to enjoy with friends, raise a family, and make memories. Should you have any questions regarding our feedback, please contact Marisa Button at marisa.button@dominiuminc.com.

Sincerely,

David D'Amelio
Developer
Dominium Development
DOMINIUM

ELMINGTON
AFFORDABLE

July 9, 2026

Oklahoma Housing Finance Agency
100 N.W. 63rd Street
Oklahoma City, OK 73116

Re: Comments on OHFA 2027 Draft Qualified Allocation Plan

Dear Ms. Myers, Mr. Bornemann, and OHFA Staff,

Thank you for the opportunity to comment on the Draft 2027 Qualified Allocation Plan (QAP).

1. State Tax Credit Income Targeting Requirement
We respectfully request reconsideration of the requirement that developments receiving State Tax Credits dedicate 5% of units to households earning 30% AMI or below. In markets such as Oklahoma City and Tulsa, rents at 30% AMI after utility allowances are often below or in line with operating costs, making these units difficult to support through property operations alone.

While income averaging can theoretically offset these units through the inclusion of 70% AMI units, our experience has been that higher income units receive significant scrutiny during investor underwriting and may not be approved at the levels necessary to effectively subsidize deeper affordability. We encourage OHFA to reconsider an alternative approach that would allow developers to satisfy this requirement by either leasing the units to households at 30% AMI after a reasonable marking period, such as 30 days, or by prioritizing leasing to households utilizing tenant based rental assistance, including Housing Choice Vouchers. We believe this approach would continue to advance OHFA's affordability objectives while providing greater flexibility to ensure the long-term financial viability of developments utilizing State Tax Credits.

2. Hard Cost Per Square Foot Thresholdd
We encourage OHFA to reconsider the proposed reduction to a $150 per square foot hard cost threshold. While the proposed language provides additional clarity regarding the costs included in the calculation, the reduction in the threshold represents a significant change from prior years.

Construction costs remain substantially above pre-pandemic levels and continue to place pressure on affordable housing developers. Meanwhile, amenity expectations and development standards within the QAP have largely remained unchanged. The proposed threshold could unintentionally limit the feasibility of affordable housing developments throughout Oklahoma. We encourage OHFA to consider a more gradual adjustment to the threshold, such as a reduction to $200 in hard costs per square foot, which would continue to promote cost discipline while better reflecting current market conditions and preserving the ability to deliver much needed affordable housing across the state.

3. Development Cost Efficiency
We kindly request that OHFA reconsider the proposed revisions to the Development Cost Efficiency scoring criterion related to deferred developer fee and debt utilization. While we understand the goal to encourage efficient capital structures, deferred developer fee and debt sizing within affordable housing transactions is driven by underwriting constraints rather than developer preference. Permanent debt proceeds are limited by debt service coverage requirements, restricted rents, operating expenses, and interest rates, while subordinate financing sources and deferred developer fee are often necessary to close funding gaps that cannot be supported by project operations alone.

Developments in Oklahoma City and Tulsa have historically had relatively limited access to local soft funding sources, leaving deferred developer fee as one of the primary tools available to bridge financing gaps. Limited AMI growth in Oklahoma City and Tulsa has also limited the amount of permanent debt that many developments can support. Moreover, the transition from the 50% to 25% test has required developers to utilize taxable debt structures with higher interest rates, further reducing supportable debt proceeds while maintaining debt coverage ratios. As proposed, the revised scoring methodology may unintentionally disadvantage developments pursuing deeper affordability. We encourage OHFA to consider keeping one of these metrics while eliminating or modifying the other to avoid unintentionally penalizing developments that require deferred developer fee or lower debt proceeds due to affordability targets, market conditions, or financing constraints outside of a developer's control.

Thank you for your consideration and for your continued partnership in addressing Oklahoma's affordable housing needs.

Sincerely,

C. Hunter Nelson
President
Elmington Affordable

Cc: Sydney Triplett, striplett@elmingtoncapital.com
Donnell McGhee, dmcghee@elmingtoncapital.com
Jake Hymes, jhymes@elmingtoncapital.com

Home Innovation RESEARCH LABS™

July 9, 2026

Oklahoma Housing Finance Agency
Attn: Darrell Beavers, Emily Myers and Corey Bornemann
PO Box 26720
Oklahoma City, OK 73126-0720

Submitted electronically: darrell.beavers@ohfa.org, corey.bornemann@ohfa.org, and emily.myers@ohfa.org

Dear OHFA Housing Development Team:

On behalf of Home Innovation Research Labs, I am pleased to submit these comments to inform the first draft of the Oklahoma Housing Finance Agency's (OHFA) 2027 QAP. We appreciate OHFA's collaborative and inclusive approach and the opportunity to provide feedback.

We respectfully request that OHFA recognize third-party green building certification as an alternative to the HERS Score options within *Attachment #12- Home Energy Efficiency Rating Certification* for 10 points. Specifically, we request that NGBS Green Certification be recognized as a named alternative.

Value of Green Building Certification

By recognizing third-party green building certifications, OHFA would offer a more comprehensive and flexible solution to implementing the agency's priorities for energy and sustainability. While energy efficiency is the cornerstone of sustainable construction, energy efficiency incentives alone are not enough to promote sustainable development. Buildings designed to increase energy efficiency without consideration for moisture management, indoor air quality, and other green building practices risk the health and safety of the people residing in it. Green building certifications offer greater assurance of construction quality, operational efficiency, and resident comfort.

The *ICC-700 National Green Building Standard (NGBS)* is comprehensive, cost-effective, and well-suited for affordable housing development. Recognition of NGBS compliance would provide consistency in the housing industry. HUD, Fannie Mae and Freddie Mac all recognize NGBS Green certification for many of their programs and financing incentives. Additionally, nearly 30 states recognize the NGBS in their QAP, including many surrounding states like Colorado, Texas, and Missouri.

If OHFA does decide to add green building certifications to the QAP for optional points, it is important to define what is required of developers to demonstrate compliance. We recommend incorporating two simple compliance measures:

1. The project is certified through a qualified third-party.
2. Certification documentation is submitted prior to the IRS Form 8609.

Building Green Cost Effectively

I recognize that OHFA is strongly committed to managing overall development costs so that the agency can finance as many affordable units as possible. Cost containment and sustainable construction are not opposing goals; in fact, third-party green building certification can support goals of cost containment. Green building encourages multi-disciplinary engagement during the design phase, when creative solutions to achieve design goals can be identified and pursued cost-effectively. The increased construction quality and increased quality assurance afforded by third-party verification and certification provides developers extra visibility to identify and remedy construction issues prior to occupancy.

National Green Building Standard Overview

NGBS Green Certification is based on the National Green Building Standard (NGBS), the only residential green building standard approved by the American National Standards Institute (ANSI). Developed through a consensus process led by the International Code Council (ICC) with broad industry participation, the NGBS reflects nationally recognized best practices for residential construction. Because the NGBS was developed specifically for residential construction and is written in code language familiar to builders, designers, and code officials, it is both practical to implement and well suited for affordable housing developments.

Unlike programs that focus primarily on a single aspect of building performance, the NGBS evaluates projects across multiple categories, including site development, resource efficiency, energy efficiency, water efficiency, and indoor environmental quality. To achieve certification, every project must demonstrate minimum performance across each category, ensuring a balanced approach to building performance rather than excellence in one area at the expense of another.

About Home Innovation Research Labs

Home Innovation Research Labs serves as Adopting Entity and provides certification services to the NGBS. Home Innovation Labs is a 62-year-old, internationally recognized, accredited product testing and certification laboratory located in Upper Marlboro, Maryland. Our work is solely focused on the residential construction industry, and our mission is to improve the affordability, performance, and durability of housing by helping overcome barriers to innovation. Our core competency is as an independent, third-party product testing and certification lab, making us uniquely suited to administer a green certification program for residential buildings.

Summary

We recommend that OHFA recognize reputable third-party green certification programs as an alternative to the HERS Score options within *Attachment #12- Home Energy Efficiency Rating Certification* for 10 points. Specifically, we advocate for recognition of the *ICC-700 National Green Building Standard (NGBS)*, as it is comprehensive, cost-effective, and well-suited for affordable housing development.

I am happy to meet with you, or your staff should you require a more detailed overview of the NGBS or our certification program. Please don't hesitate to contact Michelle Foster, our Vice President of Sustainability, directly if she can be of further assistance.

I look forward to working with OHFA to promote green certified affordable housing in Oklahoma.

Best,

Michael Luzier
President and CEO

Emily Myers

From: Danny DiFrancesco <communications@ohfa.org>
Sent: Thursday, July 9, 2026 4:08 PM
To: Emily Myers; Corey Bornemann
Subject: DiFrancesco 2027 Qualified Allocation Plan Input

Name

Danny DiFrancesco

Email

d.difrancesco@commonwealthco.net

Comments

Good Afternoon,

We have looked through the first draft of the QAP and have a few comments to the following:

-The proposed "Most Square Foot per Bedroom" scoring criterion for 5 points. While it is well intended in seeking to encourage quality housing, but it unintentionally rewards larger and less efficient unit designs rather than the best use of scarce affordable housing resources. We don't think having a larger unit per bedroom size equates to an overall better living. OHFA can look to include minimum sizes for each bedroom size that they believe is adequate living for those bedrooms, but rewarding developers for having larger 1, 2, 3, or 4 bedroom units when we know construction costs are continuing to rise doesn't seem like productive. If there isn't this incentive to build larger units, it results in developers being able to reduce unit square footages and be able to increase their unit count.

We appreciate OHFA's removal of the "Credits per Bedroom" incentive. This change allows senior deals to be more competitive since they are predominately one and two bedroom units. When the overall population change is growing to more seniors, it is crucial for states to be able to have senior projects be on a level playing field. We've also experienced in our projects, that 3 and 4 bedroom units are slower to lease up and is a possible sign of the demand not being there.

We respectfully recommend that OHFA increase the number of points available for Historic Rehabilitation developments to better reflect the public benefits these projects provide and the additional complexity required to successfully complete them.

Historic rehabilitation developments consistently face higher costs, longer development timelines, and greater regulatory oversight. In addition to meeting all LIHTC requirements, these developments must comply with federal and state historic preservation standards, coordinate with multiple agencies, and preserve architectural features that cannot simply be replaced with less expensive alternatives. These requirements increase both development risk and cost, yet the public benefits extend well beyond the creation of affordable housing.

Historic rehabilitation preserves Oklahoma's architectural heritage while returning vacant or underutilized buildings to productive use. Many of these developments eliminate blighted structures, catalyze downtown and neighborhood revitalization, increase surrounding property values, and encourage additional private investment. Rather than contributing to outward expansion, historic rehabilitation leverages existing infrastructure, utilities, streets, and public services, making efficient use of previous public investments. They preserve irreplaceable community assets, stimulate economic development, promote environmental sustainability, and often serve as catalysts for broader neighborhood revitalization.

We appreciate OHFA's consideration of our comments.

One-on-One Meeting

Yes

July 9 Input Session

No

FOUNDERS
David Gottfried
Michael Italiano
S. Richard Fedrizzi

2101 L St. NW
Suite 600
Washington, DC 20037
202-828-7422
usgbc.org

July 13, 2026

Director Deborah Jenkins,

On behalf of the U.S. Green Building Council (USGBC) and its over 9,000 members nationwide, we are pleased to provide the Oklahoma Housing Finance Agency (OHFA) with recommendations for the 2027 Qualified Allocation Plan (QAP).

We believe that OHFA has an opportunity to be more ambitious with its efficiency measures in the 2027 QAP. **We recommend that the 2027 QAP include competitive points for projects that achieve high-performance building certifications, such as Leadership in Energy and Environmental Design (LEED).**

USGBC and LEED

USGBC is a nonprofit organization dedicated to transforming the way buildings and communities are designed, built, and operated, enabling an environmentally and socially responsible, healthy, and prosperous world. Best known for our flagship green building rating system Leadership in Energy & Environmental Design (LEED), which is a nationally recognized standard that takes a holistic approach to whole-building performance. LEED-certified projects must meet a set of rigorous criteria within prerequisites and flexible credits that, when combined, set buildings on a path to excellence – resulting in lower energy and water costs, improved indoor air quality and occupant comfort, and reduced local emissions.

LEED buildings are at the forefront of building excellence and expertise, with ample representation in Oklahoma, which has 149 LEED certified projects, representing over 15 million square feet[1] of real estate across office buildings, military bases, schools, and affordable housing units[2]. Additionally, almost 700 individuals hold LEED credentials in Oklahoma, with another 16 USGBC member organizations based there.

Competitive Points for High-Performance Building

USGBC commends OHFA for offering competitive points for energy efficiency, which will result in buildings that can offer lower energy bills for residents, which is

[1] Policy Brief "LEED v4: Raising the Bar on Energy Performance," U.S. Green Building Council

one of the perpetual barriers to affordability. This is particularly crucial now amidst rising energy prices and cost of living increases.

OHFA can continue to improve affordability and public health within affordable housing by expanding beyond energy efficiency measures. Americans spend about 90% of their time indoors and much of that is in our homes; however, indoor air can be between 2 to 5-times more polluted than outdoor air.[3] Furthermore, the U.S. Centers for Disease Control and Prevention (CDC) found that low-income individuals have the highest rate of asthma nationally.[4] Indoor air pollution, ranging from particulate matter, allergens, and dampness, has also been found to directly contribute to asthma in children as well.[5]

A National Institute of Health (NIH) study of sustainable certified low-income housing renovations in Washington D.C. identified significant health benefits to residents.[6] According to the study, general health in adults improved from 59% to 67%; allergen dust loadings showed large and statistically significant reductions and were sustained at one year. The study also reported energy and water cost savings of 16% and 54%, respectively.

By adding competitive point-based criteria for projects that earn a high-performance building certification that addresses energy efficiency water conservation, indoor air quality, such as LEED, OHFA will position its LIHTC funding to more effectively deliver on OHFA's mission to provide quality housing to communities across the state. LEED has demonstrated its effectiveness in providing healthier conditions for residents and by enabling them to save on operating costs. [7] High-performance building certifications provide accountability by employing a widely recognized verification system that takes a holistic approach to building performance.

LEED specifically considers additional factors such as water efficiency, occupant comfort, indoor air quality, disaster resilience, waste, biodiversity, and building materials. For example, LEED-certified homes are designed to maximize fresh air indoors and minimize exposure to airborne toxins and pollutants by requiring proper ventilation, high efficiency air filters and measures to reduce the possibility of mold and mildew, in addition to prioritizing the use of adhesives and sealants that have little to no volatile organic compounds (VOCs) to improve air quality.

[3] "Indoor Air Quality," U.S. Environmental Protection Agency.
[4] "National Asthma Data," U.S. Centers for Disease Control and Prevention.
[5] Breysse, Patrick N et al. "Indoor air pollution and asthma in children." *Proceedings of the American Thoracic Society* vol. 7,2 (2010): 102-6.
[6] "Health and housing outcomes from green renovation of low-income housing in Washington, DC," NIH
[7] Policy Brief "LEED v4: Raising the Bar on Energy Performance," U.S. Green Building Council

These factors raise the bar beyond just energy efficiency to provide a quality living environment with higher resilience and longevity at a lower cost to residents.

Additionally, the third-party verification required to earn LEED certification serves to validate a project's overall performance and merit, ensuring that developers are delivering a project that meets OHFA's standards. **To that end, USGBC respectfully suggests that the 2027 QAP be amended to include competitive points for projects that achieve high-performance building certifications, such as LEED.**

Conclusion

OHFA plays a critical role in implementing the LIHTC program to provide enhanced opportunities for high-quality, sustainable, resilient housing for low-income Oklahomans. By including competitive points for projects earning high-performance building certifications, such as LEED, in the 2027 QAP, OHFA will demonstrate a commitment to resident health and wellness and cost-savings.

USGBC is available to provide further information and technical assistance on how high-performance buildings are a long-term benefit for Oklahoman communities. We look forward to supporting OHFA in its continued mission to provide affordable housing for the residents of Oklahoma.

Sincerely,

Dana Adams
State Policy Project Manager
U.S. Green Building Council
dadams@usgbc.org

7-10-26-Belmont Development's comments to OHFA's 1st 2027 draft, after input session

1. Page 6-Due Dates-We request the due date for June be changed to 24th. This allows additional time for response/preparation between the May Board and the due date

2. Page 9-Set-Asides-We suggest eliminating the Choice Neighborhood Implementation Grantees 9% set-aside. They should be required to use 4% bonds instead. Additionally, this would free up Credits for the 9% Applications. Also, we believe the 4% could yield more total Credits for those Developments. As part of this, the cost/square foot limit for CNI Applications could be lifted. As part of OHFA's commitment to CNI, they could commit to expedited review, or priority processing, to still providing preference in some way.

3. Page 12-Amount of bonds-We are concerned this per-Development limit will reduce the feasibility of 4% Bond deals without advancing the goal of funding more Developments statewide. We request this limitation be removed. OHFA needs to fund Developments with as much Bond Cap as needed. We appreciate the pro-active effort, but feel it is premature, and unnecessary at this time, but the amount of Bonds should not be limited. If OHFA still feels there should be a limit, we would request 50% instead of the 30%.

4. We support OHFA looking into bond recycling programs for use by the Single-Family program, leaving the new cap for Tax Credit deals.

5. Page 12-Bond Cap-We would request OHFA publish annual information on available bond cap, carryover and amounts used.

6. Page 14-State Credits-We oppose this change and request it be removed. Neither the federal or State programs were designed to serve 30% ami households. If OHFA makes this a requirement, then Project Based vouchers, or some other source to compensate should be offered. Sometimes, tenants at 30% or below need services, which is also not a requirement, and many are not suited to carry out. This is handled as an income targeting point category in the 9% Applications, so it seems as a threshold requirement on 4% would be inconsistent.

7. Page 24-CNA-We would support changing CNAs due at carryover, rather than Application.

8. Page 25-CN As for adaptive reuse-We oppose this change and request it be removed. "As-Is" study is often not obtainable, and not useful for a property that will change function.

9. Page 32-Need Index from Assessment-We would request this section be removed. The market study provides a more direct and reliable basis for evaluating the housing need. The Index will cause a concentration of housing in areas, a problem we've had before, which raises land costs and often times over builds in those targeted areas. If not removed, then rehabs of low-income properties should be exempt, and get the points automatically. Rehab of existing low-income stock is still very important regardless of the need for housing in other areas. Rehabs will need the automatic points because they compete with new construction in the general pool.

10. Page 34-Historic Nature-Increase the radius to one mile for new construction units.

11. Pages 34-36-Efficiency Factors-We would request the changes regarding DDF and Debt be removed.

12. Pages 34-36- Development Cost Efficiency-We would request the factors be reinstated. We agree some adjustments need to be made to address OHFA and Developer concerns. This could be accomplished by tweaking the number of points, rather than changing the factors all together. The factors were developed with a lot of thought and work to counter several problems, and to disassemble the whole process eliminates those solutions. Without the categories, OHFA will experience a race to the bottom problem it had before. Cost containment concerns are handled by subsidy limits and Developers attempt to keep Credit request low.

13. Pages 34-36- Efficiency Factors, change for withdrawn apps-If an Application is not competing in a round, then it should not impact the scores. This can make a bigger difference if more than one Application is withdrawn. We would request this change not be made. No withdrawals should be allowed less than 48 hours before the Board meeting.

14. Pages 34-36- Efficiency Factors-We would suggest a change in the penalty from two cycles, to something more substantive. Some Applicants are purposely not concerned about factors because they are willing to sit out for a year. Either more time, or a financial penalty should be implemented.

15. Page 58-Compliance fee for Income Averaging-Developments selecting Income Averaging as the Minimum Set-Aside will have an additional flat fee of $150.00 in addition to the applicable items referenced above. Coalition requests this extra fee be removed. It has been a while since this set-aside was implemented. Both managers and OHFA staff are now familiar with the process. It seems no additional work is needed; therefore, no extra fee should be due.

16. Page 63- Market Study, capture rate-This exemption needs to be limited to any tax credit or other affordable property rehabilitation-if a market property, not sure tenants all would stay and a capture rate would be needed.

17. Page 66-Underwriting Standards, cost/sq ft limit-We feel this limit will impact quality of construction and should include all costs.

18. Pages 66, 67, 68-Hard Costs Definition- We request a single, consistent definition of "Hard Costs", to be applied uniformly across the QAP. There are three definitions of hard costs, one each for square footage limit, contingency, and fees. There should only be one definition, others should be eliminated.

19. Pages 67-68-Contingency Percentages-This should be stated as a ceiling-an "up to" limit. Also, the phrase "general requirements, contractor overhead, or contractor profit" should be revised to "and" instead of "or".

20. Page 69-DCR-max of 1.4-We are concerned this is an arbitrary limit that may not work well for all Developments. Specifically, small USDA Developments typically have a declining

DCR over time, so the first year DCR may need to be above 1.40 in order to maintain 1.15 through year 15. Clearly defined exceptions should be outlined, such as USDA, or a small number of units. We would also support averaging the dcr over the 15 years.

21. Page 69-Income & Expense escalators-For USDA Developments, the annual increases need to be 3% for both. As expenses have been increasing more significantly, and RD allows rents to cover the additional expenses, this is a more realistic approach.

22. Page 69-DCR-we request the dcr be lowered back down to 1.15.

23. Page 74-General Contractor Certification-We applaud this change. We request a waiver be available to Applications from 2024-2026, that were subject to this requirement. This should be a broad exemption to cover all Developments, and put in the QAP. This way the Board does not have to consider each request, and the Developers don't have to request. OHFA could just notify those open deals.

24. Page 77-Income Averaging-Attachment E-We suggest making the grid only due with the annual reports. To make it due in October seems duplicative and inefficient, by reporting twice. We continue to support only once a year reporting. Owners of developments electing income averaging are already required to submit OHFA's Annual Owner Certification, Income Averaging Election/Certification Form, Income and Rent Grid Form by February 15, making the October 1 required reporting redundant. We continue to request only once a year submission.

25. Page 77-Income Averaging-We request language that any software report that shows the necessary information can be submitted rather than OHFA's grid.

26. Page 77-Income Averaging-It seems now that Owners and Staff have a little more experience with the set-aside, Developments with market units should be allowed. Next available unit rule is essentially the same for market and average income.

27. Page 77- Income Averaging-We request that you revisit the policy regarding disallowing developments with previous LURAs from utilizing Income Averaging. This could be accomplished by releasing old LURAs when the new one is put in place.

28. Pages 76-78-We understand OHFA will be putting a lot of the Income Averaging information into the Compliance Manual, and applaud this move. We do want this to be finalized simultaneously with the Application Instructions. We also would like the opportunity to comment on the proposed language in the Manual before finalized.

29. Place all previous versions of Rules on website for Owner and Management reference. We continue to request this, as a good resource. A link to the Secretary of State site, as long as it includes the complete set of rules, is fine as opposed to listing all on OHFA's website.

30. We also agree that it would be helpful for 15 years of past Application Instructions be on OHFA's website. Again, since this is part of the documents we are required to comply with.

31. Changes made over the years, to the regular Application Form should also be reflected in the Carryover and Final Applications. Verify information requested in the Word portion of the Application is current and appropriate for Carryover and/or Final. Also, remove the Excel sheets from the Word doc, combining the Acquisition/Rehabilitation and New Construction Development budgets into one tab, the autofill of the square footage tab, and any other changes made to the regular Excel sheets. We continue to request this, for ease of Staff and program participants.

32. It would be helpful if the effective date of the carryover and final documents would be listed on the website. That way we could make sure we have the most current version. Also, if the online versions were in fact the current ones. We continue to request this, for ease of Staff and program participants. Updated checklists could also be posted online.

From:	Travis Tinnin
To:	Emily Myers; Corey Bornemann
Subject:	Tinnin 2027 Qualified Allocation Plan Input
Date:	Friday, July 10, 2026 11:34:52 AM

Name

Travis Tinnin

Email

travis.tinnin@tulsahousing.org

Comments

Additional clarity on the proposed hard cost per square foot limit of $150/SF. State what is included as hard cost. Also consider switching it back to cap total development costs per square foot.

Keep the set aside for CNI in 2027 as is. In 2028, make it explicit that the CNI set aside can be open to any developer that wants to build in the CNI target neighborhood. Also consider switching the CNI set aside in 2028 onward from a 9% award to a 4% award with guaranteed state tax credits. Clarify if two or more CNI applications are submitted in the same cycle, how will that be handled.

Waiver procedure for already awarded projects to not have to do a GC cost cert.

Change cap on the bonds to 50% from 30% / greater of permanent debt.

One-on-One Meeting

Yes

July 9 Input Session

Yes

From:	Nick Emenhiser
To:	Darrell Beavers; Corey Bornemann; Emily Myers
Cc:	Kuhl Brown; Shelly Marquez
Subject:	Mercy Housing draft QAP comments
Date:	Friday, July 10, 2026 1:35:36 PM
Attachments:	image002.png image003.png image004.png image005.png image006.png

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Dear Darrell, Corey, Emily –

Thank you for hearing our comments in person yesterday. Not to beat a dead horse, but I wanted to also provide our written comments to supplement the notes you were clearly taking. I appreciate how hard you guys work to balance all the concerns and opportunities.

I am providing our comments based on page number (highlighted most important points):

1. Pg 12 limiting PAB to 30% is understandable based on the carryover constraints Corey mentioned yesterday. However, I would recommend considering 50% PAB for straight-4% deals (without state credit) that could use the additional subsidy. This is a way for OHFA to establish a third pipeline that does not rely on either competitive credit category.

2. Pg 14 Mercy supports limiting State AHTC to 4% only
   a. Mercy also supports requiring 5% of units at 30% AMI. OHFA should also require of 9% across the board. Increase to 10% while they are at it. The issue is that 60% AMI is getting saturated, other AMI levels are underserved, and developers who want to do lower-income are penalized for doing so when the QAP also scores debt leverage.

3. Pg 25 Should adaptive reuse really require a PCNA?

4. Pg 32 The scoring break in the Need Index appears to be capturing small counties (Beckham County, etc) with statistical anomalies due to small population. A simple solve is a scoring break at .60 (Tulsa, Oklahoma, Cleveland, McClain, Canadian, Payne)

5. I would remove SF per BR out of 9% scoring, not really a policy-driven housing

outcome. Large bedrooms are a costly feature that, combined with cost caps and competition, block us from being able to invest in community amenities and site work.

6. Pg 63 Should align Affordability Factor with NCHAMA standards – raise 30% to 35%

7. Pg 66 Hard cost PSF of $150 is absolutely not feasible for Tulsa infill sites. No way no how. This will completely eliminate elevator-buildings with any kind of design, but make soft costs completely unrestricted. I recommend capping soft costs, not hard costs. Anything with an elevator in Tulsa is at least $175/unit hard cost going forward ($150 worked in the past for deals completing today). **The cost environment is not stable right now.**

    a. Could add Counties Scoring Above .60 on OHFA Need Index as Exempt along with Historic and OZ (Oklahoma is about to lose half of its OZ eligible tracts under OZ 2.0)
    b. Also note Pg 74 below in conjunction with Pg 66

8. Pg 69 Capping DCR at 1.40 will make PSH projects difficult, if there might ever be any vouchers available.

9. Pg 74 Eliminating the GC cost cert is reducing transparency and making it easier for our competition to get around or out of QAP requirements. Mercy would prefer to see maximum transparency and all stakeholders held to high standards.

Nick Emenhiser
Associate Director Real Estate Development | Mountain Plains Region
he/him

mercy HOUSING

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C: 405-476-9336 F: 303.830.3301 O: 303.830.3300

Express GROUP Of Companies

July 9, 2026

Oklahoma Housing Finance Agency

100 NW 63rd Street

Oklahoma City, OK 73116

Dear Mr. Beavers, Mr. Bornemann, and Ms. Myers,

Express Group appreciates the opportunity to provide comments and feedback on proposed changes to the 2027 Qualified Allocation Plan. We support many of the changes staff has made in this new version and have provided some functional advice on potentially better ways to implement some of the desired changes.

The page numbers referenced below are the page numbers in the draft document.

<u>Comments</u>

A. Page 6: We request that Applications for Funding Period Two be received by Thursday June 24th, 2027.

   Rationale: This will provide additional time following the May Board meeting awards for applicants to review and make applications for round Two.

B. Page 11: We support the increase to three (3) business days for Application disputes.

C. Page 12: We do not support the bond request restriction proposed in this draft and recommend removal of this addition. We instead propose listing the state bond cap on the OHFA website to raise awareness of the available funding each year, similar to what is done with LIHTC, Home Funds, and Trust Fund availability.

   Rationale: The bond cap in Oklahoma has not been reached its bond cap previously and has in fact lost bond volume in previous years. The proposed addition of publicly displaying Bond Cap availability will increase the information developers have when applying and create an additional filtering of applications to maximize bond use. The proposed structure restricts the crucial financing tool that makes 4%

bond deals viable and puts at risk deals that need the additional tax exempt debt to remain feasible.

D. Page 14: We request that underlined language be stricken “Any Development that receives an award of State Tax Credits must dedicate 5% of the proposed units to individuals earning at or below 30% of the Area Median Income (AMI)
Rationale: While we understand the desire to increase the housing supply serving those at 30% we feel that this program was not intended to directly serve residents at that level. The 9% program has done a good job of helping target units at that level. On larger bond developments this addition may require additional services be provided to the development and would require additional financial laying such as housing vouchers.

E. Page 32: We request that the new Need Index Scoring criteria be moved into the existing Location Scoring Section.

   Rationale: The data provided by this data set is significantly lags current needs and could lead to over development in areas without needs such as what has happened in previous years. This is a location related factor and therefore would fit well within existing scoring criteria.

F. Page 34: We support the revised Historic Nature documentation requirements.

G. Page 35: We request that the proposed changes to the Development Cost Efficiency criterion be rejected and the prior methodology restored.

   Rationale: Replacing “Lowest Credits per Bedroom” with “Lowest Percentage of Deferred Developer Fee/Total Developer Fee,” and replacing “Lowest Percentage of Hard Debt” with “Highest Percentage of debt.” The revised debt factor, which now counts total debt including soft debt, is difficult to verify and quantify consistently across Applications. The current criteria is contradictory. Increasing leverage increases risk to the development as well as increases the need for higher rents to residents. This proposed change will result in an overabundance of efficiency and 1 bedroom units being produced.

   Recommendation: We recommend placing a maximum DSCR of 1.50 as an underwriting standard. This will eliminate the ability for developments to under leverage their deals.
   We also recommend staff take a Poll of Equity Pricing, Interest Rates, and operating expenses among applications in different pools each round (ie New Construction Rural, New Construction Rural, and Rehab) and identify if there are deals that have credit pricing or interest rates that are outside the average. This would help find if deals are being under levered by poor equity pricing or if they are being over levered by utilizing lower than market interest rates.

ExpressGroupofCompanies.com
405-585-2527 11837 Kingsville Dr. Frisco, TX 75035

H. Page 66: We request that staff maintain the "Total Development Costs" as cost identifier.
Rationale: Isolating the cost limits to hard costs no matter how they are defined open up the ability to shift costs that would otherwise be "hard costs" into soft cost categories in order to ovoid the limit. Keeping the cost limit based on the Total Development Costs eliminates the ability of a development to avoid any intentional cost limits.

I. Page 68: We request the following revisions. First, the construction contingency should be stated as a ceiling, reading "up to 10%" for New Construction Developments and "up to 10%" for Rehabilitation Developments. Second, the phrase "general requirements, contractor overhead, or contractor profit" should be revised to read "general requirements, contractor overhead, and contractor profit." Third, the underlined language establishing minimum replacement reserves and the treatment of reserve account interest income should be stricken. We agree with the remainder of the provision as drafted.
Rationale: Investors and Lenders require a minimum of 5% contingency for New Construction Developments. The requirement of 5% maximum is not in line with market requirements and restriction in cost overruns is already in place by the Total Development Cost limits.

J. Page 68: We request that interest income on reserves not be allowed to be used to meet DSCR requirements.
Rationale: While there is interest income on reserves, there no realistic way to account for an accurate interest amount that would be earned over a 15 year period. When firm commitment letters are required by lenders and syndicators. Allowing this enables unrealistic income amounts to be accounted for to make a development appear feasible.

K. Page 69: We support inclusion of a DSCR maximum as an underwriting requirement. Although we request the limit be set at 1.50 rather than the proposed 1.40.
Rationale: The lower 1.40 limit may cause issues with rural developments and 1.50 is in line with other states limits.

L. Page 74: We support the removal of the General Contractor Cost Certification. We also request that this is be retroactive to prior allocations.

We sincerely appreciate the opportunity to submit comments to the 2027 Draft Qualified Allocation Plan and the work staff has done to improve each year. Please let me know if you have any questions about the comments submitted.

Sincerely,

Michael D. Tibbetts

Michael D. Tibbetts

Vice President

Express Group of Companies

From:	Chuck Cook
To:	Darrell Beavers
Cc:	Corey Bornemann; Emily Myers; Sam Coats
Subject:	Recommended Comments on the Oklahoma Housing Finance Agency 2027 First Draft QAP
Date:	Friday, July 10, 2026 4:39:29 PM
Attachments:	image.png

Mr. Beavers,

I appreciate the time you, Corey, and Emily spent discussing the 2027 QAP First Draft.

The proposed QAP should generally be adopted. I support the majority of the proposed changes made by OHFA. Below, I have made a few recommendations for consideration:

- Hard Construction Cost - The shift from Overall Development Cost to Hard Construction Cost is a positive improvement because it better measures construction efficiency. Before final adoption, I recommend that you evaluate whether the proposed $150-per-square-foot benchmark reflects current Oklahoma construction costs across all affordable housing types and between urban and rural areas.
- Construction Contingency - With the construction cost volatility and uncertainty, I would like the agency to consider increasing the contingency from 5% to 7% for New Construction.
- Oklahoma Housing Needs Assessment and Market Study - I support the use of the Oklahoma Housing Needs Assessment as a statewide planning and policy tool. The OHNA is a great macro for statewide planning, but not necessarily the best tool for individual selection. However, because competitive LIHTC awards are made for specific developments in specific Primary Market Areas, greater scoring emphasis should be placed on the independent market study. The market study evaluates actual project feasibility, including supply, demand, occupancy, capture rate, absorption, pipeline competition, and local economic conditions, making it the more appropriate tool for determining whether a proposed development is likely to succeed. Therefore, I recommend that the OHNA continue to inform statewide housing priorities. However, competitive scoring should place greater emphasis on an independent market study evaluating the Primary Market Area, because it provides the most accurate assessment of demand for the proposed development. Perhaps, 60% scoring emphasis on the Independent Market Study.
- Changing the underwriting standard to a maximum 1.40 DSCR for the first five years of operation - I understand OHFA's intent to ensure right-sizing the permanent debt and don't necessarily disagree with the new requirement; however, I would like staff to consider adding the following language: "Where the projected DSCR exceeds 1.40 during the first five years, OHFA may evaluate whether additional permanent debt is appropriate, provided the development continues to maintain the required minimum 1.20 DSCR throughout the entire 15-year operating pro forma after any adjustment."

Thank you for considering these comments. The proposed 2027 Qualified Allocation Plan is fundamentally strong. With the targeted refinements outlined above, OHFA can further improve transparency, encourage financially sustainable developments, and better accommodate the diversity of affordable housing developments across Oklahoma while maintaining its commitment to responsible allocation of Housing Tax Credits.

Best Regards,

Chuck D. Cook

Manager

PRADERA DEVELOPMENT

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Oklahoma City, OK 73120

O: 405-673-8887 **M:** 405-401-6321

Email: CCook@praderadev.com

From: John Kennedy
To: Darrell Beavers; Corey Bornemann
Cc: Thomas A. Gorman; Bill Curran; Regan Gorman
Subject: QAP Session follow-up
Date: Friday, July 10, 2026 3:05:07 PM

Hi Darrell and Corey, it was nice seeing you both yesterday. I wanted to follow up on two comments.

First, we would encourage OHFA to continue relying on OHFA staff and the Oklahoma development community when updating its QAP rather than engaging outside consultants. We are aware of other states that have used outside consultants with mixed results, and we believe the collective experience of OHFA staff and the Oklahoma development community can continue to collaborate to deliver the best QAP to serve the residents of Oklahoma.

Second, we would appreciate it if you would consider "forward allocating" the second round credit authority. The implementation could be relatively simple as illustrated by the table below.

Funding Round	Submission Date	Credits Awarded	Credit Authority Awarded	Carryovers Signed
1st 2027	January 2027	$12M	100% of 2027	June 2027
2nd 2027	June 2027	$6M	50% of 2028	January 2028
1st 2028	January 2028	$6M	50% of 2028	June 2028
2nd 2028	June 2028	$6M	50% of 2029	January 2029
1st 2029	January 2029	$6M	50% of 2029	June 2029
2nd 2029	June 2029	$6M	50% of 2030	January 2030

Under Section 42, once a carryover is signed, we have until the end of the second calendar year to place all units in service. When carryovers are signed in December, this period is 24 months, which is the shortest possible window. On new construction projects that only require debt and equity, this timeline may not be an issue, but for acquisition rehab deals with multiple layers of HUD involvement (Section 8, 221(d)(4) financing, etc), the 24-month timeline can be a challenge. When HUD is involved, we often have to wait 90-120 days for one layer of approval, to then wait another 90 days for a different approval, to then wait 60 days for a third approval. Once the HUD approvals are done and we close the deal, our contractor has to complete the renovation, and his timetable is often compressed because of the 24-month limit.

Forward allocating the second round credits into the following year’s authority would effectively extend the development window by several months without any additional cost to OHFA or change to the competitive process/timing.

Thank you again for inviting us to the feedback session. I would be happy to discuss either of these ideas further.

John Kennedy
Chesapeake Community Advisors, Inc.

From:	Todd Lieberman
To:	Emily Myers; Corey Bornemann
Subject:	Lieberman 2027 Qualified Allocation Plan Input
Date:	Friday, July 10, 2026 4:24:30 PM

Name

Todd Lieberman

Company

Brinshore Development

Email

toddl@brinshore.com

Comments

On behalf of Brinshore Development and Oklahoma City Housing Authority, we would like to express our support for the current structure of the CNI set-aside, with $1.2MM set-asides for CNI projects in both Round 1 and Round 2 of 2027. This structure is important because it allows CNI projects currently at different stages of readiness to be awarded in 2027.

General:

- Why are there extra fees for income averaging compliance?

Specific:

- Page 6: Please push back the Round 2 application deadline by one week to allow ample time for resubmissions.

- No cost limits for 4% transactions without state LIHTC.

- CNIs – please move the CNI set aside to 4%.

- Page 9: Please allocate a minimum of $1.M for nonprofits per round in order that they may get a maximum award.

- Set Asides: Recommend instituting a taskforce for 2028 QAP to take a holistic look at set asides. Suggest further research into creating a region for OKC and Tulsa and then a rural region for the remainder of the state.

- Page 12: OHFA should not cap bonds at 30%. We are hearing from developers as well as debt and equity providers that this is not adequate.

- Page 12: Please publish annually information on the amount of bonds available, amount requested, amount rolled over and amount lost.

- Developers report that they find it difficult to serve senior households with bonds as it doesn't point out. Please review.

- Page 15: Add points for income targeting versus making it a requirement. The current factors do not seem adequate and conflict with the Housing Study which says we need more 1- and 2-bedroom units. Also, this point structure does not favor senior development.

- Paged 20-21: Can Attachments 3 & 4 be combined in some way to reduce the number of forms?

- Is removing the Attachment 4 detrimental to new developers that use Team Member experience for threshold?

- Page 25: There is no need to require CNAs for adaptive reuse. This adds cost but not benefit. Please allow updates to the CNAs for up to 24 months.

- Page 26: Income Targeting. Income targeting is contradictory to OHFA wanting to increase the debt on developments and lower DDF. Suggest 10% at 50% and 5% at 30%.

- Page 30: Gap Analysis. With the lagging data in the Housing Needs Assessment this does not seem like a useful tool. This does not take into account disasters or job growth/loss.

- Page 32: Need Index – what is the purpose? The market study contains all relevant data. The data on the Housing Study website is too old and does not reflect things like major disasters (i.e. recent tornadoes in Enid) that result in loss of housing or current economic issues such as job growth or job loss due to business contraction and expansion.

- Page 33: Please clarify that only 20% of the units need to be tested unless a unit doesn't pass then all units must be tested which is current HERS rater procedures.

- Page 35: The changes to the factors do not reflect the current state of the debt and equity markets and are contradictory/counterintuitive. DDF allows for interest free loans to the development and aligns the developer with the success of the property and helps fill gaps due to fluctuations in equity pricing. Increasing leverage increases risk to the development and increases rents for the residents. Encouraging more debt is not a good idea and the proposed system is contradictory to other items in the application. This is also not aligned with debt and equity markets or AHIC Underwriting Guidelines.

- Page 43: Why are critical members of the development team being removed from Attachment 4?

- Page 63: Capture Rate: suggest that the occupancy rate has been reached for a period of two years and the property must have been "affordable" (LIHTC/RD/HOME/NHTF). A 90% occupancy rate for a market rate development is not applicable.

- Page 65: To encourage areas of opportunity, OHFA should allow a boost for developments located in High Opportunity Areas.

- Page 66: A specific definition of Hard Costs needs to be established. Currently, there are three separate definitions across the QAP.

- Page 66: The proposed cost per square foot limits are too small. This will result in cheap, small units in unattractive developments. We should be concerned about quality. This issue needs more discussion with debt and equity providers as well as developers.

- Page 68: Allow contingency up to 10% for either New Construction or Acq/Rehab allowing developers to appropriately budget as their development needs.

- Page 68: Please strike all proposed language related to reserves.

- Page 69: Strike proposed language. RD developments have larger debt initially.

To Whom it May Concern,

I am a LIHTC consultant that specializes in assisting developers with LIHTC app preparation in various states. I am based in Missouri and work quite a bit in MO, KS, OK, IA as well as a few others. Thank you for the opportunity to provide comments to the draft 2027 QAP. I'd like to submit a few comments:

1. I was thrilled to see the updated language in the Historic Nature section. This will help move projects forward more quickly and efficiently.

2. I would like to see a change to the mileage requirement for adding new construction units to an existing development. This is a powerful strategy that has been effective in the past. Additionally, I feel for cities with a population of less than 10,000, eliminating the mileage requirement all together would help those communities provide housing to infill lots that no one has been able to use. The PMA would be the same, so I think it makes sense to not limit it to a particular milage when the existing rental supply is so low and demand is so high.

3. The threshold requirement of maximum hard costs of $150/sq ft will be challenging for developers. Would this include a 30% boost for historic and OZ sites like the $250/sq ft reads in the 2026 QAP? Not a day goes by that I don't hear a developer complaining about how high construction costs are and will continue to be in the foreseeable future. Everyone wants costs as low as possible but sometimes it is just not feasible. I reviewed the apps I assisted with over the past couple of years in other states and I couldn't find one that had hard costs at less than $200/sq ft.

Thanks again for your consideration and please feel free to reach out to me if you have any questions or need additional information!

Mindy Dernier
Summit LIHTC Consulting LLC
816-678-4502

From:	Michael D Little
To:	Corey Bornemann
Subject:	Historic Building Remodels in Rural Oklahoma
Date:	Wednesday, June 17, 2026 2:23:03 PM

Corey

Our Team has been successful in building 3 historic remodels in Rural Oklahoma. On each one we have been able to lower the per square foot costs by adding new units within a 1/2-mile radius of the Historic Building. However, with smaller towns under 10,000 population we are having trouble finding enough buildable lots within 1/2-mile radius of our Historic Buildings.

I would like to make a formal request that OHFA please consider increasing that building radius to one mile. We feel this will help us add rural housing, but also save Historic Buildings in many Oklahoma downtowns.

Sincerely, Michael D Little
Builder/Developer

From:	Michael
To:	Darrell Beavers; Corey Bornemann
Cc:	Amber Derk; Mindy Dernier; Shane Hood; Tip BirchWewBankOwner
Subject:	QAP 2027 Proposed Changes
Date:	Monday, July 6, 2026 3:08:57 PM
Attachments:	7-6-2026 2027 QAP Comments.docx

Darrell

I have been asked by the nonprofit Charmed and its sister nonprofit Coedd to help develop another historic project on the Main Street of Wewoka just two blocks north of the historic Aldridge Hotel we remodeled for general occupancy tenants.
The Aldridge has stimulated new development downtown including a health food shake shop in the Aldridge retail space, a new DHS office building across the street, a party balloon shop, a dance studio, and the complete renovation of the Seminole County Courthouse.

I have already emailed Corey asking that you look at the Phase One Historic requirements that will give us a 30% boost in Max Hard cost and consider allowing us to increase the 1/2 mile radius for new construction units adjacent to the historic buildings so we can decrease our per square foot costs. However I missed some other proposed changes, most importantly lowering the per square foot Max Hard cost.

This action would kill the Historic Elderly project we hope to apply for next January. Our market study shows a big demand for elderly housing in Seminole/Hughes counties and with Coedds services it will serve the increasing elderly population. Coedd already serves these two counties and will serve our future tenants.

We are already 24 months into this development having paid consultants, architects, and market studies. We withdrew our 2026 application because of confusion with our architect’s understanding of Historical requirements. Even though the County is donating the building we still can’t make the numbers work if the Base is reduced. As you know I have been on a team that has developed 4 historic projects and we know that it is costly because of environmental studies/cleanup, demolition, architectural fees, elevators, and other costs over new construction. Inflation and lower tax credit values in rural areas also contribute to cost issues.

This project has been a labor of love for the people of Wewoka with donations from Security State Bank, the City, and County Governments. I have attached more comments concerning the 2027 QAP. The attachment was created and reviewed by our consultants and forwarded to Security State Bank and Charmed for their added comments.

Thank you for your consideration,
Sincerely, Mike Little
Builder/Developer

Sent from my iPad

July 6, 2026

Oklahoma Housing Finance Agency
Attn: Darrell Beavers, Housing Development Programs Director
100 N.W. 63rd Street
Oklahoma City, OK 73116

RE: 2027 QUALIFIED ALLOCATION PLAN INPUT

OHFA Colleagues:

Thank you for this opportunity to provide input on OHFA's proposed changes to the 2027 Qualified Allocation Plan (QAP) for the four percent and nine percent affordable housing tax credit programs. We are proudly in the homestretch of completing our 23rd and 24th tax credit projects in Oklahoma. These projects, comprising nearly 600 units, are spread across a dozen communities in parts of the state where housing need is most acute. This statewide portfolio and our ongoing partnership with OHFA are the basis for this feedback.

2027 QAP Feedback
Broadly, we are concerned that the proposed QAP introduces underwriting and scoring modifications that will compound the difficulty of developing affordable housing in Oklahoma and have a chilling effect on housing investment across the state and particularly in rural areas. In a market already strained by high interest rates, tight equity pricing, and rising construction costs, the proposed changes will severely limit a developer's flexibility to creatively finance (and safeguard) affordable housing projects.

1. **Unrealistic Cost Restrictions**
   The proposed language drastically lowers threshold limits for construction costs, from $250 to $150 CPSF. Additionally, the draft explicitly defines "Hard Costs" to broadly include site work, accessory structures, builder's permits, contractor overhead, contractor profit, and furniture, fixtures, and equipment (FF&E). Slashing cost allowances by 60% in an economic climate of inflated material and labor costs—especially in rural areas—will result in far fewer applications, with those that manage to pass threshold likely doing so as a result of significant compromises on quality. *REQUEST: OHFA should contract a biannual scan of contemporary construction costs in urban and rural areas across the state and adjust the CPSF limits on that basis (perhaps one standard deviations below the mean)*.
2. **Debt Service Coverage Ratio (DSCR)**
   While both QAPs require a minimum DSCR of 1.20 (1.15 with federal rental assistance) to ensure basic viability, the proposed language introduces a new maximum DSCR of 1.40 for the first five years of operation. The stated goal is to ensure debt is appropriately leveraged and properties are not "over-subsidized," but capping the DSCR effectively penalizes safer, more conservative underwriting. In rural markets where operating expenses can be volatile and tenant incomes are lower, a higher DSCR provides a crucial cash flow buffer against economic shocks. By enforcing a 1.40 ceiling, developers are prevented from structuring deals with wider safety margins, thereby increasing the risk of default when operating expenses spike. *REQUEST: Strike the proposed language.*
3. **Punishing Cost Efficiency Metrics**
   The "Development Cost Efficiency" scoring category—historically a differentiator for funded projects—has

been flipped in the proposed draft to aggressively limit financial flexibility in two ways:
(1) By incentivizing high debt projects in a high interest environment, developers will now be forced to take on maximum debt (risk) to remain competitive in scoring. This is highly detrimental when current borrowing costs and interest rates are elevated, as it saddles the property with higher mandatory debt service payments. Under the 2026 QAP, developers earned 8 points for having the *lowest* percentage of hard debt; the 2027 version completely reverses this by awarding 8 points to applications with the highest percentage of debt (as compared to total development costs).
(2) The 2027 QAP also introduces an 8-point category for the lowest percentage of Deferred Developer Fee. Historically, developers have deferred a portion of their own fee to provide a soft-financing mechanism accounting for unexpected equity or financing gaps.
By turning deferred fees into a competitive disadvantage, the 2027 QAP strips away one of the most vital and flexible tools developers have to make challenging deals pencil out. *REQUEST: Strike the proposed language*.

When combined, these three changes create a "squeeze" effect on developers. To win an award in the 2027 QAP, developers will be forced to thread an incredibly narrow needle: take on maximum amounts of hard debt to win points while keeping DSCR artificially constrained below 1.40, restrict their construction and builder costs to $150 CPSF, and avoid deferring their own fees to close any remaining gaps. Compared to 2026, this rigidly dictates a highly leveraged, low-margin financial structure that makes it substantially harder to successfully underwrite and operate affordable housing deals. The result will be more fragile projects and even defaults in volatile markets throughout the state and particularly in rural Oklahoma.

4. **Shifting Urban Focus**
State tax credits are a critical tool and have often been the difference in successful nine percent deals in rural Oklahoma. While federal programs such as the National Housing Trust Fund (NHTF) and HOME funds are more prescriptive, it is the State's purview to decide where and how state tax credit proceeds will be spent. The decision to deploy state tax credits exclusively within the four percent program is a shift away from a statewide housing strategy to one that emphasizes a handful of urban markets where 4% projects can be successfully underwritten. It also adds to the inherent difficulty and complexity of nine percent projects that are regionally agnostic, but are far more likely to be deployed in rural areas due to underwriting standards. *REQUEST: Since NHTF dollars are highly effective in competitive urban housing markets with severe rent burdens, consider dedicating these dollars to four percent deals and apportion at least a majority of state credits to the balance of state, where they can stimulate rural development*.
5. **Independent Third Parties**
We endorse the need for capital needs assessments (CNA) on both renovation and adaptive reuse projects, but ask that OHFA revisit its requirement that they be authored by third parties. It is far more efficient for the consultant(s) who will ultimately be tasked with refining the scope of said renovation/reuse to play a significant role in the initial assessment. This requirement does nothing to ensure a judicious project scope (the cost efficiency metrics do this) and only increases overhead costs associated with a project. *REQUEST: Strike this language in favor of a building professional licensed in Oklahoma*.
6. **Development Location Selection Criteria**
Rooting resource allocation decisions in quantifiable data is a worthwhile exercise; however, the introduction of multiple variables, such as cost-burdened rental households and county-level need index,

will significantly complicate property acquisition efforts and have hard-to-predict consequences on regional eligibility. *REQUEST: Incorporate these additional point categories in successive QAPs to assess their effect and appropriateness.*

7. **Land Entitlement Requirements**
   While some strides have been made in this regard, we wish to renew our calls for flexibility around pre-zoning requirements for proposed sites. After years of working across the state, we have found two dynamics to be exceedingly true:
   (1) Municipalities—especially small and rural towns—are almost universally supportive of enacting the entitlements necessary to achieve the proposed project, and
   (2) Current landowners are almost universally resistant to putting those entitlements in place without the guarantee of an awarded project.
   This requirement severely constrains available sites and disincentivizes better sites with higher demand. Oklahoma's zoning requirement is the strictest in the Midwest. REQUEST: Revise the zoning requirement to include a letter of attestation from a local official (Manager letter or Council Resolution) stating that the site will be properly zoned within 180 days of award.

Thank you for this opportunity to provide feedback. If our team can clarify or provide anything further, please do not hesitate to reach out.

Sam Tewes

Sam Tewes
President

July 5, 2026

Oklahoma Housing Finance Agency
Attention: Deborah Jenkins and Darrell Beavers
100 N.W. 63rd Street, Suite 200
Oklahoma City, OK 73116

RE: Comments on the 2027 Draft Qualified Allocation Plan

Dear Ms. Jenkins and Mr. Beavers:

On behalf of CHARMED, thank you for the opportunity to provide comments on the proposed 2027 Qualified Allocation Plan (QAP).

CHARMED appreciates OHFA's continued commitment to expanding affordable housing opportunities throughout Oklahoma. As a nonprofit affordable housing developer serving Oklahoma communities, we recognize the difficult task of balancing policy objectives, limited tax credit resources, and the financial realities of today's development environment. Our comments are intended to strengthen the QAP by improving financial feasibility, encouraging quality development, and ensuring that scarce Housing Tax Credits produce the greatest long-term benefit for Oklahoma families.

1. Page 6 – Round 2 Deadline

We respectfully request that the Round 2 application deadline be extended by one additional week.

Round 1 review often results in clarification requests, updated documentation, or minor corrections that applicants must complete before resubmission. Providing an additional week would improve the quality of Round 2 applications while reducing unnecessary administrative pressure on both applicants and OHFA staff.

2. Page 9 – Nonprofit Set-Aside

We recommend establishing a minimum nonprofit set-aside of **$1.2 million in Housing Tax Credits per funding round.**

Nonprofit developers frequently undertake developments serving communities and populations that are underserved by the private market, including rural communities and special-needs populations. Providing sufficient credits within the nonprofit set-aside would allow nonprofit sponsors to compete for developments that are financially viable and appropriately sized.

This recommendation is also consistent with the policy objectives recognized throughout the LIHTC program of encouraging meaningful nonprofit participation rather than limiting nonprofits to smaller developments simply because of an insufficient allocation.

3. Pages 19–20 – Team Member Experience

The draft QAP allows applicants to utilize the experience of team members to satisfy experience requirements.

If OHFA intends to rely upon the qualifications and prior performance of these individuals for scoring purposes, does that not require those team members to complete **Attachment 4** just as principals and other key participants are required to do?

4. Page 25 – Capital Needs Assessments for Adaptive Reuse

We respectfully recommend eliminating the requirement for a Capital Needs Assessment (CNA) for adaptive reuse developments.

Traditional CNAs are intended to evaluate remaining useful life and replacement schedules for existing building systems. However, adaptive reuse projects involve comprehensive reconstruction in which mechanical systems, electrical systems, plumbing, roofs, windows, and interior components are substantially replaced or reconfigured.

In these circumstances, architectural plans, engineering reports, and construction documents provide significantly more relevant information than a traditional CNA. **Requiring both results in unnecessary soft costs without materially improving underwriting.**

5. Page 32 – Oklahoma Housing Needs Assessment Need Index

We encourage OHFA to reconsider the use of the Oklahoma Housing Needs Assessment (OHNA) Need Index as a competitive scoring criterion.

Given the pace of change in Oklahoma's housing markets—including construction costs, migration patterns, labor markets, and demographic changes—we question whether the underlying data remains sufficiently current to distinguish among otherwise qualified developments.

Every LIHTC application already includes an independent third-party market study prepared under nationally recognized standards. These studies provide current, localized market analysis and are specifically intended to demonstrate demand, absorption, and market feasibility. We believe the market study should serve as the primary indicator of housing need rather than reliance upon older statewide datasets.

6. Page 33 – HERS Testing

We respectfully recommend requiring HERS testing on **20% of dwelling units** rather than every unit.

Representative sampling is commonly utilized within the residential construction industry while still maintaining quality assurance. Reducing the testing requirement would significantly decrease development costs without compromising energy performance objectives.

7. Page 35 – Deferred Developer Fee

We respectfully recommend reconsidering the proposed limitations on Deferred Developer Fee (DDF).

Deferred Developer Fee is not simply deferred compensation—it functions as an interest-free loan to the ownership entity, demonstrating the developer's ongoing financial commitment to project success. Because repayment occurs only after debt service, operating expenses, reserve funding, and other superior obligations have been satisfied, DDF places substantial financial risk on the developer and represents meaningful "skin in the game."

Across the LIHTC industry, the appropriate amount of Deferred Developer Fee is routinely determined through lender underwriting and equity investor financial modeling. Permanent lenders, syndicators, and equity investors evaluate debt coverage, operating reserves, capital needs, lease-up assumptions, and long-term cash flow before determining whether a project's Deferred Developer Fee is reasonable.

The proposed limitation also creates an unintended contradiction. The draft QAP appears to encourage maximizing permanent debt as a means of reducing Deferred Developer Fee. However, higher permanent debt increases annual debt service obligations, increases financial risk, reduces operating flexibility, and often requires higher rents to maintain required debt service coverage ratios.

The result is contrary to the long-term affordability objectives of the LIHTC program.

Consistent with industry underwriting practices and guidance, OHFA should continue allowing debt and equity providers to determine the appropriate level of Deferred Developer Fee based upon project-specific underwriting rather than imposing arbitrary limitations.

8. Page 56 – Covered Parking and Community Rooms

We recommend increasing the scoring for amenities that provide measurable long-term resident benefits that are more equitable to the cost.

Specifically:

- Carports – **2 points**
- Garages – **5 points**
- Community Rooms – **3 points**

9. Page 66 – Maximum Hard Construction Costs

We respectfully believe the proposed maximum hard construction costs per square foot are below current market realities.

Construction pricing continues to fluctuate based upon geographic location, labor availability, material costs, infrastructure requirements, project scale, and building type. Artificially low hard cost limitations will likely encourage developers to reduce building quality, eliminate amenities, or reduce unit sizes simply to remain within arbitrary thresholds.

The impact will be particularly significant for:

- Rural developments;
- Small developments without economies of scale;
- Historic rehabilitation projects;
- Difficult sites requiring additional infrastructure; and
- Developments serving specialized populations.

Neither lenders nor equity investors underwrite projects using fixed statewide construction cost caps. Instead, they evaluate contractor estimates, third-party cost reviews, architectural plans, market conditions, and contingency analyses.

Accordingly, we respectfully encourage OHFA to engage developers, contractors, architects, lenders, syndicators, and other stakeholders before establishing final hard cost and Total Development Cost limitations so those limits accurately reflect today's construction environment.

10. Page 34 – Additional New Construction Units

We respectfully recommend increasing the allowable distance for adding new construction units to an existing development.

Specifically:

- Within **one (1) mile** for urban developments; and
- **No mileage limitation** for rural developments.

Many rural communities lack contiguous developable land because of parcel configurations, infrastructure limitations, floodplain constraints, or ownership patterns. Providing greater flexibility would better accommodate rural development while maintaining efficient property management and resident services.

Conclusion

We appreciate OHFA's willingness to seek stakeholder input during development of the 2027 Qualified Allocation Plan.

The affordable housing industry continues to experience unprecedented construction cost escalation, higher interest rates, constrained equity pricing, rising insurance premiums, and increasing operating expenses. These challenges make it more important than ever that the QAP remain flexible enough to allow projects to be underwritten according to current market conditions rather than rigid assumptions that may inadvertently discourage quality affordable housing development.

We respectfully request that OHFA consider these recommendations before adopting the final 2027 Qualified Allocation Plan. CHARMED welcomes the opportunity to participate in future stakeholder discussions and appreciates OHFA's continued commitment to providing quality affordable housing throughout Oklahoma.

Respectfully submitted,

David Hinkle
Executive Director
CHARMED

HOUSING FORWARD

RESOURCES FOR BETTER HOUSING DEVELOPMENT

2027 OKLAHOMA QUALIFIED ALLOCATION PLAN

Prepared by Housing Forward: July 2, 2026

PRIORITY RECOMMENDATIONS

1. Further Revise the "New to Oklahoma" Developer Restrictions

Threshold Criteria Section 3 – Capacity and Prior Performance (Page 18)

Housing Forward appreciates OHFA's efforts to address stakeholder concerns regarding the "New to Oklahoma" provisions in the 2026 QAP and recognizes that revisions were made to provide greater flexibility for experienced development teams entering the Oklahoma market. However, we believe the remaining restrictions continue to create unnecessary barriers to participation for qualified affordable housing developers and recommend these restrictions be removed.

2. Increase the Hard Cost Per Square Foot Threshold

Attachment C – Program Underwriting Standards (Page 66)

Housing Forward recommends increasing the threshold to at least $200 per square foot, which aligns more closely with current *RSMeans* based construction cost levels adjusted for Oklahoma's location factor (0.96–0.98 of the national average). This approach would direct staff to evaluate cost reasonableness through project-specific underwriting, grounded in recognized cost indices and local comparables.

3. Create a High Opportunity Area Set-Aside

New Policy Recommendation

Housing Forward recommends reserving 10% of the annual 9% LIHTC allocation for developments located in designated High Opportunity Areas or, alternatively, creating a separate scoring category that awards points for such developments. This approach would provide a meaningful incentive to encourage affordable housing development in neighborhoods that offer residents greater access to economic opportunity, high-performing schools, reliable transportation, quality healthcare, and employment centers.

* See pages 5-8 for secondary recommendations.

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Supporting Rationale for Recommended Revisions

1. Further Revise the "New to Oklahoma" Developer Restrictions

Supporting information:

- Oklahoma continues to face a significant housing shortage, particularly in the state's metropolitan areas, and should be encouraging new investment and new development capacity rather than limiting market entry. The Oklahoma Housing Needs Assessment estimates that the state faces a shortage of tens of thousands of housing units, with the greatest pressures occurring in the Tulsa and Oklahoma City metropolitan areas.[i]
- OHFA already has substantial threshold requirements requiring demonstrated LIHTC experience, prior performance, management capacity, financial capacity, and compliance history. Additional restrictions on out-of-state developers are therefore redundant.
- Oklahoma has historically underutilized tax-exempt bond volume cap and 4% LIHTC resources. Research from the Urban Institute found that Oklahoma abandoned approximately $2.2 billion in carryforward private activity bond authority between 2014 and 2022**,** limiting the state's ability to leverage federal housing resources and produce additional affordable housing. Expanding participation by experienced developers could increase utilization of these federal resources and attract additional investment into the state.[ii]
- The "New to Oklahoma" provision limits competition and may reduce the number of applications submitted, particularly from experienced national and regional developers with expertise in workforce housing, mixed-income developments, preservation transactions, and large-scale 4% LIHTC developments.
- No provision in Section 42 of the Internal Revenue Code requires a state to limit participation based on whether a developer has previously received an allocation within that state.
- The LIHTC program has historically focused on evaluating developer capacity, financial feasibility, and prior performance rather than geographic origin. Housing Forward believes Oklahoma can adequately protect program integrity through its existing experience and capacity requirements without imposing additional restrictions on developers that are new to the state.
- Oklahoma's economic growth will require additional development partners and sources of capital. The Urban Institute identified a relatively limited affordable housing development ecosystem within Oklahoma and noted challenges attracting additional investment, particularly for 4% LIHTC transactions.[ii]

2. Increase the Hard Cost Threshold

Supporting information:

- Construction costs have increased substantially since 2020 due to labor shortages, rising insurance premiums, material inflation, utility infrastructure requirements, and escalating site development costs. According to Novogradac, average development costs per unit for newly constructed LIHTC developments increased by more than 32% between 2022 and 2024, reflecting the significant cost pressures facing affordable housing developers nationwide.[iii]
- A hard-cost threshold of $150 per square foot does not reflect current market conditions. RSMeans construction cost data, adjusted for Oklahoma's location factor of approximately 0.96–0.98 of the national average, places typical new multifamily hard construction costs in the range of roughly $175–$200+ per square foot, depending on building type, design standards, and materials. Industry data and recent development experience confirm that costs frequently exceed this range even in lower-cost markets. This is particularly true for affordable housing developments, which must meet modern building codes, accessibility requirements, enhanced energy-efficiency standards, and long-term durability expectations that further increase per-square-foot costs.
- The proposed threshold may unintentionally discourage or eliminate developments that advance important state housing priorities, including:
  - Developments located in High Opportunity Areas;
  - Infill and redevelopment projects within existing communities;
  - Developments incorporating enhanced accessibility or energy-efficiency.
- OHFA already possesses multiple tools to evaluate cost reasonableness and financial feasibility. These include underwriting review, market studies, appraisals, cost certifications, subsidy-layering analysis, and HOME program underwriting standards. These tools provide a more comprehensive assessment of project costs than a single hard-cost threshold.
- OHFA also limits the amount of tax credits awarded through its per-project credit caps and gap-financing methodology. As a result, increasing the hard-cost threshold would not automatically increase the amount of tax credits allocated to a development. Developers must still demonstrate a financing gap and secure the additional capital necessary to fund higher construction costs. The market, not the tax credit allocation, ultimately determines whether costs are reasonable.
- The current threshold may incentivize lower-quality construction rather than long-term durable housing. Developers attempting to meet an artificially low-cost threshold may be forced to reduce building quality, durability, or amenities. Over time, this can lead to higher maintenance costs, accelerated capital needs, and earlier rehabilitation requirements. Encouraging quality construction at the outset helps preserve affordable housing assets and protects OHFA's long-term investment in the state's housing stock.

3. Create a High Opportunity Area Set-Aside

Supporting information:

- Recent Oklahoma-specific research suggests additional emphasis on opportunity-based development may be warranted. The Urban Institute's report, *Maximizing State and Local Resources to Address Oklahoma's Housing Needs*, found that LIHTC developments in both the Oklahoma City and Tulsa metropolitan areas are disproportionately located in lower-income neighborhoods and communities with lower educational attainment levels compared to neighborhoods without subsidized housing. The report concluded that Oklahoma's current allocation framework may unintentionally steer affordable housing development toward lower-cost locations rather than higher-opportunity communities.[ii]
- Federal fair housing policy encourages expanding housing opportunities in neighborhoods that provide access to economic mobility and quality-of-life resources. Through the Fair Housing Act, HUD's Affirmatively Furthering Fair Housing (AFFH) framework, and Treasury guidance related to the LIHTC program, states are encouraged to increase access to neighborhoods with high-performing schools, employment opportunities, public transportation access, lower concentrations of poverty, healthcare services and positive health outcomes, and community amenities that support long-term economic mobility. A High Opportunity Area set-aside would further both housing production and fair housing goals.[iv]
- A growing body of research demonstrates that neighborhood conditions have a significant impact on long-term outcomes for children and families.
    1. Research by Opportunity Insights, led by Raj Chetty and his colleagues, found that children who move to lower-poverty, higher-opportunity neighborhoods at a young age, experience significantly higher earnings as adults, are more likely to attend college, and are less likely to become single parents or experience incarceration.[v]
    2. HUD's Moving to Opportunity (MTO) demonstration found that children who moved to lower-poverty neighborhoods before age 13 earned substantially higher incomes as adults and experienced improved educational and health outcomes.[vi]
    3. Research published by the Urban Institute has found that access to neighborhoods with strong schools, employment opportunities, transportation, and community resources can improve long-term outcomes while reducing concentrations of poverty.[ii]
    4. The Brookings Institution has similarly documented the relationship between neighborhood opportunity, economic mobility, educational attainment, and intergenerational poverty reduction.[vii]

SECONDARY RECOMMENDATIONS

A. Remove the 30% Bond Request Cap (pg. 12)

Recommendation: Delay implementation of the cap limiting bond requests to 30% of annual private activity bond authority until Oklahoma demonstrates consistent and full utilization of its available bond allocation.

Supporting Rationale

- Oklahoma has historically underutilized its private activity bond authority and 4% LIHTC program. Although recent application cycles show improvement in utilization, available capacity is still not being fully deployed, indicating continued room to expand the volume of financed developments supported through these resources.
- Artificial caps are intended to preserve resources during periods of scarcity; however, Oklahoma has historically had excess bond capacity rather than shortages.
- Removing the cap would encourage larger 4% LIHTC transactions and allow OHFA to maximize available federal resources.
- Bond authority should be allocated based on project readiness and housing production potential rather than arbitrary percentage limitations.
- If future demand exceeds available authority, OHFA can revisit allocation limits at that time.

B. Strengthen the Extremely Low-Income Housing Requirement for State Tax Credits (pg. 14)

Recommendation: Modify the requirement for awardees of State Tax Credits that 5% of units be restricted to households at or below 30% AMI by creating a supportive housing option that includes service funding and operating support.

Supporting Rationale

- Households at 30% AMI often require services in addition to affordable rent to achieve housing stability.
- The current requirement creates a significant operating deficit because rents at 30% AMI frequently do not cover the cost of operating and maintaining the unit.
- Several states pair deep-income targeting requirements with service funding, rental assistance, operating subsidies, or reserve accounts.
- OHFA could establish a reserve fund or allow a portion of available resources to buy rents up to a 50% AMI equivalent while preserving affordability for residents.

C. Remove or Modify Developer Deal Caps (pg. 18)

Recommendation: Eliminate developer deal caps or replace them with a production-based limitation.

Supporting Rationale

- Developer caps may unintentionally restrict housing production during periods of significant housing need.
- Experienced developers with demonstrated capacity can often deliver multiple successful developments simultaneously.
- Artificial limitations reduce competition and may leave tax credits unallocated.
- OHFA already evaluates financial capacity, prior performance, staffing, and development readiness.
- Capacity concerns should be addressed through underwriting and experience reviews rather than blanket deal limits.

D. Replace Housing Needs Assessment Scoring with Current Housing Need Metrics (pgs. 28-32)

Recommendation: Exchange the scoring criteria based on the Oklahoma Housing Needs Assessment with a data-driven methodology that utilizes annually updated indicators of housing need.

Supporting Rationale

- The Oklahoma Housing Needs Assessment relies on data that is now several years old and may not accurately reflect current housing conditions.
- Housing demand, migration patterns, construction activity, rental costs, home prices, and economic conditions have changed significantly since the assessment was completed.
- Allocating points based on outdated data may unintentionally direct scarce housing resources away from areas currently experiencing the greatest housing shortages.
- Housing needs should be evaluated using current and objective measures that can be updated annually rather than relying on a static study.
- Alternative Scoring Methodology - publicly available data sources:
    a. Population growth (U.S. Census Bureau)
    b. Employment growth (Bureau of Labor Statistics)
    c. Rental vacancy rates (American Community Survey)
    d. Housing cost burden (ACS)

E. Make Home Energy Efficiency Measures Optional Rather Than Mandatory (pg. 33)

Recommendation: Convert certain enhanced energy-efficiency requirements from mandatory scoring criteria to optional incentives.

Supporting Rationale

- Energy efficiency remains an important policy objective, but not every site or development type can achieve advanced standards cost-effectively.
- Mandatory requirements can increase construction costs and reduce project feasibility.
- Rural developments and rehabilitation projects may face particular challenges meeting enhanced standards.
- Developers should retain flexibility to determine the most cost-effective methods of reducing operating expenses.
- OHFA could continue awarding points for enhanced energy performance while allowing alternative methods of demonstrating long-term affordability and sustainability.

F. Eliminate Points for Largest Bedroom Size (pg. 35)

Recommendation: Remove scoring incentives tied to the largest bedroom size within a development.

Supporting Rationale

- The purpose of the LIHTC program is to increase the supply of affordable housing, not to incentivize oversized units.
- There is limited evidence that larger bedroom sizes improve affordability outcomes.
- The current incentive may discourage efficient design and reduce the number of affordable units that can be produced with available tax credits.
- OHFA should prioritize unit production, affordability, accessibility, and quality over square footage.

G. Clarify Changes to Development Team Requirements (pg. 43)

Recommendation: Provide additional clarification regarding the removal of architects, accountants, attorneys, and consultants from Attachment 4.

Supporting Rationale

- Successful LIHTC developments depend on experienced multidisciplinary teams.
- For newer developers, experienced architects, accountants, attorneys, and consultants often provide critical expertise that reduces development risk.
- The rationale for removing these team members from consideration is unclear.
- OHFA should explain whether these professionals will continue to be considered during threshold review and underwriting.
- Greater clarity will help applicants understand how development capacity is evaluated.

H. Make the Removal of the General Contractor Cost Certification Retroactive (pg. 74)

Recommendation: Make the removal of the GC Cost Certification requirement retroactive to projects awarded LIHTC allocations in previous years that have not yet completed this requirement.

Supporting Rationale

- Housing Forward recognizes the significant benefits and cost savings of eliminating the requirement for general contractors to complete a cost certification at project completion. This change will reduce administrative burden for contractors, developers, and OHFA staff alike, and will streamline the closeout process across the board.
- This requirement was only implemented in 2022 and is being eliminated starting in 2027. Projects funded under previously allocated years that have not yet submitted their GC cost certification should not be held to a standard that OHFA itself has determined is unnecessary and burdensome.
- Continuing to enforce this requirement on a subset of projects — simply because of when they were allocated — creates an inconsistent and inequitable standard across the LIHTC portfolio. Developers and contractors working on 2022–2026 allocations would be penalized with additional cost and delay that their peers on 2027 and later allocations will never face, for no substantive policy reason.
- Retroactive application would provide immediate, tangible relief to projects currently navigating the closeout process, several of which are actively delayed or burdened by this exact requirement.

Citations:

i. Oklahoma Housing Needs Assessment
ii. Urban Institute – Maximizing State and Local Resources to Address Oklahoma's Housing Needs (2026)
iii. Novogradac Cost Per Unit (2025)
iv. HUD Affirmatively Furthering Fair Housing (AFFH) guidance.
v. Opportunity Insights / Chetty – "The Effects of Exposure to Better Neighborhoods on Children" (2016)
vi. HUD Moving to Opportunity Final Impacts Evaluation.
vii. Brookings – Place, Opportunity, and Economic Mobility reports.

housing matters...
OKLAHOMA COALITION FOR AFFORDABLE HOUSING

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July 7, 2026

Oklahoma Housing Finance Agency
100 NW 63rd Street
Oklahoma City. OK 73116

Dear Ms. Jenkins, Mr. Beavers, Mr. Bornemann, Ms. Myers, Chairman Buhl, and Trustees:

The Oklahoma Coalition for Affordable Housing (OCAH) held a membership discussion session to review and consider the 2027 Draft Affordable Housing Tax Credit Program Application Instructions. The recommendations below reflect consensus among the OCAH membership in attendance. Please accept them on behalf of the OCAH membership.

The page numbers referenced below are the page numbers in the draft document.

Overall Comments

OCAH supports several of the proposed changes as sound program improvements, including the clarifications to Resubmissions and to the final Review Report response timeline, the new Gap Analysis criterion, the revised Historic Nature documentation options, and the capture rate waiver for stabilized rehabilitation developments. These are addressed in the specific comments that follow, and OCAH appreciates OHFA's continued responsiveness to member input.

For the second consecutive year, OCAH's membership raises concerns regarding revisions to the Development Cost Efficiency criterion. The membership values a stable, transparent, and verifiable methodology and requests that OHFA avoid annual revisions that make it difficult for applicants to plan and for the industry to rely on consistent scoring.

Several of the draft's changes bear on the feasibility of 4% Tax Credit and Multifamily Bond developments and on the use of the State Tax Credit. OCAH's membership is concerned that, taken together, these changes constrain a program segment that remains underutilized in Oklahoma.

Specific Comments

- **PAGE 6:** OCAH requests a clearer explanation of the rationale for moving the Application submission deadlines earlier, to January 21, 2027, for Funding Period One and June 17, 2027, for Funding Period Two, particularly given the effect on applicants' time to prepare complete and competitive Applications. We can work with the January deadline but would like the June deadline pushed back one week to allow ample time for resubmissions for the May Board Meeting denials.

- **PAGE 8:** OCAH supports the clarifying language added regarding Resubmissions.

- **PAGE 11:** OCAH supports the revised language requiring responses to the final Review Report to be filed not less than three business days prior to the meeting, and its alignment with the current Chapter 36 program rules.
- **PAGE 12:** OCAH requests that the following underlined language be stricken in its entirety: "Applications for 4% Credits and Multifamily Bond Developments will be limited to requesting an amount of multifamily bonds equal to the greater of the permanent debt that the proposed development can support or thirty percent (30%) of the eligible basis plus the cost of land." Oklahoma has historically underutilized its private activity bond cap rather than exhausted it, and the membership is concerned that this per-development limit will reduce the feasibility of 4% Bond deals without advancing the goal of funding more developments statewide. A deeper conversation needs to be had with debt and equity providers that have not incorporated such cuts into their underwriting models. Per the recent Urban Institute report (Maximizing State and Local Resources to Address Oklahoma's Housing Needs.pdf) Oklahoma has lost over $500 million in expired bonds between 2019-2023 and abandoned $2.2 billion in carryforward between 2014-2022. OHFA needs to fund developments with as much bond cap as is needed. OHFA should publish information annually on the available bond cap, carryover and amounts used.

- **PAGE 14:** OCAH requests that the following underlined language be stricken: "Any Development that receives an award of State Tax Credits must dedicate 5% of the proposed units to individuals earning at or below 30% of the Area Median Income (AMI)." The membership recommends leaving the prior policy in place. Neither the federal or state LIHTC program was created to serve 30% AMI households. Decreasing bond cap while layering these components is counterproductive. If OHFA is going to require this they need to provide vouchers. Members also noted that the current QAP makes it very difficult to serve senior developments with bonds as these deals do not point out.

- **PAGE 15:** A discussion around points needs to occur. The current point system conflicts with the OHFA housing study which says we need more one and two bedrooms.

- **Page 20:** Please consolidate forms.

- **PAGE 25:** OCAH requests that the added requirement for a Capital Needs Assessment on adaptive reuse Applications be stricken. A CNA is not consistently useful in this context, and the membership asks OHFA to clarify the intended benefit if the requirement is retained. CNAs are expensive and there is no benefit to a CNA on a property that will entirely change function. Also, updates should be allowed to CNAs.

- **PAGE 32:** OCAH requests that the new Need Index scoring criterion be stricken. No training or guidance is available on how the index is applied, and the market study already required with each Application provides a more direct and reliable basis for evaluating housing need. This new scoring item put rehab developments at a significant disadvantage. Additionally, this will cause a concentration of housing in areas that qualify for 8 points because all applicants will feel it necessary to do so in order to have a successful application. A result of this targeting will also increase land cost, making the production of affordable housing even more challenging.

- **PAGE 33:** OCAH requests clarification of the Home Energy Efficiency Rating System (HERS) requirements. Specifically, the membership asks OHFA to identify what guidance governs the rating process and where OHFA's requirements end and an individual RESNET rater's or vendor's requirements begin, given the two-funding-period penalty attached to missing a committed score.

- **PAGE 34:** OCAH supports the revised Historic Nature documentation requirements, which accept a letter from the State Historic Preservation Office stating the building is eligible for National Register listing, or documentation that the building is already listed.

- **PAGE 35:** OCAH requests that the proposed changes to the Development Cost Efficiency criterion be rejected and the prior methodology restored. The membership opposes replacing "Lowest Credits per Bedroom" with "Lowest

Percentage of Deferred Developer Fee/Total Developer Fee," and replacing "Lowest Percentage of Hard Debt" with "Highest Percentage of debt." The revised debt factor, which now counts total debt including soft debt, is difficult to verify and quantify consistently across Applications. The current criteria is contradictory. Increasing leverage increases risk to the development as well as increases the need for higher rents to residents. This proposed change will result in an overabundance of efficiency and 1 bedroom units being produced.

- **PAGE 58:** OCAH requests that the additional flat fee of $150.00 for Developments selecting Income Averaging as the Minimum Set-Aside be removed. This set-aside has been in place for some time, and both managers and OHFA staff are now familiar with the process. As no additional work appears to be required, no extra fee should be due.

- **PAGE 63:** OCAH supports waiving the capture rate requirement for rehabilitation developments with a current occupancy of at least 90 percent, including the provision that the waiver does not apply where more than 30 percent of the property is demolished and rebuilt. This waiver should only apply to current developments that are already income restricted.

- **PAGE 66:** OCAH requests clarification of the revised cost limit, which applies to a $150 per square foot cap to hard costs in place of the prior $250 per square foot total development cost calculation. The membership questions why the limit constrains hard costs while placing no comparable limit on soft costs. There is also a concern that this will produce cheap, small, unattractive units.

- **PAGE 66:** OCAH requests that OHFA adopt a single, consistent definition of "hard costs" to be applied uniformly across the QAP and all Application materials. Please note in the QAP OHFA has three different definitions of the hard costs.

- **PAGE 68:** OCAH requests the following revisions. First, the construction contingency should be stated as a ceiling, reading "up to 10%" for New Construction Developments and "up to 10%" for Rehabilitation Developments. Second, the phrase "general requirements, contractor overhead, or contractor profit" should be revised to read "general requirements, contractor overhead, and contractor profit." Third, the underlined language establishing minimum replacement reserves and the treatment of reserve account interest income should be stricken. The membership agrees with the remainder of the provision as drafted.

- **Page 69:** DCR: We are concerned that this is an arbitrary limit that may not work well for all developments. Specifically, small USDA developments typically have a declining DCR over time so the first year DCR may need to be above 1.40 in order to maintain 1.15 through year 15. Please strike all new language related to DCR.

- **PAGE 74:** OCAH requests clarification whether any waiver or retroactive relief will be available to Applications from prior cycles, including 2024, 2025, and 2026, that were subject to the General Contractor Cost Certification requirement, or whether its removal applies only to Applications going forward.

We sincerely appreciate the opportunity to submit comments to the 2027 Draft Affordable Housing Tax Credit Program Application Instructions on behalf of the OCAH membership. Please let me know if you have any questions about the comments submitted. I am happy to provide any further clarification.

Sincerely,

Sarah Tirrell

Sarah Tirrell
OCAH Board Chair

Cc: Cynthia Campbell, OCAH Interim Executive Director

TRAVOIS

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310 W. 19th Terrace
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July 8, 2026

Darrell Beavers
Housing Development Director
Oklahoma Housing Finance Authority
100 NW 63rd Street
Oklahoma City, OK 73126

Re: Travois Comments on 2027 Application Instructions

Dear Mr. Beavers,

We appreciate the opportunity to provide feedback during the development of the Oklahoma Housing Finance Authority (OHFA) Affordable Housing Tax Credits Program (AHTC) 2027 Application Instructions. Since its establishment in 1995, Travois, Inc. has consulted on LIHTC developments with Indigenous nations and Tribally Designed Housing Entities (TDHE) that has resulted in over 6,500 homes across the country, including Tribal LIHTC projects in Oklahoma. On behalf of Travois, please accept the following comments that we hope OHFA will take into consideration.

Final Review Reports – Appeal Process

The extension to three days to provide documentation to formally dispute the final Review Report that OHFA is proposing for the 2027 Application Instructions is an improvement to the previous regulations. However, after experiencing OHFA's appeal process in May 2026, we believe that the existing appeal process requires additional revisions. We submitted an appeal in May 2026 to the OHFA Board under the 2026 AHTC Application Instructions, The OHFA staff and Board did not follow the process outlined under these guidelines. The OHFA Board did not formally hear our appeal despite the appeal meeting all standards as they were set forth. The 2027 Application Instructions continues to set forth guidelines for an appeal process; however, OHFA Staff and Board must actually utilize them if they are to be of any use.

Travois applies for LIHTC awards with our clients throughout the United States and has been part of many appeal processes in a variety of states for over 30 years. With this experience, we find that best practices have structured, transparent, and robust appeal processes in order to maintain a level, fair playing field for all applicants in order to eliminate bias and build trust in the state's integrity.

We recommend that OHFA develop a more robust and transparent appeal process policy that outlines the steps each party will take throughout the process. We believe that the best appeal process allows for the state agency to review an application, issue notices of findings, accept revisions where applicable, and offer a final Board adjudication simultaneous with award announcements. This will ensure that all applicants receive equitable treatment and that any appeals are granted due process.

Threshold Criteria

Capacity and Prior Performance: Development Team Members

The developer and management experience threshold requirements that are outlined in the Application Instructions states that qualified LIHTC developers and management agents must have previously LIHTC experience. If a developer or manager does not have enough LIHTC experience then they must meet this requirement through the addition of other, specified, development team members.

These experience requirements put Indigenous nations at a distinct disadvantage even though many have decades of experience developing and managing low-income property through other federally funded housing programs. A majority of the projects developed by Tribes were done so under either the 1937 Housing Act or the Native American Housing Assistance and Self-Determination Act (NAHASDA). The rules and regulations governing both NAHASDA and the 1937 Housing Act, as they are applied to Indian Housing Authorities, are similar to the compliance rules governing Section 42. They are so similar that Travois co-developed a NAHASDA & Tax Credit Compliance training program that is designed to provide Tribal housing professionals with an overview of the federal LIHTC program and explains how the program can complement other Tribal housing initiatives. For example, every family occupying housing developed and managed by the Tribe must have its income certified prior to occupancy and annually thereafter. Indigenous Nations across the country have had success transitioning their staff into operating tax credit financed projects with minimal disturbances in their daily operations.

Travois asks that OHFA recognize previous experience with developing and managing low-income housing under other regulations similar to and every bit as complex as the LIHTC program in meeting this developer and property management requirement.

Attachment #4: Development Team Member Certificate

It appears that there has been an error in the tracked changes noted in Attachment #4 in the draft Application Instructions. In this integration, the form has removed accountant/tax professional, architect, attorney, and consultant as eligible development team members in the form. All of these team members are still listed as eligible according to the definition of Development Team outlined on page 19 of the draft QAP and these changes were not identified in the 2027 QAP First Draft Summary of Changes and Rationale.

Assuming that all development team members will be required to complete the Attachment #4 to help new Oklahoma developers qualify under the Capacity and Prior Performances section, **Travois wanted to ensure that these edits to Attachment #4 are rectified to match the QAP prior to finalizing the document**.

Underwriting Standards

Cost Limits: Hard Cost Per Square Foot

Travois **adamantly disagrees** with the proposed reduction to the per square foot limit proposed in the 2027 Application Instructions. The previous $250 per square foot limitation for the Total Development Costs was already an excessive restriction that leads to projects arbitrarily limiting or excluding real project expenses from the LIHTC budget. This new suggested limitation of $150 per square foot for hard costs that include On Site work, Costs associated with New Structures or Rehabs, Accessory Structures, Builder's Permits & Fees (that includes General Requirements, Contractor Overhead, and Contractor Profit), Contingency, and Furniture, Fixtures and Equipment is extremely restrictive. Not only will these restrictions require projects to continue to exclude costs from the LIHTC budget, but it also disincentives the addition of project amenities like community buildings and playgrounds even though those amenities are part of a scoring category and are greatly beneficial to bettering the lives of low-income tenants and their families, a primary goal of the LIHTC program.

Additionally, this change will virtually eliminate smaller, single-family projects and reward multifamily projects with a very large number of units. This is particularly problematic for Tribal projects as many of these projects prefer to create neighborhoods designed for large families and multigenerational families who live in the rental units long-term.

If this change is implemented, it is likely that no Tribal applicant will ever satisfy a $150 hard cost per square foot threshold. OHFA is essentially eliminating the ability for Tribal projects to ever secure an award of LIHTCs with this new standard. Our recent Okemah Rental Property II project included 60-units (the most units a Tribal project has ever completed in one single LIHTC project), included zero infrastructure costs, and are constructing smaller two- and three-bedroom duplex and four-plex homes. Our estimated project budget is $197 per square foot.

If OHFA is looking to ensure efficient hard costs and project budgets, then it seems more appropriate to cap credits rather than create requirements that lead to incomplete budgets being presented as part of LIHTC applications. This idea would also overlap with the proposed changes to the Development Cost Efficiency that encourages higher debt. Capped credits would surely lead to a Higher Percentage of Debt for all projects and would likely allow OHFA to fund more projects per funding round without creating artificially deflated budget scenarios.

<u>Scoring</u>

Development Location: Proximity to Amenities

Travois requests that OHFA expand the radius for amenities in rural areas. Four miles is incredibly restrictive in any rural area, but especially on Tribal land. Tribes have limited land options and unlike other housing developers, they cannot select alternative sites that will score better for the LIHTC application. Instead, they must work with the land that they have, which may or may not be within four miles of schools, grocery stores, parks, hospitals, libraries, banks, or the other locations on the list of amenities provided in the QAP. With 10 points available in this category, a project's fundability is severely hurt by this scoring criterion alone.

We request that OHFA expand the Proximity to Amenities radius for rural areas to 10 miles.

Development Location: Gap Analysis according to the Oklahoma Housing Needs Assessment

Travois requests additional clarification on the proposed new Development Location: Gap Analysis scoring category. We attempted to follow the instructions as laid out in the draft 2027 Application Instructions, but how a project would score points here is not clear. Many projects include multiple bedroom types. How does a project score if one bedroom type falls within the "demand" but another unit type does not? As a threshold item, OHFA already requires a market demand study. It seems redundant to add a separate scoring category related to demand when applications are already required to submit a market study that demonstrates satisfactory demand. **We would therefore request that OHFA remove this additional scoring category altogether. If OHFA insists on adding the new scoring category, than we request that OHFA amend the language to provide greater clarity on how the scoring category would work in practice.**

Development Cost Efficiency

This category is by far the largest points category with 29 points possible and it heavily favors projects with a higher number of units and those with significant operating cashflow. Tribal projects are typically smaller scale with only 20 to 30 units and rehab projects can be even smaller depending on the needs of the community.

Lowest Credits per Unit: This scoring category is problematic because it eliminates any opportunity for projects that meet specific policy objectives and to be able to compete based on merit versus just project size/number of units or credit request. This is extremely unfair to non-profit and Tribal projects which operate in constrained geographies and cannot support massive amounts of debt from cash flow from higher-income tenants. Instead, Tribal applicants and non-profits have been pushed out of being able to compete for the very reason that the QAP should be showing preference—serving the lowest-income tenants for the longest period of time.

Lowest Percentage of Deferred Developer Fee/Total Developer Fee: The Summary of Changes and Rationale states that the Lowest Credits per Bedroom was changed to Lowest Percentage of Deferred Developer Fee/Total Developer Fee because “an influx of applications increasing the amount of deferred developer fee, which may lead to deals being rather constrained and charging near maximum rents.” If the deferred developer fee is the issue, then it seems logical to limit this revised scoring category to only the *deferred* developer fee.

Highest Percentage of hard debt: This proposed change from Lowest Percentage of hard debt disincentives projects that serve lower incomes and make the projects less financially viable using hard debt to fill the gap when the incomes of tenants residing in those projects is significantly lower. That is certainly true for the vast majority of Tribal projects trying to be developed in Oklahoma. This proposed change unfairly rewards for-profit developers that can charge higher (or maximum) rents (which cash flow in turn can be used to support a much higher level of debt). This is not an equitable system where preference is supposed to be provided to projects serving the lowest income under Section 42. Tribal projects will be disproportionally impacted given that they typically charge much lower rents and are therefore unable to support any amount of hard debt payments.

Overall, the proposed changes to this scoring category appear to overwhelmingly hurt smaller, rural, Tribal developments. **Therefore, Travois recommends reinstating the Lowest Credits per Bedroom and the Lowest Percentage of debt.**

<u>Tribal Set-Aside</u>

Travois encourages OHFA to consider the creation of a Tribal Set-Aside. Currently, there are 38 federally recognized Native American Tribes in Oklahoma. **Oklahoma has the largest American Indian population in the United States, making up nearly 14% of the state’s entire population**. This is a significant portion of the community that OHFA is required to serve, and a set-aside to address specific Tribal housing needs would be highly valuable. Eight states with large Tribal populations (but less then Oklahoma) including Arizona, California, Oregon, North

Dakota, South Dakota, Michigan, Nevada, and New Mexico have already implemented Tribal Set-Asides. These set-asides were created in recognition of the significant challenges of housing development on Tribal land and to ensure that the housing needs of this population are met. Given that OHFA has an existing set aside for Choice Neighborhoods for $1.2M, there is precedent that OHFA is supportive of specific set-asides and funds them appropriately.

We request that OHFA add a Tribal Set-Aside or award points to projects sponsored by a Tribe or TDHE that are intended to serve Tribal members. We ask that OHFA recognize the large Tribal population in the state, the unique complexities Tribal projects face, and reward those types of projects accordingly. We want to point out that there should be a requirement under this set-aside or scoring category, if adopted, that the project is both Tribally sponsored, and the intended renters are also Tribal members.

We appreciate the opportunity to comment on OHFA's first draft of the 2027 Application Instructions for the LIHTC program. Please let me know if you have any questions or comments.

Sincerely,

Erinn Roos-Brown

Erinn Roos-Brown
Project Manager

From:	Bill Copeland
To:	Corey Bornemann; Emily Myers
Cc:	Blake Simon; Eileen Bradshaw
Subject:	2027 Proposed QAP Draft Comments
Date:	Tuesday, July 7, 2026 4:22:06 PM
Attachments:	Outlook-jql4iic2.png 2027-QAP-FIrst-Draft-Summary-of-Changes-and-Rationale-06.24.2026 (2).pdf Marshall Manor Budget.pdf

Corey and Emily,

My responses to many of these proposed changes are based not only on my interpretation of the document explaining what OHFA hopes to accomplish with the proposed revisions (attached), but also on our conversation a few weeks ago. Please keep in mind that Vintage Housing is a member of the Oklahoma Coalition for Affordable Housing (OCAH) and recently participated in its review of the proposed changes. We support the efforts and recommendations that OCAH has submitted.

At the same time, Vintage Housing is unique in several respects. As a nonprofit organization, our approach to the LIHTC process is different from many other developers, and our mission is focused on providing affordable housing for seniors. Because of that, we believe it is important to submit our own comments to ensure that the needs and perspectives of nonprofit senior housing providers are fully considered and that our projects can remain competitive throughout the allocation process. The need for affordable senior housing continues to grow and is widely recognized as one of the fastest-growing areas of housing demand. For that reason, the comments that follow are intended to highlight issues that are particularly important to our organization and the population we serve.

Rather than following the order of the OHFA draft document, my comments are organized around the issues that raise the greatest concerns from Vintage Housing's perspective. We agree with OCAH that changes in the Development Cost Efficiency should be maintained as was in the prior regulations, but if changes are going to be incurred regardless of OCAH's request, OHFA at least considers the comments below.

1. Page 35 – Development Cost Efficiency
A. Proposed Change to Prioritize Highest Debt

Our understanding is that OHFA's objective is to encourage applicants to request the lowest possible amount of tax credits relative to total development costs, thereby allowing the available tax credit allocation to fund more projects. Vintage Housing fully supports that objective.

However, we believe a more appropriate and equitable measurement would be:

Total Tax Credit Request ÷ Total Development Cost

This calculation encourages developers to reduce their tax credit request through any legitimate financing source, rather than simply increasing project debt. It recognizes creative financing structures, including developer equity, philanthropic contributions, grants, and other funding sources that many nonprofit organizations utilize to reduce the need for tax credits while keeping rents affordable. Limiting the scoring metric to the amount of debt appears to favor lenders and financial partners while unintentionally disadvantaging developers who successfully leverage alternative funding sources. Many of these sources also require higher construction standards than those required by OHFA or local jurisdictions, ultimately benefiting residents through higher-quality housing.

As a nonprofit developer, Vintage Housing frequently utilizes these financing tools as part of our mission to provide quality affordable housing for seniors. If the proposed scoring change is based primarily on maximizing debt, Vintage Housing would no longer be able to compete effectively while remaining true to our mission. We can compete under a system that rewards the lowest tax credit request as a percentage of total project cost. There is also a practical concern regarding long-term project viability. Higher debt requires higher operating revenues to satisfy lender requirements, which inevitably pressures owners to charge the highest rents permitted. Increased debt also reduces financial flexibility during periods of lower occupancy or unexpected operating expenses, increasing the likelihood of financial distress several years after project completion.

B. Deferred Developer Fee

We also question the proposed emphasis on minimizing deferred developer fees. This proposal appears inconsistent with the objective of encouraging financially sound developments. A reasonable deferred developer fee demonstrates that the developer has meaningful financial investment in the success of the project while avoiding unnecessary debt obligations. Based on our previous discussions, we understand this proposal was prompted by instances where developers included deferred developer fees at levels exceeding what syndicators would ultimately allow. If that is the concern, a much simpler solution would be to establish a reasonable cap on the amount of deferred developer fee that can be included in an application. That approach addresses the issue directly without penalizing developers who responsibly use deferred fees as part of their financing structure.

2. Page 66 – Proposed Construction Cost Cap of $150 per Square Foot

We are very concerned with the proposal to limit only on-site work, building construction, and accessory structures to **$150 per square foot**, replacing the current overall project cap of **$250 per square foot**. During our previous discussion, we were told OHFA reviewed prior award-winning projects and believed this change would not have altered previous funding decisions. However, using our January funding round project—which was the highest-scoring Urban New Construction award—as an example, the combined site work and construction costs total approximately **$163 per square foot**. Under the proposed standard, our project would fail the threshold despite being the highest-ranked project in its category. At the same time, our total development cost was only **$216 per square foot**, well below the existing $250 overall cap. Savings in financing costs and land acquisition allowed us to maintain an efficient overall budget despite higher construction costs. This demonstrates why an overall project cost limitation is a more accurate measure of cost efficiency than limiting only one component of the budget. Another concern is the competitive disadvantage this creates for smaller Oklahoma developers. Unlike many larger regional or national firms, Vintage Housing does not own a construction company. We rely on competitive bidding from independent contractors, who necessarily include market-based profit margins in their pricing.

For our recent award-winning project, we solicited proposals from five general contractors. Three submitted bids exceeding **$200 per square foot** for the construction category alone—well above the proposed $150 threshold. This illustrates that the proposed cap does not reflect current construction market conditions. Conversely, developers with affiliated construction companies have greater flexibility to allocate costs between construction and soft cost categories. In practice, project costs can often be shifted among budget categories while leaving total project costs unchanged. As a result, this proposal may not reduce actual development costs but instead encourage accounting adjustments that do not provide any meaningful benefit to residents.

We are also concerned that this proposal could unintentionally reduce construction quality. Developers attempting to meet an artificially low construction cap may have little choice but to reduce material quality or building specifications. Vintage Housing builds projects intended to serve Oklahoma communities for decades beyond the 15-year compliance period. Long-term quality is fundamental to our mission. Lower quality standards not only increase future maintenance costs but also make it more difficult to obtain neighborhood support in many of the communities where OHFA hopes to expand affordable housing opportunities. Smaller Oklahoma-based nonprofit developers have long-term investments in these communities. We believe the proposed change would disproportionately favor larger, often out-of-state firms while reducing opportunities for organizations that remain committed to owning and maintaining these properties well into the future.

Vintage Housing would not be where it is today without OHFA and the many program partners who have supported our efforts. Together, we have completed **19 affordable housing communities totaling 746 units**, with another development expected to begin construction later this year.

We want to continue expanding our efforts. The need assessment prepared by OHFA clearly identifies the Tulsa metropolitan area as one of the state's highest-priority markets for additional affordable housing, and that is where we intend to continue investing. Our developments have consistently served households at the **50% and 60% Area Median Income (AMI)** levels, and we remain committed to serving those populations.

We respectfully believe the two proposed changes discussed above would significantly reduce opportunities for nonprofit organizations like Vintage Housing to compete successfully in the LIHTC program. We encourage OHFA to maintain a level playing field that rewards overall project efficiency, encourages financial stability, preserves construction quality, and allows both large and small developers to continue meeting Oklahoma's growing affordable housing needs.

Thank you for considering these comments. We appreciate the opportunity to participate in this process and would be happy to discuss any of these recommendations further or provide additional information if it would be helpful.

Bill Copeland
Chief Financial Officer

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