

### **Role and Overview**

The Ohio Housing Finance Agency (OHFA) was created in 1983 as an agency within the Department of Development, and became independently administered by an 11-member board on July 1, 2005. The agency's activities include financing the acquisition, construction, rehabilitation, and remodeling of housing intended for rental or ownership, or both, by families of low or moderate income.

Nine of the 11 board members represent various sectors of the affordable housing community and general public, and are appointed by the Governor. The other two board members are the directors of the Ohio Department of Commerce and the Ohio Department of Development or their designees. A staff of 139 (including full-time, part-time, and intermittent employees and interns), led by an executive director, conducts the day-to-day operations of the OHFA with an annual payroll of approximately \$9.75 million. Payroll is the only portion of the OHFA's overall budget to be appropriated through the state treasury and thus to appear in the Executive Budget. The OHFA charges user fees and seeks administrative reimbursement for services provided to outside organizations.

Since its inception in 1983, the OHFA has issued over \$6 billion in tax-exempt mortgage revenue bonds that have allowed 100,000 households in all of Ohio's 88 counties to become homeowners. As the allocating agency for the federal housing credit program, more than 78,000 rental-housing units have been created or upgraded since 1987.

More information regarding the Ohio Housing Finance Agency is available at <http://www.ohiohome.org/>.



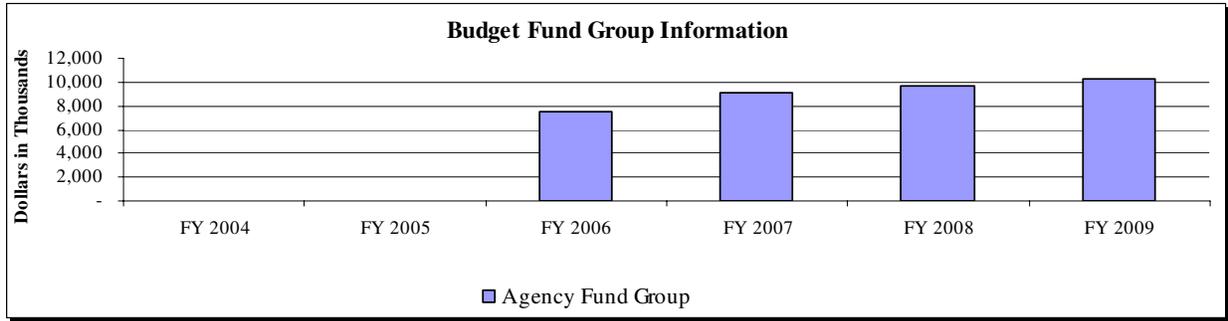
### **Turnaround Ohio Initiatives**

- Focus on Ohio's strengths by building on regional economies and globally competitive industries, spurring small- and mid-size business growth, and supporting emerging entrepreneurs in the urban core.
- Stabilize health costs for government and businesses and advance the health of citizens by increasing the number of Ohioans who have access to affordable, high-quality healthcare, preventing illness and injury, and focusing on community-based services for children, families, older adults, and persons with disabilities.
- Retain, create, and attract jobs worthy of Ohio workers by focusing on industry sectors in which companies are growing, and that will spur the economy to generate wealth and prosperity for the future.

### **Agency Priorities**

- Continue outreach in the First Time Homebuyer (FTHB) Program while maximizing the impact of a limited supply of private activity volume cap that allows the issuance of tax-exempt bonds to fund fixed rate below market interest mortgage loans.
- Align the resources necessary to create and maintain a taxable bond program.
- Increase marketing efforts to lenders, real estate agents, and other vital stakeholders, including training opportunities and other educational events.
- Increase efficiencies in the allocation of funding.
- Provide more streamlined customer service to internal and external customers by using available technology.
- Reinvest in new initiatives that address critical needs in the State of Ohio using revenue generated by a successful mortgage revenue bond program.

**Summary of Budget History and Recommendations**



(In thousands)	ACTUAL			ESTIMATE	%	RECOMMENDED			
	FY 2004	FY 2005	FY 2006	FY 2007	CHANGE	FY 2008	%	FY 2009	%
Agency Fund Group	0	0	7,573	9,173	21.1	9,751	6.3	10,237	5.0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>7,573</b>	<b>9,173</b>	<b>21.1</b>	<b>9,751</b>	<b>6.3</b>	<b>10,237</b>	<b>5.0</b>

(In thousands)	ACTUAL			ESTIMATE	%	RECOMMENDED			
	FY 2004	FY 2005	FY 2006	FY 2007	CHANGE	FY 2008	%	FY 2009	%
Personal Services	0	0	7,357	9,173	24.7	9,751	6.3	10,237	5.0
Purchased Services	0	0	5	0	(100.0)	0	.0	0	.0
Maintenance	0	0	189	0	(100.0)	0	.0	0	.0
Equipment	0	0	22	0	(100.0)	0	.0	0	.0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>7,573</b>	<b>9,173</b>	<b>21.1</b>	<b>9,751</b>	<b>6.3</b>	<b>10,237</b>	<b>5.0</b>

**PROGRAM SERIES 01: Affordable Housing**

This program series offers affordable housing opportunities for Ohioans.

**Program 01.01: Program Management**

The Director's Office, with a staff of nine employees, directs and oversees all functions performed by the agency's administrative and programmatic divisions. The office is responsible for all aspects of the agency's programmatic and operational policies, objectives, and initiatives. The Executive Director reports to an 11-member Board of Directors and represents the agency and the state to federal, state, and local elected officials, the housing industry, the mortgage lending community, the investment banking community, and the public concerning affordable housing activities of the state and agency.

The Finance Office, with a staff of 34 employees, provides fiscal management and accounting for the agency and its programs. It manages over \$2.0 billion in combined mortgage bonds payable, and represents the agency with bond counsel, bond trustees, and investment bankers. The Finance Office also administers more than \$45 million in housing assistance payments annually for United States Department of Housing and Urban Development (HUD)

Section 8 housing projects, and acts as loan servicer for the Affordable Housing Loan and Down Payment Assistance programs, which combined currently total approximately \$230 million.

In addition, the Administration Office's 13 employees provide administrative support functions, and the Information Technology Office provides technical support with a staff of 11 employees. The Communications Office's seven employees lead communications and marketing initiatives, including coordinating the Ohio Housing Conference and other special events, handling all press and media relations, and managing all marketing and advertising campaigns.

**The Executive Recommendation will:**

- Support the oversight of all agency activities, including centralized information technology and finance services.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
AGY	5AZ	997-601	Housing Finance Agy Persona Svcs	5,336,902	5,628,261
<b>TOTAL FOR PROGRAM</b>				<b>5,336,902</b>	<b>5,628,261</b>

**Program 01.02: Home Ownership**

The Homeownership Office, with a staff of 20 employees, is responsible for providing homeownership opportunities to as many low- and moderate-income Ohioans as possible. The cornerstone of this undertaking is OHFA's First-Time Homebuyer Program, which offers below market interest rate mortgages to qualified homebuyers. The OHFA has partnered with more than 160 Ohio financial institutions as participating lenders in this program. Through the program's two-tiered interest rate structure, borrowers enjoy the flexibility of choosing a mortgage rate that best fits their needs.

The First-Time Homebuyer Program also makes available a down payment assistance grant in an amount equal to two percent of the home's purchase price and a second mortgage in an amount up to four percent of the home's purchase price. Historically, more than one-third of the mortgages funded include a down payment assistance grant.

**The Executive Recommendation will:**

- Support the operations of the First-Time Homebuyer Program, for which the agency expects to issue \$1 billion per year in mortgage revenue bonds to fund 9,000 mortgages statewide.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
AGY	5AZ	997-601	Housing Finance Agy Persona Svcs	1,405,098	1,469,421
<b>TOTAL FOR PROGRAM</b>				<b>1,405,098</b>	<b>1,469,421</b>

**Program 01.03: Planning, Preservation, and Development**

Through innovative financing and tax incentives, the Planning, Preservation and Development Office, with a staff of 19 employees, helps to increase the number of affordable housing units throughout the state. Financial assistance includes programs for all phases of the development process from pre-development through construction finance to permanent financing. A variety of funding sources are available, including federal housing tax credits, Ohio's unclaimed funds, the Ohio Housing Trust Fund, the federal HOME Program, and tax-exempt bonds. Most planning, preservation, and development opportunities are accessed through a one-stop application approach. These programs encourage the production of affordable housing by enabling developers to keep rent costs down to provide affordable housing to those who need it most. Additional incentives for other policy objectives, such as universal design, energy efficiency, and permanent supportive housing for the homeless, are built into the program designs.

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The Planning, Preservation, and Development Office also administers the Community Housing Development Organization (CHDO) annual operating grant program. This program, funded with federal HOME dollars, enhances the capacity and sustainability of community-based non-profit housing organizations that are dedicated to provide affordable housing in underserved persons and communities across the state.

**The Executive Recommendation will:**

- Support staffing for the Housing Development Loan Program, which is expected to approve loans of approximately \$35 million per year to enhance the financing of 1,700 affordable housing credit rental units;
- Support staffing for the Housing Development Assistance Program and CHDO operating grants, from which the agency expects to award \$29 million per year in loans; and
- Provide staffing for the Housing Credit Program, from which the agency will allocate \$26.5 million in annual credits, resulting in the development of 60 properties consisting of 3,900 affordable housing units.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
AGY	5AZ	997-601	Housing Finance Agy Persona Svcs	1,343,717	1,401,331
<b>TOTAL FOR PROGRAM</b>				<b>1,343,717</b>	<b>1,401,331</b>

**Program 01.04: Program Compliance**

The Program Compliance Office, with a staff of 26 employees, monitors more than 1,300 rental properties throughout Ohio. Program Compliance ensures that properties are being maintained in a satisfactory manner and that the properties are in compliance with Internal Revenue Service, HUD, and state regulations. In addition, the office monitors approximately 30 multifamily bond-financed properties consisting of 3,500 units, and five Federal Deposit Insurance Corporation (formerly Resolution Trust Corporation) properties consisting of 202 units. The office, in concert with the Multifamily Management Annual Plan Advisory Committee, regularly conducts training for owners and managers of rental projects regarding the basic and advanced issues that they face. The performance of affordable housing properties is enhanced as a result of this training.

**The Executive Recommendation will:**

- Support the staffing needed to monitor compliance at over 71,000 Housing Credit and Housing Development Assistance Program rental units, 3,500 multifamily bond-financed units, and 202 Federal Deposit Insurance Corporation units.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
AGY	5AZ	997-601	Housing Finance Agy Persona Svcs	1,665,236	1,738,478
<b>TOTAL FOR PROGRAM</b>				<b>1,665,236</b>	<b>1,738,478</b>

## LINE ITEM SUMMARY - Ohio Housing Finance Agency

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
5AZ	997-601	Housing Finance Agy Persona Svcs	0	0	7,572,518	9,173,332	9,750,953	6.3	10,237,491	5.0
<b>TOTAL Agency Fund Group</b>			<b>0</b>	<b>0</b>	<b>7,572,518</b>	<b>9,173,332</b>	<b>9,750,953</b>	<b>6.3</b>	<b>10,237,491</b>	<b>5.0</b>
<b>TOTAL Ohio Housing Finance Agency</b>			<b>0</b>	<b>0</b>	<b>7,572,518</b>	<b>9,173,332</b>	<b>9,750,953</b>	<b>6.3</b>	<b>10,237,491</b>	<b>5.0</b>