

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 143 (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 \$10.2 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.

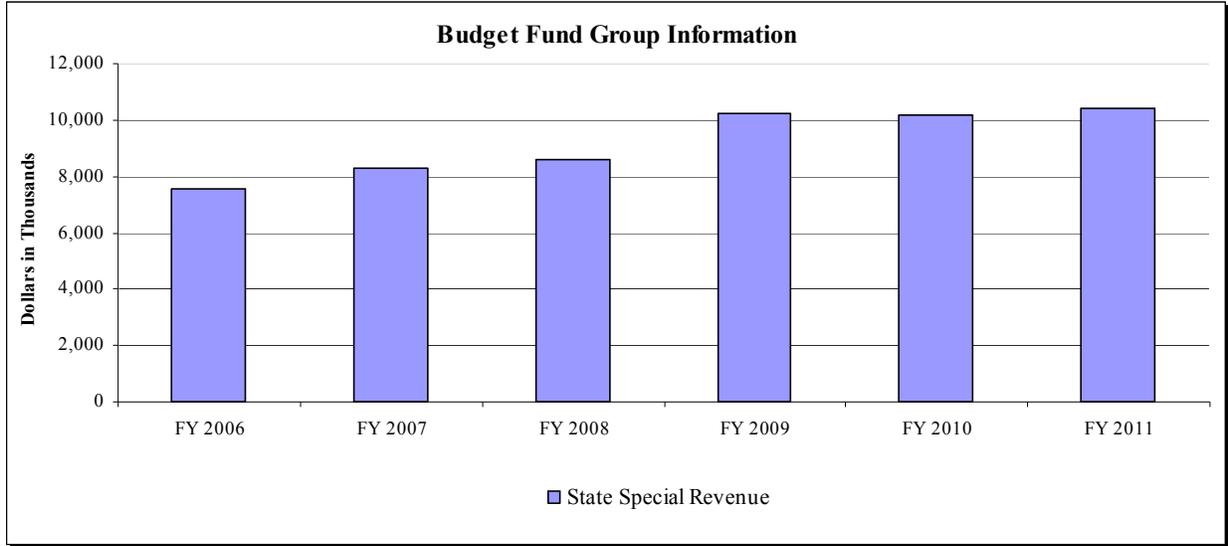
Since its inception in 1983, the OHFA has issued more than \$10 billion in tax-exempt mortgage revenue bonds and \$614 million in multifamily mortgage revenue bonds. These have allowed 120,000 households in all of Ohio's 88 counties to become homeowners. As the allocating agency for the federal housing credit program, more than 87,400 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/>.

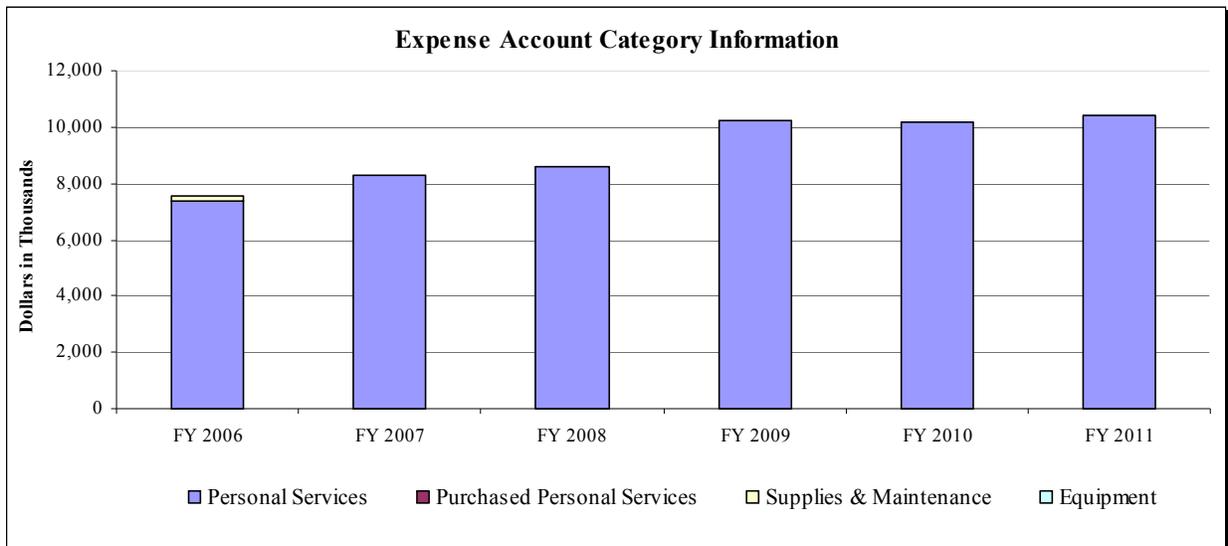
Agency Priorities

- 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 interest mortgage loans.
- Implement provisions established in The Housing and Economic Recovery Act (HR 3221).
- Restore and redevelop abandoned and vacant properties through comprehensive urban revitalization initiatives.
- Expand the outreach to our partners and customers to strategically address Ohio's affordable housing challenges and opportunities.
- Continue marketing efforts to lenders, real estate agents, and other vital stakeholders, including training opportunities and other educational events.
- Increase efficiencies in the allocation of limited resources.
- 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) BUDGET FUND GROUP	ACTUAL			EST.	%	RECOMMENDED			%
	FY 2006	FY 2007	FY 2008	FY 2009	FY 08-09	FY 2010	CHANGE	FY 2011	CHANGE
State Special Revenue	7,573	8,293	8,615	10,237	18.8	10,187	-0.5	10,386	2.0
TOTAL	7,573	8,293	8,615	10,237	18.8	10,187	-0.5	10,386	2.0



- Payroll is the only expense that is appropriated in the state budget.

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(In Thousands) EXPENSE ACCOUNT CATEGORY	ACTUAL			EST.	% CHANGE	RECOMMENDED			
	FY 2006	FY 2007	FY 2008	FY 2009	FY 08-09	FY 2010	% CHANGE	FY 2011	% CHANGE
Personal Services	7,357	8,293	8,615	10,237	18.8	10,187	-0.5	10,386	2.0
Purchased Personal Services	5	0	0	0	0.0	0	0.0	0	0.0
Supplies & Maintenance	189	0	0	0	0.0	0	0.0	0	0.0
Equipment	22	0	0	0	0.0	0	0.0	0	0.0
TOTAL	7,573	8,293	8,615	10,237	18.8	10,187	-0.5	10,386	2.0

PROGRAM SERIES 01: Affordable Housing

This program series offers affordable housing opportunities for Ohioans.

Program 01.01: Program Support

The Director's Office, with a staff of four 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 Office of Finance, with a staff of 28 employees, provides fiscal management, budget and accounting services for the agency and its programs. It manages more than \$3.5 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 \$4.6 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 more than \$240 million.

In addition, the Office of Administration's 11 employees provide administrative support services for the entire agency including Human Resources and Facilities Management. The Office of Information Technology, with a staff of 10 employees, provides desktop support, infrastructure maintenance, network monitoring, application development and network security monitoring for the entire agency. The Office of Communication and Marketing'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.

Also included in the agency's Program Support is the legal office which consists of four employees that provide advice on all matters requiring legal input, guidance and oversight of records retention and ethics issues to provide training where required. The Office of Internal Audit's four employees evaluate the adequacy of the internal control structure, accesses compliance with written policies and procedures, evaluate the reliability of financial and operating information and verify the safeguarding of agency assets.

The Executive Recommendation will fund the following objectives:

- Support the oversight of all agency activities, including centralized information technology and human resources, along with financial, marketing, internal audit and legal services.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2010	FY 2011
SSR	5AZ0	997601	Housing Finance Agency - Personal Services	5,149,591	5,229,905
TOTAL FOR PROGRAM				5,149,591	5,229,905

Program 01.02: Home Ownership

The Homeownership Office, with a staff of 20 employees, is responsible for providing homeownership opportunities to low- and moderate-income Ohioans. First time homebuyers are essential to the recovery of the housing market because they create new demand for existing homes. The cornerstone of this undertaking is OHFA’s First-Time Homebuyer Program, which offers fixed 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 and a half percent of the home’s purchase price. Recently, more than one-third of the mortgages funded include a down payment assistance grant. This program is dependent on OHFA’s ability to access the bond market to raise capital to fund mortgages. The housing bond market has been unfavorable since October 2008, but may improve pending federal action to support housing bonds.

The Office of Homeownership has recently taken on new programming initiatives which include the Mortgage Credit Certificate Program, comprehensive housing counseling, rescue loans and foreclosure mitigation counseling. The housing counseling programs primarily serve first-time homebuyers and existing homeowners, but also include services to renter households and homeless persons.

The Executive Recommendation will fund the following objectives:

- Support the operations of the First-Time Homebuyer Program, for which the agency expects to issue \$350 million per year in mortgage revenue bonds to fund 3,000 mortgages statewide and assist an additional 1,000 homebuyers with Mortgage Credit Certificates.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2010	FY 2011
SSR	5AZ0	997601	Housing Finance Agency - Personal Services	1,529,682	1,546,831
TOTAL FOR PROGRAM				1,529,682	1,546,831

Program 01.03: Planning, Preservation, and Development

Through innovative financing and tax incentives, the Planning, Preservation and Development Office, with a staff of 23 employees, help 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.

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 fund the following objectives:

- 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

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- Provide staffing for the Housing Credit Program, from which the agency will allocate \$30 million in annual credits, resulting in the development of 50 properties consisting of 3,000 affordable housing units.
- Support staffing for the Neighborhood Stabilization Program – Affordable Rental Housing Initiative, which is expected to approve loans of approximately \$29 million per year to enhance the financing of 580 affordable housing credit rental units.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2010	FY 2011
SSR	5AZ0	997601	Housing Finance Agency - Personal Services	1,615,600	1,653,806
TOTAL FOR PROGRAM				1,615,600	1,653,806

Program 01.04: Program Compliance

The Program Compliance Office, with a staff of 25 employees, monitors more than 1,000 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 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 fund the following objectives:

- 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 2010	FY 2011
SSR	5AZ0	997601	Housing Finance Agency - Personal Services	1,891,840	1,955,884
TOTAL FOR PROGRAM				1,891,840	1,955,884

LINE ITEM SUMMARY - Ohio Housing Finance Agency

FUND	ALI	ALI NAME	FY 2006 ACTUAL	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ESTIMATE	FY 2010 RECOMMENDED	% CHANGE	FY 2011 RECOMMENDED	% CHANGE
5AZ0	997601	Housing Finance Agency - Personal Services	7,572,518	8,293,389	8,614,627	10,237,491	10,186,713	-0.5	10,386,426	2.0
TOTAL State Special Revenue			7,572,518	8,293,389	8,614,627	10,237,491	10,186,713	-0.5	10,386,426	2.0
TOTAL Ohio Housing Finance Agency			7,572,518	8,293,389	8,293,389	10,237,491	10,186,713	-0.5	10,386,426	2.0