



# 2017

## ANNUAL PLAN

*July 1, 2016 - June 30, 2017*

**GROW**

**SUSTAIN**

**PROMOTE**

**ENGAGE**



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## Message from the Executive Director

I am proud to share the Fiscal Year (FY) 2017 Annual Plan for the Ohio Housing Finance Agency (OHFA) in accordance with the requirements of Section 175.04 of the Ohio Revised Code (ORC). This plan serves as a guide for program implementation, performance monitoring and workforce planning to ensure we meet the affordable housing needs of the state as determined by solid research of current trends and market demands.

Our ongoing collaboration with OHFA stakeholders—including developers, investors, property managers, social service agencies, lenders, real estate agents, homebuyer education counselors, state and local leaders and other interested parties—remains integral to OHFA serving Ohio's residents. Thank you for contributing to OHFA's success by working with us as trusted partners to increase homeownership opportunities and affordable rental housing, including special needs developments and senior communities. While the demand for affordable housing continues to grow, our collective efforts will address these needs through innovation and persistent resourcefulness.

I want to thank the OHFA staff for its steadfast commitment to furthering our mission and the OHFA Board for its continued guidance and insight.

In Fiscal Year 2017, OHFA will continue to:

- Sustain and advance the Agency through its core programs;
- Demonstrate impactful and measurable results;
- Concentrate efforts on the highest priority housing needs;
- Expand initiatives to fulfill the Agency's mission; and
- Strengthen OHFA's workforce culture.

The Office of Affordable Housing Research and Strategic Planning (OAHR) compiled this report, which includes the Ohio Housing Needs Assessment, in cooperation with the Annual Plan Advisory Board, the Annual Plan Committee and the Annual Plan Workgroup. I am grateful for their participation, hard work and valuable input.

With the support of Governor Kasich's administration, our partners and other stakeholders, the OHFA Board approved and adopted the 2017 Annual Plan at its June 15, 2016, meeting and takes effect on July 1, 2016.

Respectfully submitted,



Douglas A. Garver  
Executive Director  
Ohio Housing Finance Agency

## About the Ohio Housing Finance Agency

For more than 30 years, OHFA has served as a respected housing leader, ensuring the provision of safe and quality affordable housing for Ohioans. Since 1983, OHFA has empowered more than 152,000 households throughout Ohio to achieve the dream of homeownership and assisted with the financing of more than 128,000 affordable rental housing units through the allocation of federal housing credits and other funding programs. The Agency relies on its partnerships with private, public and nonprofit organizations to serve low- and moderate-income first-time homebuyers, renters and populations with special housing needs.

### OHFA Board



**David Goodman,**  
**Chairman**  
*Director,*  
*Ohio Development*  
*Services Agency*  
Ex Officio



**Jacqueline Williams**  
*Director*  
*Ohio Department of*  
*Commerce*  
Ex Officio



**Robert A. Alexander**  
*Senior Vice*  
*President (Retired)*  
*PNC Bank*



**Gregory Arcaro**  
*CEO*  
*Frontier Community*  
*Services*



**Patricia P. Cash**  
*Senior Vice*  
*President (Retired)*  
*PNC Bank*



**Catherine A. Cawthon**  
*President*  
*Fifth Third Community*  
*Development*  
*Corporation*



**Jason Clark**  
*Ohio Political Director*  
*and Business*  
*Representative Indiana/*  
*Kentucky/Ohio*  
*Regional Council*  
*of Carpenters*



**Ralph Griffith**  
*Senior Vice President*  
*Value Recovery*  
*Group, Inc.*



**Betty J. Kemper**  
*President*  
*The Kemper Company*



**Brad Knapp**  
*Senior Vice President*  
*Henkle Schueler*  
*& Associates*



**Alan Scott**  
*Co-Founder of NRP*  
*NRP Advisory Board*

## OUR MISSION

OHFA uses federal and state resources to finance housing opportunities for Ohioans with low- to moderate-income through programs that develop, preserve and sustain affordable housing throughout the state. Our mission statement, **We Open the Doors to an Affordable Place to Call Home**, provides focus for the daily work of the Agency.

## OUR VISION

We envision an Ohio in which everyone has a quality place to live. OHFA commits to delivering its programs with a high standard of excellence to continually meet the public need for affordable housing and to make a difference in the lives of those we serve.

## OUR IMPACT

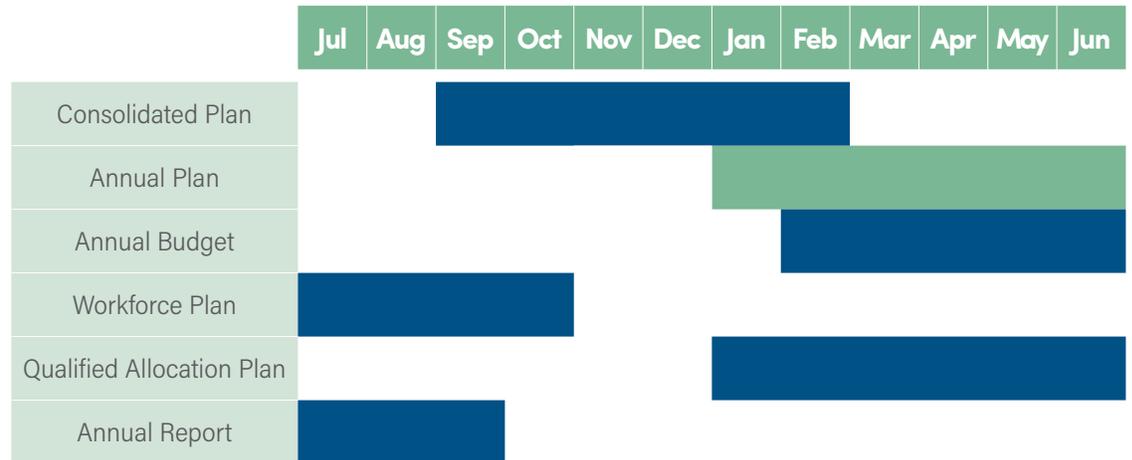
With more than three decades of service, OHFA has emerged as a respected and trusted leader in affordable housing finance and will continually lead the nation in providing access to affordable housing for low- and moderate-income households.



**OHFA's organizational values** — *do it well, do it together, do it with purpose and do it with integrity* — are reinforced in the daily work of the Agency and guide the way we make decisions, engage with others, allocate resources and solve problems.

## About the Fiscal Year 2017 Annual Plan

The Annual Plan is the document prepared by OHFA to ensure compliance with Section 175.04 of the ORC, which requires that OHFA develop a plan to address Ohio's housing needs on an annual basis. Grounded in a comprehensive review of Ohio's current housing needs and trends, the planning document identifies strategic priorities and actionable goals to be integrated into all aspects of OHFA's work. It also contributes to other strategic processes, including workforce planning, program implementation and performance monitoring, as well as the Consolidated Plan produced by the Ohio Development Services Agency (DSA).



### Review and Consideration of Public Feedback

The Annual Plan supports the links between advocacy, policy creation and engagement with stakeholders and partners to identify housing needs and priorities in Ohio. Described below are the meetings and outreach efforts OHFA conducted to develop the FY 2017 Annual Plan.

<b>Public Comment Period</b>	Each year, the public has an opportunity to provide feedback on OHFA's Annual Plan. A formal comment period was held between Wednesday, May 4, and Friday, June 3, 2016.
<b>Annual Plan Advisory Board Meeting</b>	On Wednesday, May 4, 2016, OHFA held its yearly Annual Plan Advisory Board Meeting. This group, consisting of external partners who provide input on the Annual Plan, advises Agency leadership on the prioritization of housing needs and helps the Agency better understand the full spectrum of housing needs throughout Ohio.
<b>Annual Public Hearing on OHFA Programs and Annual Plan</b>	On Wednesday, May 18, 2016, OHFA held its annual public hearing on OHFA programs and the Annual Plan. This hearing gives the public an opportunity to voice opinions on all aspects of OHFA's programs and affairs directly to the OHFA Board.
<b>Annual Plan Adoption</b>	The Annual Plan was adopted by OHFA's Board on Wednesday, June 15, 2016, and took effect Friday, July 1, 2016. The document outlines priorities, goals and implementation actions that apply to OHFA programs and activities.

# Participants in the Fiscal Year 2017 Annual Planning Process

The Annual Plan was developed through the collaboration of a broad spectrum of internal and external stakeholders including the OHFA Board, Annual Plan Advisory Board and Agency staff.

## Annual Plan Committee

The Annual Plan Committee, which consists of four OHFA Board members, actively supports the planning process by reviewing the Agency's assessment and prioritization of housing needs, development of goals and strategies, consideration of stakeholder feedback and evaluation of progress toward meeting the goals outlined in the Annual Plan.

## Annual Plan Advisory Board

The Annual Plan Committee selects an Advisory Board from a list of interested stakeholders the Executive Director provides or on its own recommendation. Through the structure of the Annual Plan Advisory Board, OHFA is able to engage a wide variety of community stakeholders to gain a better understanding of housing needs and activities throughout Ohio. Members provide input on topics and issues related to the Annual Plan and advise Agency leadership on the prioritization of housing needs and activities.

### Annual Plan Advisory Board

**American Mortgage Service Company**, Deena Crawford

**Breaking Chains**, Jackie Jones

**Carleton Realty**, Bob Kutschbach

**Carleton Realty**, Diana Kutschbach

**Central Ohio Community Improvement Corporation**, John Rosenberger

**City of Dayton**, Aaron Sorrell

**Coalition on Homelessness and Housing in Ohio**, Bill Faith

**Community Housing Network**, Sam Shuler

**Community Properties of Ohio**, Michele Hert

**Corporation for Supportive Housing**, Katie Kitchin

**Cuyahoga Land Bank**, William Whitney

**East Akron Neighborhood Development Corporation**, Grady Appleton

**Enterprise Community Partners**, Mark McDermott

**Fairfield Homes, Inc.**, Jennifer Walters

**Federal Reserve Bank of Cleveland**, Ericka Thoms

**Fifth Third Bank**, Stefanie Steward-Young

**Freddie Mac**, Erin Quinn

**Greater Ohio Policy Center**, Alison Goebel

**HER Realtors**, Jeff Woo

**Huntington Bank**, Marcy Ash

**Legal Aid Society of Southwest Ohio, LLC**, Steven Sharpe

**Lucas County Land Bank**, David Mann

**Lucas Metropolitan Housing Authority**, Linnie Willis

**Mahoning County Land Bank**, Deborah Flora

**Miller Valentine Group**, Brian McGeady

**Molina Healthcare**, Cynthia Steen Young

**Momentum Strategy Group, NeighborWorks**, Nathan Miner

**Mortgage Guaranty Insurance Corporation**, Jane Coleman-Porter

**National Church Residences**, Katie Colgan

**National Equity Investment Manager**, Kevin Nowak

**Nationwide Children's Hospital**, Angela Mingo

**Neighborhood Housing Services of Greater Cleveland**, Lou Tisler

**Neighborhood Progress Inc.**, Linda Warren

**Ohio Capital Corporation for Housing**, Hal Keller

**Ohio CDC Association**, Nate Coffman

**Ohio Conference of Community Development**, Jack Riordan

**Ohio Department of Developmental Disabilities**, Ernie Fischer

**Ohio Department of Medicaid**, Emily VanBuren

**Ohio Department of Mental Health and Addiction Services**, Doug Bailey

**Ohio Development Services Agency**, Karen Fabiano

**Ohio Home Builders Association, Vincent Squillace**

**Ohio Housing Council**, Laura Swanson

**Ohio Mortgage Bankers Association**, Marianne Collins

**Ohio Statewide Independent Living Council**, Kay Grier

**Ohio Statewide Independent Living Council**, Mary Butler

**Over-the-Rhine Community Housing**, Mary Burke Rivers

**Park National Bank**, Gail Blizzard

**The American Eagle Mortgage Company**, Stuart Spalt

**Toledo LISC**, Kim Cutcher

**U.S. Bank**, James Coreno

**U.S. Department of Agriculture, Rural Development**, Gerald Arnott

**U.S. Department of Housing and Urban Development**, Tom Leach

**Union Home Mortgage**, Bill Cosgrove

**United Healthcare**, Jeffery Corzine

**United Way of Central Ohio**, Ryan Edwards

**Woda Management & Real Estate, LLC**, Jodelle Carder

### Other Attendees

**Central Ohio Community Improvement Corporation**, Hope Kingsborough

**City of Dayton**, Erin Jeffries

**Cleveland Neighborhood Progress**, Justin Fleming

**Coalition on Homelessness and Housing in Ohio**, Joe Maskovyak

**Community Housing Network**, Ryan Cassell

**Homeport**, George Tabit

**Miller Valentine Group**, Denise Blake

**Momentum Strategy Group/ NeighborWorks**, Nathan Miner

**National Church Residences**, Amy Rosenthal

**Ohio Capital Corporation for Housing**, Joe Pimmel

**Ohio Department of Developmental Disabilities**, Ted Jones

**Ohio Development Services Agency**, Michael Hiler

**Ohio Home Builders Association**, Kristen Klaus

**U.S. Bank**, Sheryl Kroceil

**U.S. Department of Agriculture, Rural Development**, Mark Gideon

## **Annual Plan Workgroup**

An internal planning workgroup comprised of OHFA staff was assembled with the principal responsibility of setting program goals and developing strategies to achieve Agency-wide priorities. The Annual Plan workgroup involved key staff from all functional levels of the organization including executive leadership, program managers and front-line employees who have direct involvement in Agency programs and operations.

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### ***OHFA Executive Staff***

**Douglas Garver**, Executive Director

**Sean Thomas**, Chief of Staff

**Kelan Craig**, Director of Planning,  
Preservation and Development

**Jim Durham**, Director of Homeownership

**Holly Holtzen, Ph.D.**, Director of Research  
and Strategic Planning

**Betsy Krieger**, Director of Program  
Compliance

**John Lloyd**, Director of Facilities

**Clare Long**, Director of Human Resources

**Steven McVey**, Chief Information Officer

**Brenda Walker**, Director of Internal Audit

**Donald West**, Chief Financial Officer

### ***Office of Affordable Housing Research and Strategic Planning***

**Bryan Grady**, Research Analyst

### ***Offices of Homeownership and Homeownership Preservation***

**Andi Clark**, Bond Accountant Coordinator

**Jonathan Duy**, Real Estate Relations  
Manager

**Cleo Evans**, Bond Accountant Coordinator

**Erin Higgins**, Homeownership Operations  
Manager

**Holly Swisher**, Homeownership  
Preservation Operations Manager

**Tom Walker**, Business Development  
Manager

### ***Office of Planning, Preservation and Development***

**Kathryn Berry**, Housing Grant Analyst

**Carlie Boos**, Business and Project Manager

**Deborah Leasure**, Planner

**Sally Mitchell**, Housing Grant Analyst

### ***Office of Program Compliance***

**Tonya Brunner**, Compliance Team  
Manager

**Robin Dotson**, Housing Examiner

**Rachel Grass**, Policy and Technology  
Manager

### ***Office of Finance***

**Anthony Tai**, Assistant Director of Finance

### ***Office of Human Resources***

**Ashleigh Conkey**, Hiring Manager

**Kathleen Nichols**, Employee Development  
Manager

# Annual Planning Process

## Internal Assessments

In 2013, the OHFA Board engaged in a strategic planning process with a multi-year outlook to direct the future of the Agency. The Office of Affordable Housing Research and Strategic Planning reviewed the Agency's planning requirements and established a structure for developing a long-range strategy that provided a context for OHFA's annual planning efforts in Fiscal Years 2015-2017.

The early phase of the FY 2015 planning process brought together executive staff to identify opportunities for improvement, generate ideas and prioritize concerns. Using a number of collaborative planning tools, including Lean Six Sigma methodology, feedback concerning the Agency's purpose and current performance was analyzed and sorted into related themes. These themes were used to formulate the five strategic priorities that first appeared in the FY 2015 Annual Plan and continue to frame Agency activity.

Development of the FY 2017 Annual Plan began in January 2016, working within six teams representing OHFA's program and support offices. Staff representing various levels and functions at OHFA reviewed and updated the Annual Plan to account for current and emerging realities, new programming and policy changes.

## Fiscal Year 2017 Opportunities and Challenges

**Building off the positive momentum of 2016, the Office of Homeownership will continue to explore ways to increase the number of lenders** that utilize OHFA's mortgage products. Staff will also determine the feasibility of accessing the conventional loan market to diversify product selection available to our lenders participating in the First-Time Homebuyer program. OHFA will also explore ways to increase the number of real estate professionals learning about OHFA programs.

**The rebounding housing market coupled with our competitively priced mortgage products** positions us well in the coming fiscal year until the return of the bond market.

**The Agency has begun streamlining processes and improving operations** with new accounting and loan servicing software to increase the efficiency of reporting.

**Keeping our lending partners** and growing the size and number of financial institutions participating in OHFA's First-Time Homebuyer program is an essential priority.

**On May 5, 2016, Ohio received a formula allocation of \$3,740,578 through the National Housing Trust Fund.** DSA is the designated administrative entity for the state; however, OHFA will be responsible for planning and implementing the program. OHFA cannot access the funds until it has developed an allocation plan for the funds and that allocation plan is approved by HUD. The plan must be submitted to HUD by August 16, 2016.

**OHFA will partner with the Kirwan Institute for the Study of Race and Ethnicity at The Ohio State University**

in using the Opportunity Mapping Tool to expand its opportunity and change indices from Ohio's six most populated counties to the entire state in preparation for inclusion in the 2018-2019 QAP. Kirwan uses indicators to identify vibrant, healthy communities, as well as troubled neighborhoods showing signs of improvement, and is aligned with state and federal initiatives to further fair housing.

**The Agency is collaborating with the Ohio Department of Medicaid**

(ODM) to introduce their Subsidy Demonstration Program, which will target extremely low-income persons with disabilities who are exiting facility-based settings and require accessible affordable housing. The program will supply about \$3 million in 15-year operating subsidies in connection with the 2016-2017 and 2018-2019 QAPs.

**A major focus over the next year will be administration of the Ohio Section 811 Project Rental Assistance Program,**

which expands affordable housing opportunities for persons with disabilities. Over the next year, OHFA will encourage eligible multifamily housing owners to apply for the rental subsidy program. The goal is to serve 485 households throughout the state.

**OHFA will continue to work with our affordable housing partners to address the aging Housing Tax Credit portfolio,**

particularly projects entering the extended use period (years 16 through 30) to retain housing affordability across the state.

**The U.S. Department of Housing and Urban Development (HUD) released its Affirmatively Furthering Fair Housing (AFFH) Final Rule on July 16, 2015, and has subsequently released its AFFH Assessment Tool.**

The tool will help participating jurisdictions (PJs), public housing authorities (PHAs) and states identify impediments to fair housing, racially- and ethnically-concentrated areas of poverty, patterns of integration and segregation, disparities in access to opportunity and disproportionate housing needs. OHFA will work with DSA as it develops its Assessment of Fair Housing and continue to engage in proactive activities like development of the aforementioned Opportunity Mapping Tool to affirmatively further fair housing.

**OHFA will continue to seek and develop strategies to address increasing housing project costs** in order to maximize the allocation of scarce resources.

**The Office of Program Compliance will continue to develop its asset management capacity**, including the development of an Asset Management Risk Guide that will enable staff to perform financial projections on projects funded through the Affordable Recovery and Reinvestment Act (ARRA).

**OHFA will establish an onboarding process for new owners and management companies** who have limited experience with the Agency and the Housing Tax Credit program.

**With the creation of newly greened lots through the Neighborhood Initiative Program (NIP)**, OHFA will explore ways to assist the development community in revitalizing distressed neighborhoods and, where appropriate, building new homes on those new lots.

**This year, OHFA was awarded an additional \$191.9 million toward the Hardest Hit Fund (HHF)** dollars from the U.S. Department of the Treasury.

**With a portion of the new allocation of Hardest Hit Funds designated for the demolition of vacant and blighted properties**, land banks will need access to a qualified contractor pool necessary to fulfill the work commitments and contractual obligations of the program.

**With a portion of the new allocation of Hardest Hit Funds designated for homeowner programs**, OHFA will need to update the Save the Dream Ohio program based on any updated program requirements.

**The 2016 presidential and congressional elections will potentially have an impact on tax reform, government-sponsored enterprise reform and funding for federal housing programs.** OHFA must continue to react strategically to any new changes in policy and programs.

**Retaining and recruiting experienced staff** that has affordable housing expertise, knowledge and training is a continuing challenge.

**The Office of Human Resources will provide tailored training and development opportunities for employees to excel and build new capabilities.** A skills bank will be compiled to identify employee competencies, strengthen the internal talent pool and determine opportunities for employees to build new capabilities.





## Housing Stock

According to the 2010-2014 ACS, Ohio had 5,135,173 housing units; more than two-thirds of these were single-family detached homes. Twenty-one percent were built more than 75 years ago (1939 or earlier). The median home in Crawford and Cuyahoga Counties is more than 60 years old, three times the age of the same home in Delaware County. Thirty-two percent of households experienced a "housing problem," meaning that they were cost-burdened, overcrowded, or living in functionally substandard housing; this includes nearly a quarter of homeowners and 47 percent of renters. For very and extremely low-income households, however, this figure increases to 73 percent. The issue is most acute in urban areas plus Athens County, with lower rates seen in rural portions of northwest Ohio.

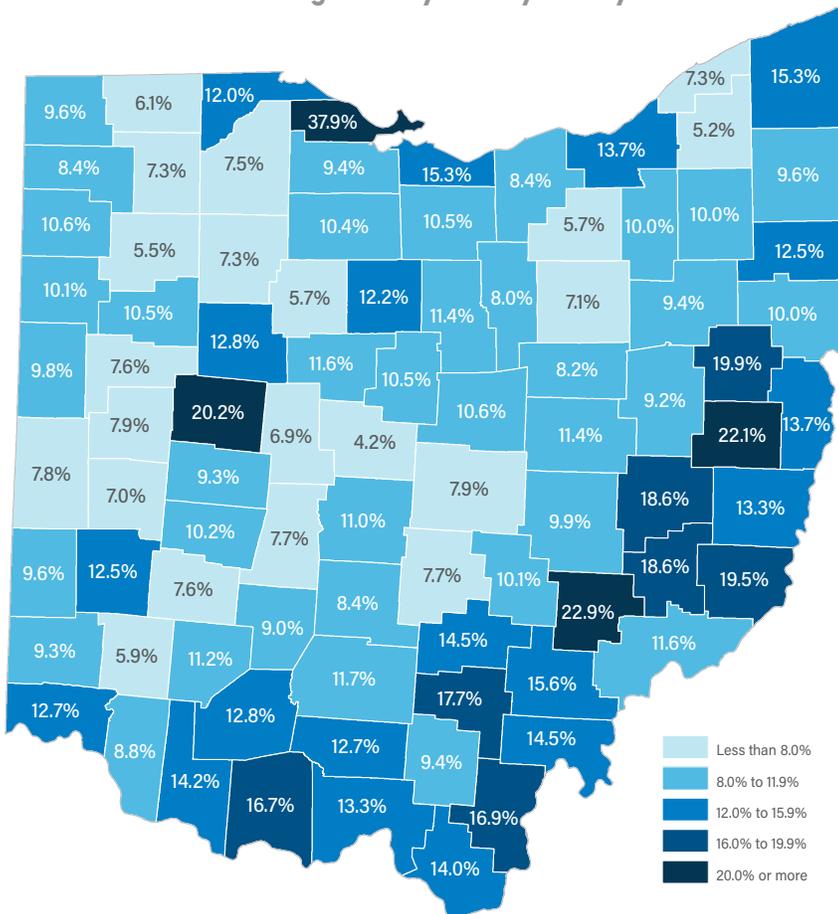
One in nine housing units in Ohio is vacant, with even relatively prosperous counties experiencing substantial vacancy rates. Since 2014, OHFA has worked with county land banks to administer the Neighborhood Initiative Program (NIP), which uses federal Hardest Hit Funds to eliminate blighted properties. As of March 31, NIP had funded the demolition of 2,009 homes, the majority of which were situated in Cuyahoga County. Substantial activity also took place in Franklin, Lucas, Mahoning, Stark, and Trumbull Counties.

## Owners and Renters

The Census Bureau reported that Ohio's homeownership rate was 66.9 percent in the fourth quarter of 2015, modestly higher than the 63.8 percent level seen nationally. This varied a great deal by race, however; 72 percent of white non-Hispanic householders were owner-occupiers, but only 41 percent of non-white and/or Hispanic householders owned their home. As owners were somewhat older on average, three in five owner-occupied households were headed by a married couple, according to ACS, as opposed to just over one in five renter-occupied households. Over half of renter households were "nonfamily," meaning that they consist of either a single person (42 percent) or unrelated individuals (10 percent).

Homes built since 1990 constitute 26 percent of owner-occupied units but only 19 percent of rentals; while 28 percent of owner-occupied homes have four or more bedrooms, only 8 percent of rental units were similarly sized, with only one in eight units of that size available for rent. Renter households were three times as likely to experience overcrowding. A third of rental units were detached single-family homes (up from 29 percent as of 2009), a consequence of the housing crisis and falling homeownership rates.

Housing Vacancy Rate by County



## Homeownership Trends

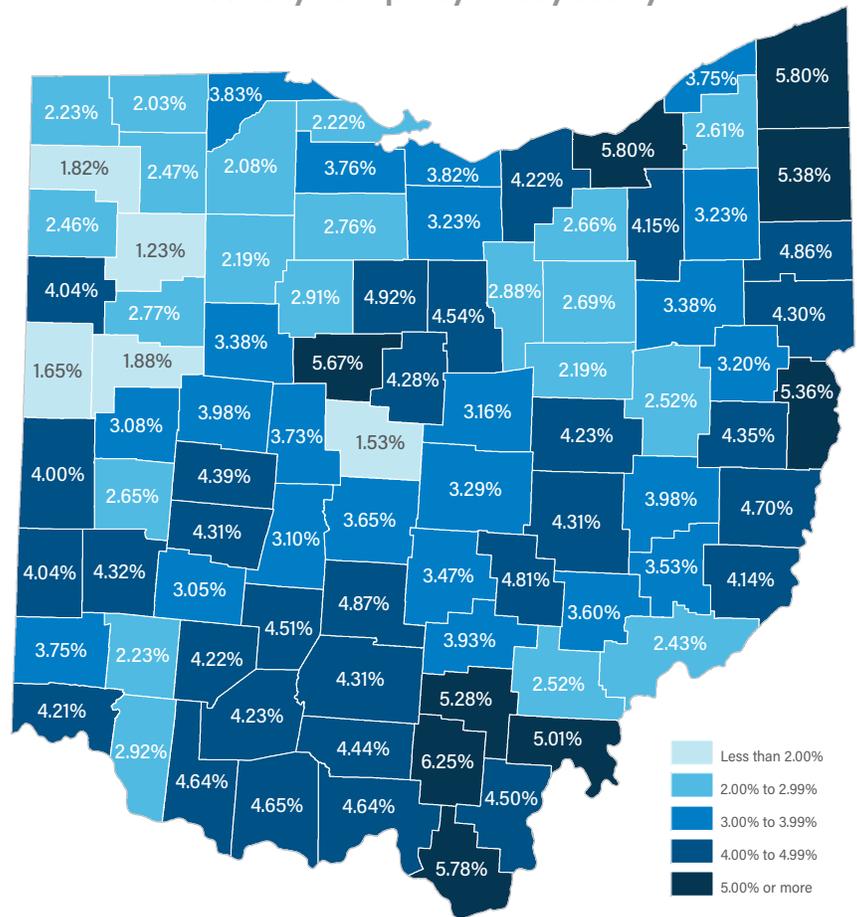
Over 187,000 single family homes were sold in Ohio in 2015, according to CoreLogic, up six percent from 2014. The median sale price for these houses was just less than \$110,000, again representing a modest increase; while this is approaching all-time highs, it is still well below prices in 2000 after accounting for inflation. At the county level, median prices ranged from \$46,000 in Morgan to \$264,000 in Delaware.

Ninety-day mortgage delinquency had fallen below four percent as of December 2015, representing the lowest level in over nine years and approximately half of its crisis-era peak (7.6 percent in 2010). Foreclosures have fallen even more steeply, from 3.7 percent in 2012 to 1.4 percent last December, the lowest rate since 2002. Similarly, real estate owned (REO) sales were down, below eight percent of total sales, and negative equity had been more than halved from 26 percent of mortgaged homes in late 2011 to 12 percent in late 2015.

## Homeowner Affordability

The median Ohio household with a mortgage pays \$1,274 for housing, including principal, interest, taxes, insurance, condominium fees (if applicable) and utilities (specifically electric, gas, sewer, and/or water). Across the state, housing costs range from \$850 in Noble County to \$1,960 in Delaware County. Nearly a quarter of homeowners spend more than 30 percent of their income on these expenses, making them housing cost-burdened. Overall, the median value of a single family home is 2.65 times median household income in Ohio, slightly above the 2.5 figure that is a recommended threshold for homebuyers (derived from Federal Housing Administration underwriting guidelines); this ranged from a low of 1.94 in Van Wert County to a high of 3.37 in Athens County.

90+ Day Delinquency Rate by County



Source: CoreLogic, Inc., Market Trends Report, December 2015

Another way of looking at homeowner costs is the National Association of Realtors' Housing Affordability Index (HAI), which computes the monthly cost of a conforming mortgage for a median-priced existing single-family home as a percentage of monthly median income. Nationally, the index came in at 163 in 2015, meaning that a median-income household makes 63 percent more than is required to afford a median-priced home. In Ohio's eight largest metropolitan areas, the HAI ranged from 245 (Columbus) to 367 (Youngstown). Readings were stable statewide between 2014 and 2015—except in the Toledo metro area, where the index fell by 14 percent.

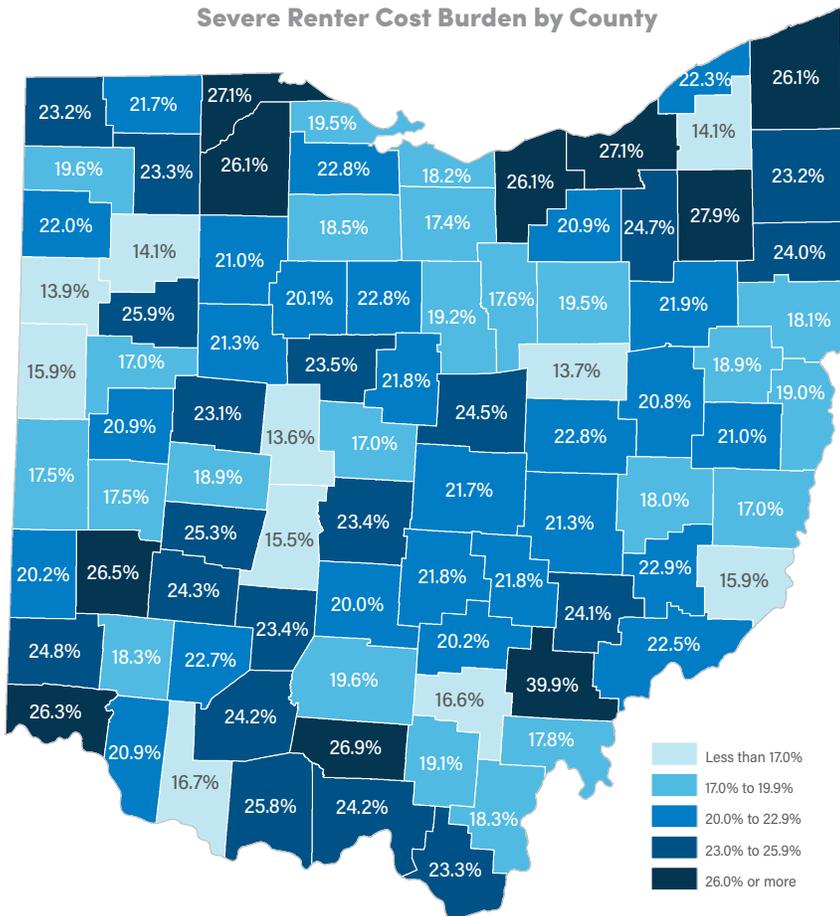
## Renter Affordability

The median renter household in Ohio pays \$729 in gross rent (i.e., including utilities), according to the 2010-2014 ACS. By county, the highest median gross rents were in Warren (\$936) and Delaware (\$921), while the lowest were in Monroe (\$521) and Morgan (\$537). The median household pays 29.9 percent of income toward rent and utilities, just below the 30 percent threshold used to quantify cost burden. Twenty-four percent of renters pay more than half of their income toward rent, constituting severe cost burden. When combined with renters not earning an income, over 400,000 Ohio households spend 50 percent or more of their income on rent. Last, in urban counties, low-income households must commit most of their wages to housing and transportation to live in all but the most distressed neighborhoods.

## Renter Subsidies

According to the National Housing Preservation Database, there were 223,842 rental units statewide receiving some form of federal project-based subsidy at last count. While the majority of these were situated in urban areas, every county except one (Monroe) has more than 100 such units. One-third of these units will require a subsidy renewal within the next five years to maintain affordability, including 34 percent of 93,201 active housing credit units and 39 percent of 83,332 units with an active Section 8 contract. More than 430,000 people live in HUD-subsidized units, or about one in eight statewide; their median household income is less than \$11,000, and over 20 percent of units include a person with disabilities. About 15 percent of units receive a federal project-based subsidy, with just over a third of housing credit units receiving a second subsidy.

Severe Renter Cost Burden by County



Source: 2010-2014 American Community Survey Five-Year Estimates

## Opportunity

Maps of opportunity and change indices developed by the Kirwan Institute for the Study of Race and Ethnicity at The Ohio State University highlight neighborhoods in Ohio's six most populous counties that have high levels of opportunity, as well as those that do not but are trending in that direction. The former group—typically composed of suburbs and wealthier inner-ring communities—are areas where development of new affordable housing would be desirable to improve job opportunities and quality of life for low-income Ohioans. The latter group of neighborhoods, marked on the maps as "watch areas," is where existing affordable housing should be preserved due to risk of future gentrification and displacement of low-income households.

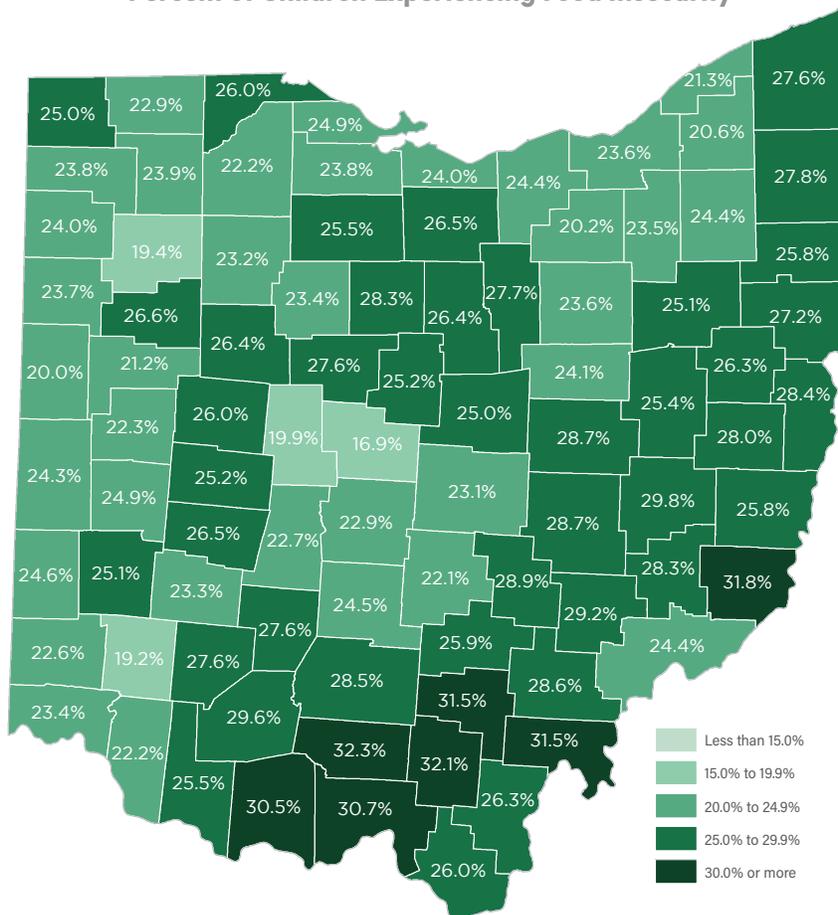
## Food Insecurity

Statewide, 17 percent of all residents and 24 percent of children are classified as being food insecure by the U.S. Department of Agriculture, figures that generally align with the poverty rates for corresponding populations. For the eight urban counties, another measure assessed the share of households that are not within walking distance (half a mile) of a grocery store and do not have a car. While this describes few if any individuals in suburban areas, many inner-city neighborhoods exceeded 20 percent; the Mount Vernon area of Columbus, however, reported a figure of 75 percent. Individuals living in these neighborhoods are at heightened risk for malnutrition and other health challenges.

## Racially/Ethnically Concentrated Areas of Poverty

On July 16, 2015, HUD published its Final Rule on Affirmatively Furthering Fair Housing (AFFH), designed to clarify the AFFH mandate included in the Fair Housing Act of 1968 and facilitate compliance among states and localities. A primary component of AFFH, as articulated in the Final Rule, is the elimination of Racially/Ethnically Concentrated Areas of Poverty (RCAP/ECAP). Ohio has 156 such areas spread across 15 counties. About 320,000 people live in these areas, or 2.8 percent of the state's population. This chapter contains maps of each county's RCAP/ECAPs, which include the location of OHFA properties funded since 2000 for reference.

Percent of Children Experiencing Food Insecurity



Source: Feeding America Map the Meal Gap 2016

## Strategic Priorities

The following strategic priorities provide a framework for OHFA's ongoing performance management efforts in Fiscal Years 2015-2017. Goals and activities for FY 2017 do not appear in order of importance and establish an approach for achieving near-term outcomes.

### Priority 1

#### **Sustain and Advance OHFA Through its Core Programs**

The continued success of the First-Time Homebuyer and Housing Tax Credit programs will increase affordable housing opportunities in Ohio and sustain the Agency financially. Placing OHFA's core programs at the forefront of the Agency's long-term strategy reaffirms the purpose for which the Agency was created: financing housing opportunities for low- and moderate-income households.

### Priority 2

#### **Demonstrate Impactful and Measurable Results**

The growing complexity of housing needs in Ohio requires strategies that focus on evidence-based housing solutions and evaluation of outcomes. OHFA will thoroughly evaluate and consider the costs and benefits before undertaking any new initiatives. OHFA's housing investments must provide measurable benefit by leveraging expertise and capital for maximum impact. Effective investments will drive economic growth while also providing housing opportunity for low- and moderate-income individuals and communities.

### Priority 3

#### **Concentrate Efforts on the Highest Priority Housing Needs**

OHFA is accountable for identifying and addressing the housing needs of Ohioans. The Agency will offer cost-effective products and services to address housing needs that market forces alone cannot or will not resolve. Consistent with its mission, OHFA will create and preserve affordable rental housing for low- and moderate-income households, assist people with special needs, improve neighborhoods and communities, support homeownership and generate positive economic impact.

### Priority 4

#### **Act as an Entrepreneur in Advancing OHFA's Mission**

An entrepreneur embodies the following traits typically found in the private sector: manageable risk-taking, operational efficiency, organizational flexibility, resource leveraging and creation, partnership building, innovation and an emphasis on performance. OHFA will incorporate the characteristics of an entrepreneur into strategies and actions that address the affordable housing needs of the state while consistently providing a high level of customer service and delivering requested business results.

### Priority 5

#### **Strengthen OHFA's Workforce Culture**

People are an organization's most important asset. An organization's people define its character, affect its capacity to perform and represent the knowledge base of the organization. Accordingly, OHFA cultivates a supportive and respectful organizational culture where engaged employees embrace their responsibility to the public and each other and are recognized and rewarded for their talent, performance and capabilities. By strengthening OHFA's culture, OHFA employees will thrive and stakeholders will receive distinguished and cost-effective services.

# Sustain and Advance OHFA Through its Core Programs

## **Initiative 1.1** **Grow the First-Time Homebuyer program.**

Through enhanced engagement with lenders and real estate professionals, outreach to partners and the provision of attractive and sustainable loan products, the Agency will expand access to responsible homeownership opportunities for first-time low- and moderate-income homebuyers.

## **Initiative 1.2** **Provide resources that promote sustainable homeownership and strengthen Ohio's recovering economy.**

OHFA will continue to provide information and resources to homeowners struggling to meet their mortgage payments through the Save the Dream Ohio program. The Agency will also explore new initiatives to facilitate ongoing provision of support for assistance for homeowners and local nonprofits.

## **Initiative 1.3** **Ensure that multifamily housing development programs are continually self-sustaining, target resources to those in need and strengthen the quality of housing developments.**

OHFA will engage in planning and evaluation to ensure the sustainability of the Housing Tax Credit and ancillary programs, including policies used to target resources and the collection of fees that support the Agency's ability to fulfill the objectives of the programs. The Agency will work with owners to maintain safe, quality housing through ongoing project monitoring and asset management.

## **Initiative 1.4** **Strengthen the use of asset management assessment tools to identify challenged assets by enhancing measurable approaches to determine the physical and financial health of multifamily properties and update asset management policies.**

OHFA's Office of Program Compliance (PC) will improve measures that allow for the early identification of challenged assets using asset management assessment tools, training, reporting and maintenance of a watch list for underperforming projects. PC will continue to develop asset management policies for the Multifamily Lending Program, financial monitoring of HOME-assisted units, and continue to improve coordination with the Office of Planning, Preservation and Development to ensure compliance with program guidelines.

## Demonstrate Impactful and Measurable Results

### **Initiative 2.1**

#### **Engage program offices to enhance OHFA's workflow processes.**

OHFA support offices will work with program offices and LeanOhio to improve program processes. As an incremental step toward connecting data and other information across the Agency's programs and operations, OHFA will complete an internal data inventory. This process will involve identifying, locating and assessing the current management of data and developing standards for ongoing management. OHFA will encourage staff to continually evaluate existing programs and all processes in the agency to improve customer service and maximize results.

### **Initiative 2.2**

#### **Identify a solution to integrate information for enhanced program evaluation and reporting.**

The Agency will identify an overarching solution to generate enhanced analytics for OHFA's programs and activities to inform program improvement.

### **Initiative 2.3**

#### **Convey the impact of OHFA programs through reports and other communications.**

OHFA will more compellingly communicate the impact of its investments while facilitating increased understanding of the Agency's mission and activities among key stakeholders.

## Concentrate Efforts on the Highest Priority Housing Needs

OHFA's ability to achieve its goal of concentrating efforts on the highest priority housing needs will require the strategic allocation of resources. The purpose of these initiatives is to identify those needs and other areas for consideration by OHFA in its work of financing affordable housing for low- and moderate-income households. These initiatives are the result of data analysis and trends from the Housing Needs Assessment with input from valued stakeholders and partners. Guidance specific to OHFA's single-family and multifamily programs will ensure that these initiatives are pursued to the maximum extent possible. OHFA will also consider the cost effectiveness of its efforts in order to maximize the impact of available resources.

### **Initiative 3.1**

**Create and support housing opportunity and a range of housing choices for both homeowners and renters in markets throughout the state; also, develop policies and regulations that expand the range of housing choices for low- and moderate-income persons and further compliance with the Fair Housing Act.**

Findings from the Housing Needs Assessment underscore the importance of affirmatively furthering fair housing (AFFH), particularly in the wake of the new HUD AFFH rule and the Supreme Court decision in *Texas Department of Housing and Community Affairs v. The Inclusive Communities Project, Inc.* (2015), by promoting access to housing choice and opportunity. Of all occupied housing units statewide, 67 percent were owner-occupied in 2015, according to the U.S. Census Bureau. Additionally, nearly 6.5 million individuals statewide were classified as low- and moderate-income as of 2010, with a majority of renters in 32 counties reporting cost burden and nearly one-quarter of all homeowners falling into the same category. Housing costs throughout much of the state have been increasing; areas where houses and apartments were relatively inexpensive were often located in areas of low opportunity, where school ratings are lower and employment opportunities are more distant.

## Concentrate Efforts on the Highest Priority Housing Needs

### Initiative 3.2

**Promote housing for populations with special and underserved needs including older adults, extremely low-income and very low-income households, persons with disabilities, veterans and persons experiencing homelessness.**

Demographic and economic trends captured in the Housing Needs Assessment point to an increasing need to serve households with lower incomes and special needs. Older adults represented an increasing share of the population and more than one in eight Ohioans reported living with a disability. The prevalence of housing cost burden was extremely high among households earning less than 50 percent of area median income, with 73 percent of such households considered cost-burdened. Populations with special and underserved needs, especially those receiving Supplemental Security Income (SSI) and those relying on subsidies to maintain stable housing, were also at risk. Overall, according to the U.S. Census Bureau, 16 percent of Ohioans—including 23 percent of Ohio children—were living in poverty in 2014. While the highest concentrations of poverty were largely located in south central Ohio, rates in mid-size urban counties were high in all corners of the state. OHFA will continue to foster partnerships with other state agencies, including but not limited to the Ohio Departments of Medicaid, Developmental Disabilities, Rehabilitation and Corrections and Mental Health and Addiction Services in order to leverage resources and provide affordable housing resources for individuals served by those agencies.

### Initiative 3.3

**Improve neighborhoods through community and economic development by displaying coordinated strategies that seek to target resources and generate a positive impact on state and local economies; also, promote community development or redevelopment in areas of disinvestment to mitigate adverse impacts to residents.**

The Housing Needs Assessment compiled county- and neighborhood-level conditions of Ohio's housing markets, factors that shape the availability of housing that is affordable to low- and moderate-income households. Differing conditions were observed throughout the state, as were the strategies to creating desirable local outcomes. According to American Community Survey Five-Year estimates, the median Ohio household earned \$48,849 per year as of 2014, though this figure was lower in many rural parts of the state. Rates of unemployment in 2015 ranged from 3.2 percent in Mercer County to 9.5 percent in Monroe County. Since 2010, 176,000 more Ohioans were employed, but inflation-adjusted annual earnings have increased less than \$100 in that time. Not only can affordable housing mitigate cost burden, but can also itself be an engine of economic activity; one year's worth of competitive housing credits funds projects that contribute over 5,000 jobs to the state and over \$750 million in economic output.

### **Initiative 3.4**

#### **Preserve affordable housing stock that is at risk of no longer being affordable.**

Many households struggle to afford housing in Ohio, a challenge that could be much harder without tenant- and project-based subsidies and other forms of federal and state assistance. Nearly half of renter-occupied households were cost-burdened as of 2014, spending more than 30 percent of income on rent and utilities, and over 400,000 renter households spent greater than half of their monthly income on housing costs.

Existing affordable housing plays an integral role in meeting the needs of low-income renters who are more vulnerable to economic hardships; more than a third of project-based subsidized units across HUD, U.S. Department of Agriculture (USDA) Rural Development, and the Housing Tax Credit program are at risk of seeing some assistance expire within the next five years. OHFA will continue to encourage and promote the preservation of existing affordable housing through increased utilization of the 4% non-competitive housing credit program.

### **Initiative 3.5**

#### **Advance livability standards by incorporating sustainable building and design practices that conserve energy to promote a healthy environment for residents; also, foster design and construction techniques that are adaptable for people of all abilities.**

Demographic trends presented in the Housing Needs Assessment affirm the need to create and preserve affordable housing that promotes resident health and quality of life. Older adults represent an increasing share of Ohio's population — a trend that will only accelerate as the Baby Boomer generation continues to reach retirement age.

Enterprise Community Partners found that projects adhering to its Green Communities Criteria save tenants over \$4,600 over the life of the project in utility bills, exceeding the initial construction cost of incorporating these standards in affordable housing. In addition, a study published by the Ohio Developmental Disabilities Council and conducted by researchers from The Ohio State University found that visitability features that allow those with ambulatory challenges to function and age in place add less than one percent to the cost of developing new affordable housing. Further, survey results suggest that visitable properties were viewed more favorably by residents of all ages and real estate professionals alike.

## OHFA Programs Addressing Highest Priority Housing Needs

Programs	Initiative 3.1	Initiative 3.2
Community Housing Development Organization Program Grant	✓	✓
First-Time Homebuyer	✓	✓
Home for Good	✓	✓
Homebuyer Education	✓	
Housing Development Assistance Program	✓	✓
Housing Development Loans	✓	✓
Housing Investment Fund	✓	✓
Housing Credits	✓	✓
Mortgage Tax Credits	✓	
Multifamily Bonds	✓	✓
Multifamily Lending Program	✓	✓
National Housing Trust Fund	✓	✓
Neighborhood Initiative Program	✓	
Ohio Department of Medicaid Subsidy Demonstration	✓	✓
Ohio 811 Project Rental Assistance	✓	✓
Save the Dream Ohio	✓	

Initiative 3.3	Initiative 3.4	Initiative 3.5
✓	✓	✓
✓		
✓		✓
✓		
✓	✓	✓
✓	✓	✓
✓	✓	✓
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	✓	
		✓
✓		

# Act as an Entrepreneur in Advancing OHFA's Mission

## **Initiative 4.1**

**Continue implementation of new programs and consider new strategies that are fiscally responsible, quantifiable and mission conscious.**

OHFA will focus efforts to complete the implementation phase of new programs started in the previous fiscal year. In addition, as staff time and capacity permit, OHFA will explore new cost-effective programs and initiatives that drive its mission and create a quantifiable impact in mitigating housing needs. Programs that are or will likely be in the implementation phase during FY 2017 are Round 5 of federal Hardest Hit Funds, the Multifamily Lending Program, the Ohio 811 Project Rental Assistance Program, the National Housing Trust Fund and the Ohio Department of Medicaid Subsidy Demonstration Program.

## **Initiative 4.3**

**Develop and implement training and technical assistance strategies to strengthen industry partnerships with the Office of Program Compliance.**

OHFA will closely engage our industry partners on compliance expectations and requirements through the use of training and technical assistance.

## **Initiative 4.2**

**Strengthen existing and create new relationships with external partners.**

Building new and strengthening existing relationships will help improve program design and provide opportunities to leverage additional resources. In order to maintain a focus on partnerships, specific strategic relationship goals will be established for each program office.

## **Initiative 4.4**

**Stabilize residential neighborhoods and improve local property conditions throughout Ohio via the Neighborhood Initiative Program.**

OHFA will work with local governments and community partners to prevent foreclosure, remediate blight, spur greening and development and promote stable homeownership investment in neighborhoods affected by blighted and vacant homes.

## Strengthen OHFA's Workforce Culture

### **Initiative 5.1**

**Offer a rewarding work environment that inspires and engages employees in achieving the mission.**

OHFA will provide training and tools to managers and supervisors that emphasize concepts leading to employee engagement; recognize employees for their talent, performance and capabilities; and connect each employee to his or her role in supporting the Agency's mission.

### **Initiative 5.3**

**Optimize work performance to deliver a high level of customer service and requested business results.**

OHFA will continue to provide managers with tools to set goals that are aligned with the Agency's mission and to support individual employee development.

### **Initiative 5.2**

**Maximize employee potential through development and training.**

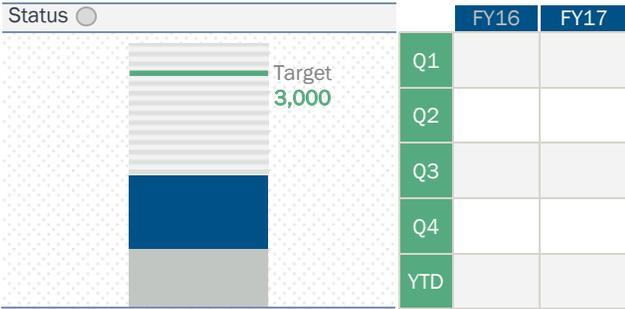
OHFA recognizes the importance of creating opportunities and building new capabilities to help employees excel and will provide training and development alternatives tailored to the needs of staff.

### **Initiative 5.4**

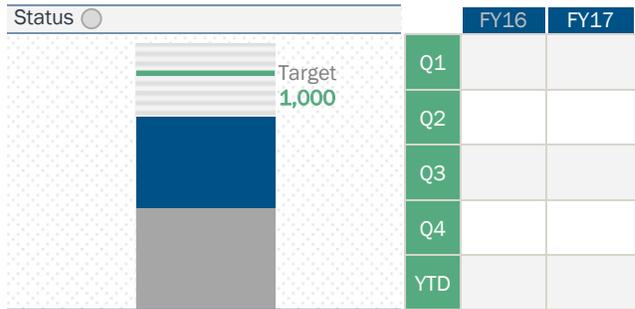
**Continue to build channels for the exchange of feedback and knowledge.**

OHFA will create avenues for staff to celebrate achievements, voice concerns and learn about Agency programs and activities.

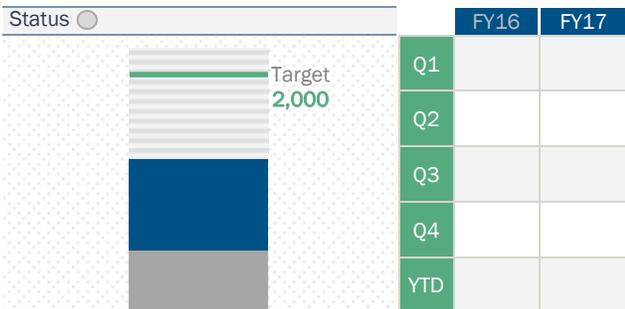
### First-Time Homebuyer loans approved



### Mortgage Tax Credits approved

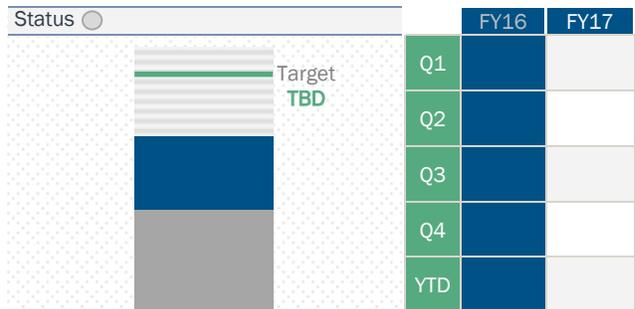


### Blighted houses demolished

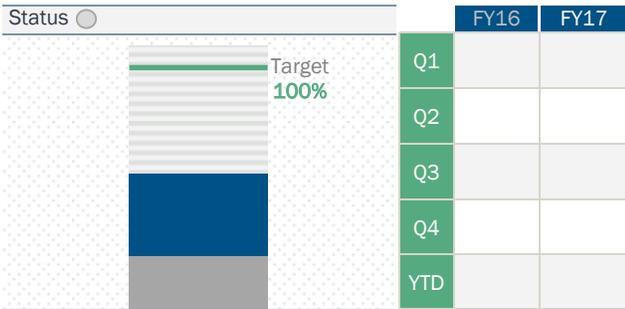


Note: Current target is based on existing funding, not any future awards.

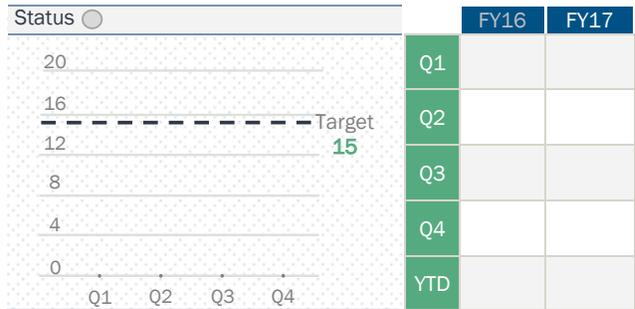
### Homeowners in foreclosure assisted



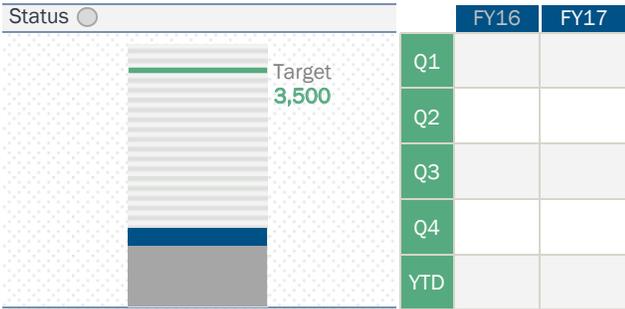
### Required property inspections completed



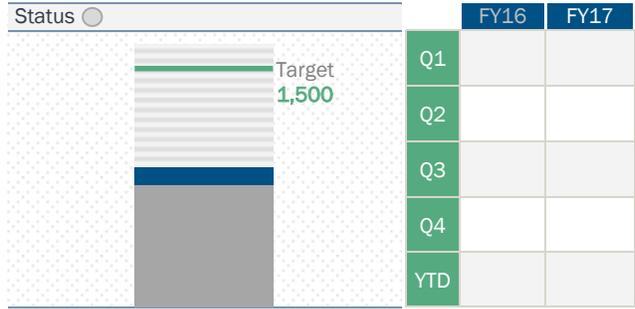
### Avg. workdays to issue compliance report



### Multifamily units funded



### Multifamily units preserved



Legend ● On Target ● At-Risk ● Warning





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